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Wellesley Institute Deputation to the Executive Committee
On the Core Service Review July 28, 2011

Dear Mayor Ford and members of the Executive Committee,

Thank you for the opportunity to speak to you today regarding the Core Service Review. My name is Michael Shapcott and I am here today on behalf of the Wellesley Institute, a Toronto-based non-profit and non-partisan research and policy institute. We develop research and community-based policy solutions to improve urban population health and reduce health inequities.

It is the Wellesley Institute's position that:

- the Core Service Review process fails to address the health and social implications of the cuts proposed by KPMG;
- many of the "opportunities" KPMG has proposed, if implemented, will serve to worsen the health of many Torontonians by reducing access to services vital to particularly vulnerable populations and by increasing overall health inequities;
- deteriorating population health and increasing inequities will result in costs to healthcare and other publicly funded services to rise;
- City staff should conduct a rapid assessment of all key budget decisions to determine whether the proposed changes would have a differential and inequitable health impact on residents, and whether and how these impacts would specifically affect priority neighbourhoods and disadvantaged communities; and
- a Health Equity Impact Assessment (HEIA) should be conducted if the initial analysis indicates that an adverse and inequitable health impact is possible;
- as indicated in Appendix A, opportunities at Toronto's Affordable Housing Office must be reconsidered if Toronto is to pursue a housing first approach to end homelessness, as it should.

Rushed Policy Process Leaves No Opportunity For Due Diligence

While we understand the City's fiscal pressures, the Wellesley Institute has concerns about the compressed nature of this year's budget cycle. Typically, the City budget process continues at least through the fall, allowing the City to more effectively dovetail its budget deliberations with those of the federal and provincial levels of government. This new timeframe has left no time to ensure decisions are grounded in a broader vision of a prosperous, healthy and equitable city.

In addition, rushing budget deliberations will lead to decisions being made that lack a solid evidence base. A failure to fully analyze policy options and directions means that potentially harmful impacts will not be identified. For example, many of the "opportunities" that are being put forward to the Executive Committee have impacts on health and community resilience that, as

KPMG has acknowledged, have not been considered. Decisions made without sufficient information and analysis will inevitably result in unintended consequences--in this case, significant impacts on the health of Torontonians, especially the most vulnerable and poorest--that will likely cause significant ongoing fiscal challenges. Conducting due diligence to clarify options and choices in the policy process is both socially and fiscally responsible. These concerns were echoed by the Toronto Board of Health at its July 26, 2011 meeting where it passed a motion requesting that the Medical Officer of Health report to the September 19th Executive Committee Meeting on the potential health impacts of implementing the KPMG "opportunities."

Program, Service, and Funding Cuts Have Serious Negative Health Implications

Significant health inequities already exist among Torontonians. Research by Toronto Public Health found that the life expectancy of males in the highest income areas of the city was 4.5 years longer than males in Toronto's lowest income areas, and for females it was 2 years.

There is enormous research evidence that disparities in health outcomes between populations are rooted in broader social and economic inequality and exclusion and that factors such as income and social status, access to adequate housing, social support networks, access to health services, education and literacy, employment and working conditions, physical environments, healthy child development, gender, and culture are social determinants of health, affecting not just the immediate day-to-day lives of Torontonians, but also their health and well-being.

Decisions that reduce employment opportunities, worsen access to services that vulnerable people and communities rely on, and/or increase overall social and economic inequality will therefore adversely affect Torontonians' health. Importantly, these health impacts will not be felt equally, as the harshest impacts will be levelled upon those who rely more heavily on City services for their health and those who already face the greatest burden of ill health.

Poor health can make it extremely difficult to fully participate in society, which ultimately leads to increased use of government services. Chronic conditions such as diabetes, cardiovascular disease and mental illness are particularly sensitive to social conditions and are very inequitably distributed. This is salient, as chronic conditions require significant – and expensive – medical supports and tend to disproportionately affect lower income and socially-excluded populations.

Examples of Health Implications of Proposed Budget Decisions

To illustrate how proposed budget decisions, if implemented, will have inequitable and damaging impacts on the health of many, we present the following examples:

Reducing Community Recreation Services and/or Increasing User Fees

KPMG's report to the Community Development and Recreation Committee suggests that the City's role, purpose, goals and objectives in Community Recreation should be revisited. The report accurately notes that if the City chooses to reduce or cease its support for recreational services, some populations will be impacted more than others.

The communities that would be the most negatively affected by any reduction in community recreational services or by increases in user fees, are the same populations

that are at greater risk of ill health. The health promotion benefits of sports and physical activity are well known, and modest investments in community recreation can have important positive effects on individual and population health.

Key to preventing and managing conditions like diabetes and heart disease is healthy eating, exercise and physical activity. If municipal community recreation supports are reduced or eliminated, the overall prevalence and impact of chronic conditions like diabetes and obesity will increase, creating significant pressures on Toronto's health services in the future. Poorer and more marginalized communities will be disproportionately affected, as they are the populations most at risk of chronic health conditions. Even small increases in user fees will keep those who need them the most from accessing vital activity and health promotion programs.

Reducing or Eliminating the City's Dental Health Program

KPMG identified the City's dental health program as an area that may be reduced or eliminated. This program provides dental services to Torontonians who are unable to afford to pay for a dentist, including 13,000 seniors in long-term care homes and over 7,500 children and youth annually.

The possibility of reducing or eliminating this service has major health equity implications. The Canadian Dental Hygienists Association estimates that 10 percent of Canadian adults experience facial pain as a result of an untreated oral problem. Statistics Canada found that only 62 percent of Canadians had private dental insurance and only 6% were covered by publicly funded programs. Cutting dental health services will disproportionately affect those who are unable to pay; the poorest and most marginalized, many of whom work low-paid, precarious jobs without health benefits, will be the ones who don't have private dental insurance and who can't afford to pay out of pocket for dental care.

Research on homelessness in Toronto conducted by Street Health found evidence of homeless people attempting to extract their own teeth because they could not access dental services. This led to distressing, unnecessary, and costly visits to hospital emergency departments.

In their recommendation to the Executive Committee, The Toronto Board of Health highlighted the importance of dental health, recommending that the City 'continue to provide essential dental services until such time as provincially funded programs are able to meet this need'. We support this recommendation and urge the City to actively work with the Province to meet this need.

Reducing or Eliminating Library Programs and Services

KPMG identified closing libraries and making service reductions in library programs as possible areas for service cuts. The programs offered by Toronto Public Libraries include literacy and employment training programs that are particularly valuable for newcomers to Canada.

Being able to speak English in Toronto is crucial to employment, educational and social opportunities. Research conducted by the Wellesley Institute in St. James Town found

that many immigrants were unable to access healthcare services because of language barriers. Immigration requirements that include comprehensive medical examinations mean that immigrants are usually healthy when they arrive in Canada—in fact, healthier, on average, than the Canadian-born population. These health benefits quickly erode, however, when immigrants are unable to access health services.

Newcomers to Toronto often experience barriers to entering the labour force and many find that they are only able to get poorly paid jobs that do not offer benefits. Cutting employment, language and settlement programs that help newcomers overcome these barriers will reduce the number and quality of employment opportunities available to them. Research shows that precarious work and unemployment adversely affect health. Once again, the consequences of this decision would be to increase health inequities and negatively impact Torontonians' health.

Reducing or Eliminating AIDS Prevention Programs

KPMG identified the AIDS Prevention Community Investment Program, which supports "strategic, targeted education programs to influence behaviours and situations that put people at risk of acquiring HIV thereby reducing HIV transmission," as a possible area to be eliminated or reduced.

HIV/AIDS is a health equity issue because it does not affect all populations equally. According to the Public Health Agency of Canada, men who have sex with men account for 51 percent of the individuals living with HIV/AIDS in Canada, while women comprise 20 percent and users of injection drugs account for 17 percent. Aboriginal persons and immigrants from regions with high HIV/AIDS incidence are also disproportionately affected. Incidence is growing faster in more marginalized populations. These factors make HIV/AIDS a major public health issue for Toronto. Toronto's diversity means that it is home to large numbers from each of the high-risk groups, especially immigrants.

Moreover, poverty is a major contributor to HIV/AIDS risk--as populations become poorer, HIV transmission rates tend to rise – and poverty is on the rise in Toronto. Data from the City of Toronto show that one in five families in our city is living in poverty. Poverty is also becoming increasingly concentrated in pockets of the city that are home to high numbers of people from marginalized populations. AIDS prevention programs, especially for lower income and marginalized Torontonians, help to reduce HIV/AIDS infections. Cutting these programs will not only lead to an increase in preventable infections, it will also increase demand on health services in years to come.

The importance of AIDS prevention programs is highlighted by the Toronto Board of Health's direction to the Medical Officer of Health to explore alternative sources of funding for these programs to ensure that they can continue to operate in 2012.

Contracting Out the Delivery of Programs and Services

KPMG identified a number of areas where services could be contracted out, including the provision of employment services and park maintenance. While KPMG explicitly states that it "did not conduct financial analyses of programs and services to identify potential savings," the rationale for contracting out public sector services is generally that the

private sector is seen to be able to provide some services at a lower cost than the public sector.

While contracting out services may create short-term savings for the City, it will also result in long-term costs associated with an increasingly precarious workforce. Work affects our health through its impact on incomes and on-the-job exposures and risks. The loss of secure and adequately paid jobs resulting from privatization will have an impact on the health of workers through unemployment, loss of health benefits, lower incomes and the greater health risks associated with insecure work.

The private service sector also tends to be non-unionized and provides few or no benefits to low-paid temporary, contract or part-time employees. Access to employee health, dental and other health promoting benefits will become more inequitable and will negatively affect Torontonians' health.

Recommendations

We have illustrated but a few areas where municipal budget decisions could have serious negative health impacts.

Increasing social and economic inequity and reductions in access to those services especially important for health will result in adverse health impacts that will be felt most by those already at greater risk of poor health.

Not only will implementing many of the "opportunities" KMPG identifies worsen population health in the short-term, but it may ultimately increase the need for governments to increase spending for acute care in the mid and longer terms. Eliminating programs and support for good health simply moves the cost burden from one part of the budget to other parts, and from the short to the longer term.

In light of the rushed policy process and these examples of the predictable potential impacts on health and health inequities, the Wellesley Institute recommends:

1. That staff conduct a rapid assessment of all key budget decisions to determine whether the proposed changes would have a differential and inequitable health impact on residents, and whether and how these impacts would specifically affect priority neighbourhoods and disadvantaged communities.

2. That if the initial analysis indicates that an adverse and inequitable health impact is possible, a Health Equity Impact Assessment (HEIA) should be conducted. The Province and leading public health agencies have developed evidence-based HEIA tools that can be quickly and effectively used. The Wellesley Institute has conducted many HEIA workshops and would gladly provide training on their use.

While Toronto's Core Services Review report by KPMG recognizes the value to individuals and the City of Toronto in a "housing first" approach to homelessness, that same review undercuts the ability of the City of Toronto to implement a housing first approach by potentially gutting affordable housing initiatives and perhaps even shutting down the entire Affordable Housing Office.

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Appendix A

A good, healthy, affordable home not only provides real benefits to people who are homeless or poorly housed, but it also provides substantial benefits to government by reducing the use of costly emergency and other services. The "housing first" approach is widely used throughout North America and consultants KPMG have identified it as an "opportunity" for the City of Toronto to save spending through the current Core Service Review process.

However, those same consultants in the same Core Service Review process, have identified "opportunities" at the Toronto's Affordable Housing Office for cost savings, including eliminating housing improvement loans (that pay for repairs to substandard low-income housing), ending the development of new affordable homes and perhaps even closing the entire affordable housing office.

There is a large body of evidence that links poor housing to poor health (the Wellesley Institute's Precarious Housing in Canada 2010 summarizes some key studies), and also research that shows that people who are homeless or poorly housed suffer a greater burden of poor health and premature mortality (such as the Street Health Report). The heavy health burden experienced by people who are precariously housed leads to increased health care costs, including significant use of emergency medical facilities.

In addition, the short-term options for people who are homeless – including homeless shelters – are much more expensive for governments than funding healthy, affordable homes. The Wellesley Institute's Blueprint to End Homelessness in Toronto found that in 2006, the average monthly cost of a shelter bed was $1,932 and the average monthly cost of a hospital bed was $10,900, while the average monthly cost of social housing for low-income households was $199.32.

Toronto needs every affordable home that it can get. As of the end of June 2011, there were 79,218 households on the City of Toronto's affordable housing waiting list – an all-time record. In fact, for a number of months, the city has been setting new records on a monthly basis. About 5,000 households may be housed this year as vacancies occur in the city's existing stock of affordable homes, but the list will continue to grow as thousands of new households are added to the list. From June 2010 to June 2011, the city's affordable housing waiting list had a net increase of 7% as new needy households far outpaced vacancies that came available.

There's almost no available space in Toronto's private rental market. In its most recent rental market report in December of 2010, Canada Mortgage and Housing Corporation reports that there were just 5,532 vacant private rental units in the City of Toronto's overall rental "universe" of 254,555. The future looks even more bleak as Toronto's private rental market continues to contract as the rental vacancy rate drops and the overall number of rental units falls due to demolition and conversion.

The City of Toronto can save money, over time, by helping people who are homeless move from relatively more expensive hostel beds to relatively less expensive healthy and affordable homes. The "housing first" approach has been adopted by a number of jurisdictions – including the City of Calgary and the Province of Alberta. But "housing first" requires that there is housing first for people who are homeless to move into. And the City of Toronto's Affordable Housing Office has been a vital partner in completing the links, engaging senior levels of government, along with the

community and private sectors, and generating much-needed new affordable and renovated homes.

Toronto City Council has set modest targets of 1,000 new affordable rental homes and 200 new affordable ownership homes annually, along with slightly more than 1,000 home repairs. These vitally needed new homes and repairs will mostly be achieved by leveraging federal and provincial funding, and by engaging community and private sector housing providers.

The signing of the federal-provincial-territorial Affordable Housing Framework Agreement on July 4 means that the City of Toronto can expect perhaps $100 million or more in housing funding from senior levels of government. Now, more than ever, the City of Toronto needs the expertise and experience of the Affordable Housing Office to ensure the most number of homes and the best value for the funding.

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