Vancouver's Social Enterprise Sector Recovery

Social Policy and Projects

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CITY OF VANCOUVER | Social Policy and Projects

EXECUTIVE SUMMARY

COVID-19 has impacted the entire global economy and left millions of people unemployed, businesses have closed and disrupted global economic and social systems in ways that have not been seen since WWII. It is important to recognize that the impacts of COVID-19 are not over, the pandemic continues to grow and has moved into a second wave and that without a vaccine the impacts may continue to be felt for many more months and possibly years. Vancouver businesses, social enterprises and non-profits have all been impacted by COVID-19.

The social enterprise sector has been uniquely impacted due to the unique nature of the sector itself. There is no universal definition of a social enterprise. Social enterprises provide goods and services in the market but are primarily motivated by a clear social, cultural, environmental or employment mission. This includes listening to, investing in, and actively managing the social issues that are shaping the world.

Social enterprises have significant economic value in Vancouver. In the downtown eastside of Vancouver there are over 70 social enterprises and they contribute "...$37 million in gross revenues, $26.5 million in sales and $18.4 million in salary expenses in the past year." (Buy Social Canada, 2019, p. 4).These social enterprises employ 2,864 workers, comprised of part-time and full-time employees. Atira Property Management Inc. examined the social return on investment (SROI) from their social enterprise; which is a property management company. The resulting report indicated that for every dollar Atira invested there was $4.13 in social benefits generated (Ernst & Young, LLP, 2017). This result is based on hiring the populations that Atira often serves to assist in its property management portfolio. Many other non-profit social enterprises engage in the same process; whereby hiring the clients they support to assist in their social enterprise (Elson, Hall, Lesson-Klym, Penner, & Andres, 2015).

Social enterprises generate additional benefits that are often overlooked when calculating SROI. Often people employed by social enterprises are people who experience some of the highest barriers to employment. Social enterprises provide more than employment, they provide supports and purpose and meaning to the lives of individuals that are often overlooked in society. The social return on investment does not include the reduced costs of policing and fire, the reduced number of homeless, the greater supports for health and early interventions; the ripple effect of hiring individuals with high barriers to employment.

Social enterprises contribute to a more inclusive and resilient economy by providing employment across the skill level continuum. People employed by social enterprises are empowered and have sovereignty over their lives and decision making, rather than being a client that is provided for. There is clearly a benefit to all levels of government that is derived from social enterprises that extends beyond the $4 SROI. They employ individuals with mental health and substance use issues and provide supports to these employees in ways that traditional businesses are unable to.

Social enterprises are facing very difficult times, with COVID-19 many social enterprises may end up closing their doors permanently. The estimate is that up to 40% may close down permanently and have difficulty reopening. The impact of this loss would be hard to measure because of the tangible and intangible benefits employees receive. A significant number of the individuals employed by social enterprises would have difficulty finding other forms of employment.

Social enterprises were clear about specific issues that the City of Vancouver could take to support them. They are:

1. Change the City of Vancouver's social procurement policy to make it easier for social enterprises to gain access to contracts.

2. Clearly articulate social objectives in City plans that clearly link to the social enterprise sector.

3. Using existing levers of taxation and funding to assist the sector in being able to access space, loans, etc.

4. Change funding processes to put them into the hands of community.

5. Decolonize granting processes so that smaller organizations and grassroots groups have greater access.

6. Look at leveraging development in neighbourhoods to provide spaces for social enterprises to operate out of.

7. Leverage City communications to assist in getting information out about social enterprises and assist them in raising their profile.

8. Reopen public spaces; employees from social enterprises rely on Wi-Fi and public bathrooms in City facilities to move through their day as they do deliveries and other work.

9. Partner with social enterprises on advocating to other levels of government.

The nine specific asks were targeted at supporting the sector through recovery. However, many groups may not make it to recovery. Social enterprises were able to pivot during the first wave of COVID as they were hired to deliver and prepare meals for those living in the downtown eastside, seniors, SRO residents, etc. Without these funds and this type of work, many social enterprises may not survive the second wave of COVID. Some organizations are clear that the profits generated from their social enterprises fund their peer support programs and without them, many other community members will be without much needed sources of income.

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1. INTRODUCTION

The purpose of this report is to provide an overview of the impacts of COVID-19 on the social enterprise sector within the City of Vancouver and supports needed with post-COVID recovery. The report examines the overall value of the social enterprise sector in terms of economic and social benefit; provides an overview of the impact of COVID-19 on the sector and how the sector has responded to this shock. It will also outline specific ways that the City of Vancouver can support the sector and policy implications that impact the sector.

The social enterprise sector has been pulled out separately in the report on non-profits as it has issues specific to it that are unlike issues faced by the non-profit sector. The information presented in this report focuses on Vancouver data where possible. Very little is written about the social return on investment of the social enterprise sector as a whole. The information that is available does not examine the full ripple effects that the social enterprise sector has on community.

This work is part of the broader business and community recovery program being undertaken by the City of Vancouver. The social enterprise report aims to clarify the value of social enterprises and examine short and longer-term levers that the City may use to assist in supporting this sector moving forward.

1.1 Data Sources

The primary data source for this report was direct conversations with social enterprises in Vancouver, which took place during two focus groups held on July 20, and 21, 2020[1] The two focus groups had over 50 people in attendance from 27 organizations. All comments from the focus groups have been cited anonymously as most comments were provided by more than one organization. Organizations that attended the focus groups are listed in Appendix A.

Other data about the social enterprise sector in Vancouver is limited. Vancouver-specific data was drawn from the yearly survey of social enterprises conducted by Buy Social Canada (which provides a comprehensive look at Downtown Eastside social enterprises but not for the rest of the city) and a report by Ernst & Young (2017) commissioned by Atira Property Management Inc., a social enterprise run by Atira Women's Resource Society. A final source used was a report from the Centre for Social Innovation & Impact Investing (2015) at UBC, on the labour market conditions of social enterprises throughout BC. All research and reports used are cited and included in the reference section.

1 Note that a key issue that arose during the focus groups was the need for ongoing peer work in the DTES. While parts of this have been included in this report, a larger part of this has been left out of this report, as this report focuses more on social enterprises and what they need to keep operating. The input received about peer work is quite relevant to other aspects of COVID recovery (e.g., the work on Persons Disproportionate Impacted by COVID 19) and has been integrated into these other recovery work streams as appropriate.

2. BACKGROUND OF THE SOCIAL ENTERPRISE SECTOR

2.1 Defining the Social Enterprise Sector

There is no clear definition of a social enterprise and they can take many forms and functions. However, the underlying commonality is that their primary purpose is providing a social value to the community, not simply earning a profit. One example of a local social enterprise is Potluck Café that provides catering services to a variety of businesses across Vancouver. The employees of Potluck Café are often individuals who face higher barriers to employment. Employees receive training, support and livable wages all while providing catering services.

Social enterprises provide goods and services in the market but are primarily motivated by a clear social, cultural, environmental or employment mission. This includes listening to, investing in, and actively managing the social issues that are shaping the world. It is an organization "that shoulders its responsibility to be a good [corporate] citizen (both inside and outside the organization), serving as a role model for its peers and promoting a high degree of collaboration at every level of the organization." (Deloitte, 2018, p. 1).

Social enterprises can take the form of a number of different business models. The Centre for Social Innovation & Impact Investing (2015, p.12) conducted a labour market survey on the social enterprise sector that provided the following four general categories of social enterprises;

- Non-profit: organizations that generate at least 50% of their revenue from the sales of goods and services; are not directly reliant on government contracts for that revenue and have a social objective, mission or mandate that is proactively communicated to its customers.

- For profit: organizations that have a mission or mandate with social objectives and reinvest 50% of its profits into its social mandate activity.

- Cooperatives: coops that have a social objective, mission or mandate that is proactively communicated to its customers.

- Community Contribution Corporations (C3s): A legally defined term by the Government of BC for a hybrid corporation that bridges the gap between for profit companies and non-profit organizations. Similar to non-profits, C3's are social enterprises established in order to achieve a social purpose and must adhere to BC government law related to this. Unlike non-profits, C3s can attract equity investment for growth and operate the same way as any other business (Do Some Good, 2020).

The lack of a clear definition of a social enterprise has both benefits and drawbacks. Many people do not understand the value of social enterprises because the business model is not widely understood. Social enterprises can find it hard to access capital (grants, equity or loans) because they often fall outside of the typical recipients of these funds. However, the lack of a clear definition that defines the sector also allows it to change, move and adapt as the social issues that drive their business model change. The ability to adjust to meet the needs of the community is one of the greatest strengths of the social enterprise sector.

2.2 Impact of Social Enterprise Sector in Vancouver

Not enough has been done to quantify the impact of social enterprises on the economy and on society has a whole. The social enterprise sector in BC grew by 35% between 2010 and 2015 and had earnings exceeding $500 million annually. A social enterprises' success relies on its access to capital, leadership capacity and its

business model (The Centre of Social Innovation & Impact Investing, 2015).

Social enterprises are often seen as a new phenomenon, however only for-profit and C3 social enterprises are really new; non-profit social enterprises have been working in BC for decades (The Centre of Social Innovation & Impact Investing, 2015). The impact of these social enterprises had not been measured in ways social benefits generated (Ernst & Young, LLP, 2017). This result is based on hiring the populations that Atira often serves to assist in its property management portfolio. Many other non-profit social enterprises engage in the same process; whereby hiring the clients they support to assist in their social enterprise (Elson, Hall, Lesson-Klym, Penner, & Andres, 2015).

It is unclear of the exact number of social enterprises in Vancouver, because (for example) some of them operate as part of an associated non-profit and some operate separately as unincorporated organizations. Also because the definition of social enterprises is unclear, it is hard to determine all the various types of social enterprise present. Further, some organizations are operating as social enterprises but may not know the term social enterprise so they do not classify themselves as such. Buy Social Canada (2019) identified over 75 social enterprises focused on employment, culture, environment and community economic development in the Downtown Eastside. [2]

Buy Social Canada (2019) conducted an impact assessment of the social enterprises in the Downtown Eastside and determined that they had "...$37 million in gross revenues, $26.5 million in sales and $18.4 million in salary expenses in the past year." (Buy Social Canada, 2019, p. 4).These social enterprises employ 2,864 workers, comprised of part-time and full-time. Most of the employees overcame significant barriers to employment. Unfortunately, there is no comprehensive study that examines the impact of all social enterprises in Vancouver. It is clear that there is a significant cluster of social enterprises in the DTES, working with and supporting people who often face the greatest barriers to employment (Buy Social Canada, 2019).

Often the added benefit that social enterprises provide to community is overlooked when benefits are calculated. Often those employed by social enterprises are the people who face some of the highest barriers to employment. Social enterprises provide employment along with supports, purpose and meaning to lives of individuals that are often overlooked. The SROI often extends beyond the calculated four dollars because this amount does not include the reduced policing costs, the reduce number of homeless, the greater supports for health and early health interventions; the ripple effect of hiring individuals with high barriers to employment. Other benefits that get overlooked is that those who are employed often spend their earnings in the communities they reside (often in the Downtown Eastside) and help to keep other businesses open.

Social enterprises contribute to a more inclusive and resilient economy by providing employment across the skill level continuum. People employed by social enterprises are empowered and have sovereignty over their lives and decision making, rather than being a client that is provided for. There is clearly a benefit to all levels of government that is derived from social enterprises that extends beyond the $4 SROI. They employ individuals with mental health and substance use issues and provide supports to these employees in ways that traditional businesses are unable to.

Social enterprises have many benefits outside of just employment for people with barriers. They assist in reducing isolation, provide a sense of community and belonging to their employees, provide support for substance use and recovery and social enterprises facilitate cultural connection. Employees of social enterprises are able to make a positive contribution to their community.

Most mainstream organizations struggle to employ people who are on disability because of the conditions around working limited hours and earning a limited income that come with disability provisions. Social enterprises understand these limits and create employment opportunities specifically to allow employees to work within the confines of their disability program. Social enterprises help the City of Vancouver meet its own objectives around equity, creating a healthy city and an inclusive economy as they ensure entry points for those who are often left out of traditional employment opportunities.

2. 40 social enterprises responded to Buy Social Canada's survey. They have not extrapolated based on these results, so their resulting data is a known undercount of the actual impact of social enterprises.

3. OVERALL IMPACTS OF COVID-19

The disease now known as COVID-19 was first identified in China in late 2019, with the first case outside China reported on January 13, 2020. On January 30, the World Health Organization (WHO) declared a Public Health Emergency of International Concern. COVID-19 is causing deaths, illnesses and economic despair around the globe. Over 20 million cases have been confirmed worldwide by August 14, 2020, including 0.75 million deaths cases (WHO, 2020). Growing demand for urgent healthcare and rising death tolls are straining national healthcare systems. The pandemic is disrupting global supply chains and international trade. With nearly 100 countries closing national borders during the month of March, the movement of people and tourism flows have come to a standstill. Millions of workers around world are unemployed. Governments rolled out large stimulus packages to avert a sharp downturn of their economies which could potentially plunge the global economy into a deep recession (World Bank, 2020). It is estimated that COVID-19 could cost the world more than $10 trillion (Vos & Martin, 2020). Estimates of worst case scenarios are that global GDP could contract by 5.2% (World Bank, 2020). World Bank predicts that the globe will have its deepest global recession in 80 years since the World War II.

In Canada, almost two million Canadians lost their jobs in April and the unemployment rate jumped to 13% from 7.8% in March (Willms, 2020). Moreover, the country's unemployment rate climbed to 13.7% in May, even though 290,000 jobs are added in May. The unemployment rate in May was the highest ever since comparable data became available in 1976, topping the previous high of 13.1% social enterprise in December 1982 (Willms, 2020).

In British Columbia, the province lost 420,900 jobs from April 2019 to April 2020, including 264,100 jobs lost in April alone. Up to April, more than 400,000 people applied for B.C.one-time emergency benefit of $1,000 (Fletcher, 2020). The figure below summarizes the monthly unemployment rate across the country, the province, and the city.

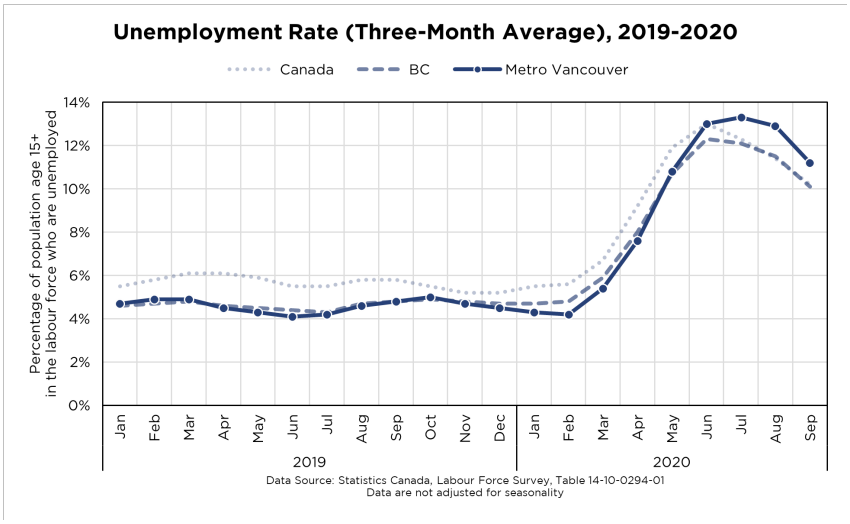

Figure 1 Unemployment Rate, 2019-2020

The high unemployment rates shown do not provide the whole picture and are likely undercounts. Many jobless are not counted in the work force because they lost the opportunities of looking for work rather than being unemployed. Nationally, the unemployment rate for April would have been higher at 17.8% (rather than the official 13.5%) if counts included the estimated the 1.1 million people who stopped looking for work because of pandemic shutdowns and limited job opportunities (Canada Press, 2020).

While all industries have been affected by the COVID-19 pandemic, some were more impacted than others. The services-producing sector has been the hardest hit, which accounts for nearly 63% of the total jobless. Accommodation and food-service industry is the second hardest hit, accounting for 15% of the total jobless.

The impacts of COVID-19 are ongoing and have not come to a conclusion. At the time of writing this report, the number of active cases is increasing and planning for a second wave is underway. The evolution of the pandemic remains unclear and recovery is an evolving process.

While focusing on trying to survive social enterprises are also adapting to the ever changing nature of their communities and the social, economic and environmental conditions that impact these communities. Depending upon what the fall and winter of this year hold, it will be impossible to know if all the social enterprises will survive.

3.1 Impacts of COVID-19 on Social Enterprises

Many social enterprises have had to close, curtail or significantly alter their regular operations due to the COVID pandemic, which has impacted their ability to meet their social purposes. Most social enterprises business models are based on catering, food and retail, most of which were shut down completely for several months, are still significantly curtailed.[3] The likelihood of catering, food and retail returning to normal in the near term is small, leaving these organizations without many ways to sustain themselves. Therefore, social enterprises are seeking to pivot their business models and look for alternative revenue generating activities.

This 'drying up' of revenue-generating activity impacted social enterprises' ability to carry out their social mission, at a time when there is an increased need for social support. For example, Potluck Café closed its training program because businesses were no longer ordering catering. Goal setting, personal development and employment readiness programs were all put on hold at other organizations, and one person noted that "Revenue and our ability to hire people with barriers completely dried up". These changes did not just impact the income of their employees, but impacted their social, mental health and overall well-being as their connection to greater community ceased.

3.2 Social Enterprise Response to COVID-19

Social enterprises responded quickly and effectively to COVID-19 on two fronts: 1) within their own operations and 2) as a coordinated group to support the community as a whole.

Firstly, most social enterprises had to 'pivot' their own operations in some way in order to sustain their revenues or their ability to carry out their social mission. Some key points related to 'pivoting' heard from social enterprises are summarized below.

- Because of the groups that the social enterprises employ and their connection to community, some social enterprises pivoted their operations to meet changing needs of community. For example, some social enterprises ended up providing meal delivery, preparing cooked meals, distributing information or PPE, and staying connected to those impacted by social isolation (such as seniors and residents in SROs).

- The shutting down of public spaces left women feeling isolated and vulnerable, so some social

3. Demand increased for a smaller subset of social enterprises which focus on cleaning, overdose prevention and harm reduction. Several of these organizations reported that despite increased demand, they were still facing difficulties due to (for example) COVID –related staffing challenges, unclear COVID safety rules, inability to access PPE, etc.

enterprises stepped up to offer respite space and safe resources for women.

- There were significant cultural barriers to accessing information, so some groups held zoom sessions to inform cultural communities of resources available.

- Some social enterprises provided ways to connect so that isolation could be avoided, even if there was no paid work available.

- Due to reduced transit services, changing routes and limited capacity many employees were unable to reach job sites. Some could not travel to work in company vehicles because of COVID-19 regulations requiring the number of people per vehicle to be reduced. Some organizations had to rent/purchase extra vehicles.

- Organizations found that social enterprises (and their peer workers) were being called on to do work that City of Vancouver staff were not comfortable doing due to risks but were asking peers to do this work without providing PPE. Many peer workers were not willing to work and put their own health in jeopardy. During the hiring and pivoting process, it was vital to ensure that each individual was safe and comfortable in doing frontline work. This took time, coordination and funding that many social enterprises did not have.

- Some social enterprises shifted their work to advocacy work, focusing on increasing income assistance rates, recruiting free phones, or trying to secure free Wi-Fi.

- Social enterprises provided a space for people to gather and recognized that for many employees, work offered non-monetary opportunities including connection, dignity and purposeful activity.

Secondly, social enterprises were able to coordinate and come together with a single voice to express their needs and to ensure that plans were coordinated and implemented so that communities in need were supported. They shared resources, work, and implementation amongst the dozens of social enterprises in the DTES and called their group Community Coordinated Response Network (CCRN). They did not wait for government to step in and direct but began a response long before the various levels of government were able to move into action. This quick response is an indication of the social enterprises being connected to community and their ability to adapt and respond to community needs urgently.

While this coordination was unfunded and often happened on the sides of desks, it was a valuable service that ensured the services being put into the DTES were not duplicated, were utilized wisely and met the needs of the community. In the future, this type of coordination work needs to be funded regularly. The key will be ensuring that governments participate into this type of community coordination, rather than expecting community to coordinate with governments.

Part of the work of the CCRN was to coordinate grant funding for peer networks and meal distribution under social procurement contracts. They partnered with unconventional partners to ensure that resources were fully utilized and groups that wanted to assist had a way to do so. The coordination of the peer networks was a key component of the work that social enterprises provided. The services provided by the peer network included:

- 1000's of meals per day provided by several social enterprises that provide catering and food supplies; this provided food for those who were sheltering in place and ensured that people who with these social enterprises (often the part of the population most disproportionally impacted) were able to stay employed.

- Coordinated food supply well and provided healthier meals than other groups.

- Peers stepped up when other services were pulling out or shutting down (including City of Vancouver

crews).

- Many organizations stayed open, providing support and peer employment.
- Support public health and well-being by providing messages of social distancing and safety protocols to those without internet/cable access.
- Provided health and wellness check-ins to individuals who were social isolating to ensure that overdoses were reduced.
- Programs were scaled up to support women experiencing violence.
- Provided regular support to those who were social isolating and often the only connection many of these people had during the week.
- Sanitized spaces and SRO's to ensure COVID-19 did not outbreak in DTES.
- Assisted in mental health outreach, wound care, harm reductions supports.

The CCRN helped coordinate and provide resources to dozens of community groups including funding, PPE, access to cell phones with free plans, street cleaning equipment and supplies, printed info sheets, etc. These groups shared resources in ways that would be more difficult for the private sector; they were able to break through silos because they were responding to community needs. If one social enterprise had more work, they worked with another social enterprise to 'share' employees so people did not have to be laid off. Overall, social enterprises contributed to the economic health of the community by spreading out production of meals between social enterprises and commercial businesses, keeping people employed and ensuring and enhancing the safety of the community by working together and coordinating efforts that responded to community needs.

"The work of peers was equity in action." Focus Group Participant

3.3 The Financial Risks Facing the Sector

The business model of social enterprises is in short term jeopardy. Because social enterprises have a market-based revenue stream that is typically sustainable, they do not regularly need grants or supports to sustain themselves. However, these revenue streams are currently disrupted. For example, social enterprises that rely on catering, food service or retail are unable to count on these revenue streams returning to "normal" anytime soon. During the focus groups, many groups indicated that they "may not survive the year...the future was so uncertain". Private donations were also drying up and fundraising events were cancelled outright or were jeopardy, for some their entire commercial business had dried up. Some contracts that arose due to COVID-19 helped fill the void, but these have run out and business is not returning.

3.4 Challenges of Affordability & Security of Space

The main issues with space are the ability to pay rent and the additional space needed to undertake operations during the pandemic.

Many social enterprises are currently struggling to pay rent due to the reduced revenues. Rents were often discussed as the issue that may be the death nail of many social enterprises. Many social enterprises indicated that space affordability was a significant issue prior to COVID-19 as they were being priced out of the community. For groups like Community Impact Real Estate (CIRE) where the income generated by market-value leased units subsidizes rents for non-profits and social enterprise, the loss of market rent tenants puts both non-profits and social enterprises at risk.

Also many organizations have reported a need for more space during the pandemic but do not have the

ability to pay for the additional space. The additional space is required to meet COVID-19 restrictions for social distancing and storage space to store personal protective equipment (PPE).

Social enterprises have asked for rent or property tax support, as well as short-term access to City owned retail space so that operations could be expanded to deal with a second wave of COVID.

4. THE VOICE OF SOCIAL ENTERPRISES

There were several key themes to emerge from the two days of consultation with the social enterprise sector. They were:

1. Community knowledge should drive the knowledge around emergency operations and recovery.

2. The sector was able to pull together quickly to coordinate, share and deliver resources, well ahead of any City response.

3. The sector provides incredible return on investment and non-tangible benefits (income, mental health supports, social connection, poverty reduction, self-sufficiency and dignity for people, costs savings to all levels of government, high community multipliers) and is typically self-sustaining in terms of funding.

4. COVID-19 interrupted typical business models and donations are down (while in many cases the need for their social mission is up). The sector needs temporary, bridge support to get through this short term period. If these organizations are lost, they will likely not emerge again. These can be in the way of City's social procurement being directed towards social enterprises, loans and grants and targeted programs.

5. Need improved communication and coordination between the City and service delivery sector.

6. The DTES was in emergency mode prior to COVID-19. The changes that came through with COVID-19 were needed long before and it would be disastrous to pull back on these services now.

7. The case numbers were low in the DTES because of the interventions taken by all community organizations, peers and others to ensure that information was communicated consistently, cleaning was done consistently and supports were provided.

8. The DTES and organizations that support this area tend to be seen as a community of deficits and needs; this needs to shift because it is a community of untapped capacity.

4.1 City's Role in Working with Social Enterprises during COVID-19

The City's work with social enterprises focused on peer work. While there were many opportunities to examine other ways in which social enterprises could have supported some City work; around issues like sanitation and supporting, monitoring and cleaning parklet spaces; discussions did not move in this direction. These types of discussions and use of social enterprises should be considered moving forward. Focus group respondents understood the challenges of mounting the response that the City undertook and were thankful for these efforts. They also clearly expressed being "on the ground" with the community and having a significantly better understanding of what was needed. Because of this, they have requested to be at the decision making table from the planning process through to the response.

4.1.1 Ways the City was Supportive

Many organizations commented on the funding for peer work that allowed them to pivot their programming to meet expanding and changing community needs. The funding flowing through one organization and then being distributed outwards and the groups being able to make decisions on how this was allocated and how long things ran for was extremely well received. The flexible peer funding allowed organizations to meet the needs of the community and be flexible on how this happened. Because funding distribution was jointly

determined by the CCRN (the network of social enterprises) it was collective decision making.

The expedited nature of the funding was also really well received as was the advocacy the City provided in leveraging other funders to the table. The donation hub that was created in the DTES (by Atira) was very effective.

The food that was provided to facilitate social isolation was extremely well received by the community and people felt that the food was high quality. However because the process to prepare food was not done through one process (BC Housing and the City had different approaches), residents felt that some people received considerably better quality food than others. A collaborative process between the City and BC Housing would have resulted in better food supports provided throughout the City.

4.1.2 Barriers Created by the City

Funding and Flows of Money

Many focus group participants felt the response from the City was slow and there were many missed opportunities because of the delayed response. Organizations offered the City ways to collaborate but this was not effectively utilized. In other cases, social enterprises foresaw emerging issues and flagged them for the city but the advice was not taken and issues snowballed. An example of this is that with the increased containers used to deliver food, there was no increased sanitation support to empty garbage containers, and garbage on the streets increased.

Overall many organizations felt that the City of Vancouver did not respond to the situation as though it was an emergency, like an earthquake, but that the situation needed that type of response. There was a slow release of funds and the internal processes to release funds did not seem to have an emergency response to them. Because of this, many social enterprises had to forward their own funds to provide services that the City has promised to pay for. Organizations had to cover between $200,000-300,000 of funds to keep operations moving (peers working, food being delivered, etc.). Without social enterprises being able to cover these costs, while awaiting funds from the City, services would have shut down immediately.

Social enterprises will not be able to do this in the future as many do not have reserves to cover these types of costs moving forward. The City of Vancouver needs to examine how its internal funding systems can be integrated into emergency planning because organizations did not feel this was happening. There are some organizations waiting to receive funds from May as of late July that still has not been paid. Because money was slow to move from the City, other social enterprises stepped in and assisted. The City could improve its support by providing stable and secure funding in a way that is not inherently precarious and puts undue financial burden on social enterprises.

"With food production, some organizations that were contracted to produce food did not have the funds to buy food. [Other social enterprises] stepped in and bought the food and continued to do so until the City funds started to eventually flow. Without this type of support some residents would not have received food while others would have. It is this type of partnership that made the response effective."
Focus Group Participant

Communication

Focus group participants discussed communication issues with the City as a significant barrier to effective emergency response. Community partners spoke about how (for example) communications just stopped, emails were not returned, phone calls not responded to and calls were not received. This may have been because the Emergency Operations Centre (EOC) moved staff around and it made it hard for community organizations to know who to talk to about what issues. It would be important to have one point of contact for specific issues moving forward. It would also be invaluable to have key community organizations (such as social enterprises) at the planning table before a second wave.

Some organizations applied for funding for public space, at the urging of City staff, but never heard back on this. They used valuable time and energy to do this and received no reply or indication of what had happened to their application. This left organizations feeling like there were not vital partners in the process of dealing with this emergency.

Many organizations commented on disjointed coordination and lack of thoughtful decision making from City at the outset. The formation of the CCRN came as a direct response to this lack of coordination. There also appeared to be a lack of alignment and communication between City of Vancouver departments; often contracts would get approved but then held up in finance or procurement. Many organizations commented that they felt that the City of Vancouver did not use its own Resilient City Plan which they believe would have made the processes simpler from the onset and would have been clearer to outside stakeholders.

Organizations felt that there were top down directives that disrespected community knowledge and understanding; examples of this were City employees determining the location of parklets and food delivery details. There was also a large disconnect on requests coming out of the EOC and what could be done on the ground. Often it felt to focus group participants that "if the City can't do it, peers can". Social enterprise organizations were told, "City engineering staff doesn't feel safe doing street cleanup on crowded blocks. Please get the peers to do it". Peers cannot do everything. They also have health concerns and there was a lack of hygiene resources that meant that peers could not be deployed or had to spend time coming back to headquarters for washrooms.

The City relied heavily on community to deliver on various pieces and needs to consider how this will work in the next phase or emergency. Union agreements also presented a challenge for peer work and need to be worked out in advance of a second wave. Most organizations felt that the City needed to do a better job of utilizing existing social infrastructure and the knowledge that exists within community; if utilized correctly this can only enhance the City's ability to meet its own goals.
Many focus group participants felt the response from the City was slow and there were many missed opportunities because of the delayed response. Organizations offered the City ways to collaborate but this was not effectively utilized. In other cases, social enterprises foresaw emerging issues and flagged them for the city but the advice was not taken and issues snowballed. An example of this is that with the increased containers used to deliver food, there was no increased sanitation support to empty garbage containers, and garbage on the streets increased.

4.2 Improve City Supports during Emergency Response

- Improve communication flow – one point of contact between the city and community about specific issues (one for food, one for peers, etc.). Need to think about what organizations can do for the City, not just what the City can do for organizations. It was clear that much of what needed to happen, community delivered on.

- Community organizations have a better pulse of what needs to happen and should be listened to not told what to do. Mutual respect and a collaborative relationship is needed moving forward. This should start with community knowledge being at the centre of decision making.

- Clear indication when things change internally with the City of whom to talk to now. Calls, emails, text messages need to be returned.

- Have a social enterprise representative on the EOC table to assist in planning, especially early in planning. If community representation is at the table then policies, ideas and plans that are being thought up are grounded in connections to the service providers who are expected to deliver them. Also have a City representative at the CCRN table so that issues can be heard both ways.

- Communicate clearly about how funds will be used and when they will run out. Organizations can do more if they have information. When things change suddenly it leaves them and those they support with support with little opportunity to prepare

- Standardize and streamline the distribution of food. Because there were different food providers, the quality of food from the social enterprises was higher but this left tenants feeling like some got better food than others. Governments need to align the systems so it all works together and recipients do not feel like there is a two tiered system in place.

- Social enterprises were able to raise another $250,000 above the City funds and used this money to serve 50,000 meals to the homeless community that was consistent with what was being served to the SRO's. Overall the food for homeless was not well coordinated and did not meet nutritional needs.

- Communication with unions needs to happen ahead of another emergency. Peer work is vastly different than union work and it would be good to think of how we can open up peer work as a pathway to union work in the future.

4.3 How Can the City Assist Social Enterprises

4.3.1 Social Procurement

One of the key issues that came up repeatedly in the focus groups was how the City's social procurement policy and purchasing could be opened up to ensure that more social enterprises had better access to opportunities. There were several issues that arose around procurement.

One example was to open up larger contracts so that smaller organizations could bid on portions of a larger contract. It was clear that while many businesses met with social enterprises, there was no reason to sub-contract to these organizations as the language in the policy spoke to best efforts and there was no way to measure this. This often took up valuable time from social enterprises and also often led to contracts being awarded to for-profit organizations because they connected with social enterprises. Clear change in language in the social procurement policy from best efforts to something more concrete would not waste social enterprises time and would likely result in greater sub-contracts being offered to the sector.

Social enterprises feel they have to justify their existence and explain who they are in RFP's and are often not taken seriously. They are fiscally responsible, able to compete in the market place, and also provided added community benefits that are not accounted for in traditional RFP processes. Social enterprises are asking the City to think broader about what could be done differently and how social enterprises can be a part of this process. For example, the City could consider using social enterprises to service and operate the new parklet spaces that are open.

Organizations felt that individuals in departments that understood the value of social enterprises utilized them, but overall there was little organizational education to examine procurement differently and to understand the value of procuring to social enterprises and the SROI that result from these contracts. Social enterprises wanted to be involved in explaining what they do and how they do it, and the ripple effect of what they offer. They wanted purchasing managers to understand the greater value that comes with each dollar contracted to a social enterprise.

Social enterprises were clear that City Council is in strong support of social procurement but feels that staff does not know how to effectively implement this process to see real results across City services and contracts.

4.3.2 Clarify Social Objectives in City Plans

Many social enterprises spoke about the number of City plans that had social objectives listed in them but were rarely used and made a priority. It was clear that community wants the City to hold itself accountable to the plans it creates and how they are implemented. Policy and implementation need to align.

They would like to see clear statement about social values and how these align with greater City values in upcoming plans like the ELER and Vancouver Plan (organizations had been consulted on these already).

Social enterprises wanted the City to clearly consider the ripple effects of the work they do and how these reduce costs in other areas like sanitation, policing, harm reduction, homelessness, etc.

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4.3.3 Taxation and Funding

Comments were made about how the Vancouver Economic Commission spends millions of dollars to bring in large "anchor" businesses but does little to support those who live and work in the area and often these anchor businesses shut down small businesses. Social enterprises should be entitled to tax benefits because of the value they add to community, so that people who live and work in the community are part of the solution. People felt that the City should not fund structures that diminish small business. Social enterprises want to see a leveling of the playing field, not just in rules and regulations but in policy design, policy participation and creating outcomes that are important to community. Another suggestion was to provide rent-related tools, such as property tax discounts to landlords that house social enterprises. Also social enterprises would like better access to City owned spaces, even for short term leases.

4.3.4 Changing Funding Processes and Streams

Social enterprises really wanted to see a flexible loan fund established for social enterprises in partnership with other levels of government or organizations that was easy to apply for and receive funding. They wanted to see something dedicated to social enterprises so that social enterprises could avoid shutdown during the pandemic. Social enterprises do not often fit into existing funding categories, which are often for NPOs but not necessarily social enterprises.

4.3.5 Decolonize Granting

Many organizations spoke about how funding is based on the needs of the funder (the City) and not about what the community needs. Funding should be significantly lower barrier, flexible with realistic reporting requirements. Organizations also stated that how success is measured needs to change to focus more on what community sees as success. Prioritize organizations that have peer employment programs in the City's granting process, as this is equity in action.

4.3.6 Condo Development Tax

One suggestion was to tax developers for condominiums that are being built in the DTES to pay for low income service retail and social enterprises in the DTES.

4.3.7 Leverage City Communications

The City of Vancouver can assist social enterprises in getting the word out. By utilizing its existing communications channels (social media, press releases, etc.), donations and supports could have been directed to social enterprises and NPOs more effectively. Organizations felt that they were not acknowledged publically for their work in supporting City's processes during COVID response, and that this may have been a missed opportunity to leverage greater private donations. The City needs to value this work and speak about it publically so that people know where they can contribute dollars.

4.3.8 Reopen Public Spaces

Community centres provided free Wi-Fi access to many residents. Community centres washrooms were also used by peer workers and social enterprise employees as they moved between job sites. Shutting down of community centres was a significant loss to local community.

Community centres could be used as a way to communicate issues to residents. Many people rely on community centres as a way of getting out of their own isolation; closure had an impact on mental health of many residents. It was felt that rather than shutting down community centres outright, programming needed to change and centres could become hubs for information flow, respite and spaces for community to come

together, while social distancing, to get breaks from the isolation.

4.3.9 Partner on Advocacy

Social enterprises pointed out that they are often advocating to provincial and federal government on the same issues as the City of Vancouver. There are opportunities to partner in advocacy work so that we collectively have a stronger voice going forward to senior governments.

Organizations felt that the City could have been a better partner to social enterprises in advocacy to other levels of government around issues like the $300 social assistance top up, longer term housing issues, and advocating for guaranteed income.

They also would have liked to see the City advocate to the federal and provincial government for social enterprises. They also felt that Small Business BC should be doing more to support social enterprises and helping people understand social enterprises.

5. CONCLUSION

Social enterprises provide valuable community services in Vancouver, particularly in terms of low-barrier employment and community services. They offer a hand-up, not a hand-out, to thousands of people across the city. They also contribute to our local economy, with DTES social enterprises alone responsible for nearly 3000 jobs, as well as"...$37 million in gross revenues, $26.5 million in sales and $18.4 million in salary expenses in the past year." (Buy Social Canada, 2019, p. 4).

In 'typical' times, most social enterprises are usually financially self-sufficient due to their revenue generating activities. However, COVID has disrupted their business models and with it, their ability to carry out their social impact work.

If social enterprises fail due to the COVID-19 crisis, it would be a huge loss for the community, and many are at risk of failing. Social enterprises are falling through the cracks in terms of funding, support and recognition, as they do not 'fit' into the traditional categories of small business, or the NPO sector.

The social enterprise sector needs short term bridge support in order to pivot their operational models to today's pandemic economy and beyond. The sector has provided a number of suggested supports that are outlined in this report, including increased social procurement from the City of Vancouver, loan funds directed at social enterprise and examining tax levers to benefit social enterprises.

The social enterprise sector in Vancouver is one of the most developed social enterprise sectors in North America. Vancouver is a model for other places looking for inclusive economic development and self-sustaining models of community improvement. Now is the time to recognize the importance of this sector to our City and step up to support them in this critical time.

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APPENDIX A

Organizations that attended the focus groups:

1. A Better Life Foundation, Save on Meats
2. Atira Women's Resource Society/Atira Property Management
3. Binners Project
4. Buy Social Canada
5. Central City Foundation
6. Community Impact Real Estate (CIRES)
7. Coast Mental Health – Clubhouse
8. DTES Response Network
9. Embers
10. Exchange Inner City
11. Flavours of Hope
12. Hastings Crossing BIA
13. HAVE Catering
14. Just Work
15. Mission Possible
16. Our Place
17. Overdose Prevention Society
18. Potluck Café
19. Raycam Community Centre
20. Sole Foods Farms
21. SRO (Single Room Occupancy) Collaborative
22. Starworks Packaging and Assembly
23. TORO (Tenant Overdose Response Organizer)
24. Union Gospel Mission/ Mission Possible
25. Vancouver Native Housing Society
26. WISH
27. Several community members and peer workers