

THE DISTRICT OF COCHRANE SOCIAL SERVICES ADMINISTRATION BOARD

AN ANALYSIS OF:

THE PROVINCIAL OBJECTIVES DRIVING ITS FORMATION

AND

THE ORGANIZATION'S CAPACITY TO MEET THESE OBJECTIVES

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INTRODUCTION

Promises in current Conservative government's Common Sense Revolution included, more efficient, responsive government, the reform of welfare, a reduction in the size of the government and improved service. The current provincial government in Ontario has dramatically changed the responsibilities and financial obligations of local government in Ontario. They began the process with the 1996 "Who Does What" exercise in disentanglement of provincial and municipal functions. The Crombie panel made many recommendations to the government about service delivery, cost sharing and governance. The government chose to accept only some of these recommendations. The final outcome of this disentanglement has been a downloading of service management and delivery, to municipal governments, of public health, land ambulance, social housing, childcare and most social assistance programs. The only social assistance program the provincial government continues to deliver is the Ontario Disability Support Program. As well as managing and delivering these programs, municipal governments are now obligated to pay for all or part of their social services from their local property tax base. The current government has changed the rules. They have introduced significant legislative, regulatory and administrative changes since their election.

In keeping their election promise, the present government has initiated dramatic reforms to local government and specifically, to the welfare system. Initially, there was a 21 percent reduction in benefits and more stringent regulations on eligibility. Then came the introduction of social assistance legislation to support the introduction of

Ontario Works, eliminate the former Family Benefits Act and create the new, Ontario Disability Support Act. The new legislation was combined into The Social Assistance Reform Act, 1998. This would allow the transfer of formerly provincially administered, sole support parents to the municipally administered Ontario Works program and help to achieve the reduction in the size of government promise. Harris could divest the provincial administration of the Ontario Public Servants now serving sole support parents. Ontario Works Regulations would mandate, with few exceptions, participation in the new "work for welfare program." Increased fraud initiatives were also introduced. Welfare reform will culminate with the completion of The Business Transformation Project and the introduction of the new Service Delivery Model for social assistance in 2000-2001.

The decision to download services to municipalities has created many concerns for the government. Cost sharing of social services was a hotly contested issued between the province and the municipalities. The province had promised that the downloading of services would be "revenue neutral." The Crombie panel¹ had recommended that the province assume full responsibility for social assistance funding. But, it is speculated, in the end, the province's desire to control education that made this recommendation untenable. In order to gain control of education, the province would have to fund education. Originally, it was proposed, the province totally fund education and the municipalities be responsible for one half of the costs of social assistance. Because of an outcry from municipalities and the Association of Municipalities of Ontario and the

¹ Ontario, "WDW Panel Recommendations, David Crombie Chair, Who Does What Advisory Panel to Honourable Al Leach, Minister of Municipal Affairs and Housing, December 6, 1996.

funding was reworked. Eventually, the province would fund one half of education; the other half would remain on the local tax base. Ultimately, municipalities would have to pay for 20 percent of social assistance allowances and benefits and one half of social assistance administration costs. Notwithstanding these concerns around funding and revenue neutrality in the transfer of services, was the important issue of who would manage and deliver the devolved services. This paper will focus on the peculiar organizational differences in managing and delivering the devolved services while trying to achieve the provincial government's goal in Northern Ontario, particularly in the District of Cochrane.

Were there organizations with the capacity to effectively deliver these complex, newly devolved services? Would the downloading further the provincial goals of not only more efficient and effective government, but also less government. How many fewer public servants would be required to deliver services, particularly social assistance? With how many local governments and agencies would the provincial administration have to interact? These are some of the questions. Nobody really knew the answers or how complicated the solutions would be. There were more than two hundred and fifty municipalities, regions or special purpose bodies delivering welfare alone, more than eighty in the North. There were hundreds of childcare service providers with whom the province contracted. If you were to add social housing, land ambulance and public health providers, the number of local governments or agencies with whom the province would have to contract delivery would be staggering. The administrative workforce that the province would have to employ would be more likely increase, rather than the

desired and promised decrease. How was the government going to meet its promise of reduction, while providing more efficient, effective, customer-centred government? They decided on alternative service delivery. The municipal sector would manage and deliver many of the former provincial programs. The province would draw on several theories to solve their problem. They would embrace consolidation, indicating the traditional consolidationist reasoning of efficiency and equity, but their underlying reasoning would be based on new public management theorem.

New public management is theoretically driven by successful business practices.² New public management theorists believe in the advantages of a larger organization's professional management capability.³ These theorists extol that only by utilizing technical and technological expertise, Total Quality Management, employee empowerment, teamwork and normative management techniques can effective functional capacity be developed in organizations.⁴ The province required organizations with the capacity to be effective in the delivery of a wide variety of downloaded services. The Harris government would employ new public management theory in justifying its divestiture of responsibilities. New public management theorists believe that alternative service delivery is the most efficient and effective way to deliver public services.⁵ The Conservatives embraced this alternative service delivery. Based on these theories, a decision was made that approximately 50 Consolidated Municipal

² Osborne and Gaebler, Reinventing Government, Reading, Mass., Addison-Wesley, 1992, p. 2

³ Robert Denhart, The Pursuit of Significance: Strategies for Managerial Success in Public Organizations, Belmont, Cal.: Wadsworth, 1993, p. 1.

⁴ *Ibid.*, pp. 1-5.

⁵ F. Leslie Seidle, Rethinking the Delivery of Public Services to Citizens, The Institute for Research on Public Policy (IRPP), 1995, Montreal), pp. 83-85.

Service Managers, about 10 in the North,⁶ would be appropriate for social service management and delivery. The province believed this would enable the achievement of the objective of downloading services while at the same time reducing their public service.

The problems encountered by the government regarding management and delivery of services have been different in Southern and Northern Ontario. In the South, all territory falls under some form of local government, be that municipalities, counties or regions. Reducing government became, according to consolidationist theory, the reduction of multiple levels of government, into a single entity, assumed to achieve efficiencies and economies of scale.⁷ The remaining regional government entities and the newly formed single tier governments would become the Consolidated Municipal Service Managers, enabling accomplishment of the desired, alternate service delivery of downloaded services, while reducing the number of government structures and administrations. In fact, in hindsight, it appears that the government felt that there were too many local government structures in the South. They embarked on a campaign, contrary to their right wing ideology and introduced legislation to force amalgamations.⁸ Amalgamations were touted by Leach, the Minister of Municipal

⁶ Ontario, "Consolidation of Municipal Services Management, Consolidation Planning Framework: Northern Ontario," Provincial-Municipal Services Realignment, Social and Community Health Services Implementation Project, January, 1998, p. 4.

⁷ Andrew Sancton, Merger Mania, the assault on local government (Westmount: Price-Patterson, 2000), p. 14.

⁸ Ontario, Statutes, Bill 148, The City of Toronto Act, 1997; Bill 9, Taxpayers Savings Municipal Amendment Act (Ottawa-Carleton Region), 1998; Bill 32, Greater Hamilton Area Municipal Restructuring Act, 1998

Affairs as being able to produce efficiencies.⁹ This contradicted both right wing ideology and former statements by Harris, that bigger is not necessarily better, and that services cost more, rather than less, in bigger communities.¹⁰ It has been suggested that this amalgamation policy came into being when Conservative polls indicated that the government's "ace-in-the hole" was the public's concern over the number of local politicians.¹¹ This strategy reflected the government's promise to reduce government.

There was a problem with this approach in the North. The North does not have regional government upon whom the government could download management and delivery of services. The North consists of a vast geographical area with incorporated cities, towns, townships and unincorporated territories with no municipal governance. Amalgamation of existing local municipal government, as had taken place in Southern Ontario, would also be impossible because of the geographical considerations. Due to the lack of municipal governance in the unincorporated areas of the North, the provincial offices of the Ministry of Community and Social Services delivered general welfare assistance to these unorganized areas. This was not too problematic when the legislation mandated only financial assistance to those in need, but became problematic once the decision had been made to devolve many services. The Social Assistance Reform Act and the new Ontario Works Legislation obligated delivery agents to provide employed related services, including community placements, employment support services and employment placement services to all clients who had mandatory

⁹ Ontario, Ministry of Municipal Affairs and Housing, "A Guide to Municipal Restructuring", (Toronto, The Ministry, 1996), Minister's Note as cited in Jerry Richmond, "The Municipal Restructuring Process in Ontario", Background 14, February 1998, updated July 1999, p. 3.

¹⁰ John Barber, "Harris' words come back to bite him," The Globe and Mail, February 19, 1997.

obligations under the Ontario Works Act. Once the decision to devolve services had been made, a pressing dilemma became evident. Who would deliver Ontario Works, childcare, social housing, land ambulance and public health in the North, including unincorporated territories? Presently, it was a mixture of municipal governments, special purpose bodies and the provincial government who delivered these services in the North. The option of contracting out of these services to the existing delivery agents in the district would not achieve their envisioned integrated service delivery. They would be dealing with hundreds of agencies instead of the desired ten. There are ten Districts in Northern Ontario. The government would require one organization in each District to deliver this wide array of services. In order to achieve their desire number of consolidated municipal service managers in the North, the provincial government would use new public management theories.

The introduction of legislation to enable the formation of Area Service Boards or District Social Service Administration Boards in Northern Ontario contradicted Harris' consolidationist approach to municipal governance in the rest of Ontario. He was adopting a regionalist approach for the management and delivery of these municipal government functions. He was creating new special purpose bodies and new larger administrations. This was totally contrary to the movement away from regional governance in Southern Ontario. However, this appeared the only way to solve the peculiar problems that emerged in Northern Ontario from the changes occurring in the Province.

¹¹ G. P. Murray Research Limited, "At the Cutting Edge: Tidying Up?" Inside Queen's Park, Vol. 12, No. 22, December 15, 1999, reprinted with permission in AMCTO Express, December 21, 1999, p. 1.

In the North, the provincial reasoning behind this contrary approach was the requirement to create organizations that were bigger and had more service management and delivery capabilities. These organizations, according to the new public management theory, would be able to deliver the downloaded services. There was a disconnect between what the government was saying and what it was proposing to do in the North. As early as 1996, in a Guide to Municipal Restructuring, Al Leach indicated the province's intent to honour taxpayer's desires for a smaller, more efficient public sector and fewer levels of government."¹² He was promising efficiency; even though there is no empirical evidence that having larger municipal governments save money.¹³ To the contrary, even according to Harris, they cost more.¹⁴

In this paper, one objective is to discover the most important reasons, both short and long-term surrounding the government's decision to create District Social Service Administration Boards (DSSABs). The paper will be a case study of the formation of the District of Cochrane Social Services Administration Board (CDSSAB). It will contain an analysis of why the government felt it was necessary to override local objections to the formation of the board. Once the reasoning has been established, a second objective will be to examine, during the first year of existence, whether the CDSSAB has met the short-

¹² Ontario, Ministry of Municipal Affairs and Housing, "A Guide to Municipal Restructuring," 1996, Richmond, Jerry, Research Officer, Backgrounder 14 (Revised), "The Municipal Restructuring Process in Ontario," February 1998, updated July 1999, Ontario Legislative Library, Legislative Research Service, available at <http://www.ontla.on.ca/library/B14tx.htm>, accessed July 19, 2000.

¹³ Andrew Sancton, *Merger Mania, the assault on local government* (Westmount: Price-Patterson, 2000), p. 67 and Andrew Sancton, "Reducing costs by consolidating municipalities: New Brunswick, Nova Scotia and Ontario" in *Canadian Public Administration*, Volume 39, no. 3 (Fall) p. 268.

¹⁴ John Barber, "Harris' words come back to bite him," *The Globe and Mail*, February 19, 1997.

term objectives of the province. It will also discuss whether the CDSSAB has the organizational capacity to achieve the province's long-term objectives.

Harris, in the Common Sense Revolution had promised efficient, effective, less government that would be more responsive and more business-like. Less government could mean several things. To the Harris government, it meant amalgamations in the South, in the North, it meant divesting some current responsibilities with new public management theories on alternate methods of service delivery and reducing the size of the troublesome, expensive public service. Harris was committed to reducing the number of local government administrations, with which the provincial administration must interact, furthering his goal of reducing the public service bureaucracy. Harris also had a commitment to welfare reform. The planned welfare reform also impacted decision-making, requiring larger scale, and technologically proficient organizations to enable delivery.

The Alternative Service Delivery initiative of the present government embraces both new public management and organizational management and behavior theories.¹⁵ These theories indicate that the most efficient and effective organizations are those who are professionally managed, functionally expert, technologically advanced and have empowered, customer-service oriented staff.

¹⁵ Ray McLellan, "Alternative Service Delivery in Ontario: The New Public Management", Ontario Legislative Library, January 1997 accessed at <http://www.ontla.on.ca/library/fnote11.htm>, p. 1.

The government would, in the North, utilize new public management theories in order to accomplish their goals, to devolve provincial government services to municipal management and delivery and thereby reduce the size of their public service.

The author cannot purport to determine whether the consolidation has been successful in meeting all goals, both of the province and the municipalities concerned. That is far beyond the scope of the paper. These issues are of considerable interest to the researcher, the province and the municipalities. The length of the paper does not allow for a full evaluation of all-important issues surrounding formation of the CDSSAB. For that reason, the following important questions, which the researcher found exceedingly difficult to ignore, will not be addressed in detail in this paper:

- Has efficiency and cost containment, as desired by both the province and the municipalities been attained?
- Has weighted assessment apportionment created allocative inefficiencies (are some municipalities now paying for services they either do not receive or do not want)?
- Has equity in both services and apportionment of costs been created for municipalities?
- Has the promised Local Services Realignment funding maintained the revenue neutrality promised, for the region, for each municipality?

LITERATURE REVIEW

It is the author's contention that the main reasons behind the formation of the District of Cochrane Social Services Administration Board (CDSSAB) were based, in the long-term,

on consolidationist claims of efficiency and the achievement of economies of scale. The short-term objectives however, were organizational effectiveness and capacity, based on new public management theorem of organizational effectiveness and capacity for alternate delivery of public services. This literature review will examine consolidationist and new public management theorem to determine the province's main objectives in the creation of District Social Service Administration Boards in the North.

In order to achieve the devolution of services, an organization was required which would have the ability to deliver the vast array of downloaded services. During a personal interview with Germain Lacoursiere, Regional Director, Ministry of Community and Social Services, the initial importance, to the government, of a strong organization with capacity to deliver the five major devolved services and maintain good customer service was stressed.¹⁶ The province needed a sophisticated organization, with expertise in management, functional service areas and technology to deliver integrated community and social services. Many northern communities, including the District of Cochrane, did not have these structures in place. Achievement of the long-term goal of efficiency was expected with the future reduction of boards and related administrations.¹⁷ Another provincial commitment, welfare reform, produced the Business Transformation Project. The implementation, scheduled for 2000-2001, of the new Service Delivery Model for social assistance, necessitated a technologically proficient, customer service focused organization.

¹⁶ Personal interview conducted July 10, 2000. Interview questions attached as Appendix A.

¹⁷ Ibid.

The debate rages on in regard to the "correct" or most efficient and effective form of governance and the most efficient area and organization to deliver municipal services. Differing points of view are abundant in the literature. Why would the Harris conservatives, with their right wing ideology, propose a consolidationist solution for the delivery of services in Southern Ontario and a regional consolidation solution in the North? Why would he, after having publicly admitted that no cost savings were apparent from consolidations, continue down this path? None of the empirical literature points to savings created by consolidations.¹⁸ John Barber quotes Mike Harris, true to his right wing ideology, "I disagree with restructuring because it believes that bigger is better. Services always cost more in larger communities. The issue is to find out how to distribute services fairly and equally without duplicating services."¹⁹

Less government does not necessarily mean fewer and bigger governments. Nonetheless, the desire to reduce the number of local governments and politicians, along with a desire to take over the education system are indicated in literature as part of the reasoning behind the consolidations. In a *Guide to Municipal Restructuring (1996)*, Al Leach, the then Minister of Municipal Affairs states "...Taxpayers want a smaller more efficient public sector, and fewer levels of government."²⁰ The priority was "downsizing public government."²¹ Graham Todd, a political economist, also describes

¹⁸ Andrew Sancton, *Merger Mania, the assault on local government* (Westmount: Price-Patterson, 2000), p. 67 and Andrew Sancton, "Reducing costs by consolidating municipalities: New Brunswick, Nova Scotia and Ontario" in *Canadian Public Administration*, Volume 39, no. 3 (Fall) p. 268.

¹⁹ John Barber, "Harris' words come back to bite him," *The Globe and Mail*, February 19, 1997.

²⁰ Ontario, Ministry of Municipal Affairs and Housing, "A Guide to Municipal Restructuring", (Toronto, The Ministry, 1996), Minister's Note as cited in Jerry Richmond, "The Municipal Restructuring Process in Ontario", Backgrounder 14, February 1998, updated July 1999, p. 3.

²¹ Jerry Richmond, "The Municipal Restructuring Process in Ontario", Backgrounder 14, February 1998, updated July 1999, p. 3.

the changes as based on the priority of “downsizing public government.”²²

Downloading of services to the municipalities would also cull as members of the troublesome, powerful Ontario Public Sector Union, while stripping them of successor rights with the introducing of Bill 136, The Public Sector Transition Stability Act, 1997. Reducing the number of school boards would gain control of education. Forcing consolidations and amalgamations would eliminate some of the province’s most vocal detractors, local politicians.²³ The Fewer Municipal Politicians Act was now on the political agenda.

Many of these consolidation decisions seemed to fly in the face of right wing ideology. Although previously acknowledged by Harris that amalgamations do not save money, but in fact, cost more, the plans for voluntary restructuring, Bill 26, The Savings and Restructuring Act, of January 1996 were touted by Leach as a way of reducing the cost of local government.²⁴

Taking over education was another important reason for decision making. Education was a prime candidate for provincial control. The province wanted to control what it believed was a failing, overly expensive education system. There were five executive council members who had been personally involved in the education system in Ontario²⁵ and wanted dearly to control and reform the system.²⁶

²² Graham Todd, “Megacity: Globalization and Governance in Toronto,” *Studies in Political Economy*, Summer 1998, p. 1 Internet site at http://www.youku.ca/faculty/academic/gtodd/Peppers/new_toronto.html accessed on May 19, 1999.

²³ G. P. Murray Research Limited, “At the Cutting Edge: Tidying Up?” *Inside Queen’s Park*, Vol. 12, No. 22, December 15, 1999, reprinted with permission in *AMCTO Express*, December 21, 1999, p. 1.

²⁴ Ontario, Ministry of Municipal Affairs and Housing, “A Guide to Municipal Restructuring”, (Toronto, The Ministry, 1996), Minister’s Note as cited in Jerry Richmond, “The Municipal Restructuring Process in Ontario”, *Backgrounder* 14, February 1998, updated July 1999, p. 3.

²⁵ John Ibbitson, *Promised Land: Inside the Mike Harris Revolution*, Toronto, Prentice-Hall, 1997, p. 222.

Consolidationist literature expounding the benefits of “economies of scale” also exhorts the possibility of the provision of professional management. The amalgamation mind-set proposes the advantages of larger organization having more ability to specialize and more qualified staff to enable the provision of professional management.

Consolidationists hold the view that an organization must be of considerable size and covering a territory containing a sufficient number of people in order to benefit from the aforementioned economies of scale.²⁷

The funding of education and social assistance also helped determine decision-making. Crombie, in the October 1996 “Who Does What” Report recommends that the provision of income redistributive program should be fully funded by the government most able to access the broad income tax base to redistribute income to those in need.²⁸ This is a universally held belief, as the local base, which is property based, cannot afford, especially during bad economic times, to fulfill the commitment of income redistribution. The provincial government, however, did not accept that recommendation,²⁹ and originally suggested that local tax base absorb one half of the cost of social assistance, in exchange for education costs. When all advice was to remove social assistance costs from the local tax base, it was the desire to have complete control over education that left eventually, 20 percent of allowance and benefit costs and

²⁶ For a more full discussion of this issue see John Ibbitson, Promised Land: Inside the Mike Harris Revolution, Toronto, Prentice-Hall, 1997, pp. 221-232.

²⁷ For a more detailed commentary on consolidationist position see: Andrew Sancton, Merger Mania, the assault on local government (Westmount: Price-Patterson, 2000), p. 9 and pp. 25-40.

²⁸ Ontario, “WDW Panel Recommendations, David Crombie Chair, Who Does What Advisory Panel to Honourable Al Leach, Minister of Municipal Affairs and Housing, December 6, 1996.

50 percent of administration costs on the local tax base. In an article entitled *New Municipal Roles*, John Harrison, Chair of the Regional Municipality of Haldimand-Northfolk, speculates,

“In the background, however, the antipathy of this provincial government for the education system as it existed up until now was becoming a driving factor in government decision-making. The government was committed to capturing control of education by taking its cost off the property taxpayer to justify gutting the power of the local board of education. No arguments by Crombie or anyone else could dissuade them.”³⁰

Today’s public, in Ontario, seems more concerned about saving tax dollars than the provision of adequate social services to the population of the province. One of the Common Sense Revolution’s continuing agenda is welfare reform. Decisions would also be partially determined around the requirements of reforming the welfare system. Within the federal and provincial governments there was a reform agenda on the table in regards to social programs, which were considered out of date and needing to be restructured. “Key priorities include a coordinated restructuring of unemployment insurance, social assistance, training and education in order to equip Canadian for the global economy and to promote adjustment in the economy as a whole.”³¹ The deficit reduction agenda “puts tremendous pressure on the two biggest categories of program spending: transfers to persons and transfers to other levels of government.”³² Driven by this fiscal agenda, grant transfers are cut drastically and provinces are allowed greater flexibility in determining social services and defining social assistance, with the

²⁹ Bruce DeMara, “‘It’s absolutely the wrong thing to do’ Crombie blasts Tories on Welfare,” City Hall Bureau, *The Toronto Star*, (No date available – probably December 1996), p. A1.

³⁰ John Harrison, “New Municipal Roles”, in *Municipal World*, August 1998, p. 16.

³¹ Keith G. Banting, “The social policy review: policy making in a semi-sovereign society,” *Canadian Public Administration*, Volume 38, no. 2 (Summer) p. 284.

³² *Ibid.*, p. 284.

consolidation of several grants into the Canada Health and Social Transfer.³³ At the same time, social policy reform was frustrated by political complications, not being integrated into the fiscal policy, involving multiple, varying opinions of cabinet and caucus, social policy groups and the federal-provincial relationship. An astute Mark Lalonde, the then Minister of Human Resources Development “regularly warned that if the social policy community could not agree on a strategy to restructure social policy within contemporary constraints, the job would eventually be done by others less sensitive to the social needs of Canadians.”³⁴ Was he foreseeing the increased “Americanized” right wing fiscal conservatism to come? Banting quotes survey data from the Financial Post in October 22-24 of 1994 that “pointed to a hardening of attitudes among Canadians generally towards unemployment insurance and social assistance.”³⁵ Ontario had the problem of this increased cost of social assistance and the Harris conservatives relished the public’s acceptance, no jubilation, for his welfare reform initiative. The conservative’s workfare and welfare fraud initiatives capture the generally held opinions that people who are on welfare will not seek employment unless forced and that fraud is abounding in the system. This public opinion helped to precipitate the promise to revamp social assistance in Ontario. The revamping included reductions in basic benefits for welfare recipients, the introduction of new computer technologies including third party on-line checking of participants’ assets, income and credit rating records. The Business Transformation Project of the Ministry of Community and Social Services is an integral, important government initiative. It is a

³³ Ibid., p. 286.

³⁴ Ibid., p. 287.

³⁵ Ibid., p. 288.

Common Purpose Procurement agreement with Andersen Consulting to reengineer social assistance delivery processes and develop supportive technology.

The new Service Delivery Model being developed for social assistance, with expected implementation to be complete by mid 2001 reengineers processes and technology to support the government's stated objectives of more responsive, effective and efficient client services. The new model features Interactive Voice Response for clients and one regional intake-screening unit, for the entire North, to support two-stage telephone intake. The model will redesign business processes and outdated, separate computerized systems into a comprehensive web-based technology that supports third party information checking. Some of the key messages surrounding the implementation are that it will "increase efficiency, ...generate savings, ...eliminate the province's need to maintain multiple data bases, prevent double dipping and enable cross program and cross-jurisdiction overpayment recovery ...change work processes and require fewer staff at both the provincial and municipal levels."³⁶ The province also contends that the new model will provide better service for clients, ensure consistent service delivery and promote self-reliance through employment. They confirm that this new model cannot be introduced until two major government initiatives have occurred, municipal consolidation and the transfer of sole support and temporary care cases to municipalities.³⁷

³⁶ Ontario, "Key Messages – Service Delivery Model Basics Update," July 6, 1998, p. 1, Attached to a memorandum to all social assistance staff from Assistant Deputy Ministers Costante and Ewart, dated July 6, 1998.

³⁷ Ontario, "Qs and As – Service Delivery Model," July 6, 1998, p. 2, Attached to a memorandum to all social assistance staff from Assistant Deputy Ministers Costante and Ewart, dated July 6, 1998.

Reengineering is a new public management theory. It is a fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance. In the delivery of social assistance, processes were seen to be inadequately designed and inefficient. Similar to Taylorism, reengineering breaks down work into finite activities and measures whether there is value added or not. The theory indicates that one takes an activity, examines it, and determines if it is necessary, and, if it is not value added, one revises, reworks, moves or eliminates it. The Business Transformation Project's, business process review contains measures of cost, quality and speed, improvement in efficiency and effectiveness. It also recommends appropriate organizational design, defines performance measures and is developing an advance technological solution to complement processes and simplify delivery.³⁸

Osborne and Gaebler, among others, see performance measurement, another new public management theory, as strengthening accountability.³⁹ This is especially true when combined with benchmarking, using the "best in industry" practices and results as goals for every organization to achieve, either as a comparison to a baseline number, to engineered standards, to other organizations, to an industry standard or as a comparison of organizational achievements over time. Benchmarking cannot be accomplished without performance measures. It is a systematic and continuous measurement process, designed to produce action to improve performance. The types of performance measures include: input measures, output measures, measures of

³⁸ Business Transformation Project, Service Delivery Model, August 1998.

efficiency (the ratio of inputs/outputs) and effectiveness measures, (outcomes), or quality measures (are you satisfying customer requirements). The theory is "What gets measured, gets done."⁴⁰ In *Reinventing Government*, the efficacy of not only measuring, but also publishing the performance measure results, the percentage number of errors in granting welfare in Massachusetts in 1979, was highlighted. The error rate was 23 percent,

"When we began measuring error rates statewide, nothing happened. As soon as we published the rates for each office, things changed. Because now the finger was pointed at managers: everyone knew if their office had a high rate. It only took 12 months to cut it down to 12 percent. Six months later, when we published error rates for each supervisor, it fell to 8 percent."⁴¹

The current government is beginning to base funding on performance measures and have recently released Ontario Works Community Placement results, and provided bonus funding for all delivery agents who have exceeded provincial expectations.⁴² They have formed a Community Placement Secretariat to support enhance performance management and encourage best practices among delivery agents. Implementation of the new Service Delivery Model and the institution of performance related funding is only possible in cohesive, technologically advanced organizations. The province's vision of a welfare system supporting clients towards the "shortest route to employment" needs organizational capacity to deliver. The capacity to offer a wide variety of services, with expertise in employment planning, is essential. The revamping of welfare necessitated the formation of larger organizations, in the North, that had the

³⁹ David Osborne and Ted Gaebler, *Reinventing Government*, Reading, Mass., Addison-Wesley, 1992, p. 146

⁴⁰ *Ibid.*, p. 146

⁴¹ *Ibid.*, p. 146.

⁴² Ontario, Ministry of Community and Social Services, Ontario Works Bulletin, "Implementation of Increased Funding for Community Placement Targets", January 20, 2000, pp. 1-6.

capacity to set and manage performance targets and to operate and maintain the sophisticated computer operations needed to properly implement these initiatives.

The new public management proponents advocate, as the consolidationist had, for more professional management in government, but for differing reasons. The consolidationist had wanted to avoid patronage; new public management emphasizes the business driven agenda.⁴³ The Harris conservatives embraced the new public management genre by introducing an Alternative Services Delivery initiative. "Ontario has embarked on a New Public Management initiative referred to as Alternative Service Delivery."⁴⁴ New Public Management places "a greater emphasis on performance, an increased focus on responsiveness to citizens and accountability for results."⁴⁵

Expenditure restraint and alternative service delivery, including public-private partnerships and contracting out of public services to the private sector are high the Harris agenda. Ontario Works legislation, however, does not permit, the delivery of Ontario Works, by other than designated municipal service managers. Even the Harris government could not envision the delivery of social services by for-profit companies being accepted by the voters. While the public enthusiastically supported the workfare and fraud initiatives, Ontarians would draw the line at a corporation making profit obviously on the backs of the underprivileged. This was demonstrated by the public outcry when tax dollars were being spent on the expensive private sector expertise in the Common Purpose Procurement agreement with Anderson Consulting.

⁴³ David Osborne and Ted Gaebler, Reinventing Government, Reading, Mass., Addison-Wesley, 1992, p 146.

⁴⁴ Ray McLellan, "Alternative Service Delivery in Ontario: The New Public Management", Ontario Legislative Library, January 1997 accessed at <http://www.ontla.on.ca/library/fnote11.htm>, p. 1. (1-3)

⁴⁵ *Ibid.*, p. 1.

An organization's ability to adapt to change and manage in a complex environment is a cornerstone of new public management theory.⁴⁶ In the social services' world, since the first election of the present government in 1995, there has been one change after another. The only thing that remains constant is change. Legislative changes, regulatory changes, technological changes, changes in directives, and finally changes in organizations that deliver social services have occurred. The changes are not complete. There is still devolution of future services and the introduction of the new Service Delivery Model for Ontario Works, new regulations, new technology and intake screening units, call centres for initial application for social assistance.

Proponents of new public management, indicate that utilizing theories such as; Total Quality Management, organizational capacity for strategic management, empowerment, flexibility, re-engineering, an emphasis on service orientation and normative style management, enable the "new organization" to adapt and provide efficient, effective, customer-friendly service, a promise of the current government.

"Many people are now proclaiming a 'revolution' in management thinking, a revolution that is making possible new gains in quality and productivity in both the public and private sectors. Rather than seeking uniformity and control, managers are talking about adaptability, creativity, and shared power. Rather than depending on traditional hierarchical forms of organization, managers are experimenting with flatter structures and more participatory ways of organizing. Rather than focusing on the internal workings of the organization, managers are becoming more sensitive to their clients or 'customers' and more attentive to their relations with those in other organizations. And the results are impressive."⁴⁷

An organization must make a huge commitment to training when embracing empowerment, teamwork and normative management styles. It must understand and

⁴⁶ Robert Denhart, The Pursuit of Significance: Strategies for Managerial Success in Public Organizations, Belmont, Cal.: Wadsworth, 1993, p. 1.

embrace the concepts and commitment required. Kernahan points to these necessities if an effective organization is desired, "intensive development of skills for the team as a whole and for individual members to help them in understanding and managing change, improving interpersonal communications and enabling group problem-solving and decision-making and team-based performance management."⁴⁸

New public management literature also stresses the need for strategic planning. This includes establishing a clear vision and mission.⁴⁹ It implores leaders to identify the changes needed in their organization to ensure success. "Business leaders have to be able to view patterns as if they were on a balcony"⁵⁰ see the organization for what it is, identify the good and bad, identify the adaptive challenge. This takes time and effort. Once adaptive change has been identified, the organization must move forward with focus and discipline, mindful and empathetic of the distress, which change causes.⁵¹ Organizations must learn new ways of doing business, develop new competencies and learn to work collectively. The question is posed, "Whose values, belief, attitudes or behaviors would have to change in order for progress to take place."⁵² When describing an organization attempting to both transform to a customer oriented, team work centered organization and identify the adaptive challenge, it was recognized that "more than anything else changes in values, practices, and relationships throughout the

⁴⁷ Ibid., p. 1.

⁴⁸ Kenneth Kernaghan, "Empowerment and Public Administration: Revolutionary advance or passing fancy?" *Canadian Public Administration*, 35 (2), Summer 1992, p. 203.

⁴⁹ Hal G. Rainey, *Understanding & Managing Public Organizations*, Second Edition, Jossey-Bass Inc, San Francisco, Ca, 1997, p. 358.

⁵⁰ Ronald A. Heifetz and Donald L. Laurie, "The Work of Leadership," *Harvard Business Review*, January - February, 1997, p. 125.

⁵¹ Ibid., pp. 126-7.

⁵² Ibid., p. 126.

company"⁵³ would be the most essential component. In literature on normative management, the leader of the organization creates an environment where all employees share the achievement culture and values of an organization. This approach also places "strong emphasis on training and development"⁵⁴ of employees. Bennis and Nanus explain, "Managers have to provide vision and manage symbols in ways that lead employees to understand the goals of the organization and to be inspired by them."⁵⁵

This preceding new public management theory is embodied in the government's decision to move to alternative service delivery. The province needed delivery agents in the North with these organizational qualities, if they were to achieve their objectives of effective, customer-centred government.

With change and complexity becoming commonplace, Denhart feels that public managers must shift their focus from "giving orders" and maintaining control to becoming more creative, innovative, promoting dialogue and innovation" and building effective relationships "within and with outside organizations as critical to their success.⁵⁶ Denhart believes that today's public organizations, beleaguered by budget cuts while being expected to "do more than less" and maintain a high level of customer

⁵³ Ibid., p. 126.

⁵⁴ Edward Lawler III, "Creating the High-Involvement Organization," in Jay Galbraith, Edward Lawler III, et al, Organizing for the Future, San Francisco: Jossey Bass, 1993, p. 188.

⁵⁵ Bennis and Nanus, as cited in Ibid., p. 187.

⁵⁶ Robert Denhart, The Pursuit of Significance: Strategies for Managerial Success in Public Organizations, Belmont, Cal.: Wadsworth, 1993, p. 2.

service, it is those organizations transformed and initiated "comprehensive efforts to improve quality and productivity"⁵⁷ who will succeed.

Denhart believes that some of the present day managerial transplantation of business concepts into the public sector has been positive, and states that public sector managers have "become more attentive to planning, more results-oriented, and more attuned to cost-effectiveness."⁵⁸ He however points out the downfall of trying to implement business only driven agendas in public organizations, that the circumstances and core values of government different than those of business. Human services should not be delivered with solely a business agenda. The public has a right to expect that values be a consideration in the delivery of these services.

"The point is not that efficiency is unimportant: indeed, there is no question but that efficiency is extremely important in government. The point is that efficiency is not the single nor even necessarily the most important criterion for evaluating the work of public agencies."⁵⁹ A study by Otto Brodtrick, Office of the Auditor General in Canada, focused on high performance government organizations and analyzed the management philosophy and practice that resulted in their success. The study concludes that the following were some of the criteria of success: "an emphasis on people, participative leadership, innovative work styles, a strong client orientation and, most important a mindset that seeks optimum performance."⁶⁰ Brodtrick is quoted as indicating that in these organizations, people "hold values that drive them to always seek improvement in their organization's performance. When conditions change, they adjust their methods

⁵⁷ Ibid., p. 3.

⁵⁸ Ibid., pp. 9-10.

not their values. Because of this orientation toward performance and adaptability, the organization performs well even in a changing environment. This mindset may be the most important attribute of all.”⁶¹

The crystallization of these business-driven agendas has abounded since the 1980s. The federal conservatives introduced, “Public Service 2000”, Mulroney’s desire for “Canadian government to be ‘leaner and meaner.’” British Prime Minister Thatcher’s Financial Management Initiative defined a government agency or department as an organization. In that organization managers have, “a clear view of their objectives and means to assess, and wherever possible, measure outputs or performance in relation to those objectives [and] well-defined responsibility for making the best use of their resource including a critical scrutiny of output and value for money.”⁶²

Denhart’s critique of managerialism in public administration summarizes the restrictions on wholeheartedly adopting business-like managerialism. He stresses opinions of Waldo and Dimock suggesting that scientific management and efficiency are not the only criteria on which to judge the performance of government organizations. These organizations exist in highly charged political environment, in which administrators are involved in policy decisions and discretion in the execution of the policies.⁶³ There is the need to embrace the values of service to the broader “public”. According to Hugh Faulkner, Secretary General of the International Chamber of

⁵⁹ Ibid., p. 12.

⁶⁰ Ibid., p. 5.

⁶¹ Otto Brodtrick, as cited in Ibid., p. 5.

⁶² Quote from Financial Management Initiative, as cited in Ibid., p. 10.

⁶³ Ibid., p. 14.

Commerce, contemporary public institutions are “far too process-driven ... governed by rules ... too hierarchical ... far too prone to built-in control mechanisms ... (which) limit the freedom of action... the capacity to respond and limit initiative. ... The capacity for government to respond to change will in large measure depend on its ability to adapt institutionally, to build in more flexibility and responsiveness and to introduce what I describe as managerial adaptiveness.”⁶⁴

It was the neutral, bureaucratic provincial delivery system that the government wanted to scrap. Alternate service delivery and devolution of services to the more responsive municipal arena could accomplish their goal. The conservative’s commitment to alternate service delivery could be read as, reduce the number of provincial public servants by downloading responsibilities for management and delivery of programs to municipalities, who have generally lower salaries, and in the view of the public deliver more effective, customer centered service. In the North, Harris needed organizations with the capacity to deliver these services.

Downloading services to municipalities to achieve these goals is legitimized by current theory on the public impressions of service satisfaction. A 1992 Canadian national survey⁶⁵ ranked impression of service provided by public and private sector organization in Canada. The results indicated that except for insurance companies, the three levels of government were at the bottom of the ranking.⁶⁶ The municipal civil

⁶⁴ Ibid., p. 13.

⁶⁵ Insight Canada Research, Perspectives Canada, Vol. 1, no. 4 (Fall 1992), p. 36 as cited in F. Leslie Seidle, Rethinking the Delivery of Public Services to Citizens, The Institute for Research on Public Policy (IRPP), Montreal, 1995, p. 12 and p. 77.

⁶⁶ Ibid., p. 12.

service ranked higher than the other levels of government.⁶⁷ All levels of government in Canada ranked lower in citizen satisfaction than other countries.⁶⁸ Although acknowledging that the reasons for this are complex, David Zussman has identified one possible reason: "that the value structure of Canadians contains an element of anti-government and anti-public service thinking despite our heavy reliance on government as an instrument of societal change."⁶⁹ Seidle also indicates that other reasoning for improving service delivery is that an emphasis on service has moved organizations to adopt performance measure that in turn can help achieve efficiencies and that improvements in service can also reduce the cost of errors.⁷⁰ Seidle, although acknowledging that certain especially disadvantaged groups of citizens may still require personal service; sites innovations such as "single window delivery" coupled with information technology simplify interaction with government services and lead to savings.⁷¹ Seidle states,

"A review of recent academic literature and reform initiatives in a number of jurisdictions suggests three main routes to improved delivery of public services: quality management, structural change to separate policy and operational functions (notably the devolution of service delivery to agencies) and what I shall refer to as performance-oriented measures."⁷²

Paul O'Neill, a former deputy director of the U.S. Office of Management and Budget, describes an alternate approach to new public management organizations in which, managers needed to develop organizations that were adaptive, responsive and well focused placing a premium on high performance while sharing power and taking risks.

⁶⁷ Ibid., p. 12.

⁶⁸ Ibid., p. 12.

⁶⁹ David Zussman, "Government service to the public," p. 19 as cited in Ibid., p. 12.

⁷⁰ Ibid., p. 13.

⁷¹ Ibid., p. 13.

⁷² Ibid., p. 13.

He describes the “brightest and best” of ideas of new public managers today are a commitment to value and dedication to public service, giving priority to serving the public, embracing empowerment and shared leadership, accepting change as natural, embracing the opportunities change provides, and employing a creative and humane approach to changes.⁷³

In Denhart’s critique of some the managerialism prospective, he criticizes Herbert Simon’s proponent of efficiency, with no concerns around other criteria on which public organizations are judged, such as, “liberty, justice equity, equality, responsiveness.”⁷⁴ Proponents of some of the theories of new public management include Denning’s Total Quality Management, ensuring that organizations are managed effectively, with the organizational structure in place to enable quick response to change, and provide effective, efficient delivery of services.

In the Government of Ontario – Business Plan 2000-2001, Ministry of Community and Social Services, the Ministry vision statement although stating that an affordable system is a priority, stresses the emphasis on effectiveness, accountability and integrated client-focused services

“An affordable and effective system of community and social services that supports and invest in:

- Families and communities, to encourage responsibility and accountability;
- Adults, so they can live as independently as possible;
- A services system in which children are safe and people most in need receive support.

⁷³ Robert Denhart, The Pursuit of Significance: Strategies for Managerial Success in Public Organizations, Belmont, Cal.: Wadsworth, 1993, p. 12.

⁷⁴ Ibid., p. 12.

We will be guided by the principles of shared responsibility, accountability and fairness, as we deliver integrated and client-focused service."⁷⁵

The plan reiterates the goal of ensuring effective and accountable services and the intent not to tolerate welfare fraud. In a speech in late 1999, Celia Denov, Team Lead, Provincial-Municipal Services Realignment, Social and Community Health Services Implementation Project, Ministry of Community and Social Services indicates the following government goals. "Providing efficient, effective service delivery to individuals and families through sound business practices, improved policy capacity and effective service system management."⁷⁶

In the new alternative service delivery initiative, the integration of human services has risen to the forefront. "Integration of human services is an extremely important subject, from the perspective of the Provincial government."⁷⁷ Defining municipal challenges, in remarks to the Fall Training Seminar of the Ontario Municipal Social Services Association on Monday, Nov. 30, 1998, Suzanne Herbert, then Deputy Minister, Ministry of Community and Social Services, illustrate the challenges ahead for municipal service deliverers. These included assessing organization capacity to carry out human services planning; managing change within the organization and building internal systems needed to integrate human services.⁷⁸

⁷⁵ Ontario, Ministry of Community and Social Services, "Business Plans 2000-2001," p. 2. Internet site <http://www.gov.on.ca/MBS/english/press/plans2000/css.html> accessed on June 26, 2000

⁷⁶ Ibid., p. 7.

⁷⁷ Celia Denov, "Integrating Human Services: Challenges, Successes and New Ideas," Speech at the 1999 Annual Conference of the Northern Ontario Service Deliverers, Sudbury, Ontario, October 7, 1999.

⁷⁸ Herbert, Suzanne, "Check Against Delivery," Remarks to the Fall Training Seminar of the Ontario Municipal Social Services Association, Toronto, November 20, 1998, p. 9.

Since integration of human services had become a priority, ensuring that organizations were in place to enable them to deliver these integrated services was essential. In addressing the need for integrated services, a report, *Integration of Human Services, Volume I*, describes integration as a provincial goal. "The Province has strengthened its own capacity to foster integration of services at the local level through structural changes and through policy and legislation."⁷⁹ After the decision to download services, and once the 47 Consolidated Municipal Service Managers were in place, the desire for integrated, customer service centered delivery of human services, at the local government level, became an evident goal of the provincial government.

"Service integration is a concept that is currently enjoying a major revival. Current social policy directions (especially on the part of the Ontario government) reflect a renewed will to implement integrated service delivery models in human service programs and organizations."⁸⁰

The objectives stated for integration were to "improve service quality and increase efficiency."⁸¹ The magnetic benefits claimed which will be resolved by integrating health and social services have been many, including claims of, reduction in gaps in service, duplication of services and fragmentation. Although creating an intuitive appeal to fiscally concerned governments, these have not been studied sufficiently to warrant these claims.⁸² With the integration "push" on, it would be more important than ever that the Consolidated Municipal Service Manager (CMSM) had the organizational capacity to deliver the downloaded programs. A reference to "building

⁷⁹ Ontario, *Human Services Integration, Volume I – CMSM Survey*, Queen's Printer for Ontario, 2000, p. 4.

⁸⁰ Daniel P. Salhani and others, "Issues in the Measurement of Integrated Service Delivery in Human Services, *The Canadian Journal of Program Evaluation*, Vol. 9 No 1, 1994, p. 1

⁸¹ Ontario, *Human Services Integration, Volume I – CMSM Survey*, Queen's Printer for Ontario, 2000, p. i.

⁸² Daniel P. Salhani and others, "Issues in the Measurement of Integrated Service Delivery in Human Services, *The Canadian Journal of Program Evaluation*, Vol. 9 No 1, 1994, p. 2.

capacity,"⁸³ and an admission, the first discovered, that, at least in the short-term, the addition of sole support parent caseload to the Ontario Works caseload, with intense employment support activities required, will mean a cost increase to both the province and the municipalities⁸⁴, emerges in Key Messages for Municipalities contained with memo from Kevin Costante, Assistant Deputy Minister, Social Assistance Employment Opportunity.

A study carried out by the Ministry of Community and Social Services, in 1999, dealt with human service integration in CMSMs. The survey was aimed at supporting integration by examining best practices. The following are the key success factors for integration; strong leadership, shared vision, communication, cross training, and a focus on client and system outcomes.⁸⁵ Additional success factors identified in the document were; allocation of resources, accountability structures, evaluation of integration results, and facilitative conditions.⁸⁶ Other success factors, identified by CMSMs, included; organizational culture, stakeholder relationship, political will, policies and procedures, timeframes, and flexibility.⁸⁷

The focus of welfare has changed from just handing out cheques to ensuring people collecting social assistance do something for their money. Whether it be training or

⁸³ Costante, Kevin, Memo to Social Service Administrators, subject Social Assistance Transformation Update, December 18, 1997, p. 2.

⁸⁴ Ibid., p. 3.

⁸⁵ Ontario, Human Services Integration, Volume I – CMSM Survey, Queen's Printer for Ontario, 2000, pp. 42-44.

⁸⁶ Ibid., pp. 45-46.

⁸⁷ Ibid., pp. 47-50.

community placement, the passive system “money for nothing”⁸⁸ in Ontario has been transformed to an active system requiring that “all able-bodied recipients work, learn or train in return for their benefits,”⁸⁹ with a high emphasis on electronic third party checking to ensure that only those entitled to benefits receive them. This requires the technological capacity. Mike Harris promises that with the reduction in cases, envisioned by the fraud initiative, that there be a reinvestment of money saved, advanced training for caseworkers to assist them in their new employment focus of putting people back to work.⁹⁰

Harris’ assertions include,

“Government should be run more like a good business putting the needs of the customer first” and “one stop shopping” and “[we will] work to get ...municipal governments to join us in this program”⁹¹

The present government has indicated, “as it reduces costs ... [it] will move to reduce internal duplication, offer one-stop access to services and improve delivery.”⁹²

The Harris government indicates its devolution reasoning is an improvement in customer service. Glenna Carr, formerly with the Management Board, a strong advocate of customer service is quoted “the present government attaches a much higher priority to fiscal restraint: ... Harris is also committed to a significant reduction in the size of the public service.”⁹³ In his commentary on Carr’s observation, Seidle believes that there is implicitly a suggestion that these restructuring and spending

⁸⁸ Progressive Conservative Party of Ontario, “Blueprint – Mike Harris’ Plan to Keep Ontario on the Right Track” April 1999 p. 16.

⁸⁹ Ibid., p. 16.

⁹⁰ Ibid., p. 16.

⁹¹ Ibid., p. 20.

⁹² “Speech from the Throne on the opening of the First Session of the Thirty-Sixth Parliament of the Province of Ontario,” September 27, 1995, p. 11, as cited in F. Leslie Seidle, Rethinking the Delivery of Public Services to Citizens, The Institute for Research on Public Policy (IRPP, 1995, Montreal), p. 109.

⁹³ Ibid., p. 109.

reduction initiatives may provide opportunities for improving public service delivery.⁹⁴

Harris is described as sharing this view by stating expectations to deputy ministers, shortly after his election, "to energetically pursue the potential for new models for delivering services, including the creation of special operating agencies, privatization and joint ventures."⁹⁵

The research has lead the author to believe long term efficiency is a desired, albeit possibly, theoretically untenable goal, of the province. Their most important goal was to force the formation of organizations with the capacity to deliver effective, result and accountability oriented, integrated services over vast geographical area in Northern Ontario. This could only be accomplished by the formation of an organization that would have new public management attributes, skills to adapt to change, technical expertise, flexibility and customer-centred delivery. The primary reasoning behind the decision to create DSSABs in Northern Ontario has been discovered. Developing organizations with the capability to achieve alternate service delivery, including the reengineered Ontario Works delivery, in a customer-centred environment was foremost. Achieving this primary goal could also achieve the secondary goal of downsizing the provincial public sector.

⁹⁴ Ibid., p. 109

HISTORY

The theoretical stage, around provincial decision-making has now been set. The next section will provide:

- a history of social assistance delivery in Ontario
- an overview of the services to be devolved
- an overview of the District of Cochrane and of the organizations that were delivering Ontario Works when the province made their decision to download services.

It will examine how the provincial decisions impacted on the formation of the CDSSAB.

This history will also reinforce that, regardless of local political opinions, the two provincial objectives of having organizations with the capacity to deliver services and the reduction of the provincial civil service were foremost on the provincial agenda in the formation of the CDSSAB.

Long before the forced consolidation of the CDSSAB, the delivery of an ever increasingly complicated social assistance system and funding of social assistance had been a controversial issue with both the province and the municipalities. The Provincial-Municipal Social Services Review committee, commissioned in 1987, and consisting of representatives from MCSS, AMO and the Ontario Municipal Social Services Association (OMSSA) concluded that the roles, responsibilities and funding

⁹⁵ "Address by Premier Mike Harris to Deputy Ministers," June 27, 1995, mimeo, p. 4, as cited in *Ibid.*, p. 109

which were established in the 1960s required a fundamental rethinking as the diverse services now required improved planning and co-ordination to best utilize resources and function effectively.⁹⁶ The recommendations⁹⁷ included:

- Full provincial responsibility, for policy, funding and management of children's services, social assistance and facility-based care for the developmentally disabled
- Provincial responsibility for policy, municipal responsibility for management and a cost sharing of 75% provincial and 25% municipal

The recommendation for full provincial funding of social assistance was justified in the report by the following:

"It is one of the least appropriate programs to be funded by the property tax because costs tend to rise at times when local governments are least able to afford an increase. Income support must be available, on an equitable basis, to anyone who is eligible across Ontario, and should not depend on the revenue-generating capacity of an individual municipality."⁹⁸

Municipalities were recommended to complete the planning and delivery of the services, recognizing that these functions should be carried out at a local level and should contain links with other appropriate local services. These recommendations were not adopted, but did set the stage for further discussions on the topic.

The New Democratic Government of the early 1990s commissioned a study to make recommendations on the "disentanglement" of policy and funding roles and responsibilities between the province and the municipalities, particularly in the areas of social and health services. The Report of the Advisory Committee to the Minister of Municipal Affairs on the Provincial-Municipal Financial Relationship, known as the

⁹⁶ Ontario, Provincial - Municipal Social Services Review Committee, Report: Provincial Municipal Social Services Review, Queen's Printer for Ontario, Toronto, Ontario, 1988.

⁹⁷ Ibid.

Hopcroft Report, 1993 recommended also that the province assume the responsibility for policy making and funding of all mandatory items for general welfare, childcare and public health. The planning, management and service delivery model was to be determined by the province, reflected the NDP centralism. Municipalities were happy with the recommended provincial assumption of costs but were disturbed by the lack of local determination of planning, management and delivery of the system. Further discussions were inevitable.

AMO prepared a policy paper in 1993⁹⁹ recommending one local authority for health and social services. Their reasoning behind the recommendation was that one authority would be more cost efficient, less duplicitous, facilitates service planning and is a one-window access to co-ordinated services. Unfortunately, the pragmatic concern with the recession and debt reduction tabled these reforms.

The election of the Progressive Conservatives, in 1995 escalated the fiscal agenda. The Common Sense Revolution promised less tax, smaller government and welfare reform. The Crombie panel had released recommendations for northern governance in December 1996. Their recommendations were to institute some form of modified county structure.¹⁰⁰ Legislation¹⁰¹ was introduced to allow for voluntary formation of this upper-tier level of government, a position contrary to reducing government, but

⁹⁸ Ibid.

⁹⁹ Association of Municipalities of Ontario, "Municipal Option: Local Authority for Health and Social Services," *Policy Direction Series*, AMO, Toronto, 1993.

¹⁰⁰ Ontario, "WDW Panel Recommendations on Local Governance," David Crombie Chair, Who Does What Advisory Panel to Honourable Al Leach, Minister of Municipal Affairs and Housing, December 6, 1996.

necessitated by the requirement of having strong organizations to enable the delivery of the multitude of downloaded services to municipalities. During the fall of 1996 a joint communiqué from Janet Ecker, then Minister of Community & Social Services and Chris Hodgins, Minister of Northern Development and Mines indicated the direction that the government wanted to go with regards to Northern Ontario. They were contemplating larger units, formed with local agreement, to deliver a variety of the downloaded services to Northern Ontario. The key themes were still less government and efficiency.¹⁰² The province knew that this would not immediately produce efficiencies, but remains convinced that at the end of the process, cost savings would be achieved.

The province was committed to the devolution of these services and in the end; the province dictated both the area covered and the governance model for the CDSSAB. Opportunity still exists for municipalities to co-operate in the formation of an Area Service Board (ASB), which will allow for a broad range of services to be managed and delivered across the District. The following would be the core and optional services¹⁰³ that could be delivered by ASBs:

¹⁰¹ Ontario, Statutes, Bill 174, The Northern Services Improvement Act, 1997 reintroduced as Bill 12, Northern Services Improvement Act, 1998.

¹⁰² From a personal interview conducted on July 10, 2000 with Germain Lacoursiere, Regional Director, MCSS, North Bay office

Core Services	Optional Services
Childcare	Economic Development
Ontario Works	Airports
Public Health	Land Use Planning
Social Housing	Administrative Functions under Provincial
Land Ambulance	Waste Management
Homes for the Aged	Emergency preparedness and response
	Policing
	Roads and bridges
	Any other service (requested by ASB and designated by the minister)

Municipalities and unincorporated areas have until April 1, 2002 to submit a proposal for an ASB.

The Harris government was really more interested in the New Public Management theory of management professionalism, results orientation and accountability, in order to have organizations able to deliver the array of social services that was to be downloaded. These services for which responsibility was to be assumed were announced during "mega-week", January 1997, including assumption of responsibilities for the following services, social assistance, childcare and social housing, as of January 1998, with land ambulance and public health to be assumed at a later date.

This assumption of services was part of the broader announcement of the realignment of responsibilities between the province and the municipalities.¹⁰⁴ Along with responsibility for the delivery of these services, municipalities were also to be responsible for the management of services and a portion of the costs, including one half of the costs of social assistance.

¹⁰³ Ontario, Association of Municipalities of Ontario, "Local Services realignment – a user's guide", Queen's Printer, 1999, p.6.2

¹⁰⁴ Provincial-Municipal Services Realignment, Social and Community Health Services, Implementation Project, "Consolidation of Municipal Services Management – Consolidation Planning Framework: Northern Ontario," January 1998, p. 1.

A general hue and cry went out from both the large cities, because of their high population of poor, and from all communities that were concerned with the negative effects this would have in periods of economic downturn. The Association of Municipalities of Ontario (AMO) lead the assault on the new funding arrangements and negotiations began between the province and AMO to re-think the cost sharing apportionment. An article by James Rusk, defines the funding problems faced by municipalities because of the announcement, saying "It came under quick attack because it would have required municipalities to absorb \$4.2 billion more a year in housing, welfare, health and social-service costs."¹⁰⁵ Rusk indicates that there was extreme secrecy in the provincial decision making on the original cost sharing. His interpretation of how the decisions were made indicate that Conservative caucus member had been shown the financial data on the programs and given opportunity to "make their bids,"¹⁰⁶ but indicates that,

"sources close to both the talks and the efforts to broker a new deal, the basic parameter within which the plan will be rewritten are now clearly understood by all sides. It must allow for:

- taking education costs off property taxes, reforming school boards and asserting strong provincial control over the province's new schools;
- province-wide standards for municipally administered social services;
- no new money to put on the table;
- the need to reduce financial uncertainty for municipalities, the primary purpose for revising the plan."¹⁰⁷

In May 1997, a re-working of the downloaded funding arrangements was concluded but this apportionment of costs was to change again, to the present funding arrangements below.

¹⁰⁵ Rusk, James, "Ontario to scrap offloading proposal," Globe & Mail, May 1997 (Actual date not available), pp. A1 and A10.

¹⁰⁶ Ibid., p. A10.

COST APPORTIONMENT FOR DOWNLOADED HUMAN SERVICES ¹⁰⁸		
SERVICE	PROVINCIAL SHARE	MUNICIPAL SHARE
Social Assistance – Allowances and Benefits	80%	20%
Childcare Services	80%	20%
Administration Costs for Social Assistance & Childcare	50%	50%
Social Housing	0%	100%
Land Ambulance	50%	50%
Public Health A few programs 100% provincial funding e.g. Healthy Babies, Healthy Children	50%	50%

The government was committed to moving forward with their realignment strategies and creating the needed governance and administrative structures that would be required. The government wanted to ensure that the same standards and same services were available throughout the Northern Districts, with Boards making district-wide decisions and speaking with one voice.

THE DISTRICT OF COCHRANE

The District of Cochrane contains 145,618 square kilometres in Northeastern Ontario.

An attached map indicates the geographic location and the vast area of the District.¹⁰⁹

The area's population is concentrated in one City, Timmins, and then distributed among

¹⁰⁷ Ibid., p. A10

¹⁰⁸ Ontario, Association of Municipalities of Ontario, "Local Services realignment – a user's guide", Queen's Printer, 1999, pp. 4.1-4.61

¹⁰⁹ See Appendix B.

communities along the Highway 11 Corridor.¹¹⁰ The large unincorporated area contains a relatively small population. Population is relatively stable, dropping by 675 or 0.7 percent from 1991 to 1996.¹¹¹ The following chart indicates the incorporated municipal areas and their population.¹¹²

DISTRICT OF COCHRANE POPULATION STATISTICS

Municipal Organization	Type	1996 Population
Black River-Matheson Township		3220
Timmins	City	47499
Iroquois Falls	Town	5714
Glackmeyer	Township	1092
Cochrane	Town	4443
Smooth Rock Falls	Town	1982
Fauquier-Strickland	Township	684
Moonbeam	Township	1322
Kapuskasig	Town	10036
Val Rita-Harty	Township	1112
Opatatika	Township	349
Hearst	Town	6049
Mattice-Val Coté	Township	935
Moosonee		1939
Development Area Board		

¹¹⁰ See Appendix C.

¹¹¹ Canada, Statistics Canada, 1991 & 1996 Census, Special Tabulations, Online, Internet http://www.on.hrdc-drhc.gc.ca/english/lmi/eaid/ore/cen96/no/590pop_e.html

¹¹² Canada, Statistics Canada, 1996 Census, Special Tabulations, Online, Internet http://www.on.hrdc-drhc.gc.ca/english/lmi/eaid/ore/cen96/no/590pop_e.html

The City of Timmins, Social Services Department, had a staff compliment of approximately 19 (18.6 full time equivalents)¹¹³. They delivered Ontario Works to an average monthly caseload of 1490¹¹⁴, within the boundaries of the City. The Cochrane District Welfare Board had a staff compliment of approximately 17 (16.5 full time equivalents)¹¹⁵. They delivered Ontario Works to an average monthly caseload of 531¹¹⁶ to the remaining incorporated areas of the district. The provincial Ministry of Community and Social Services delivered services to approximately 1500 ¹¹⁷cases. These cases included sole support parents, who were previously recipients of Family Benefits, and Ontario Works clients in the unincorporated area of the District.

CITY OF TIMMINS, SOCIAL SERVICES DEPARTMENT

The City's CAO and Council's main priorities in the last five years have been on debt reduction, budget reduction and staffing reduction.¹¹⁸ The City was overly concerned with staffing costs. The Ontario Works Act has a requirement for more intensive employment focused programming. The staff required, to deliver the intensive employment programs, was not approved, because of budget concerns. The Ontario Works Business plan¹¹⁹ did not integrate supportive employment programming with financial assistance. Only two additional staff were approved to deliver employment services to a caseload of approximately 1500. The caseload ratio for caseworkers

¹¹³ Cochrane DSSAB Working Group, Consolidation/Integration Implementation Plan, , p. 19

¹¹⁴ Cochrane DSSAB Working Group, Consolidation/Integration Implementation Plan, Monthly caseload statistics – January to July 1998, p. 12.

¹¹⁵ Ibid., p. 19.

¹¹⁶ Ibid., p. 12.

¹¹⁷ Ibid., pp. 12-13.

¹¹⁸ From a conversation with the former Director of Social Services, City of Timmins.

remained at 250:1. These budget-related decisions led to an inability to provide the intensive employment supports and deliver the programs as they were designed.

The organization did have professional management skills and an understanding of new public management concepts of results-orientation, accountability and the management of change. Senior management staff of the Department of Social Services co-wrote the Ontario Works Business Plan. The City had service standard policies in place. For example, one such service standard was a requirement that an applicant, if eligible for assistance, would receive their entitlement within four days of their original intake. They also fully understood the financial consequences of not meeting targets set in the service contract. The staff's negotiating ability enabled them to have the ministry accept reasonable targets to be accomplished with limited resources and the organization dedicated available resources to ensuring that they accomplished fulfillment of the targets that had been set. They designed a monitoring system, by which they could assess if targets were being met and were able to make adjustments and ensure resources were dedicated to fulfilling the requirements for receiving funding. They also made use of in-house expertise in employment programming and utilized their relationship with community partners to ensure community placement targets were met. The City, even with its limited resources, never had funding "clawed-back" for failure to meet funding based targets.¹²⁰

¹¹⁹ City of Timmins, "Ontario Works Business Plan", 1996

THE DISTRICT OF COCHRANE WELFARE BOARD

Employment focused programs, welfare fraud detection, results orientation, accountability and change management are new public management theories to required to be implemented in the reformed social assistance world. The District of Cochrane Welfare Administration Board (CDWAB) did not reflect organization capacity in these areas. The CDWAB, although maintaining a caseload ratio of 80:1, did not have expertise in, technology, employment programs, financial accountability, setting and monitoring performance measures or the professional management skills to manage the change. Third party on-line checking through the Employment Insurance, Ministry of Transportation, and Equifax credit bureau databases required technological expertise and infrastructure, not found in smaller organizations like the CDWAB. The cost for the technology and the cost of long distance connections to these databases were seen as being too expensive for the benefits gained. The CDWAB Ontario Works Business Plan,¹²¹ was written by an external consultant, with little input from management staff.¹²² Their inability to adapt to new methods of delivery was highlighted because they continued to deliver social assistance, as in the "old days". For example, time intensive home visits were maintained. The organization was not particularly customer-focused. The time frame, from first application until receipt of benefits, could be up to two weeks. They did not have any plans to migrate to the new way of doing business, including phone first applications and a maximum time standard of client

¹²⁰ Ministry of Community and Social Services, "Ontario Works 1996-97 Final Reconciliation and Recovery Report, "Ontario Works 1998 Final Reconciliation – Summary".

service. These standards are now being introduced by regulation. Hampered by an inability to change the way they did business, and the lack of technical and managerial expertise needed to plan and set appropriate targets, adjust goals, recognize implications and negotiate appropriate targets with the ministry, the organization faltered when results based funding was introduced. There was no high level commitment in the organization to change and to the process of change management required with staff. The inability to meet stated performance goals cost the DWAB \$118,270.00¹²³ in 1998. This funding had already been spent on administering programs, but due to lack of target achievement, the money was "clawed-back", by the province.

THE FORMATION OF THE CDSSAB

Many areas of the North¹²⁴, Cochrane District included, would opt for the voluntary decision to create either ASBs or DSSABs with geographical jurisdictions being separated cities and separate District organizations. This would have created fourteen service delivery agencies. This was not many more than the ten¹²⁵ eventually created by the province. The government would not accept these locally determined solutions. The reason was the present organizations would not be suitable for their alternate service delivery plans. Some organizations, particularly the smaller District Welfare Boards did not have the new public management organizational prerequisites and

¹²¹ District of Cochrane Welfare Administration Board, "Ontario Works Business Plan", 1997.

¹²² From a conversation with the former Administrator, CDWAB, 1999.

¹²³ Ministry of Community and Social Services, "Ontario Works 1998 Final Reconciliation – Summary", North Bay Area Office, August 16, 1999.

¹²⁴ Based on a review of proposals from Thunder Bay, Kenora, Manitoulin, Cochrane

¹²⁵ Ontario, Statute, The District Social Service Administration Act, 1998.

capacity to deliver the downloaded services, including services presently delivered by the Ministry. The status quo, or a tinkering therewith, was not an option.

The communities along the Highway 11 corridor developed a Cochrane North Coalition to examine options for the delivery of social services in the District. Initially, in the District of Cochrane, it appeared that there might be a co-operative regional solution. An article in the *Timmins Times*, entitled *Timmins for help*, of March 19, 1997, Chris Polehoykie reports that "Northern municipalities have all but admitted that they won't be able to deal with the massive down-loading of services the government of Ontario made during 'Mega Week' announcements in January and are interested in talking to Timmins with the potential goal of setting up a district-wide agency to delivery services."¹²⁶ At a meeting of the Cochrane North Municipal Coalition on March 16, 1997, Don E. Moorhouse, project manager for Who Does What implementation for Northern Ontario, indicated that, with services being turned over to municipalities in 1998, "...it's time to start thinking about how to deliver some of them."¹²⁷ Moorhouse was quoted, "Collapse a few (other) boards and eliminate the duplication. That's where the savings will come from."¹²⁸ Germain Lacoursiere, then senior advisor with the Ministry of Municipal Affairs and Housing acknowledged that restructuring would be difficult to achieve within the 1998 timeframe but was quoted as saying, "the status quo is not an option."¹²⁹ Lacoursiere indicated that although he didn't know how the Cochrane North Coalition felt about Timmins, but that they should consider including the larger centre as they had the required resources and could assist in the delivery of

¹²⁶ Polehoykie, Chris, *Timmins for help*, *Timmins Times*, Wednesday, March 19, 1997

¹²⁷ Ibid.

services.¹³⁰ Frank Albani, Administrator for the Town of Kapuskasing agreed that Timmins was the “centre where you find the most services and looking at the options, it would cost less.”¹³¹ The Cochrane District Working Group was formed in the spring of 1997 and included members from the Coalition and the City CAO, as a representative from the City of Timmins. At a meeting held on May 3, 1997, the Working Group approved the following parameters and objectives,¹³² focused mainly on cost:

- The service delivery agency would provide cost efficient and economical services to the region with centralized administration, where possible.
- The agency could provide additional services to member municipalities or member municipalities could be contracted with to provide the services or the services could be contracted out to the private sector
- The services were also defined into primary functions, secondary functions, and low priority functions.

There appears to have been some confusion around the requirements of legislated functions as two mandated services, childcare and social housing were not included in function list. Assessment, not a service to be delivered, was included.¹³³ There also appears to be other conflicting information in the minutes. Although centralized administration was mentioned in the objectives, further discussion on management and administration indicates that the “service provider would not require management or

¹²⁸ Ibid.

¹²⁹ Ibid.

¹³⁰ Ibid.

¹³¹ Ibid.

¹³² Cochrane District Working Group, Minutes of Meeting, May 3, 1997, Kapuskasing, p. 1

¹³³ Ibid., p. 2.

administration and a Service Delivery Agency would not require support staff to deliver the services”¹³⁴

The Cochrane District Services Board mandate would be; “a service and delivery agency, whereby the Board would not only coordinate the delivery of services, but also be the purchaser of such services.”¹³⁵ The Working Group also indicated “that it should not create another level of bureaucracy...and recommended that once elected representatives have reached decision regarding the ...Board and to proceed further with the proposal, the matter of administration and management be referred back to administrative staff for recommendation.”¹³⁶ In the report by the Cochrane North Municipal Working Group to the Cochrane North Coalition’s Municipal Study Group, although the objectives stressed that the “key components in the delivery of services are cost-effectiveness and efficiency ...the main goal should be to amalgamate administrative function and reduce staffing components by implementing centralized administration ... one administration governing all agencies...such administration service ...should be given to member municipalities or the private sector on a contract basis.”¹³⁷ Private sector provision of Ontario Works was not allowed by legislation. The group emphasized, “another level of bureaucracy is not to be created by the creation of the Board.”¹³⁸ These decisions would leave, in the author’s opinion, only one option for the central administration, that of the City of Timmins. However, after consideration, this would not be acceptable to the District municipalities. The Group

¹³⁴ Ibid., p. 2.

¹³⁵ Ibid., p. 2.

¹³⁶ Ibid., p. 2.

¹³⁷ Cochrane North Municipal Working Group to the Cochrane North Municipal Study Group, “Report to establish a Service Delivery Model,” presented May 7, 1997, p. 5.

appeared confused about several issues. Concerns were expressed, at a March 15, 1997 of the Cochrane North Municipal Coalition, about the lack of information available from the province, especially since there was the expectation that the delivery agent be in place by January 1, 1998. Although invited, the City of Timmins was not represented at the meeting. It was recommended that the City, to facilitate further negotiations, host the next meeting.¹³⁹ The Town of Kapuskasing, on behalf of the Cochrane North Municipal Coalition, initiated district-wide negotiations on upper tier governance discussions with a letter of invitation for Timmins to host a meeting for discussion purposes.¹⁴⁰ Bad feelings erupted however, when City representatives did not receive an invitation to a meeting of the Coalition, held on May 24, 1997, in Kapuskasing. In a letter to the Coalition, Mayor Power of Timmins states that during that meeting, “without warning or explanation, the Cochrane North Municipal Coalition passed a resolution to remove our CAO from the Committee that had been appointed to draft terms of reference for a consultant.”¹⁴¹ The mayor of Timmins continues that Timmins “certainly does not feel welcome at meetings of the Cochrane North Municipal Coalition”¹⁴² and that Timmins’ position on representation by population as recommended in the MNDM presentation *Approaches to Consolidating Service Delivery in Northern Ontario*” remained unchanged. The battle lines were drawn; the North Coalition feared absorption by the more powerful City. The City wanted financial and decision making control. Future cooperation was impaired.

¹³⁸ Ibid., p. 6.

¹³⁹ Minutes of the Cochrane North Municipal Coalition meeting, March 15, 1997, held in Kapuskasing

¹⁴⁰ Fax Memorandum from Barbara Major, Coordinator, Special Projects, Town of Kapuskasing, dated March 17, 1997.

¹⁴¹ Letter from Mayor Victor Power, City of Timmins to Mayor Fred Poulin, Chair Cochrane North Municipal Coalition, dated June 12, 1997.

¹⁴² Ibid.

In a May 30, 1997 presentation, *Approaches to Consolidating Service Delivery in Northern Ontario*, the reasoning behind "Who Does What" decisions remained "lower costs and taxes"¹⁴³ The Ministry of Northern Development and Mines did, however, acknowledge that there was "currently no mechanism to deliver and recover the costs of services on an area-wide basis in the North"¹⁴⁴ but stated it was not about local restructuring. The literature review indicates that indeed, it was. The province needed this restructuring to occur in order for organizations to be in place to meet their alternate service delivery objectives. The presentation also suggested that representative be reflective of population size, a statement that the City was to latch on to during negotiations.

When it was apparent that an Area Service Board would not be voluntarily created, the edict to begin local deliberations to form a CDSSAB, was issued from the Minister of Community and Social Services. A transition board was formed, however animosity developed quickly. Division lines were drawn almost immediately between the City of Timmins, the City, and the rest of the District, the District. The City was viewed, by the District, as the big player, who would try to control and impose their citified solutions on the rest of the district. This perception was not hindered by the City's proposal that they have the majority of members on the board. Both parties were extremely concerned over how the costs would be apportioned and about keeping costs down. Both Timmins and District politicians made inflammatory comments in newspapers. In discussing representation on the board, Mayor Power of Timmins felt that since the City

¹⁴³ Ministry of Northern Development and Mines, "Approaches to Consolidating Service Delivery in Northern Ontario," Slides from Presentation, May 30, 1997.

would be the largest financial contributor to the board, they should have the most representation. " He who pays the piper should call the tune."¹⁴⁵ And "If it's not going to cost those municipalities very much, they're likely to spend like drunken sailors."¹⁴⁶ The District politicians responded with their own concerns about the City having control over the board. "There are concerns from those representing communities like Hearst, Cochrane, Iroquois Falls and Kapuskasing that a Timmins-dominated board could simply close satellite offices and run all services from one office in Timmins."¹⁴⁷

The Coalition submitted a proposal for a Northeast Services Delivery Agency on July 5, 1997. The territory to be covered excluded the City of Timmins. The Cochrane North Coalition had agreed that they wanted to retain the Cochrane District Welfare Board to dispense core services¹⁴⁸. The City submitted their proposal¹⁴⁹ for the establishment of the Cochrane District Area Services Board in September 1997. The proposed ASB would contract with the City to continue to deliver services to its residents and would also contract with a Northern delivery agent to deliver services to the residents of the North and unincorporated areas. There was the provision that either of the two groups could contract with the other to provide or acquire services. The ASB would have the ability to determine service levels for all communities except for the City. The City would be a non-voting member, determining its own levels of service. The City would be prepared to be the contract service provided to the District municipalities and unincorporated

¹⁴⁴ Ibid.

¹⁴⁵ Ron Grech, "Rallying for representation," Timmins, The Daily Press, June 27, 1998, City page.

¹⁴⁶ Darrel Greer, "Services board could spend like "drunken sailors," says Mayor Power," Timmins The Timmins Times, July 11, 1998, p. 1.

¹⁴⁷ Ron Grech, "Negotiations to draft social service board stymied," Timmins, The Daily Press, January 19, 1998, City page.

¹⁴⁸ Cochrane North Municipal Coalition, North East Services Delivery Agency proposal, July 1997

areas, on a cost recovery basis. The City wanted the clear understanding that there would not be an increase of providing core services to the City.¹⁵⁰ Both proposals missed the mark. The importance to the province's downloading of one professional managed service delivery agency with no unincorporated area left not served by the DSSAB, or ASB.¹⁵¹

The City attempted to make peace with the Coalition, stating that their proposal would not "attempt to control or take away any policy setting function or decision making current the responsibility of other Cochrane District Municipalities"¹⁵², while proposing that they act as the contracted service delivery agency for core services. They continued however with their assertion that representation on an ASB must be representation by population. The City of Timmins contained approximately 55 percent of the total population.¹⁵³

The Northern Services Improvement Act, 1998, confirms that Area Service Boards are optional but District Social Services Area Boards would be imposed after April 1, 1998, if no local solution had been found. It also provided a mechanism for the province to charge municipalities for the cost of services that had not, as yet, been downloaded.

¹⁴⁹ City of Timmins, "Area Services Board Proposal," September 1997.

¹⁵⁰ Chevrette, G.B., CAO, City of Timmins, "Report and Recommendation to Timmins Council Re: Cochrane District Area Services Board," January 2, 1998.

¹⁵¹ Interview with Germain Lacoursiere, Regional Director, Ministry of Community and Social Services, North Bay Area Office, conducted July 10, 2000.

¹⁵² Letter from Council per: Mayor Victor Power, City of Timmins to Cochrane North Coalition, dated July 24, 1997

¹⁵³ Based on Population Census Summary, District of Cochrane, revised September 23, 1994, received with Local Services Realignment Package.

Minister Ecker confirms efficiencies were expected in the long-term, in the following statement.

"It would allow for interim funding arrangements to settle who pays for what while we continue to work with municipalities on the details of the transfer of the programs...Municipalities have to continue to find savings, identify efficiencies and keep costs down...This bill would allow these services to be delivered and funded by municipal governments, which are best able to identify and respond to local needs. The end result will be better services, more efficient and accountable government, and property tax reduction in future years."¹⁵⁴

Although the Coalition continued meeting, and inviting Timmins, through January of 1998, there would be no agreement on an ASB for the Cochrane District. Separate proposals were submitted and the province rejected both.

Understanding the main points of contention, governance control and cost sharing, that were arising between separated cities and the rest of the Districts in the North, the province redefined some of the parameters. They were committed to the establishment of DSSABs, at a minimum. It was the only solution to their alternate service delivery plans. The province remained committed to having approximately 50 municipal service managers, about 10 in Northern Ontario to deliver the mandatory services.¹⁵⁵

On September 2, 1997, Janet Ecker and Chris Hodgson sent a joint letter to municipalities advising the approach that would be followed in determining which

¹⁵⁴ Ontario, Ministry of Community and Social Services, Background, "Legislation paves the way for Who Does What reforms," August 21, 1997, p. 30.

¹⁵⁵ Provincial-Municipal Services Realignment, Social and Community Health Services, Implementation Project, "Consolidation of Municipal Services Management – Consolidation Planning Framework: Northern Ontario," January 1998, p. 1.

municipalities and/or boards would be the consolidated managers.¹⁵⁶ Ministers Ecker and Leach confirmed, by letter on December 18, 1997 that the policies would apply to the municipal management of Ontario Works, childcare and social housing.¹⁵⁷ In a January 1998 document, Consolidation of Municipal Services Management – Consolidation Planning Framework: Northern Ontario, January 1998¹⁵⁸ changes were specified. DSSABs no longer had to manage public health or land ambulance. They could apply to the Minister of Health to do so, but if they did not, a municipality would manage land ambulance services and the local board of health would continue to manage public health. If an ASB could not be voluntarily formed, a voluntary proposal for a DSSAB was required by March 31, 1998, or there would be provincial imposition of geographic boundaries and governance in a provincial creation of a DSSAB by the end of May 1998. Representation would be specified in legislation, but the expectation was that elected representatives from municipalities and unincorporated areas would sit on the board. The definitive requirements for consolidation listed in a slide presentation stated that consolidation arrangements must:

- “have local agreement, include unincorporated areas,
- meet the requirement of about 10,
- not leave gaps in the service area,
- have clear accountability arrangements.”¹⁵⁹

¹⁵⁶ Ontario, Provincial-Municipal Services Realignment, Social and Community Health Implementation Project, Presentation, “Consolidation of Municipal Services Management – Northern Ontario,” January 29, 1998, p. 1.

¹⁵⁷ Ibid., p. 1.

¹⁵⁸ Provincial-Municipal Services Realignment, Social and Community Health Services, Implementation Project, “Consolidation of Municipal Services Management – Consolidation Planning Framework: Northern Ontario,” January 1998, pp. 1-11.

¹⁵⁹ Ontario, Provincial-Municipal Services Realignment, Social and Community Health Implementation Project, Presentation, “Consolidation of Municipal Services Management – Northern Ontario,” January 29, 1998, p. 6.

No mention is made, at this point, of representation being apportioned by population.

The plans for a DSSAB must contain¹⁶⁰:

- Identification of municipalities and unincorporated areas and the geographic area covered
- Whether a DSSAB or a single municipality will manage services
- Council resolutions and demonstration of consent from unincorporated areas to support the proposal
- Description of how representation and accountability will be addressed
- Description of service area, including population, client base, accessibility of services, provision of services in French where applicable, linkages with other social service providers
- Listing of other social and community health services DSSAB wishes to provide
- Description of cost apportionment
- Outline of organization capacity required to manage programs and how it will be developed
- Timetable

Organizational capacity was now being specifically defined as being important. The document also details the requirement for a technical infrastructure for the delivery of Ontario Works, something which was not available in all present delivery sites and the necessity to transfer the sole support and foster parent and unincorporated OW works caseloads presently being served by MCSS offices. The Consolidation Planning Framework for Northern Ontario indicates the necessity to have technical infrastructure

¹⁶⁰ Provincial-Municipal Services Realignment, Social and Community Health Services, Implementation Project, "Consolidation of Municipal Services Management – Consolidation Planning Framework: Northern

in place. "It is the ministry's goal to have the technology foundation for the future in place by the end of 1998."¹⁶¹

Although meetings continued to be held, on March 31, 1998, the City of Timmins submitted its proposal for the CDSSAB, the Coalition had submitted its own proposal. The default provisions of the legislation were enacted and the province established the geographic boundaries for the CDSSAB. The geographic area was to be the entire District of Cochrane, including Timmins. Talks continued regarding representation, but an agreement again could not be reached. In a letter dated August 10, 1998¹⁶², Ministers of Community and Social Service and Northern Development and Mines prescribed representation in a letter to the Coalition and the City. Representation would later be prescribed in legislation¹⁶³ as follows:

- Six representatives from the City
- Five representative from all other municipalities
- One representative from unincorporated areas
- One representative to be provincially appointed

Expectations were stated that a working group be formed as soon as possible to develop an implementation plan, service delivery model and the transfer of responsibilities. The transfer of service responsibilities would take place December 31, 1998. The working group was formed, consisting of administrative and political representation from both

Ontario," January 1998.

¹⁶¹ Ibid., p. 12.

¹⁶² Letter from Ministers Ecker and Hodgins to Cochrane North Coalition and City of Timmins, August 10, 1998.

¹⁶³ Ontario, Statutes, The District Social Services Administration Board Act, 1998.

the City and the Coalition group. The first meeting was held August 20, 1998 and a consulting firm was selected to begin work, in consultation with both the City's Social Service Department and the CDWAB management staff, to develop an implementation plan.¹⁶⁴ Even though there was still a great deal of hostility among the working group, the senior level administrative staff from both organizations worked co-operatively and tirelessly, with the consultant, to prepare an Implementation Plan. The plan would focus on the establishment of an organization capable of implementing the government's alternate service delivery initiative.

On October 13, 1998, simmering hostilities resulted in a joint letter from Co-chairs of the Working group, Mayor Power of Timmins and Mayor Caron of Kapuskasing, to Ministers Ecker and Hodgson. The letter requested, in light of differences, an immediate meeting with both Ministers to discuss two separate boards for the District of Cochrane.¹⁶⁵

The government was committed to their path, notwithstanding local political objections. An October 21, 1998 letter from Janet Ecker contained a definitive no to the request for a meeting, a commendation on the tremendous progress on the implementation plan, and an encouragement to continue the work.¹⁶⁶ Work continued on the implementation plan and plans for forming the new CDSSAB board and hiring employees. Thorny issues,

¹⁶⁴ Minutes of a Meeting of the Cochrane District Social Services Administration Board Working Group, August 20, 1998

¹⁶⁵ Letter from Mayor V.M Power and Mayor J. C. Caron, Co-chairs, Cochrane District Social Services Administration Board Working Group, October 13, 1998.

¹⁶⁶ Letter from Janet Ecker, Minister of Community and Social Services, October 21, 1998.

including the hiring of a CAO, and the dissolution of assets and liabilities of the DWAB were resolved and the new CDSSAB received its designation on February 1, 1999.¹⁶⁷

Why was the province so unyielding in its insistence of the formation of this new regional special purpose body and administration, despite local political objections? It is this author's belief that the reasoning was, both plans in essence, retained the current organizations. The government, who currently contracted services with both, did not feel that either had the organization capacity to meet their objectives. Each of the former organizations had organizational issues that would hamstring them in the provincially envisioned provision of region-wide, customer-centred delivery of services. The City was preoccupied with cost, over program delivery. The CDWAB did not have the managerial and functional expertise.

THE NEW DISTRICT OF COCHRANE SOCIAL SERVICES ADMINISTRATION BOARD

One short-term goal clarified by literature and document review was the formation of an organization that would embrace new public management theory to enable the envisioned integrated, customer-responsive delivery of community and health services in the North. The CDSSAB organization is reflective of new public management theorem. Most of the senior management team are committed to ensuring an

¹⁶⁷ Letter from Cynthia Lees, Area Manager, North Bay Area Office to co-Chairs of the CDSSAB Working Group, dated January 12, 1999.

organization that reflects the best of these management theories, while maintaining the public sector values of equity and respect for both clients and staff.

The new organization builds on the strengths of the old organizations, the lower caseload and understanding of delivery over a wide geographical area of the DWAB, the professional management, technical and financial expertise of the City. The ability of the new, more progressive organization, to anticipate and adapt to changes, with new public management skills, expertise in employment programming, finance, technology, setting and monitoring performance measures and the management of change. What has been created is a more responsive organization, caseload ratio of 120:1, enabling caseworkers to give more intensive employment supports.

The organization has its head office in Timmins, maintains the former offices of the DWAB as satellite offices, and has assumed the former MCSS office in Moosonee for service delivery to that area. It is positioned to deliver the regional client-centred services. It has developed effective wide-area network technology to facilitate communication between offices and make the transition to the new Service Delivery Model for Ontario Works.

Within four months of its designation, a tremendous amount of organizational work had been accomplished. The consolidation of the two organizational databases was complete, full staff complement was hired and trained in program delivery. A wide area network, integrated with the province's system, was providing data and voice services to all offices. The integration of sole support cases and unincorporated cases was

complete, the new head office was fully functional and plans for moving or renovating three of the satellite offices were underway.

The Implementation Plan¹⁶⁸ draws on many new public management theories, reflecting a professionally managed, team-oriented, responsive, accountable organization, committed to employee development and to delivering client-focused services efficiently and effectively.

“An integrated model of (service) delivery was chosen to eliminate unnecessary duplication, streamline the service path and promote an achievement culture.” “The management and staff structure approved has been designed to empower staff to take ownership of their profession development, contributing to organization goals and assuming accountability for achieving their fair share or organizational targets. The new organization has a flat management structure with the flexibility to adapt to the changing service environment. Approximately 60 staff will serve some 3,500 Ontario Works cases, deliver and manage Child Care and prepare to assimilate Social Housing services.” “Strategies to assume the management and delivery of Child Care Programs were created to maintain purchase of service arrangements while reducing duplicitous delivery functions...streamlining service to clients.” “Overall, the level of service delivery has been enhanced and will be available in both official languages in all offices.” “A comprehensive training plan details the required and recommended information and training for all Board and staff members in the new organization. Critical training must be completed prior to March 31, 1999, in order to ensure that the required knowledge and skills reside within the new organization to assume the full range of delivery responsibilities. Supplementary training will unfold thereafter.”

The training plan contained within the Implementation Plan delineates the training required to ensure a high performance and achievement culture within the organization. However, several of the theoretical necessities that were addressed in the literature review, are only listed as moderate priorities. The training activities¹⁶⁹, which reflect new public management theory, include:

- strategic planning for the DSSAB Board
- development of a foundation of trust and development of high performance teams, for all management staff leadership training for the CAO

¹⁶⁸ The Cochrane DSSAB Working Group, “A Consolidation/Integration Implementation Plan for the Cochrane District Social Services Administration Board,” December 18, 1998, pp. 1-2.

¹⁶⁹ Ibid., pp. 60-63.

- management training including empowering management techniques, divesting autonomy and decision making, building support and managing teams and conflict resolution for program managers
- training on building a foundation of trust and team building for all front-line staff
- customer service training for support staff

The delay in undertaking this training is understandable; as the first order of business was to form the organization and have the staff gain the technical skills needed to deliver the programs. The technical training on understanding and delivering programs was high priority and was completed, in order that the organization could deliver the current services.

New public management theory, discovered in the literature review, purports that the most successful public organizations ensure, as part of their strategic planning, that the organization has established a clear vision and mission. Successful public sector organizations must also ensure, according to the literature, that they are embracing critical client-centred values.

During 1999, the CDSSAB conducted, with the assistance of the consultant who had worked on the Implementation Plan, an organizational visioning exercise and the preparation of a policy and procedures manual. The senior management team felt the importance of maintaining the same consultant as they believed that during joint work on the Implementation Plan, a good fit had occurred between management's organizational objectives and the mind set of the consultant. Senior management staff participated in a session to determine a clear vision. A draft vision was distributed to

all staff for feedback, prior to its finalization. The vision statement¹⁷⁰ reflects the desire to be a client-centred, responsive to community organization valuing the individuality of residents. The statement is intended to address the relationship building that is required with all communities' residents, attempting to undo some of the bad feelings that remained from the political turmoil surrounding the CDSSAB formation. The Vision also includes the guiding principles¹⁷¹ for the organization, including;

- “respect for applicants, participants, staff and community partners,”
- effective communication with applicants, staff and community partners, encouragement of individual professional development and team growth, and
- “unity – bringing together the interest of all to achieve our common purpose.”

Toward the end of 1999, the same consultant was again hired to facilitate the writing of a Policy and Procedure Manual¹⁷² for the CDSSAB. The intent of the manual is that it acts as a first source reference for staff, clarifying program delivery at the CDSSAB. It describes the service path, directs staff to the appropriate Ontario Works Directives and defines roles and responsibilities. It is designed to enable empowerment in decision making for front line staff. The manual also acts as an accountability tool, another new public management criteria. It contains local audit requirements for each policy to ensure set standards are maintained. A panel of staff, including representation from all functional areas and all offices within the CDSSAB met with the consultant for several

¹⁷⁰ See attached Vision Statement, Appendix D.

¹⁷¹ Ibid.

¹⁷² ADW Consulting and Pauline Lewis & Associates Inc., “District of Cochrane Social Services Administration Board Policy and Procedure Manual,” May 1, 2000.

weeks to reach consensus on the policies and procedures. In determining the appropriate policies and procedures, decisions were measured,

“against the degree to which specific activities will contribute to the achievement of the vision. Decisions, especially those where some discretion can be exercised, will be examined and measured in the context of how they relate to the organizational vision and guiding principles. Staff will be encouraged to make decisions and demonstrate behaviors which are consistent with these principles.”

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DATA ANALYSIS AND CONCLUSIONS

Effectiveness is defined as outcome over objectives. Outcome measures focus on the real reason for spending, whether the service is effective in meeting the mission or goals set. Outcome measures demonstrate to funding agencies, the public and politicians that the organization is accomplishing its mission and goals.

The effectiveness measures chosen, by the researcher, were determined by the importance the provincial government places on two key performance measures. The only measures, in 1998 and 1999, which were directly related to funding were community participation targets and participation agreements signed by clients. In 2000, the province is adjusting its results based funding; funding will be based on provincially pre-determined levels of service to be delivered to clients. The organization will again have to have the capacity to adjust to reflect these new, mandatory for funding, service levels.

¹⁷³ Ibid., p. 1.2-1.3.

The province is, consistent with new public management theory, moving towards more outcome based funding. In 2000, funding for all employment-based services will be directly related to level of service to clients. Delivery agents will "earn" their money by target achievement of client service levels. As long as specified levels of service are delivered to client, there will be flexibility in spending, both on client expenses and on administrative functions, allowed. In late 1999 the province announced that there would be bonuses for those agencies that exceeded the provincial targets for community placements. This was an incentive for organizations to become more results oriented. The objectives of the provincial government have been clearly defined; to provide community placements and employment supports to enable the shortest route to employment for clients. This commitment to enable social assistance recipients through employment supports and community placements is supported by results-based funding. During 1998 and 1999, only the two aforementioned areas of provincial funding that were determined by target achievement.

The determination of effectiveness is always more relevant when it can be compared. The effectiveness of the CDSSAB will be compared with the effectiveness two previous organizations, the City of Timmins and the District of Cochrane Welfare Administration Board.

When conducting research, validity of the data is an important factor. The assessment of the Ontario Works target achievement, both for community placement and participation agreements constitute a nebulous exercise. Several factors complicate accurate assessment of this data. Targets are set annually, for the yearly Service Contract with

the Ministry of Community and Social Services. Service contracts do not reflect monthly targets. The target achievement data is housed in the Ontario Works Technology database. Once the two Ontario Works databases, the former City of Timmins and the former CDWAB, were merged in May 1999, all data for January to April from the two former organizations was merged, making it impossible to assess target achievement by the two former organizations for the period of January to April 1999. For this reason, target achievement for the City and the CDWAB will be based on the fiscal year preceding the amalgamation, 1998. Target achievement for the CDSSAB will be based on the fiscal year of 1999. This will not accurately reflect the new organization's ability to meet targets, but will provide an approximation of the potential for effectiveness.

RESULTS BASED ONTARIO WORKS FUNDING TARGET ACHIEVEMENT						
	CDWAB		TIMMINS		CDSSAB	
	1998¹⁷⁴		1998¹⁷⁵		1999¹⁷⁶	
	Target	Actual	Target	Actual	Target	Actual
Community Placement Programming	405	225	375	510	920	901
Community Placement - Months	67	153	250	276	450	489
Community Placement - Participants Placed	472	378	625	786	1370	1390
Community Placement Totals						
Employment Support Programming	495	325	1080	1420	2400	2575
Participation Agreement Totals						

¹⁷⁴ Ministry of Community and Social Services, "CDWAB, Ontario Works 1998 Final Reconciliation – Summary."

¹⁷⁵ Ministry of Community and Social Services, "City of Timmins, Ontario Works 1998 Final Reconciliation – Summary."

¹⁷⁶ CDSSAB, "Ontario Works Database Statistical Report, 1999", February 2000.

One will note the percentage of caseload represented by targets is much higher in the CDWAB than either the City or the CDSSAB. This reflects the CDWABs inability to set reachable targets and the inability to negotiate reasonable targets with the Ministry.¹⁷⁷ There was also no on-going monitoring of target achievement at the CDWAB.¹⁷⁸ The management of the City was able to negotiate more organizationally appropriate targets. City management staff also monitored target achievement in order to assure that funding-based targets were met. The CDWAB had not achieved their Ontario Works performance targets in the past. The CDSSAB had only been operating as an integrated organization for nine months of the 1999-year, but was during the period of intensive change, was still able to meet the performance targets, bodes well for future effectiveness.

In January 2000, the government announced increased funding¹⁷⁹ was being made available to Ontario Works delivery agents. Those delivery agents that exceeded provincial minimum targets for community placement, would receive increased funding of \$1,000.00 per placement above minimum targets of 15% in 1999-2000 and \$500.00 for each placement achieved above the 2000-2001 target of 22.5% and the 2001-2002 target of 30%. The money could be used to address unmet human service needs within the delivery agent's area. The CDSSAB achieved 197 percent of provincial expectations of a minimum of 15% of caseload, in community placements and received

¹⁷⁷ From a conversation with the former Administrator, CDWAB, summer 1999.

¹⁷⁸ Ibid.

¹⁷⁹ Ontario, Ministry of Community and Social Services, Ontario Works Bulletin, "Implementation of Increased Funding for Community Placement Targets", January 20, 2000, pp. 1-6.

“bonus” money in the amount of \$370,000.00¹⁸⁰ for the period of April 1999 – March 2000.

Another short-term goal of the province was their commitment to decrease the size of the public service, with their relatively high salary cost, and strong provincial union. This analysis will consist of examination of the reduction in program and administrative staffing in the Timmins District offices of the Ministry of Community and Social Services, and a comparison of staffing of the former delivery organizations and the new CDSSAB. Ministry staff earned approximately \$15,000.00 more than comparable staff in both the CDWAB and City organizations.¹⁸¹ The reduction of Ministry of Community and Social Service staff in the District of Cochrane was:¹⁸²

14 Family Benefit Act (FBA) program staff

4 FBA support staff

2 FBA managers

2 administrative staff positions

There was a total reduction of 22 provincial staff in Timmins District offices, which served the District of Cochrane, and a comparative increase of 20¹⁸³ program and

¹⁸⁰ Ontario, Ministry of Community and Social Services, “Ontario Works Placements 1999-2000”, June 6, 2000.

¹⁸¹ From a review of salary scales, City of Timmins, Cochrane District Welfare Board, Province of Ontario

¹⁸² Ron Devost, Program Manager, Ministry of Community and Social Services, North Bay, provided July 1999.

¹⁸³ Based on organizational charts, City of Timmins, Social Services Department, 19 staff, 1998; CDWAB, 19 staff, 1998, CDSSAB, 1999, 58 staff. There are some caveats surrounding the staffing information. The City’s Department of Social Services did not maintain dedicated staff for the provision of accounting and personnel services. They purchased their financial and personnel administration services centrally from other City departments. The DSSAB handles its own finance and personnel administrative functions. The CDSSAB, early in 2000, increased it’s staffing by six, all middle-level management positions¹⁸³, to handle

administrative staff in the CDSSAB, in 1999. The staff in the DSSAB, however, delivered the more intensive Ontario Works employment program. The author cannot state categorically that there was a total provincial reduction in the public service caused by devolution of services. This case study does show the goal of reducing the Ontario Public Service has been achieved in the District of Cochrane.

The province's goal in the establishment of the CDSSAB was to solve the particular problems that emerged, in Northern Ontario, from the changes they were making in the management and delivery of social services provincially. Their choice, to force the consolidation of the CDSSAB was based, in the short-term on new public management theories around organizational effectiveness and capacity, and on their desire to fulfil their promise of a reduction in the public service, not on the frequently stated efficiency. They do, however, retain efficiency as a long-term goal and believe it can be realized as future services are devolved.

During this early stage in the CDSSABs history, the organization has proven that it is effective in meeting provincial goals. They have developed an organization that can effectively deliver Ontario Works throughout the district. The provincial decision to create DSSABs was based on the need to have bigger, modernized, flexible institutions to deliver devolved services. The CDSSAB Implementation Plan, Vision Statement and Policy and Procedure Manual illustrate that the organization embraces the new public management theories that the drove provincial decision-making. The CDSSAB reflects

day to day program management of Ontario Works, childcare, finance and the planning associated with the assumption of land ambulance services.

client-oriented values, respects and builds relationships with stakeholders and has a commitment to employees to encourage building or an achievement culture.

In the short-term, the provincial objectives have been met.

The last question this paper poses is, will the CDSSAB meet the long-range provincial objectives of efficient, effective, integrated human services? Although much of the following is speculative, since it can only be determined once all services are downloaded, the organization possesses an important capacity, the capacity to change. This is an important quality according to new public management theories. This is reflective in some recent reorganization and planning for the assumption of future services.

According to new public management theories, effective organizations do not remain static. They must have the ability to change as circumstances dictate. They assess their strengths and weaknesses in relation to the work that needs to be accomplished. The CDSSAB exhibits this quality. During an end of first year review, a senior level management assessment indicated that the organization had not been able to achieve the empowered, self-directed teams envisioned in the Implementation Plan. The time needed to undertake training, required to develop the organizational achievement culture that would support empowered employees and self-directed teams, became an issue. The CDSSAB, like many organizations, felt they were, "too busy fighting theigators to drain the swamp."¹⁸⁴ Total quality management theory around self-directed

¹⁸⁴ Robert Denhart, The Pursuit of Significance: Strategies for Managerial Success in Public Organizations, Belmont, Cal.: Wadsworth, 1993, p. 3.

teams indicates that they falter if not enough time and resources are not put into their development.¹⁸⁵ This is an organizational problem that will need to be addressed if an achievement culture is to be realized.

The organization has recently adjusted the extremely flat organizational structure recommended by the consultants to include a middle management layer. The span of control was too large for upper level management to handle without empowered teams. Management felt it was too difficult to complete their planning and policy functions, while handling the day-to-day employee management duties, during the time when change was being implemented and new services were being assumed. Middle management is now in place to handle the day-to-day management issues. Senior management needs to concentrate on the long-term goal of changing the organization to an achievement oriented employee empowered culture. They need to take the time to receive the training themselves and provide the training required for all staff in the organization.

Training is an essential part of ensuring a productive organization and workforce according to new public management theorists. "Organizations must help people gain the skills and self-reliance to master the new environment..."¹⁸⁶ This may be difficult when the organization is still in a period of change and still assuming more services. Although challenging, the literature review suggests that it is imperative to develop the organizational capacity to meet provincial goals. Kernahan emphasizes that in order for

¹⁸⁵ Mark Hequet, "TQM at City Hall," *Training*, March 1995, p. 64.

¹⁸⁶ Kanter, Rosabeth Moss, "Restoring People to the Heart of the Organization of the Future," in Frances Hesselein, Marshall Goldsmith and Richard Beckhard (eds.), *The Organization of the Future*, San Francisco: Jossey Bass, 1997, p. 142.

empowerment to be effective, a significant amount of training must occur. Authority cannot be...”delegated without the appropriate training to allow for the effective exercising of new responsibilities.”¹⁸⁷ He also discusses other factors that must be addressed in order for empowerment to work, including resistance from middle managers, fearing loss of power or even jobs.¹⁸⁸ The CDSSAB still needs to re-skill some managers with coaching rather than authoritarian styles. In order to be a truly effective organization, the senior management team needs to reflect and act on the following statement,

“No executive can hide from the fact that his or her team reflects the best and the worst of the company’s values and norms, and therefore provides a case in point for insight into the nature of the adaptive work ahead.”

The CDSSAB must also allocate sufficient resources for training, institute recognition and rewards, institute a performance management system and resolve labour relations disputes arising from the new way of doing business. As the literature stresses, organizations cannot just pay lip service to empowerment.¹⁸⁹ The CDSSAB needs to include these goals in their future plans. They need a change in culture and values “from territory, turf and fear to teamwork, trust and delegated responsibility”¹⁹⁰

Self directed work teams are essential if “flat” organizations are to be effective. Team members need to be empowered to make decisions and have to accept this empowerment in order to be effective. After years of functioning in a “do as you are

¹⁸⁷ Vantour, ed., *Our Story*, p. 61 as quoted in Kernaghan, Kenneth, “Empowerment and Public Administration: Revolutionary advance or passing fancy?” Canadian Public Administration, 35 (2), SUMMER 1992, 194-214, p. 208.

¹⁸⁸ Kenneth Kernaghan, “Empowerment and Public Administration: Revolutionary advance or passing fancy?” Canadian Public Administration, 35 (2), Summer 1992, p. 208.

¹⁸⁹ *Ibid.*, pp. 194-214.

¹⁹⁰ *Ibid.*, p. 203.

told" environment, support from the top, a tolerance of risk-taking, training and facilitation are needed in order for teams to function efficiently. As with most organizations, the CDSSAB named teams, but as yet, has not invested enough financial and human resources to make their teams effective. With more services to be assumed in the future and as the organization becomes more complex, empowered teams will be vital to achieving provincial long-term goals.

The assumption of Land Ambulance is scheduled for transition to the CDSSAB on or before January 1, 2001. CDSSAB Board Resolution 99-88 commits the Board to assume the services and ensure their provision in accordance with fundamental principles including, "service will be accessible, integrated, seamless accountable and responsive."¹⁹¹ There is also commitment to having a performance-based system providing quality and cost effectiveness. This will be achieved by implementing a system with predefined standards of care and response times that are monitored and measured to ensure accountability.¹⁹² A commitment is also given to "clinical excellence, response time reliability, economic efficiency and client satisfaction"¹⁹³. There is also a commitment to recognizing the important human resource component of paramedics and the provision of a working environment "conducive to professional career development and employee stability."¹⁹⁴

¹⁹¹ Steve Triner, "Emergency Medical Services System Overview," Report to District of Cochrane Social Service Administration Board, December 16, 1999, p.2.

¹⁹² Ibid., p. 3.

¹⁹³ Ibid., p. 3.

¹⁹⁴ Ibid., p. 3.

Although land ambulance management will be assumed by January 1, 2001, the date for devolution of social housing responsibilities has not yet been determined. In a discussion paper on the amalgamation of the three housing authorities in the Cochrane District¹⁹⁵, Joe Torlone, CAO, CDSSAB, suggests economies of scale to be achieved by consolidation, but acknowledges the current fiscal constraints and the difficulties small organizations will have in providing the necessary products and services. He is adamant that "further analysis must be undertaken to accurately determine if cost efficiencies will occur."¹⁹⁶ The proposal consolidates the functions of governance, finance, human resources administration, technical services, purchasing and information technology in order to reduce duplication and share expertise. Property management services would still be offered in smaller localized modules to ensure personal services would be maintained and there would be resources available at the community level. The proposed governance would consist of a transition board consisting of members from each of the present housing authorities, members of the CDSSAB Social Housing Committee, the current Housing Authority Manager and the CDSSAB CAO. After the devolution process is complete, the responsibility would shift to the CDSSAB Board. The benefits proposed include:

- a local solution,
- the retention of existing staff from the housing authorities, as a component of the CDSSAB, with attrition being utilized for downsizing expected from consolidation of administrative functions,
- a modular solution with client services remaining at the community level,

¹⁹⁵ Joseph Torlone, "Amalgamation of the Cochrane District's Three Local Housing Authorities," Report to District of Cochrane Social Service Administration Board, February 25, 2000, pp. 1-13.

- a reduction in duplication and,
- equity of standards across the district.

There is the intent of hiring a professional housing manager.

One objective of this paper was to discover the main objectives of the forced consolidation of the District of Cochrane Social Services Administration Board. A second objective was the analysis of whether the CDSSAB, in its first year of operation, has met the short-term provincial objectives. The conclusion also addresses whether the CDSSAB has the organizational capacity to meet the long-term provincial goals.

Was the CDSSAB established, as stated by the province because the "Status quo is wasteful and inefficient,"¹⁹⁷ or was the establishment motivated by the provincial decision to download the management and delivery of many services to municipalities. Once the decision to download services was made, the province required a mechanism in the North for management and delivery of these services over a large geographic area. The provincial desire to create an organization that would utilize new public management theories to develop the ability to deliver effective, integrated human services across the District's vast geographical area was foremost. The Common Sense Revolution had committed the government to reduce the size of the public service. That also motivated the provincial government to reduce direct delivery of services and the number of agencies with which it had to deal, thereby reducing the amount of administration done by the public service in Ontario.

¹⁹⁶ Ibid., p. 8

Efficiency, although referred to often, is discovered to be a long-term goal, not necessarily expected in the short-term. This paper has shown that the short-term provincial motivation was not efficiency, but the creation of organizations that had the organizational capacity to deliver downloaded services, and the desire to downsize the Ontario Public Service.

The formation of the CDSSAB, another special purpose body for Northern Ontario, and regional delivery of services seemed to fly in the face of the new provincial policy of reducing government by eliminating upper tier bodies, as evidenced by amalgamations in Southern Ontario. Because it was not practical to amalgamate the vast, sparsely populated areas of Northern Ontario into one city, the province needed another mechanism to ensure they would be able to download services. In Northern Ontario, they solved the problem using new public management theories. They would create new regional bodies with the organizational capacity to handle the alternative service delivery. The CDSSAB is one of these organizations. The plan to reduce government in the North is still on the agenda even with the creation of a new special purpose body, albeit in a different manner than in the south.

The organization has achieved the provincial short-term goals of organizational capacity and effectiveness and the reduction of the Ontario Public Service. The CDSSAB has met the province's challenge to be an effective, client centered, responsive, integrated service

¹⁹⁷ Suzanne Herbert, Assistant Deputy Minister, "Remarks to the Fall Training Seminar of the Ontario Municipal Social Services Association, Ministry of Community and Social Services, November 30, 1998

delivery organization, by utilizing new public management theories. They have the technical and management expertise to deliver the wide range of services. They are a responsive organization, with the ability to change and adapt. They are an effective, accountable organization capable of meeting funding-based result targets.

Further, future research will be needed to determine if the province's long-term goal of efficiency will be achieved.

The CDSSAB is an organization that has met the province's short-term objectives and, although still facing many challenges, is positioned to meet the long-term objectives of the province. The long-term provincial goals are multi-faceted. As the literature indicates, they want efficiencies, less government and superior integrated services.

Efficiency is emphasized in a August 21, 1997 News Release from Janet Ecker regarding the Who Does What reforms states the changes will "provide better services at lower cost to the taxpayers." Outcome measurement will be critical in determining both the effectiveness and efficiency of the organization. The CDSSAB has proven that it has the capability to determine and monitor targets for new results-based funding model. Other documentation describes the government's goals in a different perspective. In the Ontario Government Business Plans - 1998-1999 more focus is being placed on customer service "Making Services Work for People"¹⁹⁸ is described as, "The aim of this multi-year initiative to restructure social services to better meet people's needs."¹⁹⁹ Creating efficiency is still mentioned but priority is given to reducing overlap and frustration for client and providing services that are easier to find and more effective.

Efficiencies are expected at the completion of the downloading. Once devolution is complete CDSSAB will have replaced the CDWAB, three Local Housing Authority Boards and one Public Health Board. The province will have one administration to deal with instead of the multiple municipalities and agencies with whom they contracted service delivery of Ontario Works, childcare and land ambulance. The province will also have eliminated direct service delivery to the unincorporated areas of the district. This meets objectives of downsizing government, downsizing public service, and provides an effective organizational structure with the capacity to deliver integrated downloaded services. The CDSSAB Vision Statement should guide the organization in making future decisions to enhance effectiveness and meet the provincial goals of improved integrated service for the citizens of the District of Cochrane. If the CDSSAB remains committed to new public management theories, maintaining a responsive, well focused, managerial adept organization, the researcher believes they will be prepared for the challenges ahead.

The CDSSAB, in its first year, achieved the organizational effectiveness desired by the province in the short-term. It has the organizational capacity to continue to meet the provincial objectives of effective, responsive, integrated human service delivery. The province has also succeeded in reducing the size of the public service, in the Cochrane District. Whether the provincial desire for long-term efficiencies will be realized would

¹⁹⁸ Government of Ontario, Ministry of Community and Social Services, "Ontario Government Business Plans," p. 11. Internet at <http://www.gov.on.ca/MBS/english/press/plans98/css.html> accessed Dec. 30, 1998.

¹⁹⁹ Ibid., p. 2.

be an interesting topic for further research. In any case, such efficiencies cannot be determined until several years have passed.

APPENDIX "A"

INTERVIEW QUESTIONS

**INTERVIEW WITH GERMAIN LACOURSIERE, REGIONAL DIRECTOR,
NORTHEAST AREA OFFICE, MINISTRY OF COMMUNITY AND SOCIAL SERVICES**

INTERVIEW CONDUCTED - JULY 10, 2000

What prompted the Provincial Government's decision to consolidate the management and delivery of social services?

What were the factors considered in the decision on the number of Consolidated Municipal Service Managers?

Were there any special considerations around the geographic size of the delivery agents in Northern Ontario?

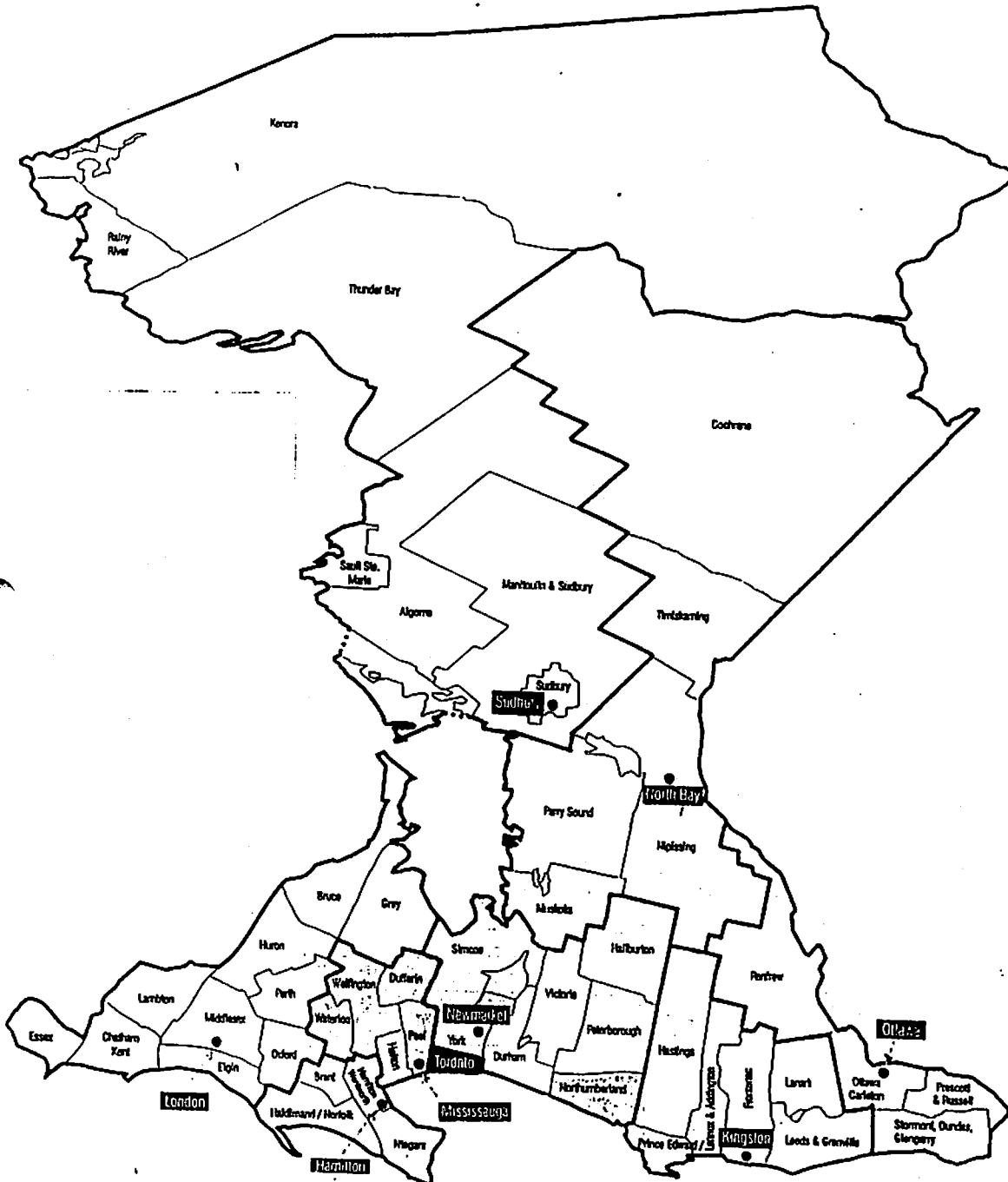
How was the final decision arrived at regarding the number of DSSABs for Northern Ontario?

What were the expectations for administrative efficiency and service delivery effectiveness, both short and long term?

Has the first year achieved the desired results?

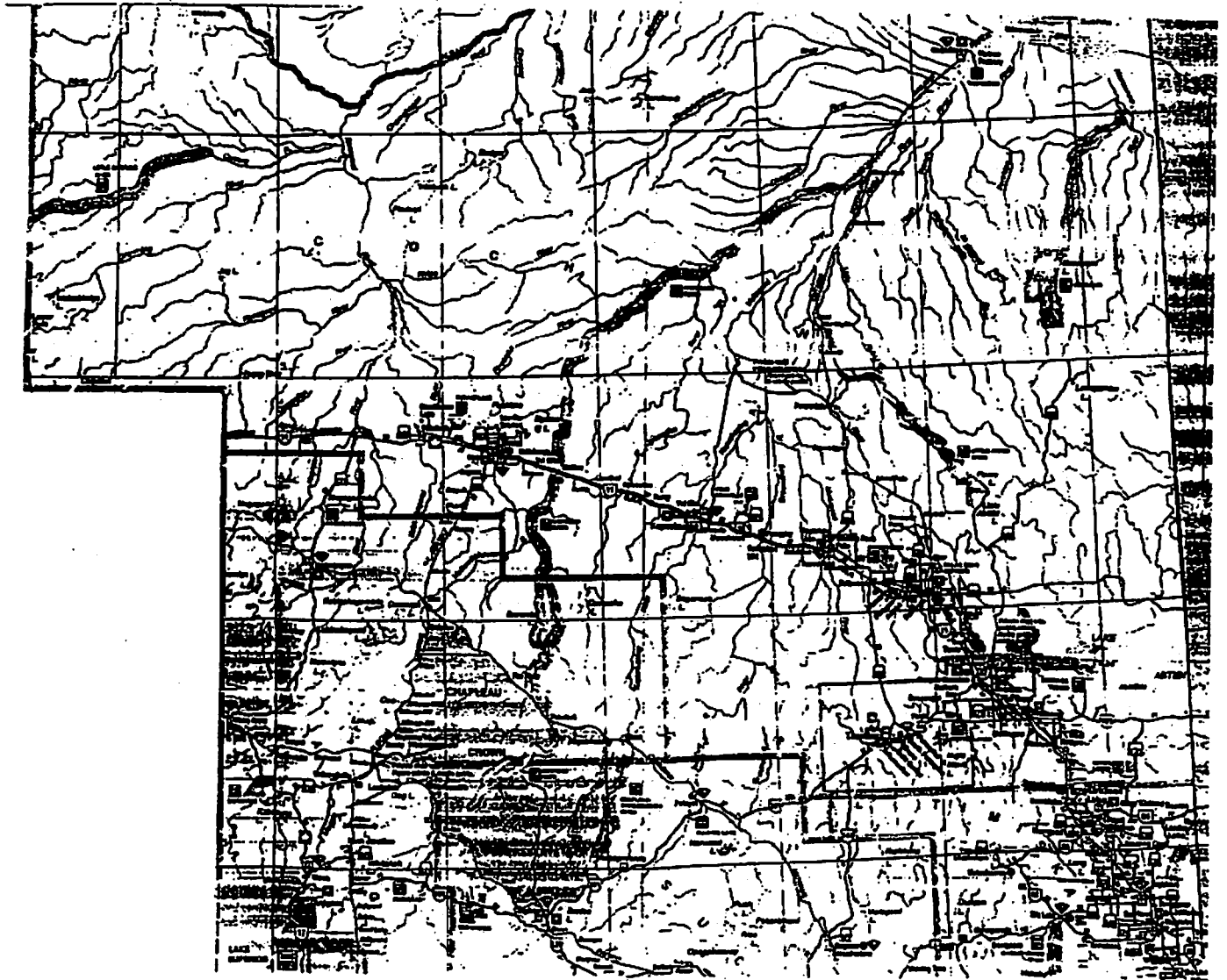
Are there expectations of further efficiencies as the DSSABs mature, assume more services and fulfill their purpose of integrated delivery agents?

APPENDIX "B"



APPENDIX "C"

MAP ILLUSTRATING THE DISTRIBUTION OF COMMUNITIES
ALONG THE HIGHWAY 11 CORRIDOR



***District of Cochrane Social Services
Administration Board***

Vision and Values

Our Vision is...

To further develop a District service environment that is responsive to community needs and which values the individuality of its residents.

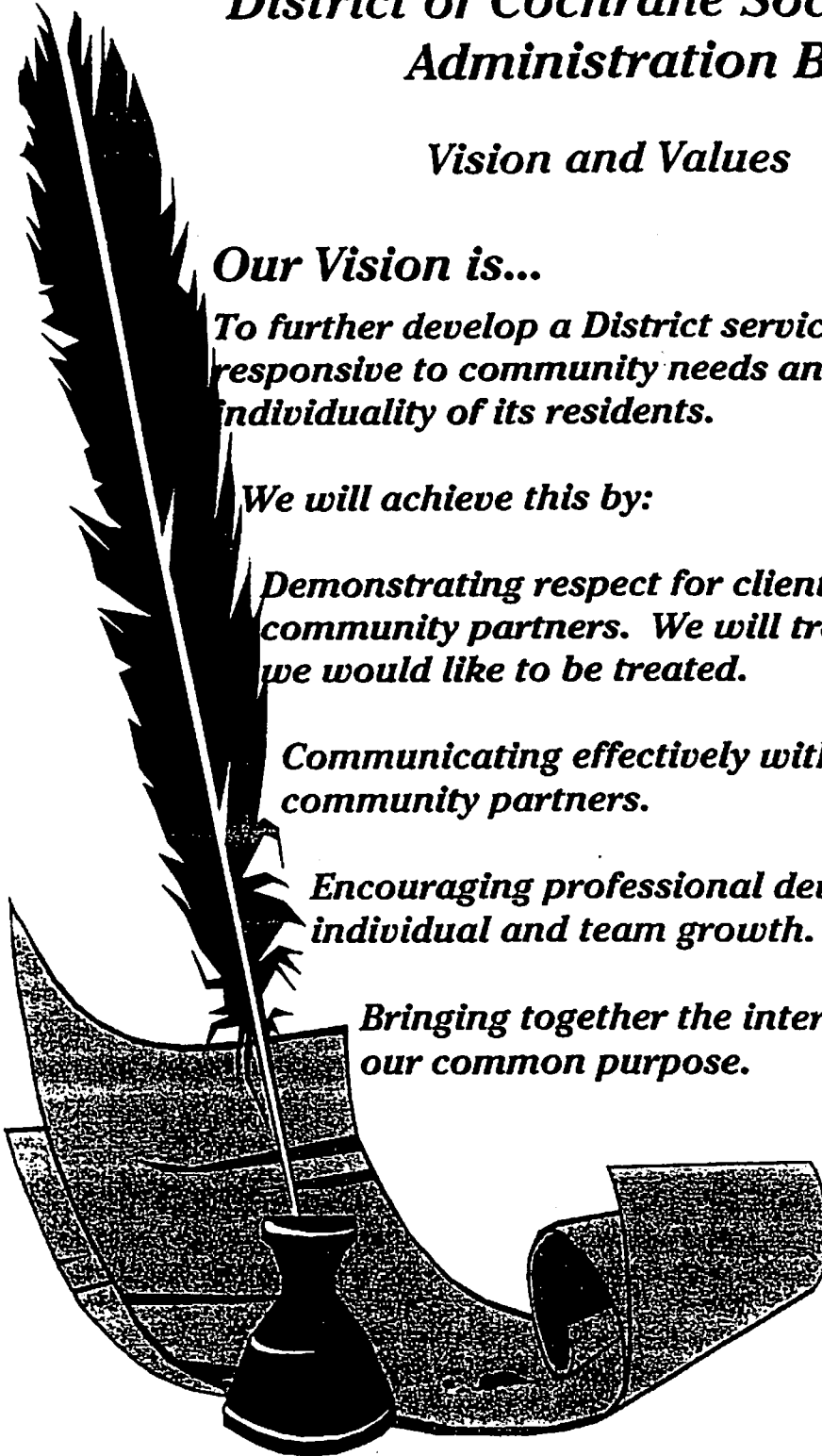
We will achieve this by:

Demonstrating respect for clients, staff and community partners. We will treat each person, as we would like to be treated.

Communicating effectively with clients, staff and community partners.

Encouraging professional development and individual and team growth.

Bringing together the interests of all to achieve our common purpose.



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