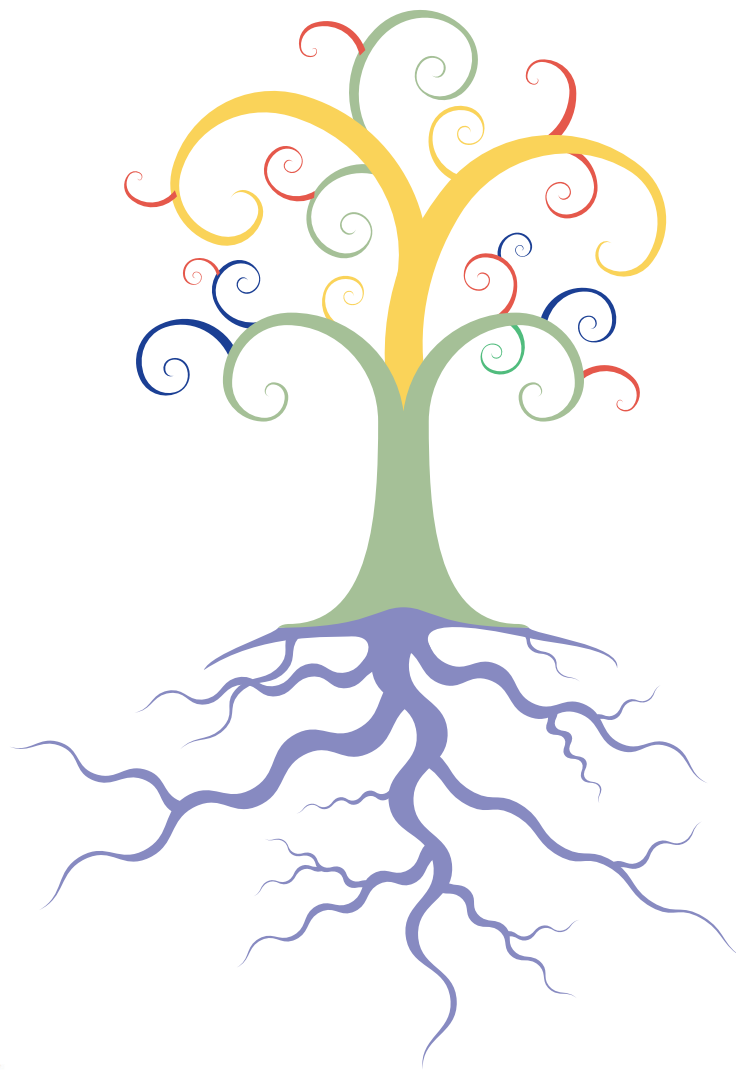


Strengthening the Relationship

Round Table on Government
and **Non Profit** Relations
in British Columbia

DISCUSSION PAPER | MAY 2007



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Executive Summary

Strengthening the Relationship

Round Table on Government and Non Profit Relations
in British Columbia

Government and the non profit sector have an interdependent relationship. Charitable and non profit organizations work at the grassroots level to deliver the programs and services that British Columbians need to enjoy a high quality of life. Both federal and provincial governments receive tremendous benefit from this work, relying on non profits to deliver public services and meet the needs of communities throughout the province.

Non profits also play an important role in identifying emerging issues and bringing them to the attention of government. They have expertise in a wide range of areas with roots in communities across British Columbia, enabling them to help inform and enrich policy debate. Because of this, the non profit sector and government are natural partners, each bringing to the table unique knowledge, expertise, capacity and resources which work together to support BC's communities.

There is growing recognition throughout BC and across the country that the time is ripe to strengthen and enhance the relationship between the provincial government and the non profit sector through the establishment of more formal and informal working arrangements. In seeking to move the process forward, The Centre for Non Profit

Management (CNPM), in partnership with the University of Victoria's School of Public Administration (SPA at UVic), is hosting *Strengthening the Relationship: Round Table on Government and Non Profit Relations* on May 30th, 2007 in Victoria, BC. The purpose of the Round Table is:

- To initiate discussion across both sectors to achieve a better understanding of the strengths and challenges in the current relationship;
- To identify strategies to build a more successful relationship;
- To identify how to improve the capacity of the non profit sector to deliver programs;
- To enhance channels of communication between the provincial government and the non profit sector.

This paper seeks to initiate that dialogue about where the partnership stands today and how the relationship can be strengthened for the future. It lays out the current context in which the relationship operates. At a provincial level, significant budget cuts in the early 2000's and the more recent institution of a new competitive procurement process and performance-based contracts have combined to produce funding volatility for many BC-based non profit organizations. At the Federal level, the financial challenges facing the non profit sector across the country have been brought on by the introduction of the *Federal Accountability Act* in 2006 and budget cuts of \$1 billion in recent Federal budgets.

Given the critical nature of the relationship, many provinces are working to improve communications and enhance their working relationships. The provincial governments of Alberta, Saskatchewan, New Brunswick and Newfoundland and Labrador have all taken on leadership roles through the establishment of voluntary sector initiatives, joint committees on overall government/non profit sector relations and/or the development of strategic frameworks to identify collective goals and facilitate strengthened relationships.

Recognizing the need to provide a BC-based perspective, The CNPM and School of Public

Administration at the University of Victoria in April 2007 initiated a survey through which key leaders from both sectors were interviewed to find out what their thoughts and opinions were on the current relationship as well as to gather ideas about how the relationship could be improved.

Survey participants from both the provincial government and the non profit sector noted an increase in the recognition and respect afforded to each other and an improved ability to communicate with each other. In fact, the establishment of positive communication channels and ongoing dialogue between the parties was valued above all else as critical to achieving a better working relationship.

Improved communication can assist in overcoming the challenges and differences of opinion that are hindering the relationship. Non profit respondents noted that the implementation of a new competitive procurement process and performance-based contracts in some Ministries, along with the ensuing move from core funding to project or annual funding, has strained the relationship with the provincial government. Increased understanding from the provincial government about the strain these changes have put on the non profit sector along with more open dialogue regarding policy changes in general

Critical Elements for a Stronger Relationship

Key Survey Themes

- Enhance communication channels and encourage ongoing dialogue.
- Improve awareness of each other's roles and expectations.
- Engage each other as partners and encourage collaboration.
- Initiate annual forums to address issues of mutual concern.
- Establish formal "rules of conduct" and communication.
- Find a balance between accountability and flexibility.

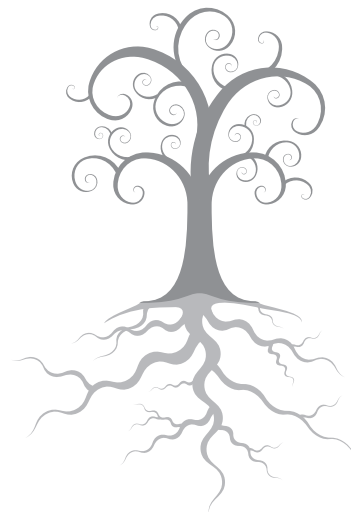
Both parties need to gain a better understanding of each others' roles, mandates and expectations. The provincial government needs to increase its understanding of the non profit sector. Non profits need to understand how public policy is made.

would go a long way to strengthening the relationship from the non profit sector's perspective.

Survey participants from both sectors recognized that relationship building is a two-way street. One respondent suggested both parties need to gain a better understanding of each others roles, mandates and expectations. For example, while the provincial government needs to increase its awareness and understanding of the non profit sector, non profits also need to understand how public policy is made and how critical it is for the provincial government to show "value for money" in its spending of public funds.

In order to move the relationship forward, both non profit and provincial government respondents suggested both sides need to develop a more engaged, collaborative relationship where they deal with each other as partners rather than adversaries. Moving beyond the past and learning to trust each other will be critical to future relationship-building.

Work has already begun to build an initial foundation on which the relationship can develop and grow. Now is the time for the provincial government and the non profit sector to come together and identify collective goals to facilitate a strengthened relationship and enhance community life and opportunities for all British Columbians.



Acknowledgements

A strong relationship between the provincial government and the non profit sector translates into strong and vibrant communities across British Columbia. This paper explores where the relationship between the provincial government and the non profit sector stands today and seeks to encourage further discussion to enhance and improve the rapport between these two vital entities.

The Centre for Non Profit Management and University of Victoria School of Public Administration wish to thank all those individuals whose efforts made this background paper possible. A special thank you goes out to those who participated in the survey and gave freely of their time and ideas to help inform where a partnership between the two sectors can go. We would also like to thank the interviewers who worked so

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Introduction

Dramatic shifts are taking place in the relationship between the non profit sector¹ and federal and provincial governments. The public, private and non profit sectors are all facing extreme pressures to conform to a stringent economic reality that dictates fiscal restraint. Economic and market pressures, demographic changes, an increasing call for accountability, labour shortages and increased expectations on non profits to do more with fewer resources are changing the landscape in which the non profit sector and government interact.

The heart of the issue is the fact that governments and the non profit sector have an interdependent relationship – charitable and nonprofit organizations work at the ground level to deliver needed programs and services for British Columbians. Non profits can play a vital policy development role, providing needed data and analysis about the populations they serve and advising governments on the well-being of communities. In turn, governments rely on non profits to identify emerging issues and to deliver many public services in order to meet the needs of communities throughout the province.

Governments and the non profit sector have an interdependent relationship – non profit organizations work at the ground level to deliver needed programs and services for British Columbians.

There is growing recognition throughout BC and across the country that given the current environment, it is crucial to undertake the work necessary to strengthen and enhance the relationships between provincial and federal governments and the non profit sector through the establishment of formal and informal working arrangements. A majority of provinces are undertaking initiatives to improve communications and build upon positive working relationships. In particular, Alberta, Saskatchewan, New Brunswick and Newfoundland and Labrador have all taken leadership roles in modeling innovative ways to strengthen the relationship between governments and the non profit sector. Through the establishment of voluntary sector initiatives, joint committees on overall government/non profit sector relations and/or the development of strategic frameworks providing direction for partnership-building,

governments and the non profit sector are coming together to identify collective goals and facilitate strengthened relationships.

Yet the literature demonstrates that more work can and must be done to build upon the initial foundations which have been established in order to maintain and enhance the benefits British Columbians and Canadians receive from the non profit sector. The landmark 2004 *National Survey of Non Profit and Voluntary Organizations* noted that while the sector plays an enormous role in the quality of life Canadians enjoy, these organizations face growing challenges which limits them from realizing their full potential.² These challenges range from funding volatility and loss of infrastructure to reporting overload and difficulties in recruiting and retaining employees and volunteers.³

In seeking to move the dialogue forward, The Centre for Non Profit Management (CNPM), in partnership with the University of Victoria's School of Public Administration (SPA at UVic), is hosting *Strengthening the Relationship: Round Table on Government and Non Profit Relations* on May 30, 2007 in Victoria, BC. The purpose of the Round Table is:

- To initiate discussion across both sectors to achieve a better understanding of the strengths and challenges in the relationship;
- To identify strategies to build more successful relationships;

- To identify how to improve the capacity of the non profit sector to delivery programs;
- To enhance the working relationship and channels of communication between the provincial government and non profits.

This paper moves forward the work of the CNPM's 2004 working paper entitled *Building Bridges: Strengthening Provincial Government and Community Voluntary Sector Relationships in British Columbia*. It lays out the current context in which the non profit sector has been working, noting policy, governance and structural changes implemented at both the federal and provincial government levels as well as examines relationship-building initiatives in other provinces.

To provide Round Table participants with a BC-based perspective on Non Profit/ Provincial Government relations, CNPM and SPA at UVic interviewed key leaders from within the provincial government and BC's non profit sector to gather their thoughts and opinions on the current relationship between the two sectors as well as ideas about how the relationship could be improved. This paper summarizes the responses garnered from that survey, highlighting critical messages gleaned from stakeholder interviews to inform and facilitate future discussions.

The Current Context

Non profit organizations are a significant part of the fabric of BC communities and integral contributors to the BC economy. The more than 23,000 registered charities, incorporated societies and voluntary organizations deliver a vast number of programs and services to communities across the province. These services reach out to British Columbians of all ages and backgrounds and touch all aspects of society including:

- Social Services
- The Arts
- Education
- Health
- Environment
- Sports and Recreation
- Faith/Religion
- Social Justice
- Housing
- Law and Advocacy
- Grant-Making/Fundraising
- Professional Associations

Approximately 1.5 million British Columbians voluntarily give of their time and energy to support the delivery of non profit programs and services. Virtually all organizations rely on volunteers to govern their activities and a majority focus on the provision of public benefits rather than their own special interests

BC's non profits receive 49% of their total revenue from government, 31% from earned income and 15% from donations.

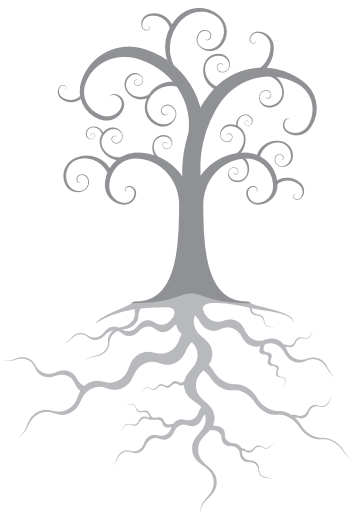
which may explain why they receive the support they do from British Columbians.⁴

The non profit sector in BC is diverse and its organizations have a broad range of capacities to fulfill their missions. Many organizations in BC operate on a shoestring budget and are driven solely by voluntary effort while others have substantial human and financial resources. Overall, non profits in BC receive 49 per cent of their total revenue from government, 31 per cent from earned income (e.g. gaming, membership fees) and 15 per cent from gifts and donations. Combined they have a significant economic presence in BC, with an annual economic impact estimated at \$10.9 billion. They play a critical but generally unrecognized role in supporting the BC economy with revenues and jobs that are often aimed directly at enhancing community life. In BC, non profits employ more than 147,000 people.⁵

Much of the literature highlights the fact that the sector is under-resourced and undervalued given the important social and economic contributions it makes to the province.⁶

BC's Non Profit Sector:

- 23,000 organizations
- 1.5 million volunteers
- 147,000 paid employees
- \$10.9 billion annual economic impact



While the sector's size, scope and ability to engage British Columbians in their communities is significant, numerous reports and surveys are highlighting the fact that many appear to be experiencing substantial difficulties in achieving their mandates. More than half of BC's non profits report the following difficulties:

- Funding volatility due to a movement from core to project funding;
- Human resource challenges in the recruitment and retention of employees and volunteers;
- Inability to meet the increasing demand for services;
- Difficulty in planning for the future and participating in public policy development;
- Lack of infrastructure support;
- Relationship strain due to difficulty collaborating with other organizations;
- Instability due to inadequate and/or short-term funding.

Funding. Approximately 66 per cent of BC non profits report reductions in government funding with 49 per cent noting difficulties in obtaining funding from government, foundations and/or corporations. In particular, organizations report a lack of funding for core operations such as administrative expenses (62%) and an increasing reliance on project funding (55%).⁷

Human Resources. In BC, 54 per cent of non profit organizations report difficulties in recruiting volunteers, 50 per cent have difficulty obtaining board members and 51 per cent have problems retaining volunteers. Approximately 25 per cent of BC organizations report difficulties in obtaining the type of paid staff they need and 16 per cent note problems in retaining paid staff.⁸

Demand for Services/Planning. Many non profits report problems due to an increasing demand for their services or products (41%). In addition, planning and development issues are significant with 55 per cent of BC non profits citing difficulties in planning for the future and 37 per cent noting problems in participating in the development of public policy.⁹

Infrastructure. Approximately 35 per cent of BC non profits cite a lack of internal capacity to help meet the increasing demands for services.¹⁰ For example, many lack appropriate administrative systems and do not have adequate technology infrastructure in place.

Relationships. Approximately 20 per cent of BC non profits report difficulties collaborating with other organizations. Part of the reason for this may lie in the fact that 44 per cent note increasing competition for funding and/or revenues with other organizations as a significant issue for their organization.¹¹

Instability. This is a critical issue as it limits non profits autonomy and the stability organizations require to effectively address the needs of British Columbians. As the delivery mechanism for many government programs and services, non profits are vital third party vehicles which offer one of the most cost-effective strategies for meeting many of the social needs of its citizens.¹² In fact, governments are dependent on a well-functioning non profit sector to provide British Columbians with needed public benefits.

While some of the challenges facing the sector are long-standing issues, others have arisen due to recent developments at the federal and provincial level. The following section highlights some of the key changes that are impacting the non profit sector and its overall relations with provincial and federal governments.

The Provincial Landscape

A number of provincial initiatives over the past five years have increased the knowledge base of BC's social economy and helped to further the relationship between the provincial government and the non profit sector. Initiated in 2004, the BC Social Economy Roundtable (BCSER) is a common forum where active social economy participants and leaders take a systemic approach to supporting and nurturing the social economy in BC. The BCSER has collected foundational information to create an initial portrait of BC's social economy and in 2006, developed a three-year strategic plan to guide the development of social economy organizations.¹³

Other initiatives include Enterprising Non Profits (ENP) and the Voluntary Organizations Consortium of BC (VOCBC). ENP is a funding program that provides matching grants to BC non profits interested in starting or expanding a business. Founded through a unique partnership of foundations, credit unions and the provincial government, ENP enables organizations to conduct planning activities related to the development of a business venture. VOCBC has also been an integral player, leading a number of discussions on the future needs of BC's Voluntary sector. VOCBC has held three provincial summits between 2004 and 2006 on developing strategies to combat sector challenges and better position voluntary sector organizations for the future.

Core Review and Restructuring. Many aspects of the relationship between BC's non profit sector and the provincial government work well, such as Gaming policy and funding. However, the relationship has been under significant strain over the past seven years due to the implementation of budget

A key issue evolving from Bill 23 was the fact that the primary focus of the RFP process was on service delivery with no direct dollars provided for infrastructure improvements or capacity building.

cuts and new funding and program models. Budget cutbacks implemented during the early years of the provincial Liberal government's reign affected the funding base of many non profit organizations, forcing numerous organizations to reduce their staffing levels, move to smaller facilities and/or seek funding through the private sector to remain sustainable.¹⁴ In addition, policy and program changes meant that most advocacy groups, women's centres, housing registries and community law clinics had their provincial funding reduced in 2002 and in some cases eliminated by 2004.¹⁵

An extensive core review process occurred between 2001 and 2002 through which provincial government Ministry, Crown agency and informal/formal collaborative processes and structures were significantly streamlined. The result was that many channels supporting dialogue between the non profit sector and the provincial government, such as the Ministry of Community Development, Co-operatives & Volunteers (MCDVCV), were reduced or eliminated.

Changes in Procurement. The implementation of a new procurement policy requiring non profit organizations to compete for funding through a Request for Proposal (RFP) process represents another change in policy which has significantly impacted the non profit sector. Known as Bill 23, the *Procurement Services Act* passed in April 2003 and created a level of instability across the non profit sector.¹⁶ The Act requires the provincial government to tender for services, forcing non profits to submit proposals to obtain contract or project funding. A key issue for non profits evolving

from Bill 23 was the fact that the primary focus of the RFP process was on service delivery with no direct dollars provided for infrastructure improvements or capacity building.

Performance Expectations. Alongside the RFP process, the provincial government implemented performance-based contracts with defined deliverables and evaluation measures. These contracts require non profit organizations to submit comprehensive annual reports outlining how they met specific performance measures. Performance-based contracts can present problems for smaller organizations that are unable to cope with the infrastructure demands resulting from delayed payments and cash flow problems.

These changes have had a significant impact on non profits in BC and many charitable organizations have been struggling to integrate the new policies and procedures into their operational practices. The issue now is for non profits and the provincial government to determine how to interact with each other in this new environment.

The Federal Landscape

Between 2000 and 2005, initiatives such as the *Government of Canada – Voluntary Sector Initiative (VSI)* saw \$94 million invested by the federal government to create bridges between the government and the non profit sector. The work of the VSI led to the development in 2001 of *An Accord between the Government of Canada and the Voluntary Sector* and the accompanying 2002 Codes of Good Practice on *Funding and Policy Dialogue*. The VSI formally ended on March 31, 2005 but the federal government continued to support relationship-building work with the non profit sector through individual government departments.¹⁷

Another key initiative during this period was the release in September 2004 of the National Survey of Nonprofit and Voluntary Organizations (NSNVO), a landmark study of 13,000 non profits and charities across Canada.¹⁸ The survey provided comprehensive evidence of the significant contribution the non profit sector makes to Canadians quality of life. The report, entitled *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations*, was the culmination of more than two years of joint effort by federal government agencies, universities and non profit organizations.

The Human Resources Council for the Voluntary/Non Profit Sector (HRVS) formed in 2005 as a result of a feasibility study confirming that human resources need sustained attention in order for non profits to achieve their goals. It is a national, non-profit organization aiming to contribute to the development of a sustainable non profit sector by providing leadership, knowledge and opportunities for collaboration on paid employment issues in the sector.¹⁹

While these initiatives have helped to move the relationship between the non profit sector and the federal government forward, significant structural, governance and policy changes have been introduced by the new Conservative government that have altered the operating environment of Canada's non profit sector.

Funding Cuts. The Conservative government's vision of a reduced role for the state has led to the initiation of one of the largest devolutions of programs and services to provincial governments. Through its 2006 and 2007 budgets, it has reduced program spending by \$1 billion to date through budget cuts to activities that it deemed "no longer effective".²⁰ Many non profit organizations saw their funding reduced through these cuts however, recent federal budgets also offered non profits another avenue through which to seek funding by introducing measures to stimulate private giving with the goal to encourage the private sector to fill in the gaps left by the loss of federal funding for Canada's charities. Further cuts can be expected to the non profit sector in 2007-2008 as the government has announced plans to reduce spending by another \$1 billion.²¹

Other policy changes directly impacting the non profit sector include a recent announcement that the federal government is significantly reducing funding for non profits that undertake research on policy and rights issues.²² This represents a significant shift from previous federal governments which invested heavily in think tanks and non-governmental organizations to provide it with arms-length public policy analysis.

Accountability. In an effort to make the public sector more transparent and accountable regarding how public money is spent, the federal government introduced Bill C-2 in

2006, the *Federal Accountability Act*. The Act was implemented to ease the “web of rules” that previously existed which strangled organizations seeking to obtain Federal grants and funding in red tape. Bill C-2 instituted permanent program review and evaluation of federal investments through grants and contributions.

Red Tape. To minimize red tape and depoliticize the administration of federal grants and contributions, the federal government established an Independent Blue Ribbon Panel. The Panel was asked to identify barriers to applicants in access government grants and recommend changes to policies and practices to ensure the government delivers grant and contribution programs in a more fair, cost-effective and efficient manner. The Panel’s report, *From Red Tape to Clear Results*, was released in December 2006 and recommended practical steps to promote accountability and simplify administrative, information, funding and reporting practices for applicants and federal administrators.²³

While efforts to address the issues facing the sector such as the Blue Ribbon Panel initiative are significant, problems remain for Canada’s non profit and voluntary organizations. Many organizations continue to experience funding cuts either through program review, devolution or direct funding clawbacks. The closure of the BC-based Institute for Media Policy and Civil Society (IMPACS) in March 2007 is an example of the impact these changes have had on the non profit sector. The 10-year-old organization played an important role in giving voice to civil society organizations in Canada and abroad. The website statement posted by IMPACS board sums up the experiences and opinions of many non profit organizations.²⁴

The experience of IMPACS is, regrettably, not an isolated instance. There are numerous non-governmental organizations and charities in Canada's community non profit sector that are facing many of the same financial stresses. Chief among them is the lack of what is often called “core-funding”...In addition to the matter of inadequate core funding, another major challenge has been the ripple effect of cut-backs to federal grants and contributions announced last summer.”

Relationship-Building Initiatives in Other Jurisdictions

Despite the challenges currently facing non profits at the federal and provincial level, much work is occurring in other jurisdictions across Canada to improve communications and enhance the strategic working relations between provincial governments and the non profit sector. While a majority of provincial governments are undertaking various kinds of relationship-building initiatives with the non profit sector, this segment highlights a few of the more recent initiatives where provincial governments that have led the way in this area. These examples include the initiation of voluntary sector initiatives, joint committees on overall government/non profit sector relations and/or the development of strategic frameworks to identify collective goals and facilitate strengthened relationships between the two parties.

Alberta

The Government of Alberta has taken a leadership role in strengthening government and non profit relations through the creation of *ANVSI – the Alberta Nonprofit/Voluntary Sector Initiative*. The aim of ANVSI is for both sectors to develop a better understanding of each other and to *work toward common solutions for critical issues that impact our communities*.²⁵

ANVSI is made up of a group of key nonprofit/voluntary sector leaders and government representatives, known as the Leaders Council.²⁶ The Council began meeting in 2006 to develop a framework to guide and strengthen the relationship between the Government of Alberta and the province's non profit/voluntary sector. The outcome of the process will be the creation of a framework agreement to define the principles and process for engagement between the government and the non profit sector, guiding how the two will communicate and work together to address issues of public policy and regulation, funding, human resources and operational issues that affect the voluntary sector in Alberta.

Saskatchewan

Saskatchewan initiated a *Premier's Voluntary Sector Initiative (PVSI)* in 2002. The primary focus of the PVSI is to provide a comprehensive government approach to the relationship between the sectors. The PVSI joint Steering Committee comprised of government and non profit sector stakeholders released a framework for the continuing partnership between government and the non profit sector in the Fall of 2002 as well as recommendations to guide succeeding phases of the Initiative.

Since then, the PVSI Steering Committee has been working towards building an accord

between the two sectors; building the capacity of the province's voluntary sector; and building awareness of the organizational structure and value of the relationships between government and non profits.²⁷ Much of the work has been focused on finding appropriate mechanisms to ensure on-going communication. For example, in 2005 and 2006, the PVSI hosted its first two annual forums between the provincial government and the non profit sector to strengthen established relationships and address issues of mutual concern.

New Brunswick

In 2006, New Brunswick's provincial government established the *Community Non Profit Task Force* to make recommendations to support the work and development of the province's non profit organizations. The mandate for the Task Force includes raising awareness and setting out the context of the non profit sector, identifying strategies to enhance the relationship with government, and identifying further activities in support of the task force goals.²⁸

Initiated by the provincial government's Department of Family and Community Services, the Task Force engages community-based non profit organizations who are delivering services, utilizing citizen volunteers, acquiring/providing funds and resources in order to identify emerging community needs across New Brunswick. This initiative involves a large consultation process with the non profit sector and the Task Force is set to visit every riding in the province between mid-January and June 2007. It will solicit recommendations about changes and solutions in regards to the supportive infrastructure, effective allocation of resources, integrated policies, fiscal stability, and any other improvements, ideas and innovations identified by community groups and/or individuals.²⁹

Newfoundland and Labrador

Newfoundland and Labrador's Community Services Council (CSC) has been at the forefront in undertaking initiatives to enhance the relationship between the non profit sector and the provincial government. It was the first province to establish a joint committee on government/non profit sector relations, and thanks to the efforts of CSC and other community voluntary organizations, resulted in the establishment of People, Partners and Prosperity: A *Strategic Social Plan for Newfoundland and Labrador (SSP)* in 1998. The Plan laid the foundation for the government's relationship with the non profit sector.

In 2004, the provincial government built on the Plan by creating a Rural Secretariat. The Rural Secretariat moves the Plan forward by committing government to strengthening the non profit sector's capacity to facilitate community development, to provide input into the policymaking process, and to participate in collaborative government.³⁰

Another initiative which is moving the relationship forward is The Community Services Council's Social Economy Project.

Between 2005 and 2007, CSC spearheaded the Social Economy Project to increase knowledge of the social economy in Newfoundland and Labrador. The aim was to develop a framework for extending support to social enterprises and the community based sector. The project included research, information-gathering and a number of round tables bringing together federal, provincial and municipal officials, the private sector, labour groups, community-based organizations and others to build an action plan for supporting and developing social economy organizations.

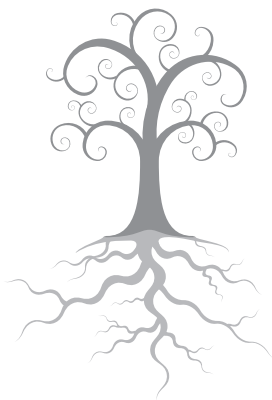
These examples highlight just a few of the initiatives between the non profit sector and provincial governments occurring across Canada. There is much British Columbia can learn from the experiences and leadership of other provincial jurisdictions as we look to enhancing our own relationships between BC's non profit sector and the provincial government.

BC Perspectives

Work has been occurring during the past few years to enhance communications and build upon positive working relationships between the provincial government and the non profit sector in BC. To discern where the relationship currently stands and what trends are affecting its constructive development, the CNPM and School of Public Administration at the University of Victoria initiated a survey of key leaders across BC's non profit sector and from within key provincial government departments.

The survey took the form of one-on-one interviews and presented respondents with an opportunity to share their thoughts and opinions on the current relationship between the two parties as well as share ideas about how the relationship could be improved to benefit British Columbians.

This section summarizes the responses garnered from both the non profit sector and the provincial government, providing *food for thought* to stimulate future discussion.



The Non Profit Perspective

To garner a sense of the non profit sector's perspective on where the relationship currently stands with the provincial government, nine high level stakeholders from the non profit sector participated in a 45-60 minute interview session where interviewers posed the following five open-ended questions:

1. What is positive about your relations with government?
2. What are the biggest challenges non profits face in its relations with government?
3. As you know, government invests a great deal in British Columbians through the work of non profit organizations and is interested in demonstrating accountability and fiscal responsibility. How does your organization and/or your member organizations show that you are creating value for citizens and communities?

4. What could be done to create better relationships – both formal and informal – between government and the non profit sector?
5. How has your relationship with government changed over the past five years? What effect have these changes had on your organization and/or your member organizations overall?

This section summarizes the results of those interviews.

Celebrating the Positives

The first question asked non profit organization leaders to describe what works well in their current relationship with the provincial government. More than any other factor, stakeholders responded that they value the positive communication channels and ongoing dialogue established with the provincial government. Many noted there seems to be a growing awareness within the provincial government of the need to communicate with and consult with non profit service providers. This has translated into an increase in the recognition and respect afforded non profits and has helped to establish stronger working relationships between the parties.

“There’s a lot of openness and the door has been opened in many ministries that I felt was not very open before.”

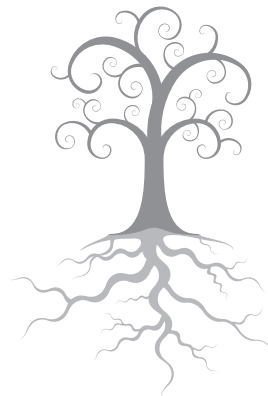
Many noted the key to good relationships is finding bureaucrats and politicians who are willing and able to engage in frank and open discussions. For example, when champions are on board such as a Minister, they can leverage programs and/or organizations to the public more so than a non profit could on its own.

“We’ve had good experiences with politicians who really made an effort to understand our work broadly, connected with what we were doing on a human-level and the work that we’re doing on an advocacy level.”

In addition, survey participants stated it is important for non profits to take the time to understand how public policy making works and learn to appreciate the challenges faced by elected officials. Such understanding can result in getting an organization’s perspective into a policy framework. Respondents also noted that when the provincial government engages non profit stakeholders and uses its capacity to strategically invest in the non profit sector with a clear plan in place, “the results are astounding”.

Positives

- Ongoing dialogue
- Open communication channels
- More recognition and respect for non profit sector
- Increased government awareness and understanding of non profit issues
- Increased non profit sector appreciation of public policy making challenges



Exploring the Challenges

The second question probed the issue of the challenges facing non profit organizations in their relationship with the provincial government. Overwhelmingly, respondents stated that the relationship has been strained due to erosion in funding for the non profit sector. Many respondents felt there is little understanding among the provincial government of the non profit's cost of doing business, with no appreciation of the costs of delivering programs like infrastructure and human resources.

“There is a sense in the non profit world that the government expects non profits to pick up programs the government has off-loaded yet the government provides no support or sustained effort to allow the sector to do that effectively.”

“For non profits generally, I think the biggest challenge is mission drift, when they are dependent on government funding. They may end up taking on projects that are not in their strategic plan because it is what they can get funding for. This is problematic.”

Survey participants stated that there remains an attitude amongst the provincial government that non profits are constantly asking for “handouts” or “begging” for money. Many felt

Challenges

- Erosion in non profit sector funding
- Lack of understanding of non profits infrastructure and human resource costs
- Mission drift to meet funders requirements
- Competition between non profits for funding
- Lack of government policy capacity
- Lack of timely government decision-making

the provincial government applies a “one-size fits all” approach to non profits when in fact, the sector has a broad range of capacities.

“We want a positive attitude in government that non profits are cost effective and there needs to be recognition that some non profits need help to build their capacity.”

What non profits see as a strong bias towards private sector delivery is also creating challenges in the working relationship between the provincial government and the non profit sector. Approximately half of the survey respondents stated that the provincial government believes only the private sector can deliver services effectively and that non profits do not have the creativity to be able to solve social problems.

“The tendering process creates competition within the sector and erodes a collaborative working relationship... We used to work naturally in partnerships. Now private corporations with public relations professionals are writing and submitting proposals, and winning those contracts. Non profits lack the capacity to compete in this environment.”

A number of stakeholders expressed frustration with the lack of understanding regarding how the service sector works, noting their biggest challenge is in having to deal with people in provincial government policy positions with little or no experience with the issues. One sentiment expressed was that those in provincial government policy positions are more focused on public relations rather than in finding solutions to public policy issues.

Timeliness is another issue affecting the relationship between governments and non profits as the non profits stakeholders interviewed noted they do not always receive significant strategic and financial decisions in a timely manner from government. One

respondent noted that due to a new collective agreement, their organization's incremental costs increased but it was close to a year before they received the additional funding to cover those costs. The organization's number one priority became the payment of its staff, and it fell behind in implementing many elements of its strategic plan.

“There needs to be more timeliness in a business cycle – the system works like a chain reaction, so at end of day, a slow business cycle has a negative impact on British Columbians.”

Demonstrating Public Value

The third question asked respondents to consider given that the provincial government invests a great deal in British Columbians through the work of non profit organizations and is interested in demonstrating accountability and fiscal responsibility, how their non profit organization (and/or member organizations) show they are creating value for citizens and communities.

Showing Public Value

- Creation of outcome measurement systems to show positive change
- Use of sophisticated reporting systems by large non profits
- Undertaking of annual operations reviews
- Benchmarking results with peer organizations
- Perception that government contracts micro-managed, focused on output versus outcomes

Many non profit stakeholders interviewed noted they spend a great deal of time and energy in the development and management of outcomes measurement systems to demonstrate sustainable positive change within their organizations and/or communities. Larger, well resourced organizations stated they use sophisticated reporting systems that go beyond provincial government requirements with performance measurement indicators that look at a broad spectrum of indicators (e.g. financial, human resource, governance internal efficiency, communications and fundraising). These bigger organizations also noted they annually conduct what they deem as “exhaustive” reviews of their operations and benchmark these results to peer organizations to demonstrate their cost-effectiveness and service value.

Smaller non profits face challenges in showing their public value because they lack the infrastructure and human resources to implement the required reporting systems. A number of respondents noted they are not bidding on provincial government contracts because they know they cannot meet the heightened public accountability requirements.

Umbrella organizations which have smaller non profit groups applying to them for funding note they demonstrate public value by implementing rigorous application processes requiring applicants to outline their budget history, audited financial statements, statistics on program utilization among other indicators to prove their organizational sustainability. Many umbrella organizations also have performance-based contracts and groups and/or individuals are only paid if they achieve the milestones that were laid out in the contract.

A common theme amongst respondents was the fact that non profit organizations expend a great deal of resources in proving their value to citizens and communities and to the provincial government. A number of respondents were not sure if the results of the reports they produce for government are actually utilized and questioned the overall effectiveness of the process. Non profit stakeholders noted that the resources expended on proving their accountability can result in a loss of organizational innovation and creativity which can be detrimental to meeting the needs of non profit constituents. Many felt that provincial government contracts are far too micro-managed, focused on accountability through administrative requirements rather than on seeking positive outcomes.

“We wish there were a better way to know whether we are providing value for money. We would like to know how our sector compares to other jurisdictions, like to other provinces and countries. Even comparing private enterprises to social enterprises would be useful, but it’s virtually impossible to get good information from private organizations for a real comparison.”

Creating Better Relationships

- Need for improved communication and more face-to-face dialogue
- Greater understanding of each others roles and challenges
- Increased awareness among government of non profits’ costs of doing business
- Recognize relationship-building as a two-way street
- Need for regular consultation with non profit sector
- Need for government leadership in building the relationship

Creating Better Relationships

Question four asked respondents to consider what could be done to create better formal and informal relationships between the provincial government and the non profit sector. By far the most common response was the need for improved communication and more face-to-face dialogue to create real relationships at the political and bureaucratic level. There was a call for a greater understanding of each others roles and recognition of one another as valuable partners.

“There’s a lack of understanding of what the challenges are for non profits. There’s no understanding of the difficulty of raising money and keeping volunteers. There are unrealistic expectations of volunteer labour.”

“We need to come together on our common interests. The shift that is required is a cultural shift, not simply a need for more information. This kind of shift will take time. There is no quick fix.”

All respondents recognized that relationship building takes time and requires a concerted effort from all parties. For example, it was suggested that while the provincial government needs to increase awareness and understanding of the non profit sector and how it functions, non profits also need to deeply understand how public policy is made.

“We (non profits) can spend our time blaming government or we can say there are things we can do differently.”

Many wished to see broader consultation occurring with the non profit sector on a regular basis, such as through annual forums between the provincial government and the non profit sector, noting this would “go a long way” to enhancing communication channels with the provincial government. Another suggestion was the development of formal mechanisms to support non profit

organizations at the provincial government level (e.g. monitor trends similar to what is done in other sectors).

For relationships between the two sectors to improve, there was a request for the federal and provincial governments to recognize what the cost are of doing business as a non profit – that overhead and performance measurement are legitimate costs in program delivery and that to encourage long-term non profit sustainability, funding needs to be for more than one year, particularly for smaller organizations.

Respondents noted that if the provincial government wants to encourage the non profit sector to develop partnerships with private sectors, then the provincial government needs to facilitate that partnership. Many noted that while there is a big push by the provincial government for non profits to partner with private businesses, there are few incentives for the private sector to enter into these partnerships. Suggestions were made that the provincial government could provide tax incentives to the private sector, as it does in the film industry, to encourage engagement in partnerships with non profits.

The Changing Nature of the Relationship

Non profit stakeholders were asked to discuss how their relationship with the provincial government has changed over the past five years and what effect these changes have had on their organization and/or member organizations. Many noted that the changing policies and structures of the provincial government have led to non profits increasing their lobbying efforts with government and being forced to be more assertive in putting

themselves forward as organizations for the provincial government to consult with.

Some stakeholders said there is growing resentment and cynicism among non profit organizations because of systemic long-term problems that the provincial government has not addressed or due to imposed government solutions that have been disadvantageous to the non profit sector. A few stated they found the provincial government less accessible and less interested in the non profit sector. Instead, there is the sense that the focus has been on increasing private sector delivery of public services with increased competition and “delivery for the lowest cost”.

Other respondents noted they have felt shut out of the dialogue on public policy issues.

“In 2001, all of sudden new funding for building affordable housing for low-income, high-functioning people was no longer possible. This effectively shut-out the voices of the non profits that dealt with this issue that advocated for balanced funding. The rug was pulled-out from under us. We used to have more effect on policy and programming. We feel so unvalued that it’s hard to stay positive and keep doing what we do.”

Other respondents noted more positive trends, stating that provincial government service plans have made things more transparent, providing a “playbook” where there never was before.

“There seems to be greater accountability...a more disciplined approach to things. It’s easier to understand how to deal with government and what you have to do to work with them.”

Many non profit respondents noted they are open to the new social enterprise relationships which are developing, offering different kinds of relationships and options for the sector.

“The private sector can partner with us in different ways. This is better for non profits. There is a sense of ‘good will as collateral’. Businesses can contribute to non profits in the interests of their business.”

In responding to these changes, many non profit organizations with the capacity to do so have taken a much more aggressive, business-like approach to charting their own future and in relating to government. There is more sophistication in the way non profits engage the provincial government and a movement away from the traditional idea that non profits are “doing a good thing and it doesn’t matter how it is done” to a more business-like approach which demonstrates greater accountability.

“We’ve learned to come to our relationship with government from the point of view that if we understand their considerations, there’s a greater chance of getting our issues on the table. If you’re not around the table when the decisions are being made – you must find a way to get around the table.”

Other non profit organizations have chosen to opt out of this new way of doing business.

“The bidding process has changed the way they (government) do business. As an organization, we have chosen not to participate in the bidding

process, which is unfortunate, because it interferes with our advocacy role, which we see as the most important role for us. So it has changed the nature of our organization.”

Many respondents noted the future holds what they see as a funding crisis of unparalleled proportions. Shifting demographics and a smaller fiscal pie will mean a majority of provincial government funding will go towards the health care, education and environment sectors, squeezing out the social sector. In order to survive, the social sector will have to diversify its funding sources, develop a more collaborative agenda and develop new attitudes toward and relationships with the provincial government.

The Provincial Government Perspective

Utilizing a similar approach to that of the non profit sector, key provincial government leaders were interviewed and asked to provide their thoughts on the current relationship between the provincial government and the non profit sector. Interviewers posed five open-ended questions to eight provincial government stakeholders mimicking those asked of non profit participants:

1. What is positive about your relations with the non profit sector?
2. What are the biggest challenges the provincial government faces in its relations with the non profit sector?
3. As you know, the provincial government invests a great deal in British Columbians through the work of non profit organizations and is interested in demonstrating accountability and fiscal responsibility. How does the provincial government know it is receiving public value?

Effects of Changing Relationship

- Increase in non profit lobbying efforts
- Reduced opportunity for policy dialogue
- Increased transparency and accountability through performance-based contracts
- Non profits taking a more business-like approach
- Need to diversify funding sources such as creating new social enterprises

4. What could be done to create better relationships – both formal and informal – between the provincial government and the non profit sector?
5. How has your relationship with non profits changed over the past five years? What effect have these changes had on the provincial government overall?

This section summarizes the results of those interviews.

Honouring the Positives

The first question posed to provincial government stakeholders sought to determine what is positive in their current relationship with the non profit sector. Open communication and responsiveness on the part of both parties was regarded as integral aspects of what works well within the relationship. Many respondents noted that there is a great deal more positive discussion occurring between the provincial government and non profits, and there is a greater ability and willingness to resolve issues in a timely and efficient manner.

“They see us as listening to them, those who are on the front-lines.”

There was clear recognition that the non profit sector excels at delivering programs and services that the provincial government could not deliver as efficiently or effectively, and that non profits are “on the ground” and “closer to the community geographically and ethnically” than government. This was recognized as a valuable aspect of the relationship, with respondents expressing a strong regard and appreciation for the work carried out by the non profit sector.

“Non profits are generally more nimble organizations that are able to make decisions

quickly and are better at administering programs than government.”

Provincial government stakeholders noted they learn about the needs of British Columbians by listening to service providers who are working on the front-lines.

“We learn a lot from service providers about what goes on in people’s lives and that feeds into how we fund programs which is of benefit to British Columbians.”

Provincial government stakeholders also noted there has been a substantive shift over the past five years as non profits have moved away from seeing themselves as ‘funded organizations’ to organizations trying to address provincial government needs. This shift is principally due to the implementation of the competitive procurement process by the provincial government and an emphasis on fair market competition.

“Non profits are more than ever responding to the needs of the government. Our relationship is much more about accountability because funding is performance-based. What I’ve found is that I’m able to have discussions with different non profits where it’s not just drawing lines in the sand. If non profits don’t want to do RFPs, we sit down and talk about the issues like, ‘how can we make it more responsive to your needs’ and we try to accommodate as much as we can.”



Positives

- More positive discussion
- Greater willingness to resolve issues
- Increased recognition and appreciation of non profit sector and its knowledge of community needs.
- Improved non profit response to government needs

Exploring the Challenges

In terms of the challenges which are placing a strain on the relations between the provincial government and non profit organizations, one of the most commonly cited issues was a lack of understanding between the two sectors. Respondents stated that many non profits do not understand how the provincial government works, the budget cycle or the obligations government has in terms of the public purse and how this affects the relationship.

“From a government perspective, many non profits seem to see government primarily as a funding source. They believe the government responsibility is to fund the sector and that limits the kind of relationship we can have as we are not always going to be the funding source. The expectation can be seen as – we will fund them and then go away.”

“Sometimes we are seen as too bureaucratic. Many of the groups get nervous when we call because we are government so there’s definitely a mistrust of government out there.”

Many noted that the provincial government must make choices and that does not always translate into a positive experience for the non profit organizations that are left off of the funding list. A few respondents stated they felt non profits come to them with an

attitude of “give me the money, don’t ask for anything – I am the expert on this” meaning that they want provincial government funding but not the accountability that goes along with it.

Accountability is an issue which was mentioned by all respondents, one that can cause problems in terms of supporting positive relations between the provincial government and the non profit sector. Many respondents stated that non profits need to understand that government and its agencies must prove their own value and this need for accountability gets downloaded onto non profits. For example, it is becoming harder and harder for the provincial government to prove the public benefit of supporting the arts in comparison to health and education and therefore, the arts must demonstrate its importance to politicians if it wants to continue to receive funding.

There was a recognition that the recent changes in how the provincial government conducts its business has had a large impact on the non profit sector and has engendered uncertainty and distrust of the provincial government “because the procurement policy makes non profits feel like government doesn’t trust them”.

Challenges

- Lack of understanding between government and non profits
- Government perceived as too bureaucratic
- Accountability requirements create relationship tension
- Lack of support for non profits to facilitate new funding and program models
- Lack of governance knowledge among some non profit boards

“In some ways we (the government) moved too fast, in the sense that it wasn’t reasonable to expect organizations to have the financial or managerial capacity to accommodate the new funding and program models that we were trotting out. We did them a bit of a disservice. We should have supported them more in developing new programs to help facilitate these new models.”

Respondents noted the move to a more professional service delivery model arose from a provincial government concern about the level of professionalism among staff and governance knowledge amongst voluntary boards of directors within non profit organizations. The perception among some of the provincial government respondents was that some non profits are working “on the fly” and do not effectively plan ahead.

“Our biggest problem generally, is that the majority of the Non Profit boards turn-over every year – a constant reframe that we hear from new board members is: ‘we’re new at this...’. So every year we have to explain the process again. If non profits consider our funding so important they should create a booklet that tells board members what they need to do regarding funding. Often we provide up to 75% of the non profits funding. This makes the relationship very difficult.”

Demonstrating Public Value

The third question examined how the provincial government determines if it is receiving public value for its investment in the non profit sector. The implementation of performance-based contracts with defined deliverables and evaluation measures was the number one response of provincial government stakeholders in terms of quantifying the value for BC’s citizens and communities. In general, non profit organizations are expected to provide regular statistical reports and/or

written final reports anywhere from quarterly to annually, depending on the contract deliverables. These statistics and reports are used to compare an organization’s activity to other organizations across the province which helps determine public value.

Many provincial government departments also review financial statements on a quarterly basis to monitor service delivery spending and determine where a non profit is at in terms of its funding. Some respondents noted that if they find discrepancies, they may adjust the funding mid-contract which makes the non profit more accountable for its operations. This, however, can create operational challenges for the non profit.

Respondents recognized the challenges in determining accountability and in finding common measures to establish whether a program or service provides a “benefit to the community”. Some noted that the provincial government assumes that performance measures and the use of cost-benefit analyses demonstrate public value but this is not necessarily true within the non profit sector.

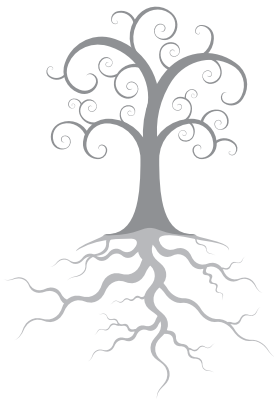
“Figuring out accountability is very difficult. Some of the programs are very evident, such as a soccer club that gives us the statistics on how many people participated... However, for a lot of the programs that we fund, the units of value are something we have not defined. It’s a very difficult measurement process: how we do we evaluate the effectiveness of our funding to say, a cultural museum? Or the value of painting and sculpture programs, environmental programs, human and social services, parent advisory councils?”

Measuring the intrinsic public benefits of services provided by many non profits, especially those in the arts and culture sector, presents a huge challenge for the provincial government. There was common recognition amongst respondents of the difficulty in

defining acceptable standards for accountability. While the focus of many public services is on personal benefit, growth, social cohesion and community identity, respondents admitted that “measuring these things is next to impossible”. Respondents stated that the common measure the provincial government uses is “benefit to the community – how does the community benefit from this program?”

“For example, non profits tell us that they spent \$5000 on wages for their youth program; some other amount was spent on family programs for new moms; and another amount on honorariums for aboriginal speakers to promote cultural awareness. The question we ask is: were the expenditures in-line with the funding and did they support the community? If the answer is yes, then we deem that a good use of funds.”

“If people who have used a service write to the Ministry to say “this has changed my life,” we know there was a value to the service.”



Determining Public Value

- Use of performance-based contracts
- Review of non profits annual reports, financial statements
- Recognition of challenges in defining acceptable standards of accountability

Creating Better Relationships

When queried as to what could be done to improve the relationship between the provincial government and the non profit sector at a formal and informal level, increased dialogue and communication was a top priority for a majority of respondents. More discussion was called for on both a macro and micro level with an increase in community level engagement into government planning and development. At the provincial level, respondents cited the need to establish more formal relationships by creating regular forums for dialogue.

“There needs to be more collaboration on both sides. This will require a cultural change on both sides.”

There was a desire for the provincial government’s role to be more than just the “holders of the money” but rather to be more engaged and more of a partner with the non profit sector while at the same time recognizing that at times, an arms-length relationship is necessary for some non profits to do their work and maintain the integrity of the RFP contract process.

One respondent suggested there is an education process both parties need to go through to gain a better understanding of each others roles, mandates and expectations.

“I guess I would like to see government take a course on how to work with the non profit sector and vice-versa...non profits need to understand the standard of accountability and the reasons why government requires what it requires.”

Another common response was the need for the provincial government to find a balance between accountability and flexibility in its dealings with the non profit sector. A number of the provincial government stakeholders interviewed noted that the costs associated with and expertise needed to respond to RFPs and to evaluation and reporting requirements

Increased dialogue and communication is a top priority for provincial government stakeholders.

is a big complaint amongst non profits. It was suggested that the requirement to adhere to a competitive procurement policy is resulting in the reduction of value for money because it is leading to a loss of collaboration and community spirit by pitting community agencies against one another. Some stakeholders felt the provincial government needs to talk more about this and either establish new procurement mechanisms or examine how to support non profits through the current process.

“Groups need to trust us and we need to give them good explanations. We have to trust that they are doing the best that they can. So when we tell them that they’re getting an audit, a lot of people in the groups really do lose sleep.”

Some respondents also recognized that those in the non profit sector need to be compensated appropriately for the work they are doing. This is required to match up with the professional expectations from the provincial government as they are judging non profit organizations at a higher level now. However non profits are not getting the money to go along with this more professional standard. Others suggested many agencies (especially ones that are small

and/or remote) would benefit from board governance training and establishing some kind of program to provide money on a one-time basis to non profits to improve their board governance would result in government getting a better value for money.

The Changing Nature of the Relationship

The final question posed to the provincial government survey participants asked how their relationship with the non profit sector had changed during the past five years and what effect these changes have had overall on the provincial government. Respondents noted that five years ago, the government was in the midst of core review and “there was fear and loathing throughout the land”. It was an environment and time where no one was hearing anyone very well and there was mistrust around intentions and policy directions. Suspicion towards government is on the decline but is still evident among many non profit agencies.

“The combination of eliminating the Ministry of Women’s Equality as a stand-alone Ministry and cuts to women’s centers around the province led to a general feeling that the government didn’t think women are important, or that services for them are important – thus, the relationship between government and the non profit/women’s service sector is not positive.”

Others feel the relationship has improved thanks to BC’s strong economy and due to the fact that the whole notion of cutting in government is not being talked about right now, creating a sense of hope in non profits and government.

Better Relationships

- Increase dialogue and communication
- Increased collaboration and partnerships
- Enhanced understanding and education in working with non profits
- Seek balance between accountability and flexibility
- Review current competitive procurement processes

There is greater acknowledgement by the provincial government of the non profit sector and its value.

In general, there was a sense among respondents that the provincial government has become more accessible to the public and has worked hard at building trust with non profit organizations.

In this new working environment, new types of partnerships between the provincial government and non profits are being established. Respondents noted that the non profit sector expects and understands that government wants to be more involved and this has meant government has been more of a partner in projects instead of just being asked for money. Now there is a willingness among non profits for the provincial government to assume an increased role.

“I think the non profit sector is ready for this type of new relationship. They want to be accountable for the services they provide, both to government and to the public.”

Other respondents noted an increased professionalism amongst the non profit organizations they are dealing with, noting that the call for increased accountability amongst non profits has changed the landscape with a move from a host of small organizations to more large professional non profits with standards of delivery, set policies and appropriate governance. The result however has been the loss of many smaller service deliverers as they lack the capacity to meet the new “business-like” requirements.

“There’s much more being done through the non profit sector. The service to the community is better than it was before. It’s much less complicated.”

There is also a greater acknowledgment by the provincial government of the non profit sector and its value. Respondents stated that to move the relationship forward, what the government needs to do is respect that the non profit sector delivers important programs and services to British Columbians. In turn, non profits must realize the position that the provincial government is in – “that everyone wants lower taxes while the costs of delivering services keep increasing”. One suggestion was to develop a social contract outlining the relationship, rules of conduct and communication channels between government and the non profit sector.

There is a sense that the provincial government has become more accessible to the public and has worked hard at building trust with non profit organizations.

Effects of Changing Relationship

- Non profit distrust of government declining but still evident
- Increased government accessibility
- Exploration of new partnership models and arrangements
- Increased professionalism and accountability among non profits

Summary:

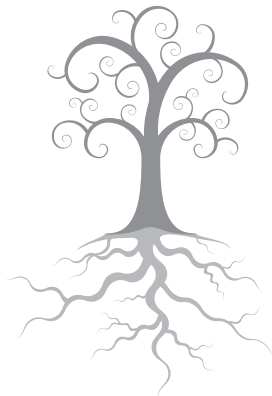
Strengthening the Bond

The non profit sector and the Government of British Columbia share a common goal – to enhance the quality of community life and opportunities for British Columbians. This was echoed by survey participants who expressed a commitment to strengthening the relationship in order to realize their shared goals. In fact, the establishment of positive communication channels and ongoing dialogue between the parties was valued above all else as critical to achieving a better working relationship.

Improve Awareness. Improved communication can assist in overcoming the challenges and differences of opinion that are hindering the relationship. For example, provincial government survey stakeholders argued the non profit sector needs to be more professional in its engagement with the provincial government, and needs to do a better job in communicating its value and in bringing its issues to government. At the same time, there was a request by non profit survey respondents for the provincial

government to be more flexible and responsive to the needs of the non profit sector, and where possible, to provide non profit organizations with more support to meet the government’s financial and program requirements. This includes defining “accountability” and clarifying the differences between program output and outcome. In addition, non profits want to see the provincial government be more inclusive by encouraging the sector’s participation in the policy making process and consulting with them prior to making policy changes however this could pose a challenge given the new competitive procurement process.

Collaborative Relationships. In order to move the relationship forward, both non profit and provincial government stakeholders suggested both sides need to undertake more engaged, collaborative relationships where they deal with each other as partners rather than adversaries. Moving beyond the past and learning to trust each other will be critical to



future relationship-building. One suggestion was to develop a framework or a social contract outlining the relationship, rules of conduct and communication channels between the provincial government and the non profit sector.

Broad Consultation. Other provincial jurisdictions demonstrate how provincial government leadership is critical to improving the relationship. Initiatives such as New Brunswick’s Community Non Profit Task Force show how broad consultations with the non profit sector can support the identification of strategies to enhance the relationship. Similar work could be undertaken in British Columbia with systemic consultation occurring with the non profit sector to solicit recommendations about solutions in regards to infrastructure, resource allocation, policy and fiscal stability.

Effective Organization. There is a need to organize BC’s non profit sector in a more effective manner so that the sector can speak with a more unified voice. The provincial government could create more defined conduits through which this voice can be heard. One example of this could be the establishment of an advisory committee for BC’s non profit sector within the existing Deputy’s Committee on Social Development.

Identify Leadership. The opportunities to advance and enhance the relationship between the provincial government and the non profit sector are abundant. Both the provincial government and the non profit sector are keenly aware of the need to communicate with each other and that ultimately, they are working for the same goal – to ensure British Columbians enjoy a high quality of life. There is a clear willingness to work together, to be open and understanding about the unique knowledge, expertise, capacity and resources which each brings to the table. Perhaps most critical, there is acknowledgement from both sides for the need to be more flexible in dealing with each other and in trying to meet each others needs.

All of these strengths provide windows of opportunity on which to base further relationship building. It will be important now for the provincial government and the non profit sector to come together and identify collective goals and common means to further facilitate a strengthened relationship and ultimately, meet the needs of British Columbians.

Critical Elements of a Stronger Relationship:

Key Survey Themes

- Enhance communication channels and encourage ongoing dialogue.
- Improve awareness of each other’s roles and expectations.
- Engage each other as partners and encourage collaboration.
- Initiate annual forums to address issues of mutual concern.
- Establish formal “rules of conduct” and possibly a social contract.
- Leadership is critical to improving the relationship.
- Find a balance between accountability and flexibility.

Footnotes

- 1 In this paper, the non profit sector refers to both non profit and voluntary organizations.
- 2 *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations*. (September 2004). Statistics Canada: Ottawa.
- 3 Scott, K and Pike, D. *Funding Matters: The Impact of Canada's New Funding Regime on Nonprofit and Voluntary Organizations*. Canada Council of Social Development; 2003.
- 4 *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations*. (September 2004). Statistics Canada: Ottawa.
- 5 *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations*. (September 2004). Statistics Canada: Ottawa.
- 6 *Imagine Canada. Strengthening the Capacity of Nonprofit and Voluntary Organizations to Serve Canadians: Recommendations Based on the National Survey of Nonprofit and Voluntary Organizations*. 2006; Scott, K and Pike, D. *Funding Matters: The Impact of Canada's New Funding Regime on Nonprofit and Voluntary Organizations*. Canada Council of Social Development; 2003; *From Red Tape to Clear Results: The Report of the Independent Blue Ribbon Panel on Grant and Contribution Programs*. (December 2006). Treasury Board of Canada Secretariat: Ottawa; Curtis, K. (2004). *The Impact of Welfare State Restructuring on The Nonprofit and Voluntary Sector in Canada and the US: Summary of Findings*. University of Delaware.
- 7 *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations*. (September 2004). Statistics Canada: Ottawa.
- 8 Ibid, 2004.
- 9 Ibid, 2004.
- 10 Ibid, 2004.
- 11 *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations*. (September 2004). Statistics Canada: Ottawa.
- 12 *Rationale and Recommendations for a Framework Agreement between the Government of Alberta and the Voluntary Sector*. (March 2006). Alberta NonProfit/Voluntary Sector Initiative. www.cd.gov.ab.ca/ANVSI
- 13 BC Social Economy Roundtable Strategic Plan 2006-2009.
- 14 *Warnings for the New Era: Citizens are at Risk*. Community Reconstruction Project, Report #2, February 2004. Community Social Planning Council of Greater Victoria. Victoria, BC.
- 15 Curtis, K. (2004). *The Impact of Welfare State Restructuring on The Nonprofit and Voluntary Sector in Canada and the US: Summary of Findings*. University of Delaware. <http://www.onestep.on.ca/CurtisCanadian.pdf>
- 16 Bill 23 – 2003: *The Procurement Services Act*. 2003 Legislative Session: 4th Session, 37th Parliament. http://www.leg.bc.ca/37th4th/1st_read/gov23-1.htm
- 17 Voluntary Sector Initiative: Treasury Board of Canada Secretariat. Jan. 31, 2006. http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/vsi-isbc/description_e.asp
- 18 *Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations*. (September 2004). Statistics Canada: Ottawa.
- 19 http://www.hrcouncil.ca/council/index_e.cfm
- 20 Budget 2006: Focusing on Priorities – Canada's New Government. <http://www.fin.gc.ca/budtoce/2006/budliste.htm>
- 21 Budget 2007: Aspire to a Stronger, Safer, Better Canada. <http://www.budget.gc.ca/2007/overview/briefe.html>

- 22 Status of Women Canada: Announcement – March 14, 2007. http://www.swc-cfc.gc.ca/newsroom/news2007/0314_e.html
- 23 *From Red Tape to Clear Results: The Report of the Independent Blue Ribbon Panel on Grant and Contribution Programs*. (December 2006). Treasury Board of Canada Secretariat: Ottawa.
- 24 IMPACS – Statement by IMPACS Board, March 21, 2007. <http://www.impacs.org>
- 25 Alberta NonProfit/Voluntary Sector Initiative: Fact Sheet. (July 2006). www.cd.gov.ab.ca/ANVSI.
- 26 In order to foster dialogue and communication, alongside key stakeholders from Alberta’s non profit sector, critical government ministries involved in the nonprofit/voluntary sector are represented on the Council, including Community Development, Justice and Attorney General, Seniors and Community Supports, Children’s Services and Government Services.

