

Nova Scotia Department of Community Services

Review of Child Welfare Services Governance and Business Model

Final Report

June 2004





Table of Contents

	Page
Executive Summary	2
Section 1.0 – Introduction	7
Section 2.0 – Objectives and Guiding Principles	13
Section 3.0 – Definition of Evaluation Criteria	16
Section 4.0 – Findings of Current Nova Scotia Governance and Business Model	20
Section 5.0 – Findings from Other Jurisdictions	55
Section 6.0 – Optional Governance Models	70
Section 7.0 – Assessment of Optional Models	80
Section 8.0 – Recommendation, Key Considerations and Conclusion	88



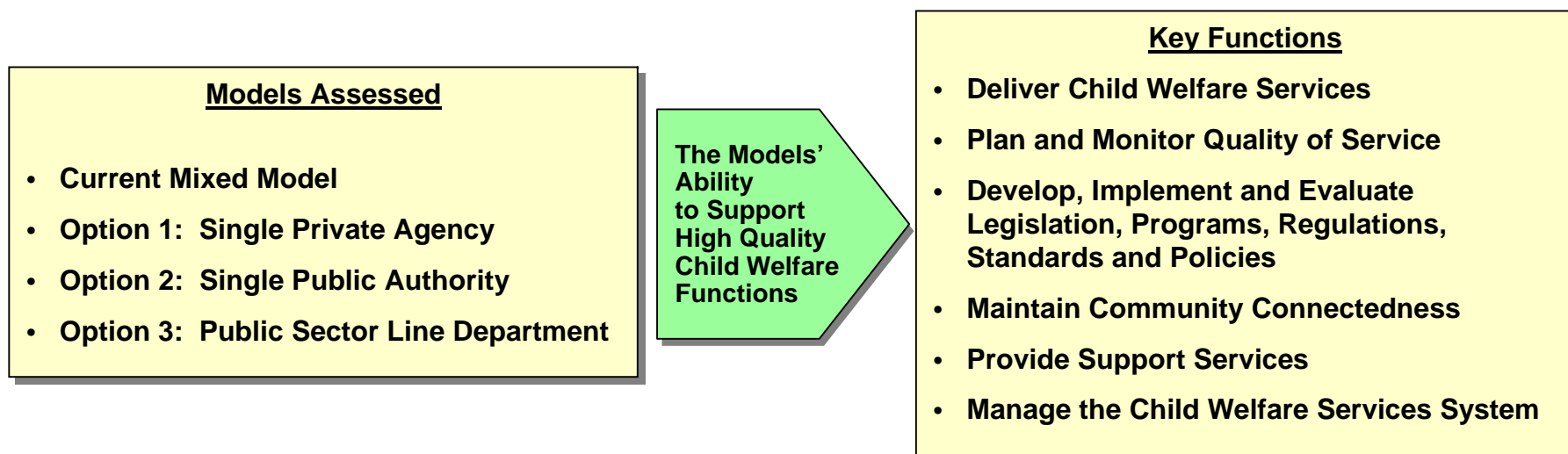
Executive Summary

Executive Summary

- **Key stakeholders within the child welfare system agree that the current mixed governance model, with 14 independent not-for-profit agencies and six district offices, is a sub-optimal structure for the delivery of child welfare services.**
- **A representative working group was struck to resolve several issues within the child welfare system. This group recommended that the governance model be assessed as one of seven key priorities.**
- **At the request of the Minister, a survey of key stakeholders was conducted. The results of this survey recommended that a more comprehensive review, including an inter-jurisdictional review, be completed.**
- **The Minister of Community Services, through the Department, requested an objective third-party study to be conducted to:**
 - Assess the current governance and business model structure for child welfare services;
 - Gather current practices and trends from other Canadian jurisdictions;
 - Identify potential governance and business models for the Province of Nova Scotia; and
 - Recommend a preferred governance and business model.
- **The Governance and Business Model Review was an inclusive process that consisted of four distinct phases:**
 - Assessment of the current mixed model through interviews and focus groups with over 50 individuals and a detailed documentation and financial review;
 - Key inter-jurisdictional scans of five provincial child welfare organizations, including New Brunswick, Ontario, Manitoba, Saskatchewan and Alberta;
 - Development of evaluation criteria and assessment of optional models; and
 - Documentation and presentation of our findings and recommendation in a final report.
- **Optional governance and business models were selected based on:**
 - Our findings from our current model assessment;
 - The results of the inter-jurisdictional scan; and
 - The ability to support the objectives of the child welfare system.

Executive Summary

- *The current mixed model and three optional models were assessed based on their ability to effectively support six key functions:*



- *Evaluation criteria were developed for each function, which defined how the governance and business model would support each function.*
- *All optional models were assessed independently by individual Deloitte team members, and subsequently, the results were consolidated to form our joint recommendation.*

Executive Summary

- ***The recommended governance and business model is Option 3 – Public Sector Line Department with one separate not-for-profit agency – Mi’Kmaq Family and Children’s Services Agency.***
- ***The recommended model does not impact the Mi’Kmaq Family and Children’s Services Agency’s governance and business model, primarily because of the Agency’s focused, provincial mandate and its associated funding model.***
- ***The Public Sector Line Department option, with community-based Advisory Boards, was recommended because the governance model will support the highest quality child welfare services as defined by the evaluation criteria. The strengths of this model include:***
 - Efficient service delivery through a more consolidated service delivery model that integrates with existing departmental delivery structures;
 - Improved organizational effectiveness and efficiencies across several functions by consolidating the organization and management structures, clarifying accountabilities, and simplifying reporting relationships;
 - More direct and consolidated public sector accountability at the Deputy Minister level for a program which is:
 - ◆ 99.5% funded by the provincial government through the Department of Community Services;
 - ◆ Highly regulated and high risk; and
 - ◆ A structured independent quality/compliance role that is segregated from service delivery responsibilities.
 - Maintenance and development of community connectedness, volunteerism and fund raising through:
 - ◆ The location of delivery sites across the Province;
 - ◆ The development of community-based Advisory Boards to support all areas within Nova Scotia; and
 - ◆ The development of a private Provincial Foundation.



Executive Summary

- ***The successful creation of engaged community-based Advisory Boards, the retention of Board members/volunteers, and the development of a Provincial Foundation are critical success factors for the model. These factors clearly differentiate this model from the current Departmental model. Without these new elements, the recommended model would not maintain or improve the level of community connectedness that exists today.***
- ***The implementation of this option represents a significant change within the child welfare system from several perspectives, including:***
 - Improved service quality and effectiveness;
 - Continued engagement and involvement of the community and its volunteers;
 - Consistent and improved human resource programs, including employee benefit and pension plans;
 - Streamlined, consistent, and efficient management and administrative structures without duplication; and
 - Lower annual financial costs that may be reinvested to further augment current child welfare programs.



Section 1.0 – Introduction



Introduction

Purpose of the Review

- To provide the Minister of Community Services with information and analyses related to potential governance and business models for child welfare services within Nova Scotia; and
- To identify a recommended governance and business model.

Objectives of the Review

- To understand the Province's purpose and desired objectives of a governance and business model for child welfare services;
- To review and evaluate each component of the current governance and business model against desired objectives. Note: This review evaluated the governance and business models only. Overall performance of the organizations and quality of service delivery were not evaluated;
- To assess models in other jurisdictions to determine the strengths and weaknesses of each model;
- To evaluate governance options, including an initial high-level assessment of the impact of each option on the provincial pension plan, long-term disability, unions, service delivery model, etc.; and
- To prepare a report that summarizes the strengths and weaknesses of each option, and identifies the model that best meets the Province's objectives.



Introduction

Definitions

- **Governance**

- ◆ Governance refers to the processes and structure used to manage an organization's operations and activities. It defines the division of power and establishes mechanisms to achieve accountability, including:
 - Responsibilities and mandate: strategic planning, legislative framework, risk identification and management, management effectiveness, succession planning, and communications with community networks.
 - Performance assessment and accountability: assessment of government institutions and agents to manage resources and provide services effectively, and to formulate and implement sound policies and regulations.

- **Business Model**

- ◆ Business model refers to the structure used to deliver services and the necessary supporting structures. It defines key services, service delivery model, and the management reporting structure. For purposes of this child welfare review, the recommended business model includes:
 - Responsibility for delivery of services (provincial, regional, community-based) and financial implications;
 - High level organization structure; and
 - Identification of key roles and reporting relationships.
- ◆ The recommended model assumes no change to the number of front-line resources.

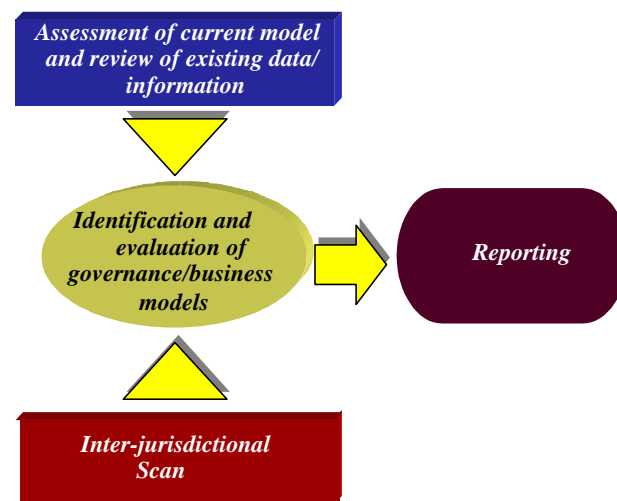
Introduction

Methodology and Approach

- A four-step approach was used to complete this review.

Step 1: Assessment of the Current Model

- ◆ The following information was gathered and analyzed through interviews, focus groups and document reviews:
 - Demographic changes related to children and families;
 - Legislative changes impacting child welfare programs;
 - Child welfare program initiatives currently underway within the Department;
 - Changes in child welfare service demands and the approaches developed to address these changes;
 - Current human resource levels and challenges;
 - Financial information, including provincial grants and other sources of revenue; and
 - Opinions related to the strengths and weaknesses of current model.



Introduction

Methodology and Approach (cont'd)

Step 2: Inter-jurisdictional Scan

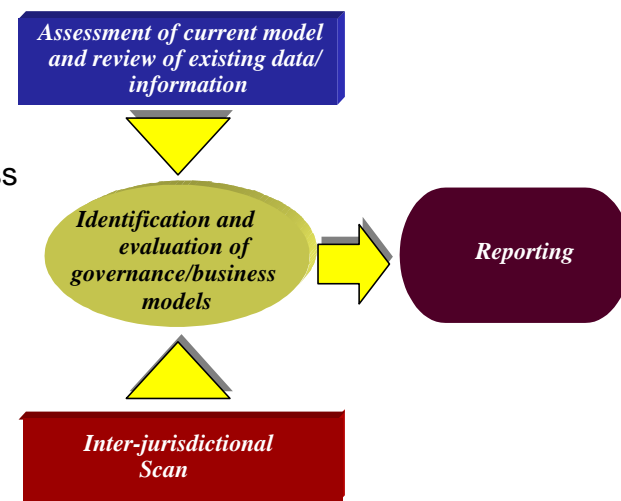
- A Canadian scan consisting of a high level assessment of all provinces and territories was conducted.
- Based on defined criteria, five of these jurisdictions were selected to complete a detailed assessment, including gathering information on their current and emerging child welfare governance and business models, their strengths and weaknesses, along with ongoing and upcoming improvement initiatives.
- The jurisdictions contacted for detailed assessment were New Brunswick, Ontario, Manitoba, Saskatchewan and Alberta.

Step 3: Evaluation of Governance and Business Model Options

- Defined evaluation criteria and established relative importance through a weighting system.
- Evaluated the options and documented strengths and weaknesses.

Step 4: Final Report

- Prepared the final report summarizing the findings from each step in the review and recommended a preferred governance and business model.





Introduction

Scope of the Final Report

■ ***The report includes the following sections:***

- Section 2.0 – Child welfare objectives and guiding principles that were used to conduct this study
- Section 3.0 – Definition of the evaluation criteria, including their relative importance, which was used to assess current and optional governance and business models
- Section 4.0 – Summary of the assessment of the current governance and business model
- Section 5.0 – Summary of the findings obtained through the inter-jurisdictional scan
- Section 6.0 – Description of optional models
- Section 7.0 – Assessment of the governance and business models, including:
 - ◆ Current Nova Scotia mixed model
 - ◆ Private Agency model
 - ◆ Public Sector Authority model
 - ◆ Public Sector Line Department model
- Section 8.0 – Key considerations, including incremental cost analysis and implementation considerations; recommended model



Section 2.0 – Objectives and Guiding Principles

Child Welfare Services Objectives

■ **The legislated mandate of the child welfare system within Nova Scotia, as per the Children and Family Services Act, is to act in the best interest of children by:**

- Protecting children from harm.
 - Investigating allegations or evidence that children may be in need of protective services.
-
- Supervising children assigned to its supervision.
 - Providing care for children in the care of the Minister.
 - Providing permanency planning for children in permanent care.
-
- Working with other community and social services to prevent, alleviate and remedy the personal, social and economic conditions that might place children and families at risk of abuse and neglect.
 - Taking reasonable measure to make known in the community the services the agency provides.
-
- Providing guidance, counseling and other services to families for the prevention of circumstances that might require intervention by an agency.
-
- Developing and providing services to families to promote the integrity of families, before and after intervention.
-
- Providing services that respect and preserve the cultural, racial, religious and linguistic heritage of children and their families.

➔ Protection

➔ Care of Children

➔ Community Connectedness

➔ Prevention

➔ Family Support

➔ Recognition of Diversity

■ **The Minister of Community Services must meet this mandate by providing services with the greatest value to Nova Scotians – highest quality service with the most efficient operations to maximize available resources, including financial resources.**

Guiding Principles for this Review

Child Welfare Objectives

Protection Community
Care Connectedness
Family Support Prevention

Recognition of Diversity
Value to Nova Scotians

Informed Evaluation Processes

Emerging Practice Knowledge

Recommended Model

- The recommended governance and business model must directly support and contribute to the achievement of the objectives of the child welfare system in Nova Scotia.
- The evaluation of the current model and optional future models was an informed evaluation process that solicited input from multiple stakeholder groups and data sources:
 - Leaders within the current system, including:
 - ◆ Board Presidents and Agency Executive Directors;
 - ◆ Department of Community Services Executive Directors, Director of Child Welfare, Regional Administrators, Child Welfare Specialists, and District Managers;
 - Other provincial jurisdictions; and
 - Internal documentation of the Department and the Private Agencies.
- Deloitte's research services, knowledge networks and advisors were accessed to understand emerging and best practices related to corporate governance.
- Using defined evaluation criteria, optional models were assessed objectively to determine the model that best meets the stated objectives.



Section 3.0 – Definition of Evaluation Criteria

Evaluation Criteria

- ***Evaluation criteria were defined to assess the extent to which each optional governance and business model supports child welfare objectives, including positive outcomes for children through high quality child welfare services and programs.***
- ***The key criteria were developed based on:***
 - Deloitte's knowledge networks and experience;
 - Trends in other jurisdictions; and
 - Nova Scotia's child welfare objectives.
- ***The criteria and weightings were defined in consultation with senior departmental representatives.***
- ***Criteria were defined for each of six child welfare services functions:***
 - Deliver Child Welfare Services;
 - Plan and Monitor Quality of Service;
 - Develop, Implement and Evaluate Legislation, Programs, Regulations, Standards and Policies;
 - Develop and Maintain Community Connectedness;
 - Provide Support Services (i.e. HR, IT, Finance, Legal Services, Asset Management); and
 - Manage the Child Welfare Services System.
- ***The tables on the following pages include the evaluation criteria for each function with an assigned point value for evaluation purposes.***

Evaluation Criteria by Function

Key Function	Evaluation Criteria	Points
Deliver Child Welfare Services	<ul style="list-style-type: none"> ■ Equitable offering of quality child welfare services that create positive outcomes for children in all areas of the province. ■ Flexibility related to racial (i.e. African Nova Scotians and First Nation communities), new immigrant, linguistic (i.e. Acadian communities), religious and cultural differences. ■ Maximization of front-line resources through efficient processes, including flexibility when allocating human resources. ■ Standardized service delivery processes. 	25
Plan and Monitor Quality of Service	<ul style="list-style-type: none"> ■ Efficient and timely planning of all resource requirements, including both human and financial resources. ■ Timely completion of quality reviews, compliance reviews and critical incident reviews. ■ Timely, streamlined issue management processes. 	20
Develop, Implement and Evaluate Legislation, Programs, Regulations, Standards and Policies	<ul style="list-style-type: none"> ■ Effective planning and development of legislation, programs, regulations, standards and policies. ■ Timely implementation of programs, regulations standards and policies. 	15

Evaluation Criteria by Function (cont'd)

Key Function	Evaluation Criteria	Total Points
Develop and Maintain Community Connectedness	<ul style="list-style-type: none"> Ability to develop and maintain knowledge of diverse communities, their social service networks, and their needs related to child welfare services, as well as to gather feedback from these groups to improve child welfare services and access resources. 	10
Provide Support Services (i.e. HR, IT, Finance, Legal Services, Asset Management)	<ul style="list-style-type: none"> Consistent, efficient, high quality support services (i.e. HR programs, Finance, IT, Legal) that minimize the number of overhead resources and costs across the entire child welfare system. 	10
Manage the Child Welfare Services System	<ul style="list-style-type: none"> Highly responsive and flexible system that can adapt to the changing needs of children and families and align to the broader provincial government mandate. Clearly defined accountabilities. Clearly defined and simple reporting relationships and division of responsibilities. 	20
Total Points		100

The optional models were assessed based on how well the governance and business model structures would support and enable these key criteria. The organizations' performance and quality of service were not assessed during this review.

Section 4.0 – Findings of the Current Nova Scotia Governance and Business Model

- Overview
- Trends and Statistics
- Key Findings
- Conclusion



Introduction

The results of the assessment of the current child welfare governance model include:

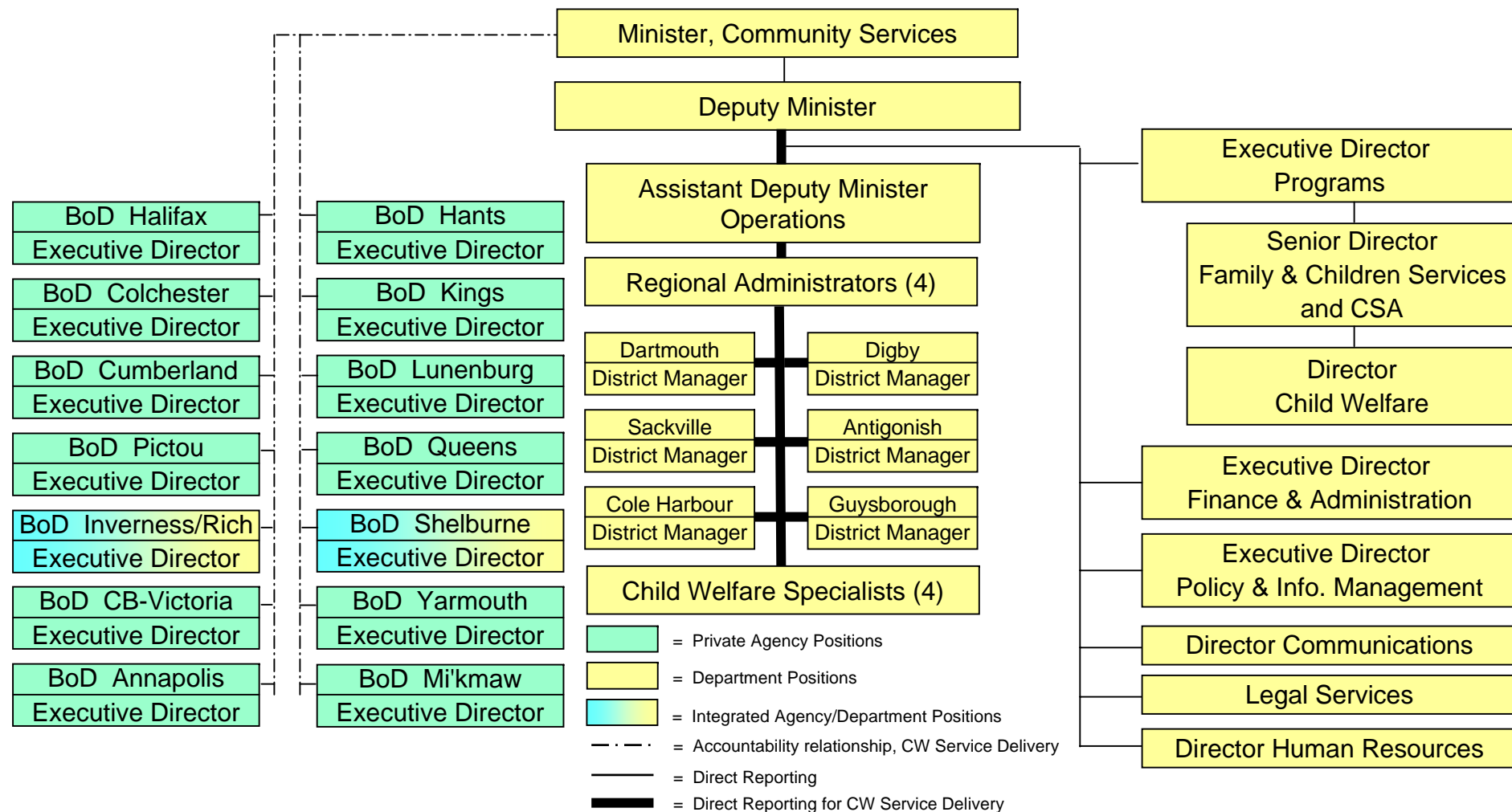
- Background and overview of the current governance structure, including key accountabilities and reporting relationships;
- Overview of the key functions and service delivery processes that are mandated and delivered in Nova Scotia;
- Trends and statistics, including demographic trends, key child welfare indicators and program expenditure analysis;
- Key findings, including strengths, weaknesses, and challenges for each function and evaluation criterion by function; and
- A conclusion, summarizing key themes from our findings.



Background

- ***Child welfare services in Nova Scotia, through the current governance and business model, have a rich history of community involvement and volunteerism to support children at risk and ensure their well-being.***
- ***The Minister of Community Services currently employs a mixed governance model for the delivery of child welfare services. Services are delivered through 14 private not-for-profit agencies and six public sector departmental offices.***
 - Employees of both the public sector and not-for-profit agencies are designated as direct agents of the Minister of Community Services and are accountable to the Minister for all functions pursuant to the Children and Family Services Act.
 - Child welfare services, delivered through the Department, are managed through a regional integrated service delivery framework with district offices that deliver services for all Department of Community Services programs.
 - The chart on the following page details the current model and key reporting relationships.

Nova Scotia's Current Mixed Governance Model





Background

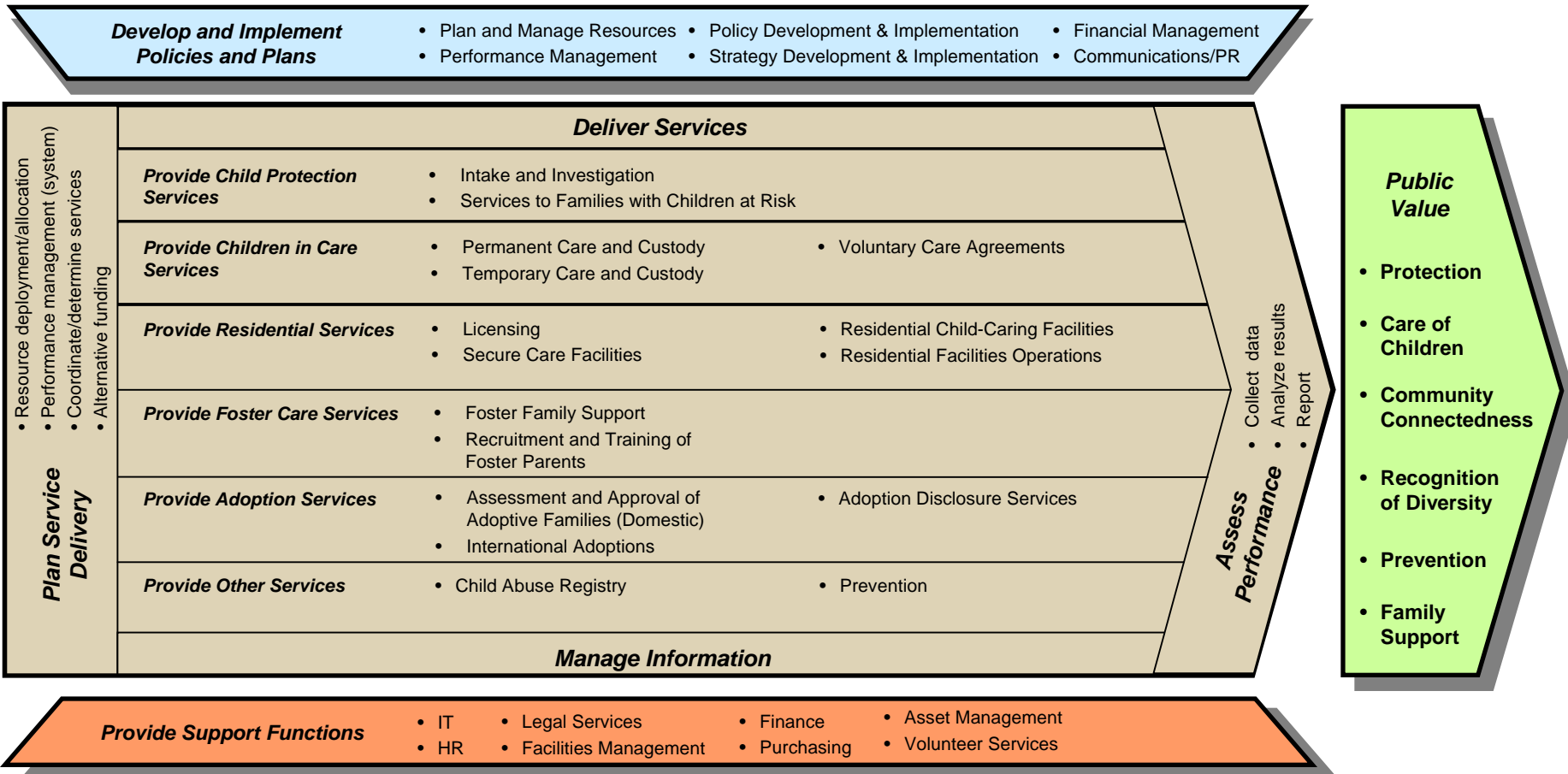
- **The Department, through the Family and Children’s Services Division, is responsible for policy and program development, compliance/quality reviews, and support to service delivery agents, related to mandated child welfare services.**
- **Child welfare services are delivered through not-for-profit agencies and the Department of Community Services. The table below details the agency or organizational unit that delivers child welfare service and the services included in the scope of this review.**

Private Not-for-Profit Agencies and District Offices	Family & Children’s Services Division (Head Office)	District Offices
<ul style="list-style-type: none"> ■ Child Protection ■ Children in Care ■ Foster Care ■ Adoption ■ Operation of Residential Facilities 	<ul style="list-style-type: none"> ■ Adoption (International and Disclosure) ■ Child Abuse Register ■ Secure Care ■ Licensing of Residential Child Care facilities 	<ul style="list-style-type: none"> ■ Prevention ■ Other Community Services

- **The diagram on the following page depicts the current service delivery framework for child welfare services. It highlights specific child welfare functions including:**
 - Develop and implement policies and plans;
 - Deliver child welfare services and plan and monitor quality of service; and
 - Provide support services.

Child Welfare Service Delivery Framework

This framework describes the child welfare services, policy and planning functions, and support functions required to deliver quality services to children and provide value to Nova Scotians.



Background

- ***Uncertainty related to roles, responsibilities and accountabilities is high, creating tension and often conflict within the child welfare system.***
 - In 2000, a Joint Working Group, with representatives from all aspects of the child welfare system, was formed to define roles, responsibilities and decision processes between the Department and the private agencies. To date, the recommendations related to roles and responsibilities have not been fully implemented, awaiting the results of this study.
- ***The Joint Working Group recommended to the Minister that the child welfare services governance model be reviewed to determine the most effective model for Nova Scotia.***

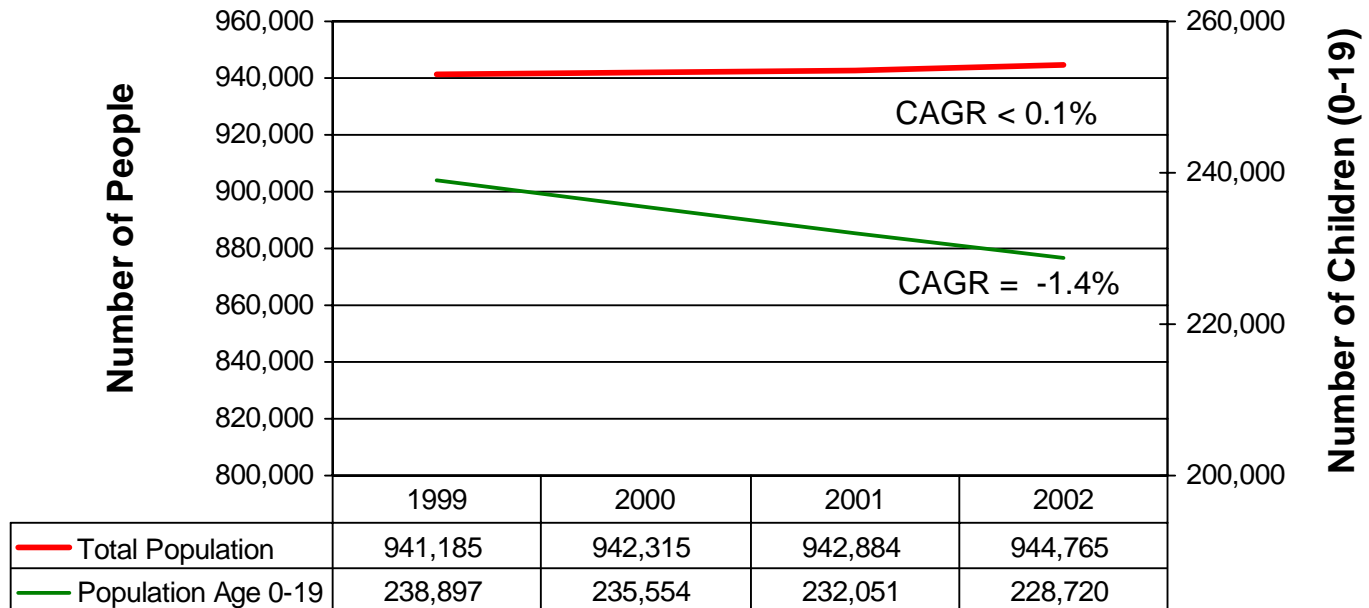
Section 4.0 – Findings of the Current Nova Scotia Governance and Business Model

- Overview
- Trends and Statistics
- Key Findings
- Conclusion

Trends and Statistics

- ***The following section includes broad-based statistics related to Child Welfare.***
- ***The purpose of this statistical information is to provide background and context for our review. It was challenging to gather system-wide statistical data across the child welfare system. These statistics fulfill their purpose, providing context for the review. Specific operational questions may arise based on this information, and more detailed analysis would be required to support operational decision making.***
- ***In summary, the following conclusions were drawn from these statistics:***
 - The child population is decreasing provincially with a relatively stable child population in Halifax County.
 - At the same time, demand for child welfare services is increasing, with a high volume of intakes processed through child protection services and a significantly higher number of cases before the Court as well.
 - Expenditures within the programs have also increased and the increase has been in line with the overall demand for programs.

Nova Scotia Population Statistics



Source: Statistics Canada

CAGR = Cumulative annual growth rate

Over the past four years, the total population of Nova Scotia has remained stable, with a CAGR of less than 0.1%, while the child population has declined at a rate of 1.4% per year over the same time period.

Child Population (Ages 0-19), by County

County	1999	2000	2001	2002	CAGR
Halifax	92,040	91,689	91,367	90,859	-0.4
Antigonish	5,915	5,848	5,745	5,659	-1.5
Guysborough	2,521	2,408	2,273	2,161	-5.0
Digby	4,649	4,601	4,523	4,412	-1.7
Colchester	13,285	13,168	12,944	12,724	-1.4
Cumberland	8,128	7,971	7,756	7,567	-2.4
Pictou	12,597	12,306	11,942	11,623	-2.7
Inverness/Richmond	8,406	8,184	7,942	7,722	-2.8
Cape Breton-Victoria	32,556	31,551	30,644	29,869	-2.8
Annapolis	5,403	5,278	5,094	4,908	-3.2
Hants	11,394	11,282	11,187	11,129	-0.8
Kings	16,464	16,200	16,018	15,858	-1.2
Lunenburg	11,253	11,128	10,993	10,876	-1.1
Queens	2,759	2,669	2,597	2,548	-2.6
Shelburne	4,273	4,143	4,009	3,890	-3.1
Yarmouth	7,159	7,034	6,924	6,811	-1.7
Total	238,802	235,460	231,958	228,616	-1.4

Child population is declining throughout the province, with the largest decline in Guysborough County and the smallest decline in Halifax County.

Note: Mi'Kmaq child population is included in County populations.

Source: Statistics Canada

Child Welfare Services – Key Demand Indicators

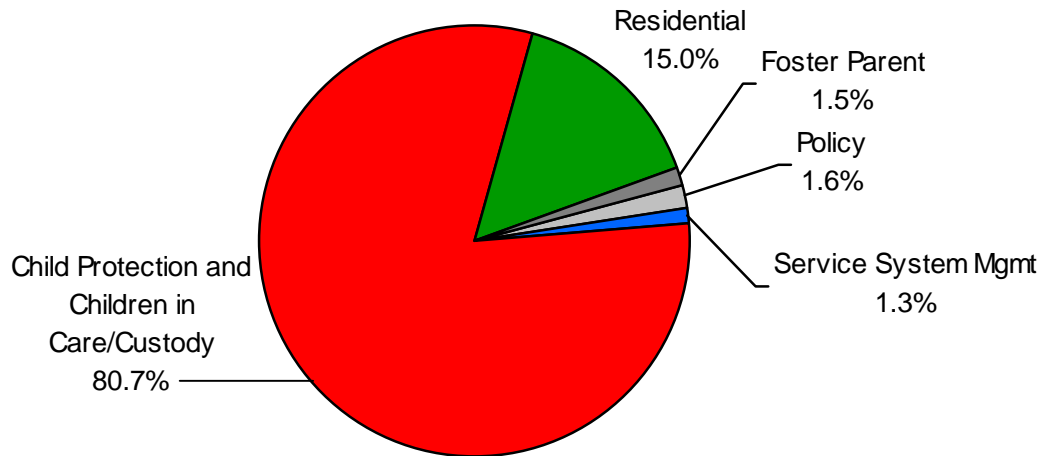
Indicator	2000/01		2001/02		2002/03		3-Year CAGR	
	Volume of New Cases	Number of Cases (31 March)	Volume of New Cases	Number of Cases (31 March)	Volume of New Cases	Number of Cases (31 March)	Volume of New Cases	Number of Cases (31 March)
Child Protection Services Intakes & Investigations (CS353R02)	7315	N/A	7815	N/A	8701	N/A	9.1%	N/A
Families in Protective Services at Home (CS353R02)	1203	2598	1099	2792	1105	2630	0.3%	0.6%
Permanent Care & Custody (CS360R01)	187	1033	155	999	228	1046	10.4%	0.6%
Cases Before the Court (CS35302 Sec 28, 32, 33)	576	724	730	882	725	917	12.2%	12.5%
Children in Temporary Care (CS353R02)	451	263	428	229	384	191	-7.7%	-14.8%
Adoption Placements	N/A	156	N/A	163	N/A	156	N/A	2.2%
Number of Foster Homes	N/A	702	N/A	661	N/A	709	N/A	0.5%

Although the child population is declining in Nova Scotia, demand for child welfare services is increasing in most areas. Of particular note is the fact that Intakes & Investigations and Cases before the Court (which are a key driver of workload) have increased significantly.

Child Welfare Services Expenditures

	2000/01	2001/02	2002/03	2003/04
Total CWS Expenditures (\$000)	82,520	91,971	97,601	106,396

**2002/03 Expenditure
Breakdown (by Program)**



Notes:

Includes both Operating and Maintenance expenditures

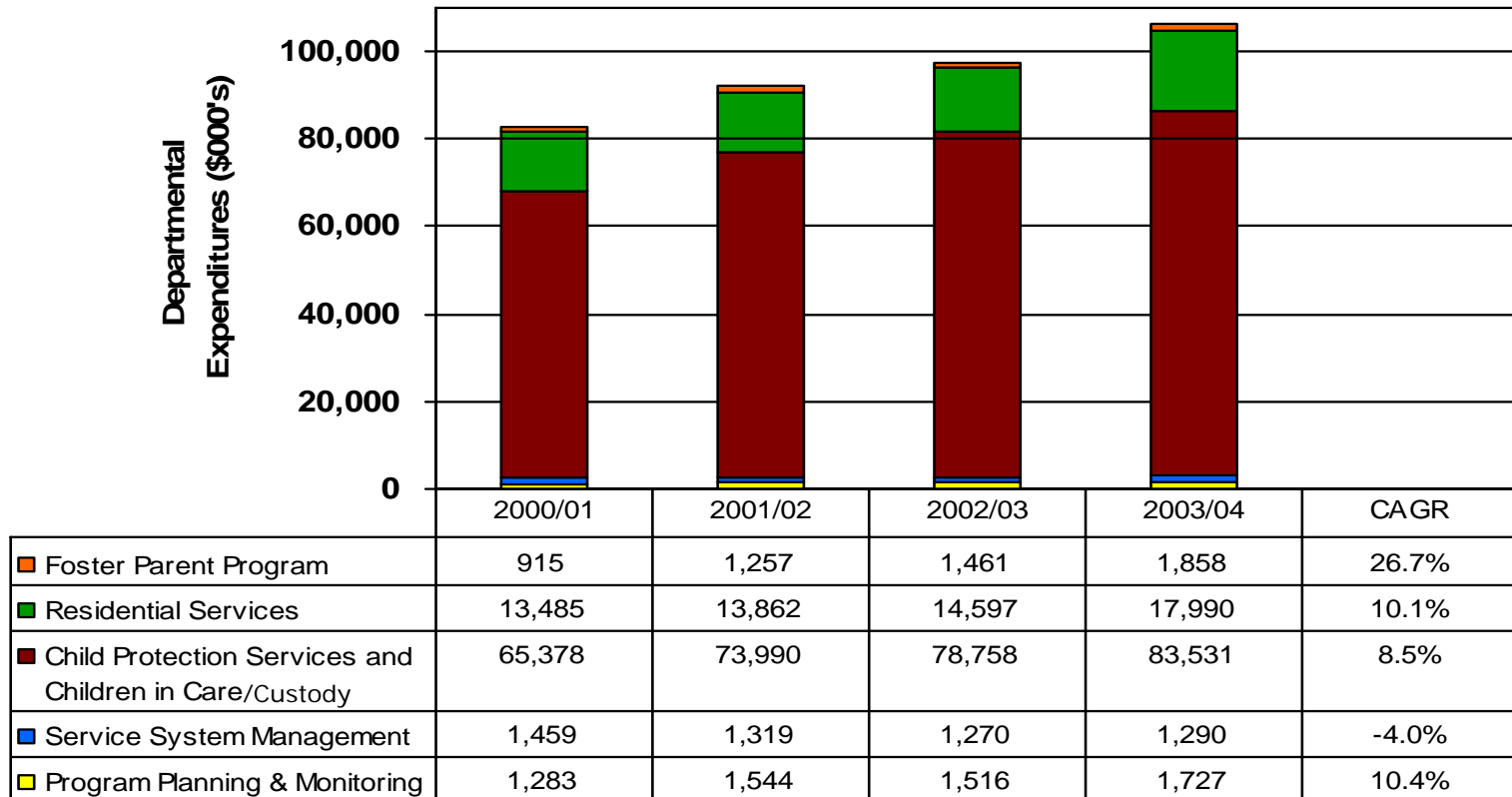
Expenditures are based on actual expenditures except for 2003/2004 which are based on the budget.

The data was taken from Departmental reports from the financial system (SAP) dated October 14 and November 2, 2003.

The Mi'kmaw F&CS Agency is not included.

Departmental expenditures have increased at a rate of 8.8% per annum, from \$82.5M in 2000/01 to \$106.4M in 2003/04 (budget). Child protection and children in care services and residential services generally account for over 95% of the total budget. This increase in expenditures is in line with the increases in demand, as shown previously.

Departmental Expenditures by Child Welfare Program



*Excludes Mi'kmaw F&CS Agency

While the foster parent program is growing at the fastest rate, the majority (70%) of the expenditure increase is attributable to increases in child protection services.

Section 4.0 – Findings of the Current Nova Scotia Governance and Business Model

- Overview
- Trends and Statistics
- Key Findings
- Conclusion



Key Findings

- *The following section details the strengths, weaknesses, and challenges related to the current mixed governance model for each child welfare function and evaluation criterion.*
- *These findings are based on interviews and focus group sessions held with both Agency and Departmental representatives, as well as a detailed documentation review and analysis.*
- *Findings specifically related to quality of service and improvements are based on opinions and information provided by interviewees and focus group participants.*



Key Function: Deliver Child Welfare Services

Evaluation Criterion:

Equitable offering of quality child welfare services that create positive outcomes for children in all areas of the Province.

Observations:

- A number of child welfare services, including child protection services, adoption, foster care, residential and preventive programs are not consistently available to children and families throughout the Province. The ease of accessibility to services varies significantly among the agencies and offices.
- Services are delivered through various levels of centralization, i.e. Head Office (e.g. International Adoption and Child Abuse Registry), Regional delivery through District offices (e.g. Foster Care Services), and District offices (e.g. Child Protection Services). The degree of centralization is based on:
 - The provincial scope of a program and overall appropriateness to deliver that service within the regional/district service delivery system; and
 - The need to coordinate services on a regional basis (e.g. foster care).
- Non-mandated services, such as post-secondary education funding and summer camps, are accessible through specific CASs. Access to non-mandated services is inconsistent based on:
 - The governance model in place (public versus private);
 - Priorities of the individual CASs; and
 - Level of fund raising by individual CASs.

Strengths:

- The number of delivery sites throughout the Province promotes access to services.

Challenges:

- Service level improvements are required to ensure consistency in approach across the child welfare system.
- Children across Nova Scotia do not have consistent access to non-mandated services; the services available vary by county.
- Placement is an issue, including residential vacancy rates and sharing of the resources among the agencies and district offices.



Key Function: Deliver Child Welfare Services

Evaluation Criterion: Flexibility related to racial (i.e. African Nova Scotians and First Nation communities), new immigrant, linguistic (i.e. Acadian communities), religious and cultural differences.	
Observations: <ul style="list-style-type: none"> The locations of the district offices/sites and agencies support the ability to address community-specific linguistic, cultural and racial differences. The formal recruitment processes within the CAS boards are structured to ensure the boards represent the communities they serve. The Mi'kmaw CAS is organized as a single agency serving the First Nations bands across the Province. The agency is accountable to the bands through band chief representation on the Board of Directors. 	Strengths: <ul style="list-style-type: none"> The current model supports flexibility to address Mi'kmaw cultural differences. Community-based CAS boards, as well as the locations of all offices, promote the knowledge and input of various cultural groups.
	Challenges: <ul style="list-style-type: none"> The CAS boards are challenged to be truly representative, as the number of groups that could be represented exceeds the effective size of a Board of Directors.



Key Function: Deliver Child Welfare Services

Evaluation Criterion: Maximization of front-line resources through efficient processes, including flexibility when allocating human resources.	
Observations: <ul style="list-style-type: none"> In district office operations, which have access to central support resources, 84% of the FTEs are front-line (i.e. including case work supervisors and employees providing direct service), while 79% of the CAS FTEs are front-line. There is no correlation between the size of an agency or district office and percentage of front-line resources. The number of independent agencies and offices, each with individual management structures, demands a significant number of management, management support, and administrative resources. This duplication of management and administrative structures consumes resources that may be reallocated to service delivery roles. 	Strengths: <ul style="list-style-type: none"> Access to centralized support resources in district offices reduces the administrative activities at the delivery sites.
	Challenges: <ul style="list-style-type: none"> Current geographic boundaries of the agency and district offices prohibit the efficient use and reallocation of resources (human, financial, and physical). Geographic distances create the need for extensive travel within rural areas. Efficiencies that would maximize resource utilization (i.e. after hours support) are difficult to implement in the current mixed model. The current model does not facilitate the allocation of human resources between public sector and private agencies. The number of independent organizations creates additional workload (e.g. board education and HR policy creation). This increases the need for management and administration resources, detracting from front-line resourcing.



Key Function: Deliver Child Welfare Services

Evaluation Criterion: Standardized service delivery processes.	
Observations: <ul style="list-style-type: none"> • The current mixed model promotes inconsistent service delivery processes between the Department and the agencies. • This inconsistency is further compounded by the number of independent agencies that develop independent policies and processes. • Inconsistent service delivery approaches create complexity and uncertainty within the system. Generally, there is inconsistent adherence to the Department’s policies and regulations. 	Strengths: <ul style="list-style-type: none"> • The child welfare specialists work to improve service delivery consistency within the regions.
	Challenges: <ul style="list-style-type: none"> • With a mixed model that includes 14 autonomous agencies, standardization of processes will continue to be difficult, as all groups must agree to adopt consistent practices. • Where improved province-wide processes (i.e. after hours coverage) are recommended, it is difficult to build consensus and then implement changes in a responsive manner.



Key Function: Plan and Monitor Quality of Service

Evaluation Criterion: Efficient and timely planning of all resource requirements, including both human and financial resources.	
Observations: <ul style="list-style-type: none"> While the use of resources may be effective within specific areas of child welfare services, the current model makes it very difficult to plan and mobilize resources across the system. <ul style="list-style-type: none"> Due to the number of separate employers (15) within the system, human resources cannot be easily transferred or reassigned from agency to agency, from agencies to the Department, or vice versa to address changes in need. This also limits strategic human resource processes, including succession planning and employee developmental programs across the child welfare system. Financial resources cannot be easily reallocated across the system based on need because of the independence of each organization. Physical assets, such as residential facilities, are owned by a specific agency, community organization, private for-profit organization, or the Department. They are not easily accessed by the agencies and/or the Department when needs arise. Foster homes that are approved by particular agencies and District Offices are not easily accessed by other agencies and District Offices. 	Strengths: <ul style="list-style-type: none"> The agency model has more efficient and flexible human resources processes (e.g. staffing and training).
	Challenges: <ul style="list-style-type: none"> To streamline the sharing of resources within the current model, specific agreements and processes must be created and negotiated to support sharing among a private sector organization and the public sector. Long-term sharing and mixing of human resources becomes problematic, due to the differences in employee benefit and pension plans, and collective or employment agreements.



Key Function: Plan and Monitor Quality of Service

Evaluation Criterion: Timely completion of quality reviews, compliance reviews and critical incident reviews.	
Observations: <ul style="list-style-type: none"> • Child welfare services are highly regulated with rigorous standards, regulations and policies. • Throughout the system, there is an understanding of the Department's role (through Family and Children Services Division) to develop standards and conduct quality/compliance reviews. • The compliance reviews are intended to be scheduled on a five-year rotational basis. These reviews are not being completed every five years across the system; they are currently scheduled based on the availability of resources. Many employees feel that these reviews should be conducted on a shorter cycle (i.e. every three years). • Child welfare specialists and head office staff expressed a concern that quality/compliance reviews are not being completed on a timely basis. • Some stakeholders question the objectivity of the Department to conduct quality/compliance reviews on district offices, which are part of the departmental organization. 	Strengths: <ul style="list-style-type: none"> • Both agency and departmental employees work diligently to meet the child welfare service standards and regulations.
	Challenges: <ul style="list-style-type: none"> • More frequent compliance and quality reviews are required. This will place a higher demand on head office staff who are responsible for these reviews. Additional resources would be required to conduct these reviews. • Positions which are responsible for compliance and quality reviews should not be involved in delivery of the services under review and should not directly report to a position(s) that is responsible for service delivery. • A specific follow-up process should be developed to track and resolve issues identified through quality and compliance reviews.



Key Function: Plan and Monitor Quality of Service

Evaluation Criterion: Timely, streamlined issue management processes.	
Observations: <ul style="list-style-type: none"> • Issue escalation processes are not defined within the current model. • The Presidents value the direct line of communication between them and the Minister. • The governance model dictates that issues related to service delivery in the agencies are resolved through the Executive Directors to the Board Presidents to the Minister. The Department resolves the same issues through the District Manager to the Regional Administrators to the Assistant Deputy Minister to the Deputy Minister. • Issues are not proactively identified, managed and resolved across the child welfare system because there is no formal issue resolution process in place. The mixed model also creates a high degree of complexity related to issues management processes. 	Strengths: <ul style="list-style-type: none"> • The Presidents work together in a single committee to collaborate on issues from an agency perspective.
	Challenges: <ul style="list-style-type: none"> • In a mixed model that has varying reporting relationships, streamlining the issues management processes is difficult. Incremental improvements can be made to address key issues in this area, but streamlining these processes into one consistent process is not possible under the current model.



Key Findings

Key Function: Develop, Implement and Evaluate Legislation, Programs, Regulations, Standards and Policies

Evaluation Criterion: Effective planning and development of legislation, programs, regulations, standards and policies.	
Observations: <ul style="list-style-type: none"> • There is an understanding across the system of the Head Office Child Welfare section’s responsibility to develop and support the implementation of legislation, programs, regulations, standards and policies related to child welfare services. • However, there is lack of agreement on the agencies’ role to develop policies related to the delivery of child welfare services and to align their operational policies with departmental policies. • The application of policies is perceived to vary among the agencies. • The Department solicits feedback from appropriate representatives in the system to develop policies and programs. While this can be an effective approach, it has been proven that this model is difficult to use given the number of agencies and district offices. 	Strengths: <ul style="list-style-type: none"> • Key stakeholders are actively involved in the development of policies.
	Challenges: <ul style="list-style-type: none"> • Roles and responsibilities, related to the provision of advice and guidance on policy and regulatory issues, are not clear. Currently, the agencies contact several departmental representatives for guidance, including: <ul style="list-style-type: none"> • Regional Administrators; • Child Welfare Specialists; • Director of Child Welfare and Residential Services; • Managers within Child Welfare Section in Head Office; and • Executive Director, Finance and Administration. • This results in inconsistent advice. This challenge was recognized by both departmental and CAS representatives. • Implementing policies cannot be done efficiently within the current structure because of the number of independent organizations that must receive, interpret and then operationalize the policy.



Key Function: Develop, Implement and Evaluate Legislation, Programs, Regulations, Standards and Policies

Evaluation Criterion: Timely implementation of programs, regulations, standards and policies.	
Observations: <ul style="list-style-type: none">• The cycle time to develop/update and implement policies is extremely long (multiple years) causing frustration for all groups (Head Office, Regional, and districts/agencies).• Districts and agencies are implementing draft policies because policy approval processes are ineffective. Employees are unaware of formally defined approval processes. Responsibilities and timelines for approvals are not defined.• Resources in the Child Welfare Services section in the Department are involved in both service management and direct service provision. Policy development and implementation processes are further delayed as employees focus on day-to-day demands of operational support, service delivery, and special projects.	Strengths: <ul style="list-style-type: none">• Input is gathered from key stakeholders during the development of policies which facilitates and supports the implementation of the policies, standards, etc. Challenges: <ul style="list-style-type: none">• The Department struggles to implement new and amended policies in a timely manner. Employees feel a time-sensitive development; approval and implementation process should be initiated.• Due to the fragmented structure (20 agencies and district offices), it is difficult to implement policies and programs in a timely manner.



Key Function: Develop and Maintain Community Connectedness

Evaluation Criterion:

Ability to develop and maintain knowledge of diverse communities, their social service networks, and their needs related to child welfare services, as well as to gather feedback from these groups to improve child welfare services and access resources.

Observations:

- Divergent views regarding the degree of community connectedness provided by each of the two service delivery models currently employed today (Private Not-for-Profit and the Public Sector Line Department) continue within the system. The observations below summarize comments made by various groups and individuals related to the business model with which they are most knowledgeable – the model in which they are managing or operating. Key stakeholders agreed regarding the importance of maintaining and improving Community Connectedness.
- Employees of both the agencies and the Department work closely with community resources, such as law enforcement groups, schools, health authorities and hospitals, to provide children with appropriate services and access to all available resources. All employees have a similar level of knowledge of these groups, regardless of the governance structure in which they are working.
- Through the district offices and agency locations across the Province, there is a high-level of knowledge of community needs and access to key community networks and resources.
- Through community-based boards, some volunteer board members have a high-level of involvement with and knowledge of community networks. There is a high degree of personal commitment from these board members.

Strengths:

- Both the district offices and Boards represent and promote volunteerism and community involvement in child welfare issues in their communities.
- The agency model, through the Boards of Directors, can involve the community in the issues and improvements related to the welfare of their children.
- The Board membership is reflective of its community and members provide linkages to key networks.

Challenges:

- While the district offices are knowledgeable about social service networks within their communities, they do not have the same level of representation within the community as the private agencies do through their Board members.
- Due to the complexity of community-based networks, orienting new Board members and agency and district employees is a lengthy process.
- As financial resources within community and social work networks become more and more constrained, accessing these networks to provide assistance is becoming increasingly difficult.
- It is imperative that any future governance model include structures and mechanisms that maintain and enhance community connectedness.

(cont'd)



Key Function: Develop and Maintain Community Connectedness (cont'd)

Evaluation Criterion: Ability to develop and maintain knowledge of diverse communities, their social service networks, and their needs related to child welfare services, as well as to gather feedback from these groups to improve child welfare services and access resources (cont'd).	
Observations: <ul style="list-style-type: none"> • Employees from both the agencies and the districts work closely with community groups and other social work networks gathering information to promote the needs of children. • The Nova Scotia Association of Social Workers, the Nova Scotia Council for the Family, and the Child Welfare League of Canada are key groups in which social workers from both agencies and districts actively participate or are members. • Presidents, Executive Directors, District Managers, and front-line staff participate in community networks and committees to gather information on a regular basis. 	Strengths: <ul style="list-style-type: none"> • The system has several groups who advocate for children, including board members, agency and departmental employees.
	Challenges: <ul style="list-style-type: none"> • The ability to gather feedback and best practices and incorporate this information into improved programs is critical to the mandate of both the Department and the agencies. <p style="text-align: right;">(cont'd)</p>



Key Function: Develop and Maintain Community Connectedness (cont'd)

Evaluation Criterion: Ability to develop and maintain knowledge of diverse communities, their social service networks, and their needs related to child welfare services, as well as to gather feedback from these groups to improve child welfare services and access resources (cont'd).	
Observations: <ul style="list-style-type: none"> • Many within the system feel that agencies can be more effective fund raisers because of their promotion of the CAS within the community and their “independence” from government. • Fund raising accounts for less than 0.5% of total funding for child welfare programs. In 2003, a total of \$168,000 was raised across all agencies. • Three to four agencies have recently established or are in the process of establishing foundations. They expect to increase their fund raising efforts under the foundation model. • The agencies and the Department work with academic and consulting resources to research trends and innovative practices in child welfare services. 	Strengths: <ul style="list-style-type: none"> • Board members utilize their local community networks to facilitate fund raising efforts.
	Challenges: <ul style="list-style-type: none"> • The agencies recognize the opportunities to increase fund raising activities in the future; however, the fragmentation of the child welfare organizations makes broader, large scale fund raising activities challenging.



Key Findings

Key Function: Provide Support Services (i.e. HR, IT, Finance, Legal Services, Asset Management)

Evaluation Criterion: Consistent, efficient, high quality support services (i.e. HR programs, Finance, IT, Legal Services) that minimize the number of overhead resources and costs across the entire child welfare system.	
Observations: <ul style="list-style-type: none"> • There is significant duplication of effort: <ul style="list-style-type: none"> • All agencies, districts, regions and head office are responsible for: <ul style="list-style-type: none"> • Financial management processes – policy development, controls, audit processes, accounts payable, accounts receivable, bookkeeping, planning, reporting, and payroll; • HR management – job descriptions/evaluation, recruitment, labour negotiations, policy development, benefit plans, pensions plans, and performance management; and • IT management – policy development, minor system maintenance, and end-user support. • All agencies and head office are responsible for governance activities, including strategic planning, annual reporting and board processes (e.g. orientation, committee structures, and executive performance evaluation). • Due to duplication across the system, there are many examples of non-standardized approaches (e.g. financial reporting, collective agreements, board orientation, financial systems, HR policies and practices). • Each agency uses its own independent legal services from local lawyers. 	Strengths: <ul style="list-style-type: none"> • Agencies are working together more often to share human resource information and coordinate initiatives that affect all the agencies (i.e. employee benefits and pensions). • A single Case Management system is used by all agencies/districts. • Shared IT services are in place across the system. Challenges: <ul style="list-style-type: none"> • In the past, there has been little willingness to participate in large-scale shared services initiatives. • While the agencies are working together more frequently, the agencies and districts are not working as a cohesive group to solve system-wide support issues. • The current model, with its differing accountability structures, allows duplicate effort to be expended on a single issue (e.g. provision of legal services and clarification of roles and responsibilities). • While there will always be a need for local legal advice, the current system creates inconsistency in approach and it is costly.

(cont'd)



Key Findings

Key Function: Provide Support Services (i.e. HR, IT, Finance, Legal Services, Asset Management) (cont'd)

Evaluation Criterion: Consistent, efficient, high quality support services (i.e. HR programs, Finance, IT, Legal Services) that minimize the number of overhead resources and costs across the entire child welfare system (cont'd).	
Observations: <ul style="list-style-type: none">• Under the current model, each of the 14 CASs has management and administrative resources that support each individual operation.• The district offices share management and administrative resources with other Department of Community Services program groups, reducing the level of management associated with child welfare services.• 21% of CAS resources and 16% of district office FTEs are dedicated to management and administrative functions.• Two CASs, Inverness/Richmond and Shelburne, provide joint services with the Department of Community Services (i.e. the Executive Director also serves as the District Manager), thereby lowering the management resources associated with child welfare.• In the agencies, the executive directors spend significant time supporting the 14 Boards, including overall Board orientation and training, on-going strategic and operational updates, and formal and informal reporting requirements, which impacts their time available to spend on direct child welfare services.• Additional resources are required to consolidate information for 20 organizations for reporting and management purposes.	Strengths: <ul style="list-style-type: none">• The use of centralized support from Regional and Head Office (e.g. Finance, IT and HR) to support the needs of the district offices creates efficiencies within the system. Challenges: <ul style="list-style-type: none">• The number of independent organizations (20) is a significant overhead cost driver in several areas, including management, financial and administrative support resources for a group of approximately 600 FTEs.



Key Function: Manage the Child Welfare Services System

Evaluation Criterion: Highly responsive and flexible system, that can adapt to the changing needs of children and families and align to the broader provincial government mandate.	
Observations: <ul style="list-style-type: none"> • The population of the Province is migrating to HRM, resulting in declines in the rural areas. • The child population is declining at an average rate of 1.4% per year provincially, with declines occurring in all counties, including Halifax County. • Demand for child welfare services is increasing. • Varying reporting relationships within the current mixed governance model (i.e. CAS Executive Directors to Boards and Boards to Minister; versus ADM to Deputy Minister to Minister within the Department) create bureaucratic, complex, and slow issue identification and decision making processes. • The fragmentation of child welfare operations, as well as leadership and management resources among the 14 CASs and six district offices, create inefficient, more complex decision making processes. The current system is inefficient, particularly related to identifying, implementing and coordinating consistent system-wide changes in a timely manner. 	Strengths: <ul style="list-style-type: none"> • The strength of the informal relationships and collaboration among the employees of the agencies and the Department and also among the Presidents, helps to balance the complexity and fragmentation in the current system.
	Challenges: <ul style="list-style-type: none"> • The complexity of the current mixed governance model does not support consistency and efficiencies related to: <ul style="list-style-type: none"> • Defined accountabilities; • Formal reporting relationships; • Problem identification and resolution processes; • Policy implementation processes; • Development of policies; and • Consistent access to specific programs. • The current system cannot readily adapt to changing demographics, needs and priorities.



Key Function: Manage the Child Welfare Services System

Evaluation Criterion: Clearly defined accountabilities.	
Observations: <ul style="list-style-type: none"> • While formal accountability for the delivery of child welfare services is defined through the Children and Family Services Act, the mixed model creates two different types of accountability relationships for the delivery of child welfare services. • The Minister has 14 independent private not-for-profit agencies directly accountable for the delivery of child welfare services. • Accountability for direct service delivery of child welfare services within the Department has been delegated to the District Manager level within the Operations group. • The Executive Directors must often balance conflicting requirements of the Department with requirements from their Boards. • Many within the Department feel that they may have inadvertently contributed to unclear accountabilities because they have performed functions for which they are not accountable to be helpful to the agencies and districts. • Detailed accountabilities within the system remain unclear. 	Strengths: <ul style="list-style-type: none"> • The accountability of the Boards to the Minister and also the Executive Directors to the Boards is clearly understood through the system.
	Challenges: <ul style="list-style-type: none"> • Two different accountability structures, created by the mixed governance model, continue to create confusion, ambiguity, and inefficiencies throughout the system. • The high number of independent organizations delivering child welfare services further complicates accountability definitions throughout the system.



Key Function: Manage the Child Welfare Services System

Evaluation Criterion: Clearly defined and simple reporting relationships and division of responsibilities.	
Observations: <ul style="list-style-type: none">• Reporting relationships are inconsistent within the mixed governance structure. The CASSs, whose mandate is service delivery, report directly to the Minister, and the comparable reporting relationship within the Department is between the ADM, Operations and the Deputy Minister.• While the roles and responsibilities of key groups/positions have been drafted and generally accepted by key stakeholders, there is continued confusion regarding key responsibilities (i.e. policy approval responsibilities).• The organization structure within the Department delineates the service delivery role from program and policy roles.• Executive Directors have several key contacts within the Department. It was noted that several individuals or groups may be contacted on a single issue/item. The key contacts include: Child Welfare Specialists, Regional Administrators, Director – Child Welfare, Executive Director, Finance and Administration.	Strengths: <ul style="list-style-type: none">• Roles and responsibilities have been drafted collaboratively by both agencies and departmental representatives.
	Challenges: <ul style="list-style-type: none">• Due to the inconsistency of reporting relationships, roles and responsibilities are more complex to implement in the mixed governance system.• The number of contacts that the agencies have within the Department is too high, creating confusion, inconsistencies and inefficiencies.

Section 4.0 – Findings of the Current Nova Scotia Governance and Business Model

- Overview
- Trends and Statistics
- Key Findings
- Conclusion

Conclusion

- **The strengths and weaknesses of the current governance and business model are summarized below.**

Strengths	Weaknesses
Governance Model	
<ul style="list-style-type: none"> • Links to communities through the CAS Agency and District Office employees. • The CAS Boards also provide additional links to the community that enable enhancements to programs and services. • The Association representing all agencies and the meetings of the Presidents provide a venue to collaborate on agency issues. • The employees within the child welfare system continue to deliver services in the best interest of children because the employees and Board members work diligently to overcome the complexities and inefficiencies of the current structure. • Efficiency of the district organizations. 	<ul style="list-style-type: none"> • Two distinct governance models with differing accountability structures. • There is a lack of equity, related to both the level of services and human resource management, between the two governance structures within the mixed model. • The high number of independent service delivery organizations (14) formally accountable to the Minister. • A not-for-profit model is in place to deliver highly regulated, virtually 100% government funded programs, without the same accountability or control mechanisms that are in place within the public sector.
Business Model	
<ul style="list-style-type: none"> • The number of delivery sites throughout the Province, ensuring that needs of local children are met. • Integration with other Department of Community Services delivery sites to improve service levels to Nova Scotian families and children. 	<ul style="list-style-type: none"> • The number of administrative and management resources across the system. • The number of independent organizations (14) involved in fragmenting the management of a program that is approximately \$100M with 600 FTEs. • Duplication of effort and inconsistency across the system.

- **Based on our assessment of the current model using the evaluation criteria, we do not recommend that this mixed governance and business model be continued in the future, and therefore, it is not evaluated as an optional future model.**
- **The strengths of the current model must be incorporated into the recommended model.**



Section 5.0 – Findings From Other Jurisdictions

Background

- **To gather pertinent information from across Canada, a two-phased inter-jurisdictional assessment was completed.**
 - Phase I – Completion of a high level Canadian assessment
 - ◆ Information was collected on all provinces and territories
 - Using resources such as the Internet, direct contact and reports
 - ◆ Three criteria were identified to select jurisdictions for a more detailed assessment
 - Type of governance model – to ensure a mix of various models and emerging practices
 - Recency and type of changes to child welfare services (i.e. governance, structure, business model, legislation)
 - Phase II – Completion of a detailed assessment, including interview guides, annual reports, conference calls, e-mails for confirmations, and requests for additional documents/information
 - ◆ The following five provinces were selected for detailed assessment

Province	Type of Model	Recent Changes
Manitoba	Mixed public/private	2003 Transitioning a private not-for-profit agency to a public sector model
Alberta	Public	2002 Reduced child welfare authorities from 18 to 10; redrew boundaries
Ontario	Private not-for-profit	1999 Welfare Reform, new funding models for child welfare
Saskatchewan	Public	2002 Regional restructuring, regions reduced from 6 to 5
New Brunswick	Public	2001 Separated from Health, restructured the department and regions



Common Themes From Inter-Jurisdictional Scan

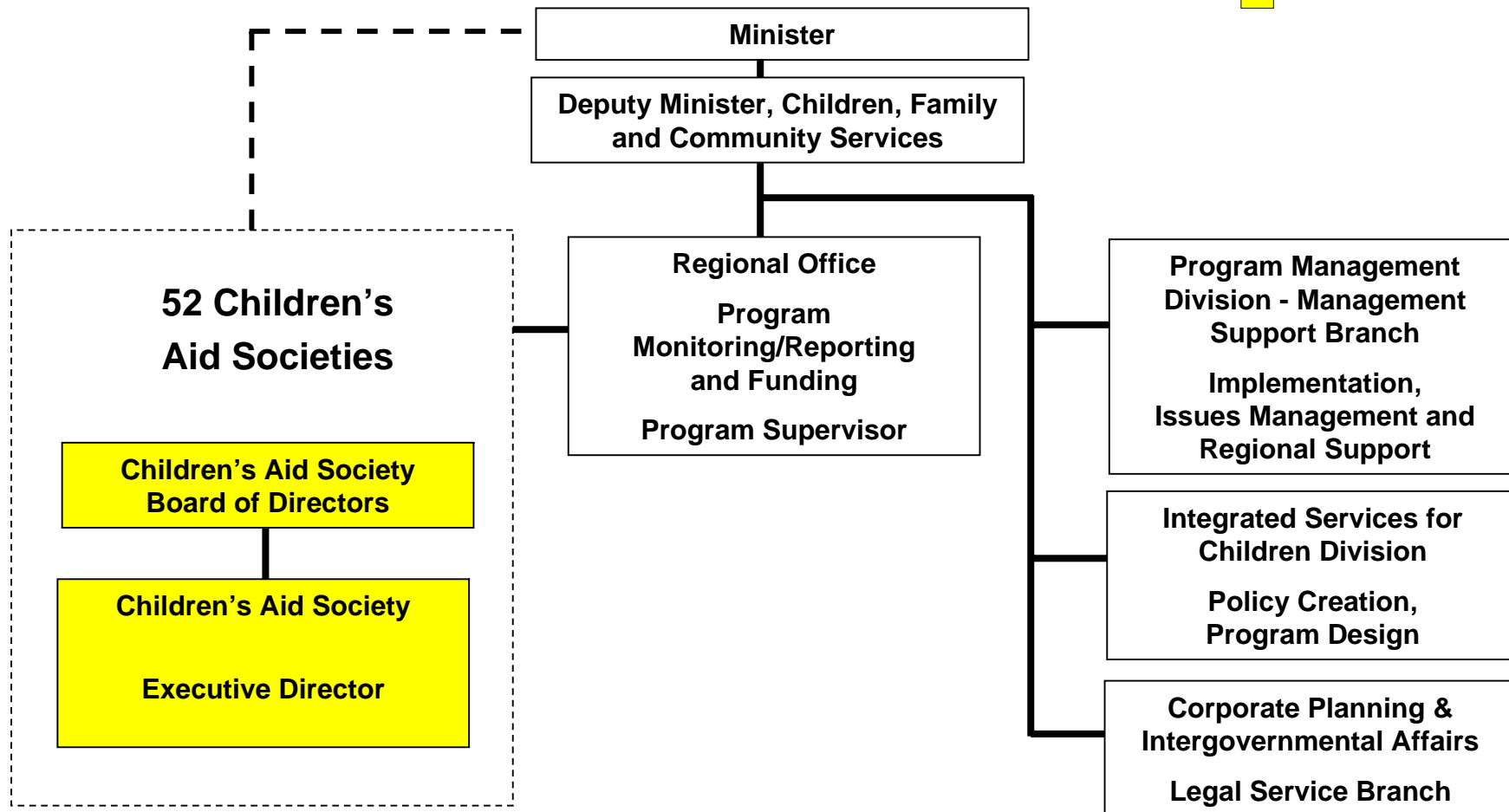
- **Departments or Ministries are accountable and responsible for:**
 - The use of public funds, strategic goals and objectives
 - Child welfare legislation, policy and minimum standards for services, including aboriginal agencies
 - Child welfare is provincially funded, with the exception of “On Reserve” clients which are federally funded
- **Fund raising, along with trusts and foundations, varies**
 - Very small (approximately 0.5%) percentage of funds required to deliver programs are raised
- **Mixture of governance systems across Canada with no one model prevalent**
 - Private not-for-profit (Ontario)
 - Public sector:
 - ◆ Line Department (Saskatchewan, New Brunswick)
 - ◆ Authorities (Alberta)
 - Mixed public/private (Manitoba)
 - Aboriginal Child Welfare is delivered by private not-for-profit aboriginal communities, agencies and staff
 - ◆ All are governed by provincial child welfare legislation
 - Three provinces have changed their governance models or are in a state of transition, having implemented radical changes within the last two to three years – moving toward public sector governance models
 - ◆ Rationale for change included high deficits, economies of scale, following health sector models, multiple unions and standards
- **First Nations operate under delegated/approved authority from the Minister**
 - Federally funded with Provincial Child Welfare legislation in effect
 - Report to a Board of Directors, appointed by Chief and Band Council or elected
 - Accountable to:
 - ◆ Federal government for funding
 - ◆ Provincial government for legislation and service delivery
 - ◆ Their boards for day-to-day operations

Common Themes From Inter-Jurisdictional Scan (cont'd)

- ***Western Provinces are organizing with a focus on aboriginal populations***
- ***Boards of Directors are accountable to:***
 - The Minister, by way of legislation, for delivery of services
 - Their communities and agencies
 - The province for funding and reporting
- ***Regional models***
 - Some integration of services
 - Delegated authority to deliver child welfare services
 - Greater autonomy in decision making, policy, and program delivery
 - ◆ Provincial legislation provides the legal framework
 - ◆ In at least one province, regional “Authorities” have legal capability to establish and dissolve agencies
- ***Have human resource issues, including attraction and retention for front-line delivery staff, case workers, etc.***
- ***Funding formulas are being reviewed and revised***
- ***In private not-for-profit governance models and in mixed governance structures, variations exist in:***
 - Degree of centralization of services delivered
 - Operational policies
 - Collaboration and cooperation
 - Human resource policies and practices
 - Information systems

The prime reporting relationship in Ontario is between the CAS Executive Director and Regional Office – Program Supervisor.

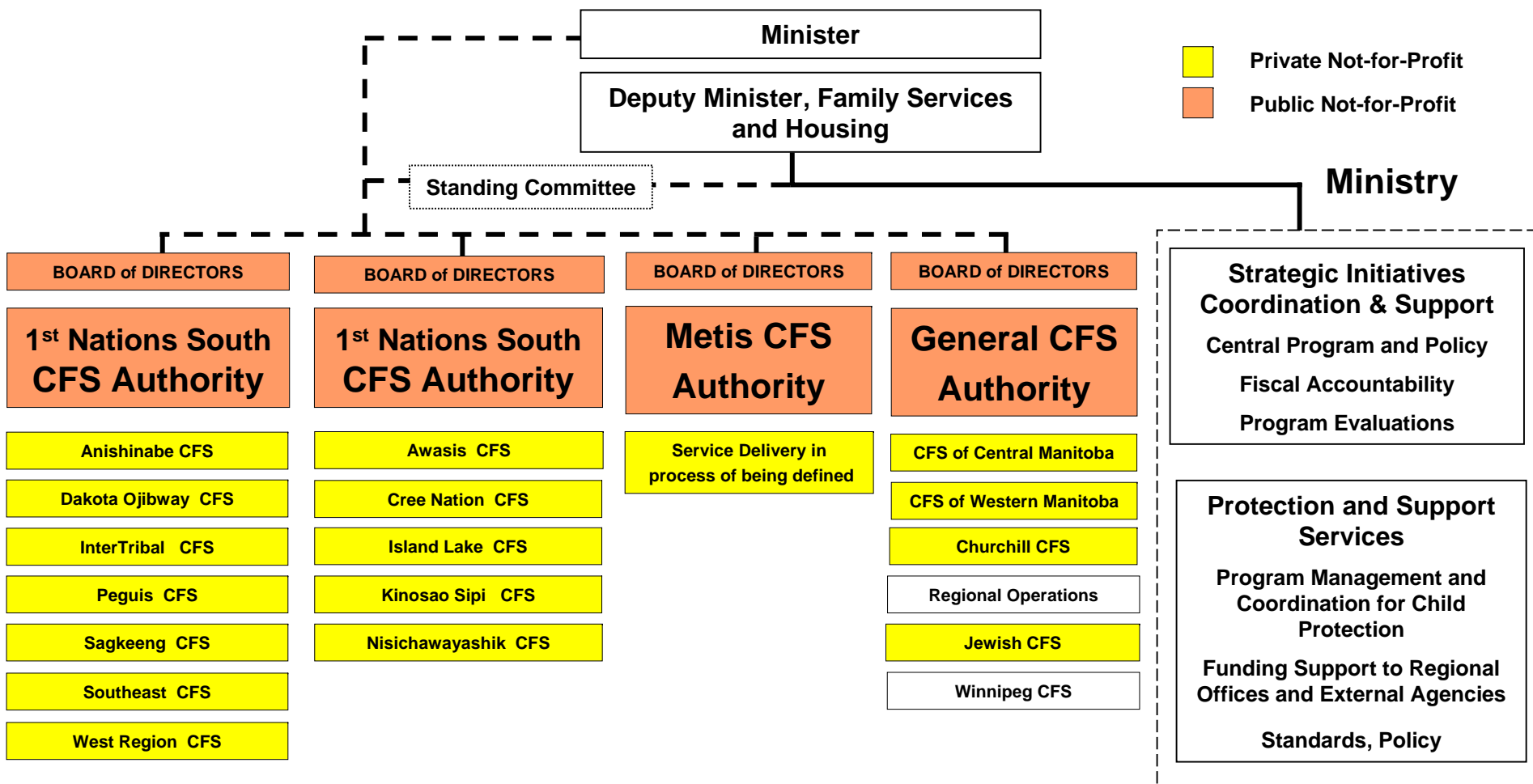
Private Not-for-Profit



Jurisdictional Summary and Highlights – Ontario

- ***Has a private not-for-profit governance model with 52 agencies, including First Nations***
- ***Recent changes***
 - Amendments to the Child and Family Services Act – for clarity, inclusion of child neglect, and to promote the best interests of children
 - New funding formula in 1999 to address increases in case loads and to encourage shared services
- ***Demand for child welfare services increasing***
 - Children in care increased by 40% since 1998/1999
 - 6.7% from 2001/2002 to 2002/2003
- ***Majority of child welfare services delivered through the 52 independent agencies***
 - Centralized services within the Ministry include:
 - ◆ International adoptions
 - ◆ Post adoption services
 - ◆ Child Abuse Registry
- ***Human resource programs, policies, and compensation vary substantially among the CASs***
 - 14 different benefit carriers
 - 50% of pay salaries based on education, remaining pay by job function
- ***Standardized reporting in place for financials***
- ***Two information systems/applications utilized throughout the province***

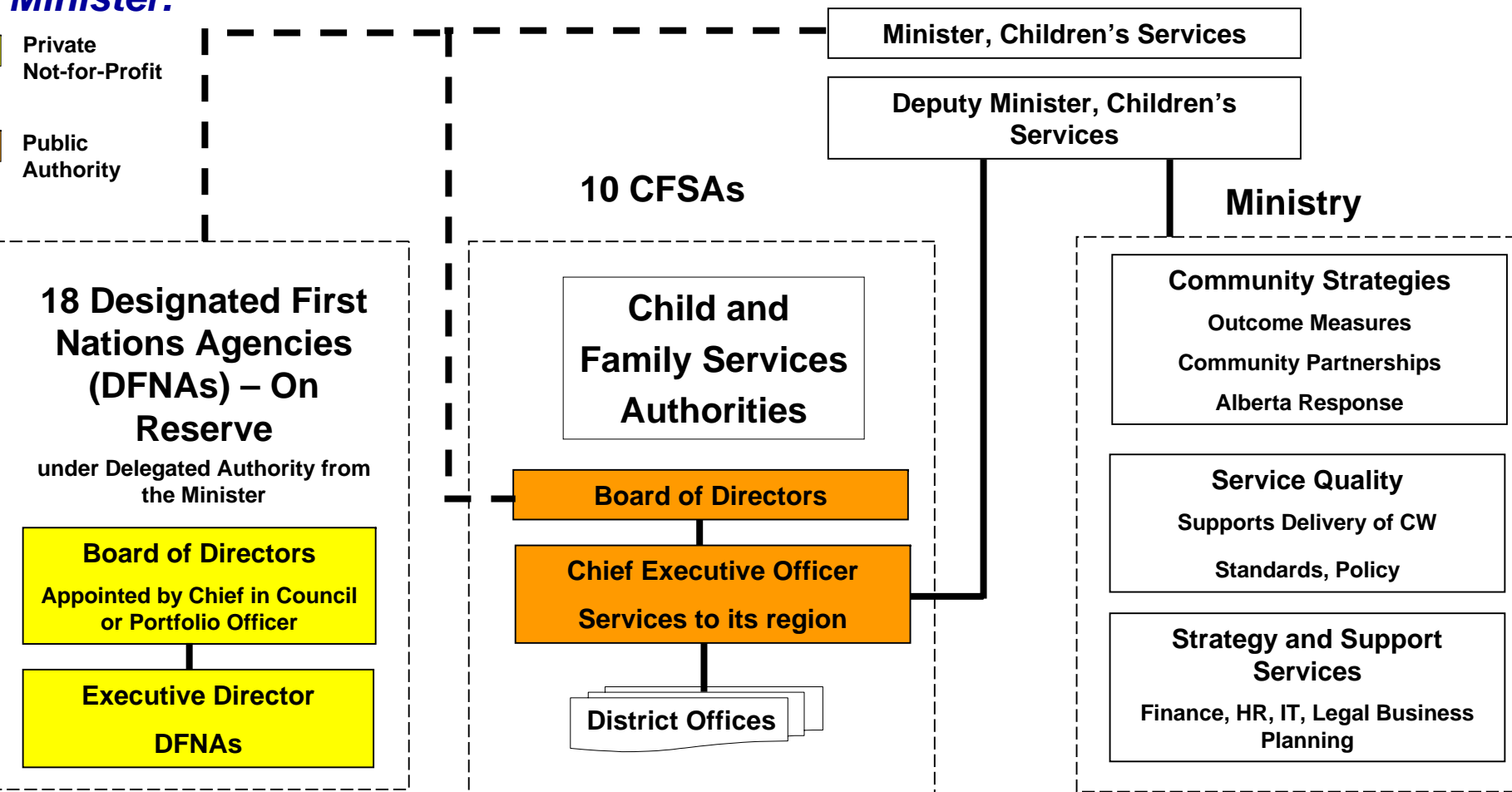
The prime reporting relationship in Manitoba is between the Authorities' CEOs and the Board of Directors.



Jurisdictional Summary and Highlights – Manitoba

- ***Mixed public/private not-for-profit governance structure***
- ***All aboriginal mandated agencies have Boards of Directors, as do the private agencies***
- ***Recent changes***
 - Aboriginal Justice Inquiry – led to major restructuring, re-organization focused on aboriginal populations
 - ◆ Significantly empowered at the administration and service delivery levels
 - ◆ Strengthened voice at the political and policy making levels
 - Province-wide system of concurrent jurisdiction and coordinated Joint Intake Response Unit
 - New governance structure – Authorities Act proclaimed November 2003
 - New funding formula being developed
 - Winnipeg CFS (largest child welfare delivery agency) transitioned back to a public delivery system in 2003
 - ◆ In response to a series of large deficits
 - ◆ Province required more control in the reassignment of cases due to restructuring
- ***Majority of child welfare services delivered through four “Authorities”***
 - These Authorities create and dissolve agencies
- ***Authorities have concurrent jurisdiction – share responsibility***
 - Coordinated approach to the provision of services, previous system based on geography
- ***Human resource programs, policies, and compensation vary among Authorities***
 - No central coordination of job descriptions, compensation, etc.
 - ◆ Province has recently made it a priority to develop standard hiring qualifications
 - Standardized reporting in place for financials
 - Several computer applications utilized throughout the province – goal is to migrate to one corporate system

The prime reporting relationship in Alberta is between the Authorities' CEO and their Board of Directors. CEOs have dual accountability with the Deputy Minister.



Jurisdictional Summary and Highlights – Alberta

- ***Public Sector Authority governance model with all front-line delivery staff being provincial civil servants***
 - Private sector Board of Directors, community-based
 - 10 Child and Family Services Authorities have a Board of Directors
 - ◆ Authorities' Chief Executive Officer has dual reporting role to their Board and to the Deputy Minister
 - 18 Designated First Nations Agencies are private not-for-profit, with a Board of Directors

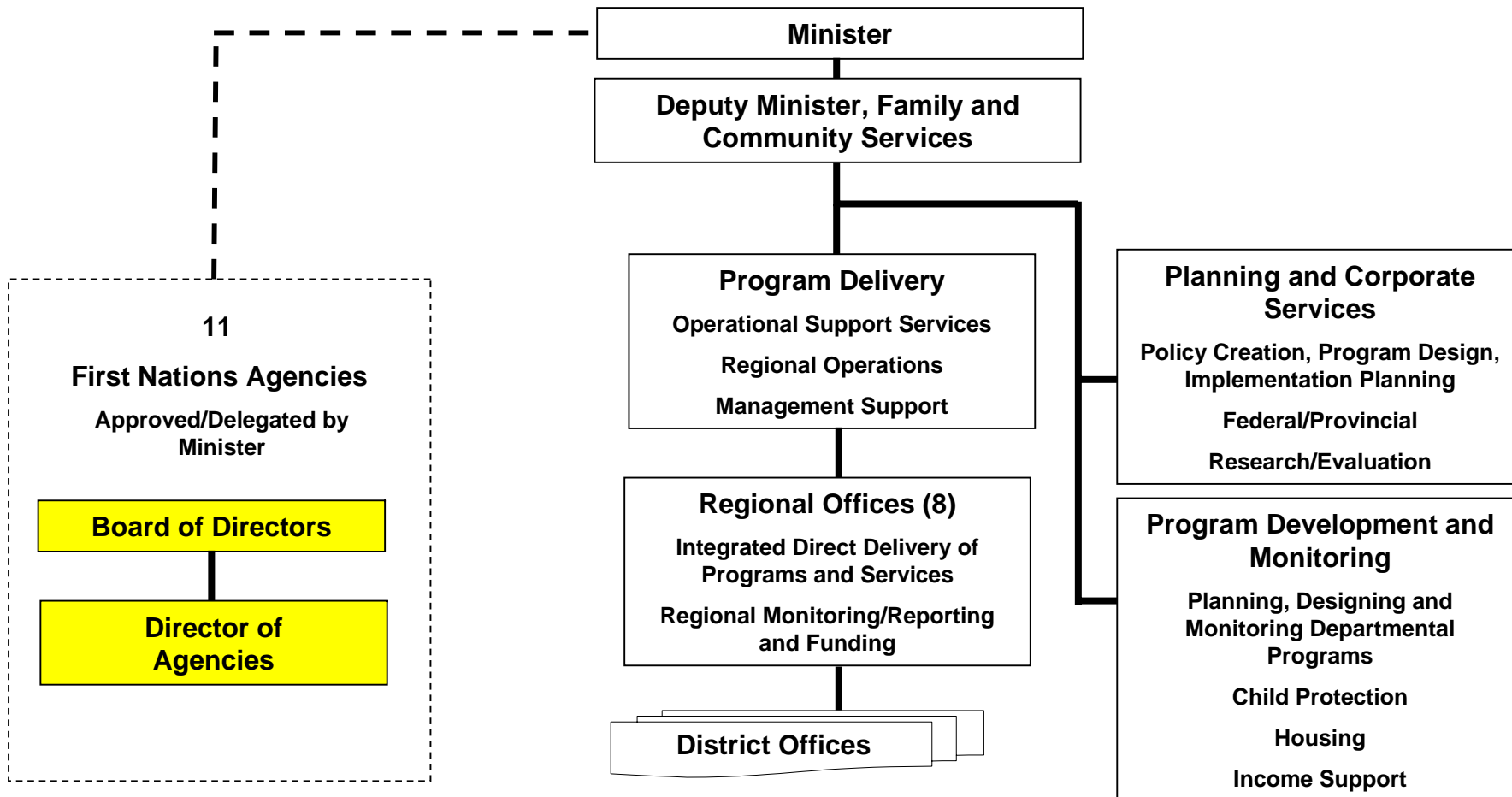
- ***Recent changes***
 - Child and Family Services Authorities consolidated from 18 to 10 in 2003
 - ◆ Followed Department of Health's boundaries
 - ◆ Achieved economies of scale
 - Implemented the Alberta Response System – enhanced community-based partnerships and natural family supports, 2002
 - In 2003, implemented a “Risk Management Framework and Strategy”
 - Child Welfare Act review in 2003 resulted in the creation of the Family Support for Children with Disabilities Act
 - 2003 created a single provincial Director, Child Welfare

- ***Corporate services of Finance, Human Resources and Information Technology coordinated and consistent across the system***



The prime reporting relationship in New Brunswick is between the Regional Operations group and the Deputy Minister

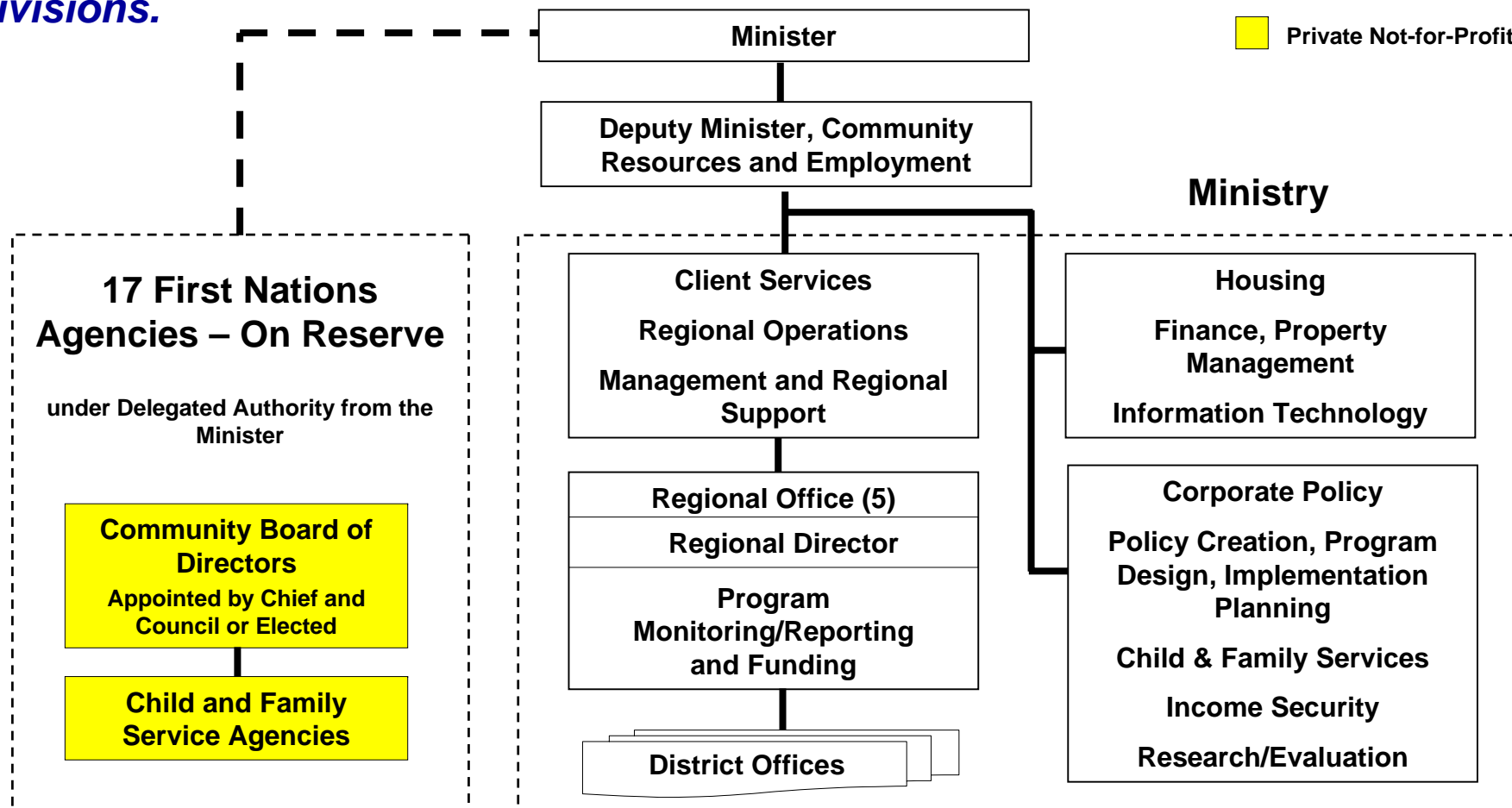
Private Not-for-Profit



Jurisdictional Summary and Highlights – New Brunswick

- ***Public Sector governance model with eight regional offices***
- ***11 First Nations Agencies are private not-for-profit with a community-based Board of Directors***
- ***Recent changes***
 - Separated from the Department of Health in 2000
 - ◆ Became the new “Department of Family and Community Services”
 - 2001 restructuring of the Department
 - ◆ Central Office Divisional Structure based on function rather than program
 - ◆ Regional Directors appointed
 - ◆ Regional map redrawn
- ***Corporate services of Finance, Human Resources and Information Technology coordinated and consistent***
 - Planning to implement a new information management system for child welfare in 2004

The prime reporting relationships in Saskatchewan are between the Regional Director and the Assistant Deputy Minister (ADM) of Client Services & Operations; and the ADM of Policy and the Executive Directors of Program Divisions.



Jurisdictional Summary and Highlights – Saskatchewan

- ***Public Sector governance model with five regional offices***
- ***17 First Nations Agencies are private not-for-profit with a community-based Board of Directors***
- ***Recent changes***
 - 2001 child welfare redesign resulting in a multi-year plan for changes
 - 2002 restructuring
 - ◆ Consolidated six regions into five
 - ◆ Regional Director fully accountable for all regional activities
 - 2003 added five new planning positions, one per region
 - ◆ Provides planning capacity to deal with issues beyond operations
- ***Corporate services of Finance, Human Resources and Information Technology coordinated and consistent***

Inter-Jurisdictional Findings – Summary

Governance

- **Consolidation and restructuring of regional models have resulted in larger organizations, which leverage economies of scale, and have enhanced governance models for cooperation and collaboration**
 - Larger regional structures have increased authority and responsibilities
 - ◆ Decision making, policy and program delivery
 - ◆ Administration services
 - ◆ Financial management of service delivery
 - Public authorities
 - ◆ There is a defined separation of policy and delivery/operations functions
- **Not-for-Profit Boards**
 - Accountable to the Minister, Boards are focused on governance responsibilities rather than operational decisions
 - Boards set overall direction for the organization ensuring assessments of trends, community stakeholders and social needs within the region are addressed
 - Provides strategic planning through input into the Ministry's strategic and business planning process
 - Monitors and assesses the implementation of the Ministry's policies and programs, as well as business and operational plans for achievement of outcomes
- **Aboriginal communities control and deliver their own child welfare services**
 - Recognizes their distinct rights, cultures and authorities
 - Community-based
 - Reflects and incorporates their culture

Business Model

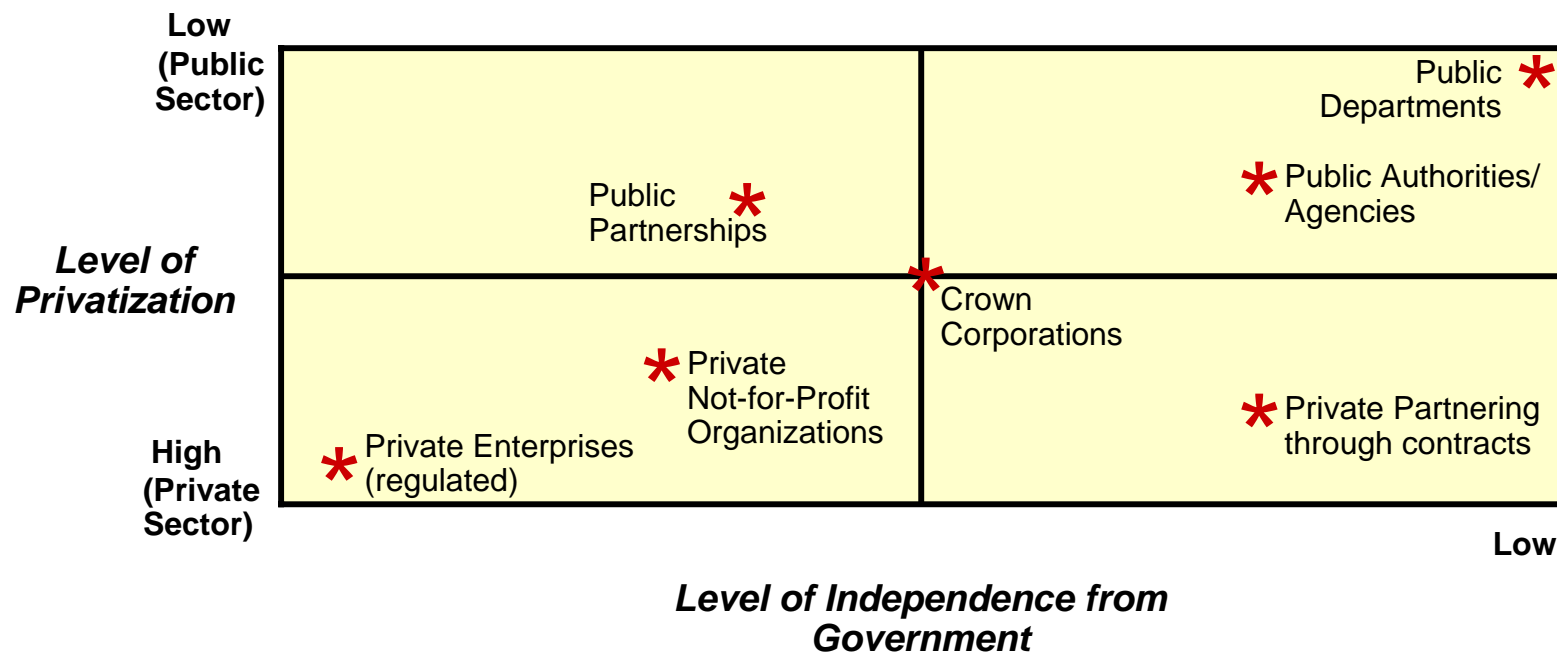
- **Consolidation of regional offices/authorities**
 - To address high deficits that are difficult to control
 - To improve services based on other provincial models and practices (e.g. Health)
 - To create economies of scale
 - To create budget savings in administration
- **New funding formulas**
 - Continually improving formulae
 - New ones implemented and incremental improvements
 - Equity and parity incorporated into formulae
 - Encourage cost effectiveness
 - Include evaluation and review processes
- **Joint or integrated services**
 - Client service, i.e. single provincial intake system
 - Shared services to provide operational and administrative efficiencies
- **Standardized corporate services**
 - Consistent, streamlined processes and practices in relation to HR, IT, and Finance services



Section 6.0 – Optional Governance Models

Development of Optional Governance and Business Models

- When developing optional models, a range of governance models was considered.
- The range of governance model options is depicted below and ranked based on level of independence from government and the level of privatization.





Development of Optional Governance and Business Models

- ***Three optional models were developed based on the following design principles:***
 - The models must support child welfare services and broader government objectives including: *to act in the best interest of children providing highest quality service with the most efficient operations*, while:
 - ◆ Eliminating duplication and creating efficiencies; and
 - ◆ Consolidating key activities (both service delivery and support services) to ensure operating efficiencies are created without compromising quality of service.
 - The strengths of the current model must be maintained.
 - When selecting the optional models, a broad range of governance models (i.e. private not-for-profit, public not-for-profit authorities, and public provincial department models) was considered.
 - The experiences and emerging trends in delivering child welfare services from other Canadian jurisdictions must be considered.
 - The optional models must include the six key child welfare functions and generally align with the defined evaluation criteria.
- ***The number of potential optional models is high as any one of the business models may be implemented within each governance model. As well, specific attributes of a given model may be introduced into other models.***

Optional Governance and Business Models

- Based on these design principles, the following optional models were developed:

Governance Model	Business Model
Option 1: Private Agency	
Private Not-for-Profit Agency with direct accountability to the Minister through elected and appointed Board members	<ul style="list-style-type: none"> One private sector organization with consolidated management of child welfare service delivery and distributed delivery sites. Community-based Advisory Boards are included to ensure community connectedness is maintained. A Province-wide Foundation is included to promote fund raising. Specific support services (i.e. IT, Legal) would be provided through shared services agreements.
Option 2: Public Authority	
Public Not-for-Profit Authority with accountability to the Minister through elected and appointed Board members	<ul style="list-style-type: none"> One public sector organization with consolidated management of child welfare service delivery and distributed delivery sites. Community-based Advisory Boards are included to ensure community connectedness is maintained. A Province-wide Foundation is included to promote fund raising. Shared services agreements would be in place for support services.
Option 3: Public Sector Line Department	
Public Sector Line Department with accountability to the Minister through the Deputy Minister	<ul style="list-style-type: none"> An integrated regional service delivery and management structure. Community-based Advisory Boards are included to ensure community connectedness is maintained. A Province-wide Foundation is included to promote fund raising. Departmental support organization provides support services.

Definition of Key Characteristics of Optional Models

- **Governance and business models have characteristics that describe various features of the models. These characteristics are defined below. On subsequent pages, each optional model's characteristics are described.**

Characteristics	Definition
Governance Structure	The structure that will be utilized to oversee and manage the child welfare system operations and activities.
Accountability Relationship	Identification of the relationship between two roles where responsibilities are delegated and accountabilities and expected results are defined.
Reporting Relationships	<p>Identification of the relationship between various roles within the governance structure. Three types of reporting relationships include:</p> <ul style="list-style-type: none"> • Direct Reporting – a manager/subordinate relationship where the manager role is responsible for the planning, directing, and monitoring of all key functions for which they are accountable. • Functional Reporting – a reporting relationship which provides advice, guidance and direction related to broad policy, regulations, and quality of work. • Advisory Reporting – a relationship where advice is sought and provided between the groups. No direction is provided.
Employer Status	The type of employer that the organization becomes, i.e. private sector employer or civil service employer. This dictates specific HR legislative requirements based on a particular employer status.
Key Stakeholder Representation	The structure to ensure key stakeholders, who are external to the child welfare system, are represented within the governance model through advisory boards.
Shared Services Organization	Organizations that provide support services (finance, human resources, information technology, communications, and legal) through negotiated service level agreements in an efficient and cost effective manner.
Fund Raising Structure	A private independent organization that governs and manages fund raising activities.
Impact on Employees	The estimated number of employees that would be affected by the introduction of the model.

Key Characteristics of Optional Models

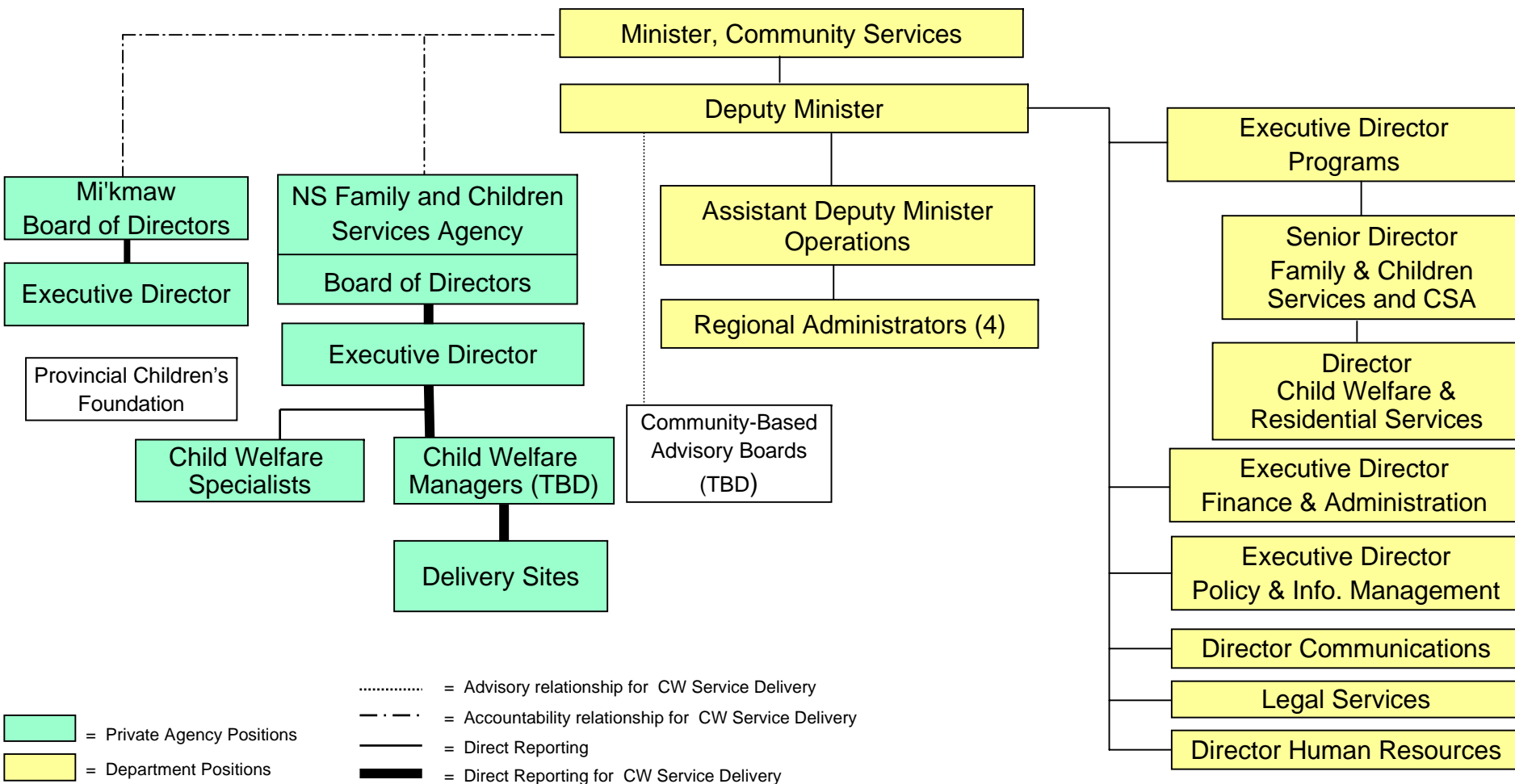
Characteristics	Option 1 – Private Agency	Option 2 – Public Authority	Option 3 – Public Sector Line Department
Governance Structure	Single Provincial Private Not-for-Profit Agency with elected and government appointed Board members. Chair of the Board would be elected.	Single Provincial Public Sector Authority with elected and government appointed Board members. The Minister would be appointed as President. The Deputy Minister would be appointed as CEO.	Public Sector Line Department with the child welfare service delivery function integrated into the Department's current regional delivery model.
Key Accountabilities	Accountability is defined at the Ministerial level as per the Children and Family Services Act. Accountability for service delivery would be consolidated within a single organization. The Minister would hold the Board of Directors accountable for child welfare service delivery.	Accountability is defined at the Ministerial level as per the Children and Family Services Act. Accountability for service delivery would be consolidated within a single organization through the Child Welfare Provincial Administrator role.	Accountability is defined at the Ministerial level as per the Children and Family Services Act. Accountability for service delivery would be integrated within the current department's Operations group. Service delivery would be managed through four Regional Administrators.
Reporting Relationships	The Executive Director of the Agency would have a direct reporting relationship to the Board and all resources involved in child welfare service delivery would report through to the Executive Director through an Agency management structure.	The CEO of the Authority would report directly to the President. The Provincial Administrator would report to the ADM, Operations for service delivery management. The ADM, Operations would include the Provincial Administrator in departmental service delivery committee structures.	The resources delivering services have a direct reporting relationship to the ADM, Operations via the Regional Administrators and District Managers. The Director of Child Welfare and the Child Welfare Specialists through a committee structure would work to integrate policy and service delivery processes.
Employer Status	Independent Private Sector Employer.	Public Sector Employer (non-Civil Service).	Civil Service.
Key Stakeholder Representation	Community-based advisory Boards would be created that report to the Deputy Minister (or delegate).	Community-based advisory boards would be created that report to the CEO (or delegate).	Community-based advisory boards would be created that report to the Deputy Minister (or delegate).

Key Characteristics of Optional Models

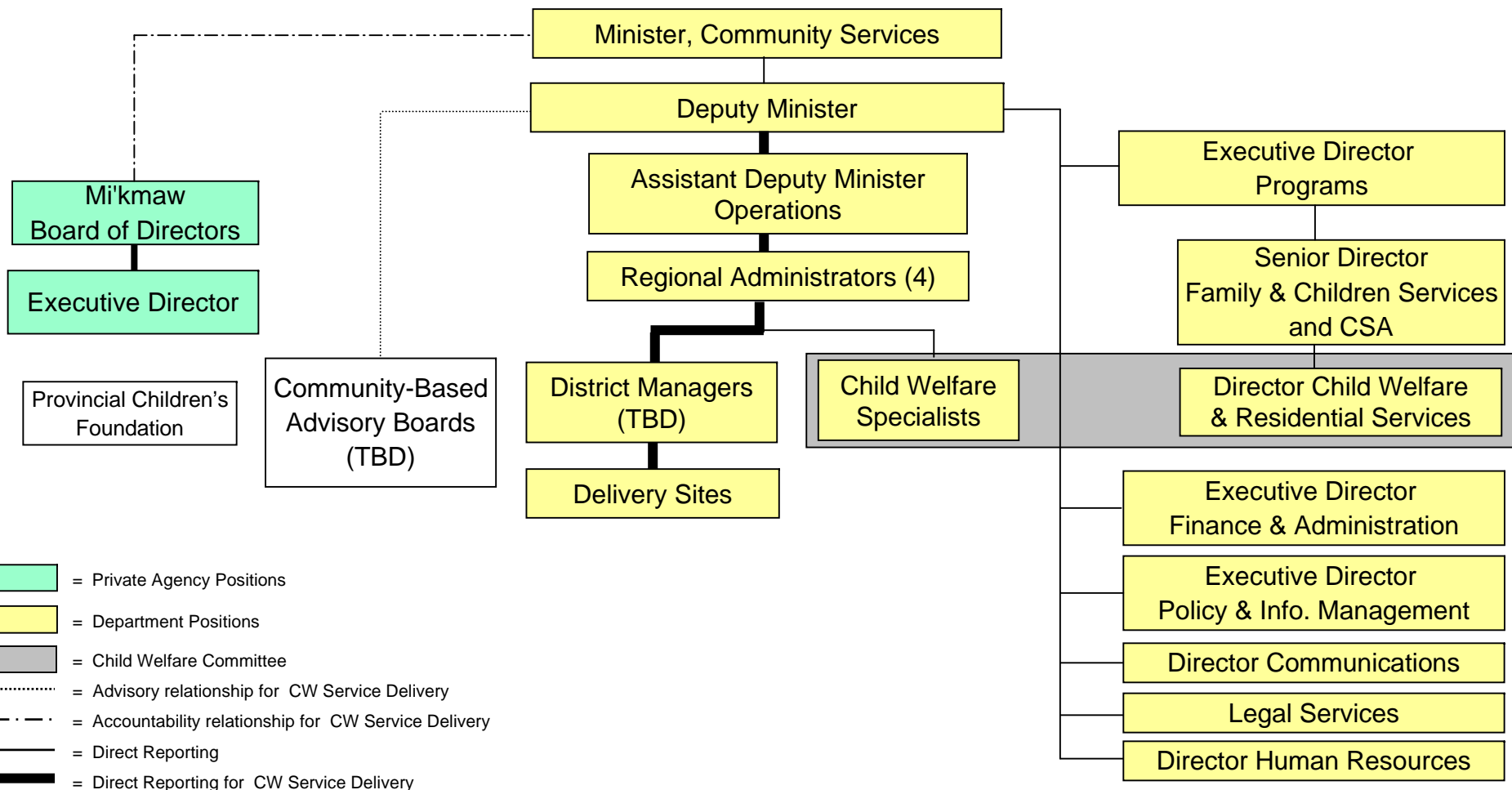
Characteristics	Option 1 – Private Agency	Option 2 – Public Authority	Option 3 – Public Sector Line Department
Shared Services Organization	Shared services agreements for IT and Legal Services would be negotiated. HR and Finance resources would reside within the agency because of the varying legislation and practices related to private sector organizations in these disciplines.	The Public Sector Authority would negotiate service level agreements with the Department for the provision of Finance, HR, Communications, Legal and IT services.	No shared services agreement would be required in this model. Support services would be provided through existing departmental structures.
Fund Raising Structure	A private province-wide foundation could be created within this model.	A private province-wide foundation could be created within this model.	A private province-wide foundation could be created within this model.
Impact on Employees	Approximately 600 employees would transition to a single agency - 140 Civil Servants and 460 private sector employees.	600 employees would transition to a single authority - 140 Civil Servants and 460 private sector employees.	460 employees would transition to the Civil Service.

- Given that current public sector benefit and pension plans are generally more comprehensive in coverage than current CAS plans, it is assumed that the incremental on-going costs related to a transition of human resources would be equal regardless of which option is selected. Therefore, these costs were not included in the assessment; however, the costs are detailed in Section 8.0 of this report.**
- Each of the three optional models is depicted on the following pages.**

Option 1 – Private Agency



Option 3 – Public Sector Line Department



Section 7.0 – Assessment of Optional Models

Assessment of Optional Models

- ***Each optional model has been assessed on its ability to support the evaluation criteria defined for each child welfare function.***
 - Assessments were completed independently by each Deloitte team member.
 - Results were assessed for commonalities and differences, and the team reached a consensus on the scores and relative ranking of the optional models.
- ***The models' strengths and weaknesses are identified by function and the total score by function as determined by the Deloitte team is also noted.***
- ***The current mixed model was not assessed.***

Assessment of Optional Models by Function

Function: Deliver Child Welfare Services

Available Points = 25

	Option 1 – Private Agency	Option 2 – Public Authority	Option 3 – Public Sector Line Department
S T R E N G T H S	<ul style="list-style-type: none"> • Single governance structure for child welfare service delivery • Ability to reallocate front-line resources as needs change • Recognition of specific Mi'Kmaq requirements and funding model • Number of delivery sites across the Province 	<ul style="list-style-type: none"> • Single governance structure for child welfare service delivery • Ability to reallocate front-line resources as needs change • Recognition of specific Mi'Kmaq requirements and funding models • Number of delivery sites across the Province • Single role, Child Welfare Provincial Administrator, accountable for child welfare service delivery 	<ul style="list-style-type: none"> • Single governance structure for service delivery and across the entire child welfare system • Ability to reallocate front-line resources as needs change • Recognition of specific Mi'Kmaq requirements and funding models • Number of delivery sites across the Province • The committee with the Director, Child Welfare and the Child Welfare Specialists will ensure that province-wide policy and service delivery issues are managed proactively
W E A K N E S S E S	<ul style="list-style-type: none"> • Dual governance structure for broader child welfare system, including policy, quality, and service delivery • Committee structures are required to coordinate and implement integrated service delivery efficiencies • The Agency is not required to implement or participate in non-mandated initiatives that may not be aligned with their strategies, but may contribute to broader departmental and government mandates 	<ul style="list-style-type: none"> • Complexity of reporting relationships related to service delivery • Committee structures are required to coordinate and implement integrated service delivery efficiencies • Dual reporting relationship for the Provincial Administrator 	<ul style="list-style-type: none"> • No single role within the child welfare system is solely responsible for child welfare service delivery. The responsibility is segmented on a regional basis and Regions may develop inconsistent approaches related to service delivery. While the ADM is responsible for the service delivery, that role has a significant scope with responsibility for delivery of multiple services. Resources, such as child welfare specialists, would be critical to ensure standardization • Within a regional service delivery model, there is a requirement to transfer resources across the regions
Scoring	18	20	22

The Department structure is ranked first because of its single governance structure, simplified reporting structures, and alignment with other departmental programs.

Assessment of Optional Models by Function

Function: Plan and Monitor Quality of Service

Available Points = 20

	Option 1 – Private Agency	Option 2 – Public Authority	Option 3 – Public Sector Line Department
S T R E N G T H S	<ul style="list-style-type: none"> • Single planning and budgeting process within the Agency for child welfare service delivery functions • Single group within the Department would be responsible for quality and compliance reviews. This group would be independent of all service delivery functions 	<ul style="list-style-type: none"> • Single planning and budgeting process within the Authority for child welfare service delivery functions which would be aligned with the Department's processes • Single group within the Department would be responsible for quality and compliance reviews. This group would be independent of all service delivery functions • One resource, the Provincial Administrator, is responsible for child welfare service delivery issues and their resolution • Quality and compliance issues, related to service delivery, would be resolved through the ADM, Operations 	<ul style="list-style-type: none"> • Single planning and budgeting process within the Department which is part of the Department's current process • Single group within the Department would be responsible for quality and compliance reviews • A single, consistent quality and compliance process may be implemented for all child welfare services
W E A K N E S S E S	<ul style="list-style-type: none"> • Planning and budgeting processes are independent of government and therefore, may not align with broader government objectives • Without direct reporting relationships and the private agency's degree of independence, quality and compliance processes are more resource and time intensive 	<ul style="list-style-type: none"> • Issues management processes related to policy and service delivery standards would need to be coordinated between the Authority and the Department 	<ul style="list-style-type: none"> • Province-wide service issues must be coordinated through four Regional Administrators creating additional coordination activities
Scoring	15	18	18

The Public Authority and the Department were ranked equally high, with each model requiring coordination activities to plan and monitor quality of service.

Assessment of Optional Models by Function

Function: Develop, Implement and Evaluate Legislation, Programs, Regulations, Standards and Policies

Available Points = 15

	Option 1 – Private Agency	Option 2 – Public Authority	Option 3 – Public Sector Line Department
S T R E N G T H S	<ul style="list-style-type: none"> Single provincial organization decreases the complexity and inefficiencies associated with the implementation and evaluation of policies Single organization to coordinate and train Service delivery and policy development roles are segregated 	<ul style="list-style-type: none"> Single provincial organization decreases the complexity and inefficiencies associated with the implementation and evaluation of policies Single organization to coordinate and train Service delivery and policy development roles are segregated Direct reporting relationship supports policy implementation as planned 	<ul style="list-style-type: none"> Single provincial organization decreases the complexity and inefficiencies associated with the implementation and evaluation of policies Single organization to coordinate and train Service delivery and policy development roles are segregated within the Department Direct reporting relationship supports policy implementation as planned
W E A K N E S S E S	<ul style="list-style-type: none"> Independence of the Agency would require additional coordination and collaboration for policy development and implementation Differing priorities between the Agency and the Department could be problematic and require formal issue resolution processes 	<ul style="list-style-type: none"> Independence of the Authority would require additional coordination and collaboration for policy development and implementation 	<ul style="list-style-type: none"> Four regions may have conflicting priorities within other Community Services programs that would impact timeliness of implementation Four regions create more complexity related to the implementation of policies and coordination of policy development Four regions to coordinate with for policy implementation and training
Scoring	7	12	10

The Public Authority ranked number one because the Authority has a single group with which to develop and implement policies.

Assessment of Optional Models by Function

Function: Develop and Maintain Community Connectedness

Available Points = 10

	Option 1 – Private Agency	Option 2 – Public Authority	Option 3 – Public Sector Line Department
S T R E N G T H S	<ul style="list-style-type: none"> • Delivery sites would be maintained based on needs of communities and their children • Community advisory boards would focus solely on the needs of children within the community, rather than on corporate governance issues • Advisory boards would have a reporting relationship with Deputy Minister • Fund raising activities would be managed through a province-wide private foundation providing critical mass and infrastructure to capture opportunities 	<ul style="list-style-type: none"> • Delivery sites would be maintained based on needs of communities and their children • Community advisory boards would focus solely on the needs of children within the community, rather than on corporate governance issues • Advisory boards would have a reporting relationship with the Chief Executive Officer/Deputy Minister • Fund raising activities would be managed through a province-wide private foundation providing critical mass and infrastructure to capture opportunities 	<ul style="list-style-type: none"> • Delivery sites would be maintained based on needs of communities and their children • Community advisory boards would focus solely on the needs of children within the community, rather than on corporate governance issues • Community advisory boards would have a reporting relationship to the Deputy Minister • Fund raising activities would be managed through a province-wide private foundation providing critical mass and infrastructure to capture opportunities
W E A K N E S S E S	<ul style="list-style-type: none"> • Resources to engage, develop and coordinate the community boards would be required within the Department 	<ul style="list-style-type: none"> • Resources to engage, develop and coordinate the community boards would be required within the Department 	<ul style="list-style-type: none"> • Resources to engage, develop and coordinate the community boards would be required within the Department
Scoring	9	9	9

This is a critical function and any future model must engage the community for feedback and to access resources. All models are equal in that they each provide a similar structure for community-based advisory boards and a provincial foundation.

Assessment of Optional Models by Function

Function: Provide Support Services (i.e. HR, IT, Finance, Legal Services, and Asset Management)

Available Points = 10

	Option 1 – Private Agency	Option 2 – Public Authority	Option 3 – Public Sector Line Department
S T R E N G T H S	<ul style="list-style-type: none"> Shared services agreements could be negotiated for HR, Finance, IT Services Legal services could be managed provincially to ensure consistency and economies of scale were realized Specific agreements would need to be negotiated and managed 	<ul style="list-style-type: none"> Shared services agreements could be negotiated for HR, Finance, IT Services 	<ul style="list-style-type: none"> Existing departmental support structures would be used Resources would be maximized by further integration with broader departmental support services
W E A K N E S S E S	<ul style="list-style-type: none"> A private independent Agency would need to provide its own HR programs and key financial functions because of their specific requirements The Agency would not be bound to utilize existing government infrastructure Coordination and evaluation of shared services agreements would be required if they were utilized 	<ul style="list-style-type: none"> Coordination and evaluation of shared services agreements would be required Coordination of key support processes would be required 	<ul style="list-style-type: none"> Flexibility in relation to HR and procurement policies and procedures is lower
Scoring	6	8	10

The Department model ranked first because support services may be provided within the current structure.

Assessment of Optional Models by Function

Function: Manage the Child Welfare Services System

Available Points = 20

	Option 1 – Private Agency	Option 2 – Public Authority	Option 3 – Public Sector Line Department
S T R E N G T H S	<ul style="list-style-type: none"> • Single governance structure for service delivery • More efficient and consistent service delivery with single Agency • Mandate of Agency solely focused on child welfare service delivery • Accountabilities would be clearly defined • The resources that deliver child welfare services would be dedicated to that specific function providing focus at the delivery level 	<ul style="list-style-type: none"> • Single governance structure for service delivery • Mandate of Authority solely focused on child welfare services delivery • More efficient service delivery with single Authority • The resources that deliver child welfare services would be dedicated to that specific function providing focus at the delivery level 	<ul style="list-style-type: none"> • Single governance structure for service delivery • Management and administration of service delivery activities would be integrated with other departmental services creating efficiencies • The resources that deliver child welfare services would be dedicated to that specific function providing a focus at the delivery level • A single human resource system would be in place ensuring equity across the child welfare system across the employee group
W E A K N E S S E S	<ul style="list-style-type: none"> • The Agency would not have the same accountability structures and control mechanisms surrounding the funding or the service delivery • Two governance structures would exist creating more complex reporting relationships • Two human resource structures would be in place within the child welfare system • Inconsistent performance management processes would exist within the system 	<ul style="list-style-type: none"> • Overall two reporting structures would be in place creating complex reporting relationships • Dual roles of the ADM and Deputy Minister create complexities • Two HR structures would be in place within the child welfare system requiring coordination • Performance management processes for the Child Welfare Provincial Administrator would be complex 	<ul style="list-style-type: none"> • Province-wide services would require coordination to ensure the regional model did not limit potential efficiencies in service delivery
Scoring	12	17	20

The Departmental model ranks first because of the clear accountabilities and flexibility to manage the system.

***Section 8.0 – Recommendation, Key Considerations
and Conclusion***

Recommendation

- The table below summarizes the scores for each model, by function, including a total score:

Function	Points	Score – Optional Models		
		Option 1	Option 2	Option 3
Deliver Child Welfare Services	25	18	20	22
Plan and Monitor Quality of Service	20	15	18	18
Develop, Implement and Evaluate Legislation, Programs, Regulations, Standards and Policies	15	7	12	10
Develop and Maintain Community Connectedness	10	9	9	9
Provide Support Services (i.e. HR, IT, Finance, Legal Services, Asset Management)	10	6	8	10
Manage the Child Welfare Services System	20	12	17	20
Total Score	100	67	84	89

- The recommended model for the Nova Scotia Child Welfare System is Option #3 – Public Sector Line Department with the child welfare service delivery function integrated within the current regional service delivery model.

Key Considerations

- **Five key considerations must be incorporated into any transition plan to implement a new governance and business model.**
 - Service Delivery Improvements
 - ◆ With a single governance structure, several province-wide improvements could be implemented quickly (e.g. after-hours support and placement practices).
 - ◆ Common approaches bringing the Province's best child welfare resources to review and assess the most critical or complex cases, regardless of location.
 - ◆ Front-line delivery must not be interrupted during the transition period and employees must be communicated to in an open and timely manner.
 - ◆ Resources must be deployed to ensure today's board members remain engaged and the transition to community-based board structures is supported.
 - Organizational Efficiencies
 - ◆ Economies of scale within the support services (HR, Finance and IT), as well as the rationalization of management and administration resource requirements across the system, ensure that monies may be redirected to the children through front-line services.
 - For example: Management of legal services, elimination of the need for financial statement audit services, and the consolidation of HR, Finance and IT processes across the system.
 - ◆ Roles and responsibilities would be clarified through the new structure.
 - ◆ While a review of the child welfare operations was not conducted, it is our experience that organizations making significant improvements can reduce annual costs by 5% – 15%, depending on the organization's current level of efficiency and effectiveness. With today's Child Welfare expenditures totaling over \$100M/annum, this would equate to an opportunity to reinvest approximately \$5.0M - \$15.0M per annum into child welfare services.
 - ◆ Savings from operational efficiencies may be reinvested to continue to improve child welfare programs and service delivery.

Key Considerations (cont'd)

- Human Resources and Labour Relations – Overall, employees within the system would receive more consistent benefit/pension programs.
 - ◆ Labour Relations – Significant negotiations and consultation required.
 - 460 employees, including employees working in residential services, would enter the civil service and the majority of employees would become members of the Nova Scotia Government Employees Union (NSGEU), with the exception of management exclusions.
 - Negotiation of transfer agreements.
 - Communication and negotiation with existing unions.
 - Legal services related to labour relations negotiations may be required.
 - ◆ Salaries – No change.
 - No significant changes to annual salaries are required because the agencies currently maintain comparable pay scales.
 - Merit pay programs would apply to eligible positions.
 - Hours of work would be standardized.
 - Overtime policies would be standardized.
 - ◆ Benefits – Employees would have more comprehensive benefit plans.
 - Employees would enroll in the civil service benefit plans.
 - Savings on benefit plans would be realized because of the lower administrative costs of civil service plans.
 - Details related to long-term disability claims would be required on employees who are transferring.
 - ◆ Pension
 - Employees may be impacted depending on actuarial calculations of their current plans to the PSPP.
 - ◆ Long Service Award – This benefit would be new to most affected employees.
 - The Department will be required to fund a public service award liability based on the years of service that would be credited to employees transferring to the civil service.

Key Considerations (cont'd)

- Change Readiness of the Organization and its People.
 - ◆ A phased, but timely, approach to transitioning the organization should be considered.
 - ◆ It is critical that the development of the community-based boards be undertaken during the early stages of the transition.
 - ◆ A change team, with an Executive Sponsor, will be required to manage the impact of the transition on the organization, including:
 - Completing a change readiness assessment of each existing organization and the development of action plans to deal with the specific requirements of each organization.
 - Providing information and communicating to employees related to human resource management changes.
 - Gathering feedback from the impacted employee groups.
 - Creating a communication mechanism between key stakeholders, including the Department's leadership, the communities, and employees.
 - Enrolling employees to actively participate in efficiency and effectiveness improvement initiatives, and building a culture of continuous improvement within the new organization.

Key Considerations (cont'd)

- High-level financial implications have been provided as preliminary estimates for initial decisions regarding the governance model and its implications. Further analysis would be required to refine these estimates during future implementation planning phases.
- The financial implications are organized in two broad categories:
 - ◆ Unfunded Liability implications; and
 - ◆ Funded Operating Cost implications.
- Unfunded liability implications are detailed in the following table:

Costs Category	Estimate (\$ millions)	Assumptions*
Public Service Award Liability	\$ 4.0M	<ul style="list-style-type: none"> ■ Average years of service is 12 years ■ 80% of workforce will reach retirement ■ Average salary \$45,000 ■ Estimated number of employees impacted is 460 (including employees in residential programs)

* A number of high-level assumptions were made when calculating this estimate. The number of employees and average salary are based on data gathered in our study. The assumptions related to average years of service and the percentage of the workforce which will reach retirement must be further verified. These assumptions were not based on detailed analysis of the current workforce or actuarial projections.

Key Considerations (cont'd)

- Operating cost implications are organized by one-time and on-going cost implications. The table below describes the costs and the assumptions regarding these cost estimates.

Costs Categories	Estimate (\$ millions)	Assumptions
One-time Costs		
Professional Fees (Legal and other)	\$ 0.1M	<ul style="list-style-type: none"> Fees may be incurred to plan and implement the transition, particularly related to labour relations activities
Total One-time Costs	\$ 0.1M	
On-going Costs		
Benefit and Pension Plans	\$ 0.9M	<ul style="list-style-type: none"> Additional benefit coverage, including LTD and dental, for employee group entering public service Additional allowances for impacts on LTD plan for the impact of the employee group on the province plan Additional 0.5% of salaries (\$20M) for pension plan contributions
Public Service Award	\$ 0.1M	<ul style="list-style-type: none"> Additional 1.0% of salaries (\$20M) less estimated savings related to current CAS award programs
Total On-going Costs	\$ 1.0M	

Key Considerations (cont'd)

- Financial Implications
 - ◆ Potential Savings are described in the table below:

Savings Categories	Estimate (\$ millions)	Assumptions
On-going Savings		
Managerial and operational improvements	\$5.0M - \$15.0M	<ul style="list-style-type: none"> ▪ Within the new model, a number of managerial and operational improvements may be implemented which will result in efficiencies and cost reductions. Based on our experience in the public sector, \$5.0M - \$15.0M (5%-15% of program expenditures) may be saved per annum ▪ Annual Costs are approximately \$106.0M
Total On-going Savings	\$5.0M - \$15.0M	

Key Considerations (cont'd)

- ◆ Investment Opportunities
 - A summary of net on-going savings is described in the table below.

On-going Savings (minimum)	\$ 5.0M
On-going Costs	\$ 1.0M
Net Savings per annum	\$ 4.0M

- The \$4.0M could be directly reinvested to improve child welfare services across the province and to assist in offsetting the trend of expenditure increases. For example, monies could be invested to address increasing case complexities, attraction and retention of experienced social workers, and programs improvements, such as prevention, foster care and adoption services.

Conclusion

- ***The transition to a Departmental model is a complex process that will require a high degree of consultation and cooperation to ensure its success. It is critical that the following elements remain in the future model:***
 - Decentralized delivery sites across the Province;
 - Effective community-based advisory boards that are supported by the Department;
 - A consolidated management and administrative structure for child welfare service delivery;
 - An effective quality and compliance review structure; and
 - Consolidated, consistent support services.

- ***A final word....***
 - Although the current structure was not selected as the future model, this in no way reflects on the people within the current system and their performance.
 - Throughout this review, we have had the pleasure of meeting and working with a highly dedicated, motivated group of professionals and volunteers who clearly have the best interests of our children as their first priority.
 - These individuals make the current structure work, in spite of its complexities, through their diligence, communication, on-going collaboration, and team work.
 - The recommended model will provide a more effective structure that will resolve many long-standing issues and barriers created inherently by today's mixed governance and business model.