

Funding Our Future

A Community Consultation on the Voluntary Sector in Ottawa

*Held June 2, 2004
Report Released November 2004*

Sponsored by

The Canadian Council on Social Development,
The Centre for Voluntary Sector Research and Development,
The Ottawa Chamber of Voluntary Organizations,
Citizen Advocacy,
The Ottawa Coalition of Community Health and Resource Centres,
The Council on Aging of Ottawa,
Family Services à la famille Ottawa,
Services d'entraide communautaire,
The Social Planning Council of Ottawa

**Thanks to
UNITED WAY / CENTRAIDE OTTAWA**



**Copies of this report can be obtained in English, French and large print from
The Social Planning Council of Ottawa
280 rue Metcalfe Street, Suite / bureau 501
Ottawa, Ontario K2P 1R7
Tel: (613) 236-9300 Fax: (613) 236-7060
E-mail: office@spcottawa.on.ca
Internet: www.spcottawa.on.ca**

Organizing Committee

Al Loney – Council on Aging
Pierre Périard – Services d'entraide communautaire
Jacqueline Neatby – Council on Aging
Sue Van Iterson – Council on Aging
Dianne Urquhart – Social Planning Council of Ottawa
Tim Simboli – Family Services à la famille Ottawa
Brian Tardif – Citizen Advocacy
Margarite Keeley – Coalition of Community Health and Resource Centres
Debbie Pike – Canadina Council on Social Development
Paula Speevak-Sladowski – Centre for Voluntary Sector Research and Development
Andrew Price – Council on Aging
Carol Burrows – Council on Aging

The Project Team would like to thank the following for their help and collaboration on this project.

Lynne Toupin, Director, Community Foundations of Canada
Lynn Eakin, Lynn Eakin Associates
Dick Stewart, President, Community Development Halton
Alex Munter, Visiting Professor, University of Ottawa
John B. Kelly, Chairman, NexInnovations Inc.
Ken Fisher, for working on the report.

Report Completed November 2004 kf/du:spc
ISBN # 1-895732-35-2

Table of Contents

<i>Context</i> _____	5
Summary of Speakers' Presentations _____	6
Lynne Toupin, _____	6
Lynne Eakin _____	6
Dick Stewart _____	6
John Kelly _____	7
<i>What are the impacts of current funding frameworks on Ottawa's voluntary sector, and what are our current responses?</i> _____	7
1. What are the challenges with the way you get your money right now? _____	7
1. <i>Unfunded Administrative Overload</i> _____	7
2. <i>Fractured Approach</i> _____	8
3. <i>Short-term Gain, Long-term Pain</i> _____	8
4. <i>Grantsmanship versus Proven Programming</i> _____	9
5. <i>The Limits of Competition or the Spanish Trawlers of the Fundraising World</i> _____	9
6. <i>Unfunded Expectations to Collaborate</i> _____	9
7. <i>Insecurity in the Sector Related to Changes in Political Will</i> _____	10
8. <i>Funder Accountability</i> _____	10
9. <i>Problematic Evaluation Expectations</i> _____	10
2. What is the impact of the way you get your money right now? _____	10
1. <i>Negative Impact on the Human Resources of the Sector</i> _____	10
2. <i>Sailing a Leaky Boat Without a Compass</i> _____	11
3. <i>Keeping Up with the Past</i> _____	11
4. <i>Mission-Drift</i> _____	11
5. <i>Changing Directions / Changing Cultures: Administrivia versus Service</i> _____	12
3. What have you done in your organization to address the challenges or impacts of your funding? _____	12
1. <i>Lean and Mean or Simply Survival?</i> _____	12
2. <i>Let's Get Real!</i> _____	12
3. <i>Changing Job Descriptions / Increased Reliance on Volunteers</i> _____	13
4. <i>Collaborators</i> _____	13
4. What are the challenges and impacts you know others in your networks face with respect to how they get their money? _____	13
1. <i>On Life-Support</i> _____	13
2. <i>Unnecessary Tensions</i> _____	13
5. What strategies, particularly collective strategies, have been used within your networks, or you have you heard of from other jurisdictions to address these challenges or impacts? _____	14
1. <i>The Growth of Sectoral Coalitions</i> _____	14
2. <i>Resources Development</i> _____	14
3. <i>From Dependency to Synergy</i> _____	15
4. <i>Public Awareness and Knowledge Access</i> _____	15
<i>Moving Forward to Enhance the Voluntary Sector</i> _____	16

I. What strengths of the voluntary sector in Ottawa should we protect and build on over the next five years in order to achieve a sector which works better?	16
1. <i>Community Based, Responsive and Client-Centred</i>	16
2. <i>Capacity and Willingness for Cooperation and Partnerships</i>	16
3. <i>Commitment, Passion, Energy and Expertise of Volunteers</i>	17
4. <i>A Dedicated, Experienced Workforce</i>	17
5. <i>Excellent Value for the Money</i>	17
6. <i>A Creative, Innovative and Sophisticated Sector</i>	17
7. <i>Diversity of the Organizations</i>	17
8. <i>Local Government's Commitment to the Sector</i>	18
9. <i>Additional Assets in the Community</i>	18
II. If we were to move forward on efforts to make the sector work better, what resources or tools would be important to support this.	18
1. <i>Better Funding Mechanisms</i>	18
2. <i>Improved Communications Within and About the Sector</i>	18
3. <i>Tools to Build Capacity within the Sector</i>	19
4. <i>Coordination and Collaboration</i>	19
5. <i>Research and Data</i>	19
6. <i>A Vision and a Plan For a Stable and Effective Voluntary Sector</i>	19
7. <i>Creating Safe Spaces for Advocacy</i>	20
III. Who would have to be involved if we were to be successful in working toward improvements in the capacity of the voluntary sector in Ottawa?	20
IV. What recommendations for action do you believe are necessary to give leadership to addressing the impacts raised today?	20
1. <i>Establish the Leadership Group</i>	20
2. <i>Develop a Plan of Action</i>	21
V. What contributions could you make to a collective strategy to improve the sector?	21
VI. If we were to work together toward the goal of a stronger or healthier voluntary sector in Ottawa, what would be necessary elements of a model for working collectively?	21
1. <i>Broad Participation, Coordinated Through a Leadership Function</i>	22
2. <i>Partnerships and Collaboration</i>	22
3. <i>Sustainability of the Sector</i>	22
4. <i>Sustainability of the Initiative</i>	22
5. <i>Action and Accountability</i>	22
6. <i>Transparency</i>	22
7. <i>Trust and Respect</i>	22
Next Steps	23
Appendix 1 Specific Activities Suggested	24

Context

In 2003 the Social Planning Council of Ottawa held a community consultation with over 100 funders and agencies, which highlighted that the nonprofit sector in Ottawa was facing serious funding challenges, compounded by evaluation pressures. At the same time, based on national data, the Canadian Council on Social Development (C.C.S.D.) published its report entitled “Funding Matters.” The report issued the warning that due to the erosion of financial capacity of nonprofit and voluntary organizations, the viability of much of this sector appeared to be threatened.

The national report echoed the local experience, which was about to be further exacerbated by contentious municipal budget deliberations. Many organizations began to find ways to combine forces to challenge the forthcoming budget cutbacks. In early 2004 several organizations, led by the Council on Aging of Ottawa, decided on the additional measure of holding a sector-wide consultation with the purpose of determining if the experience in Ottawa was similar to what the C.C.S.D. had found nationally as well as to ascertain how local funders and local voluntary sector agencies could work together to enhance capacity for the benefit of the whole municipality. The sponsoring organizations included The Canadian Council on Social Development, The Centre for Voluntary Sector Research and Development, The Ottawa Coalition of Community Health and Resource Centres and The Ottawa Chamber of Voluntary Organizations, The Council on Aging of Ottawa, The Social Planning Council of Ottawa, Citizen Advocacy, Family Services à la famille Ottawa, and Service d'entraide communautaire.

With the participation of 180 persons, representing Ottawa's voluntary sector organizations and funders, “Funding Our Future” took place on June 2, 2004. The consultation was funded by the contributions of the partners and the generous support of The United Way / Centraide Ottawa. Participants benefited from presentations from four distinguished guests. Then participants broke into ten discussion groups. One was in French, one was bilingual. All focus groups followed the same format. In the morning, participants in the discussion groups discussed the challenges of the way in which they receive their funding and the positive and negative impact on their organization. As well, they discussed responses to these challenges. In the afternoon they discussed what could be done to improve the stability of the sector. This report summarizes the primary themes from the ten focus groups. The themes under each question are listed in the order which reflects the participants' emphasis.

A lunch-time speaker kept the group motivated over lunch. The day was moderated by Alex Munter – Visiting Professor of Urban Studies in the Faculty of Social Sciences at the University of Ottawa, radio and television commentator and Ottawa Citizen columnist.

Summary of Speakers' Presentations

Lynne Toupin,

Project Director for Developing Human Resources in the Voluntary Sector, Project Director for a Feasibility Study for a National Human Resource Council for the Voluntary Sector and Co-chair of the Accord Joint Table, a part of the Voluntary Sector Initiative.

- In Canada the nonprofit sector has a paid staff representing about 8% of Canadian workers, about the same size as those employed in oil and gas, drawing a salary of about one billion dollars.
- Well educated and highly committed, representing a cross section of all Canadians, this group of workers gives meaning to the statement 'overworked and underpaid'.
- Because of the funding cuts and the growing bias towards short-term funding, there is a 30%-35% turnover of staff in this sector, which is very costly. While for many, 'Freedom 55' is becoming 'Freedom 75' the young professional wants benefits and the possibility of a pension. Since this is not available in this sector, they tend to work elsewhere.
- Burnout and stress also very much affect the diminishing volunteer base.

Lynne Eakin

Non-Profit Sector Consultant, author of 'Capacity Draining: The Impact of Current Funding Practices On Non-Profit Community Organizations' written for The Community Social Planning Council of Toronto.

- In the light of the fact that it takes \$1.14 to process \$1 of funding, projects are subsidized by 14%, which comes out of core costs. It is of great importance to redefine core costs and 'real program' costs.
- Instability is widespread when 15% of project funding follows the 'get it started – close it down' story line.
- The number one under-funded portion of budget is staff benefits. Next are monies for supervision. Instead of supervising 8-10 persons, one supervisor might have as many as 25. Both are the consequence of trends in what funders are not willing to cover.
- 58% of the overhead of the sector is ineligible for funding. For a sector that by its very nature is people heavy, the stress of this has reached a crisis.

Dick Stewart

President: Community Development Halton, Former Head of The City of Ottawa's People Services

- After 10 years of cut backs and agency cooperation with funders it is time for funders to cooperate with the agencies. Funders must also be held accountable.
- For this precipice to be properly appreciated, strong local research is required. Best and worst practices need to be highlighted to foster discussion.

- The voluntary sector has to speak with one voice and focus attention on the new urban agenda. The definition of infrastructure needs expansion to include the social services of the nonprofit and voluntary sector.
- Is now the time for political theatre to elevate public awareness? What if program closings, long waiting lists and the ‘uploading’ of files that can no longer be carried by the voluntary sector, were parts of what might be demonstrated in a virtual strike? We need to make it difficult to be taken for granted.

John Kelly

Chair of NexInnovations Inc., Principal at Reid Eddison Inc., a Canadian technology mentoring company, Chair of CATA (Canadian Advanced Technology Alliance), serving on the boards of a number of private, public and non-profit organizations.

- The key difference between the private sector and the non-profit and voluntary sector is there is a direct relation between customer needs and customer satisfaction in the private sector, whereas in the non-profit and voluntary sector, funders are not the direct beneficiaries of your services. Therein lies the disconnect.
- When a company dies, the shareholders, investors and employees are affected. But in the (decade-long) delegation down of responsibility from the feds to the provinces to the municipalities, it is everyone who is affected if an agency closes. “For example, when the phone rings at the rape crisis centre, what would happen if there was no one to answer?”
- In business we are learning ‘to collaborate to compete’, and that not only is knowledge power, ‘sharing is power’.
- Don’t ask the private sector for money. Ask for the skill sets you need, such as HR or communications.

Summary of Morning Discussion Groups

What are the impacts of current funding frameworks on Ottawa’s voluntary sector, and what are our current responses?

1. What are the challenges with the way you get your money right now?

1. Unfunded Administrative Overload

- Because of conflicting demands, inadequate funding and limited fundraising capacity, organizations are overwhelmed by the time and talent necessary for fundraising. While prevalent, asking program staff and volunteers to take on additional responsibilities for fundraising is a recipe for burn-out.
- Resources are limited or non-existent from which to draw funds to cover the real costs of hiring personnel to raise funds, as well as those experienced in the areas of communications and marketing. Staff and volunteers subsidize administrative costs by adding these functions on top of their program work.
- Multi-tasking for mere survival leads to burn-out.

- The demand for services has climbed considerably while funding has stagnated. In order to sustain services, some organizations have simply maintained or reduced salaries to compensate for reduced funding. Nevertheless, factors such as pay equity, baseline compensation and benefits and hydro costs, have increased overall costs. “One is always asking, “What’s going to happen today, tomorrow, next week, next month?”
- Organizations need the support of summer students and volunteers, yet funders often do not see the need to fund the valuable time of staff to supervise these essential resources.
- Often funders' requirements for application, administration, reporting and evaluation reports negate the time and effort it involves to apply for small amounts of money. \$5,000 or \$10,000 becomes too costly administratively.
- The City no longer budgets \$250 per agency for liability insurance which agencies now have to pay in order to be eligible for funding.

2. *Fractured Approach*

- Funding sources are fractured. Reporting requirements can differ considerably between funders and funding streams and are not synchronized. Micro management, late payments, turnover of program officers and weak communication links, are other factors affecting the recipient organization’s ability to make decisions and reduce uncertainty.
- Eligibility criteria may differ between funders, requiring the recipient organization to create differing classes of clients and staff.
- The funder’s philosophy often differs from the recipient’s. Fitting the mission of the organization into the funder’s context is one dilemma.

3. *Short-term Gain, Long-term Pain*

- In the absence of long-term (multi-year) funding, long-term plans are chronically uncertain. Covering the costs of rent, office equipment, supplies and salaries, adds to workplace insecurity. Long term or strategic planning can only be speculative.
- Short-term funding reduces organizational capacity. Financial insecurity affects staff recruitment, staff morale and the delivery of core services.
- Funders ask for long-term plans and logic models to support project funding. While an organization can have satisfactory project funding, its core funding may be in jeopardy. Organizations in joint ventures can be affected in this manner also.
- As well, the evaluation requirements commonly want long term impacts demonstrated within short term projects. “It is extremely difficult to evaluate life changes for people” as a deliverable, particularly within a one year timeframe. With a complex set of issues and variables, new criteria for measuring impacts needs to be created.

4. *Grantsmanship versus Proven Programming*

- It is much easier to locate short term project funding than on-going program funding because the former is fashionable. Useful 'mature' programs can fall out of fashion despite the fact they may be providing essential services.
- Organizations with less expertise in the « art » of writing grants are disadvantaged, even if the programs they are proposing are of equal merit.
- Experienced staff who excel at delivering programs and serving their clients are increasingly being required to become fundraisers. This takes time away from service delivery.

5. *The Limits of Competition or the Spanish Trawlers of the Fundraising World*

- Competition for donor dollars finds organizations applying to the same donors for the same sources of funds. Those with low profiles must compete with those of high profile.
- In many cases, individual donors are now tending to spread their monies into smaller portions, limited in time and focus. Donors tend to be older and are shrinking in numbers.
- “How many three-legged races and bake sales can we carry out for our organization?” And how many other organizations are doing the same thing? Donors are becoming fatigued.
- While there is an increasing diversity in funding sources, diversifying one's funding base becomes problematic for some organizations. In many cases, the amount of funds available from any one source is decreasing, creating a situation whereby greater effort is needed to secure the funds necessary to keep organizations viable.
- Having to compete with other organizations for funds to support programs of benefit to mutual clients, adversely affects coalition building.
- The disparity in 'public profile' negatively impacts some organizations, even if they are offering important services. Some charities, for example, are high profile or address highly sympathetic issues, and therefore are able to attract more donation dollars.
- Non-profits which are not registered charities (for example networks), cannot issue tax receipts, and therefore face unique funding challenges.

6. *Unfunded Expectations to Collaborate*

- Building partnerships, educating the public, public engagement and advocacy all require funding, which is not easily available.
- Often community members and other agencies are unwilling to participate in joint activities without adequate financial remuneration. How is support delivered to individual organizations as they take action on multiple inter-linked issues?
- Many organizations are challenged to demonstrate value, have visible branding, relate to the community at large and have their profile visible to both funders and

politicians. Mutual support to get ‘the lay of the land’ and how to participate in the community is needed.

7. Insecurity in the Sector Related to Changes in Political Will

- Funding for programs is often determined by the political agenda, not by the needs in the community.
- Sustainability of the organizations is also continually threatened as a result of politically driven agendas and shifting funding priorities.
- Adjusting to jurisdictional shifts and amalgamation has had its attendant costs on service delivery.

8. Funder Accountability

- How are funders held accountable? What determines responsible core funding? There is a real fear of censure or reduction in funding if agencies criticize funders privately or publicly.

9. Problematic Evaluation Expectations

- Evaluation expectations, which come with the diverse funding streams, are inconsistent and often unrealistic.

2. What is the impact of the way you get your money right now?

1. Negative Impact on the Human Resources of the Sector

- Because funding is primarily organized around relatively short term projects, organizations cannot offer stable employment to qualified staff
- This leads to excessive turn-over, morale problems, inability to attract appropriate staff, inability to develop staff expertise / training, loss of experience / corporate history within the organization
- Salaries are not competitive with the public or private sectors, nor are benefits or working conditions
- The administrative costs related to human resources are unnecessarily high because of the turn-over.
- As well as the adverse impact on service delivery and organizational integrity, there is a general sense of staff burnout. Workloads and work complexity have significantly increased at the same time, resources have decreased. Staff are overworked and underpaid.
- Recruitment is particularly difficult for Francophone organizations.
- The effects of the arrival or non-arrival of funds is felt by the staff, volunteers and clients.

2. *Sailing a Leaky Boat Without a Compass*

- Short-term funding discourages long-term planning, or makes it purely speculative. Because of the constant need to secure funds, the focus on clients is difficult to maintain. Without long-term planning, it is impossible to attract the necessary skills and build the capacity of the organization.
- The unpredictability dictates that organizations can start only what they have funding to finish or they risk further eroding their credibility or depleting the organization's resources.
- For evaluation, short-term results replace outcomes.
- While agencies try to pick up the slack created in the downloading of services, resources for activities such as the shifting of business practices to improve management and administrative functions, community building, health promotion and the management of volunteers are ever diminishing.
- Some agencies operate for six months of each year without knowing what their budget is or will be.

3. *Keeping Up with the Past*

- Although community needs are growing, there are few resources for new initiatives let alone adequate resources for existing or emergency requirements.
- The voluntary sector is largely unprepared for demographic changes. Yet without significant investment now, can we afford the additional costs later? For example, homes for the homeless significantly reduce the costs on health, social and police services. Youth outreach services reduce the costs of prisons.
- In many cases quality of service declines (longer waiting lists, more stringent service criteria, etc.). The impact is borne by those least able to cope.

4. *Mission-Drift*

- Although the organization's are required to have Boards of Directors, the funding arrangements unduly intergere with the autonomy of the Board. Funders are becoming silent partners with greater control on the setting of priorities, taking away agency autonomy and creativity. On the one hand there is a greater emphasis on 'social entrepreneurialism' and on the other, time has to be allocated for the funders apparent idiosyncratic demands.
- The funder's direction is often at odds with that of the agency's. When funders dictate program, agencies go outside their mandates and objectives to find funds. Funders then drive services and delivery, rather than it being driven by the needs of the community. Mission-drift erodes the credibility of an agency with those it serves.
- Successful projects can die from not being able to fit themselves into the current funding descriptions. "Doesn't seed money imply watering?"

5. *Changing Directions / Changing Cultures: Administrivia versus Service*

- More time is now required for paperwork, proposal writing, fundraising and lobbying. This is seen as a major distraction from the delivery of services. There is so much focus on money that it permeates every aspect of service. It takes more money to raise money. Precious resources are used for proposal writing. It is challenging to keep organizational membership fees affordable.
- Agencies are having to learn the language of corporate fundraising in order to be competitive and to succeed. Some professional staff leave rather than be in an environment where so much energy is diverted to fundraising. These tensions enhance inefficiencies. People are often running in different and unrealistic directions. The interruption of service delivery is compounded not only by having to change directions, but having to change cultures as well.

3. What have you done in your organization to address the challenges or impacts of your funding?

1. *Lean and Mean or Simply Survival?*

- Organizations have taken a variety of steps in an effort to operate within the new structures. With the involvement of all employees and board members, agencies have gone so far as to cut, eliminate or sharply refocus services. Having reduced the infrastructure to a skeleton, some no longer advertise services for fear that they will be overloaded.
- Whether saying ‘no’ to certain funders to reduce attendant administrative costs, getting in-kind contributions or raising service fees to recover delivery costs, agencies are being careful with every penny.
- Efforts are being made to further diversify funding sources.
- Greater visibility is being sought through launching annual fundraising events, membership drives, raising the organization’s profile and attracting new donors.
- Services are being identified that are especially marketable.
- Efforts are being made to partner with corporations to have either a sponsorship or a collaborative approach to fundraising. In other circumstances, the City and corporate funders have collaborated to address voluntary sector issues.

2. *Let’s Get Real!*

- Closer connections to funders are being developed in order to increase their understanding of the service provider. Regular communication includes both successes and challenges, such as the necessity of reducing staff. Some agencies have generated new models of accountability to better inform their funders. The bottom line is that the funder be made aware of the consequences of their decisions.
- Agencies are reporting more of their real costs. While still paying non-competitive salaries, funding is being sought for positions of .5 FTEs minimum in

order to include some benefits. One agency reported getting City funding to assess a key program, the results of which leveraged the program into another funding stream.

- In some sectors there is some movement toward a three year funding framework.

3. *Changing Job Descriptions / Increased Reliance on Volunteers*

- Agencies have to do more with less, while avoiding endangering staff and having sufficient risk management. Salary inequity continues to increase, administration has been reduced to bare bones, and demands on staff, boards and volunteers have been escalated to maintain sustainability. Whether through student placements, training new Canadians, getting more volunteers for committees or contracting out, the hunt is on for more personnel. New hirings focus on fundraisers, proposal writers, public relations and branding. Board members are taking on fundraising roles to generate funds internally and externally.

4. *Collaborators*

- When no longer trying to be all things to all people, agencies are learning to link with peers to share knowledge and adjust objectives in a complementary fashion.
- Forming partnerships can improve survival. Mutual respect has aided resource development. Inter-agency involvement, idea sharing and brainstorming, has resulted in service delivery partnerships.
- A growing collective, strategic voice is emerging from working together. Agencies are hosting sector meetings to strengthen the base for trust and collaboration.
- Organizational cultures are shifting towards more active expressions of social justice or social entrepreneurialism. Lobbying local politicians is becoming ongoing. Social challenges need the same profile as roads and bridges. Social priorities need to be on the urban agenda as part of municipal rebuilding.

4. What are the challenges and impacts you know others in your networks face with respect to how they get their money?

1. *On Life-Support*

- The impact of funding cutbacks and demands greater than resources, has forced organizations into survival mode. While some learn how to do less with less, others reduce their hours of service and still others will close their doors.
- Funding ambiguities include: no monies for core functions yet funds for a project; staff inequality on a single project with different funding sources; funds for a project but not for staff.

2. *Unnecessary Tensions*

- Seeds of mistrust are found when: similar agencies compete for the same funds; smaller agencies are created to meet specific needs previously dealt with by larger organizations; and Francophones continue to feel assimilation pressures in larger networks.
- While many forms of competition lead to fragmentation, collaborative approaches are gaining ground. Areas of service delivery in a particular sector are being explored to reduce duplication and to ensure collective funding.
- After ten years of budget cuts, organizations are learning to be constructively self-critical of both service delivery and organizational practices; are technically more adept; and pushed into more effective and versatile practices. Executive Directors are better trained. Working relations between the public, private and voluntary sectors are seen as essential for public well-being.

5. What strategies, particularly collective strategies, have been used within your networks, or you have you heard of from other jurisdictions to address these challenges or impacts?

1. The Growth of Sectoral Coalitions

- Within the City there is a movement to develop cross-sector coalitions. Some agencies have formed networks around particular issues. Prominent are the Coalition of Community Health and Resource Centre, Champlain Addictions Coordinating Body, The Ottawa Mosaic, The Francophone immigrants network, women's organizations, Motion Ottawa and the Alliance to End Homelessness.
- Beyond Ottawa, coalitions mentioned were: the Halton Roundtable for the Voluntary Sector and Funders, the Toronto coalitions for disaster relief and for minority organizations, senior home-support agencies in some parts of Ontario, the B.C. public/voluntary sector task force, the Funders Forum in Red Deer, Madison Wisconsin's 'Community Shares' concept and Oregon Capacity Building – cityrepair.org
- While collective strategies may not work for all organizations, there is a need for more venues to bring the community together. Opportunities, such as this community consultation are valuable. More means of networking are being utilized. Besides roundtables, teleconferencing, email and listserves are being employed.
- Chambers of Voluntary Sector Organizations appear to be functioning successfully in Edmonton, Calgary and Halifax. Most receive funding from private foundations, not the Voluntary Sector Initiative. There is also the Federation of National Voluntary Sector Organizations. At the local level, the Ottawa Chamber of Voluntary Organizations has started but is struggling.

2. Resources Development

- Much mention was made of student engagement through partnerships between community-based organizations community colleges and universities. Carleton

- University and Ottawa University students have been helping with research, seniors housing, and community work.
- Social entrepreneurship is a huge trend. The Roasted Cherry Coffee House helps youth acquire workplace skills. The Centretown Laundry Co-op is a business operated for and by low-income persons. The Community Economic Development Network is promoting Asset-Based Community Development. Some marketable services are limited by the financial abilities of their clients. Partnerships are also being developed through in-kind services.
 - Mentorship is another medium for resource development. New ethnic and immigrant groups have found mentors to increase their organizational effectiveness. New organizations have partnered with more established agencies. Some organizations have partnered in knowledge-sharing to review each other's operations.
 - There is also a trend towards resource sharing. e.g. the sharing of office infrastructure and the sharing (or renting out) of office and meeting space. Francophone voluntary organizations would be mutually strengthened should they be able to co-locate. Caisse Populaires are becoming more involved in funding the francophone organizations that are its members.

3. *From Dependency to Synergy*

- There is pressure growing for longer-term funding to stabilize service delivery. Agencies are making greater efforts to educate funders about overall system delivery fatigue. C.C.S.D.'s 'Funding Matters' is being widely distributed to inform funders of the nature of the current crisis and to promote the Code and Accord.
- Many local organizations have adopted a politician. While lobbying and advocacy around municipal practices continues, the coalition formed around the latest budget debate is raising the question of a more participatory budgeting process.
- At the provincial level, there is a trend towards greater inter-ministerial cooperation to bridge bureaucratic silos and better serve citizens in need.
- There could be some inspiration from environmental organizations that have an umbrella foundation. What are the next steps in collective fundraising?

4. *Public Awareness and Knowledge Access*

- Efforts to increase public awareness are expanding. Instead of being 'bad', communities are being redefined as 'vulnerable'. To engender public support, the value of the voluntary sector has to be more widely promoted.
- The concept of holding a virtual strike was entertained as a tool to raise public awareness and influence public policy.
- There is the need for specific research to support our concerns. The Social Planning Council's emerging 'Bank of Knowledge' would help as a central information source for the sector. We can get together to buy and collect information. We can share databases across Canada.

- Continuing efforts must be made to reduce ignorance of funding sources available to community agencies. When everyone adopts the same funding strategy we end up bidding against each other. This erodes trust and transparency amongst agencies. Without sufficient interagency communication, the risk of services duplication increases.
- The voluntary sector must respond to the growing public perception that the funder is the service deliverer. It raises the question of either making the voluntary sector's essential services more visible or reversing downloading and placing ownership of some services, such as food banks and breakfast programs, squarely back in the public sector.

Summary of Afternoon Discussion Groups :

Moving Forward to Enhance the Voluntary Sector

In the afternoon, participants focussed on strategies for voluntary sector agencies and funders to work together to make improvements which would enhance the capacity of Ottawa's voluntary sector. They remained in the same discussion group as in the morning. Each discussion group addressed the same six questions, reported below. The summary of the discussion reflects the degree of emphasis placed on the various points. There was a strong similarity in the overall suggestions that came from the ten groups, which collectively points to some clear directions for moving forward. Individuals had many specific strategies or actions which were worthwhile. These are listed at Appendix 1 for consideration within the formal follow-up to this consultation and for the convenience of individual agencies and networks who may wish to take some initiative on their own.

I. What strengths of the voluntary sector in Ottawa should we protect and build on over the next five years in order to achieve a sector which works better?

1. Community Based, Responsive and Client-Centred

Organizations and agencies are firmly grounded in the grassroots of the community. They are managed by committed volunteer boards, which are a significant asset. Sensitive and knowledgeable, the organizations understand the needs of their clients or members and are determined to enhance autonomy and quality of life. 'Flexibility' is a touchstone to delivering a wide variety of services, in response to changing community needs and an ever changing environment. Community members feel a sense of ownership of community services and the service providers continuously learn from the community. It is inclusive with respect to gender, race, age, culture.

2. Capacity and Willingness for Cooperation and Partnerships

The willingness to cooperate and collaborate, taking a team approach, and sharing or lending capacity are all touchstones of the culture of Ottawa's voluntary sector. Organizations work together on common goals while maintaining an awareness of mandates/activities/needs of other organizations within sector. There is a strong concept of belonging to the same community among voluntary sector agencies.

Sharing of information and networking is understood as a source of professional development.

3. *Commitment, Passion, Energy and Expertise of Volunteers*

Volunteer involvement is a major strength of the sector, with one in every three Ottawa residents volunteers. The sector is experienced in incorporating volunteers and benefitting from their rich backgrounds and experiences. Volunteers are the foundation of community efforts and provide an essential perspective which complements that of paid staff. Youth are becoming more involved, through the requirement for 40 hours of volunteering. There are some supports for volunteers (recruitment, development, recognition, management), but there is a need for more supports to maintain and enhance this asset. Demographic changes may affect the number of active volunteers in the future.

4. *A Dedicated, Experienced Workforce*

The foundation of Ottawa's voluntary sector is a committed, experienced, flexible and skilled workforce. They are committed to their communities and their clients or members, but may not be experts in fundraising and other new obligations. There was a unanimous concern about the current unrealistic expectations of the voluntary sector workforce, the lack of competitive salaries and benefits, the high incidence of burn-out, and the loss of skilled workers to other sectors. There is an absolute imperative to invest in human resources for the sector.

5. *Excellent Value for the Money*

The services provided by the sector are high quality and cost-effective. As well, the impact of the services provides extremely high "real" value to society in terms of quality of life. The community is getting a high return on its' investment in the sector. However, there is a poor understanding of the sector, its' role and the business case for its services.

6. *A Creative, Innovative and Sophisticated Sector*

Ottawa's voluntary sector is creative, innovative and constantly learning. There is considerable expertise in management, human resources, program development to complement its' knowledge of the community. The sector is astute, with a capacity for analysis, policy development, advocacy and in some cases activism, in relation to all three levels of government. It supports the development of additional local leadership by breaking down social barriers and increasing capacity. It has a long term vision of a healthy and caring City.

7. *Diversity of the Organizations*

The sector is very diverse, reflecting the diversity of Ottawa's population and the variety of needs. There is a strength in the different approaches, the distinct expertise of each organization, and variety in the delivery of services. It is important to preserve this diversity, with respect to size, mission, approaches, target group, and language/cultural capacity.

8. *Local Government's Commitment to the Sector*

The sector is very fortunate to have a municipal government which is committed to the sector. The Ottawa 20/20 plans highlight a strong community vision and a recognition of the important role of the sector

9. *Additional Assets in the Community*

Additional assets which were identified were Ottawa's universities and colleges, the considerable wealth in the community, and the vibrant private sector. The Chamber of Voluntary Organizations could be a strong voice for the sector, and the community based planning bodies in the City (the Council on Aging and the Social Planning Council) could provide networking and coordination within the sector. The coalition which formed around the Municipal Budget 2004 process is an example of positive activity in the sector, and points to the need for a more participatory budgeting process.

II. If we were to move forward on efforts to make the sector work better, what resources or tools would be important to support this.

1. *Better Funding Mechanisms*

The primary element with respect to capacity for the sector is a funding structure which includes core funding and stability. This would allow organizations to stabilize their staffing and to plan long term. Better funding mechanisms would address four elements :

- a) Adequacy , i.e. funding levels that cover the full cost of services including true infrastructure (core) costs.
- b) Stability and predictability, including multi-year allocations, timeliness of decisions, on-going support for successful services, and comparable costing for similar programs within different organizations.
- c) Reasonable administration in relation to the amount of funding, specifically streamlined application processes, reporting and evaluation requirements which are realistic in relation to the size of the grant, cooperation between funders on processes to reduce multiple applications/evaluations. Some participants would like to see less competitive funding processes. There is a high need for standard tools and easy-to-use templates, such as standard application and reporting forms to diverse funders, editable PDF applications with built in calculations of budgets, cost and program audit tools, logic models for project management, examples of good and bad proposals.
- d) A focus on addressing needs rather than on grantsmanship. There is a need for flexibility around funding silos in order that there can be responsiveness to new / emerging needs without taking away from on-going needs.

2. *Improved Communications Within and About the Sector*

There was strong agreement across discussion groups that there is a pressing need for a communications strategy to promote the need for and the value of the voluntary sector. Our role is poorly understood, and when there is a public focus on the sector it is often characterized as a special interest group rather than the vehicle for

improving quality of life. Even the term « voluntary sector » is poorly understood. Compelling spokespeople for the sector are necessary. Many participants supported the idea of a virtual strike, which was suggested by one of the morning speakers.

A further need was identified for improved communication within the sector, particularly among the different parts of the sector, such as social services, recreation, arts and culture, heritage. . As well, individual organizations need support to develop their own communications skills, in order to promote their services to the community.

3. Tools to Build Capacity within the Sector

Participants identified the need for opportunities for staff development, improved supports for volunteers, assistance with funding diversification, and management supports (e.g. with respect to managing finances). Several identified it would be helpful to have a skills development fund for training, a service bureau to help organizations with standard functions such as policy development, accounting structures, strategic planning and to enable collective actions such as group purchase of benefit packages etc. One group suggested creation of a community building to house agencies.

4. Coordination and Collaboration

Improved resources and structures are necessary to enable organizations to collaborate. Time, staff and funding are necessary for networking and partnering, but these types of costs are not covered in most current funding frameworks. As well, there is a need for improved networking structures, particularly to develop links between different parts of the voluntary sector on the one hand (e.g. arts and culture, social services etc.) and between the voluntary sector and the private sector on the other hand. Several participants identified the need within existing networks and collaborations, for organizations to identify and address duplication of services and for funders to clarify their diverse roles.

5. Research and Data

The sector needs research and statistics with respect to demographics, the situation within the sector and the sector's impact (the business case). We need to be able to tell stories as well as use verifiable facts and statistics. We also need better mechanisms for sharing the knowledge we have already created with respect to the sector and the needs in the community. Part of research strategy must include the dissemination and communications strategy.

6. A Vision and a Plan For a Stable and Effective Voluntary Sector

The sector needs a shared vision, which reflects what the community and the sector could and should look like in the long term. It needs to be less focussed on the needs of individual organizations and more focussed on the needs of the community. However, it should be based on current assets in the sector, which would require a recognition the high quality of service currently provided through the individual organizations. Many suggested increased collaboration would be a key element in a vision. As well, sustainability would be critical, specifically moving away from the

concept of « doing more with less », and setting priorities on what can reasonably be done with the limited amount of funds available for the work of the sector.

7. Creating Safe Spaces for Advocacy

There is a need for structures, or « safe places », for dialogue between funders and agencies to address collective concerns. Advocacy on behalf of community needs and in relation to stability of the sector needs to be seen as positive and an important role for organizations, not an adversarial issue.

III. Who would have to be involved if we were to be successful in working toward improvements in the capacity of the voluntary sector in Ottawa?

Participants in the discussion groups identified the need for very broad participation in the initiative. This included organizations from all parts of the voluntary sector (from the Boards, management, paid front-line staff, and volunteers), existing networks within the sector, all funders, community members/users of services, representatives from all levels of government (elected and from the bureaucracy), the media, the private sector, civil society (e.g. academics, faith groups, etc.), critics of the sector and « champions ». It would have to reflect the different demographics of the community (by age, background, etc.) Some participants suggested the representatives should come from the highest possible level of their respective organizations as common failures in such initiatives result from participation of low-level representatives without decision-making authority.. Many stressed the initiative must involve people beyond the sector, in order that we are not just « talking among ourselves » .

This led to a discussion of structure. A consistent theme was the need for a leadership group, and mechanisms for different levels of participation by different participants. Some participants suggested working groups as a means to undertake the different aspects of the work.

IV. What recommendations for action do you believe are necessary to give leadership to addressing the impacts raised today?

1. Establish the Leadership Group

In all discussion groups there was agreement on the need for a leadership group to be established in order that the initiative could move forward. This group would set out the vision, plan of action, the communications structure, and be responsible for resourcing. Almost all agreed this group would need specific funding to be effective, although it could supplement funding with other resource strategies (in-kind or cash contributions from sector organizations, existing networks, the private sector). Some suggested this leadership could sit with, or could draw from current assets in the community, specifically the Social Planning Council, the Council on Aging, the Chamber of Voluntary Sector Organizations, the Voluntary Sector Leadership Development Project, and the Funders Working Group. Many suggested the group should include, or should solicit the participation of, champions who could speak on

behalf of the sector.¹ As well, several participants felt the leadership group should include new people who have influence in the City.

2. *Develop a Plan of Action*

While participants posed different specific activities for the initiative, many groups recommended common elements within the plan of action :

- Determine resourcing for the initiative
- Establish the structure for the initiative (leadership, mechanism for broad involvement, possible secretariat, and could include smaller working groups on specific issues)
- Develop a vision of what the Ottawa sector should look like in the future
- Implement specific strategies to enhance the strengths of the sector and address the problems, specifically :
 - Develop a framework for stable realistic and predictable funding for the sector (includes the way in which funding is delivered and the amount of funding) of the sector to do its' work. (e.g. Long-term stability – 3 year envelopes)
 - stabilize human resources in the sector
 - build capacity in the sector in additional ways
- Undertake research with respect to the Ottawa sector and the key issues, specifically, the financial vulnerability of organizations, the human resources issues, the value of the sector, and identification of what has been done on these issues here and in other jurisdictions
- Design and implement a communications plan to promote the value of the sector to the general public and to improve communications within the sector
- Determine accountability mechanisms
- Call consultation participants back together in six months to report on progress.

V. What contributions could you make to a collective strategy to improve the sector?

Several organizations and individuals volunteered some level of support, particularly in-kind support and commitment to bring the issues to their respective Boards of Directors. Several networks or coalitions were identified which could be approached to participate, including the Chamber of the Voluntary Sector. The universities and colleges were also mentioned. Some participants suggested that financial contributions or seconded staff could be solicited from sector members. The offers of support and the suggestions of other possible groups will be handed on to the leadership group for follow-up.

VI. If we were to work together toward the goal of a stronger or healthier voluntary sector in Ottawa, what would be necessary elements of a model for working collectively?

¹ Alex Munter and Dick Stewart were identified as possible members of the leadership group, consultants for the initiative, or champions for the sector.

1. *Broad Participation, Coordinated Through a Leadership Function*

The initiative needs to be inclusive of all elements within the voluntary sector, specifically including the different sub-sectors (such as arts and culture, recreation) and the different roles (governments, funders, organizations and consumers). To be manageable, there could be differing levels of participation, with a mechanism to demonstrate involvement and to clarify roles and expectations (e.g. a membership, a memorandum of understanding, etc.). Some would be actively involved, while others would be supportive but less active. The initiative would require leadership from a coordinating/facilitating body.

2. *Partnerships and Collaboration*

The initiative must be based on a commitment to collaboration and building partnerships. With properly resourced structures in place, it would be possible to mobilize in-kind resources from within the sector. Partnership building would need to extend to decision-makers, including politicians and to the private sector.

3. *Sustainability of the Sector*

The initiative must be based on a clear commitment to the necessity of a healthy and sustainable voluntary sector including the need for adequate investment as an essential element. Adequate investment includes the amount of funding and the mechanisms of funding (e.g. stability). Within that, there must be a recognition that funders do not have an infinite supply of money.

4. *Sustainability of the Initiative*

The initiative must be sustainable. This means resources must be provided to enable staffing for the leadership / coordination function. As well, the leadership will need to ensure “buy-in » from decision making levels within the funders and organizations (including at the Board level).

5. *Action and Accountability*

The initiative must be action oriented, and accountable for meeting clearly defined goals, outcomes and time-frames. It should start small, and mobilize resources including « social capital », for the benefit of the entire sector. As well, the initiative needs to hold funders responsible for the impact on the voluntary sector of their decisions.

6. *Transparency*

Transparency of the initiative and transparency in decision making on the part of funders during this process (with respect to funding in the community) are key to building trust. This will require a strong communication plan, with improved communication within the sector and in relation to the broader community.

7. *Trust and Respect*

We must operate with mutual respect, understanding that funders and organizations have legitimate concerns.

Next Steps

With over 180 voluntary sector representatives participating, the organizers were given a clear mandate to convene a leadership group to take action to enhance the sector. This group would have the mandate to find ways to encourage broad involvement in an initiative to enhance the sector. Several funders in the City agreed to participate on such a group. The first meeting of the leadership group will be called in the Fall of 2004, and their activities will be shared with participants at this consultation.

Appendix 1 Specific Activities Suggested

- Hold a virtual strike to profile the value of the sector
- Adopt a politician
- Take advantage of the current political emphasis on urban renewal to broaden the meaning of « infrastructure » to include social. Go where the money is.
- Case study approach of best/worst funding stories (e.g. Universite of Quebec has been doing a best/worst case study approach that has been developed as a campaign.)
- Funder accountability to voluntary sector projects
- Mayor's Roundtable on Funding in the Sector
- Use the information from this consultation in electoral campaigns
- Ensure all individual organizations are part of some network or collaborative
- Add a francophone section to the Volunteer Bureau
- Go to companies to get money or persons from within their company
- Develop an improved process for involvement in the City budget, which allows for proper consultation and less competitiveness
- Question money that is not accounted for within the funders portfolios
- Develop strategies to address the dynamic in the sector of differential capacity for fundraising (i.e. Hospitals and Universities are in a different league than small community organizations.)
- "May Day" like celebration of voluntary sector – to provide more support and recognition for volunteers
- sharing of some generic work that would be useful to all agencies working within the voluntary sector (e.g. generic evaluation templates)
- make use of Internet to capture international best practices (e.g. volunteerism in the UK)
- Organize to influence potential opportunities with SSHRC (through the current "knowledge transformation" process);
- Develop a 'third sector think tank' ; convene a Round table (time limited, with John Kelly taking the lead);
- Explore the models of Toronto and Niagara for research;
- CIDA asks for accountability of organizations who apply for funding by way of asking for the number of years in existence
- actively recruit those with business skills to Boards of Directors
- Board members of various organizations need to network with each other
- Organizations must act together to voice their needs to funders - share information on actual costs of programs, turn down inappropriate funding structures
- funders need to communicate their priorities
- The whole sector must adopt a collective strategic planning.
- We could look at how the Province of Quebec deals with its *économie sociale*.
- Create opportunities/collective strategies re human resources (job security, professional development, networking to reduce isolation; better benefit plans; more equitable salaries; time-off, standards re realistic Board expectations of staff)
- Need to further develop appreciation/recognition of work of volunteers
- Adopt a corporation.
- Develop a shared web resource library to share tools, templates and best practices
- Evaluation filter for program decision-making (i.e. go-no-go decision)
- Should have access to databases unique to Ottawa in an easy, one-stop-shop