



STAFF REPORT ACTION REQUIRED

Modernizing the Relationship with Toronto's Community Based, Non-Profit/Voluntary Sector

Date:	September 6, 2016
To:	Community Development and Recreation Committee
From:	Executive Director, Social Development, Finance and Administration
Wards:	All
Reference Number:	AFS #23337

SUMMARY

In December 2015, with approval of CD8.6 "Comprehensive Review of the state of the Community-Based Sector," City Council directed staff to establish and work with an advisory panel of community sector leaders on a comprehensive review of issues affecting the community-based, non-profit/voluntary sector in Toronto. This report is an update on work completed to clarify the scope and focus of the review project. Because the proposed focus of the project goes beyond the mandate originally identified, this report seeks Council direction to proceed.

The report proposes an interactive stakeholder consultation process, conducted in collaboration with a Community Advisory Table, to define a formal "whole of government" policy direction and policy framework to guide and modernize the City's relationship with the non-profit/voluntary sector.

An explanation and justification for the proposed direction of the project is provided, based on best practices and research studies from Canadian and international jurisdictions. Key considerations and preconditions that should be met prior to or during the course of conducting the project are identified.

RECOMMENDATIONS

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

1. City Council direct the Executive Director, Social Development, Finance and Administration, working with the Director, Equity, Diversity and Human Rights; the General Manager, Shelter, Support and Housing; the General Manager, Children's Services; the General Manager, Parks, Forestry and Recreation; the General Manager, Toronto Employment and Social Services; the General Manager, Economic Development and Culture; the Medical Officer of Health; Affordable Housing Office and the Chief Corporate Officer, and in cooperation with a Community Sector Advisory Table, as set out in Appendix B of this report, 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 non-profit/voluntary sector; and
2. City Council direct the Executive Director, Social Development, Finance and Administration to report back to the Community, Development and Recreation Committee on the results before the end of 2017.

Equity Impact

The City of Toronto relies on the expertise of the non-profit sector to meet the needs of our diverse communities. The City recognizes that many non-profits in Toronto play trusted roles in engaging and supporting equity-seeking constituencies, and that non-profits 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 non-profit 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.

Financial Impact

There are no financial implications associated with the recommendations in this report, as funding for this review is included in the 2016 Approved Operating Budget for City Programs and in the 2017 Operating Budget Submissions.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Recently, City Council has directed staff to review, update, or clarify several investment, purchase of service, regulatory and capacity-building practices related to the non-profit

sector and to engage sector leaders, where appropriate, in pursuing this work. These directions have included: review of Below Market Rent policies; review of Community Investment Funding programs; updating Lobbyist Registry requirements; transitioning some Toronto Community Housing stock to a new non-profit corporation; supporting non-profits to participate in affordable housing development; and providing advisory supports to help City-funded non-profit organizations succeed.

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

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

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

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

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

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

At its meeting on December 9 and 10, 2015 City Council requested the Executive Director, Social, Development, Finance and Administration to create an advisory panel of sector leaders and to work with the advisory panel to conduct a comprehensive review of the community-based not-for-profit sector in Toronto. The review was intended to help to harmonize a range of Council directions related to the non-profit sector, and in general to strengthen and enhance how the City invests in and engages the sector in decision-making.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD8.6>

ISSUE BACKGROUND

Toronto's Non-Profit/Voluntary Sector

Toronto has a robust and well-established community-based, non-profit/voluntary sector that enjoys a high degree of community legitimacy and plays a vital role as a local economic driver and as a pillar of the city's social and cultural infrastructure.

Although the City of Toronto has not conducted a comprehensive review of the sector since 2003, the Province of Ontario commissioned a large (n=~3500) "state of the sector" survey three years ago, which included 750 organizations based in Toronto¹. Through an agreement with the Ministry of Citizenship and Immigration the study data have been shared with the City to review results for the Toronto-based non-profits.² While the Ontario Nonprofit Network and other agencies have identified limitations with the study and the resulting report (for example, due to the sampling procedures, participation was generally limited to large, incorporated organizations and the survey does not reflect the perspectives of many smaller, emergent or lower-revenue organizations or groups), the results offer a partial profile of the sector in Toronto, which can be further developed through interactive consultations with a more diverse set of participants.

¹ http://www.citizenship.gov.on.ca/english/citizenship/pp_sts.shtml

Although in many respects the non-profit sector in Toronto resembles the rest of Ontario, there are some key differentiating features. For example, among the survey respondents,

- Toronto organizations were more likely to be independent: Toronto non-profits were more likely to be stand-alone organizations, not part of a larger parent organization, compared to agencies in the rest of Ontario. In Toronto, 84% of the agencies were independent, compared to less than 70% for the rest of Ontario. More independence means that the sector may have greater flexibility to shift its focus or activities in relation to changing conditions locally. However, it also signals that more of the sector may face economic vulnerability and instability.
- Toronto agencies were more likely to work locally: Twenty percent of Toronto non-profits serve a local neighbourhood and just over a third said their catchment covers the whole city. This contrasts with agencies in the rest of the province, where less than ten percent focus on a single neighbourhood and more than half serve the entire municipality or town. The immensity of Toronto, in terms of geography and population, impacts how non-profits relate to their communities and may encourage a higher degree of localism and place-based practice.
- Toronto agencies reported being more likely to serve "immigrants/visible minorities/particular cultures" and less likely to serve the general public (Note: this terminology was used in the provincial survey questionnaire and may not represent how local organizations describe the populations they serve or the issues that they address). In Toronto, nearly a quarter of all agencies reported serving "immigrants/visible minorities/particular cultures," compared to only 11% of agencies in the rest of Ontario. In the rest of Ontario, nearly a third of the agencies (32%) served the general public, compared to less than a quarter of the Toronto agencies (22%). This difference reflects the diversity of the Toronto population, the importance Toronto as a destination for Ontario immigration, and the proportionately higher levels of need in Toronto for supports for newcomers.

These factors are, of course, interrelated. Toronto's diversity shapes the comparatively independent, local character of its non-profit service delivery and while the complexity of that structure can present challenges, it also reflects the demographic realities and needs of Torontonians.

The City's Relationship to the Non-Profit/Voluntary Sector

Divisions and Agencies across the City of Toronto rely on non-profit organizations at different times and for different purposes to fulfill many strategic and operational objectives. An interdivisional table, including management staff from across the Clusters was set up in March 2016 (chaired by the Director of Equity, Diversity and Human Rights), to identify the range of the City's relationships with the sector and to identify key issues for

the review project, as reflected in this report. Together the divisions have identified five major types of interaction between the City and the sector:

1. The City meets its legislated and Council-directed responsibilities to deliver a wide range of human services (e.g. child care, family supports; public health services, shelters and housing supports; long-term care, newcomer and settlement services, and youth employment) through **purchase of service agreements** with over one thousand non-profit organizations in Toronto. The City recognizes that non-profits can often deliver services in ways that effectively complement the direct provision of services by the City, with their capacity for quick adaptation to community change, engagement of communities, and unique roles in connecting to and supporting equity seeking constituencies. For example:
 - This year the City is funding 518 non-profit child care centres, 44 family support agencies, 17 agencies providing special needs resourcing and 10 home child care agencies, at an estimated value of \$195M. Contracts with non-profits will increase by hundreds under the province's new child care funding model and the Ontario Early Years Child and Family Centres.
2. The City also **partners with and consults** the sector to develop and implement programs, policy directions and strategic initiatives, to pursue research and evaluation, and to promote resident engagement and community engagement (e.g. Toronto Child Care Service Plan; Toronto Seniors Strategy; Poverty Reduction Strategy; Toronto Arts Council; Indigenous Health Circle; Transform TO 2050; French Language Advisory Committee, etc. Other examples are identified in Section 2, below).
3. With its own resources and investments that it attracts independently, the sector delivers programming that the **City relies upon but does not fund** to support residents' well-being. For example:
 - The environment sector is engaged in a broad range of interests that are relevant to the City, ranging from the impact of climate change on the City's vulnerable residents to support for insect pollinators. For the most part, agencies bring their own funding when working on these issues in cooperation with the City. In the wake of the flooding event in the summer of 2013 and the ice storm event in the December of the same year, creating a more resilient city for residents and visitors, and responding to the is a priority. This will require significant outreach and collaboration with community-based agencies, especially to respond to the needs of vulnerable residents who are inequitably affected by the various shocks and stresses associated with climate change. City staff, working alone, cannot reach all the communities, families or individuals who may be affected and will increasingly need to work with and through the community-based agencies who have regular contact with vulnerable residents.

- Within the City's long term care homes, volunteer-led programming from faith-based and ethnocultural organizations addresses a very diverse resident population reflecting 50+countries of origin, 38 languages and 34 faiths/denominations.
4. To promote stability in the sector and to build sector capacity to sustain its delivery of high-quality programming, the City makes an array of **investments** in the sector, including grants, subsidies/in kind supports, below-market-rent tenancies, and other supports. For example:
- In 2016 the City invested \$31.2 M in grants to arts, culture and heritage organizations. Of those funds nearly two-thirds went to the Toronto Arts Council (TAC) for grants disbursement and TAC's operations. The remainder was allocated through direct City grants. Importantly, most of City's funding to arts and culture organizations is premised on an arms-length relationship to government which ensures freedom of speech for artists and public accountability. In 2015, 968 arts and culture grants were awarded and attendance at City-funded or City-programmed cultural events was over 19 million, reflecting the deep engagement of Torontonians in arts, culture and heritage.
 - Last year, the City's Community Investment and Partnership Programs allocated \$19.2M to 288 non-profit organizations and emerging groups to support the city's social development strategies through local events, programming and engagement. This funding prioritizes grants to equity seeking groups and neighbourhood priority areas.
 - Toronto Employment and Social Services (through the Ontario Works program) provides a mechanism for non-profit agencies to create staff positions for social assistance recipients. This initiative increases agency capacity and recipients of social assistance are provided with opportunities to enhance their skills and obtain employment references through paid employment. In 2015, 269 non-profit organizations were participating, with an expenditure level of \$11.5 million.
5. Finally, the City has a **regulatory/system management role** for some sectors as the designated Consolidated Municipal Service Manager for social housing and early years services. The Service Manager role is complex and wide-reaching. For example:
- As the Service Manager for social housing, the City not only monitors compliance of social housing non-profit corporations and cooperatives, but also provides training, support and resources to organizations as they deliver housing to thousands of Toronto's most vulnerable residents. Overall the City expends \$516.2M annually to the non-profit social housing sector. These funds are directed to: 235 social housing providers/agencies; 108 agencies delivering services to support housing stability and people who are homeless; and 34 purchase of service hostels.

At this time neither the City nor the sector have formal indicators in place to measure the complete financial value of these City-sector relationships. Creating cross-corporate, horizontal framework to measure the City's overall investment in the sector may be recommended through this review. The impact of the sector on the City's economy is also imprecisely defined. Though we know nationally that the sector makes up 7% of the economy and employs twice as many people as the financial services sector, we lack similar metrics for Toronto. The magnitude of the City's annual transactions with the sector – combining tax base-generated funds and transfer dollars from other levels of government – may be estimated to be \$900M (including Toronto Community Housing), or close to 10% of the City's total operating budget.

The form and quality of interactions that the City maintains with the sector and mechanisms for engagement and effective cooperation must evolve over time to meet changing needs and challenges facing the sector, City government and particularly, the people of Toronto. For example, with Council direction, staff are conducting consultations to review the City's Community Investment Program managed by Social Development, Finance and Administration Division, in order to find better ways to support City Council's approved strategic directions, and to support new and emerging community groups. The date to report back on this process is November 2016. At the same time, staff are also working to update the City's below market rent policy (community tenancies) through new partnership models that provide greater flexibility and strategic alignment of the program with the City's social and community development goals. Children's Services staff are working closely with the family support community on a major provincial initiative to plan and implement municipal service system management of Ontario Early Years Child and Family Centres.

The City's purpose in undertaking a "sector review" project is to articulate clearly the policy context for these and related initiatives affecting the non-profit sector, with the ultimate goal of ensuring that benefits to residents are maximized.

Sector Response to a Proposed Review

In December 2015, City Council directed staff to establish a stakeholder advisory panel and to work with the panel to review issues affecting the community-based sector in Toronto. Responding proactively, representatives from close to one hundred Toronto non-profit agencies convened in January 2016 to consider the project and recommend a set of principles for the City to effectively engage the sector. These principles (see Table 1) guided the recruitment of a Community Advisory Table, composed of fifteen organizations and two resident representatives (see Appendix 2 for Terms of Reference for the Community Advisory Table).

Table 1: Principles for Effective Engagement of the Community-Based Sector in the Proposed Review Project

Principle	- Achieved by Engaging:
Equity	<ul style="list-style-type: none"> - Small/new organizations that may have less experience/capacity to participate; - Racialized, Indigenous and ethnic communities that are disproportionately affected by and excluded from many political and institutional processes; - Geographically distributed agencies and communities across Toronto.
Diversity	<ul style="list-style-type: none"> - A broad range of sub-sector foci (e.g. arts and culture, recreation, environment, human services, faith, human services, community agencies); - Communities of interest, including racialized communities, newcomers, youth, seniors, women, Indigenous, LGBTQ2S, persons with disabilities).
Lived Experience	<ul style="list-style-type: none"> - Residents who are affected by the issues that non-profits work to address; - Residents who are clients or constituents of non-profit organizations.
Sector Knowledge	<ul style="list-style-type: none"> - Representatives with experience in and knowledge of sector trends, funding issues, governance, etc.

The Community Advisory Table has met bi-monthly since launching in March 2016. Initial feedback from the Table on the City's plan for a sector review included the following:

- The purpose and scope of the project require further clarification from the City to make best use of the expertise of the Community Advisory Table.
- The “sector” is hard to define. Equitable and inclusive consultation with the sector should involve a cross-section of subsectors (not only human services), organizations serving marginalized or underrepresented communities, and small, emergent or informal groups that are often excluded from or lack the capacity to participate in formal processes. The Community Advisory Table can facilitate outreach and access to these groups. At this time, the City's consultation will be scoped to focus on registered not-for-profit organizations and charities.
- Accessible and interactive consultations processes (as exemplified by the City’s Poverty Reduction Strategy process) are preferred over a traditional, survey-based research report.
- An action-oriented project to identify and pilot practical solutions to current challenges in the City-sector relationship is of greater interest than a “state of the sector” review.

In light of this feedback, City staff, working with the Community Advisory Table, have crafted a draft statement on the purpose of the sector review project. The sections below present the draft statement of purpose and rationale for the proposed direction of the project, based on best practices and research studies from Canadian and international

jurisdictions. Key considerations and preconditions that should be met prior to or through the course of conducting the project are also noted.

COMMENTS

Draft Statement of Purpose:

The City of Toronto, in collaboration with the Community Sector Advisory Table, will undertake an interactive stakeholder consultation and research process in order to develop a "whole of government" policy direction and policy framework to guide and modernize the City's relationship with the community-based non-profit/voluntary sector.

The strategic policy framework should include:

1. A statement of goals that establishes the respective and shared goals of the City and the non-profit sector for advancing a more deliberate relationship.
2. A clear vision for the relationship.
3. A list of desired outcomes to be achieved through a more deliberate relationship.
4. Principles to guide the parties toward achieving these outcomes and vision.
5. A set of key actions, best practices, and policy structures to implement in order to achieve these outcomes and vision.

Focus on Incorporated Not-for-Profits and Registered Charities

The community sector in Toronto is an ecosystem that requires both dynamism and stability to thrive. A continuum, from large and long-established institutional organizations to newly emerging groups that may have minimal organizational capacity but exceptional energy and momentum, is needed for the sector to contribute to the social, economic, and cultural life of Toronto.

The City relates with the community-based sector across this wide continuum at different times and for different purposes. Through the proposed consultation process a greater understanding of these relationships may emerge; however for scoping reasons, this project will address the City's relationship with community organizations with whom the City can enter into legally binding contractual agreements: incorporated not-for-profit or registered charitable organizations only.

Focus on Human Services, Arts and Culture, and Environment Organizations

The City works with three major subsectors of non-profits: arts and culture, human and social services, and environment-focused agencies. These different domains of practice emphasize different types of interaction with City government and may require different levels of formality (e.g. arms-length funder versus legislated service manager and regulator). The development of an overarching policy framework on non-profits is intended to promote horizontal alignment and cross-divisional learning, where it appropriate, while also respecting these role and relationship distinctions. Consultations with the arts and culture sector, environment sector, and human services will be pursued with the relevant City divisions.

Rationale

1. The City of Toronto does not have a formal policy statement on non-profits.

The City of Toronto does not have a formal "whole of government" policy statement related to the non-profit sector or a policy framework to guide its diverse transactions and relationships with community-based non-profit/voluntary sector agencies. Rather, City Divisions, Agencies, Boards and Corporations relate with non-profits independently to achieve internal objectives and to meet the policy and legislated requirements of other orders of government, with minimal opportunity or requirement to contribute to or leverage horizontal, cross-corporate goals or standards.

("Whole of government" denotes government departments and agencies working across portfolio boundaries to achieve a shared goal and an integrated government response to particular issues. Approaches can be formal and informal. This contrasts with a "cross-government" approach which could include some but not all parts of public service.)

Depending on the type of relationship, City divisions may define non-profits variously as vendors, grantees, tenants, clients, partners, advisors, and/or as the voice of the community. While this decentralized approach to non-profits provides divisions with flexibility to manage the unique issues and external obligations that govern their respective relationships with non-profits, the absence of an overarching position on the City's relationship to the sector limits opportunities to:

- Efficiently implement Council directions involving multiple City divisions or programs with different relationships to non-profits (e.g. community tenancies/ below market rent policy; lobbyist registry reform; human services integration; social procurement; transition of TCHC properties, community hubs, etc.)
- Harmonize existing City policies and operating procedures involving non-profits and resolve contradictory or incompatible policies (e.g the status of community-based non-profit organizations in relation to the lobby registry; trustee requirements for new and emerging organizations seeking grant funding);
- Move beyond a siloed approach by fostering opportunities for cross-divisional coordination and efficiency in building partnerships with the non-profit sector;
- Clarify the value and impact of a mixed ("direct delivery" + "contracted out") service delivery system for the City and its residents;
- Establish metrics for describing and monitoring the "value" generated by the sector and the social, environmental, and financial returns on investment in the sector, in terms of community and client outcomes;

- Encourage and support non-profits to innovate and cooperate across their specialty areas to address multiple or complex community needs and use space efficiently;
- Reform outdated or inefficient administrative structures and “red tape”;
- Ensure that City investments in the sector support quality jobs and contribute to reducing non-profit workforce precarity;
- Acknowledge and foster the role of the sector as a partner in advancing Toronto’s social, cultural, economic vitality, alongside governments and the private sector;
- Position non-profits to approach and work with City government proactively, and support them to navigate across the City’s complex structure;
- Effectively collaborate with the non-profit sector to support Torontonians during emergency responses;
- Understand how City procurement processes affect the stability of the sector and the types and quality of services provided to residents (e.g. is there equity of opportunity for small organizations to participate in traditional RFP processes; do RFP criteria such as agency location, service delivery model etc. result in equitable outcomes?); and
- Strengthen democratic processes and promote direct dialogue between City Council and the organizations that represent local communities and equity-seeking groups.

2. The City and the community-based non-profit sector have a long and strong history of working cooperatively to benefit residents.

There is a strong policy and practice foundation in place for formally defining the importance of the City-sector relationship. For many decades, the City of Toronto has worked in respectful cooperation with the community-based sector to identify and serve the needs of residents. The period following the 1998 amalgamation saw dramatic changes in the social welfare and human services responsibilities of the City, including children’s services, social housing, and social and financial assistance. In turn, the City’s reliance on the community-based sector to meet these responsibilities also increased, while financial and organizational pressures intensified for all the parties.

To clarify and help resolve these pressures and to plan new pathways for social development in Toronto, the City and the sector have cooperated on a number of high profile social policy directives, and program innovations over the years, including the City's 2001 Social Development Strategy; the 2003 Review of the Community Based Sector ("Cracks in the Foundation"); the Streets to Homes program, the Toronto Child and Family Network; the Toronto Strong Neighbourhoods Strategy; The Toronto Food Charter and related food security policies; the Newcomer Leadership Table; the Aboriginal Employment Strategy; implementation of the Housing Opportunities Toronto Plan; the Toronto Seniors' Strategy; the Toronto Poverty Reduction Strategy, and most recently, City-sector cooperation to respond collectively to the arrival of Syrian refugees in Toronto.

In all of these efforts, the City's reliance on the community-based sector to achieve social development goals has been expressed implicitly and explicitly. The purpose of the review project described here is not to generate a new relationship with the non-profit sector, but to acknowledge, consolidate, institutionalize and identify opportunities to build on/enhance many of the positive values and practices related to non-profits that have already long been in place, in different forms and in different parts of the City government.

3. There is a strong trend across Canada and internationally to modernize government -“third sector” relationships. Toronto can learn from these experiences.

For the past two decades, there has been a growing movement across Canada at federal and provincial levels, as well as internationally, to create more “deliberate” relationships between governments and the non-profit/voluntary sector. In Canada, the federal government and 9 out of 10 provinces have initiated formal policy agendas with the “third sector” over the last decade, in part to address the types of issues described above in Section 1.³ All of the countries and some cities in the United Kingdom, as well as governments in France, Italy, Poland, New Zealand, South Africa and other countries, have taken steps to formalize some form of “whole of government” agreement with the non-profit sector.⁴

A significant literature on best practices and lessons learned is now available to draw upon (see Appendix 1 for selected resources) and some non-profit organizations and networks in Toronto also have direct experience of building toward modern relationships with the provincial and federal governments. This report draws upon discussions with these sources and with the Province of Ontario, which launched the “Partnership Project” with the Ontario Trillium Foundation in 2010 to identify structures for better coordination with the sector.

³Elson, PR. Third Wave, Third Sector: Comparative provincial governance of third sector relations. Paper presented at the 101st Annual Conference of the Canadian Political Science Association, Victoria BC, June 4-6, 2013.

⁴ Centre for Voluntary Sector Research and Development. Deliberate Relationships between Government and the Non-Profit Sector: An Unfolding Picture. The Wellesley Institute, Toronto, 2008. <https://www.cpsa-acsp.ca/papers-2013/Elson.pdf>www.wellesleyinstitute.com/wp-content/.../deliberaterelationships.pdf

Although there are fewer examples for municipalities, the City of Toronto’s unique size and scope of jurisdiction – and the magnitude of the City's budget allocation to the sector – justify an exploration of how these approaches and models from other jurisdictions may be adapted and useful for our context. Toronto is also in a position to set an example for other large municipalities in formalizing its relationship to the non-profit sector.

4. A range of policy tools and structures may be adopted and adapted.

A range of policy tools and structures have been used in different contexts to support relationships between governments and the non-profit/voluntary sector, including the selected examples below. These options (examples are shown in Table 2), and others to be identified through stakeholder consultations will be considered for their relevance to issues in the Toronto context, appropriateness and associated risks benefits, in order to identify a set of actions for the City's policy framework on non-profits. For example, although some organizations and Divisions have suggested that an aspirational “accord” between the City and the sector may be desirable, others have prioritized more immediately practical interventions such as harmonized reporting requirements.

Table 2: Examples of Policy Tools/Structures for “Deliberate” Gov’t-Sector Relationships

Options for Clarifying the Relationship (Policy Documents)	<ul style="list-style-type: none"> - Formal Statement of Relationship: (<i>Compact, Accord, Declaration, Pact, Charter</i>): - Defined Principles Guiding the Relationship - Defined Objectives for Both Parties
Options for Organizing the Relationship (Institutional Structures for Communication and Regular Engagement)	<ul style="list-style-type: none"> - Standing Advisory Committee to Council - Central Secretariat or Designated Lead Division "for Non-Profits" to Facilitate Horizontal Coordination - Designated Navigation Advisors/Supports - Designated Champion Councillor "for Non-Profit Sector" - Designated Umbrella Agency to Convene and Communicate Diverse Sector Interests to the City - Regular Reporting Out on City-Non Profit Relations
Options for Harmonizing Across City Divisions	<ul style="list-style-type: none"> - "Whole of Government" Standards/Guidelines for City of Toronto Relations with Non-Profits - Human Service Integration - Coordinated Granting Processes and Systems (Timelines, Eligibility, Reporting), - Coordinated Outcomes Reporting on Non-Profit Investments

5. Transparency and commitment are basic preconditions for success.

In the growing literature on building and sustaining “deliberate” government-sector relationships, cautionary advice is abundant. Efforts to define a formal relationship between government and the non-profit sector should only be undertaken to strengthen the relationship. Efforts that are unsuccessful in achieving their aims may be more harmful than not pursuing any modernization effort at all. Initiatives in many jurisdictions have not

achieved their goals or have proven unsustainable because key preconditions were not in place or were not achieved during the project planning and implementation phases. Four basic preconditions are relevant for this project:

- **The objectives for formalizing the relationship and for putting in place new policy structures or best practices must be disclosed by both parties:** There should be shared objectives as well as objectives that are unique to each of the parties. For example, both the sector and the government may share the goal of poverty reduction for Toronto. The government may, in addition, aim to develop new measures of return on investment in the sector. The sector may seek a stronger voice at the table in planning social policy and programming for Torontonians. Objectives for both parties should be documented.
- **The parties agree on what is in and out of scope for the relationship and for communication and other structures that may be put in place:** The second precondition is linked to the disclosure of objectives for participating in a formalized relationship. Challenges in other jurisdictions have been linked to misunderstandings about the scope of issues that are subject to discussion and potential revision through the newly defined relationship. For example, funding levels for individual City programs is out of scope of the initiative; however, harmonizing non-profits' eligibility criteria and reporting requirements across these programs could be considered as a horizontal integration strategy.
- **The sector should be sufficiently organized to speak in a collective voice:** In Toronto, the sector is building this collective capacity. For example through the launch of the Toronto Nonprofit Network (TNN). TNN is a new and growing city-wide network of more than 100 non-profit organizations from a wide range of sectors including social services, arts and culture, health, education and sports and recreation. TNN brings the diverse voices of the city's non-profit sector to government, funders and business to create and influence systemic change and can serve to convene the sector on issues germane to relationships with the City. TNN priorities include: championing decent work; advancing a unified voice on issues related to funding reform; promoting the inclusion and engagement of community groups that are often left out of the policy process, and in particular promoting youth leadership in the non-profit workforce; working with the City of Toronto to plan services jointly and collaboratively; and promoting a shared approach to poverty reduction planning that involves all funders, including all levels of government.
- **Finally, if new advisory structures or mechanisms are established to promote dialogue with the sector, the government should be prepared to receive and to use the sector's advice.** This final precondition denotes the importance of sustained political and public sector commitment to the processes that are developed and approved through this initiative. This includes appropriate resource allocation to support new structures should these be considered and approved by Council, as well as ongoing willingness to make use of these structures to advance the City's engagement of the

sector. Resource implications of proposed actions and elements of the policy framework should be clarified.

Next Steps

With Council direction, City staff will continue to work with the Community Advisory Table to design and implement an interactive consultation process over the next 8-10 months. A wide array of stakeholders should be included in the consultation, including but not limited to: non-profit agencies of diverse size and scope, representing the full range of subsectors, communities of interest, and geographical areas of the City; residents and clients of non-profit agencies, City Councillors, who have significant experience working with non-profit organizations, City staff responsible for programs involving non-profits, and experts from other jurisdictions. The consultation process will adhere to the principles for stakeholder engagement presented above (see Table 1) and will use methodologies (e.g. Change Lab/Design Lab; Community Conversation Kits) that focus on practical change and maximize opportunities for dialogue and innovation.

A draft policy framework and set of proposed staff actions to modernize the City-non-profit sector relationship will be presented for City Council consideration before the end of 2017.

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ATTACHMENTS

Appendix A: Selected Bibliography on Government/Non-Profit Relationships
Appendix B: Terms of Reference - Community Advisory Table on City-Sector Relations
Appendix C: Description of Toronto NonProfit Network

Appendix A:

Selected Bibliography on Government/Non-Profit Relationships

Anheier, Helmut K.: What Kind of Non-profit Sector, What Kind of Society? Comparative Policy Reflections, American Behavioral Scientist, University of California, Los Angeles, February 12, 2016.

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Appendix B:



TERMS OF REFERENCE AND MEMBERSHIP LIST COMMUNITY ADVISORY TABLE FOR MODERNIZING THE CITY-COMMUNITY NON-PROFIT SECTOR

Background

On December 9 and 10, 2015, City Council directed City staff to develop a comprehensive review of the state of the community-based not for profit sector in Toronto in order to strengthen and enhance the way in which the City evaluates, allocates, manages and delivers grants, subsidies and community tenancies, as well as how the City engages the sector in decision-making (*CD8.6*).

Mandate

The mandate of the Table is to provide City staff with expert advice to define the issues, develop the community engagement and consultation strategy, review/refine feedback and develop recommendations.

Governance & Process

1. Social Development, Finance and Administration (SDFA) will report back to the Community Development and Recreation Committee and City Council.
2. SDFA will act as the Secretariat for this initiative.
3. The Community Advisory Table (CAT) will provide informed advice on the process and outcome to City staff.
4. Members, as any member of the public, have the opportunity to deputize at the Community Development and Recreation Committee when the Report comes forward for consideration.
5. A targeted stakeholder consultation and engagement process will support the development of the Review.

Outcome

A staff report and a comprehensive State of the Sector Review will be prepared for City Council consideration before the end of 2017 with a preliminary report in Fall 2016.

Membership

Members represent a cross-section of residents and leaders from key Sector agencies and organizations, who are knowledgeable about the issues and can bring a strategic orientation to the Review's development and engagement.

Members will:

- Attend meetings consistently;
- Bring the lens of their primary constituency/sector as well as any secondary equity lens (e.g., seniors, youth, racialized, newcomer, LGBT);
- Contribute knowledge and perspective to help develop effective processes and outcomes;
- Recognize the role and levers of the municipal government on these issues and work within this context.

Member Organizations:

Boys and Girls Clubs of Greater Toronto
Canadian Multifaith Federation (CMF) (formerly, Ontario Multifaith Council, OMC)
Council of Agencies Serving South Asians (CASSA)
Family Service Toronto
For Youth Initiative
LOFT Community Services
Ontario Council of Agencies Serving Immigrants (OCASI)
Ontario Non-Profit Housing Association (ONPHA)
Ontario Non-Profit Network
Second Base Youth Shelter
Social Development, Finance and Administration - City of Toronto
Social Planning Council
The Students Commission of Canada
Toronto Aboriginal Support Services Council (TASSC)
Toronto Neighbourhood Centres
Toronto Strong Neighbourhoods Strategy Resident Advisory Committee
Toronto Youth Cabinet
Worker's Action Centre

Appendix C:



Join the Toronto Nonprofit Network! Stronger together for a thriving city

What is the Toronto Nonprofit Network?

The Toronto Nonprofit Network (TNN) is a new and growing city-wide network of more than 100 nonprofit organizations from a wide range of sectors including social services, arts and culture, health, education and sports and recreation. TNN brings the diverse voices of the city's non-profit sector to government, funders and business to create and influence systemic change.

TNN works with a volunteer base of sector leaders and a network of engaged nonprofits to bring a Toronto lens to policy development and analysis. It undertakes work on strategic issues through its working groups and the engagement of nonprofits, charities and government.

What are TNN's Priorities?

Decent Work

There are many issues that affect the estimated 200,000 employees working in the city's non-profit sector: employment stability; low levels of pension plan and benefits coverage; high rates of part-time and contract employment; underinvestment in training and development; and poor work/life integration for workers. There is a need to improve working conditions for all – in the nonprofit sector and beyond.

The decent work movement also presents an opportunity for the sector to act as a champion of working conditions and social policies that not only ensure dignified and supportive work environments for employees, but also support the overall health and effectiveness of the nonprofit sector.

Funding Reform

TNN is committed to working as a unified voice on a number of issues related to funding support for the sector.

It works with a diversity of nonprofit organizations and grassroots community groups and promotes funding support through government and foundation grants for unincorporated smaller grassroots community groups rather than through larger trustee organizations.

And it works to build support for nonprofits to invest in strategic infrastructure including funding for strategic planning, conducting needs assessments and data frameworks.

Engagement and Planning

TNN works towards a comprehensive strategy to increase engagement for those groups often left out of the policy process. TNN adds a strong focus on small and volunteer-based nonprofits and a youth engagement strategy for the sector, to link youth to leadership ensure the average age of the nonprofit workforce in 2016 will be five years younger by 2026.

Collaborative Service Models

TNN is committed to working with the City of Toronto to plan services jointly and ensure they are delivered collaboratively. TNN strives to have all levels of government recognize and support the role of the nonprofit sector through meaningful engagement, adequate funding and mutual respect.

Collaboration and partnership between sector organizations through TNN will ensure a strong voice and action for both program enhancement and policy change to better the city's diverse communities and neighbourhoods.

Poverty Reduction

TNN is committed to promoting a shared vision for a co-ordinated poverty reduction plan among all funders including the city, province and federal government.

Who can join TNN?

We welcome both incorporated and unincorporated nonprofit and charitable organizations working in Toronto to become members and access all of our benefits.

Why become a TNN Member?

1. Increase policy capacity and results. TNN is building and strengthening city-wide platforms for sector voices to share their ideas, experience and expertise.
2. Focus on your mission. TNN is committed to following and acting on issues and policies that have an impact on the nonprofit sector. We track and interpret policy and updates so you stay informed on what's happening in the city and apply your own expert view for your organization. Working with the sector, we mobilize calls to action.
3. Stay informed. TNN finds out what's happening in communities, government and the sector – issues, trends and news – and will keep you in the know.
4. Add your leadership voice. We advocate with and for the sector, giving you ways to share your experience and expertise, while identifying opportunities and resources to make connections and work across the city-wide sector.

CONTACT INFORMATION

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