

COMMUNITY ISSUES AND SOCIAL PLANNING COMMITTEE

*HIS WORSHIP, THE MAYOR  
AND COUNCILLORS*

Re: Ministry for Children and Families: Contract Restructuring

RECOMMENDATION:

1. **THAT** Council authorize staff to send this report to:
  - a) Svend Robinson, M.P.  
Burnaby-Douglas  
House of Commons  
Ottawa, Ontario  
K1A 0A6
  - b) Linda Todd  
Executive Director  
Lifeline Society  
186 - 4664 Lougheed Highway  
Burnaby, B.C. V5C 5T5
  - c) Burnaby Inter-Agency Council  
c/o Susan Reimer  
Mainstream Society  
240-4664 Lougheed Highway  
Burnaby, B.C. V5C 5T5

REPORT

The Community Issues and Social Planning Committee, at its meeting held on 1997 November 26, adopted the attached report outlining the Ministry for Children and Families contract restructuring process. Please note that a quorum was not present at this meeting.

The Committee proposed to monitor the contract restructuring process as it evolves. In addition, the Committee noted that it will keep Council apprised of important developments and provide recommendations for action as appropriate.

Respectfully submitted,

Councillor C. Redman  
Chair

: COPY - CITY MANAGER  
- DIR. PLNG. & BLDG.

Councillor N. Volkow  
Vice Chair

TO: COMMUNITY ISSUES &  
SOCIAL PLANNING COMMITTEE

1997 NOVEMBER 19

FROM: DIRECTOR PLANNING AND BUILDING

OUR FILE: 17.465

SUBJECT: **MINISTRY FOR CHILDREN AND FAMILIES: CONTRACT  
RESTRUCTURING**

PURPOSE: To provide background information on the Ministry for Children and Families and its contract restructuring process.

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**RECOMMENDATION:**

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- |   |   |
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| a) Svend Robinson, M.P.<br>Burnaby-Douglas<br>House of Commons<br>Ottawa, Ontario   | b) Linda Todd<br>Executive Director<br>Lifeline Society<br>186-4664 Lougheed Highway<br>Burnaby, B.C. V5C 5T5 |
| c) Burnaby Inter-Agency Council<br>c/o Susan Reimer<br>Mainstream Society<br>240-4664 Lougheed Highway<br>Burnaby, B.C. V5C 5T5 |   |

**R E P O R T**

**1.0 INTRODUCTION**

At its meeting of 1997 September 18, Council received a letter from Svend Robinson, M.P. expressing concerns about the contract restructuring process being undertaken by the Ministry for Children and Families (MCF). Mr. Robinson noted that the Ministry plans to consolidate several small contracts into a limited number of larger contracts. He expressed concern about the potential impact of the consolidation for the Lifeline Society, which relies on MCF funding to provide its counseling services. He also urged Council to consider writing to the Minister of MCF, requesting that the Lifeline Society's contract for counseling services be continued.

Arising from discussion, Council referred Mr. Robinson's letter to the Community Issues & Social Planning Committee, asking it to review the anticipated impacts of the MCF initiative for contracted agencies in Burnaby.

This report responds to Council's request.

## 2.0 ESTABLISHMENT OF THE MINISTRY

In 1996 September, Premier Clark announced the creation of the Ministry for Children and Families, naming Penny Priddy as minister. The key roles of the new ministry were

- i) to consolidate child and family services previously administered by five ministries into a single unified ministry, thereby streamlining the service delivery system and strengthening the child protection function, and
- ii) to implement recommendations from two reports on B.C.'s child and family services system: the *Report on the Gove Inquiry into Child Protection* (1995 November) and the *Morton Report: British Columbia's Child, Youth and Family Serving System, Recommendations for Change* (1996 September).

According to the Deputy Minister of MCF, establishment of the new ministry represents the largest restructuring of child welfare services in North America. The MCF brought the following programs and services from five ministries under one ministerial umbrella:

- ▶ **Ministry of Health** - community health services relating to youth, youth forensic psychiatric services, mental health and public health services for children and youth, alcohol and drug services for youths and adults, and services for youths relating to speech and language pathology, dental health, nutrition, and hearing.
- ▶ **Ministry of Education, Skills and Training** - social equity programs such as community schools, Kids at Risk, school meals, and the deaf-blind summer program.
- ▶ **Ministry of Women's Equality** - all child abuse programs and the Children Who Witness Abuse program.
- ▶ **Ministry of Social Services** - child, family and community service programs (e.g., child protection, family and youth supports), programs for children and adults with mental handicaps or multiple disabilities, and health services for children (e.g., dental and optical care for children in lower income families).
- ▶ **Ministry of Attorney General** - all youth corrections programs, youth custody centres, and youth assessment, counseling and therapy services.

With the transfer of these programs and services, the MCF assumed responsibility for an annual operating budget of \$1.3 billion, 4000 staff, and 200 offices located throughout BC.

Following the recommendations of the Gove and Morton reports, the key thrust of the new ministry was to develop a "client-centred" service delivery system which would:

- ▶ focus on children
- ▶ recognize diversity
- ▶ provide for regional service delivery
- ▶ integrate services
- ▶ create an open, accountable, and accessible system
- ▶ encourage participation of children, families, and communities.

The MCF has been structured around four functional areas:

- ▶ **the minister's office** - this office is responsible for guiding government and ministry policy development regarding children and families
- ▶ **the deputy minister's office** - this office is responsible for strategic planning, direction to operating agencies, and support to the minister
- ▶ **the central operating agency** - based in Victoria, the central agency is responsible for support of regional operating agencies, audit and performance management, adult services (i.e., policy advice and support on services for people with mental handicaps and adult alcohol and drug services), governmental relations, child protection, and corporate services. Under the new Ministry, the centralized functions have been significantly decreased, with greater autonomy and responsibility being given to the regional level.
- ▶ **regional operating agencies** - twenty regional operating agencies, covering distinct geographic areas of the province, have been given responsibility for:
  - ▶ assessing client, community, and regional needs
  - ▶ providing and managing services
  - ▶ implementing regional planning, evaluation, and reporting
  - ▶ determining regional resource allocation
  - ▶ maintaining accountability for outcomes
  - ▶ implementing effective frontline complaint processes
  - ▶ ensuring equitable access to services for a diverse population
  - ▶ establishing advisory committees that include families and youth.

### 3.0 BURNABY MCF STRUCTURE

Burnaby is one of the twenty MCF regions in BC. The Burnaby Regional Operating Agency is headed by a Regional Operating Officer (ROO), Elaine Murray, who reports directly to the Deputy Minister.

A chart depicting the service delivery and management infrastructure for the Burnaby Regional Operating Agency is presented in Appendix 1, *attached*. A list of the programs and services that have come under the auspices of the Regional Operating Agency is presented in Appendix 2, *attached*. The list includes programs and services delivered directly by Ministry staff and those provided under contract by outside agencies.

The current annual operating budget of the Burnaby Regional Operating Agency is about \$85 million. About \$50 million is devoted to services for Burnaby residents; \$35 million is allocated to broader provincial resources, which happen to be located in Burnaby (e.g., the Maples, Youth Detention Centre). Of the \$50 million directed to Burnaby, about \$35 million (69% of the Burnaby portion) is devoted to contracted services. As of 1997 October, the Regional Operating Agency had *581 contracts* being *administered by 294 contractors*. The *majority of contract funding and responsibility in the region is divided amongst 67 agencies*.

As discussed below, Regional Operating Agencies throughout BC are aiming to substantially streamline their system of contracts.

#### 4.0 CONTRACT RESTRUCTURING PROCESS

##### 4.1 Provincial Level

The recent Ministry report, *Building the Ministry for Children and Families* (1997), provides an overview of the first six months of the MCF's operation and establishes priorities for 1997-98. One of the priorities involves service integration. Bringing selected programs and services from five ministries into a single unified ministry is seen as a first step. The second step involves contract restructuring. Through contract restructuring, MCF is taking the lead role in the Province's Cross-Ministry Contract Reform Project, which responds to the Korbin Commission's (1993) recommendations for improvements to the government's contract management system.

The MCF contract restructuring effort consists of rationalizing over 100 different programs and services and more than 12,000 Ministry contracts. Consistent with the objectives of the Cross-Ministry Project, the MCF process aims to:

- ▶ establish long term relationships with eligible contractors
- ▶ improve consistency and coordination
- ▶ streamline administration
- ▶ increase accountability.

Quoting from *Building the Ministry for Children and Families*, service integration is intended to "produce long term efficiencies and change an often confusing patchwork of fragmented services into a user friendly continuum that meets clients' needs continuously, efficiently and effectively."

##### 4.2 Regional Level

In accordance with the Ministry's directions, all regional operating agencies throughout the province are developing their own plans for contract rationalization and restructuring. The time lines are tight. In Burnaby, the process was launched in 1997 July. The contracts with the new partners are intended to be negotiated by, and come into effect on, 1998 April 01.

Some key points regarding Burnaby's contract restructuring process are as follows.

- ▶ To gain assistance in planning for a restructured system, the Regional Operating Agency retained a consultant in 1997 July who, in turn, struck "planning teams" to advise on specific aspects of a restructured service delivery system. The teams consisted of Ministry staff and representatives from selected contracted agencies.
  
- ▶ In 1997 September, the Regional Operating Agency arranged a meeting with over 100 contracted agency representatives and selected others to review the objectives, planning process, and preliminary conclusions of the contract restructuring effort. At that meeting, it was revealed that the restructured system would be organized around four "service subsystems", as depicted in Appendix 3, *attached*:
  - 1) families with children who have developmental delays or disabilities
  - 2) adult community living (i.e., adults with mental handicaps)
  - 3) high risk youth
  - 4) family support and child protection
  
- ▶ At the time of this writing, the Burnaby Regional Operating Agency is completing the process of identifying logical "clusters" of services related to the various service subsystems. On 1997 November 20, the Agency will release draft requests for proposal packages for each of the service clusters. Based on comments received, it will make necessary adjustments to the packages, releasing the final versions on 1997 December 10. The deadline for submissions is 1998 January 10. The Regional Operating Agency will review and evaluate the submissions in late January and, as noted, hopes to select new agency partners by 1998 February 01. The new contracts with the agency partners are intended to come into effect on 1998 April 1.
  
- ▶ Through contract restructuring, it is estimated that 12 to 15 agencies will enter into contracts for service delivery with the Regional Operating Agency - a substantial reduction from the 67 service providers responsible for the bulk of the Agency's contracted services at present. The period between 1998 February 1 and April 1 will be one of negotiation and transition. Agencies with new contracts will make necessary arrangements for providing expanded services, while those having their contracts lapse will wind down their service provision. Some agencies are in the process of amalgamating to bid on contracts. It is expected that a number of the agencies that fail to secure contracts and are not able or willing to amalgamate with other agencies will be forced to disband. The greatest impact will likely be felt by executive directors and management staff who will likely not be able to find work with the agencies with expanded contract funding. Further, while efforts will be made to accommodate line staff in the restructured system, it is expected that some of these staff could also face job displacement (e.g., some employees may choose to resign rather than work for a new agency).

- ▶ Local MCF representatives characterize the proposed changes as moving from a "boutique" model of service delivery to a "big box retail" model. Officials also claim that under the new system, the relationship between the Ministry and contracted agencies will change. Increasingly, agencies will be seen as *partners* with the Ministry, assuming broad responsibilities for a package of services under their auspices. MCF officials describe this change as the Ministry "dancing closer" with its agency partners, with both parties needing to quickly learn new steps to succeed.
  
- ▶ The Burnaby Inter-Agency Council (BIC), an umbrella group of statutory and non-statutory service providers in the city, has shown strong interest in the contract restructuring efforts. The group includes Ministry employees, representatives of agencies with MCF contracts and others. Indeed, while decisions about successful contractors have not yet been made, it is clear that most members will be directly or indirectly affected by those decisions. The BIC has heard presentations and discussed contract restructuring at several meetings. The group has formally requested the ROO to use it as an advisory body to evaluate concerns and possible solutions regarding the restructuring. In conjunction with the ROO, BIC representatives have also been scheduled to appear as a delegation to discuss the topic at the November meeting of the Community Issues & Social Planning Committee.

## 5.0 DISCUSSION: IMPLICATIONS OF CONTRACT RESTRUCTURING

The contract restructuring process is receiving mixed reactions from local service providers. The most positive feature of the restructuring, identified by BIC members and others, relates to its broad objectives. Specifically, the push for increased accountability, reduced fragmentation, and improved coordination is seen as logical and deserving of support. There is recognition that Burnaby's service delivery system, with its diversity of programs and agencies, can be confusing - for service providers, let alone citizens seeking services. Most would agree that changes could be made to improve coordination, accessibility, efficiency, and other aspects of the system. *Therefore, to the extent that the MCF contract restructuring process can meet its objectives, enhance the system, and improve service delivery to Burnaby residents, it is seen as positive.*

While acknowledging these positive features, the following concerns have been identified:

- ▶ *The process is happening too fast:* The key concern relating to the restructuring involves the speed with which it is being introduced. Given the stakes involved, agencies and others believe that more time is warranted both for planning and implementation. Without adequate time for planning or implementation, there is concern that negative unforeseen consequences may arise and the restructured system may not perform the way it is intended. There is also concern that, in the brief transition period between 1998 February and April, the successful contractors will have difficulties in pulling together their service delivery teams and completing other

necessary preparatory work. There is also concern that the agencies failing to obtain contracts will have a very short period in which to explore other options for their futures.

▶ ***It is questionable whether the restructured system will be as cost effective as anticipated - especially in the long term:*** The Ministry has been clear that the motivation for contract reform is *not* to save money. Nonetheless, Ministry officials have stated that the restructured system will need to reflect fiscal realities and function within existing budget guidelines. Reducing the number of contracts may produce efficiencies and reduce costs in the short term. For example, if contracts are streamlined and allocated to a limited number of agencies, the proportion of funding going towards administrative and management costs could decline, with increasing shares going directly to service provision. These savings may be overestimated, however. Labour adjustment costs are a big unknown. Staff from non union agencies could be moving to unionized environments. Also, staff who are represented by one particular union may be moving to an agency whose staff are covered by another union. Furthermore, pressures will increase to organize employees from all contracted agencies, as the size and mandate of those agencies increase through the consolidation process. Therefore, for a variety of reasons, it is expected that contract restructuring will result in upward pressure on salary and benefit costs.

▶ ***The implications of the proposed changes have not been adequately assessed:*** Some potential negative impacts from contract restructuring that deserve further attention include:

- ▶ reduced service choices for clients
- ▶ loss of jobs - particularly for executive directors and management staff unable to be absorbed by agencies with consolidated contracts; some line staff could also face job uncertainty
- ▶ reduction of volunteer commitment (i.e., people who volunteer their services to a small agency may not be willing to do so for a larger one)
- ▶ likely reduction in gaming revenues (i.e., unless Provincial Gaming Policy changes, agencies receiving MCF contracts will not be entitled to additional gaming revenues merely because their mandates have increased)
- ▶ potential loss of fundraising and charitable revenues (i.e., there is no guarantee that agencies being awarded MCF contracts for expanded services will receive commensurate increases in grants from the City, United Way, or other sources)
- ▶ renegotiation of City leases (i.e., similar to the above point, some agencies that lease office space or group home properties from the City may be forced to vacate if their MCF funding is terminated; moreover, Burnaby has made no commitment to automatically transfer the leases to agencies receiving contracts for expanded services)
- ▶ potential loss of capital assets (i.e., some service providers own valuable land or capital assets; questions exist about the Ministry's claims on such land or assets if agencies are unsuccessful in obtaining MCF contracts)



- ▶ increased problems if contracted agencies fail to meet expectations in the future (i.e., with the relationship of the Operating Agency and its contractors moving towards a closer partnership, contractors will generally have more responsibility than in the past, and termination of their contracts could become increasingly problematic).

## 6.0 CONCLUSION

This report responds to Council's request for information concerning the Ministry for Children and Families' contract restructuring process. The impetus for this report came from a letter from Svend Robinson, M.P. regarding the Ministry's possible cancellation of a contract for counseling services with the Lifeline Society. While not specifically addressing Lifeline Society's situation, the report reveals that several other agencies in the city have similar concerns - relating not only to the agencies' future contract funding, but also to their continued existence.

This report reveals that contract restructuring is a major undertaking, with significant implications for service providers, service users, and the taxpaying public. Specifically, it reveals that:

- ▶ the Burnaby Regional Operating Agency's contract restructuring efforts are part of a larger Ministerial initiative; while the Regional Agency has some latitude in the process it uses, the objectives, time lines, and other parameters are set by Victoria
- ▶ the broad objectives of contract restructuring are sound; however, several concerns exist regarding both the process and potential outcomes of the effort
- ▶ through restructuring, the Burnaby Regional Operating Agency will enter into contracts with an estimated 12 to 15 agencies (down from the 67 agencies sharing the bulk of MCF contracts at present); in essence, the Regional Agency will be replacing a "boutique" model of contracted services with a "big box retail" model
- ▶ unless they are willing to amalgamate with successful agencies, some of the agencies that do not receive MCF contracts could be forced to dissolve.

Notwithstanding the very real concerns of particular agencies, the key questions to be asked about the contract restructuring are:

- 1) will Burnaby children and families receive services of an equal or improved quality after the changes have been implemented?
- 2) will the restructured service delivery system be more effective and efficient than the current system?

The answers to these questions can only be determined after the restructured system has been implemented, and in due course, formally evaluated.

Acknowledging how far the contract restructuring process has progressed to date, and the fact that efforts at the local level are part of a broader Provincial initiative, it appears all but inevitable that contract restructuring will be carried out. While acknowledging this point, staff believe it is essential that the process and outcomes of restructuring be carefully monitored at the local level. At its meeting of 1997 November 26, the Community Issues & Social Planning Committee will be discussing the topic in greater detail with representatives of the Burnaby Regional Operating Agency and Inter Agency Council. Staff also propose to monitor the contract restructuring process as it evolves, providing information and assistance to Ministry Officials as required. We will keep the Committee apprised of important developments, providing recommendation for the City's consideration, as deemed appropriate.

It is recommended that copies of this report be sent to:

- ▶ Svend Robinson, M.P.
- ▶ Linda Todd, Executive Director  
Lifeline Society
- ▶ Burnaby Inter-Agency Council  
(c/o Susan Reimer).



D.G. Stenson, Director  
PLANNING AND BUILDING

JF\ma

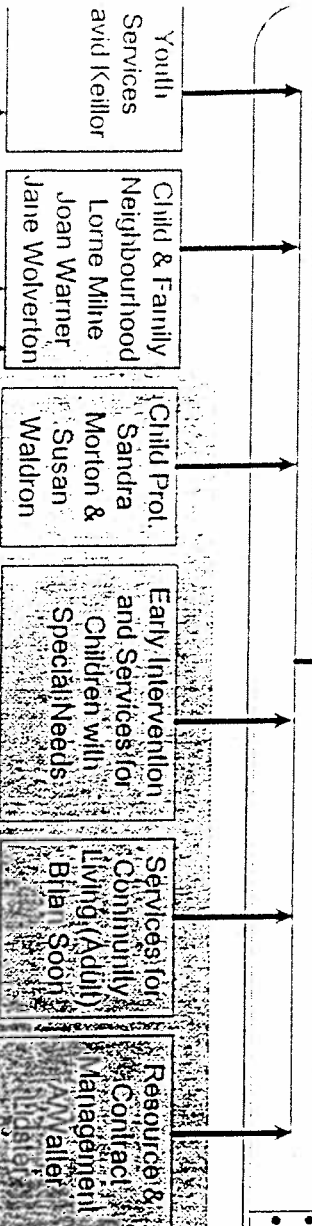
cc: City Manager  
Medical Health Officer

**BURNABY - REGION 17 SERVICE DELIVERY AND MANAGEMENT INFRASTRUCTURE**

**CHILDREN, YOUTH AND FAMILIES**

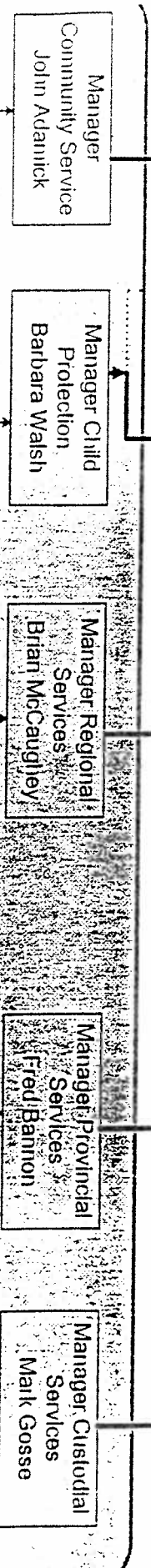
**CLIENTS RECEIVING MCF SERVICES**

- REFERRALS TO PROVINCIAL AND MACRO REGIONAL PROGRAMS AND SERVICES**
- Child & Family Regional Programs
  - Judiciary
  - Provincial Committee on Special Needs Children

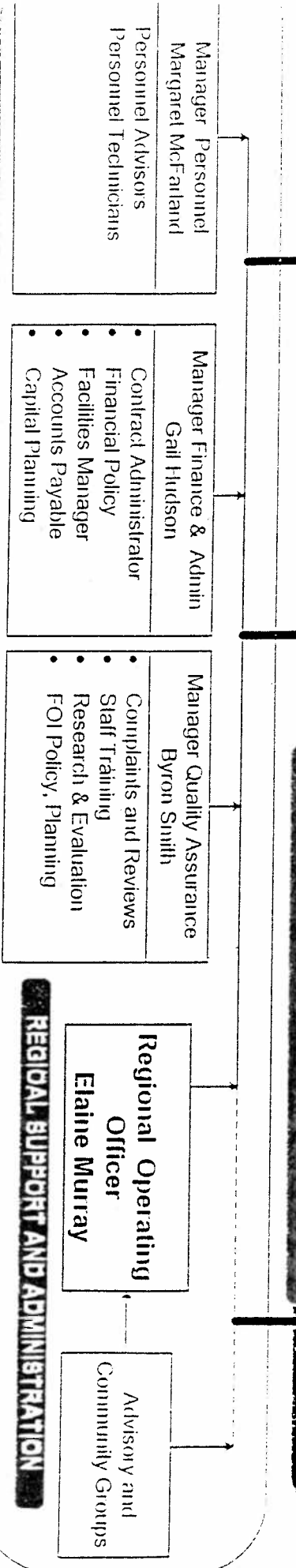


- Provincial & Macro Regional Programs**
- Youth Court Services
  - Juvenile Residential
  - Youth Forensic
- Burnaby**
- Closed Custody
  - Open Custody

**DIRECT SERVICE TO CLIENTS**



**DIRECT SERVICE MANAGEMENT AND SUPPORT**



**PROGRAMS AND SERVICES THAT MIGRATED  
TO THE MINISTRY FOR CHILDREN AND FAMILIES - BURNABY REGION**

**Health Promotion, Prevention and Early Support**

**Alcohol and Drug Services**

- ▶ Burnaby School Based Prevention Project
- ▶ Odyssey 1, Burnaby Clinic, No. Burnaby Clinic

**Ministry of Women's Equality (Child Care Branch)**

- ▶ Child Care Support Program
- ▶ Emergency repair replacement
- ▶ Facilities & Equipment Capital
- ▶ Family infant/toddler incentive
- ▶ Group infant/toddler incentive

**Burnaby Health Department**

- ▶ Community Health Nursing
- ▶ Communicable Disease Control; Maternal/Child; School Health
- ▶ Audiology
- ▶ Child & Youth Counseling Services
- ▶ Nutrition services
- ▶ Speech/language pathology
- ▶ Children's Service Resource Team
- ▶ Community Health Promotion

**Services to People with Mental Handicaps & Special Needs Daycare**

- ▶ Infant Development Program
- ▶ Special Needs Daycare

**Family Support Services**

**Ministry of Women's Equality (Child Care Branch)**

- ▶ Child Care Program

**Services to People with Mental Handicaps**

- ▶ Family Support Homemaker
- ▶ At Home Program
- ▶ Special Needs - Day Care
- ▶ Other Respite Services

**Ministry for Children & Families (formerly MSS)**

- ▶ Services to support families
- ▶ School based support program
- ▶ Service & supports to youth
- ▶ Education program
- ▶ Community development
- ▶ Services to Aboriginals

## **Child Protection**

### **Ministry for Children & Families (formerly MSS)**

- ▶ Protection Services
- ▶ Services to Youth (lifeskills, reintegration with family)
- ▶ Services to help families stay together
- ▶ Services to Aboriginal families

## **Guardianship and Adoption**

### **Ministry for Children & Families (formerly MSS)**

- ▶ Adoption Services
- ▶ Level 2 & 3 Family Care Homes
- ▶ Specialized Residential
  - ▶ bed specific
  - ▶ child specific
  - ▶ group homes

## **Youth Services**

### **Alcohol and Drug Services**

- ▶ Odyssey 1
- ▶ Burnaby Clinic
- ▶ North Burnaby Clinic
- ▶ School-Based Prevention Project

### **Youth Offender Services**

- ▶ Intensive Supervision
- ▶ Community Services
- ▶ Psychological Assessment
- ▶ Psychological short-term interventions
- ▶ Residential attendance programs (wilderness programs, group homes, family placements)

### **Burnaby Psychiatric Services**

- ▶ Outpatient Team
- ▶ Children's day treatment
- ▶ Shared Emergency & Residential Services
- ▶ Sexual abuse counseling
- ▶ Youth Access Program
- ▶ S.M.I.L.E.
- ▶ Unloading Zone
- ▶ F.A.C.T.I.S.

### **Services to People with Mental Handicaps**

- ▶ Special Services to Children

## **Adult Services**

### **Alcohol and Drug Services**

- ▶ Charlford House
- ▶ Burnaby Clinic
- ▶ North Burnaby Clinic
- ▶ Burnaby Seniors Outreach & Home Detox
- ▶ Day Program
- ▶ Macro Regional Services
  - ▶ Women's DEW
  - ▶ Harbour light
  - ▶ Vancouver Detox
  - ▶ Homestead
  - ▶ Pacifica
  - ▶ Peak house
  - ▶ Central City Lodge
  - ▶ PLEA
  - ▶ Turning Point

### **Burnaby Psychiatric Services**

- ▶ Residential historical abuse

### **Services to People with Mental Handicaps**

- ▶ Behavior Support Services
- ▶ Residential Care

## **Provincial Services**

### **Jericho Residential Program**

#### **Corrections**

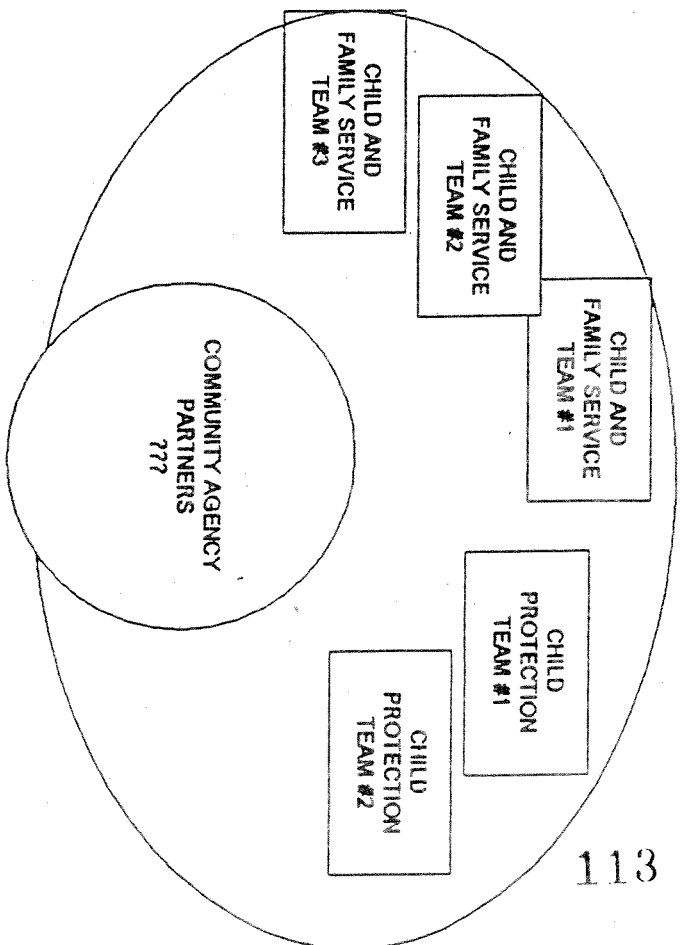
- ▶ Burnaby Youth Secure Custody Centre (plus a satellite unit at BCCW)
- ▶ Burnaby Youth Open Custody Centre (Holly, Burnaby Youth Specialized Units)
- ▶ Family Court Counseling Services

### **Youth Forensic Psychiatric Services**

- ▶ Youth Court Services
  - ▶ Inpatient Assessment Unit
  - ▶ Outpatient Clinics (Regional)
  - ▶ Contracted agencies & psychological services (regional)
  - ▶ LINK
  - ▶ Six Mile Lodge (IM funded)
  - ▶ Special Care Homes (IM funded)
- ▶ Maples Adolescent Centre
  - ▶ Crossroads
  - ▶ Response
  - ▶ Outreach
  - ▶ School
  - ▶ Orinoco
  - ▶ Dala House
  - ▶ Dietary
- ▶ Family Court Centre

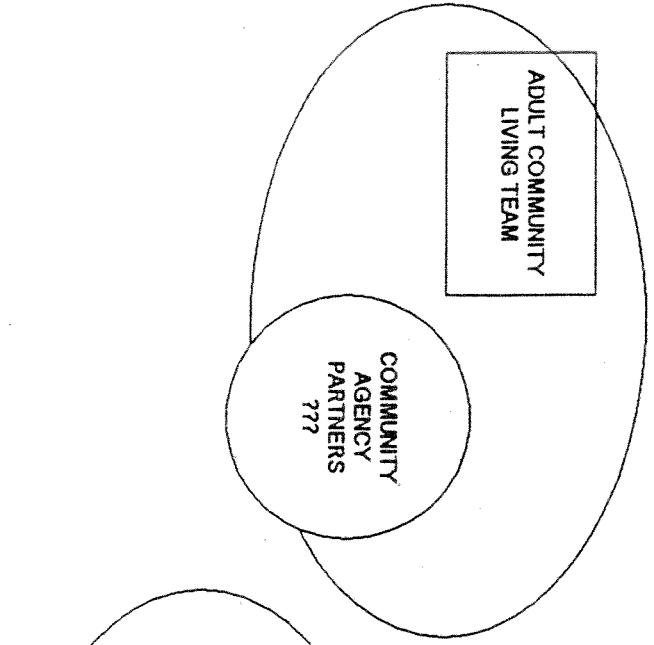
# BURNABY OPERATING AGENCY DELIVERY SYSTEM

## FAMILY SUPPORT AND CHILD PROTECTION SUB-SYSTEMS

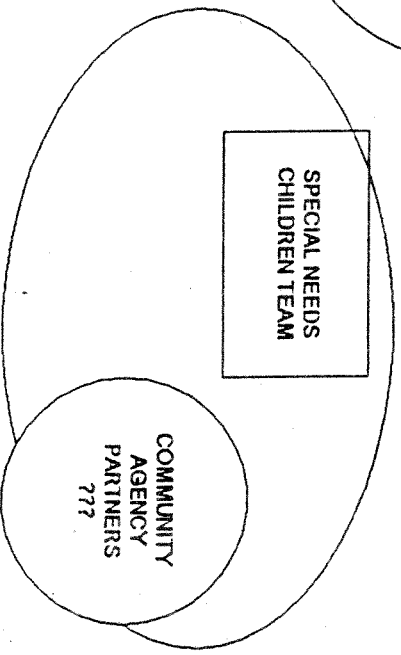


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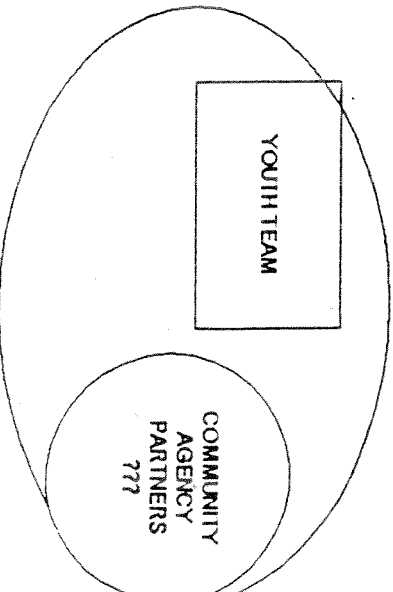
## ADULT COMMUNITY LIVING SUB-SYSTEM



## SUB-SYSTEM FOR CHILDREN WITH DEVELOPMENTAL DELAYS OR DISABILITIES



## SUB-SYSTEM FOR HIGH RISK YOUTH



Source: Ministry for Children and Families,  
Burnaby Regional Operating Agency  
1997 September

