

**APPENDIX 3:**

**For Public Benefit:  
Whole-of-Government  
Framework to Guide the  
City's Relationship with  
the Not-for-Profit Sector**

**Modernizing the Relationship  
Between the City and the  
Nonprofit Sector**

Social Planning Toronto - 2017

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## I. Background

There is a growing interest among nonprofit organizations, policy makers, scholars, and the public to explore a more systematic approach to how the nonprofit and public sectors work together.

Around the globe, nonprofits are playing an increasingly significant role in community-building, policy development, and service provision<sup>1</sup>. Governments have sought to optimize the benefits of working with the nonprofit sector by collaborating more intentionally with nonprofit organizations. This reflects a growing awareness of the reciprocal relationship between the two sectors. To promote community wellbeing and economic success in its jurisdictions the public sector increasingly draws on the unique assets of the nonprofit sector to achieve shared goals. The non-profit sector relies on governments to provide funding and supports to ensure that the sector is capable, sustainable, and able to meet those goals.

The City of Toronto has recognized the nonprofit sector's impact and the importance of strengthening their relationship with it. The City aims to support the sector and harness its untapped assets to achieve shared objectives. On October 6, 2016, the Toronto City Council adopted the report entitled "Modernizing the Relationship with Toronto's Community Based, Nonprofit/Voluntary Sector." This report called for research and recommendations on how the City can more effectively engaging in its relationship with the local nonprofit sector. To quote the report:

"The City recognizes that many nonprofits in Toronto play trusted roles in engaging and supporting equity-seeking constituencies, and that nonprofits are often best-positioned to respond to the specialized needs of vulnerable or hard to reach individuals and groups. Invigorating and modernizing the relationship with the nonprofit sector will enhance the capacity of the City of Toronto to communicate with and promote equitable opportunities for all Torontonians, including those who are the most vulnerable"<sup>2</sup>.

As part of that effort the City asked Social Planning Toronto (SPT) and the Toronto Nonprofit Network (TNN) to conduct research, consult stakeholders and make recommendations on the current and potential future relationships between the sectors. This report summarizes the results of that work.

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<sup>1</sup> Susan Carter and Paula Speevak Sladowski. (2011) "Deliberate Relationships between Government and the Non-Profit/Nonprofit Sector: An Unfolding Picture" (Centre for Voluntary Sector Research and Development, in partnership with the Wellesley Institute.

<sup>2</sup> City of Toronto. (2016). "Modernizing the Relationship with Toronto's Community Based, Non-Profit /Voluntary Sector," CD14.6 <http://www.toronto.ca/legdocs/mmis/2016/cd/bgrd/backgroundfile-96018.pdf>.

## II. Summary

The evidence drawn from literature and consultations indicate that nonprofits play a critical role in the City, but that this role could be significantly enhanced with a more deliberate effort to capitalize on the assets of the sector, and coordinate the work of the nonprofit sector and the work of the City.

Nonprofits are a key part of a large, diversified, resilient economy. They make up a significant share of our GDP by creating greater economic opportunities, leveraging public investment into much greater economic activity and providing recession-proof, export-proof jobs.

Nonprofits also provide considerable social benefits. They increase social inclusion both directly and indirectly. They engage directly with marginalized communities. They facilitate civic participation through volunteering and through community engagement around issues that affect neighbourhoods. They also use their strong relationships with communities to increase engagement with public sector processes.

Nonprofits also improve community wellbeing. The sector provides highly responsive services tailored to the needs of specific communities. Their direct connection to residents allows them to identify emerging trends and issues early on and respond quickly and efficiently to community priorities, often developing innovative ways to respond to emerging needs.

To fully realize these advantages, the City and the sector can work together on strategies that more systematically draw on their shared assets.

The City and the sector should clearly recognize each other's respective strengths and plan together to draw on those strengths more systematically. This can include more coordinated processes for planning services and conducting community engagement.

The City should also work to capitalize on the economic opportunities the nonprofit sector offers, and make policies that reflect that goal, including deliberate efforts to support the sector as an economic engine.

City granting and purchase-of-service and procurement policies have a significant impact on the sector. Decisions about how they function should reflect the opportunities presented by working more collaboratively.

The City and the sector should work together to build the ongoing relationships needed to facilitate these goals.

That relationship would ideally be based on principles that reflect the most effective ways of working together, including:

- Acknowledging the sector's strengths and the City's strengths,
- Collaborating to ensure coordinated effort to draw on those respective strengths optimally,
- Committing to decent work, both as a principle of city building and as a way to ensure the long-term health of the sector and its contributions, and
- Committing to diversity, transparency, inclusion, and accountability, both as principles and as tools for ensuring that the impact of effective city-sector collaborations are enjoyed by all residents in Toronto.

### III. Methodology

City Council directed City staff to develop a 'whole of government' policy direction and policy framework, including key actions, for guiding and modernizing the City's relationship with the community-based nonprofit sector.

The "Modernizing City-Nonprofit Sector Relationships" initiative was designed to identify opportunities to improve how the City and the sector work together and enhance their shared impact.

Social Planning Toronto worked with the Toronto Nonprofit Network to provide the necessary research, coordination, outreach and reporting for the project. This included the design and implementation of consultations with the community-based nonprofit sector representatives in Toronto.

Consultation methods, tools and materials were designed with the guidance of a Community Advisory Table (CAT). The CAT consisted of representatives from the Boys and Girls Clubs of Greater Toronto, the Canadian Multi-Faith Federation, the Council of Agencies Serving South Asians, Family Service Toronto, LOFT Community Services, Social Planning Toronto, Students Commission of Canada, Toronto Aboriginal Support Services Council, Toronto Neighbourhood Centres Toronto Strong Neighbourhoods Strategy Resident Advisory Committee, Toronto Youth Cabinet, Ontario Council of Agencies Serving Immigrants, Ontario Non-Profit Housing Association, and the Ontario Nonprofit Network.

Consultations were structured to make sure that the City received input from a wide range of perspectives, including large and small nonprofits, organizations that were established and well-funded as well as organizations that were newer or were volunteer driven. The process used diverse tools to ensure that input could be obtained from a broad array of participants.

Findings from a review of literature further guided and informed the consultation process. (For a summary of the literature, please see Appendix A.)

Drawing on the literature and initial interviews with stakeholders, six discussion papers (included in Appendix C) were developed to describe the distinct types of relationships the City has with the nonprofit sector and expand on key aspects of those relationships. These discussion papers informed the consultation processes and were shared with participants in advance of consultation sessions.

Outreach was conducted through a wide range of activities designed to maximize participation by diverse stakeholders. These activities included:

- 10 key informant interviews held with policy, makes, sector leaders and academics,
- 6 focus groups held on key issues affecting the City/sector relationship to get detailed input on each aspect of the relationship,
- 5 focus groups organized for smaller, unincorporated, ethno-specific, volunteer-based, resident-led groups, grassroots organizations, and organizations serving people with disabilities to have input on all issues,
- 2 consultations with leading city-wide sector networks: the Toronto Neighbourhood Centres and the City Wide Agency Network, and
- 2 large sector-wide town hall meetings.

A deliberate effort was made to engage a broad range of sub-sectors including arts and culture, recreation, environment, human services, faith based groups, community agencies as well as communities of interest, including racialized communities, newcomers, youth, seniors, women, Indigenous, LGBTQ2S, people with disabilities.

Outreach activities were held in settings throughout Toronto in venues familiar and accessible to participants to maximize the ability of smaller, inner-suburban, ethno-specific groups to participate and optimize their comfort so as to encourage candour in their feedback.

This resulted in participation from established leaders in the non-profit sector as well as leaders from emerging groups and groups less commonly engaged in public policy processes.

The consultations focused on generating a shared vision and set of principles and practices to guide and strengthen the sector's capacity to work with the City, and create a vision, principles and practices that would enable future partnerships between the City and nonprofit sector to be civically-engaged, coordinated, creative, constructive, inclusive and complementary.

In total, more than 200 people from more than 120 organizations participated in the consultation process. For a list of participating groups, please see Table 1.

Participants from the consultations were invited to contribute their ideas and expertise to help shape:

- A clear vision statement/policy direction for the City's relationship with the sector.
- Desired outcomes to be achieved through a more deliberate relationship.
- Principles to guide the City and the sector toward achieving their shared vision and outcomes.
- Key actions, best practices, and policy structures we can implement to amplify our respective capacities to achieve our shared objectives.

The results of the research were coded and themed and compiled into this report. For a summary of the consultation findings organized by theme, please see Appendix B.

The consultations identified:

- Opportunities that could be realized through a renewed relationship between the City and the nonprofit sector,
- Strategies that could help capitalize on those opportunities, and
- Principles that should guide the development of a new relationship between the City and the nonprofit sector.

**Table 1: List of groups that participated in the consultations**

Aboriginal Legal Services	Green Pine Senior Association	Seventh Generation Midwives
Access Alliance (M.H.C.S.)	Halo Project	Somali Tenants Association
Access Independent Living Services	Hispanic Development Council – Community Development	South Asian Legal Clinic of Ontario
ACTO	Hispanic Latino Canadian Heritage Council – Community Engagement	South Asian Women’s Centre
African Canadian Refugees Support Network	Hong Fook Mental Health Association	St. Stephen’s Community House
African Canadian Seniors Group	Hua Feng Yun Arts Seniors Group	Tamil Archive Group
African Training & Employment Centre	Imagine Canada	TASSC
Agincourt Community Services Association	International Resource Centre for Performing Artists	TDIN
Alliance for South Asian AIDS Prevention	Islamic Social Services and Resources Assoc.	The Neighbourhood Group
Anglican Church	Jane Finch Action Against Poverty	The Salvation Army
Applegrove Community Complex	Jane Finch Family and Community Centre	The Stop Community Food Centre
Association for Native Development in the Performing & Visual Arts	JVS Toronto	Thornccliffe Neighbourhood Office
Association of Spanish Speaking Seniors	La Passerelle-I.D.É	Tides Canada
Birchmount Bluffs Neighbourhood Centre	Labour Community Services	Toronto Arts Council
Building Tomorrow Leaders Today	Latino Canadian Association of Scarborough	Toronto Arts Foundation
Butterfly - Asian and Migrant Sex Worker Support Network	Light Your Life – Youth and Family Supports	Toronto Community Benefits Network
Canadian Chinese Ice Hockey Association	Lumacare	Toronto Hike Wind Club
Canadian Mental Health Association	Maytree Foundation	Toronto Inuit Association
Canadian Red Cross	Miziwe Biik	Toronto Neighbourhood Centres
Casa Cultural Latinoamericana	Muslim Welfare Centre	Toronto Smiling Club
Casa Maiz – Culture and Development	Native Women’s Resource Centre	TSA Gateway
Cecil St Community Centre	New Horizons Seniors Grove	Tungasuvvingat Inuit
Centre for Connected Communities	Nigerian Canadian Association	United Church
Children and Parenting Education Centre	Nishnawbe Homes	Urban Arts
Chinese Playback Theatre Community	North York Harvest Food Bank	United Way Toronto and York RegionWGT
Color of Poverty	Oasis Centre des Femmes	Uzima Women Relief Group International
Council Fire	OISE	Vasanthan – A Tamil Seniors Wellness Centre
Council of imams	Ontario Chinese Seniors Association	
Davenport Perth Community	Ontario Public Service	VHA Home Healthcare
Delta Family Resource Centre	Outreach for Canada	Volunteer Toronto
Dixon Hall Neighbourhood Services	Parkdale Activity-Recreation Centre	Warden Woods
Dixon Women’s Support Group	Planned Parenthood T.O.	Waterfront Neighbourhood Centre
East End Arts Toronto	Polycultural Immigrant and Community Services	We Care Parents Group
East Scarborough Storefront	Red Cross	Wellesley Institute
Eva’s	Remembered Voices	West Neighbourhood House
Family Mediation Resource Centre	Rexdale Rebuild Outreach Programs & Education	West Scarborough Community Legal Services
Family Services Toronto	Rexdale Women’s Centre	West Scarborough Neighbourhood Community Centre
Findhelp/211 Toronto	Ryerson University	WoodGreen Community Services
For Youth Initiative	Salvation Army	Working for Change
Francophone Women’s Group	Scarborough Storefront	YMCA of Greater Toronto
Fred Victor	Shape My City	Young People’s Theatre
Future Care – Health and Seniors	Siempre Felices – Seniors and Healthy Living	Youth Link
Golden Maple Leaf Seniors Association	Sistering	YWCA
	Skylark Children Youth & Families	Zero Gun Violence Movement

## IV. Opportunities

Research and consultations on the role of the nonprofit sector show that updating and strengthening the enabling relationships and policy framework between the City of Toronto and its extensive and dynamic nonprofit sector holds the promise of achieving significant impacts in four essential areas:

- 1) A stronger economy
- 2) Greater social inclusion and civic engagement
- 3) Better public policy
- 4) Improved community wellbeing

### 1) Nonprofits help to create a diverse and resilient economy

Both the literature review and the consultations show that the nonprofit sector plays a significant role in the economy that is often overlooked by traditional economic development strategies. The sector's economic impact is characterized according to three major facets:

- A) Increased resilience comes from diversified economies, and the nonprofit sector has been shown to be a large, stable, recession-proof, export-proof, high-multiplier element of a fully diversified economy including public, for-profit, and nonprofit sectors.
- B) A healthy nonprofit sector provides the economy with a greater range of inclusive economic opportunities, especially for those not well supported in the current labour market, and expands the scope of economic innovation and local development.
- C) Nonprofits have proven to provide effective ways to leverage public sector assets by attracting additional private resources to create new public benefits such as affordable housing, community programs and social and cultural infrastructure.

#### A) The nonprofit sector is a key part of a large, diversified, resilient economy

Across Canada, the nonprofit sector is a major employer. The sector employs two million people and attracts 13 million volunteers while contributing 8.1% of the national GDP. In the province of Ontario, the sector makes up 8% of the workforce<sup>3</sup>. The core nonprofit sector (which excludes hospitals, colleges, and universities) is one of the fastest growing sectors of our nation's economy<sup>4</sup>.

While there is a lack of accurate data to specifically quantify the scope and impact of nonprofit activities in Toronto, we do have a variety of estimates based on limited surveys and on projections from data at the federal and provincial level. If we use propositional approximations based on these, we can estimate that we have:

- As many as 9,000 nonprofits active in our city (not including unincorporated community groups),
- Between 60,000 and 120,000 people employed in Toronto's nonprofit sector, representing a sufficiently significant share of the workforce to qualify it as one of the city's major employment sectors.

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<sup>3</sup> Emmett, Brian. & Emmett, G. (2015) Charities in Canada as an economic sector, [http://www.imaginecanada.ca/sites/default/files/imaginecanada\\_charities\\_in\\_canada](http://www.imaginecanada.ca/sites/default/files/imaginecanada_charities_in_canada)

<sup>4</sup> Ibid.



- Over 1 million volunteers mobilized each year, representing more than one in three Torontonians.

The economic activity generated by nonprofits plays an exceptionally positive role in the local labour market. International research shows spending in the sector translates into a healthy multiplier effect due to its high per-dollar employment rate and its tendency to spend the vast majority of its revenues locally<sup>5</sup>. The work of nonprofits is also largely immune to international competition, as community service jobs are hard to export. This research also shows nonprofit activity continued at pre-recession rates during the 2008 recession, cushioning the economy for the downturn in private sector employment<sup>6</sup>.

#### B) Nonprofits increase economic opportunities and expand innovation

Consultations noted the benefits of creating employment opportunities for people who face persistent and systemic barriers to employment within the for-profit sector. As noted in the literature review, these opportunities have a significant impact, both as an entry point to more gainful employment and as a mechanism for social inclusion. The Thorncliffe Women's Committee bazaar and Sistering's Spun Studio provide examples of those models respectively.

Consultations also noted the benefits of social enterprises. Social enterprises generate revenue for the organizations that operate them but also provide new models for operating in the private sector. Scadding Court Community Centre created an innovative shipping container retail mall on Dundas West, while the Parkdale Community Economic Development Plan is proposing new ways to employ low income residents and create opportunity for people facing barriers through social enterprises. These examples demonstrate the capacity of the nonprofit sector to generate new economic models that create employment and contribute to the GDP in ways that the for-profit sector does not.

#### C) Nonprofits leverage public assets by attracting additional resources

The ability of nonprofits to leverage public investment to generate far more benefit than granting organizations directly fund is well established in the literature and was a point of pride for participants in the consultations. For example, nonprofits effectively leverage public investments by drawing new resources, with the City's Community Service Partnership, for example, generating over \$6 for every \$1 invested by the City<sup>7</sup>.

The sector's ability to maximize public benefits in this way is augmented by social enterprises and joint ventures that leverage community benefits through relationships with revenue generating businesses. The YWCA Elm Street housing development hosts both a restaurant and a retail store; Artscape projects across Toronto combine affordable art space and housing with a range of commercial enterprises, and Family Service Toronto's 355 Church headquarters and YMCA's 505 Richmond developments both include new community service space and private housing units. Each of these leverages commercial revenue to make significant public benefits possible.

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<sup>5</sup> Stannard-Stockton, S. (2010). "In the Down Economy, Let's Not Ignore the Value of Creating Nonprofit Jobs", Chronicle of Philanthropy.

<sup>6</sup> *ibid.*

<sup>7</sup> Social Planning Toronto. (2014). Building Toronto, Creating Community: The City of Toronto's Investment in Nonprofit Community Services <http://www.socialplanningtoronto.org/wp-content/uploads/2014/10/Building-Toronto-Creating-Community-report.pdf>

Sector consultations and secondary research suggest several ways to enhance the effectiveness of the City/sector relationship to capitalize on the sector's economic impact, as outlined in the Strategies section.

## 2) Nonprofits increase social inclusion

The health of communities is in part determined by the level of civic engagement of their local residents. Unfortunately, urban centres continue to experience declining civic engagement and growing isolation. This problem is worsened by lack of trust in public institutions and other traditional pillars of community confidence. Cities around the world are working on innovative ways to build social capital, enhance civic participation and strengthen civil society, but face considerable challenges. The nonprofit sector has a key role to play in the success of that work.

Unlike most public institutions and private sector organizations, surveys show high levels of public trust in the community sector exceeding the trust the public has in government institutions, professionals, business and labour groups<sup>8</sup>. This trusted role helps to offset declining trust in public institutions and mitigates the negative effect declining public trust has on civic engagement. This is not simply fortuitous, it is the result of ongoing activity in the nonprofit sector. These activities include:

- The sector's ongoing efforts to develop volunteer networks link it to a wide range of community members who are interested in the health and wellbeing of the community.
- The grassroots delivery of services that are tailored and responsive to local needs builds confidence among service users that nonprofits are putting them first.
- The sector's role in infrastructure and information that help to tackle social issues and respond to civic concerns builds relationships and trust.
- The sector's use of community engagement in service planning translates into greater engagement across a range of issues.
- The sector's nonprofit status reinforces community perceptions that the local agencies are there for the benefit of the community, not for the benefit of the organization.

This translates into a range of benefits for the City as a whole. As shown in the literature review and the consultations, these powerful connections and high levels of trust enable nonprofits to build stronger links between communities and public institutions. Nonprofits serve as a bridge to engage residents in public institutions and public-sector processes<sup>9</sup>. Local nonprofits also effectively engage communities in exploring and responding resiliently to the issues they face, increasing the capacity of communities to address local issues independently<sup>10</sup>.

Sector consultations and secondary research suggest several ways to enhance the effectiveness of the City/sector relationship in ways that capitalize on the sector's civic impact, as outlined in the Strategies section.

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<sup>8</sup> Environics (2017) "Environics Communications CanTrust Index" (Environics Communications).

<sup>9</sup> Evans, B. Mitchell, and John Shields. (2000). "Neoliberal Restructuring and the Third Sector: Reshaping Governance, Civil Society and Local Relations." Centre for Voluntary Sector Studies, Ryerson University, Working Paper, no. 13.

<sup>10</sup> City of Toronto. (2004). "Stability and Equity, Community-City Working Group on Stable Core Funding Community Representatives' Final Report."

### 3) Nonprofits can enhance public policy

Like many cities, Toronto seeks to develop public policy that addresses the real needs of its communities. The considerable diversity of Toronto often makes that a complex task. Hearing from the many communities that make up Toronto requires a scope of engagement that can be difficult to achieve. City-led consultations often struggle to engage the full range of relevant stakeholders and can often leave communities feeling disconnected from decision making.

The broad reach of the nonprofit sector enables the City to have more diversified and sustained civic engagement across communities. This increases municipal capacity to support the development and monitoring of good policies, drawing upon the insight of people with less access to decision-makers and those who are most affected by policies, as was the case with the City's recent poverty reduction strategy. This helps to shape policies that more accurately reflect real needs, increases buy-in from the public, and contributes to a greater understanding among community members of the complex choices and challenges facing City staff and Council.

The sector consultations and secondary research suggest several ways to enhance the effectiveness of the City/sector relationship to capitalize on the sector's strengths in community-based engagement and its policy development role, as outlined in the Strategies section.

### 4) Nonprofits improve community wellbeing

The most widely recognized benefit of collaboration with the nonprofit sector is the sector's impact on community wellbeing. The nonprofit sector provides a broad range of services and supports across the city and plays a key role in many aspects of community wellbeing including health, education, culture, recreation, social services, settlement, employment, and civic discourse. The research carried out for this report also shows that clarity about the unique assets of the sector should help dispel the impression that the sector is just a "cheaper, smaller public sector."

The sector has unique functions in social service delivery by:

- A) Providing highly responsive services tailored to the needs of specific communities,
- B) Identifying emerging trends and issues early,
- C) Responding quickly and efficiently to community priorities, and
- D) Developing innovative ways to respond to emerging needs.

#### A) Providing highly responsive services tailored to the needs of specific communities

Consultations highlighted the fact that many nonprofits have a specific focus, either geographically with communities of identity, or areas of policy. The specificity of the sector was cited as one of the reasons why it can deliver tailored and responsive services on which the City relies to ensure the welfare of Toronto's residents. Respondents also noted that nonprofits are often embedded in the communities they serve and are therefore better able to respond to distinct service needs. Being more available for feedback guides greater tailoring and adjustment to react to changes that occur in the community and promotes an effort to create more culturally sensitive services for newcomers and those of various faiths.

## B) Identifying emerging trends and issues early

That same embedded quality, coupled with the ongoing work of organizing community-based programs, local events and consultations can make the sector aware of neighbourhood trends and patterns before they are visible, more broadly, to public or private sectors. This allows community based organizations to act as an early warning system on emerging needs and opportunities and to identify effective interventions earlier than other sectors. This helps to inform how larger systems identify and respond to issues and can also act as a valuable preventative mechanism, addressing issues before they become too difficult to manage.

## C) Responding quickly and efficiently to community priorities

Consultations noted that nonprofits face particularly high expectations of accountability from the communities they serve. This drives more rapid reaction to emerging community needs and priorities. Crises in a neighbourhood often generate swift analysis and a review of options for response.

In many neighbourhoods the sector also provides a networking and service coordinating backbone that the City can draw upon. The consultations and literature review showed the nonprofit sector played a critical role in linking residents to broader systems of support, acting as a conduit as well as a service provider. Sector services already connect individuals to jobs, income opportunities, skill building workshops, volunteer opportunities, and leadership opportunities, especially in places that are not as connected to transit.

## D) Developing innovative ways to respond to emerging needs

The sector is often an innovator in service delivery, developing unique strategies to address issues guided by the distinct needs of their communities. Pathways to Education grew out of efforts of the Regent Park Community Health Centre to address drop-out rates locally and then expanded to a national scale. West Neighbourhood House's Financial Empowerment programs helped local clients navigate the tax system. The resulting increases in benefits to participants were so significant that their programming has been widely replicated with millions in increased funding. The Stop Community Food Centre set out to address food insecurity in a west end public housing community and evolved into a national food security program.

The sector's primary mission to generate social benefit, instead of generating profits for shareholders, also enables the sector to address gaps in services that can emerge from the for-profit model, especially for community members who have limited purchasing power in the market-place.

Sector consultations and secondary research suggest several ways to enhance the effectiveness of the City/sector relationship to capitalize on the sector's service delivery advantages and the impact they have on community wellbeing. These are outlined in the Strategies section.

## V. Strategies

The consultations and literature review indicated key areas where the City/sector relationship could benefit from a more deliberate, coherent, and strategic approach. Specifically:

1. The City and the sector should clearly recognize each other's respective strengths and plan together in ways that amplify their unique value,
2. The City should seek to capitalize on the economic opportunities the nonprofit sector offers, and develop policies that reflect that goal,
3. City granting, purchase-of-service and procurement policies should reflect the need to work collaboratively and to enhance the sector's economic impact, and
4. The City and the sector should work together to generate ongoing relationships and processes that will facilitate these goals.

### 1) The City and the sector should clearly recognize each other's respective strengths and plan together accordingly

The nonprofit sector has been a longstanding and effective partner with the City, delivering a wide range of programs that meet municipal needs with resources provided by the City but also by volunteers and other donors. This often leads to the misperception that the sector is an arms-length, lower cost alternative to direct City service delivery. But far from being simply a smaller, cheaper version of municipal services, the nonprofit sector brings unique assets that are very different from the City's strengths and can be complementary to them. The literature and the consultations identify several areas where the sector can play roles more effectively than the City.

#### A) Develop strategies to capitalize on the nonprofit sector's community-based strengths

Building City/sector relationships that leverage what each partner does best will result in the efficient use of public funds and the most effective way to achieve shared impacts. Such collaborative processes should allocate roles in ways that draw upon the nonprofit sector's strong relationships and access in marginalized communities, distinct community-building assets, and capacity to be responsive to emerging community issues and opportunities.

#### B) Recognize that the City has the scope and resources to have a comprehensive impact, and incorporate that into the planning of respective roles

With a strong, stable institutional infrastructure, the City delivers consistent, comprehensive services and has a presence in every area of Toronto. This scope and impact enables the City to establish stronger relationships with larger organizations, governments and policy makers and build connections that are inaccessible to the nonprofit sector. This scope also provides the City with access to data that is unparalleled at the local level. A professional civil service provides the City with expertise in critical fields that should shape policy and practice.

The City's large staff and stable funding base enable it to respond to urgent issues robustly. When the City shares this capacity with the sector, both can achieve their goals more effectively.

As a policy maker and regulator, the City can shape outcomes across the public, private and nonprofit sectors through its legislative authority, without new investments. Deploying that capacity, strategically, to maximize the City's goals is a tool no other partner can bring to the process.

### C) Establish collaborative planning tables

The research and several consultations revealed a need for more joint planning between the City and the sector. The literature showed significant benefit is derived from joint planning across the two sectors and a need for more collaborative work between government and the sector. Some joint planning processes already exist. The District Child Care Advisories (currently the Child Care and Early Learning Forum) was noted as an existing good practice that enabled better policy analysis and better long-term choices. With overlapping activity in a wide range of fields including children's services, food security, youth, recreation, settlement, seniors service, housing, employment and community engagement, the City could do more collaborative planning with the nonprofit sector and maximize impact.

### D) Use sector capacity to improve consultation and engagement in City initiatives

Interviews and focus groups showed ongoing concern about City consultation processes. Participants noted the low rates of participation, especially among youth, in many City-led consultation processes. They also felt that the City needed a more transparent process that clearly articulated what was and was not subject to change and which reported back to communities on the results of the consultation and the ways in which their input was used. Sector participants felt that their work in communities and their regular contact with local residents made those goals easier to achieve if they were engaged in the consultation processes, as partners, collaborators, planners or providers, and both directly and through their work with peer leaders. Participants saw their role as creating a more "bottom up" approach that put community members at the centre of the consultation, increasing both the level of participation and the quality of the input. This approach would mean many changes to how consultation occurs, with greater emphasis on accommodations like transportation, translation and childcare, more use of peer partners in the process, increased use of local venues and a greater focus on accessibility and completing feedback loops.

The City could directly involve nonprofits in front line engagement with communities to conduct community consultation and information processes. They could also support the work nonprofits currently do to facilitate engagement in public policy processes.

This should be undertaken with an equity lens, ensuring that processes are designed to support the participation of all communities and ensuring that nonprofits of all sizes and budgets rooted in marginalized communities are included.

The City has had considerable success with this approach in the past, working with nonprofits to engage an extensive range of diverse cultural and social groups for inter-cultural expression, discussion, understanding, and conflict resolution within communities, and between communities and institutions. The facilitation of hundreds of people with lived experience participating in the development of the Poverty Reduction Strategy, the engagement of thousands of TCHC residents in the creation of their neighbourhood's redevelopment, relocation and social development plans, and the ongoing role of the settlement service sector in coordinating with the public sector around Syrian family settlement issues, speak to the scale and impact of the nonprofit sector's capacity to support engagement and enhance public policy.

The City can and should engage the nonprofit sector more systematically to achieve the shared objective of making the City's relationship to communities more effective.

A shift to a consultation system that consistently engages local nonprofits in the management and delivery of the consultations would require a carefully planned transition, but could lead to considerably more effective engagement. Using nonprofits as an ongoing bridge to the local community would likely increase turnout and effectiveness of City consultation, and increase transparency and feedback to the community.

## 2) The City should capitalize on the economic opportunities and advantages the sector offers and make policies that reflect that goal

Given the size and significance of the of the nonprofit sector's economic impact, there are a variety of strategies the City can adopt to identify, track, and maximize the contribution to Toronto's financial success. The nonprofit sector is a growth leader, generating similar volumes of economic activity to Toronto's larger economic clusters; thus, a concerted effort to optimize the fiscal impact of the sector seems warranted.

### A) The City should treat the sector as an economic cluster like banking or tourism

Apart from the sector's role as a service delivery and planning partner, the literature is clear on the very significant role the nonprofit sector plays in contemporary urban economies.

Participants in the consultations felt this made the nonprofit sector a segment of the economy worth considering in public policy planning. Traditionally, when clusters or sectors contribute heavily to the local economy, City Council assigns economic development staff to develop strategies that support sector success and considers sector needs when making policy. For example, the City's tax structure was altered to reduce commercial taxes over time to retain financial sector jobs in Toronto. Similar strategies seem appropriate for the nonprofit sector.

### B) The City should recognize and track the economic impact of the sector

The nonprofit sector is a major employer that has a significant economic impact. While some of the economic benefits are clear much remains unknown. Consultation participants suggested that the City should participate in research to help quantify that impact. Analysis of the number of nonprofits, their employment levels, and their volume of economic activity were all seen as data that could contribute to accurate assessments of the role the sector plays in the economy.

### C) The City should recognize and track the fiscal benefit of preventative sector activities

The sector's economic contributions are not limited to employment and revenue. The services the sector provides also have fiscal consequences. For example, housing mitigates shelter costs, shelters mitigate health costs, and employment programs mitigate welfare cost.

Consultation participants suggested that the City participate in research to help evaluate programs and quantify the impact of preventative work.

Future spending decisions should consider the full fiscal benefits of working with the sector.

## 3) City granting, purchase-of-service and procurement policies should reflect the need to work collaboratively and to enhance the sector's economic impact

The City provides resources to the sector in three major ways:

- Grants are provided to support activities undertaken by sector partners that have municipal benefit.
- The City purchases services in areas where the City is a service manager but draws on community capacity to deliver the services, like childcare, shelters, and employment programs.
- The City also purchases services such as community consultations and research from nonprofits through competitive procurement processes such as Requests for Proposals.

Changes to these systems could enhance the partnership between the City and the sector and could increase the efficiency of service delivery.

A) *More stable, flexible, and accessible granting processes that incorporate in-kind supports*  
 Many aspects of the City’s nonprofit funding were strongly supported and the City was identified by many as one of the better funders. Participants shared some current and past best practices, such as the Toronto Urban Health Fund’s collaborative approach, the recognition of cost-of-living increases, the regularity of the grant cycle, and the availability of some core funding. Participants supported the City’s use of micro-grants to support smaller nonprofits and funding approaches like the Toronto Arts Council model that extensively engages funding recipients in the process.

However, other areas of funding policy were considered to be inconsistent and, at times, counterproductive. Recommendations in this area included:

*i. The City should provide more stable, flexible funding in its grants to nonprofits*

Among consultation participants, there was consensus on the need for more stable and flexible funding. Participants found that current short-term grants were creating stress and instability in the delivery systems, as workers are precariously employed and programs are regularly interrupted. Short-term funding makes planning harder and ongoing partnerships more difficult. Multi-year funding was seen as a more reasonable model, especially considering that grants are quite often renewed. The United Way’s 5-year commitments were considered to be an example of good practice in this area. This approach helps nonprofit organizations avert financial crisis and avoid some of the “flavor of the month” funding.

Consultation participants strongly encouraged the City to provide more flexibility in the use of City grants. The sector’s proximity, connectedness and responsiveness to the community are among its assets and the more the City is directive in the use of grant money the less the sector can use those assets to add value. Flexibility in grants would also allow for more discretionary use, and could allow larger organizations to partner more effectively with smaller organizations. Community-based work also needs to be responsive and flexibility adds to the capacity of nonprofits to innovate, address emerging issues and respond to crises.

*ii. The City should provide funding that supports core capacity*

Consultation participants noted the profound importance of funding for core capacities. Funding that supports administrative capacity, overhead, operational stability, research, and program development was seen as critical to the success of the nonprofit sector. Funding that focused exclusively on specific deliverables inherently undermined the stability of the service providers. Again, the United Way’s policy of ensuring a healthy core component to all funding was identified as a best practice and one that the City should adopt.



*iii. The City should develop simpler, clearer application, reporting and administration processes*

Participants felt that aspects of the application processes were cumbersome, demanding and structured in ways that exclude some applicants. Many participants felt that the reporting systems could be made more consistent, simpler and clearer, to the benefit of both parties. Simpler reporting could ease some of the administrative burden of managing grants, especially smaller ones, on both the City and nonprofits. Nonprofits felt they could provide the City with more useful information if they were more engaged in the development of the reporting process. While outcome-based reporting was considered by the participants to be good practice, they felt that increased focus on specific deliverables undermined that model and the flexibility to respond to unforeseen circumstances. Better alignment with reporting requirements for other funders was also encouraged.

*iv. The City and the sector should develop a clear strategy regarding in-kind supports*

Beyond the granting system, there was a recognition of the need for specific in-kind supports from the City. These include providing access to training in various job skills including leadership skills, food handling, client service and first aid, and access to services such as legal advice and policing for events.

The most significant in-kind benefit named by participants was space. The TOcore research on downtown Toronto service needs has identified that even parts of the City where infrastructure is more established, there is a critical space crunch<sup>11</sup>. Participants named a broad range of space needs including meeting space, program space, hub spaces, childcare space, performance space, workshop space and display space, that are available, accessible and affordable.

There were concerns about how available spaces were administered and how effective and transparent space access policies were. Some participants felt that community-based nonprofits might be well-suited for the administration of publicly owned spaces, and could be more responsive to small emerging organizations and community priorities.

There was also a belief that the City could play a role as a broker of other spaces. Faith-based groups, cultural organizations and community-based establishments have spaces that are not well-known. If the City undertook effort to audit the availability of such spaces and effectively engage space-holders, it was suggested that these spaces could be better utilized.

Finally, participants felt that the City could play an expanded role in creating space. Working with developers to increase publicly available space was seen as critical. The City could also support loans for nonprofits that could be used to create space that nonprofits could rent.

**B) More sustainable and collaborative models for funding purchased services**

As a service manager, the City purchases services in areas such as childcare, housing, shelters, and employment where it has a provincial mandate to coordinate and deliver programs. Stakeholders saw opportunities to improve the current systems in a number of ways.

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<sup>11</sup> City of Toronto. (2016). TOcore Community Services & Facilities Study - Phase One: Taking Stock" Toronto, Ontario: Canadian Urban Institute, Social Planning Toronto, and Swerhun.

[http://www1.toronto.ca/City%20of%20Toronto/City%20Planning/Core/Article/TOcoreCSF\\_%20P1\\_FULLREPORT.pdf](http://www1.toronto.ca/City%20of%20Toronto/City%20Planning/Core/Article/TOcoreCSF_%20P1_FULLREPORT.pdf)

*i. Consider other models of funding purchased service*

Participants encouraged the City to continue its move toward operating grants rather than per diems, as per diem models underfund programs and provide perverse incentives to maximize use of programs like shelters where reduced reliance is the goal. Many participants felt operating grants would reflect the City's commitment to ensuring not simply that a particular demand is met, but also that the infrastructure to facilitate future service remains viable.

*ii. Jointly plan funding and delivery*

Consultation participants also encouraged an increased use of collaborative models rather than competitive ones, suggesting the City could engage with a nonprofit around service delivery to craft a strategy jointly that met the City's needs, and then fund that strategy. This seemed more useful than repeatedly calling for competitive proposals from providers that generally see their purchase of service agreements renewed.

**C) Approaches to procurement that look beyond cost and support nonprofit participation**

*i. Optimizing City benefit may mean looking past price competition to see the bigger picture*

Participants encouraged a balanced approach to procurement believing that weighting quality and community benefit alongside lower cost would help obtain the best overall deal for the City. That may include looking at more social enterprises and at consortiums of large and small nonprofit providers as a beneficial model for delivering services. This may also include multi-year contracts that do not "go to the market" as regularly, but as a result provide more support and planning on coordinated delivery.

This may also include paying more for services but getting more in return. For example, if the City paid a social enterprise more than the lowest available price to deliver a service, but in the process also addressed employment needs for marginalized youth, that may cost the City less overall than contracting for the service and funding a separate youth employment program. Making these changes would mean adjusting the procurement process that many saw as heavily oriented toward business models and irrelevant to nonprofits. The promise inherent in City initiatives such as Community Benefits Agreements, Social Procurement, Tower Renewal and R.A.C. zoning may well benefit from this broader base of employment models, incubation processes and small business start-up mechanisms.

Achieving these goals would require the inclusion of these ideas in the current review of the RFP process. Simpler applications, price preference for organizations offering social benefit, and RFPs that enable the City to work collaboratively with nonprofits to provide services that offer multiple benefits, would expand the process out of the "business model" and into a collaborative service model that may offer the City greater benefit for its dollar.

*ii. A sector portal or advocate*

A number of participants expressed a need for a sector specific linkage in purchasing, noting that other jurisdictions offer this support to ensure that sector participants can be effective candidates for service provision. Assistance with navigating the purchasing system was seen as a way to offset some of the barriers nonprofits face in this context.

**4) The City and the sector should work together to generate ongoing relationships and processes that will facilitate these goals**

According to participants in the consultation, the way the City and the nonprofit sector work together can affect the ability of both to achieve their respective goals in a number of areas.

#### A) Communication and information

The consultations revealed a need for improvements in the way the City and the sector communicate and share information, suggesting that deliberate efforts to share data more effectively should be made.

The City has access to data and data management capacity that could greatly enhance strategic plans, service planning, outreach and fundraising. By making that data more readily available, especially for the geographies and catchments of particular relevance to service providers, the City would be providing a valuable resource to the nonprofit sector.

More systematic, coordinated and centralized joint efforts to share data on service availability would also be beneficial.

Nonprofits also struggled to build communications capacity and would welcome access to City media relationships including accessing lists and collaborating on efforts to promote sector initiatives.

#### B) Build connections that foster improved City/sector relationships

More interaction and networking opportunities between City staff and nonprofit sector leaders was seen as a way to build system navigation capacity. Interaction facilitates the flow of information and the creation of internal champions. While there is enthusiasm for the ways in which “whole of government” initiatives could reduce reliance on specific relationships and produce more consistent interactions between the sector and the City across divisions and partners, relationships continue to play a role in communications and coordination.

A sector liaison or a department that acts as a bridge between the role of the sector and government goals would be helpful as long as it does not contribute to difficulties navigating the City/sector relationship.

#### C) Simplified systems

Sector partners were eager to discover ways of simplifying rules and regulations that affect community initiatives, like starting a new community garden or holding an event in a park, that could help with greening and increasing community spaces. The consultations also found enthusiasm for more consistency in requirements and regulations across divisions and greater ease in accessing permits.

#### D) Improved context for advocacy

Nonprofits fully recognized that the constraints on advocacy for charitable organizations is largely within the purview of federal decision makers. However, since the City is a funder, nonprofits were eager to have a sense of the City’s expectations. And, since the City has explored efforts seen as focused on restricting advocacy, like proposing that nonprofits register as lobbyists when supporting community concerns, nonprofit representatives were eager to determine what the City’s view is on the sector assisting in civil society efforts to advocate on community issues.

### 5) Applying strategies

The strategies outlined in this section were seen by consultant participants as effective ways to assist the City and the sector in realizing the opportunities outlined in Section IV. Though they involve a wide range

of transitions across a host of City processes in multiple divisions and, consequentially, will take time to implement, they were seen by nonprofit leaders as valuable steps in building a more effective City/sector relationship.

## VI. Principles to guide the City/sector relationship

Through the consultations the following principles were identified as key tools to guide an effective City/sector relationship.

### 1) Mutual reliance and respect

#### A) Acknowledgment of sector strengths

The City/sector relationship should recognize and leverage the unique roles and contributions of the sector to the wellbeing of our city, including:

- The sector's export-proof, recession-proof, high-employment economic impact and stature as one of the city's largest and most stable economic clusters,
- The sector's value in generating and strengthening social trust, capacity for mutual support within local communities, communities of common interest, equity-seeking groups, cultural communities, and faith groups, and
- The sector's capacity for stewarding civic engagement and deliberation to identify emerging challenges and opportunities, and plan sound responses that leverage community assets and interests.

The City respects the nonprofit sector as a partner delivering quality services. In this regard, investment contracts in nonprofits should not assume that a service can be delivered for less than the costs of public service provision.

#### B) Acknowledgement of City strengths

Rooting its work in the strong, stable institutional infrastructure of the City to reach across the City comprehensively:

- Drawing on the City's senior expertise in critical fields that shape policy and practice,
- Collaborating with the City's rich capacity to plan and coordinate services,
- Drawing on the City's exceptional access to data and data management.
- Collaborating with the City's strong relationships with policy makers and leaders, and
- Coordinating activities with the City's large and stable funding base.

### 2) Collaboration

The City and the nonprofit sector could both benefit from drawing on their respective strengths in a partnership that maximizes impact and outcomes. To that end, collaborative approaches could include:

- Improve the City's capacity to conduct outreach, engagement and public consultation by incorporating the sector's ability to connect to communities,
- Using the sector's grassroots access to information to inform City planning processes,

- Using the high trust levels in the sector to mobilize civic engagement and public action and to enhance the strength of democratic discourse in the City,
- Being deliberate about the economic strategy that optimizes the unique ability of the sector to create jobs and local economic growth,
- Focusing City spending and investment in ways that reflect strategies to capitalize on the economic and social assets of the sector, and
- Involving sector support in City processes for creating effective public policy and planning.

### 3) Decent work

Decent work supports a healthy economy, strong organizations, and quality outcomes. The City and the sector should work together in a commitment to decent work. Strategies that prioritize doing more with less undermine fair wages, stable employment and reasonable working conditions, and should not be allowed to disrupt a commitment to building reliable infrastructure and effective systems. Together, we should commit to the importance of promoting decent work in our city, including in the nonprofit sector, and we should take steps to ensure that funding practices support this commitment.

### 4) Diversity, transparency, inclusion and accountability

The City and the nonprofit sector are best able to respond to community needs when they commit to cultural competency, with a clearer understanding of cultural differences. This will allow the City and the sector to effectively address issues around diversity, equity, and inclusion. This work ensures accessibility for all residents and that all participating in generating community wellbeing is universally possible. This goal is best achieved when:

- The City and the sector ensure open-access to information,
- Decision-making and engagement processes are clearly visible in ways that are broadly accessible,
- The City and the sector share and leverage any data they possess to jointly inform processes,
- The City works with the sector to ensure authentic accountability through processes that are clear, accessible, efficient and effective, and that recognize the diversity of the sector, and
- The City works with the sector to communicate clear and reasonable parameters for people's engagement in policy development processes.

## Conclusion

Guided by the principles proposed, the strategies outlined in this document would enable the City to develop a more intentional and systematically effective collaboration with the sector that draws on the two sector's respective strengths. The model proposed would help the City achieve significant goals that it shares with the sector including a stronger economy, greater social inclusion and civic engagement, better public policy, more inclusively and improved community wellbeing.

## Appendix A: Literature Review

This report outlines the basis for a new approach to the relationships between the public and nonprofit sectors as demonstrated in published research.

### Economic impact

The literature shows significant economic impact from the nonprofit sector and its work. A report by Imagine Canada has quantified the impact of the Canadian nonprofit sector: The charitable and nonprofit sector represents 8.1% of Canada's GDP and 10.5% of the labour force (Emmet, 2016). The report goes on to state that the sector accounts for about the same GDP as utilities or accommodation and food services and half again as much as agriculture, forestry and fishing, or mining and quarrying. It accounts for more employment than construction and finance, insurance and real estate (Emmet, 2016).

While there is a lack of accurate data to specifically quantify the scope and impact of nonprofit activities in Toronto, we do have a variety of estimates based on limited surveys and on projections from data at the federal and provincial level. If we use propositional approximations based on these, we can estimate that we have:

- As many as 9,000 nonprofits active in our city (not including unincorporated community groups),
- Between 60,000 and 120,000 people employed in Toronto's nonprofit sector, representing a sufficiently significant share of the workforce to qualify it as one of the city's major employment sectors. (Emmet, 2016)
- Over 1 million volunteers mobilized each year, representing more than one in three Torontonians.

### Voluntary contribution

Canada has an active volunteer base supporting the nonprofit sector. A report by the Ontario Nonprofit Network identified several key points. Canada's nonprofit sector is the second largest in the world on a per capita basis, just behind the Netherlands. Canada has an estimated 161,227 organizations in Canada, and 54% of these are run entirely by volunteers (Haggar-Guenette, 2009). This is supported by the 44% of Canadians who volunteer (12.7 million in 2013), donating an estimated 1.957 billion hours (Ontario Nonprofit Network, 2015).

However, a report by Linda Roberts (2001) captured a downward trend in volunteer participation. In 2001, there were a million fewer people volunteering than there were in 1997, resulting in a loss of 56 million volunteer hours. Furthermore, the top one quarter of volunteers contributed an average of 471 hours of their time throughout the year, and accounted for almost three quarters (73%) of total overall hours according to the National Survey of Giving, Volunteering and Participating (2001). These trends reinforce the need to support this resource before it ebbs too far.

Small organizations play a significant role in engaging volunteers. This role is highlighted by Linda Roberts (2001) noting "small organizations provide the foundation for our civil society by giving people an opportunity to volunteer in their own area, to address neighbourhood issues, to respond to local needs, and to work together as a community".

### Leveraging investments

Research also shows nonprofits leverage public investment very effectively. A detailed analysis based on data provided by the City of Toronto's Social Development, Finance and Administration division showed the City's Community Service Partnership generates \$6.13 in spending on programs for every dollar the City invests (Social Planning Toronto, 2014) and U.S. studies provide data for multipliers as high as \$7:\$1 (Levine & Zimmerman, 2003).

A report by the Mowat Centre highlights the advantages of purchasing from the nonprofit sector. Nonprofit organizations with significant spending and employment base who are unlikely to leave their communities in search of opportunity elsewhere, and their economic resources are invariably reinvested in the local community (Dragicevic, 2017). Other studies show higher rates of employment per dollar invested in the nonprofit sector (Stannard-Stockton, 2010).

### Faith-based nonprofits' contributions

In addition, some reports have traced the positive impact of the faith sector, which is generally independently funded. For example, the Flemingdon Park Community Food Bank (funded by 6 faith-based organizations) serves around 2000 clients per month.

A study by the Faith City Consultants shows the multitude of services provided by the faith sector at little to no cost for the City. This study included a survey of faith based organizations in Ward 33 (Kwadwo et al., 2013). The survey captured the range of services provided to the community by eight faith based organizations in the ward. These services included: out of the cold programs, child care, homework clubs, drop-in programs, sports activities, music lessons/programs, food banks, children's after-school programs, senior's programs, youth programs, arts programs, summer programs, and Alcoholics Anonymous programs.

The study also considered the demographics of Ward 33, and noted that, with diversity in languages spoken and changes in ethnic and recent immigrant populations, Ward 33 poses many challenges in service delivery. Even in the face of this, faith based organizations in the area could connect with newcomers across a variety of cultural and linguistic lines (Kwadwo et al., 2013).

Broader studies show that scale of contribution is consistently large. One Ontario study estimated \$145,000 in social service provision per congregation, across the over 25,000 congregations in Ontario (Handy & Cnaan, 2000).

### Social impact

The nonprofit sector takes on a wide range of activities that contribute to social success that are not part of the work of the other sectors. Nonprofits provide employment opportunities for vulnerable people that build skills but also autonomy and agency, key ingredients in increased independence (Conradson 2003; Cooper 2001; Mulquin et al., 2000). Nonprofits identify issues and coordinate community responses to address them (Elson, 2013).

One study involving discussions with approximately 1,300 individuals from the nonprofit sector, found a need to "[create] awareness about the nonprofit and voluntary sector... as service delivery agents, advocates, community builders, and social innovators. Participants agreed that the sector must learn how to better articulate its value and role using a strong, cohesive voice. To date, the economic and societal impacts of the nonprofit and voluntary sector have not been well publicized" (Scott & Pike, 2005).



## Coordination

The literature shows a need for more collaborative work between government and the sector. Some suggestions have been made to adopt specific structures: “Horizontality suggests a more strategic and intentional approach to promoting synergies between the government and community sectors” (Clutterbuck and Howarth). This research notes the benefits of collaborating in a way that makes the best use of each party’s resources where all parties recognize a major issue or see an opportunity to achieve shared outcomes. Horizontality provides a framework for expansive strategy, action and creativity through partnerships that are strategic. A study by Peter Elson (2013) points out the need to identify effective governance network structures coordinating the public and the nonprofit sector. The two sectors are differently structured and therefore require deliberate systems to align their work and facilitate collaboration.

## Democratic and civic discourse

The literature points out that the sector facilitates the inclusion of community voices and perspectives in public policy development.

The role of nonprofit organizations in connecting communities to civic life is an integral one, because institutional credibility has been declining sharply in most sectors, including the public sector, but is stronger in the nonprofit sector (EnviroNics, 2017). As Evans (2000) notes:

*A problem which modern society faces is that its institutions have lost a good deal of the legitimacy that they once held among Canadians...However, nonprofit organizations still enjoy considerable trust/legitimacy with the Canadian public...Hence, third sector groups are playing an increasingly important role as bridge organizations...*

As a result, nonprofits play a key role in linking communities to public processes and supporting a voice in public policy among disenfranchised communities, such as new immigrants, refugees, racialized groups, low income women and children, indigenous communities and LGBTTTQ people (City of Toronto, 2004).

## Impact of funding policies on the sector

Though nonprofits cite lack of funding as a key constraint, there is a general consensus in the literature that the increasingly restrictive quality of funding is as much of an issue as funding cuts. Reports have made recommendations for alternative funding structures such as global budgeting (that gives nonprofits the flexibility to reallocate funds in the way that best achieves the agreed service outcomes) and lead funding (funding both program and organizational infrastructure) (Eakin, 2004).

A need for different granting structures for smaller unincorporated organizations was also identified. It is important to note that the majority of revenue reported by nonprofit organizations tends to come from government funding. A study by Lynn Eakin (2004) found that “[o]f the 155 funded programs that comprise 85% of agency revenues, 82% were programs funded by one of the three levels of government. Each government’s contribution to total revenues through program funding is: Federal government 34%, Provincial government 36%, City of Toronto 12%”.

A report by the Canadian Council on Social Development highlights that the nonprofit and voluntary sector is struggling more than before (Scott & Pike, 2005). Increasing costs and constraints on funding and

a lack of support for capacity development key trends pressing the sector (Scott & Pike, 2005). The report also states that most organizations that survived the major funding cuts of the 1990s are now struggling “within an increasingly competitive funding environment, despite facing growing demands for their services” (Scott & Pike, 2005). The researchers point out that as nonprofit organizations are being forced to compete for short term contract in a funding environment, that imposes greater controls on how the funds are spent. The result is that the way they deliver service and their priorities are being transformed (Scott & Pike, 2005).

When considering future funding policies and systems it is important to remember that the funding source matters, the funding mix also matters, and does the funding mechanism matters. As stated by Scott & Pike (2005), “the generation of financial resources has a profound impact on the ways in which organizations structure themselves, make decisions, deliver programs, set up governance structures, and define their missions”.

### Alternate revenue streams

The economic crisis of 2009 has led to a significant decline in government funding and charitable donations for the nonprofit sector. However, the regulatory and legislative environment for charities wasn’t designed to allow charities to raise revenues from earned income except in very limited situations, and nonprofit organizations without charitable status are unable to receive grants from charitable foundations, placing many organizations under growing pressure in a shrinking funding environment (Eakin et al, 2009).

Despite this, the most important source of funding for organizations in the core charitable and nonprofit sector (this excludes colleges, hospitals, and universities) across Canada is sales of goods and services, accounting for 41.6% of sector income in 1997, rising to 45.1% in 2008 (Emmet, 2016).

While there is limited data on the number of service agreements made available to the sector and the contracts awarded received by the sector, some research shows that, in the case of child care services, where the sector is an established bidder, the sector tends to perform better than for-profit daycare centres. The City currently utilizes a Social Procurement Program to enable the City to find opportunities to use City purchasing power to advance its social goals (City of Toronto, 2016).

The potential impact of the City conducting a portion of its procurement through community organizations, could be substantial, as the City spends on average \$1.5 billion annually on procurement. Maintaining and further developing the social procurement program is of significant financial importance to Toronto’s nonprofit sector (Dragicevic, 2017).

### Supporting nonprofits

Another perspective on public policy around the nonprofit sector can be found in a report by the Wellesley institute. The report identifies several governments around the world that have dedicated departments and heads representing and working with the nonprofit sector. Queensland, Australia established a Ministry for Communities, Disability Services and Seniors, and developed policy (the “Strengthening Non-Government Organizations Strategy”) aimed at promoting collaboration between government and nonprofits, to achieve shared goals (Carter, 2011).

Similarly, in 2003 New Zealand established the Office for the Community and Voluntary Sector within the Ministry of Social Development to better engage the nonprofit sector. Similar examples from England, Wales, Scotland, Estonia, and Croatia were cited in the report (Carter, 2011). Canadian governments could consider establishing a more deliberate path to communicate and work with the nonprofit sector.

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## Appendix B: Consultation Summary

This section outlines the feedback received from the stakeholder consultations carried out in support of the Modernizing City-Nonprofit Sector Relationships project.

The consultations resulted in many recommendations on how the City's relationship to the sector could evolve. This feedback fell under 6 primary categories of recommendations:

- A) Leverage the economic benefits of the Nonprofit Sector,
- B) Revise granting and supports to maximize the City's benefits from the nonprofit sector,
- C) Work with the nonprofit sector to leverage its assets in service delivery,
- D) Work with the nonprofit sector to leverage its community building assets,
- E) Update City systems, and
- F) Support the nonprofit sector in addressing its structural challenges.

### Leverage the economic benefits of the nonprofit sector

Participants in the consultations stressed the nonprofit sector's role in the economy. Many participants pointed out how large the sector is, as an economic player, at the provincial and national level, and that Toronto's circumstances suggest that it plays a larger proportional role here than it does across Ontario and across Canada.

When clusters or sectors contribute heavily to the local economy, traditionally Council makes a point of considering their needs when making policy. For example, the City's tax structure was altered to reduce commercial taxes over time to retain financial sector jobs in Toronto.

Participants noted that data available on the nonprofit sector indicates that it is one of the largest economic sectors in Toronto's economy, and felt this made the nonprofit sector a segment of the economy worth considering in public policy planning.

Recommendations in this area included:

#### Recognize and track the economic impact of the sector

The nonprofit sector is a major employer that has a significant economic impact. While some of the economic benefits are clear much remains unknown.

Therefore, participants have requested that the City participate in research to help quantify that impact. Analysis of the number of nonprofits, their employment levels, and their volume of economic activity, were all seen as data worth having if an accurate assessment of the role of the sector in the economy were to be made.

#### Recognize and track the fiscal benefit of preventative sector activities

The sector's economic contribution is not limited to employment. The services provided also have fiscal consequences. Housing mitigates shelter costs, shelters mitigate health costs, employment programs mitigate welfare cost.

Participants requested that the City participate in research to help evaluate programs and quantify the impact of preventative work.

Future spending decisions should consider the full fiscal benefits of working with the sector.

Participants also encouraged the City to consider the economic significance of the dual benefit of purchasing services from the nonprofit sector. Since nonprofits generate local employment at a high jobs-per-dollar rate, and put 100% of their revenues back into the local economy, an accurate calculation of the net benefit to the City from purchasing through nonprofits should be developed.

Purchasing policy should be guided by that data to determine how policies might prioritize social enterprise before contracting with the for-profit private sector.

## Revise granting and supports to maximize the City's benefit from the nonprofit sector

Many aspects of the City's nonprofit funding were strongly supported and the City was identified by many as one of the better funders. Some current and past best practices were shared, such as the Toronto Urban Health Fund's collaborative approach, the recognition of cost-of-living increases, the regularity of the grant cycle and the availability of some core funding. Participants supported the City's use of micro-grants to include smaller nonprofits, and funding approaches like the Toronto Arts Council model that extensively engages funding recipients in the process.

However, other areas of funding policy were seen as inconsistent and sometimes counterproductive. Recommendations in this area included:

### Stable funding

Overall, there is a consensus around the need for more stable and flexible funding. Participants find current short-term grants are creating stress and instability in the delivery systems, as workers are precariously employed and programs are interrupted regularly. Short term funding makes planning harder and ongoing partnerships more difficult. Multi-year funding was seen as a more reasonable model, especially since many of the grants were renewed anyway. The United Way's 5 year commitments were seen as a good practice in this area. This approach ensures stronger organizations that aren't always on the brink of financial crisis, and avoids some of the "flavor of the month" funding.

### Flexible funding

Participants strongly encouraged the City to provide more flexibility in the use of City grants. The sector's proximity, connectedness and responsiveness to the community are among its assets and the more the City is directive in the use of grant money the less the sector can use those assets to add value. Flexibility in grants would also allow for more discretionary use, and could allow for larger organizations to partner more effectively with smaller organizations. Community-based work also needs to be responsive and flexibility adds to the capacity of nonprofits to innovate, address emerging issues and respond to crises.

### Funding that supports core capacity

Participants noted the profound importance of funding for core capacities. Funding that supports administrative capacity, overhead, operational stability, research and program development were seen as critical to the success of the sector. Whereas funding that was exclusively focused on specific deliverables inherently undermined the stability of the service providers. Again, the United Way's policy of ensuring a healthy core component to all funding was seen as a best practice here and one the City was encouraged to adopt. Many participants felt this would reflect the City's commitment to ensuring not simply that a particular project gets completed but that the infrastructure that facilitates future projects remains

accessible. As one participant noted, “We don’t fund roads at 60% of the actual cost if there are no cars on it some of the time, we pay what it costs to have them when we need them, but we do cut shelter funding if beds are ever empty, even though a shelter operator can’t cut beds overnight if there’s a [rare] downturn in demand”.

### Transparency

Participants identified the need for more transparency around funding and evaluation. Participants who had applied for City funding felt they had too little understanding of what the City’s goals were in any particular funding stream and, as a result, had little knowledge of what was or wasn’t relevant to a City funding call. There were requests for more feedback from the City when applications are denied and more clarity around how in-kind resources are obtained. Participants hoped for a clearer view of the inner-workings of the decision-making processes, including the relative weighting of various considerations and better communications of the underlying issues in decisions being made.

### Simpler, clearer application, reporting and administration

Participants felt that some of the application processes were cumbersome, demanding and structured in ways that excluded some applicants. Many participants felt that the reporting systems could be made more consistent, simpler and clearer, to the benefit of both parties. Simpler reporting could ease some of the administrative burden, on both the City and nonprofits, of managing grants, especially smaller ones. Nonprofits felt they could provide the City with more useful information if they were more engaged in the development of the reporting process. While outcome-based reporting was seen as a good practice, increased focus on specific deliverables undermined that model and the flexibility to respond to unforeseen circumstances. Better alignment with reporting requirements for other funders was also encouraged.

### Adequacy

Participants noted that funding was increasingly “tight”. Not only is funding limited but the available funding is restrictive in nature due to the many stipulations that come with grants. Participants felt that this made it harder for the nonprofit sector to deliver on the goals it shares with the City. Tighter funding also increased the sense of competition in the sector. More substantial, stable, long term investments were strongly encouraged. Innovative approaches that grew fiscal capacity, such as loan guarantees were also suggested.

### In-kind Supports

Beyond the granting system there is a recognition of a need for specific in-kind supports from the City. These include providing access to training in various job skills including leadership skills, food handling, client service, and first aid, and access to services such as legal advice and policing for events.

Organizations also saw an opportunity for the City to play a valuable role in expanding gateways for volunteerism, matching organizations with the City’s volunteer base and supporting the volunteer recruitment process and facilitating collective volunteer training opportunities.

### Space

The most significant in-kind benefit named by participants was space. Research on downtown Toronto has clearly identified that even the areas in the City with the most established infrastructure faces a



critical space crunch<sup>12</sup>. Participants named a broad range of space needs including meeting space, program space, hub spaces, childcare space, performance space, workshop space, display space, that is available, accessible and affordable.

There were concerns about how available spaces were administered and how effective and transparent space access policies were. Some participants felt that publicly owned spaces might be better administered by community-based nonprofits, who might be more responsive to small emerging organizations and relative community priorities.

There was also a belief that the City could play a role as a broker of other spaces. Faith-based groups, cultural organizations and others have spaces that are not well-identified and could play a larger role in meeting community needs if a coherent effort to audit the availability of spaces and engage space-holders were undertaken by the city.

Finally, it was felt that the City could play an expanded role in creating space. Working with developers to increase publicly available space was seen as a critical tool, supporting loans that could be used to create space that nonprofits could rent was another.

### Work with the nonprofit sector to leverage its assets in service delivery

The sector brings unique assets to many types of service delivery. The City should draw on those assets, and, where the sector offers distinct advantages revise its approach to engaging the sector in service provision to reflect that approach.

Many participants in the consultations saw room for improvement in the current procurement structure. Recommendations in this area included:

#### Optimizing City benefit may mean looking past price competition to see the bigger picture

Participants encouraged a balanced approach to purchasing services believing that weighting quality and community benefit alongside lower cost would help obtain the best overall deal for the City. That may include looking at more social enterprises and at consortiums of large and small nonprofit providers as a beneficial model for delivering services. This may also include multi-year contracts that don't "go to the market" as regularly, but as a result also provide more support planning on coordinated delivery. This may include paying more for services but getting more in return. For example, paying a social enterprise more than the lowest available price to deliver a service, but in the process addressing employment needs for marginalized youth may be a better deal for the City than contracting for the service and funding a youth program.

#### Create an RFP process that doesn't assume contractors are maximizing profit

Participants felt RFPs were geared heavily to a business model that is not relevant to nonprofits. Many aspects of contracts are focused on avoiding profiteering by contractors, a low risk with nonprofits. Current RFPs are focused less around obtaining the optimal benefit from those contractors by providing

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<sup>12</sup> "TOcore Community Services & Facilities Study - Phase One: Taking Stock" (Toronto, Ontario: Canadian Urban Institute, Social Planning Toronto, and Swerhun, March 21, 2016), [http://www1.toronto.ca/City%20Of%20Toronto/City%20Planning/Core/Article/TOcoreCSF\\_%20P1\\_FULLREPORT.pdf](http://www1.toronto.ca/City%20Of%20Toronto/City%20Planning/Core/Article/TOcoreCSF_%20P1_FULLREPORT.pdf)

flexibility. For example, RFPs often heavily prescribe each individual aspect delivery, rather than setting outcomes and encouraging providers to work with the community to plan the most effective approach. RFPs often impose conditions like police checks (which can limit peer engagement) assuming contractors would take limited steps to ensure safety and quality unless they were prescribed. Demanding multiple years of experience also limits participation by emerging social enterprises. Finally, elaborate, complex, multi-section RFPs requiring applicants with established templates to complete them limits new providers from entering the field.

#### Consider other models of purchase of service

Participants encouraged the City to continue its move toward operating grants over per diems and other models, as those models underfund programs and provide perverse incentives. More multi-year grants to nonprofits could provide more stable service and enable better planning and delivery than the current RFPs.

Participants also encouraged an increased use of collaborative models rather than competitive ones, where the City engaged with a nonprofit around service delivery to jointly craft a strategy that met the City's needs and enhanced social benefit, and then funded that strategy.

#### Recognize sector expertise as providers

The nonprofit sector is, in many areas, embedded in communities in ways that give the sector greater access and more effective vantage point for service delivery. Activities connecting to public housing tenants, homeless people, low income residents, marginalized youth, people with disabilities and racialized communities among others are ones where the nonprofit sector may be better positioned than other sectors to deliver service. Recognizing that advantage and restructuring purchasing processes to prioritize purchasing services from the sector in these areas would improve outcomes while also enhancing the well-being of the sector.

#### A procurement review is needed

Achieving these goals would require the inclusion of these goals and methods in the current review of the RFP process.

Furthermore, the model requiring multiple, paper copies of bids delivered downtown is both anachronistic and inequitable. Electronic bidding would increase the number of suppliers that could participate across the wider geography of the City. Simplified RFPs would increase the range of organizations and the sizes of organizations that could bid. RFPs that enabled the City to work collaboratively with nonprofits to provide services that offered multiple benefits, would expand the process out of the "business model" and into a collaborative service model that may offer the City greater benefit for its dollar, by simultaneously obtaining services and a social return on their investment. All of this requires the City to imagine the purchase of service in a way that recognizes that nonprofits are different from for-profit corporations, and enables nonprofits to participate in a way that does not put them at a disadvantage, and enables the city to capitalize on the opportunities those differences present.

#### A sector portal or advocate

A number for participants expressed a need for a sector specific linkage in purchasing, noting that other jurisdictions offer this support to ensure that sector participants can be effective candidates for service provision. Assistance with navigating the very for-profit sector oriented nature of the purchasing system was seen as a way to offset some of the barriers nonprofits face in this context.

## Work with the nonprofit sector to leverage its community building assets

The sector possesses a considerable amount of social capital and is an effective generator of strong and trusting relationships. In a context where the public decreasingly trusts institutions and is increasingly disengaged, this is an asset worth recognizing and drawing on.

Consultation participants agree and urge sector leaders and the City to collaborate in a variety of ways that capitalize on this asset. Recommendations in this area included:

### Use sector capacity to improve consultation and engagement in City initiatives

Consultations showed ongoing concern about City consultation processes. Participants noted the low rates of participation, especially among youth, in many City-led consultation processes. They also felt that the City needed a more transparent process that more clearly articulated what was and wasn't subject to change, and which provided a review of the results of the consultation and the ways in which that input was used. Sector participants felt that their work in communities and their regular contact with local residents made those goals easier to achieve if they were engaged in the consultation processes, as a partner, collaborator, planner or a provider, both directly and through their work with peer leaders. Participants saw their role as creating a more "bottom up" approach that put community members at the center of the consultation, increasing both the level of participation and the quality of the input. This approach would mean many changes to how consultation occurs, with greater emphasis on accommodations like transportation, translation and childcare, more use of peer partners in the process, increased use of local venues and a greater focus on accessibility, and completed feedback loops.

A shift to a consultation system that consistently engaged local nonprofits in the management and delivery of the consultations would require a carefully planned transition, but could lead to considerably more effective engagement. Using nonprofits as an ongoing bridge to the local community would likely increase turnout and effectiveness of City consultations, and conversely increase transparency and feedback to the community.

### Use Sector capacity to enhance civic engagement for a healthier community

Beyond specific consultation goals, the City benefits from ongoing civic engagement. Healthy, engaged communities work together to address local issues, raise concerns, collaborate, build capacity and resolve problems, and this is an asset to the City as a whole. Research undertaken by the University of Toronto in partnership with nonprofits leaders echoes work done by the Aspen Institute showing nonprofits act as "anchors" for building social capital and community capacity. Participants reinforced this evidence with examples. From organizing community events including festivals and fundraisers, to creating engaging structures like community gardens or mom-and-tot programs, to rallying residents to address a pressing neighbourhood concern, nonprofits create many environments that link residents together and increase their capacity to act collectively. When that happens, community members are better able to work together and rely on each other to resolve various issues. Nonprofits have been effective facilitators in converting that community capacity to action to address community priorities.

Strengthening the sector offers an exceptional opportunity to strengthen civic engagement, community capacity, collective efficacy and the many positive outcomes associated with those benefits. That can be expanded to increased outreach to youth, cultural groups and marginalized communities to enhance their awareness of and connectedness to the nonprofit infrastructure, and create greater opportunities for those populations to bring forward their ideas in a shared community conversation.

## Diversity, equity and inclusion

The consultations revealed a need for the City to direct its resources to improve diversity, equity and inclusion. These improvements have to be made within the City, the sector and in all collaborative processes, prioritizing the full range of cultural competencies, including trauma-informed approaches.

Participants highlighted some current and past best practices such as the lived experience advisory group, the newcomer leadership table, and the City's adoption of the Equity Lens. A particular appreciation was given to the participatory budget wherein the City facilitates a three-year discussion around a portion of the City budget and the community identifies priorities and determine effective ways of distributing resources. However, there remains considerable need for improvement in this area.

The sector possesses significant knowledge and practice around such frameworks, which the City could leverage, to increase cultural the importunateness of its engagement with communities.

Although the sector has shown leadership in its commitment to cultural competency and trauma-informed approaches, participants did express a need for the sector to invest more resources to continue to advance on these issues.

## Update City systems

Representatives of the sector indicated that an update of the various City systems currently in place would be beneficial. Recommendations in this area included:

### Collaborative planning tables

The research and several consultations revealed the need for more joint planning between the City and the sector. Some existing joint planning processes already exist. The District Child Care Advisories (DCCA; currently the Child Care and Early Learning Forum) were seen as examples of existing good practices that enabled better policy analysis and better long term choices. Many felt the City could do more collaborative planning with the nonprofit sector, including joint efforts to plan consultation processes with residents, but there were a wide range of areas that were seen as good opportunities for joint planning.

Many participants agreed that, where the city and the sector have complementary skills, data and relationships, including areas such as housing, childcare, mental health, food security, youth, seniors, recreation and newcomers, joint planning would be an advantage.

Suggestions were also made regarding the collaborative creation of community based steering committees that included community leaders and representatives from a variety of organizations to address local issues.

### Communication and information

The consultations revealed a need for improvements in the way the City and the sector communicate and share information.

The consultations found multiple requests for access to data collected by the City. In addition to the City's demographic data and information derives from the Community Data Partnership, participants felt the City could aggregate and share data based on reporting from nonprofits in relations to grants and other City-funded activities. If this kind of data was shared with the sector, this could feed into analysis of

longer term outcomes for program and service delivery across Toronto. The data also allows for innovation, as the sector can learn from past experiences and improve current models.

Community organizations can benefit from information about resources that the City has and other resources that are available. While the 211 service is greatly appreciated by many in the sector, participants felt that there could be more tailored ways of communicating about resources available to the sector and the community. Suggestions were made for the City hosting forums around particular resources that could be attended by interested organizations. There were multiple requests for centralizing a broad range of resources and information or creating resources lists for various groups specializing in particular services. Such a task should be accomplished collaboratively between the City and sector.

Participants felt the City could also provide access to its media resources, including promoting the sector's services in the various newsletters circulated by councillors and City Divisions, but also linking the sector to information about accessing media more broadly.

Participants also felt the need for better access to information that addresses the needs of non-English speaking groups, people with disabilities, youth, and seniors in particular.

#### Build connections that foster improved City/sector relationships

To improve collaboration and communications, the City could work on building stronger, clearer connections that foster improved relationships and partnerships with the sector. There are many suggested approaches to achieve this. Chief among which is finding more supportive partners within the City who can make connections across divisions to foster partnerships between the sector and various City divisions. Some felt the City should provide funding for networking activities, as this could grow the sector's ability to partner. Participants also mentioned a need for consistency amongst City staff as not all are equally engaged in whole-of-government initiatives that are oriented toward changing City processes.

Many people across the sector indicated a need for a sector liaison or a department that acts as a bridge between the role of the sector and government goals, as other jurisdictions have, though some cautioned against any model that created another layer in government with no additional benefit.

#### Simplified regulatory systems

Consultations found many respondents who sought improvements to accessibility, regulations constraints, and other processes. For example, some felt easing the rules around starting a new community garden could help in greening and increasing community spaces. Other felt that programs in TCHC buildings should be able to serve all members of the community and not just TCHC residents. There are calls for more consistency in requirements and regulations when processes overlap between multiple divisions/departments, and a way to streamline parallel and overlapping initiatives.

Helping nonprofits navigate some of the more cumbersome city regulatory processes were also seen as an asset. Several individuals requested easier access to permits, and suggested ways to improve current systems. The City should scale the permit process so an event for 20 people would have a different permit process than one for 5000 people.

Participants have asked for a focus to build upon the existing equity lens that is being applied to City budgets by applying a broader lens to all aspects of City rules, relationships and governance.

In improving regulatory structures, most mentioned that the current structure can be too intrusive to organizations providing care. Both childcare and shelter providers desire some room to apply their own philosophies to providing care. The sector cannot manage effectively, especially given limited flexibility due to underfunding in per diem rates. Requests for some rigor and structure amongst service managers were common. While the overarching policies service managers apply are provincial, many respondents felt different service managers in different divisions interpreted rules and regulations differently.

### Improved context for advocacy

Our findings from the research and the consultations reveal a need for the City and the sector to improve advocacy work.

#### Constraints on charities

There was a consensus around addressing concerns around advocacy by charities. The Income Tax Act places restrictions that are poorly understood. This lack of clarity has led to confusion and hesitation on the part of nonprofits working around civic engagement and advocacy, and has reduced their ability to work effectively.

Participants were aware that this is a federal issue and that the City is limited in its ability to change this regulation. However, if the City is funding a program, providers of the program would like to be aware of the City's interpretation of the rules so advocacy work can be tackled confidently, without the fear of losing funder support.

Participants emphasized that the City benefits from the input brought forth by the nonprofit sector, through what can be deemed 'political activity', and its contribution to the public policy process. This activity can help identify arising issues due to its strong connection with communities across Toronto. Intermittent efforts to constrain that contribution, for example the repeated attempts to force nonprofits to register as lobbyists, put that asset in jeopardy.

#### Engaging the public

Participants often requested more deliberate processes for involving the community in public policy. The sector can help with facilitating this interaction. However, the City must create ways for organizations to have opportunities to participate in advocacy work, organizations can utilize their social capital and ensure the involvement of community members (especially more vulnerable ones).

Suggestions were made for the City to use narratives to provide insight into lived realities and the actual needs of community members. The sector has significant experience and space to provide safe group settings for such conversations to occur, and conduct such consultations. In order to achieve this, there needs to be more of an effort to create opportunities for this kind of information to become part of the conversation.

## Support nonprofit sector in addressing its structural challenges

The nonprofit sector recognized a need to address its own internal challenges.

### Precarious work

There was extensive acknowledgement that the sector relies too heavily on precariously employed staff and should work to create more stable infrastructure. This undermines job security, recruitment, retention, sustainability, and succession planning. More stable reliable employment would be an asset.

## Collaboration

Generally, the sector needs to move in a direction that is more collaborative. While the nature of funding has created a competitive environment, the sector can circumvent this by sharing assets, having larger organizations provide supports to smaller lesser established ones, and utilizing existing networks like the TNN to present the complexity of the nonprofit sector to the City. Furthermore, the sector should utilize a platform like the TNN in order to develop a long-term plan to move collaboratively into the future.

## Trusteeships

In speaking with smaller organizations, an evident need for support around trusteeship was made clear. Large funding organizations and the City should assist smaller nonprofits in matching trustees. Currently, the requirements for having a trustee and the burden of trusteeships on larger organizations are making it difficult for small organizations to receive support.

# Appendix C: Discussion Papers