



Modernizing City-Nonprofit Sector Relationships - Discussion Papers

Purpose of this consultation

City Council directed City staff, in cooperation with a Community Sector Advisory Table, 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 sector. Through the "Modernizing City-Nonprofit Sector Relationships" initiative, **we hope to identify opportunities for improving the cross-sectoral ways of working together to enhance our shared impact.**

Articulating a shared vision, principles and actions

This consultation with nonprofit sector representatives (coordinated by the Toronto Nonprofit Network and Social Planning Toronto) is focused on **generating a shared policy vision, principles and practices** that can guide and strengthen our joint capacity to work with the City of Toronto, and guide future partnerships between the City and nonprofit sector, in ways that are: civically-engaged, coordinated, creative, constructive, inclusive, complementary, and most impactful.

Our extensive City/Sector relationships

To start off the conversation, **six discussion papers** have been drafted to raise issues and provide context. These papers will look at the positive impact of the nonprofit sector overall, and five specific relationships between the City and nonprofit sector. The topics of each paper are:

1. **The scope and impact of the nonprofit sector** – how do the City and Toronto benefit from the nonprofit sector?
2. **Democratic and civic discourse** - the sector facilitates the inclusion of community voices and perspectives by engaging with the City to carry out policy development, research, community engagement projects and advocacy.
3. **Contributions to community well-being on which the City relies but does not fund**, including volunteer supports. Examples include faith groups and community groups that are not funded by the City.
4. **The City's investments in the sector** to help the sector achieve our shared mandate through grants, below-market-rent tenancies, and other supports.
5. **The City's purchase-of-service contracts** to meet the needs of Torontonians including services such as child care, youth employment, public health services, seniors programs, housing and shelters.
6. **The City as the legislated regulator** of some human services provided by the sector (e.g. child care, housing and long term care).

Consultations will include open meetings convened with a focus on each of the six topics, presentations at currently scheduled meetings of existing networks, special meetings convened with smaller non-profits through their networks, and an online survey. If you would like to convene a discussion or participate in the process, please contact Ajay Ram at aram@socialplanningtoronto.org.

The Impact and Potential of Toronto's Nonprofit Sector

Some initial ideas and questions for discussion

A) Context and relevance

The contributions of Toronto's nonprofit sector to the wellbeing of our city are extremely significant, but inadequately documented and not widely appreciated. This vagueness in our understanding results, in part, from the diverse and diffuse nature of sector activities and pursuits, including community social and health services, sports and recreation, arts and culture, environmental sustainability, economic development, civic engagement, poverty reduction, immigrant settlement, crisis response, and more.

None of our city's key sectors (public, for-profit, and nonprofit) can, on their own, deliver on the promise of creating a city that is healthy, equitable, safe, creative, inclusive, welcoming and sustainable. The wellbeing of our city depends on each sector contributing and aligning their unique strengths.

At present such objectives are hampered by a lack of accurate data to help us understand the scope and impact of nonprofit activities in Toronto. However, we can estimate some figures using provincial data gathered by the Ontario Nonprofit Network, and extrapolate based on population (with 1 in 5 Ontarians living in Toronto). This indicates that we could have:

- over 9,000 nonprofits active in our city (not including unincorporated community groups).
- close to 200,000 people employed in Toronto's nonprofit sector, representing almost one in every seven workers in our city, and equivalent to employment in Toronto's technology sector, food and beverage sector, and pharmaceutical sectors combined.
- over 1 million volunteers mobilized each year, or one in three Torontonians, as part of our work
- and nonprofit activity that represents 5.1% of Toronto's GDP, which would be almost three times Toronto's tourism industry

Finding creative ways to strengthen and align the core competencies of all three of our city's sectors could open up important possibilities, and help us to address some of our most significant challenges.

For example, our social fabric relies heavily on a robust civil society and nonprofit organizations working collaboratively with governments. We know that resilient communities have multiple opportunities for solidarity and participation through social organizations that are empowering, well-connected and inclusive. We also know that public trust in government is generated through the experience of solving challenges together, not when governments go it alone. We need both of our "public benefit" sectors aligning their efforts to strengthen community well-being in partnership with an engaged citizenry.

As well, expanding our creative and productive talents using nonprofit and cooperative forms of organization may hold some promise for constructing a more equitable and sustainable economy to support future generations. It is becoming clear that our city is facing significant challenges that cannot be addressed by an over-reliance on for-profit sector strategies that prioritize a return on investment for private shareholders to the exclusion of other objectives. This way of organizing our economy has

demonstrated impressive productive strengths, but is also generating extreme economic inequalities, disruptions, and environmental challenges that must now be addressed.

To improve our city's social, cultural and economic well-being we need to reform the policy landscape (vision, principles and practices) so the nonprofit sector's unique contributions can be better leveraged.

Q1: Are there other current and potential benefits of the nonprofit sector that we should add to this summary to inform the City/Sector relationship?

B) A clear City Vision/Policy Direction to support City/Sector Impact

At the start of this paper we described a shared City/Sector vision by saying:

"we hope to strengthen both our nonprofit sector's and our local government's capacity to build inclusive communities that provide equitable opportunities and a just future for all of Toronto's residents"

Q2: Are there other words and phrases we could use to convey our high-level vision and indicate the impacts we seek through strengthening the City/Sector partnerships?

C) Desired outcomes we would like to achieve together

Some examples of the outcomes we could achieve as a result of having a more deliberate relationship between the nonprofit sector and the City might include:

- Acknowledging and fostering the role of the sector as a partner in advancing Toronto's civic, social, cultural, and economic vitality, alongside governments and the private sector.
- Establishing 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.
- Collecting and analyzing labour market information to help establish benchmarks and a broader understanding of the sector's labour force.
- Promoting the inclusion of research on volunteering, volunteer management, and the economic contribution of Toronto's volunteers.
- Expanding the capacity for nonprofits, co-ops and social enterprises to construct a more inclusive and democratically accountable economy.
- Strengthening democratic processes and promote direct dialogue between City Council and the organizations that represent local communities and equity-seeking groups.

Q3: What other desired outcomes would you like to add to this list?

D) Principles to guide our action together

At the start of this discussion paper we mentioned a few principles that might help guide shared City/Sector efforts to pursue our shared vision and objectives, including: civically-engaged, coordinated, creative, constructive, inclusive, complementary, and most impactful.

To this we may want to add some principles related to the relationship itself, such as demonstrating mutual respect, transparency, honesty, and accountability for our respective commitments. Principles could call for an acknowledgement of the mutual benefit in the relationship and a shared commitment to continuous improvement of administrative processes, a spirit of partnership, and a focus on outcomes for communities.

Q4: What principles do you feel would be most important to help guide our actions together, and achieve our shared vision and desired outcomes?

E) Key actions, best practices and structures we should implement

To get the most out of this effort to "Modernize City-Nonprofit Sector Relationships" we need to try and get specific about the ways in which our current practices could change for the better. This is where we need your most creative and concrete thinking - to identify some new actions, practices and structures that we could practically pursue with the City. Here are some examples:

An equitable role in policy-making:

The City often evaluates its policies to assess how a proposal might impact the private sector, and invites private sector input into this assessment. That process almost invariably engages only the for-profit sector. The City's analysis of policy should reflect the reality that there are two private sectors that can be affected by policy.

Promoting community benefits through social procurement policies:

City investments for nonprofit service delivery, while important, are dwarfed by the City's overall purchasing power which could be used to promote our social economy. Organizations can buy with social value in mind at any scale, whether it is a government requiring community benefit clauses in infrastructure contracts, or having meetings catered by a nonprofit social enterprise. Major government contracts (e.g. for the construction of transit and highways) and urban developments can be designed to include spin-off benefits that support employment opportunities for marginalized communities, procurement opportunities for social enterprises, affordable housing, and other community initiatives.

Access to capital:

The City could provide loan guarantees for nonprofit developments so that nonprofits can get access to capital at preferred rates, as was done, for example, when the YWCA Toronto developed its Elm Street Housing project. Nonprofits often struggle to access financing for capital projects. Lenders are reluctant to lend to nonprofits with few assets or uncertain/modest revenue streams and are hesitant about

business models they often don't understand or appreciate. In order to support repurposing or developing public infrastructure, the nonprofit sector needs access to long-term and accessible capital financing.

A research agenda:

Understanding the role of the sector requires deliberate data gathering. The City gathers data on the employment impacts and economic benefits from the banking sector and the technology sector, including spinoff benefits, and could gather similar data on impact of the nonprofit sector, including the benefit of volunteer labour in the sector.

Joint Planning:

A standing City/Sector Planning Table might be helpful as a structure to oversee the collection and dissemination of nonprofit sector "impact metrics", and to champion creative strategies for amplifying the nonprofit sector's capacity and impact.

Q5: What other best practices, key actions, or ongoing City/Sector structures would you propose to help achieve some concrete improvements in our capacity to advance our shared City/Sector vision and outcomes?

Q6: Is there anything else that you would like to contribute to help inform this process, and our objectives to strengthen the City/Sector relationships and impacts?

Discussion Paper #2 of 6
Democratic and Civic Discourse
Some initial ideas and questions for discussion

A) Context and relevance

The City 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 and community engagement. To clarify and help resolve challenges and to plan new pathways for social development in Toronto, the City and nonprofit sector have cooperated on a number of high profile social policy directives, and program innovations over the years; some examples include: Toronto Child Care Service Plan, Toronto Seniors Strategy, Poverty Reduction Strategy, Toronto Arts Council, Indigenous Health Circle, Transform TO 2050, and most recently, City-nonprofit sector cooperation to respond collectively to the arrival of Syrian refugees in Toronto.

In all of the above-mentioned projects, the City's reliance on the nonprofit sector to achieve social development goals has been expressed implicitly and explicitly. The purpose of the review project described here is not necessarily to change the relationship with the non-profit sector, but to acknowledge and formalize it, and to identify opportunities to build upon many of the positive City/sector practices that are already active in different divisions of the City government.

Q1: Are there other current and potential benefits of the work the City does with the sector on policy and program development and other aspects of civic discourse that we should add to this summary of context and relevance to inform the City/Sector relationship?

B) A clear shared City/Sector vision to support democratic and civic discourse

At the start of this paper we described a shared City/Sector vision by saying:

"we hope to strengthen both our nonprofit sector's and our local government's capacity to build inclusive communities that provide equitable opportunities and a just future for all of Toronto's residents"

Q2: What kinds of ideas/statements would you like to see in a vision statement that helps to clearly communicate this partnership around democratic and civic discourse?

C) Desired outcomes we would like to achieve together

Some examples of the desired outcomes we could achieve as a result of having a more deliberate relationship between independent organizations and the City might include:

- Partnership processes with the sector could be more consistently applied with shared policy development work established as an ongoing practice.
- The City can act as a liaison effectively connecting people and services in ways that advance research and policy development.

- The City and the sector could create a stronger link between policy development and implementation.
- The city and the sector could engage in more coordinated proactive planning efforts rather than focusing on engagement in policies already under development

Q3: What other desired outcomes would you like to add to this list?

D) Principles to guide our action together

At the start of this discussion paper we mentioned a few principles that might help guide our shared City/Sector efforts to pursue our shared vision and objectives, including: civically-engaged, coordinated, creative, constructive, inclusive, complementary, and most impactful.

To this we may want to add some principles that support policy development, research and advocacy work between the City and the nonprofit sector, such as accountability, responsiveness, and sustainability.

Q4: What principles do you feel would be most important to help guide our actions together, and achieve our shared vision and desired outcomes?

E) Key actions, best practices and structures we should implement

To get the most out of this effort to "Modernize City-Nonprofit Sector Relationships" we need to try and get specific about the ways in which our current practices could change for the better. This is where we need your most creative and concrete thinking - to identify some new actions, practices and structures that we could practically pursue with the City.

One such example is the need for coordinated and ongoing social development planning between the City and the sector. Another example is the need for funding streams/capacity building support for Toronto's non-profit organizations engaged in political advocacy activities with several disenfranchised communities (e.g. new immigrants and refugees, racial minorities, low income women and children, Aboriginal and lesbians, gays, bisexuals and transgenders). A report by a Community-City Working Group found that "The civic engagement functions provided by not-for-profit community service organizations are not being nurtured and strengthened across Toronto's diverse communities. This is reinforcing serious and unsustainable inequities in our city. As all avenues of funding for non-for-profit community-based organizations continue to erode, the effects on those whose primary mandates are to serve by engaging in political advocacy are devastating"¹. The City and the sector can work together to better address the needs of non-profit organizations engaged in political advocacy, through tailored capacity building programs and dedicated funding streams.

Q5: What other best practices, key actions, or ongoing City/Sector structures would you propose to help achieve some concrete improvements in our capacity to advance our shared City/Sector vision and outcomes?

¹ "Stability and Equity, Community-City Working Group on Stable Core Funding Community Representatives' Final Report" (City of Toronto, November 2004).

Q6: Is there anything else that you would like to contribute to help inform this process, and our objectives to strengthen the City/Sector relationships and impacts?

Contributions to Community Well-Being - Independent of City Funding

Some initial ideas and questions for discussion

A) Context and relevance

The City benefits from various organizations that operate independently of local government involvement. While these organizations may be affected by some regulation and the city may occasionally interact with them, these organizations make their contributions to civic life largely outside of a formal relationship with the City and City funding.

There is a lack of good data capturing the scope and impact of non-profit organizations that are independent of city funding. Examples of such organizations include those found in the faith sector as well as informal community groups and grassroots organizations.

A Ryerson study (*What's Faith got to do with it?*) has provided some information regarding the multi-layered role of the faith sector in Toronto. The study captures the role of faith organizations in creating and supporting neighborhood food banks.

Flemingdon Park-Victoria Village has benefitted from such an effort. As a priority neighbourhood the need for a food bank, amongst other services, was clear. Nearly 33% of the residents were identified as being of low income status (22.6% for the overall city). To address this need, a collaboration between two Christian and four Muslim organizations saw the creation of the Flemingdon Park Community Food Bank (FPFB). The food bank serves around 2000 clients per month, and is funded by 6 faith based organizations and community members. This is one example of a service gap being addressed by a community and organizations that are not relying on city funding. Similar examples exist in settlement, social supports and recreation.

Many of these organizations also provide information, crisis response and informal care, community spaces and platforms through which community members can voice their issues. These various independent organizations also provide many volunteer opportunities and activities that further strengthen community wellbeing.

Q1: Are there other current and potential benefits of organizations independent of city funding that we should add to this summary of context and relevance to inform the City/Sector relationship?

B) A clear shared City/Sector vision to support organizations independent of City funding

At the start of this paper we described a shared City/Sector vision by saying:

"we hope to strengthen both our nonprofit sector's and our local government's capacity to build inclusive communities that provide equitable opportunities and a just future for all of Toronto's residents"

Q2: What kinds of ideas/ statements would you like to see in a vision statement that helps to clearly communicate the significance of independent organizations in our sector?

C) Desired outcomes we would like to achieve together

Some examples of the desired outcomes we could achieve as a result of having a more deliberate relationship between independent organizations and the City might include:

- Access to information that enables independent organizations to benefit from data the City collects, from demographics to service access points.
- A support program provided by the City for independent organizations, that helps organizations with various resources (i.e. municipal contacts and permits).
- Direct dialogue between City Council and the independent nonprofit organizations that represent local communities and equity-seeking groups to promote their engagement in public policy making.
- New funding structures that support independent organizations, such as faith based groups, community-based and resident-led groups and informal organizations.

Q3: What other desired outcomes would you like to add to this list?

D) Principles to guide our action together

At the start of this discussion paper we mentioned a few principles that might help guide our shared City/Sector efforts to pursue our shared vision and objectives, including: civically-engaged, coordinated, creative, constructive, inclusive, complementary, and most impactful.

To this we may want to add some specific principles that support connections to organizations that do not want to be an agent of the City but nonetheless share community objectives and key values. For example ensuring a sensitivity to religious differences and traditions, respect for organizational independence and autonomy, shared commitments to inclusivity, and partnerships that celebrate community diversity.

Q4: What principles do you feel would be most important to help guide our actions together, and achieve our shared vision and desired outcomes?

E) Key actions, best practices and structures we should implement

To get the most out of this effort to "Modernize City-Nonprofit Sector Relationships" we need to try and get specific about the ways in which our current practices could change for the better. This is where we need your most creative and concrete thinking - to identify some new actions, practices and structures that we could practically pursue with the City.

The Flemington Park Community Foodbank provides an example of how independent organizations can address service gaps and improve community wellbeing. Systems that facilitate access to nonmonetary

City resources, such as permits, information and space could significantly enhance the impact these groups are able to have. A systematic effort to understand the scope of such needs and to create mechanisms to meet them could benefit both the City and these nonprofit groups.

Community groups have been eager to point out the range of organizational types that should be considered in this process. Volunteer groups, ethnospecific groups, unincorporated organizations, resident led groups and informal community structures all have impact in communities and key informants have identified a need for the city to understand the needs of, and services provided by, these distinct types of organizations. There is a further distinction between faith based and faith named organizations. Faith based organizations are those who have a place of worship and can provide religious based activities. Faith named organizations are nonprofits that provide non-exclusionary services with a loose tie to a particular religious group; they do not have a place of worship.

An effort should be made to create funding structures appropriate to supporting these diverse types of organizations as they can address the needs of communities that the City may be unable to respond to.

Q5: What other best practices, key actions, or ongoing City/Sector structures would you propose to help achieve some concrete improvements in our capacity to advance our shared City/Sector vision and outcomes?

Q6: Is there anything else that you would like to contribute to help inform this process, and our objectives to strengthen the City/Sector relationships and impacts?

Discussion Paper #4 of 6
City Investments in the Nonprofit Sector
Some initial ideas and questions for discussion

A) Context and relevance

The City makes an array of **investments** in the non-profit sector, leveraging sector capacity to deliver high-quality programming to support community needs and to meet the City's strategic goals. These investments come in the form of grants, subsidies/in kind supports, below-market-rent tenancies, and other supports. Here are some examples of these investment mechanisms:

Grants:

- 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 to artists and arts organizations and TAC's operations. In 2015, 968 arts and culture grants were awarded, and attendance at City-funded or City-programmed cultural events was over 19 million, supporting the broad 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.

Subsidies and In-kind supports:

- Toronto Employment and Social Services (through Ontario Works) enables non-profit agencies to create jobs for social assistance recipients. This initiative increases agency capacity and provides social assistance recipients with opportunities to enhance their skills and gain experience and references through paid work. In 2015, 269 non-profits participated, with funding of \$11.5 million.
- The City negotiates a collective contract with the Toronto District School Board for childcare centres operating in TDSB premises. This results in savings for nonprofit childcare operators.

Below-market rent:

The City provides some nonprofit organizations exclusive use of City-owned or managed space, such as entire buildings or assigned space in buildings, at a cost below the full market rental rate of the space.

Q1: Are there other ways the City invests in the work of nonprofit organizations that we should add to this summary to outline the context of the City/Sector relationship?

B) A clear City Vision/Policy Direction to support good investments

By investing in the nonprofit sector in these various ways, the City of Toronto leverages important contributions of our sector that strengthen community wellbeing. The Policy Direction that guides our City/Sector partnership needs to speak to our shared vision in this regard. At the start of this paper we described a shared City/Sector vision by saying:

"we hope to strengthen both our nonprofit sector's and our local government's capacity to build inclusive communities that provide equitable opportunities and a just future for all of Toronto's residents"

In 2001 the City of Toronto adopted a "Social Development Strategy" that articulated its social development objectives and principles as follows:

"Toronto's Social Development Strategy recognizes that well-being is a social achievement, and not exclusively an individual one. The aim of the SDS is to democratize prosperity and opportunity, so that all those who live in Toronto can lead healthy lives in a safe, socially cohesive urban environment. It values diversity and reaffirms the goals of achieving access and equality of outcome for all residents as expressed in the city's access and equity action plan."

Our sector is engaged not only in advancing social development, but also in advancing civic, economic, cultural and environmental objectives, with the support of City investments. So there may be other important themes we would want to see included in a shared vision statement. For example, building an environmentally sustainable economy together. And nurturing our capacity to imagine and create conditions of greater opportunity for future generations.

Q2: What kinds of ideas would you like to see in a vision statement that helps to clearly communicate the purpose and significance of the City's investments in our sector?

C) Desired outcomes we would like to achieve together

Though many nonprofits would welcome larger amounts of City investment, the scope of this project does not include changing investment levels. Instead this project focuses on benefits that can be achieved through a more deliberate relationship between the sector and the City, for example:

- Reforming outdated or inefficient administrative structures and "red tape".
- Ensuring that City investments in the sector support quality jobs and contribute to reducing nonprofit workforce precarity.
- Ensuring that the City's procurement policies and processes support access to contracts by the nonprofit sector, including equity of opportunity for small organizations to participate in traditional RFP processes.
- Improving the effectiveness of grant programs to respond to crisis and emerging community priorities and opportunities.
- Making investments in ways that respond to the realities of inflation and population growth in our city.
- Enhancing predictability to facilitate longer term planning.
- Reforming grants management practices, drawing on the work that the Ontario Nonprofit Network has undertaken to identify promising funding reforms with the Provincial government. In some cases the City has already made important improvements (e.g. with multi-year grants, and simplified application and reporting requirements). But there may be other improvements we could pursue,

such as using simplified standard contracts, with a multi-division umbrella agreement option for organizations receiving funding via multiple programs.

- Increasing budget flexibility for organizations with a proven track record.
- Use of technology to automate routine reporting and reduce repetitive interactions such as entering basic (“tombstone”) information and organizational documents.
- Increasing emphasis on outcome reporting.

Q3: What other desired outcomes would you like to add to this list?

D) Principles to guide our action together

At the start of this discussion paper there were vision statements designed to help guide our shared City/Sector efforts to pursue our shared vision and objectives, including: civically-engaged, coordinated, creative, constructive, complementary, and most impactful. To this we may want to add some principles related to the relationship itself, such as demonstrating mutual respect, transparency and honesty, and accountability for our respective commitments.

Q4: What principles do you feel would be most important to help guide our actions together, and achieve our shared vision and desired outcomes?

E) Key actions, best practices and structures we should implement

To get the most out of this effort to "Modernize City-Nonprofit Sector Relationships" we need to try and get specific about the ways in which our current practices could change for the better. This is where we need your most creative and concrete thinking - to identify some new actions, practices and structures that we could practically pursue with the City. Here are three examples:

Co-creating Strategies and Solutions: We could introduce a City/Sector structure to co-create grant focus and priorities, building upon the practices of the Toronto Urban Health Fund (TUHF), where they ask the sector “how do you think a problem should be solved?”, rather than prescribing a solution without sector input. This co-design model could be adapted and expanded throughout other City divisions.

Access to grants for small organizations: At present it is difficult for unincorporated community groups to access some City investments, without using a trustee model, which in some instances generates problematic power imbalances and administrative challenges. But the City of Toronto already has another model of flowing money to individuals and community groups that does not require incorporation - this is the funding process stewarded by the Toronto Arts Council. As a "best practice", could we use that model to find a way to flow social service investments to grassroots community groups and leaders?

A City/Sector Continual Improvement Table: perhaps it would be helpful to have a standing table of City staff and sector representatives that could receive concerns from either party about areas where our actions seem to be undermining our efforts to achieve shared goals. And this group could be tasked with setting up processes to generate solutions and improvements to address these glitches. This table could also be charged with monitoring our progress on the desired outcomes that we establish together, and reporting out to the sector and City divisions.

Q5: What other best practices, key actions, or ongoing City/Sector structures would you propose to help achieve some concrete improvements in our capacity to advance our shared City/Sector vision and outcomes?

Q6: Is there anything else that you would like to contribute to help inform this process, and our objectives to strengthen the City/Sector relationships and impacts?

Discussion Paper #5 of 6
City Purchase of Service Contracts
Some initial ideas and questions for discussion

A) Context and relevance

To ensure access to essential services the City often turns to the nonprofit sector to address service gaps. The City offers service contracts to the sector in order to meet an array of community needs. These contracts can range from child care services to shelter and housing services. But the City also buys other services including research, evaluations and program development. It buys these services through mechanisms similar to the way it buys commercial items like new trucks or sewer pipes.

Detailed “call documents” are posted online, highlighting the requirements for the service agreement, as well as the specific requirements for proposals, through the City’s “vendor portal”. Documents are lengthy and complex, often requiring very specific formatting that are difficult to respond to without extensive experience with this form of application.

While there is limited data on the number of service agreements made available to the sector, and the awards 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 centers. As the city seeks to invest \$3.75 billion into 100,000 new child care spaces over the next five years, there are opportunities for improving the service contracting process between the City and sector.

As the City explores new “social procurement” practices, making contracting for City services accessible to small non-profits who may have limited formal procurement experience could also expand the range of non-profit suppliers and increase access for organizations that seek to provide services to the City for motivations other than profit.

Q1: Are there other important ways service contracts between the City and nonprofit organizations that we should add to this summary for the City/Sector relationship?

B) A clear City Vision/Policy Direction to support good investments

By purchasing services from the nonprofit sector in these various ways, the City of Toronto leverages important contributions of our sector that strengthen community wellbeing. The Policy Direction that guides our City/Sector partnership needs to speak to our shared vision in this regard. At the start of this paper we described a shared City/Sector vision by saying:

"we hope to strengthen both our nonprofit sector's and our local government's capacity to build inclusive communities that provide equitable opportunities and a just future for all of Toronto's residents"

Q2: What kinds of ideas/ statements would you like to see in a vision statement that helps to clearly communicate the significance of the City's investments in our sector?

C) Desired outcomes we would like to achieve together

Some examples of the desired outcomes we could achieve as a result of having a more deliberate relationship between the sector and the City might include:

- A Vendor portal system that is more accessible for the nonprofit sector. The current portal system is setup to support for-profit enterprises.
- Reduced duplication of information. Organizations currently have to re-submit similar material for multiple arrangements.
- A shift away from treating nonprofit vendors with the traditional commercial “buyer beware” approach, and towards a partnership model.
- Acknowledgement of increasing costs as new more complex RFPs and service contracts are created. Administrative costs should also be included in contracts.
- A shift away from per diem funding (especially in homeless services) as this model makes nonprofit organizations assume all the risk of increased costs if problems arise.
- Simplified and harmonized guidelines and practices. Currently, there are too many variations in service contracts and their requirements.
- Transition to an outcomes-based system that allow flexibility and responsiveness in the contract.

Q3: What other desired outcomes would you like to add to this list?

D) Principles to guide our action together

At the start of this discussion paper we mentioned a few principles that might help guide our shared City/Sector efforts to pursue our shared vision and objectives, including: civically-engaged, coordinated, creative, constructive, inclusive, complementary, and most impactful.

Q4: What principles do you feel help guide our actions together, in regards to service contracts, and achieve our shared vision and desired outcomes?

E) Key actions, best practices and structures we should implement

To get the most out of the effort to "Modernize City-Nonprofit Sector Relationships" we need to get specific about the ways in which our current practices could improve. This is where we need your most creative and concrete thinking - to identify some new actions, practices and structures. Below is an example of a potential action that can address some challenges in accessing service contracts.

As mentioned in the desired outcomes section, the City could direct more resources to creating a portal that is better suited to nonprofit charitable organizations. Currently, in order to apply for RFPs and other service contracts, the nonprofit sector is subject to for-profit sector fees and compliance models. A portal that is designed for nonprofits could see a reduction in costs and red tape, allowing for more organizations to apply. A “two way” portal could store basic information and organization profiles that can be accessed by all departments of the City government, increasing the awareness and visibility of

the sector and its organizations. Creating such a unique portal could allow for harmonized guidelines between City departments and make the application process simpler and more efficient.

Q5: What other best practices, key actions, or ongoing City/Sector structures would you propose to help achieve some concrete improvements in our capacity to advance our shared City/Sector vision and outcomes?

Q6: Is there anything else that you would like to contribute to help inform this process, and our objectives to strengthen the City/Sector relationships and impacts?

Discussion Paper #6 of 6
The City Role as Legislated Regulator
Some initial ideas and questions for discussion

A) Context and relevance

Depending on the area of service, the city may act as a service manager and funder, through grants or purchase service agreements with community organizations, or as a direct service provider. In the case of social housing and early years services the City also has a province-mandated regulatory/system management role as the designated **Consolidated Municipal Service Manager**.

This 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.

This Service Manager function creates unique pressures and possibilities with regard to City/Nonprofit relationships and impact. If the regulatory function over-prescribes service provision in a detailed fashion, it can undermine the value-added contributions of nonprofit organizations, particularly with regard to fostering innovation, and unique responses to specific communities, and emerging trends.

For the shared system model to work most effectively, both public and nonprofit partners need to seek clarification of roles, and how they can best complement each other's efforts to achieve desired outcomes. In the case of closely regulated and essential programs, it may make sense to rely on public provision more heavily. In areas that need more adaptable and tailored solutions, reliance on community organizations may be more important.

Who does what best, and how to align and coordinate these efforts, are critical questions that need to be addressed in this partnership. And we need to identify the kinds of supports that are required to sustain collaborative system planning as an ongoing process.

The City has other regulatory responsibilities that intersect with and influence the work of community organizations and groups in important ways. This includes, for example, public health's role in regulating food handling, parks and recreation's role in permitting the use of parks and playgrounds, and the planning department's zoning of land uses that guide the mix of built development and activities allowable in given locations. These regulatory systems also require opportunities for City/Nonprofit sector planning and discussion, to make sure that regulations are informed by community perspectives, and shaped in ways that strengthen the nonprofit sector's and City's capacity to safeguard and advance community well-being.

Q1: Are there other considerations that we should add to this summary of the City's Regulatory Roles and their impacts on the City/Sector relationship?

B) A clear City Vision/Policy Direction to support legislated regulation of Sector

At the start of this paper we described a shared City/Sector vision by saying:

"we hope to strengthen both our nonprofit sector's and our local government's capacity to build inclusive communities that provide equitable opportunities and a just future for all of Toronto's residents"

In thinking about ways we might describe our shared vision, we can also look back at statements that the City of Toronto used in its 2001 Social Development Strategy, such as:

"The Social Development Strategy addresses the needs of all citizens and proposes a vision for social life in the city—how people interact with their communities, with city government, with each other. Social development is about how all of us live in and contribute to a city with a unique character—a place where the social [we could add civic, cultural, social, economic] landscape and built form [environmental sustainability] are all equally important. And where the strong urban fabric and sense of community is a product of the thousands of everyday activities and interactions that bring people into contact with each other."

Q2: Are there other words and phrases we could use to convey our high-level vision and indicate the impacts we seek through strengthening our City/Sector partnerships?

C) Desired outcomes we would like to achieve together

Some examples of the desired outcomes we could achieve as a result of having a more deliberate relationship between the nonprofit sector and the City might include:

- Use collaborative models, establishing planning structures for nonprofit and City staff to recognize the unique contributions of each partner, and steward system changes that maximize our complementary strengths to achieve mutually agreed upon outcomes.
- Establish metrics for describing and monitoring the shared City/Sector service-delivery systems.
- Gather labour force data to understand the patterns of worker mobility in the shared city/sector system of employment opportunities and challenges in housing and childcare.
- Identify ways to improve decent work practices in these systems, for example by formalizing opportunities for advancement pathways (job ladders), and supports for organizations that typically act as sites for training new workers so they can address the challenges of higher turnover.

Q3: What other desired outcomes would you like to add to this list?

D) Principles to guide our action together

At the start of this discussion paper we mentioned a few principles that might help guide our shared City/Sector efforts to pursue a shared vision and objectives, including: **civically-engaged, coordinated, creative, constructive, inclusive complementary, and most impactful**. To this we may want to add some

principles related to the relationship itself, such as demonstrating mutual respect, transparency, and accountability for our respective commitments.

Q4: What principles do you feel would be most important to help guide our actions together, and achieve our shared vision and desired outcomes?

E) Key actions, best practices and structures we should implement

To get the most out of this effort to "Modernize City-Nonprofit Sector Relationships" we need to try and get specific about the ways in which our current practices could change for the better. This is where we need your most creative and concrete thinking - to identify some new actions, practices and structures that we could practically pursue with the City.

With regard to shared City/Sector efforts in the areas of housing and childcare, there may be some practices already in place that are working well, and others that could be improved. A useful next step might be to formally evaluate these existing planning processes, with an aim to generating a shared agenda for improving them.

An initial review of initiatives to strengthen government/nonprofit sector relationships in other jurisdictions indicates that four important "preconditions" impact the success of these efforts. Perhaps these learnings could be a helpful guide to City/Sector efforts to improve their joint planning capacities:

- The objectives for formalizing the relationship and for putting in place new policy structures or best practices must be clear to all: There should be shared objectives, as well as objectives that are unique to each of the parties, that are fully understood by both sectors.
- The parties agree on what is in and out of scope for discussion in the relationship, and for the communications and other structures that may be put in place: Challenges in other jurisdictions have been linked to misunderstandings about the scope of issues that are up for discussion and the range of potential revisions possible through the newly defined relationship.
- The sector should be sufficiently organized to identify their common agendas and differences of opinion, and ensure these perspectives are included in planning efforts. Intentional supports are needed for intermediary networks, diverse and effective consultation activities, and inclusive system planning processes.
- 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 precondition denotes the importance of sustained political and public sector commitment to the processes that are developed and approved through this initiative. Resource implications of proposed actions and elements of the policy framework should also be clarified.

Q5: What other best practices, key actions, or ongoing City/Sector structures would you propose to help achieve some concrete improvements in our capacity to advance our shared City/Sector vision and outcomes?

Q6: Is there anything else that you would like to contribute to help inform this process, and our objectives to strengthen the City/Sector relationships and impacts?