

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by 

SUBMITTED BY: _____
Jacques Dubé, Chief Administrative Officer

DATE: November 16, 2022

SUBJECT: **Sobering Centre Pilot**

ORIGIN

At the June 29, 2021 meeting of Regional Council, the following motion was put and passed:

MOVED by Councillor Smith, seconded by Councillor Mancini

THAT Halifax Regional Council direct the Chief Administrative Officer (or designate) to work with:

1. Provincial government staff and other key stakeholders to examine potential changes to existing alcohol policies and regulations at the municipal and provincial levels to reduce harmful patterns of alcohol consumption; and
2. Partners to develop options for Regional Council's consideration for establishment of a sobering centre in HRM.

MOTION PUT AND PASSED.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c.39

7A The purposes of the Municipality are to

- (a) provide good government;
- (b) provide services, facilities, and other things that, in the opinion of the Council, are necessary or desirable for all or part of the Municipality; and
- (c) develop and maintain safe and viable communities

79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if

- (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;
- (b) the expenditure is in respect of an emergency under the *Emergency Management Act*; or
- (c) the expenditure is legally required to be paid.

RECOMMENDATION

It is recommended that Halifax Regional Council

1. Approve implementation of a three-year Sobering Centre pilot, commencing this fiscal year, in

- partnership with the Nova Scotia Office of Addictions and Mental Health; and
2. For fiscal years 2023-2024, and 2024-2025, the continuation of the pilot project be conditional on Municipal and Provincial budget approval. Approve the allocation of up to \$139,215 for a shared cost approach to a sobering centre pilot in 2022/23 with the Nova Scotia Office of Addictions and Mental Health, contingent on Provincial approval; and
 3. Approve an additional two-year allocation of \$490,768 each year for a shared cost approach to ongoing operating costs of a sobering centre pilot with the Nova Scotia Office of Addictions and Mental Health, contingent on Provincial approval and Municipal budget approval.

BACKGROUND

Over the past two years, the HRM Public Safety Advisor has engaged in several research exercises examining the potential benefits and feasibility of a sobering centre in Halifax. Research evidence consistently demonstrates the benefits of a harm reduction approach to substance use and public intoxication, especially with individuals also experiencing addictions, mental health, or homelessness issues. In summary, those research exercises and concurrent reports¹ identified that the current approach to dealing with public intoxication in Halifax:

- Lacks the support structures to adequately address the needs of individuals with substance use disorder
- Relies too heavily on an enforcement approach to addressing a health care issue, creating potential pathways for criminalization, particularly for marginalized populations
- Leads to inadequate, ineffective, and costly use of police resources and creates unnecessary liabilities for police when holding intoxicated individuals who have not committed or are unlikely to commit a criminal offence

Based on these prior reports, as well as consultations undertaken for this report with local stakeholders and sobering centres elsewhere in Canada, a sobering centre in Halifax is an appropriate service to improve the municipal response to public intoxication.

The business case and cost model for an HRM a sobering centre was presented to Regional Council in an Information report on April 12, 2022, and is based on several interrelated goals:

- 1. Connecting intoxicated individuals to appropriate services:** Sobering centres are intended to connect intoxicated individuals to services and supports that are appropriate to their situation. Intoxicated individuals, and especially those experiencing homelessness, are at increased risk of several kinds of harm, including exposure to weather conditions, reduced ability to manage health conditions, and negative effects of substance use such as overdose.
- 2. Reducing pressures on emergency response services:** Several thousand intakes into the Halifax Regional Police Prisoner Care Facility (PCF) and Halifax-area Emergency Departments (EDs) are related to intoxication each year. While a sobering centre would not divert all calls for service and intakes into PCF and EDs related to intoxication, it appears likely that a substantial number could be diverted. Additionally, as several high-profile incidents in Halifax and elsewhere in Canada in the last decade have illustrated, keeping an intoxicated person in police custody has led to death and serious harm, and creates unnecessary liabilities for police services where police do not have other options to safely transfer custody of the intoxicated person.
- 3. Avoiding criminalization for behaviours related to substance use, mental health and addictions:** Police may be called when a person is intoxicated and engaged in non-criminal

¹ See <https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/210629rc1115.pdf> and <https://cdn.halifax.ca/sites/default/files/documents/city-hall/regional-council/220412rc141.pdf> for previous staff reports on this matter.

behaviour (such as causing a disturbance, or being intoxicated in public), and the use of a police response in these instances may result in unnecessary arrest and interaction with the criminal justice system. The potential for criminal penalty can increase if the intoxicated person becomes resistant to police presence and police officers' demands. A sobering centre would provide a safe option for at least some individuals who would otherwise receive police attention (and potential arrest) for non-criminal behaviours.

Sobering centres de-pressurize emergency response systems that are already overburdened, while also providing intoxicated individuals with a space in which they can safely become sober and potentially connect with other necessary social and health supports.

At the April 12, 2022, meeting of Regional Council, the CAO indicated that staff would continue to work with the provincial government on developing a cost sharing agreement prior to the municipality committing resources for a sobering centre. Staff thus have been engaged in productive discussions with provincial stakeholders to develop a viable co-funded model for creating a sobering centre in HRM.

DISCUSSION

This report builds on the proposed service model, with costs for a sobering centre in Halifax, based on extensive consultation and research. The Public Safety Advisor has been involved in ongoing discussions with the Province since fall 2020 on potential collaboration on a sobering centre in HRM. Alongside the benefit of cost-sharing, collaboration with the provincial government may benefit this project by (a) aligning provincial actions focused on mental health, addictions and homelessness with municipal activities; (b) ensuring appropriate governance of medical and paramedical services provided at or through the sobering centre; and (c) streamlining coordination between the sobering centre and other relevant provincial services, for example relating to housing and social services.

Provincial partners at Department of Health and Wellness and the Office of Addictions and Mental Health have indicated willingness to move forward with HRM to implement a three-year sobering centre pilot commencing this fiscal year. The centre would have capacity for a minimum of 10 clients and would include an evaluation component.

The Nova Scotia Office of Mental Health and Addictions are recommending to Cabinet that the Province enter into a 50% cost share agreement with the HRM to co-fund the establishment and operation of a sobering centre. If both Halifax Regional Council and Cabinet approve the funds, staff, in consultation with provincial partners, will begin the process to select a service provider to operate the centre, identify wrap-around supports, and determine a location.

Provincial and Municipal responsibilities for implementing a Sobering Centre *Implementation and Oversight Planning*

The establishment of the sobering centre pilot will involve purchasing this service directly from one or more non-profit service providers. While the municipality can engage directly with non-profit service providers to procure services,² should the sobering centre pilot be approved from both the Province and Municipality, staff, in consultation with the Province, will initiate a procurement process to identify and select a suitable service provider or providers. Given that a pilot is proposed, it is important to select a service provider that is relatively well positioned to commence implementation. Thus, through a suitable the procurement process, staff will identify a non-profit that is: (a) already engaged with the expected user population (i.e., people who are regularly intoxicated to the point that they represent a risk to themselves or others and who are experiencing homelessness, mental health, and/or addictions issues); (b) have mature administrative capacities; and (c) possible access to usable space.

Through the procurement process, staff will also identify which service provider(s) is/are best suited to provide criteria in the service delivery model deemed critical by local stakeholders and other sobering centres. These are outlined in more detail in the consultant's report and include:

² See AO

- Use of **peer support workers** as part of the overall staffing model
- Ensuring **culturally appropriate services**, especially for Indigenous, African Nova Scotian and newcomer populations
- Ensuring **gender-inclusive supports**
- Providing sufficient and **nutritious food** to clients
- Ensuring the **location of the sobering centre** does not marginalize the community where it is located

Should the pilot be approved, the Municipality and the Province will convene key stakeholders to develop proper oversight and advisory capacity for the centre. This will help ensure stakeholders are invested in the governance, operation, and outcomes of the Sobering Centre(s).

Financial and Budget Planning

As noted above, the municipality has agreed in principle to enter into a cost sharing agreement with the Province over the course of the Sobering Centre Pilot. This approach would see the municipality and the Province equally share costs to implement, operate and evaluate the Sobering Centre Pilot. These estimated costs were adapted from the Sobering Centre cost model previously presented to Regional Council on April 12, 2022, to create a smaller scale pilot (reducing the number of beds from 30 to 10). The Information report is included in Attachment A.

3 Year Cost Projection			
Cost Item	2022-23	2023-24	2024-25
Labour	\$179,383	\$717,531	\$717,531
Furniture, Fixtures and Equipment	\$33,893	\$3,389	\$3,389
Lease and fit-up	\$20,205	\$80,822	\$80,822
Other costs (food, insurance, and supplies)	\$9,072	\$36,286	\$36,286
Administration	\$35,877	\$143,506	\$143,506
Total costs	\$278,429	\$981,535	\$981,535

All costs are based on 2022 dollars³, and assumptions developed through review of available documentation and consultation with local service providers, other sobering centres, and municipal staff. The costing approach assumes a leased space. Once approved to move forward, the Public Safety Advisor can utilize the information in this report and work with the Province and service provider(s) to finalize a viable service model, exact costs for each service component, and identify a suitable space.

As noted above, the municipality has agreed in principle to enter into a cost sharing agreement with the Province over the course of the Sobering Centre Pilot. This approach would see the municipality and the province equally share costs to implement, operate and evaluate the Sobering Centre Pilot. These costs were adapted from the business case and Sobering Centre cost model previously presented to Regional Council on April 12, 2022, to create a smaller scale pilot (reducing the number of beds from 30 to 10). presented to Regional Council on March 22, 2022 to create a small-scale pilot. The Information report is included in Attachment A.

FINANCIAL IMPLICATIONS

The Municipality’s estimated portion of the funding model for 2022-23 is \$139,215 (based on a shared cost approach with the Province). The Municipal portion of subsequent annual ongoing operating costs is estimated to be \$490,768 in fiscal years 2023-24 and 2024-25 (based, again, on a shared cost approach with the Province).

³ These numbers do not account for inflation.

Estimated Cost Breakdown			
	2022-23	2023-24	2024-25
HRM 50% Share	\$139,215	\$490,768	\$490,768
Province 50% Share	\$139,215	\$490,768	\$490,768
Total Cost	\$278,429	\$981,535	\$981,535

It should be noted that, once approved, it is expected to take approximately 6-8 months to establish the sobering centre, due to the need to identify and fit up an appropriate space, collaboratively develop the service model with one or more local non-profit service providers, and for the service provider(s) to hire and train staff. As such, the operating costs for 2022-23 are lower than in successive years and are based on the assumption that the sobering centre would be ready to begin operation toward the end of Q4 of this fiscal year.

Funding for the 2022-23 costs of \$139,215 can be accommodated within the approved Fiscal Services budget in account M310 – Other Fiscal Services. Funding of \$491,768 for the fiscal years 2023-24 and 2024-25 are included in the proposed CAO business unit budget in account C411 – Public Safety Office.

RISK CONSIDERATION

The municipality’s current approach to utilizing the Prison Care Facility for public intoxication charges, particularly for marginalized groups or those with substance use disorders, is not the most appropriate, efficient, or effective way to address issue arising from Public Intoxication.

The establishment of a sobering centre is a new approach to service delivery for the municipality, indeed for Atlantic Canada. Risk associated with this new model of service delivery and appropriate mitigations are outlined in the table below.

Risk	Mitigation
No suitable space for a sobering centre identified for lease within the budget assumptions in this report	Budget assumptions were developed in consultation with HRM Corporate Real estate and based on market rates (as of fall 2021). However, the local real estate market as well as the costs of renovations have seen substantially increased in recent months, and it is possible that the required budget is higher than anticipated, which may require reconsideration by Council in future.
No suitable service provider is interested in operating a sobering centre in HRM, based on the specifications set out in this report.	Staff have engaged several service providers in HRM to gauge interest and capacity for this service model and are fairly confident that a suitable provider will be selected.
Allied service providers (such as emergency responders) are not utilizing the service as an alternative to the Prison Care Facility or Emergency Departments	Including allied service providers in an advisory committee will help ensure that the service delivery meets the needs and expectations.
Demand for the sobering centre is substantially larger than originally anticipated. This could create service pressures and, as with space costs, potentially require additional budget in the near future	Piloting a service delivery model with an evaluation embedded into it will enable partners to determine the appropriate service level based on demand

COMMUNITY ENGAGEMENT

A wide range of local stakeholders have been consulted for reports related to the development of a sobering centre in Halifax.⁴

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified in this report.

ALTERNATIVES

Regional Council could choose to fund a smaller scale pilot at a lower financial contribution.

ATTACHMENTS

Appendix A – Business Case and Cost Model for Sobering Centre, Davis Pier Consulting

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Amy Siciliano, Public Safety Advisor 902.210.0102

⁴ For a list of stakeholders consulted in previous reports, see Appendix D of the staff report dated June 29, 2021 here: <https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/210629rc1115.pdf>. In addition, for the Information report dated April 12, 2022, further consultations were undertaken with the North End Community Health Centre, Mobile Outreach Street Health, the Street Navigator program, the Mi'kmaw Native Friendship Centre, Out of the Cold Halifax, the Nova Scotia Brotherhood Initiative, Direction 180, Mainline, representatives from NS Public Health and the NS Office of Mental Health and Addictions, and several sobering centres in operation elsewhere in Canada.



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Item No. 14.1
Halifax Regional Council
March 22, 2022
April 12, 2022

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Jacques Dubé, Chief Administrative Officer

DATE: March 2, 2022

SUBJECT: Cost Model and Business Case for a Sobering Centre in HRM

INFORMATION REPORT

ORIGIN

June 29, 2021 Regional Council motion (Item 11.1.5):

MOVED by Councillor Smith, seconded by Councillor Mancini

THAT Halifax Regional Council direct the Chief Administrative Officer (or designate) to work with:

1. Provincial government staff and other key stakeholders to examine potential changes to existing alcohol policies and regulations at the municipal and provincial levels to reduce harmful patterns of alcohol consumption; and
2. Partners to develop options for Regional Council's consideration for establishment of a sobering centre in HRM.

MOTION PUT AND PASSED

This report responds to part 2 of this motion, developing options for Regional Council's consideration for establishment of a sobering centre in HRM.

This report will inform the development of the development of the forthcoming Public Safety Strategy, and it is expected that efforts to establish a sobering centre in HRM will be integrated into the Public Safety Office's planning, resourcing and governance model set out in the forthcoming Strategy document.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c.39

59(3) In addition to matters specified in this Act or another Act of the Legislature, the Council may adopt policies on any matter that the Council considers conducive to the effective management of the Municipality.

BACKGROUND

Research evidence demonstrates the benefits of a harm-reduction approach to substance use and public intoxication, especially when involving individuals who are experiencing addictions, mental health, or homelessness. One potential component of a harm-reduction approach is a sobering centre, which provides short-term placement for individuals experiencing acute intoxication. This report provides an update on work to explore a sobering centre model for the municipality, including the development of a consultant report (Attachment 1).

Throughout the past two years, the HRM Public Safety office has engaged in research examining the potential benefits and feasibility of a sobering centre in Halifax. In summary, this research and concurrent reports¹ identified that the current approach to dealing with public intoxication in Halifax:

- Lacks the support structures to adequately address the needs of individuals with substance use disorder
- Relies too heavily on an enforcement approach to addressing a health care issue, creating potential pathways for criminalization, particularly for marginalized populations
- Leads to inadequate, ineffective, and costly use of police resources and creates unnecessary liabilities for police when holding intoxicated individuals who have not committed or are unlikely to commit a criminal offence

Based on these reports, as well as consultations undertaken with local stakeholders and sobering centres elsewhere in Canada, a sobering centre in Halifax appears to be an appropriate service to improve the municipal response to public intoxication. The rationale for a sobering centre is based on several interrelated goals:

1. **Connecting intoxicated individuals to appropriate services:** Sobering centres are intended to connect intoxicated individuals to services and supports that are appropriate to their situation. Intoxicated individuals, especially those experiencing homelessness, are at increased risk of several kinds of harm, including exposure to weather conditions, reduced ability to manage health conditions, and negative effects of substance use such as overdose.
2. **Reducing pressures on emergency response services:** Several thousand intakes into the Halifax Regional Police Prisoner Care Facility (PCF) and Halifax-area Emergency Departments (EDs) are related to intoxication each year. While a sobering centre would not divert all calls for service and intakes into PCF and EDs related to intoxication, it appears likely that a substantial number could be diverted. Additionally, as several high-profile incidents in Halifax and elsewhere in Canada in the last decade have illustrated, keeping an intoxicated person in police custody has led to death and serious harm, and creates unnecessary liabilities for police services where police do not have other options to safely transfer custody of the intoxicated person.
3. **Avoiding criminalization for behaviours related to substance use, mental health and addictions:** Police may be called when a person is intoxicated and engaged in non-criminal behaviour (such as causing a disturbance, or being intoxicated in public), and the use of a police response in these instances may result in unnecessary arrest and interaction with the criminal justice system. The potential for criminal penalty can increase if the intoxicated person becomes resistant to police presence and police officers' demands. A sobering centre would provide a safe option for at least some individuals who would otherwise receive police attention (and potential arrest) for non-criminal behaviours.

¹ See <https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/210629rc1115.pdf> for the previous staff report on this matter.

Sobering centres are intended to de-pressurize emergency response systems that are already overburdened, while providing intoxicated individuals with a space in which they can safely become sober and potentially connect with other necessary social and health supports.

DISCUSSION

Developing cost estimates for a sobering centre in Halifax requires establishing assumptions about key components of the scope and level of service to be provided including space requirements, estimate of demand, staffing model, and additional cost items.

As set out in the attached consultant's report, assumptions for each of these components have been established and multiple cost estimate models were produced. Based on this modeling, as well as consultation with municipal staff, local stakeholders, and sobering centres elsewhere in Canada, the main model considered in this report includes:

- **A 30-bed leased or rented facility** at approximately 150 square feet per bed with 500 additional feet for ancillary spaces
- **A primarily non-medical staffing model** where floor staff do not have medical training (but have appropriate first-aid and other training), supplemented with **daily nursing support** for clients
- **A congregate room setting**, with one or more additional rooms that can be used where necessary, such as clients that require additional privacy (i.e women and transgender clients)
- A minimum **staffing ratio of 1 staff to 10 clients**, with a **minimum of two staff** on at all times
- **A full-time service manager**
- Ancillary facilities including kitchen and meals for clients; washroom with shower; a medical examination room; laundry facilities; and office and intake space

This model is estimated to cost approximately \$375,000 to begin operations and annually \$1.34M thereafter (in 2022-23 dollars).

Additional Considerations

Beyond factors that impact cost modelling, several important considerations were raised by local stakeholders and other sobering centres which should be included in the service delivery model. These are outlined in more detail in the consultant's report and include:

- Use of **peer support workers** as part of the overall staffing model
- Ensuring **culturally appropriate services**, especially for Indigenous, African Nova Scotian and newcomer populations
- Ensuring **gender-inclusive supports**
- Establishing a **community advisory group** and **governance model** to ensure stakeholders remain invested in the service and delivery model
- Providing sufficient and **nutritious food** to clients
- Ensuring the **location of the sobering centre** does not marginalize the community where it is located

Procurement

Based on discussions with HRM staff, a viable avenue for establishing the sobering centre beds may be to purchase services directly from one or more non-profit service providers. The municipality can engage directly with non-profit service providers to procure services,² and a collaborative approach is likely the best way to identify a non-profit that is: (a) already engaged with the expected user population (i.e., people who are regularly intoxicated to the point that they represent a risk to themselves or others and who are

² This is based on Administrative Order 2020-004-ADM (the Procurement Administrative Order).

experiencing homelessness, mental health, and/or addictions issues); (b) have mature administrative capacities; and (c) possible access to usable space.

There may be challenges in identifying an appropriate space for the sobering centre in Halifax, given the historic pressures on real estate in Halifax. The consultation and procurement process with local non-profit providers would remain flexible and seek to identify the best means to establish approximately 30 sobering centre beds. This may require operating sobering centre beds in multiple sites through collaboration between providers or may result in a single site operated by a single provider.

Provincial consultation and collaboration

Estimated costs for a proposed model are presented in the Financial Implications section of this report. Some of these costs could be borne by, or shared with, the provincial government, through the Department of Health and Wellness and/or administered by NS Health. For example, the provincial government may be able to fund nursing services in the sobering centre, and/or may have access to an appropriate space in which a sobering centre could be established.

Alongside the benefit of cost-sharing, collaboration with the provincial government would benefit this project by: (a) aligning provincial actions focused on mental health, addictions and homelessness with municipal activities; (b) ensuring appropriate governance of medical and paramedical services provided at or through the sobering centre; and (c) streamlining coordination between the sobering centre and other relevant provincial services, such as housing and social services.

The Public Safety Office has been involved in ongoing discussions with the province since Fall 2020 on potential collaboration on a sobering centre in HRM. Following completion of the consultants' report, these discussions will consider cost-sharing and joint governance possibilities. The Public Safety Advisor will provide further details to Council as these discussions progress.

FINANCIAL IMPLICATIONS

All costs in the below table are operating costs based on assumptions developed through review of available documentation and consultation with local service providers, other sobering centres, and municipal staff. The costing approach assumes a leased space, with annual inflation on all cost items of 2%. Based on the above parameters, the estimated budget to establish and operate 30 sobering centre beds, projected over four years, is as follows:

	2022-23	2023-24	2024-25	2025-26
Labour	\$ 211,088.10	\$ 861,239.45	\$ 878,464.24	\$ 896,033.52
Furniture, Fixtures and Equipment	\$ 38,500.00	\$ 3,927.00	\$ 4,005.54	\$ 4,085.65
Lease and fit-up	\$ 48,437.50	\$ 197,625.00	\$ 201,577.50	\$ 205,609.05
Other ongoing costs	\$ 17,596.25	\$ 71,792.70	\$ 73,228.55	\$ 74,693.13
Administration	\$ 42,217.62	\$ 172,247.89	\$ 175,692.85	\$ 179,206.70
Net HST (at 4.268%)	\$ 15,272.59	\$ 55,775.59	\$ 56,891.10	\$ 58,028.93
Total operating costs	\$ 373,112.06	\$ 1,362,607.63	\$ 1,389,859.78	\$ 1,417,656.98

As outlined above, ongoing discussion with the provincial government may result in some cost-sharing, for example related to labour or space costs. This may result in changes to these cost estimates. Nonetheless, the above table provides an estimate of the total costs of establishing and funding a sobering centre in the municipality.

If an appropriate model is approved for implementation, it is expected to take between 6-12 months to identify and fit up a space, collaboratively develop the service model with one or more local non-profit service providers and hire and train staff. As such, the operating costs for the first fiscal year (2022-23, if a model is agreed upon soon) are lower than in successive years based on the assumption that the sobering centre would begin operation in or around Q4.

NEXT STEPS

This report provides a proposed service model, with costs, for a sobering centre in Halifax, based on extensive consultation and research. As a next step, the Public Safety Advisor's office will continue discussions with the provincial government to determine whether it is desirous of such a centre, under what conditions, how capital and operating costs may be shared and operated under what ownership/governance model. Once those discussions have concluded and upon consideration of that information and the advice of the Public Safety Advisor, the CAO will provide a recommendation report to Council to proceed or not with the establishment of a sobering centre. Should such a centre be authorized by Regional Council and the Province to be stood up, the role of the Public Safety Advisor's office in the establishment and governance of a sobering centre will be incorporated into the ongoing development of a new Public Safety Strategy for the municipality.

COMMUNITY ENGAGEMENT

A wide range of local stakeholders have been consulted by the Public Safety Advisor's office for this report and prior reports related to the development of a sobering centre in Halifax.³

ATTACHMENTS

Attachment 1. Report from Davis Pier Consulting – “Cost model and business case for a sobering centre in HRM: Final Report.”

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Amy Siciliano, Public Safety Advisor 902.210.0102

³ For a full list of stakeholders consulted for prior reports, see Appendix D of the prior report here: <https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/210629rc1115.pdf>. In addition, for the current report, further consultations were undertaken with the North End Community Health Centre, Mobile Outreach Street Health, the Street Navigator program, the Mi'kmaw Native Friendship Centre, Out of the Cold Halifax, the Nova Scotia Brotherhood Initiative, Direction 180, Mainline, representatives from NS Public Health and the NS Office of Mental Health and Addictions, and several sobering centres in operation elsewhere in Canada.

Final Report

Cost model and business case for a sobering centre in HRM

March 1, 2022

DAVIS PIER

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Executive Summary

Key benefits of a sobering centre

Sobering centres are intended to provide a space in which intoxicated individuals, whose intoxication poses a potential risk to themselves or others, can become sober in a monitored environment. Establishing a sobering centre in HRM is intended to reduce the harms of intoxication experienced by these individuals, while also reducing pressure on emergency services including the police, emergency health services (EHS), and emergency department (ED) staff.

A sobering centre would offer key benefits to clients and service providers in Halifax, including:

- Ensuring that intoxicated people are cared for in the appropriate environment by appropriate staff
- Reducing workload and pressure on emergency services, allowing them to focus attention on other priorities
- Reducing liabilities for other service providers associated with caring for intoxicated individuals, while reducing the risk of harm or criminalization for those individuals

Additionally, a sobering centre is a valuable point of contact to provide support to individuals with mental health, homelessness, and addictions issues, and to use that contact opportunity to connect individuals with other relevant service providers.

Estimated Costs

Based on prior analysis conducted through the Public Safety Advisor’s office, as well as further discussions with local stakeholders and engagement with other sobering centres in Canada, establishing approximately 30 sobering centre beds in Halifax should meet current and medium-term demand. The beds could be established within a single site, or distributed between several sites, largely dependent on available space. The facility or facilities in which the sobering centre beds are located will:

- Provide a safe environment in which individuals can become sober and access healthy food, shower and laundry facilities, and support in accessing additional services
- Be operated by one or more local non-profit providers through a purchase of services by the municipality, in one or more spaces to be identified in consultation between HRM and local providers
- Focus on providing services to intoxicated individuals who are also experiencing one or more additional risk factors including but not necessarily limited to mental health, addictions, or homelessness issues
- Accept referrals from police, emergency medical services, shelters, and other social service agencies, and accept self-referrals where capacity allows
- Include part-time medical or paramedical (e.g., nursing) services

All costs in the below table are operating costs based on assumptions developed through review of available documentation and consultation with local service providers, other sobering centres, and municipal staff. The costing approach assumes a leased space, with annual inflation on all cost items of 2%. Based on the above parameters, the estimated budget to establish and operate 30 sobering centre beds, projected over four years, is as follows:

	2022-23	2023-24	2024-25	2025-26
Labour	\$ 211,088.10	\$ 861,239.45	\$ 878,464.24	\$ 896,033.52
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Lease and fit-up	\$ 48,437.50	\$ 197,625.00	\$ 201,577.50	\$ 205,609.05
Other ongoing costs	\$ 17,596.25	\$ 71,792.70	\$ 73,228.55	\$ 74,693.13
Admin	\$ 42,217.62	\$ 172,247.89	\$ 175,692.85	\$ 179,206.70
Net HST (at 4.268%)	\$ 15,272.59	\$ 55,775.59	\$ 56,891.10	\$ 58,028.93
Total operating costs	\$ 373,112.06	\$ 1,362,607.63	\$ 1,389,859.78	\$ 1,417,656.98

It should be noted that the operating costs for 2022-23 are lower than in successive years, due to the assumption that the sobering centre would begin operation in or around Q4 of the coming fiscal year. As well, it should be noted that these costs represent all-in costing for a specific service model, and cost estimates could be modified under a different service model, or if certain costs were shared with the provincial government or otherwise reduced by a partner organization. Potential alternative models are explored in the full report.

Next Steps

Based on this cost model and rationale, the Public Safety Advisor's office will need to work with Regional Council to identify the available budget for establishing a sobering centre in HRM. Once a budget is established, the Public Safety Advisor can utilize the information in this report and work with potential service providers to finalize a viable service model for the centre.

The Public Safety Advisor's office should also continue consultations with the provincial government to understand the government's interests in collaborating or cost-sharing in the establishment of a sobering centre in HRM. There are several benefits that may be realized by including the provincial government as a formal partner in this initiative, including a reduction in cost pressures associated with the sobering centre, as well as potentially improved governance and coordination with other affiliated social and health services.

Finally, given the likely challenges associated with identifying an appropriate space in Halifax, the Public Safety Advisor's office may wish to begin work with HRM staff in advance of the finalization of a budget, to identify potential suitable spaces that could house a sobering centre in an appropriate location in Halifax.

Introduction

At the June 29, 2021 meeting of Regional Council, the following motion was put and passed:

MOVED by Councillor Smith, seconded by Councillor Mancini

THAT Halifax Regional Council direct the Chief Administrative Officer (or designate) to work with:

- 1. Provincial government staff and other key stakeholders to examine potential changes to existing alcohol policies and regulations at the municipal and provincial levels to reduce harmful patterns of alcohol consumption; and**
- 2. Partners to develop options for Regional Council’s consideration for establishment of a sobering centre in HRM.**

This report responds to part 2 of this motion, developing options for Regional Council’s consideration for establishment of a sobering centre in HRM.

For this report, the Public Safety Advisor engaged Davis Pier to establish a series of cost estimates for sobering centre models that would be appropriate for the Halifax context, and to develop a business case supporting the use of a sobering centre.

The report first briefly outlines the rationale for establishing a sobering centre, drawing on the already extensive research conducted by the Public Safety Advisor’s office. The report then establishes the assumptions underpinning the cost model and identifies several viable models (including costs) for operating a sobering centre in Halifax. The report outlines several additional considerations for establishing a sobering centre that, while not necessarily substantially impacting the cost models, could be beneficial to the establishment and operation of the sobering centre. The report closes by outlining next steps for establishing a sobering centre in Halifax.

Rationale for a sobering centre ---

Research evidence consistently demonstrates the benefits of a harm-reduction approach to substance use and public intoxication, especially when this involves individuals who are also experiencing addictions, mental health, or homelessness issues. In particular, several Canadian studies have established the substantial health, justice, and social service costs associated with supporting homeless individuals who have alcohol use¹ or mental health² issues, and concluded that harm-reduction services can lessen these costs while improving wellbeing for those individuals. Moreover, research by Economic and Social Development Canada³ suggests that approximately one-quarter of homeless individuals in Canada identify substance (alcohol or other drug) use as a primary contributing factor to housing loss.

One potential component of a robust harm-reduction approach is a sobering centre. Sobering centres provide short-term placement for individuals experiencing acute intoxication, where the individual poses a risk to themselves or others but does not require emergency medical attention and where their behaviour does not warrant police custody.

Over the past two years, the HRM Public Safety Advisor’s office has engaged in several research exercises examining the potential benefits and feasibility of a sobering centre in Halifax. In summary, those research exercises and concurrent reports⁴ identified that the current approach to dealing with public intoxication in Halifax:

- Lacks the support structures to adequately address the needs of individuals with substance use disorder
- Relies too heavily on an enforcement approach to addressing a health care issue, creating potential pathways for criminalization, particularly for marginalized populations
- Leads to inadequate, ineffective, and costly use of police resources and creates unnecessary liabilities for police when holding intoxicated individuals who have not committed or are unlikely to commit a criminal offence

Based on these prior reports, as well as consultations undertaken for this report with local stakeholders and sobering centres elsewhere in Canada, a sobering centre in Halifax appears to be an appropriate service to improve the municipal response to public intoxication. The rationale for a sobering centre is based on several interrelated goals:

1. **Connecting intoxicated individuals to appropriate services:** Sobering centres are intended to connect intoxicated individuals to services and supports that are appropriate to their situation. Intoxicated individuals, and especially those experiencing homelessness, are at increased risk of

¹ For example, [Hammond et al. \(2016\)](#) estimate annual social costs of homeless individuals with severe alcohol dependence at over \$45,000 per year, and these reduce to under \$43,000 per year when supportive housing is provided, including the cost of housing.

² [Latimer et al. \(2017\)](#) estimate an average annual service costs of over \$53,000 per year for homeless individuals with mental illness.

³ [Quayum et al., 2021](#)

⁴ See <https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/210629rc1115.pdf> for the previous staff report on this matter.

several kinds of harm, including exposure to weather conditions, reduced ability to manage health conditions, and negative effects of substance use such as overdose. These risks are alleviated by having a safe place in which they can be supported and monitored while intoxicated, and they receive additional benefits where they can access healthy food; washroom, shower and laundry facilities; basic medical attention such as wound care, foot care, and medication administration; and referrals to other services.

2. **Reducing pressures on emergency response services:** Several thousand intakes into the Halifax Regional Police Prisoner Care Facility (PCF) and Halifax-area Emergency Departments (EDs) are related to intoxication each year. Moreover, police and emergency health services regularly respond to calls for service relating to intoxicated individuals that do not result in intakes to the PCF or ED, but nonetheless require a call response and utilize valuable emergency response time.⁵ While a sobering centre would not divert all calls for service and intakes into PCF and EDs related to intoxication, it appears likely that a substantial number could be diverted. This is especially true for those individuals that account for ‘repeated’ intakes in PCF (35-40% of intakes) and EDs (~60% of intakes). Municipal efforts to establish a transportation and outreach team should further alleviate these pressures on emergency responders, by providing a non-emergency transportation option to a sobering centre. Additionally, as several high-profile incidents in Halifax and elsewhere in Canada in the last decade have illustrated, keeping an intoxicated person in police custody has led to death and serious harm, and creates liabilities for police services where police do not have other options to safely transfer custody of the intoxicated person.
3. **Avoiding criminalization for behaviours related to substance use, mental health and addictions:** Police may be called when a person is intoxicated and engaged in non-criminal behaviour (such as causing a disturbance, or being intoxicated in public), and the use of a police response in these instances may result in unnecessary arrest and interaction with the criminal justice system. The potential for criminal penalty can increase if the intoxicated person becomes resistant to police presence and police officers’ demands. A sobering centre would provide a safe option for at least some individuals who would otherwise receive police attention (and potential arrest) for non-criminal behaviours.

Sobering centres are therefore intended to de-pressurize emergency response systems that are already overburdened, while also providing intoxicated individuals with a space in which they can safely become sober and potentially connect with other necessary social and health supports.⁶ Sobering centres are increasingly being utilized within a spectrum of options for municipalities managing acute public intoxication, mental health, and addictions issues, with sobering centres in place in cities of all sizes across North America.

⁵ Data on the number of calls received by EHS and police related to intoxication are not available, but would be presumably higher than the number of intakes to PCF and ED.

⁶ An additional rationale that is often attached to sobering centres relates to cost-savings, which could be realized by diverting calls for service from emergency services to less-expensive sobering services. Cost-savings could further be realized by reducing potential financial liabilities to emergency services for incidents involving intoxicated individuals. However, in the near term a sobering centre will represent a net-new cost to the municipality, and it is unlikely that the operating costs of the sobering centre could in future be recuperated from cost reductions in other municipal services.

Existing Sobering Centre models

There are a wide range of sobering centre models, from entirely non-medical models (i.e., only offering a place for individuals to safely 'sleep it off'), to those that provide paramedical supports (e.g., daily nursing or physician visits), to models that are fully integrated into a suite of medical, sobering, detoxification, shelter, mental health, and addictions supports. Most sobering centres in Canada appear to be operated by a larger parent organization that manages several related services, such as AlphaHouse in Calgary, the Main Street Project in Winnipeg, Shepherds of Good Hope in Ottawa, and the Canadian Mental Health Association in British Columbia (which operates several of the BC sobering centres).

Some sobering centres offer a 'universal' model that provides service to anyone that wants to access a safe place to become sober, while others utilize a 'tailored' model that is focused on individuals who are intoxicated and normally experiencing one or more additional risk factors including mental health, addictions, homelessness, or other related challenges.

In practice, the sobering centres consulted for this report⁷ tend to offer a *de facto* tailored model, insofar as the sobering centres have a regular and consistent clientele that utilize the centre. The core population of clients tend to face housing, mental health and addictions issues. However, many of these centres, in policy, operate under a universal model, insofar as they would accept referrals from any pathway, so long as the individual was intoxicated and needed a space in which they could become sober safely.

⁷ Email requests were sent to nine sobering centres in Canada and responses were received from five. For centres that did not respond, reviews were undertaken of available public documentation as well as information provided previously to the Public Safety Advisor's office.

Sobering centre scope

Developing cost estimates for a sobering centre in Halifax requires establishing assumptions about key components of scope of the sobering centre and the level of service to be provided. These components include:

- **Space Requirements:** Looking at sobering centres elsewhere, approximately how many square feet of space per bed should be included? What additional ancillary facilities are required? What is a reasonable cost estimate per square foot for leasing an appropriate space? What are the approximate fit-up costs for an existing space?
- **Estimate of demand:** How many people might we expect to use the space on a daily basis? What excess or surge capacity should be put in place? What kinds of usage might we expect?
- **Staffing:** How many staff are required per bed or per client? What kinds of staff members are required? What kinds of tasks will staff undertake?
- **Additional items:** What kinds of cost items, beyond staffing and space, are normally included in operations for sobering centres?

Space requirements

The first metric that will help determine space requirements is square feet per-bed. Looking at sobering centres in Canada where information on square footage is available, there are a range of space configurations, with facilities operating between approximately 70 square feet per bed to up to 400 square feet per bed. This space is inclusive of all ancillary spaces such as offices, washrooms, laundry, and so on.

From review of available documentation and discussions with providers, the space configuration is determined by two main drivers. First and most importantly, the space utilized by existing sobering centres have generally been determined by spaces that were available when the centre was being established. Sobering centres are often established in spaces that are already available to a service provider (e.g., unused rooms in a larger building owned or leased by the provider or government, with some exceptions where a purpose-built centre has been established). As such, some sobering centres have substantial space on a per-bed basis (where the available space was larger than initially needed), while others are utilizing a space that is smaller than would be ideal (and smaller spaces are notably challenged in handling surge capacity).

Some centres involve a large single (congregate) room, while others have multiple small-group (2- to 4-bed) bedrooms, or a mix of these (e.g., a larger room and several smaller rooms). Operators identified benefits and drawbacks to both configurations. For a large single room, monitoring people is generally easier for floor staff (and thus reduces staffing requirements), while multiple small rooms increase the work involved in monitoring but also provide better privacy for clients and reduces the impact of disruptive clients. Multiple small rooms also allow better accommodation of women and transgender clients, the potential to separate younger from older clients, and the ability to separate agitated or more acutely unwell clients for additional support.

Some centres also include space for services such as a medical clinic, crisis stabilization space, or detox beds. Sobering centres are also often co-located within buildings that include other services such as (dry) shelter spaces, safe consumption sites, and community outreach teams.

Based on all of these considerations, as a starting point for the purpose of cost estimation, this report assumes that a space of approximately **150 square feet per bed, plus 500 square feet for ancillary (e.g., office, kitchen, laundry) space** will be sufficient. However, it should be noted that this figure should not preclude the consideration of larger or smaller spaces, depending on what spaces may be available for lease or purchase within appropriate locations in Halifax.

Based on an estimating tool for Class B commercial property in Halifax, **gross rent is estimated at \$30 per square foot** on an annual basis (inclusive of net rent and additional rent costs, e.g., maintenance, utilities, and taxes). Given the local demand on real estate, in the cost modelling set out below, the impacts of higher PSF costs are also explored, as well as a rough cost estimate to purchase land and build the required space if a suitable lease space cannot be identified.

All centres that were engaged in this consultation include (beyond sleeping areas) at minimum washroom, shower, locker/storage (for client possessions), and laundry facilities, as well as spaces for office and administration work, an intake area that is separate from the client beds, and storage lockers for clients' personal possessions. Most centres also include a kitchen or food preparation space, and some include a medical examination/clinic room, and these additional facilities appear to add value if they can be included. Costs for these requirements will be estimated as part of the fit-up/renovation cost and furniture, fixtures and equipment (FF&E) estimates, which are estimated using a standard municipal estimating tool at **\$87.50 per square foot for fit-up costs** plus additional equipment purchase costs.⁸

Estimate of demand

Sobering centres in Canada operate from as few as six beds in smaller communities, to over 100 beds in larger centres. All centres that were engaged in this consultation identified regular situations in which their capacity was insufficient to meet demand. Some have sufficient space to handle 'surge' or overflow capacity to meet excess demand, while others are unable to provide service beyond their core capacity.

A precise estimate of demand for a sobering centre in the HRM is challenging due to limitations in available data, however existing data provide a starting point. The following considerations guide the demand estimates used in the cost models in this report.

- **There are likely a substantial number of individuals who could be diverted from emergency services to a sobering centre.** In an average year in HRM, there are approximately 1600-2000 intakes to the Prisoner Care Facility (PCF) for Liquor Control Act (LCA) violations. There are an additional 1200-1300 intakes to Halifax emergency departments (EDs) for alcohol intoxication or withdrawal. This amounts to between 2800-3300 intakes per year, or between 7-10 intakes per day. While not all of these intakes would be diverted to a sobering centre (for example, where an intoxicated person was also violent, or too unwell to be monitored in a sobering centre), it is likely that a substantial proportion of these intakes could be diverted, especially those who are repeat intakes at either or both facilities (who are approximately 40-60% of all intakes based on prior data analysis).
- **There are likely an additional number of individuals who would self-refer or be referred from non-emergency services.** Beyond those intoxicated individuals that come to the attention of

⁸ It should be noted that the fit-up costs will be largely dictated by the characteristics of the space identified for lease or rent, and could be higher or lower based on facilities already in place and overall state of repair.

police or emergency medical services for alcohol or other drug intoxication, there is an unknown number of people who on any given day will be intoxicated and experiencing other risk factors (such as addictions, mental health, or homelessness) who may benefit from access to a sobering centre. Access to a sobering centre could take pressure off shelters and other service providers, as well as provide an option for individuals to self-refer when they are in need and other options are unavailable. Anecdotal estimates from local service providers suggest that on any given day there may be 5-15 individuals who would access the service through a non-emergency pathway (e.g., through self-referral, identification from another service provider, or through a transportation and outreach service). Several sobering centres in Canada report that self-referral is their primary entry pathway, which suggests that there is latent demand for a sobering centre that would not be reflected in police or ED statistics.

- **It will be beneficial to build in excess capacity to the sobering centre.** This is, first, due to the possibility that certain days or times of year will experience enhanced demand (e.g., during colder months, or around certain events); second, the population of Halifax is continuing to grow, and it is sensible to plan for future rather than present capacity needs; and, third, excess bed capacity could allow individuals to stay several days (rather than, for example, only overnight) where necessary. This latter consideration is particularly important to allow sobering from substances whose effects do not wear off as predictably or quickly as alcohol, such as opioids.

Based on these considerations, **this report proposes a sobering centre of approximately 30 beds.** While it is possible that a smaller centre could meet current demand on most nights, based on sobering centre usage on a per-capita basis elsewhere in other cities in Canada,⁹ the centre should be prepared for additional demand beyond those individuals that regularly come to the attention of emergency responders.

Further, the cost modelling suggests that the relationship between cost and capacity is not linear (e.g., as capacity doubles, cost does not double); in turn, the operating cost of a 30-bed facility is only approximately 25% higher than the cost of a 15-bed facility. This is primarily due to fixed staffing and facilities requirements (such as a two-person staffing minimum and the need for spaces such as office, intake, washrooms and laundry in a centre of any size).

However, a key factor when determining the precise number of beds will be the identification of one or more appropriate spaces in Halifax and determining how many beds can be safely included in that space or spaces, within available budget. As such, while the cost modelling suggests that the most economically efficient model is a single facility, if for other reasons it becomes appropriate to utilize multiple spaces to establish the required capacity (i.e., approximately 30 beds), this should be explored so long as it can be implemented for a reasonably similar cost.

Staffing

Sobering centres in Canada tend to be primarily staffed by non-medical staff who have received training in advanced first aid and support of intoxicated individuals. Non-medical staff will undertake duties such as monitoring clients, checking vital signs on intake and as needed, and recognizing symptoms of potential overdose. In some, particularly smaller, sobering centres, staff support all aspects of centre operations, including cleaning, preparing meals, doing laundry, and community outreach. In larger sobering centres,

⁹ Outlined in prior reports from the Public Safety Advisor's office.

there is core staff that focuses on intake, monitoring, and (where medical or paramedical services are available) providing specific types of care, while other staff (such as contracted cleaners or support roles) may take care of laundry, meals and cleaning.

Sobering centres consulted for this report all have a site manager who is independent of floor staff, though in some cases the site manager(s) will also take shifts within the sobering centres. Managers have responsibility for staffing, hiring and scheduling, enforcement of centre policies, and so on.

Many sobering centres include some medical support, either in the form of on-staff nurses (either full-time, or during peak hours), or in the form of nurses or physicians that visit the centre regularly (for example, visiting each morning to provide referrals to other services and some basic medical care). Sobering centres will often have access to medical advice as well, for example through local health authorities or partnering physicians, to ensure that non-medical staff have suitable training and that centre protocols are appropriate.

Sobering centres consulted for this report do not normally have a formal security role on staff, though will call police if the safety of staff or clients is at risk. Similarly, many centres do not normally keep emergency medical personnel in the facility at all times, and will refer to ambulance and ED services where the requirements for care go beyond the competencies of centre staff.

While some smaller sobering centres (10 beds or fewer) operate with a single staff member during non-peak times, based on consultations for this report, a **minimum of two staff** for a sobering centre of any size and regardless of usage appears appropriate. Additional staff at peak times will also be required, ideally always maintaining a **minimum ratio of one floor staff to 10 clients** (or better). Since demand estimates suggest, on average, between 10 to 20 clients will utilize the sobering centre on a daily basis, this suggests that a **staffing model for Halifax should include at minimum:**

- One manager (full-time equivalent)
- Two non-medical floor staff on shift 24/7¹⁰
- Daily part-time nursing/paramedical support
- Medical advisory/directorship role (through part-time physician support)

Other potential staffing additions in a model with enhanced medical support could include full-time nursing support (on a 24/7 basis), a medical clinic with regular physician visits, and/or support from a social worker.

Additional items

As noted earlier, many sobering centres in Canada are operated by a larger organization that provides administrative support. Based on consultations undertaken for this report, a rough estimate is an **additional 20% for administration costs**, as a percentage of staffing costs.

Alongside administrative costs, there are several equipment and consumable items that will need to be purchased on a one-time or recurring basis, which include:

- Mattresses, bedding and pyjamas

¹⁰ Including additional casual and overtime staff budget for peak/surge periods and to accommodate sickness and vacation, budgeted at 12% above core staffing costs.

- Kitchen equipment
- Food
- Office furniture and computers
- Commercial-grade washer and dryer
- Medical examination equipment
- Insurance
- As well as annual renewal and maintenance costs for equipment, estimated at 10% of initial purchase cost

Depending on the facility, utilities costs including heat, hot water, electricity and facility maintenance may also need to be budgeted. However, for the purposes of the cost model below, these costs are assumed to be included in a leased/rented space option.

Cost models and estimates

Below, the report sets out cost estimates for establishing a sobering centre, based on the minimum requirements established in the previous section, and also considering potential service enhancements where appropriate. Based on the previous section, operating cost assumptions are as follows for all models:

- lease costs at \$30 per square foot (PSF)
- \$87.50 PSF for fit-up costs, amortized into the lease cost over a 10-year period
- staffing costs at local averages for nursing and non-medical staff
- 12% additional staff costs (as a percent of base staffing costs) to accommodate sick time, vacation, overtime and surge staffing
- 20% administration costs (as a percent of total staffing costs)
- Food costs based on 50% average occupancy, utilizing 2021 food cost estimates for a middle-aged male¹¹
- Other general operating costs (cleaning supplies, insurance, etc.)
- FF&E costs in the first year include mattresses, furniture, lockers, office equipment, and medical equipment.
- Annual renewal and maintenance of FF&E purchases is estimated at 10% of initial cost

The estimates focus on all-in costs for a stand-alone sobering centre, independent of costs for establishing additional services such as a community detox centre, dry shelter, or other social supports. Such additional services may reasonably be included alongside a sobering centre (potentially through provincial support), however the goal in this report is to identify the specific costs unique to a stand-alone sobering centre that could be operated by the municipality.

Table 1 outlines the cost of several model options for a sobering centre in Halifax, and each model is explained in further detail below. All costs are in 2022-23 dollars and do not account for inflation in subsequent years, though inflation is accounted for in the table in the executive summary of this report. It should be noted that, if approved for inclusion in the 2022-23 budget, it is expected to take between 6-12 months to establish the space for the sobering centre, primarily due to the need to identify and fit up an appropriate space, collaboratively develop the service model with one or more local non-profit service providers, and for the service provider(s) to hire and train staff. As such, the operating costs for 2022-23 are lower than in successive years, due to the assumption that the sobering centre would begin operation in or around Q4 of the coming fiscal year.

¹¹ See Charlebois et al 2021 at: [https://cdn.dal.ca/content/dam/dalhousie/pdf/sites/agri-food/Food%20Price%20Report%202021%20-%20EN%20\(December%208\).pdf](https://cdn.dal.ca/content/dam/dalhousie/pdf/sites/agri-food/Food%20Price%20Report%202021%20-%20EN%20(December%208).pdf).

Table 1: Sobering Centre cost model estimates

Cost item	Main model 30 bed	Main model 15 bed	Main model 45 bed	Main model non- congregate 30 bed	High Lease Cost, 30 bed	Enhanced medical model 30 bed
Annual operating costs (2022-23 dollars)	\$1,335,890	\$1,021,103	\$1,912,294	\$1,452,728	\$1,394,541	\$1,930,504
<i>Annual labour costs</i>	\$844,352	\$688,042	\$1,209,752	\$937,732	\$844,352	\$1,319,581
<i>Annual lease and amortized fit-up costs</i>	\$193,750	\$106,563	\$280,938	\$193,750	\$250,000	\$193,750
<i>Annual other costs (admin, food, insurance, etc.)</i>	\$297,787	\$226,498	\$421,604	\$321,246	\$300,188	\$417,173
<i>Net HST @ 4.268%</i>	\$54,682	\$41,797	\$78,276	\$59,465	\$57,083	\$79,021
Ongoing operating as % of main model	100%	76%	143%	109%	104%	145%
Staffing costs as % of total model costs	63%	67%	63%	65%	61%	68%
Staff hours per bed per day	2.06	3.51	2.00	2.33	2.06	2.69
Year 1 costs (2022-23 dollars)	\$373,112	\$289,841	\$521,788	\$402,322	\$387,775	\$521,766
<i>Year 1 labour, lease and other costs</i>	\$319,339	\$243,976	\$457,429	\$347,353	\$333,402	\$461,908
<i>Year 1 FF&E</i>	\$38,500	\$34,000	\$43,000	\$38,500	\$38,500	\$38,500
<i>Year 1 Net HST</i>	\$15,273	\$11,864	\$21,358	\$16,468	\$15,873	\$21,357

Main Model

The main model proposed in this report assumes a 30-bed leased or rented facility at approximately 150 square feet per bed with 500 additional feet for ancillary spaces. The model includes a primary congregate room but will include one or more additional small rooms that can be used where necessary, for example for clients that require additional privacy while sleeping (such as women and transgender clients) or where clients are agitated or otherwise presenting increased risk to other clients. This establishes a baseline model for costing purposes. This model is estimated to cost approximately \$375,000 to begin operations in 2022-23, and annually \$1.34M thereafter (in 2022-23 dollars).

Cost and staffing implications of increasing or reducing the number of beds, to 15 at the low end and 45 beds at the high end, while maintaining all other aspects of the main model are set out in Table x as well. These lower and higher capacity models are estimated to cost 24% less, and 43% more, respectively, compared to the 30-bed main model.

In all models, staffing (wages, salaries and benefits) is the single greatest cost pressure, at 61%-68% of total cost.

Non-congregate space

The main model set out above is based on a core congregate space where individuals will sleep and become sober while receiving monitoring and support from care staff. However, as noted earlier in this report, there are potential benefits to using multiple small (two- or three-bed) rooms to allow enhanced privacy for clients, without a single congregate space. If a centre were established in a space with multiple rooms and was not focused on a congregate space, additional floor staff would be required. The estimated staffing cost increase of using a non-congregate space is approximately \$117,000 above the main model, or a 9% cost increase.

Higher lease and fit-up cost

The models in the table are based on a PSF all-in lease cost of \$30 PSF and fit-up costs of \$87.50 PSF. However, if these costs were at the high end (rather than the average point) of price guidance (\$40 and \$100 respectively), the operating cost of the project would be increased by approximately \$60,000 per year after amortization of the fit-up costs, or an approximately 4% cost increase.

Enhanced Medical Model

Beyond this baseline model, as noted earlier there are a range of additional services and space considerations that could be included in a sobering centre. These include, in particular, enhanced medical support with funding for full-time nursing support and regular physician visits, as well as a part-time dietician to ensure nutritional needs of clients are properly addressed. The costs for an enhanced medical model with 30 beds represent an estimated increase of 45% in annual costs beyond the 30-bed main model. In this model, costs for physician supports are also included in the estimate (at approximately \$110,000 per year), though costs for physician services may be covered through the provincial MSI program and so may not represent a cost to HRM.

Purchase/Build option

If a suitable space cannot be identified for lease and fit-up, it would be possible for the municipality to purchase an existing space, or to design and build a suitable space. Given the level of demand in the Halifax real estate market, there is a substantial amount of uncertainty regarding the potential costs involved in building or purchasing a space for a sobering centre.

To offer a rough estimate of the potential cost involved, Table 2 includes building estimates for building a new facility that includes a sobering centre, at the 15-, 30-, and 45-bed levels. These utilize class B commercial construction estimate parameters of approximately \$190 build costs PSF and 35% ‘soft’ costs (including land purchase, legal costs, design costs, fees, and so on) as a proportion of build costs. In addition, the building cost includes initial fit-up costs at \$87.50 PSF as well as annual maintenance costs at 2% of the initial building cost.

Table 2: Build cost estimates for 15-, 30- and 45-bed sobering centre facilities

Facility size	Square footage	Build cost incl. soft costs	Fit-up cost	Annual maintenance	25-year annualized cost
15 bed	2750	\$705,375	\$240,625	\$14,108	\$51,948
30 bed	5000	\$1,282,500	\$437,500	\$25,650	\$94,450
45 bed	7250	\$1,859,625	\$634,375	\$37,193	\$136,953

In the short term, a lease or rent option is likely most appropriate, primarily because using a leased space will allow the municipality to better gauge demand for the sobering centre service and begin operations more quickly. Early-stage operations in a leased or rented space could inform the development or identification of a built or purchased space in the medium or longer term.

However, a buy/build option would reduce inherent uncertainties related to operating in a rented space (such as sale of the space or eviction) and is reasonably cost-effective if the build/buy and maintenance costs are projected over an extended (e.g., 25-year) period when compared to lease costs. In turn, if there is no available space for lease or use by the municipality, a purchase/build option appears feasible.

Potential for cost reductions

There are several factors that could result in cost reductions for the establishment of a sobering centre.

If a suitable space could be identified that did not have to be purchased or leased (e.g., an available space controlled by HRM or by a service provider), then costs related to space rental or purchase could be reduced (although fit-up, maintenance and utilities costs would remain). If a suitable space was identified that already included several of the required facility components (such as shower, kitchen, office, or congregate room spaces), this could also reduce space-related costs.

Further, if municipal land was identified as suitable for placement of a new sobering centre building, this could reduce the build cost in a purchase/build scenario, as land costs are included in ‘soft’ costs and may represent up to \$50 or more PSF of buildable land, depending on location within Halifax.

It may also be possible for service providers to achieve efficiencies if they are able to establish sobering beds within existing facilities, by sharing staff across related services (for example, sharing duties between dry shelter or detox facilities and sobering beds). Several models in Canada utilize this kind of shared

staffing model, and this possibility should be explored with local service providers following determination of the available budget envelope for the sobering centre.

Finally, the cost to the municipality could be reduced if the provincial government were to provide funding for certain aspects of services (such as daily nursing visits and physician supports, which in the proposed main model account for approximately 17% of all costs). However, a sobering centre could certainly be established without provincial funding, and the municipality may wish to consider the possibility of establishing a 'minimum viable' service model while discussions with the province are ongoing.

Additional Considerations

Discussions with local stakeholders as well as sobering centre operators elsewhere in Canada have identified several important considerations for the establishment of a sobering centre. Accommodating or incorporating these considerations would have minimal budgetary impact on the budget estimates set out in the previous section, and may provide substantial additional value in delivering an effective sobering centre in Halifax.

- **Peer support:** Several sobering centres and local stakeholders emphasized the importance of including staff roles for peers – i.e., persons with lived experience of homelessness, mental health and/or addictions. Peer supporters could be included in the non-medical staff complement where appropriate, and are seen by many stakeholders as an essential component of effective addictions and mental health supports.
- **Culturally appropriate services:** It will be particularly important to ensure that the centre's space design and staffing reflect an ability to serve a culturally diverse community, and that the facility provides culturally-appropriate services, food options, and support materials. This will mean, in particular, ensuring that the sobering centre includes services and programs that address the needs of Indigenous, African Nova Scotian, and newcomer populations.
- **Gender-inclusive supports:** As noted above, the space should be configured to ensure that there are spaces that women, transgender, and other clients can access if they do not feel comfortable being housed in a congregate setting. Additionally, staffing, available services, and support materials should be developed to be gender-inclusive.
- **Community advisory group:** The sobering centre will need to effectively collaborate with community members and organizations in whatever location it operates, and will need to maintain active lines of communication with other relevant service providers. In turn, the operator of the sobering centre will need to establish a community advisory group, committee, or other pathway to ensure that concerns about centre operations can be addressed, and opportunities for enhanced partnerships can be identified.
- **Food and nutrition:** Many people who would access the sobering centre are likely to also experience food insecurity and lack sufficient access to healthy food on a daily basis. This can exacerbate management of existing medical conditions, as well as mental health and addictions issues. Sobering centre clients are likely to have unique nutritional needs and the centre could benefit from regular consultation with a dietician to develop appropriate meal options. The sobering centre kitchen could also be used to support programming for clients on nutrition and food skills.
- **Location:** Several stakeholders indicated that it will be important that the sobering centre is placed in a location that does not further marginalize vulnerable communities, while ensuring that the location is accessible to those that wish to self-refer. This will require careful selection of the space and plans to mitigate impacts of the centre on neighbouring properties, especially as a sobering centre is a 24/7 service that will often interact with emergency responders late at night.
- **Safety:** The fit-up designs of the sobering centre should emphasize client safety by recognizing the need for staff monitoring and safe mobility throughout the space. Use of stairs should be limited, clear lines of sight should be maintained between areas, and safety enhancements such as handrails in hallways, bathroom and shower areas should be incorporated.

Procurement

There are several available ways in which the municipality can procure the proposed sobering centre beds. For example, the municipality could purchase the services directly; issue a Request for Proposals (RFP) or solicit Expressions of Interest (EOI) from potential service providers; or establish a grants program to deliver the sobering centre funding through a grant rather than as a purchased service.

Based on discussions with HRM staff, the most appropriate avenue for establishing the sobering centre beds appears to be as a purchase of services directly from one or more non-profit service providers. Rather than proceeding through a formal mechanism such as RFP, the municipality is allowed to engage directly with non-profit service providers to procure services, without requiring a competitive procurement process.¹² This approach is preferable to reduce the transaction costs inherent in formal procurement and to identify creative approaches that leverage the strengths and capacity of local service providers.¹³

The most appropriate providers for this kind of service would be local non-profits already engaged with the expected service user population (i.e., people who are regularly intoxicated to the point that they represent a risk to themselves or others, and who are also experiencing homelessness, mental health, and/or addictions issues). There are several such providers locally that also have mature administrative capacities and possible access to usable space, including but not limited to the North End Community Health Centre, the Mi'kmaq Native Friendship Centre, and Out of the Cold.

Given the identified space constraints in Halifax and possible challenges in identifying a space in an appropriate location, the consultation and procurement process with local non-profit providers should remain flexible and seek to identify the best means to establish approximately 30 sobering centre beds in

¹² This is based on Administrative Order 2020-004-ADM (the Procurement Administrative Order) which at Appendix A states that:

[T]he following expenditures are exempt from the application of section 12 through 39 of the Administrative Order:

...

Expenditures that are expressly exempt from the public procurement requirements of applicable trade agreements including:

(v) acquisition or rental of land, existing buildings, or other immovable property, or the rights thereon;

...

(ix) procurement of Goods, Services or Construction:

...

(v) from philanthropic institutions, non-profit organizations, prison labour, or natural persons with disabilities;

And that:

The CAO may approve and execute expenditures that are exempt from the application of the Administrative Order in any amount.

¹³ The municipality may nonetheless proceed through a RfP process, especially if there are concerns that potential service providers would perceive a lack of fairness in a more collaborative or informal procurement process.

Halifax. This may require operating sobering centre beds in multiple sites through collaboration between providers, rather than a single site operated by a single provider.¹⁴

In turn, once Council has indicated the funding level that will be made available to establish a sobering centre (and desired bed capacity for the centre), it will be appropriate for the Public Safety Advisor's office to engage directly with one or more service providers to creatively establish a solution that provides the highest level of service within the available budget envelope. Based on this engagement with the service provider(s), the Public Safety Advisor can return to Council to confirm the service delivery model, which can then be procured through a purchase of services.

Governance

If the sobering centre is established through a purchase of services, it will be governed by a standard form of contract that will specify the level and quality of service to be delivered and can include *inter alia* requirements for governance and oversight mechanisms to ensure the service is being delivered as expected.

At minimum, it would be appropriate for this contract to require (a) that the service provider(s) maintain a community advisory committee or group, as outlined above, and (b) that the service provider(s) maintain an oversight or steering committee that includes one or more HRM staff representatives to ensure HRM's expectations remain aligned with the provider's plans.

Evaluation

Given the sizeable investment involved in establishing and operating a sobering centre in Halifax, it may be appropriate to require the service provider(s) to support evaluation activities related to the sobering centre, as part of the contractual agreement. This could include requirements for, for example, ongoing data collection to measure service use and service user perspectives and outcomes. Evaluation activities could be conducted in a limited fashion by municipal (e.g., Public Safety office) staff without necessitating an increase in budget, or an independent evaluator could be contracted for a more robust evaluation at an additional cost.¹⁵

Potential risks

There are three main risks associated with the proposals in this report.

¹⁴ It should be noted that, due to the inherent fixed costs in operating a sobering centre, a multi-site approach may result in certain types of cost inefficiencies due to the fixed overhead and minimum staffing costs regardless of site size. However, it may also be possible to identify other cost efficiencies in a multi-site model if the sobering beds are established within existing facilities, with an ability to reduce space costs and share staff or administration costs. It would be important to ensure that a multi-site model still retained, in all sites, the minimum staffing and service delivery parameters (e.g., food, laundry, paramedical support) established in this report.

¹⁵ A robust evaluation budget (for example, for an evaluation that can demonstrate impacts of an initiative through causal analysis) is generally considered to cost in the area of 3%-5% of total project cost; in this case, an appropriate evaluation budget would likely be in the range of \$125,000-\$200,000 over a four-year period.

First, it is possible that a suitable space that could house a sobering centre cannot be identified for lease or purchase, within the budget assumptions in this report. The local real estate market as well as the costs of renovations have seen substantially increased in recent months, and it is possible that the required budget is higher than anticipated, which may require reconsideration by Council in future.

Second, it is possible that demand for the sobering centre is substantially larger than originally anticipated. This could create service pressures and, as with space costs, potentially require additional budget in the near future.

Third, there is the risk that there is no provider that is interested in operating a sobering centre in HRM, based on the specifications set out in this report; or, relatedly, that any willing providers may want to operate under a substantially different delivery model than the model proposed in this report. Preliminary engagements with local stakeholders suggest that there should be willing operators of a sobering centre so this risk should be mitigated, but should nonetheless be acknowledged.

Alternatives

Alternatives to the proposed sobering centre are as follows:

1. **Do not proceed with a sobering centre.** This would maintain the current status quo in terms of the municipal response to intoxicated individuals found in a public place who require support to become sober, which relies on police and emergency medical personnel.
2. **Begin with a smaller sobering centre or a centre of reduced scope.** If there are concerns that the proposed scope of the sobering centre is too large, and that there would regularly be excess or unused capacity, a smaller sobering centre of approximately 10-15 beds could be established on a pilot basis. However, as outlined above, and based on the minimum scope identified through stakeholder consultations, the marginal cost savings below approximately 30 beds are relatively insubstantial, due to the fixed costs of the sobering centre such as minimum staffing and administration. Moreover, a smaller sobering centre may struggle to provide inclusive care for women, Indigenous, African Nova Scotian and LGBTQ+ clients.
3. **Begin with a larger sobering centre or co-locate with additional services.** If there are concerns that the proposed scope of the sobering centre is too small, a larger facility could be established, and cost implications of a larger facility are outlined in more detail above. It is unclear what the ultimate demand for a sobering centre in Halifax will be, and it is likely that available beds could be utilized for other purposes (such as emergency shelter beds or longer-term detox services). Additionally, it may be feasible to establish a sobering centre in partnership with other services (such as shelter or detox services) and potentially involving funding and supports from the provincial government. This may create economies of scale through sharing of staff and management, and would provide more holistic support to clients. Such an approach may be desirable in the longer term but is not necessarily precluded by the establishment of a stand-alone sobering centre in the 2022-23 fiscal year. Also, establishment of the main model (30-bed) centre will allow the municipality to better understand demand and service requirements before committing to a more comprehensive facility.

Next Steps

The next steps required to establish a sobering centre in Halifax include the following actions:

- **Establish the operating budget for the sobering centre.** Based on the above cost model and rationale, the main model including sufficient paramedical supports with approximately 30 beds (based on available space) seems to be the most appropriate approach. Through this model, the sobering centre would be able to operate in a sustainable way without requiring additional support from other (e.g., provincial health or community) services; and would also be able to readily connect with and support partnerships with those services. However, if the budget cost is higher than Council feels is appropriate, a reduced budget and commensurate model could be developed in consultation with local service providers, or additional funding sources – such as collaboration with the provincial government – could be identified.
- **Continue to engage with the provincial government on potential for a collaborative approach to service delivery.** The Public Safety Advisor has been and continues to be engaged in discussions with the provincial government, specifically through the Department of Health and Wellness and Nova Scotia Health. It may be appropriate for the provincial government to share some of the costs associated with the establishment of a sobering centre in Halifax, for example related to nursing or physician support; and the provincial government may be able to assist in identifying an appropriate space for the sobering centre. Additionally, a collaborative approach with the provincial government may result in several non-cost-related benefits, including quality of service provision, governance, and coordination between relevant service providers. However, it will also be important to secure timely commitments from the provincial government, and if timely commitment cannot be secured, the municipality may be able to establish a ‘minimum viable’ service model while awaiting a commitment or contribution from the province.
- **Identify and potentially acquire an appropriate space.** The cost modeling set out above provides estimates of leasing and fit-up costs for a sobering centre space (or, alternately, purchasing or building a space). However, Halifax is in an historic period of demand for real estate and building trades; in turn, the actual size and scope of the sobering centre will in part depend on whether an appropriate space can be leased or bought in an appropriate location in Halifax, and the search for an appropriate space will need to be prioritized.
- **Engage with one or more non-profit service providers to determine the specific delivery model for the sobering centre beds.** There are several local service providers that could be interested in operating a sobering centre as part of their wider suite of services, and these providers may have access to appropriate spaces to house some or all of the required 30 beds.