

# ***Better Together***

## **The Case for a Partnership Agreement between the Government of Ontario And the Nonprofit Social Services Sector Providing Public Benefit to the People of Ontario**

### **Introduction**

The Government of Ontario and the Nonprofit Social Services Sector share the common goal of ensuring that the necessary supports and services are in place to improve the quality of life for all Ontarians. We recognize that we are building on our strengths and what we value most: our democracy; our resilient economy; our diversity; our health care and education systems; our compassion and sense of caring for one another; and our spirit of collaboration, innovation and a desire to strive for excellence in all that we do.

Now, more than ever, we need to build a stronger, more coherent partnership between the Government of Ontario and the Nonprofit Social Services Sector. With the current fiscal pressures on all levels of government and challenges facing the Sector, the need to invest scarce resources wisely is even more urgent. The proposed framework recognizes the importance of this partnership and the unique roles and strengths that each party contributes. We believe it is a step in the right direction to help ensure more consistency, efficiency and effectiveness in the use of public funds for the delivery of social programs in local communities. It will result in better program and policy design and coordination of resources and services; and it will help to align the Government's and the Sector's priorities for improving the quality of life for all Ontarians, while ensuring that investments are directed to where they are most needed.

### **Why a Partnership Agreement and Why Now?**

The Government of Ontario invests 13 billion dollars annually on children and social services<sup>1</sup> for the people of Ontario. While some of this 13 billion is income transfers to individuals and families, a significant portion is used to provide critical supports and programs to Ontarians through local social service organizations.

Funding from the province – which comprises 79% of all government funding - is provided by a number of ministries, among them: Community and Social Services, Children and Youth Services, Training, Colleges and Universities, Health and Long

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<sup>1</sup> The definition of the sector as "children and social services" is used by the provincial government in the *2009 Ontario Economic Outlook and Fiscal Review, Background Papers* ISSN 1483-5967. Hereafter in this proposal, we refer to the social services sector as "the Sector" which includes both unionized and non-unionized organizations, and the provincial government as "the Government."

Term Care, Citizenship and Immigration, Municipal Affairs and Housing and, to a lesser extent, the Ministries of Education, Health Promotion, and the Attorney General.

There are numerous examples of agreements between the nonprofit sector and provincial and federal governments in Canada and abroad. Alberta, British Columbia, New Brunswick, Nova Scotia, and most recently, PEI, all have agreements and government resources dedicated to working closely with the Sector.

Yet, despite the size and scope of the Sector and importance of this relationship, the Government of Ontario and the Sector have no partnership agreement and, therefore, no way to consistently track and improve the relationship and its community impact. The existing web of ministry-agency arrangements and relationships, built up over decades, is no longer adequate in today's climate of fiscal restraint and increasing demands for both responsive services and accountability. A clear understanding of the unique relationship between the Government and the Sector will advance the following shared outcomes:

- Increased capacity to deliver on public policy agendas, including economic recovery, poverty reduction, youth violence prevention, the successful integration of newcomers, equity and inclusion, civic engagement, affordable and supportive housing, and health promotion.
- Better coordination of services and efficiencies in grants allocation, management and accountability processes that will save valuable staff time (both government and agency) and money.
- Respect and recognition for the unique role that each party plays resulting in a more open, transparent, collaborative and productive partnership, and ultimately, improved services and outcomes for the people of Ontario.

The Ontario Government's expenditure management plan for 2010<sup>2</sup> commits it to developing effective management practices that will require the government to re-examine its expenditures and implement new approaches to manage spending.

“This review will be guided by a policy framework that reflects the government's values of fairness, targeting those who need it most, investing for the future, and value-for-money....The government will work with its broader public sector partners to make sure that their programs are designed to meet priorities of Ontarians and yield measureable results in an efficient and effective way.”<sup>3</sup>

In the recent Speech from the Throne, the Government recognized the significant contribution of the Sector and announced “Open Ontario”, signaling its commitment to develop new ways to strengthen the not-for-profit sector and work more closely to “move our province forward.” The timing has never been better.

## **The Dimensions of the Sector**

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<sup>2</sup> Ibid.

<sup>3</sup> Ibid. page 45

Ontario's 9,000 nonprofit social service organizations employ 268,400 staff (28% of Ontario's nonprofit workforce), and attract 620,000 FTE volunteers who contribute 63 million hours of their time. Approximately 39.4% of the sector is unionized. There is a growing realization of the contribution of the Sector to our economy with a total of \$7.6 billion in revenue (2003).

A wide range of critical services are provided by the Sector to the people of Ontario on behalf of the Government, including: services for families and children, people with disabilities, seniors, at-risk youth, people living in poverty, those who are homeless and inadequately housed, immigrant settlement services, and programs for people who are unemployed.

But the contributions of the Sector go far beyond the provision of services alone, and involve community-building functions that are essential to our future success as a society. In practice, the scope of the sector's activities spans six areas:

- Contributing directly to economic activity as employers and purchasers of goods and services, and through social enterprises;
- Promoting prevention, community resilience, local capacity building, leadership and mutual support;
- Delivering accessible, responsive, culturally and gender sensitive services;
- Fostering civic participation, volunteerism and inclusion;
- Creating collaborative solutions to complex challenges;
- Undertaking social innovation and early response to emerging issues.

## **Guiding Principles of the Partnership**

**People and Community-Centred:** The best interests of individuals and communities of Ontario are paramount. Recognizing and responding to the diversity of characteristics and needs in local communities are central to the thinking and actions of this partnership.

**Cooperative and Collaborative:** The Government and the Sector seek to develop a partnership in which the parties recognize, and are respectful of, each other's values, perspectives, capacities, challenges, independence and interdependence. The partnership has adequate opportunities for dialogue and the sharing of information, and supports collaborative decision-making and action.

**Results-Oriented and Equity Focused:** The Government and the Sector share a commitment to achieving equitable outcomes for the people of Ontario and all communities across the Province.

**Innovative, Sustainable, and Progressive:** Both parties are committed to innovative, sustainable and progressive approaches to their work to ensure services and supports are most effectively delivered and targetted.

**Accountable & Transparent:** The Government and the Sector are committed to shared goals and strategies and to reporting on outcomes in a transparent and timely manner.

Accountability to the people of Ontario is paramount.

## **Partnership Framework**

It is proposed that the government establish a range of oversight mechanisms to collaborate effectively with the sector including:

- a) a Commission and Secretariat, reporting yearly to the legislative assembly of Ontario on the partnership framework/accord, progress made and opportunities available for improving the nonprofit sector's capacity to contribute to the public benefit in Ontario, and identifying actions needed to uphold the framework/accord, and
- b) a Community Sector Nonprofit Division under an existing ministry with responsibility for upholding the partnership framework/accord, facilitating cross-ministerial planning, policy-development and coordinated funding relationships with the sector.

It is further proposed that the Government and the Sector develop benchmarks and processes that will be applied in all government ministries that provide funding to the Sector.

The proposed Framework will help to ensure consistency in the partnership relationship between the Government and the Sector across ministries in the following areas:

### **Legislation, Regulation, and Policy Development**

- All new legislation, regulation or policy development shall include a due diligence screen for its impact on individuals and the work of the Sector.
- Consultation processes between the Government and the Sector on policy development shall ensure a sharing of perspectives and potential impacts and an opportunity to develop improved solutions together.
- The Government and the Sector shall ensure that the people of Ontario affected by a policy or regulation are provided with opportunities to participate in its development or redesign.

### **Program Design and Delivery**

- Each Ministry shall have in place a process to involve their sector partners in program design and objectives. This will ensure service delivery and community contexts are considered.
- The government and the sector will work together to assemble key information on service delivery and community trends, issues and opportunities, so that effective service and financial planning can occur.

### **Funding Process and Practice**

- The government and the sector will look to best practices to establish benchmarks and standards that govern their funding relationship.
- Each Ministry will be responsible for ensuring its funding practices comply with benchmark guidelines on such items as internal planning and funding processes, multi-year and single year funding criteria, contract terms and conditions,

- financial reporting standards and systems, requests for proposals, management of surpluses/deficits, appeal processes, changes in service targets or funding levels.
- Both parties commit to building a relationship and interactive communication to allow for informed dialogue regarding service expectations, funding terms and conditions, agreed upon outcomes and service benchmarks.

### **Research and Innovation**

- Each Ministry, along with their community partners, will identify and undertake research and fund service innovation.
- Sector partners will be provided with opportunities to participate in research and service innovation.
- Both parties will collaborate in the implementation of new processes and service improvements.

### **Transparent Accountability and Reporting**

- Both parties will report on their service provision and benchmark indicators annually.
- A composite report across Ministries will be provided on government-wide benchmarks.

### **Partnership Review**

- The government and the sector will review the partnership annually, address issues and concerns and strive continuously to improve their ability to collaborate to serve best the people of Ontario.

The Framework for Partnership articulated in this proposed agreement will enable both the Nonprofit Social Services Sector and the Government of Ontario to respond more effectively and efficiently to the current and future needs of Ontario's diverse population.