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THE NEW AGENCY DEVELOPMENT FUND STRATEGY

The Community Services and Housing Committee recommends the adoption of the recommendations contained in the following report, October 30, 2008, from the Commissioner of Community and Health Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council approve the New Agency Development Fund Strategy and process to be effective for 2008, as outlined in this report.
2. The Commissioner of Community and Health Services report to Regional Council annually on the New Agency Development Fund.

2. PURPOSE

In June 2008, with the adoption of Clause No. 1 of Report No. 5 of the Community Services and Housing Committee, Regional Council approved the development of a new funding strategy directed at building the capacity of new and emerging community-based social services agencies. The new funding strategy is called the New Agency Development Fund. This report outlines the goals and objectives of the Fund and makes recommendations for the eligibility criteria, selection process, timelines and reporting and monitoring requirements.

3. BACKGROUND

New fund expands Region's investment in community services

Regional Council approved the development of the Community Development and Investment Fund (CDIF) in April 2002 with the adoption of Clause No 1 of Report No 4 of the Community Services and Housing Committee. CDIF has been well received by community agencies and has been successful in establishing much needed services for residents with low to moderate incomes, under the three priority areas of homelessness, family and children's services and employment supports. CDIF directly benefits 35,000 to 38,000 individual residents and their families each year.

CDIF is a competitive process designed to deliver tangible, guaranteed returns on the Region's purchase of community services within one year. CDIF was designed to be low-risk. CDIF eligibility criteria allow for purchased services to be delivered by established

and viable community agencies that have documented financial management systems in place and provide annual audited statements. In York Region, which has a dearth of community services, this type of funding strategy is crucial. New, emerging agencies, however, find it difficult to meet CDIF criteria and rarely qualify for funding.

To address the identified gap in supports for newer agencies, which are needed to support our expanding resident base, an amount of \$0.5 million was allocated for the creation of a new and separate New Agency Development Fund (NADF) with criteria to be tailored to the unique needs of new agencies. With the development and implementation of the NADF, new and emerging agencies will now have access to a new source of funds to assist them in developing both their organizational and service delivery capacity to respond to the needs of vulnerable residents.

This report outlines the goals and objectives of the NADF and proposes recommendations for the Fund's eligibility criteria, selection process, timelines and reporting and monitoring requirements.

4. ANALYSIS AND OPTIONS

Community consultations applaud Council's decision and suggest strategy framework

The commitment made to Regional Council in June 2008 was that regional staff would conduct consultations to explore options for developing the NADF criteria and process, and report back to Council with a recommended strategy. It was agreed that the NADF program would mirror some aspects of the CDIF, including the application and monitoring process. It was also agreed that the focus would remain within the framework of the Region's mandated services to ensure the Region does not fund programs that are the responsibility of other levels of government.

In August 2008, a focus group was held with a cross section of community agencies, some of whom had not qualified for CDIF in the past. The purpose of the focus group was to gather input and suggestions as to how the NADF should be structured to best meet the needs of new agencies. Agencies invited included a combination of organizations that not so long ago would have been considered new agencies and have recently experienced the challenges faced by new agencies.

All participants in the focus group, and the 28 agencies that participated in the CDIF community consultations in July 2008, affirmed the importance and value of the NADF and applauded Council's decision to create such a program. NADF is considered a critical component in the long-term sustainability of new and emerging community agencies and in providing services to our increasingly diverse communities.

Community consultations provided advice on how the NADF Strategy can be responsive to the unique needs of new agencies

At the focus group and during community consultations several areas received wide spread agreement for consideration in developing the new strategy:

- NADF should be exclusive to new agencies not new programs.
- NADF funding priorities should not be limited to the three CDIF priority areas of homelessness, family and children's services and employment supports, but should also include regional health and community service priorities.
- There was unanimous agreement that NADF funding should be available for more than program and program-related activities, since many of the new agencies face challenges that range from agency registration, through agency set-up and governance, financial management and business technology.
- It was also recommended that new agencies that are supported by larger established agencies, with terms of references, mission and purpose be eligible.
- Agencies recommended that the Region offer direct support to agencies applying for NADF funds, such as an introductory session and guidance before, during and after the application process.
- Participants in the consultations acknowledged the risks associated with funding an emerging organization and recommended that qualifiers be included in the application process to limit risk.
- Agencies clearly stated that the NADF should be a multi-year program and renewable based on individual outcomes.
- Agencies suggested that, if possible, the request for proposals happen more than once a year independent of other calls, including CDIF. Emerging agencies may find it difficult waiting a year to apply for NADF funds.
- Agencies agreed that organizations should only receive funds from NADF or CDIF, not both funds in the same year.

The Community and Health Services Department undertook a multi-faceted process to design the NADF Strategy

The following NADF recommendations are based on:

- Community input.
- Cross-jurisdictional research on new agency funding strategies.
- Discussions with GTA funders who have new agency funding programs.

- Advice from Program Directors.

New Agency Fund includes three key principles to guide development and implementation

The New Agency Development Fund includes the following three key principles:

1. The Strategy is intended to support the organizational development and capacity building activities of new and emerging agencies who meet the established eligibility criteria.
2. A new agency will be considered an agency that has been in existence for five years or less at the time that an application is submitted. This will capture both new and small agencies in the Region who meet the criteria to be eligible for funding.
3. Funded activities may include (but are not limited to):
 - Activities that support the agency's organizational development such as need assessment and research, seminars on governance, risk management, financial management and program development.
 - Program and/or service delivery costs.
 - Resources including staff and program set-up costs.
 - Operational expenses including rent, systems support, measurement tools, and costs associated with incorporation and/or charitable status registration, as well as establishing necessary business practices and purchase of small capital items.

In addition, subject to demonstrated need by the agency, renewable funding may be offered to successful applicants for a maximum period of up to three consecutive years, based on achieving annual objectives.

In order to maximize the potential for agency independence, through the New Agency Development Fund, the Region will also provide non-financial supports intended to support the professional development of community-based agencies. Participation in such activities by agencies receiving funds under this strategy will be mandatory.

Recommended eligibility criteria have been created to respond to community needs and establish a clear framework

It is proposed that to be considered for and receive funds under the New Agency Development Fund, agencies must meet the following criteria:

- Support York Region mandates, vision and by-laws.
- Support the Community and Health Services Department's strategic directions, mandate, priorities and services.
- Deliver services from premises within York Region to York Region residents.
- Be incorporated and organized as a not for profit or charity, or apply for and utilize NADF financing to become incorporated and organized. Non-registered agencies or

- unincorporated associations will be required to have a flow-through arrangement with an existing registered agency in order to access funding.
- Have a recognized management team in place that demonstrates expertise and experience in delivering community services.
 - Have an established Terms of Reference for the agency.
 - Do not duplicate existing services, unless it can be demonstrated that such duplication is warranted and appropriate.
 - Recognize the multicultural community of York Region and respect the diversity of needs.
 - Demonstrate a financial need.

Similar to CDIF, agencies and proposals, unless otherwise exempted, will not be considered for the following:

- Purchase of property.
- Religious or political activities or proselytizing.
- Organizations where the service component is conditional upon participation in the religious activities of the organization.
- Organizations which have political affiliations.
- Debt retirement, depreciation or deficit funding.
- Programs where the federal and/or provincial government have the primary responsibility, including, but not limited to, hospital-based health programs, medical research, education, settlement and English language programs.
- Programs more appropriate for consideration under other York Region policies and programs.
- Projects at the national or provincial level unless a York Region based branch exists and a direct local benefit can be demonstrated.
- Agencies or organizations acting in the capacity of a funding body, fundraising drives or events.
- Agencies or organizations that duplicate service in the same geographical area
- Proposals made exclusively by government.
- Academic training and professional certification of staff.

Agencies will be invited to apply for funding through a community-wide call for proposals process

The Community and Health Services Department will administer and manage a call for proposals for applications for the New Agency Development Fund. Based on program directions, priorities, and the dollars available for funding for new agencies, the Department will invite project proposals from the community through a Purchase of Service (POS) process.

Proposals must, at a minimum:

- Be specific, measurable, attainable, and realistic, with clearly set out objectives.
- Reflect clear indication of need and clearly define anticipated results.
- Describe well-planned activities to achieve anticipated results.

- Build on existing community strengths and networks.
- Include a project budget describing how funds will be used.

In addition to the general criteria noted above, additional criteria may be developed, where appropriate by the Commissioner, specific to a particular initiative. The development of specific criteria will utilize:

- Criteria required to address specific service needs and/or geographic areas.
- Other requirements as deemed appropriate to the initiative, e.g. service integrations, barrier elimination, innovative partnerships, service equalization and service access.

At the Commissioner's discretion, criteria may be waived.

Annual Report to Council will include agency accomplishments

The Community and Health Services Department will monitor all NADF funding agreements to ensure prudent use of resources and to support new agencies in establishing themselves and successfully serving residents of York Region.

The Department will report annually to Committee and Council on the New Agency Development Fund. The Report will contain information such as the agencies funded, number and description of projects, as well as agency accomplishments.

5. FINANCIAL IMPLICATIONS

A request was included in the 2008 Business Plan to establish the New Agency Development Fund with an annual budget of \$500,000. This request was approved as part of the 2008 Budget (Clause No. 1 Report No. 2 - joint report between the Chief Administrative Officer and the Commissioner of Finance at Regional Council April 24, 2008). All of the activities outlined in this report will take place within the existing budget. No additional resources are needed.

6. LOCAL MUNICIPAL IMPACT

The New Agency Development Fund will provide much needed funding for new and emerging York Region based community agencies and assist in addressing needs and service gaps in York Region. It has the potential to enhance the Region's service delivery system and encourage innovations that can effectively address the growing and increasingly diverse needs of residents in every local municipality of York Region. In this regard, it is an important step in building a strong network of community-based agencies that would be well positioned to meet the changing needs of the Region.

7. CONCLUSION

The NADF Strategy enables the Region to address an identified and significant gap in the community. At present, there are few funding opportunities for new or emerging agencies which are emerging in response to resident's needs in our fast growing, diverse region. With the development and implementation of the NADF, these agencies will have access to a new source of funds to assist them in developing both their organizational and service delivery capacity to respond to the needs of vulnerable residents.

For more information on this report, please contact Cordelia Abankwa-Harris, Managing Director, Strategic Service Integration and Policy Branch at Extension 2150.

The Senior Management Group has reviewed this report.