



## STAFF REPORT ACTION REQUIRED

### Comprehensive Review of the State of the Community-Based Sector

<b>Date:</b>	November 10, 2015
<b>To:</b>	Community Development and Recreation Committee
<b>From:</b>	Executive Director, Social Development Finance and Administration
<b>Wards:</b>	All
<b>Reference Number:</b>	AFS# 22137

## SUMMARY

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Toronto has a robust and well-established community-based sector that plays a vital role in human service delivery, alongside municipal services. The City depends on a thriving community-based sector as a key partner in achieving the City's strategic social development and service goals for all residents. In order to preserve its vitality, the community-based sector must constantly adapt to evolving human service needs, as well as ongoing financial and organizational pressures. Consequently, there is a need to ensure that the funding and other supports the City provides adapt to the sector's changing needs and capacities.

The purpose of this report is to recommend a state of the sector review to identify opportunities and challenges in the community-based sector. The review will work closely with a range of community groups and organizations, as well as residents, to identify how City grants, community space tenancies and other forms of support and engagement can be strengthened and enhanced.

## RECOMMENDATIONS

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The Executive Director, Social Development, Finance and Administration recommends that:

1. City Council request the Executive Director, Social, Development, Finance and Administration to conduct a comprehensive review of the community-based not-for-profit sector in Toronto in order to strengthen and enhance the way in which the City evaluates, allocates, manages and delivers grants, subsidies and community tenancies, as well as how the City engages the sector in City decision-making, and report back to Council prior to the 2017 grants funding cycle.
2. City Council request the Executive Director, Social Development, Finance and Administration to create an advisory panel of sector leaders, including the community-based sector, funding institutions and the business sector to provide guidance and support on the design and implementation of the review.

### Financial Impact

There are no financial implications resulting from the adoption of this report. The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

### Equity Impact

Not-for-profit community organizations are key partners to the City in the delivery of services and supports to all Torontonians. However, much of their efforts are focused on supporting equity-seeking groups, including people experiencing homelessness, youth, seniors, Aboriginal people, newcomers, racialized groups, the LGBTQ community and the working poor. The City works closely with community organizations through a number of advisory committees to ensure that a broad range of perspectives are included in City policy and program development, and to connect residents who will be most impacted by services and programs to City consultations.

City supports delivered through grants and subsidies, community tenancies, and other initiatives are aimed at building the capacity and stability of the community-based sector in order to sustain the delivery of high-quality and responsive services and programs that meet the needs of marginalized communities, and advance the City's strategic goals and priorities. The City recognizes that not-for-profits can deliver many services more efficiently, more appropriately, and with a high degree of community legitimacy.

## DECISION HISTORY

At its meeting on February 10, 2015, City Council requested the City Manager to consult with stakeholder groups when preparing his forthcoming report to the Executive Committee on establishing an Equity Advisory Committee.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX2.1>

At its meeting on September 17, 2015, Government Management Committee requested the Executive Director, Social Development, Finance and Administration to undertake a comprehensive review of the City's Policy on City-Owned Space Provided at Below-Market Rent in conjunction with the Chief Corporate Officer and City Solicitor, with a view to strengthening and clarifying the goals and objectives of the policy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM6.19>

At its meeting on September 30, 2015, City Council adopted a report on the theme of Board Governance that included a description of City requirements on Board member training for good governance.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD6.5>

At its meeting on September 30, 2015, City Council directed the Executive Director, Social Development, Finance and Administration to review the five Community Investment Funding programs and to report on the results of the review prior to the 2017 funding cycle.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD6.2>

At its meeting on October 15, 2015, Community Development and Recreation Committee adopted a report on the City supports to shelter service providers for successful service delivery. The committee requested that the Executive Director, Social Development, Finance and Administration and the General Manager, Shelter, Support and Housing Administration report back on a process to establish a “Blue Ribbon” advisory panel to provide assistance, advice and support to non-profit organizations that receive City funding.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD7.4>

## ISSUE BACKGROUND

Toronto has a robust and well-established community-based sector that plays a vital role in human service delivery, alongside municipal services. The City depends on a thriving community-based sector to meet its strategic poverty reduction, social development and service goals. To this end, the City works to build the capacity and stability of the sector through a range of supports, including grants and subsidies, the provision of space, and training. The City also partners with the sector in policy and program development through a number of advisory committees, research and evaluation initiatives, and resident engagement opportunities. The types of supports the City provides to the sector and mechanisms for engagement must evolve over time to meet the changing needs and challenges of Toronto's not-for-profit organizations.

In 1996<sup>1</sup> and 2003<sup>2</sup> the City conducted comprehensive state of the sector reviews to explore stability and capacity in Toronto's community-based not-for-profit sector. These reviews provided critical information in the areas of service delivery, human resource management and financial planning. The outcomes of the review emphasized financial and organizational pressures due to changes in the way not-for-profit organizations are funded, and a decline in government and other support.

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<sup>1</sup> Toronto Community and Neighbourhood Services. (1996). Profile of a Changing World.

<sup>2</sup> Toronto Community and Neighbourhood Services. (2003). Cracks in the Foundation.

Today, along with these continued issues, shifting human service needs such as an increase in working poverty,<sup>3</sup> growing geographic concentration of poverty,<sup>4</sup> and changes to immigration and resettlement pose new pressures for the sector. Additionally, community organizations face an increased imperative to meet the varied engagement needs of residents and to take part themselves in community coalitions and City decision-making processes, all requiring new ways of working, and resources, to be effective. These new opportunities and challenges warrant a revised investigation of whether the City's investments enable the community-based sector to respond to these realities and address emerging community needs

This report recommends that the City conduct an updated, comprehensive state of the community-based sector review of the stability and capacity of the sector in order to ensure that the range of City tools for support and engagement continues to meet sector needs and opportunities.

## COMMENTS

A number of Council directions to City Divisions have called for reviews on the various aspects of the City's relationship with community organizations, including community grants, community tenancies, and community engagement. Recently, Community Development and Recreation Committee directed City staff to explore how a "blue-ribbon" panel of community experts and business leaders can provide assistance, advice and support to community organizations that receive City funding.

A state of the community-based sector review, facilitated by Social Development, Finance and Administration (SDFA), would bring these various issues together into one comprehensive investigation of the sector's capacity and stability. The review will include programmatic, financial and operational issues, as well as how community organizations currently engage with the City, and the impact of those supports. The outcome of this review will inform how the City can strengthen and enhance the models through which it evaluates, allocates, manages and delivers grant programs, subsidies and community tenancies to best meet the needs of the sector. It will additionally identify opportunities to strengthen governance, management and other capacity-building supports, and enhance opportunities to meaningfully engage community organizations in City decision-making, with a view to reducing the risk of agency failure and service disruption.

Working with other City divisions with significant funding, space provision, and engagement relationships with community organizations, the review of the community-based sector will include:

- a scan of existing research and reports into Toronto's community-based sector;
- a review of divisional databases on the organizations the City funds and supports; and,
- a survey and consultations with the community organizations on service delivery, human resources and financial resources, space provision, and engagement with the City.

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<sup>3</sup> Stapleton, J. (2015). *The working Poor in the Toronto Region: Mapping Working Poverty in Canada's Richest City*. Metcalf Foundation.

<sup>4</sup> Hulchanski, J.D. (2010). *The Three Cities within Toronto: Income Polarization Among Toronto's Neighbourhoods, 1970-2005*. Centre for Urban and Community Studies Research Bulletin 41.

The City's relationship with the community-based sector is built on strong and inclusive partnerships with community organizations and other funders. Staff will work closely with these key stakeholders to frame, design and implement the review, and will integrate the implementation and findings with ongoing efforts to look at best practices and identify opportunities for shared action. Staff will additionally work with existing City funding networks to ensure a comprehensive and consistent model across City agencies and divisions.

## **CONTACT**

Denise Andrea Campbell  
Director  
Social Development, Finance and  
Administration  
416-392-8614  
dcampbe6@toronto.ca

Rebecca Hasdell  
Policy Development Officer  
Social Development, Finance and  
Administration  
416-392-1776  
rhasdel@toronto.ca

## **SIGNATURE**

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Chris Brillinger  
Executive Director  
Social Development, Finance and Administration