
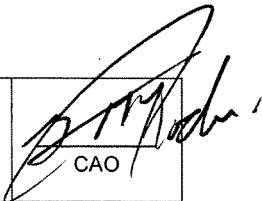


COUNCIL AGENDA/INFORMATION

Closed Date: _____ Item # _____
 Reg. Council Date: Jan. 25, '09 Item # 12
 Supplemental Date: _____ Item # _____

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DISTRICT OF WEST VANCOUVER
750 – 17TH STREET, WEST VANCOUVER, BC V7V 3T3

COUNCIL REPORT

Date: January 14, 2010 File: 0920-07-01/ 0116-CG
From: Leanne Sexsmith, Manager of Social Services
Subject: Impacts of the Economic Downturn on Local Social Service Agencies

RECOMMENDED THAT:

1. The report on “Impacts of the Economic Downturn on Local Social Service Agencies” dated January 14, 2010, from the Manager of Social Services be forwarded to the Community Grants Committee of Council, the North Shore Substance Abuse Working Group, the West Vancouver Community Centres Services Society Board and the West Vancouver Memorial Library Board for information;
2. Copies of this report be forwarded to the North Shore Members of Parliament and Members of the Legislature for information, and to the agencies who responded to the recent City of North Vancouver survey thanking them for their involvement; and
3. Staff work with the other North Shore municipalities, non-profit agencies, and our relevant committees, working groups and boards to continue to monitor the situation and to explore strategies for community based responses.

Purpose

The purpose of this report is to provide Council with information on how the economic downturn is impacting funding and client needs among local non-profit social service agencies providing services to West Vancouver residents, and to make recommendations for municipal and community based responses.

1.0 Background

Social Planning / Social Services staff from the City and District of North Vancouver, and the District of West Vancouver have each prepared a coordinated report, under the leadership of the City of North Vancouver, on the impacts of the economic downturn on local non-profit community service providers.

Many local community non-profit service providers are experiencing budget cuts from senior levels of government, reduced foundation grants and donations, and fundraising shortfalls. Some local organizations have received 50% to 100% budget reductions and have had to reduce or discontinue programs entirely. Some organizations are now only operating with their volunteers because they have had to let staff go.

There have been a series of recent and anticipated delegations to North Shore municipal Councils and local media reports associated with this situation.

The North Shore Municipalities support many of these organizations through, mostly small, community grants, or through the provision of other benefits and community partnerships (e.g. facility space, shared resources, information sharing, joint services).

The provincial government is predicting that they are headed into a multi-billion dollar deficit over the next four years. There is a tremendous amount of uncertainty within the social service sector regarding government support, and other funding supports such as endowment and investment funds, for the most vulnerable people in our community. The current economic climate is placing greater pressure and stress on individuals and families, leading to increased demand for social service supports.

Social service agencies are beginning to brace themselves for the likelihood of further decreases in revenues even as the economy appears to begin to recover. Concerns regarding 2010 funding levels have agencies planning to do more with less and developing new strategic planning processes.

2.0 Policy

- 2.1 District of West Vancouver "*Blueprint for Social Responsibility and Change*" (July 2008) – Identifies principals and actions to strengthen community social support systems and ensure that social issues are considered an integral part of long term planning for sustainability in West Vancouver.
- 2.2 District of West Vancouver *Official Community Plan* (June 2004) – Social Planning (Health, Wellness and Social Services Policy SP1): Within fiscal and statutory limits, work with the Vancouver Coastal Health Authority, School District #45, senior levels of government, private and not-for-profit service providers and community agencies to identify and address social needs and issues and to maximize the efficiency and effectiveness of the social service delivery system.

3.0 Analysis

3.1 Discussion

Staff have been monitoring the impacts of the recent economic downturn on funding and client service needs among local community non-profit organizations which serve West Vancouver residents. This report provides a review and snapshot of the types of pressures and issues facing a number of agencies, based on a recent survey of North Shore non-profit social service agencies initiated by the City of North Vancouver, as well as additional information collected by staff over the past several months. Based on this review, and recent discussions in the community, the report makes recommendations for continuing to work in

partnership to support municipal and community based responses within our municipal role.

3.2 Survey of North Shore Non-profit Societies - Scope / Methodology

In order to ascertain the impacts of the recent economic downturn on social service needs and agencies, City of North Vancouver staff developed a survey entitled, *“Request for Information: Impacts of Economic Times on Service Delivery at Non-Profit Organizations”*. The survey asked agencies to document their experiences related to client needs for services and the agencies’ ability to respond to those needs comparing January to September 2009 from the same time period in 2008. The survey findings provide a snapshot. They do not provide a comprehensive assessment of the current situation facing all agencies on the North Shore.

Participating Agencies

1. Canadian Mental Health Society
2. Capilano Community Services Society
3. Family Services of the North Shore
4. Harvest Project
5. Hollyburn Family Services Society
6. Lookout Emergency Aid Society – North Shore Housing Centre
7. North Shore Community Resources
8. North Shore Crisis Services Society
9. North Shore Neighbourhood House
10. North Shore Salvation Army
11. North Vancouver Recreation Commission (not a non-profit society)
12. Silver Harbour Centre / North Shore Keep Well Society
13. West Coast Alternatives Society

Supplemental Research and Information

Additional information has been collected to supplement the survey findings. This includes a recent province-wide survey of non-profit organizations conducted by the Vancouver Foundation: *“Weathering the Storm: A Survey of Non-profits and Charities in British Columbia” (October 2009)*.

Copies of these reports and survey findings are all available on the District of West Vancouver’s website at <http://www.westvancouver.ca/Level3.aspx?id=17170>.

3.3 Key Trends and Findings

A summary of key trends identified through the research outlined in this report is provided below.

1) Provincial Government Deficits in Health Care Have Led to Significant Cuts in Funding and Restructuring Affecting Contracted Agencies

Earlier this year, Vancouver Coastal Health (VCH) was directed to eliminate \$90 million from its budget by the Provincial Government. VCH began a program of cost savings with a focus on minimizing impacts on direct patient care and ensuring that individuals are not placed at imminent or grave risk. As a result, a number of well recognized, volunteer based prevention programs across the North Shore, such as the North Shore Keep Well Society, Seniors' One-Stop Information Line, and the Mental Health Volunteer Access Program, have received 100% cuts to their VCH funding.

The agencies and staff which provide these programs are working hard to find alternate sources of funding. Some will continue to operate in the short term, with modified services and increased reliance on volunteers. However, their long term sustainability is uncertain. A number of examples are described below.

Keep Well provides an exercise and wellness program for older seniors. In 2009, there were 540 people registered with 8 programs operating weekly across the North Shore, including programs at the West Vancouver Seniors' Centre (100 participants) and Gleneagles Community Centre (30 participants). 160 volunteers ran the program with 3 part time staff under a 2009 budget of \$85,000. The District of West Vancouver has provided an annual community grant of \$2000 for the program. The recent VCH funding cut of \$72,000 represented 84% of *Keep Well's* total program budget. The *Keep Well* Board is working to secure additional funds through local service clubs, federal funding (New Horizons), and gaming funding. They recently secured one year funding of \$21,000 through VCH's Integrated Health Network.

Another example is the *Seniors One Stop Program*, which is operated by North Shore Community Resources. This program provides information and referral services to seniors across the North Shore. It was created in 1992 after a community consultation process concluded that this was the most needed service to enable seniors to remain independent. The program has supported 5000 North Shore calls annually (26% for West Vancouver residents), and provided services for drop in clients, as well as written information/brochures with a budget of \$60,000. The recent VCH funding cut of \$51,000 represented 85% of *Seniors One-Stop's* total program funding. The District of West Vancouver has provided an annual community grant of \$12,000 to North Shore Community Resources, which supports an extensive array of programs and services with a total operating budget of just over \$1.3 million.

The *Mental Health Volunteer Access Program*, also operated by North Shore Community Resources, has received significant funding cuts as well. This program offers adults with special needs a supported opportunity to volunteer their services in the community, providing agencies with qualified volunteers to support their organization's work. A number of volunteers from this program are working in

West Vancouver, including at our West Vancouver Seniors Centre. The recent VCH funding cut of \$42,000 represents the primary source of funding for this program.

In the long term, the potential reduction or absence of these volunteer based prevention programs has raised concerns about increased patient care needs. The loss of services, such as Seniors' One-Stop information and referral services, which support municipal and non-profit agencies in the work that they do, will have a trickle down affect on direct client support and will make it more difficult for dozens of organizations to facilitate access to essential information and services on the North Shore, including our West Vancouver Seniors Centre.

One of the most significant funding cuts has been to *West Coast Alternatives Society*. This agency has been providing therapeutic services for people with alcohol and drug problems for the past 30 years. VCH has cut 100% of their funding to the agency (approximately \$800,000), effective January 27, 2010. This represents 80% of West Coast Alternatives' total budget of approximately \$1 million. VCH is repatriating the counselling positions for adult services.

West Coast Alternatives is seeking ways to restructure their funding and operating model to respond to this significant change. They are particularly concerned about the future of their Kids F.I.R.S.T. program, a prevention and trauma treatment program for children with parents or caregivers who have major substance abuse issues. They note that VCH does not have plans to provide this service. The District of West Vancouver has provided an annual community grant of \$5000 to West Coast Alternatives. In 2009 this was directed to their Kids F.I.R.S.T. program which serves 46 West Vancouver residents. West Coast Alternatives recently sent a letter to the North Shore Substance Abuse Working Group (SAWG), describing their current situation, and requesting bridge funding from the Working Group. This correspondence was received by the SAWG at their January 7, 2010 meeting, and after some discussion, the group agreed to bring the letter forward for further discussion at a future meeting.

Of the 22 contracted agencies on the North Shore that have been notified of service and/or administrative cuts, some have experienced cuts through contract adjustments to their administration fee (reduced to a maximum of 10%), while others included partial or full funding cuts. Municipal staff were not able to obtain a complete listing of all VCH service cuts on the North Shore. Staff are only able to report on a number of the existing cuts as provided by the agencies themselves.

In a presentation to the North Shore Seniors Coalition (September 15, 2009), VCH's Chief Operating Officer indicated that VCH is developing strategies to reinvest the savings from the cut backs and internal efficiencies to develop: 1) a geriatric outreach program which will integrate community-based resources for seniors, 2) maximize the use of their adult day care, 3) improve the use of their respite beds and 4) purchase an additional 10 residential care beds (\$55,000 per bed).

2) Foundation Grants and other Areas of Cuts

Another significant impact in funding for the agencies surveyed was a decrease in funds provided through charitable foundations. For example, the Vancouver Foundation, the largest foundation in Canada, sought special provincial approval to access its capital reserve for 2009 because at the end of 2008, their investment portfolio had decreased by 14%. In 2007 the Foundation provided \$8.4 million in grants to non-profits. In 2008 it provided \$11 million and in 2009 it provided only \$4.9 million (which was a result of a one-time-only provincially legislated opportunity to help the Foundation honour various commitments).

This has directly affected programs at the District of West Vancouver Seniors' Centre. The Seniors' Centre is the beneficiary of a bequest. The District of West Vancouver receives a donation annually from the Vancouver Foundation which administers the estate. Typically the bequest has generated about \$20,000-\$25,000 annually. For 2010, due to the economy in 2009 and poor returns on investments globally, the District will only be receiving about \$10,000 or half the historical returns. This could impact the Seniors' Centre's Keeping Connected and Outreach Programs.

Funding through the United Way of the Lower Mainland has also been reduced, with one example being a reduction in funding for coordination of the Middle Years Matters initiative from \$30,000 (in 2008/09) to \$25,000 (in 2009/10). In 2009, funding was also provided by the United Way to the Middle Years Matters initiative for a one time grant of \$30,000 for after-school programs for students in Grades 5-7 across the North Shore (one of which ran at West Vancouver's Caulfeild Elementary School in partnership with our Community Services Division). There were no opportunities offered by the United Way of the Lower Mainland to make another grant request of this kind for 2010. However, for the next two years the North Shore Community Foundation will be directing proceeds from their 2010 North Shore Mayors' Golf Tournament, in the amount of \$25,000 per year, to Middle Years Matters to run after school programs across the North Shore. Two of the six to eight anticipated programs will run at West Vancouver schools.

Other areas of funding cuts which are likely to impact agencies, particularly in 2010, are Gaming Grants (some have occurred in 2009) and Ministry for Children and Family Development contracts. While the Province has not reduced the funding available from Gaming, it has directed many organizations to apply for 2010 funding from this source, rather than directly through the Ministries. This will increase the number of applicants seeking a portion of the same sized funding source.

3) Non-Profit Agencies across the Province are Facing Widespread Reductions in Sources of Revenue on Multiple Fronts

Overall, the local agencies reported a decrease in funding from a variety of sources including government, private and foundations. This is consistent with findings from the Vancouver Foundation's report entitled "*Weathering the Storm; A Survey of Non-profits and Charities in British Columbia*" (October 2009). The report states that out of 470 agencies, half experienced a drop in revenue, including:

- Government (43%)
- Gaming (29%)
- Corporate (43%)
- Individual donations (51%)
- Endowment funds (50%)
- Planned gifts (12%)
- Foundation grants (63%)

The average decline was 19% of overall funding, while at the same time agencies are experiencing a greater demand for their services. These losses are seriously affecting organizations' ability to deliver services, and are resulting in service/program cuts, staff layoffs and possible closure.

The report states that one-quarter of charities laid-off staff in order to cope with their financial situation. The average reduction was 21% of their total workforce. It was also noted that of great concern was that half of the charities felt they are either "not prepared" or "somewhat prepared" for the challenges of 2010. "

4) Greater Reliance on Volunteers

In this context, a significant trend occurring throughout the non-profit agencies is an increased reliance on volunteers to help run programs, particularly for the provincially-funded programs which have received 100% funding cuts. Examples of this include North Shore Keep Well Society and the Seniors' One Stop Information Line, which as of November 2009 are being managed by volunteers. Some of the agencies are utilizing their board members to act in a staffing capacity until, ideally, new funding can be found to sustain the programs.

5) Trickle-down Effects are being Felt Across Organizations

On the North Shore there is high degree of interconnectedness between programs and services. As a result of various provincially-funded programs being cut, other programs are being impacted in ways that were not predicted six month ago. For instance, with the funding cut to the Seniors' One Stop Information Line, organizations such as Capilano Community Services Society and Silver Harbour Centre are fielding more calls and requests for information related to seniors' needs.

6) Sources of Funding are Declining, while Service Needs are Escalating due to Individual and Family Stress Related to the Economic Decline

Overall, local North Shore agencies reported a dramatic increase in service demands, largely related to the economic downturn:

- more families are less able to pay for consistent childcare
- more individuals are accessing food banks
- there are longer waiting lists for therapeutic programs
- there is a greater demand for financial assistance (including rent payments);
- there are more working people staying at the homeless shelter, and
- more families and couples are at-risk of homelessness.

The Vancouver Foundation's province-wide survey echoes these findings.

7) Income Assistance and Unemployment Rates are on the Rise

An additional indicator that supports the agencies' findings that service needs are increasing is the current income assistance and unemployment rates. The North Shore (comparing statistics from Jan. to Aug. 2008 and Jan. to Aug. 2009) has experienced a 7.85% increase in people accessing welfare. This statistic is considered by Ministry of Social Development and Housing to be significant for this region:

- District of North Vancouver experienced a 6.2% increase (875 in 2009 vs. 824 in 2008)
- City of North Vancouver experienced a 7.75% increase (1,041 in 2009 vs. 941 in 2008)
- District of West Vancouver experienced a 15.3% increase (226 in 2009 vs. 196 in 2008)

The unemployment rate from January to October 2009 in the Vancouver Metropolitan Area rose significantly from 2008 (BC Stats). The average unemployment rate was 7.0% compared to 4.3% for the 2008 calendar year. Overall in October 2009, BC had an 8.3% unemployment rate. This has also contributed to the rising demands for services.

3.4 Recommendations for Municipal and Community Based Responses to Report Findings

Municipal Social Services / Social Planning collaborate with non-profit agencies and with our own municipal departments to support initiatives that respond to social needs in the community, with a focus on vulnerable populations, including:

- children;
- youth;
- seniors;
- new immigrants; and
- residents facing difficult life changes, isolation, family discord, health and substance abuse issues

This is carried out through:

- research and information sharing on community needs and trends;
- strategic planning and networks that identify gaps in service and to develop new, often collaborative programming, infrastructure and service delivery models/approaches;
- shared resources such as facility space, staffing, information resources, joint programming and referral systems;
- access to senior government grants and funding; and
- distribution of Municipal community grants to a wide range of non-profit agencies.

This role involves community collaboration and engagement with social service agency networks, committees and planning tables across the North Shore, as well as directly with our Municipal committees, working groups, boards and citizens.

There are a number of ways that we can respond to the findings of this report within our municipal role.

Information Sharing on Community Needs and Trends

It is recommended that the information in this report be shared with municipal committees, boards and working groups involved in research, advocacy, distribution of municipal resources, and/or development of municipal community services programming with links to social service needs and objectives, i.e.:

- Community Grants Committee of Council
- North Shore Substance Abuse Working Group
- West Vancouver Community Centres Services Society Board
- West Vancouver Memorial Library Board

It is further recommended that this report be forwarded to agencies who responded to the survey, and to the North Shore Members of Parliament and Members of the Legislature. Open dialogue with senior government politicians regarding both current and future budget impacts on local social services may facilitate solutions.

Municipal Community Grants

West Vancouver provides municipal social service and community service grants to approximately 45 non-profit agencies serving West Vancouver residents within an annual budget of approximately \$110,000. This does not include the Arts and Culture grants which have a budget of approximately \$32,000.

These funds represent a relatively small amount of these organization's operating and programming budgets when taken collectively. However, every agency noted the important role these grants play in enabling their organizations to continue to provide needed community services. For the smaller groups, the municipal contribution can be the difference between providing a service or not.

As part of the 2010 Budget process (currently before Council), staff at the District of West Vancouver have recommended that the community grants budget be maintained, and continue with the three year funding cycle. Given that many of the local social service agencies have received and may continue to receive funding cuts from private, foundation and government sources, this support through the established community-based grant program is important.

Ongoing Monitoring and Community Collaboration

It is challenging to quantify the financial and social impacts facing the dozens of social service agencies on the North Shore. The agencies' scope of services, funding sources and programs are highly varied and ever changing, particularly in the current context. This report provides only a snap shot. It is recommended that staff continue to monitor the situation and seek additional information in partnership with the community as needed.

In addition, staff are currently collaborating with the other North Shore Municipalities, to explore opportunities for a community based meeting or forum on this issue, and to get more information about how the municipalities can support this within our roles. One option may be to work with the Interagency Network of the North Shore to facilitate this initiative.

The North Shore's social service sector is widely recognized for working in partnership to collaborate, achieve efficiencies, reduce overlap, and meet community needs. The hope is that there may still be further ideas and opportunities to find new ways of enhancing organizational efficiencies and resiliency during very difficult times. Many organizations have already taken significant steps in this regard. Sharing these strategies may be helpful to others.

Recommendations in the City and District of North Vancouver

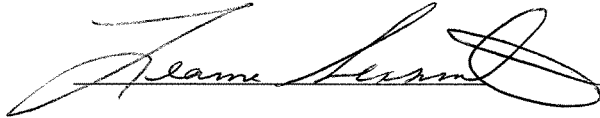
The City and District of North Vancouver Council's received reports on this issue in December of 2009, with similar recommendations to share information, maintain community grants budgets, continue to monitor the situation, and consider holding a meeting or forum to explore strategies and responses.

- 3.5 Financial Implications** - As part of the 2010 budget process (currently before Council), it is recommended that the community grants budget be maintained.
- 3.6 Consultation** - Consultation occurred through direct staff contact with service providers, through agency participation in the City of North Vancouver's "Request for Information" and through collaboration between staff at the three North Shore Municipalities.

4.0 Options

- 4.1 Council may direct staff to proceed with any or all of the recommendations in this report, suggest amendments to the recommendations, request further information or not approve the recommendations.

Author:

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