

# MEMORANDUM



Date: 2/12/2014

To: New Zealand Productivity Commission

From: Kevin Lavery, CEO, Wellington City Council

Subject: New Zealand Productivity Commission More Effective Social Services:  
Wellington City Council Submission

## Purpose

This paper provides the Wellington City Council's (the Council's) submission on the New Zealand Productivity Commission's October issues paper 'More Effective Social Services'. The Council's position is that this report does not sufficiently understand or explore the role of local government in contributing to the delivery of effective social services.

The generic needs of the nation are the responsibility of Central Government. The Council gets involved when the city's specific needs aren't covered by the general priorities of central government.

The Council has a key role in delivering social and community services, playing a pivotal role in the relationship between social providers, local government services, central government, and the community. Local government is uniquely placed to understand the local concerns and priorities that should underpin effective and targeted social service delivery. In response to these concerns and priorities, the Council provides funding to the sector, where it is best placed to do so, as well as leads initiatives to foster greater coordination and collaboration amongst the parties.

## Council's social services context

Social services contribute to the liveability, resilience, and social cohesion of local communities. As such, local government has an interest in the delivery of effective social services. The Council is involved in shaping and supporting social services in Wellington. The Council has a range of responsibilities and priorities regarding the social sector that it aims to deliver efficiently and effectively in order to gain the best outcomes for local communities. It aligns with the Council's vision of being a smart capital, in which not only does the city flourish, but so does its people. The Council has a five-point plan to support this, including a focus on effective and wise investments. The scope of this submission is in line with the report, which focuses on improving individual and community wellbeing through the provision of social care, health care, education and training, employment services and community services.

The 2014/15 Annual Plan outlines the Council's role in social services, aiming for Wellington to be a people-centred city where people feel welcome – a city that fosters diverse and inclusive communities. To enable this, the Council provides libraries, halls and community centres that act as focal points for community activity and provide opportunities for people to connect with each other.

Council projects support partnerships and programmes within communities and neighbourhoods as a way of building local community resilience, and working with our partners to ensure the city's social infrastructure supports vulnerable people in the city. The Council encourages strategic planning and pathways with regard to social services – contributing to solving the problem rather than only having measures to manage failure. The Council considers that this needs to occur wider than local government, and all players should take a holistic view to what is the cause of the problem, and work through how to best use the resources available to gain the greatest impact.

The Council shows its commitment to its role in the social sector through a projected spend of over \$750M on social and recreational services over the next ten years, plus a further \$320M on cultural activities. The 2014/15 Annual plan includes expenditure of just under \$40M to deliver the Council's community support functions. Key projects include:

- continuation of provision of social housing
- reviewing the Social Housing Rental Policy
- feasibility work on a community hub/centre for Newtown, which may capture the opportunity for a number of social agencies to be co-located with our own Council services
- undertake work on the design and Resource Consent application for the new library in Johnsonville
- support and encourage community resilience, strong neighbourhoods and community networks
- work with local agencies and organisations to ensure welfare support is in place for people and animals following an emergency event
- finalise and implement Te Mahana – a strategy to deal with homelessness
- implement the Government's recent alcohol reforms and the Council's own Alcohol Management Strategy.

The Council has a number of measures in place to ensure performance against each of the projects outlined in the Annual Plan is met.

## Discussion

*Local government plays a key role in providing and supporting social services throughout New Zealand*

The issues paper does not sufficiently cover the significant role that local government plays in realising better outcomes from social services. There could be further clarity given to whether the Productivity Commission is looking at a holistic framework for improving efficiencies, or if the primary focus is on more efficient use of its spending. Should it be the latter, this does not mean that the role local government plays is any less important, but perhaps a little less relevant in terms of this issues paper.

Social service delivery does not happen in a vacuum. Local conditions, down to the neighbourhood level, have a bearing on an individual's well-being. The Council is in a unique position to provide local insight into the community's social service needs. The Council plays an important role in ensuring the social needs of its community are met, through funding, coordination, support and facilitation. To improve a community means understanding how it works, so the knowledge of local recreation, the environment and neighbourhoods are important. The Council excels at joining with its community through a number of collaborative and partnering measures.

Pairing the Council's local knowledge with funding and community engagement are key factors in delivering on the Council's Strategic Outcomes in the *Towards 2040: Smart Capital* strategy:

- **People Centred City:** Contributes to healthy, vibrant, affordable and resilient communities, with a strong sense of identity and 'place' expressed through urban form, openness and accessibility.
- **Connected City:** Supports a city with easy physical and virtual access to regional, national and global networks.
- **Eco-City:** Allows the city to proactively respond to environmental challenges and seize opportunities to grow the green economy.
- **Dynamic Central City:** Supports a central city of creativity, exploration and innovation, helping Wellington to offer the lifestyle, entertainment and amenity of a much bigger city.

## *Council contract and grant funding*

The Council contributes \$2.44M per annum to the social services sector (see appendix 1 for 2014/15 contracts) in Wellington City through contracts and project funding. Grants are given to projects that make a positive contribution to achieving the Council's outcomes. Funding focus areas are currently youth, building capability and capacity, increasing personal and community safety, encouraging health and well-being and increasing preparedness.

Grant applicants with continued success and whose activities directly contribute to the goals above can be funded through a detailed contractual arrangement with three-year reviews of the funding. The Council recognises such organisations are critical to contributing to Wellington's sense of place and the long-term sustainability of the city's social infrastructure, however not all of them can continue without some financial support. The Council plays a key role in recognising the value these organisations add and through monitoring the impact of the contract funding. The longer term three-year funding model is beneficial for community organisations that work to strengthen capacity in Wellington's social and cultural sectors, by allowing more time to reach objectives and through more detailed reporting requirements to protect the Council's investment.

In addition to contributing to the Council's strategic objectives, organisations seeking three-year funding contracts should also be:

- well-established and, with some council funding, be sustainable in the long term
- generally regarded as a feature of Wellington's infrastructure or unique sense of place
- one in which (without wishing to influence its day-to-day activities) the Council has a strong interest in the outcomes of the organisation
- able to show that your organisation has a beneficial partner relationship.

All contracts are for activities that represent the core business of the Council or directly contribute to the Council's strategic goals. Organisations will have a good funding history and a record of adding value to the city. Each year the Council will have the option of considering new organisations to go onto contracts, but this is likely to impact the amount of funding available through general grant rounds.

The Council recognises the difficulties with a competitive model, which drives providers to deliver the most efficient service but also works against having a collaborative approach, with joined-up and shared solutions. And while the three-year contract model is a step in the right direction to reach longer-term objectives, it is still a relatively short timeframe when working to strategic goals.

### *Partnering*

The Council partners with central government, service providers, communities and other providers to maximise the return from investment for its grants and contracts to achieve agreed outcomes. Local government provides a useful framework for devolving central government funding through to a regional and local level.

The Council works with other funders to promote and align its priorities to achieve what is best for the city. For example, the philanthropic funding sector is not as well-aligned to the social services in New Zealand as compared with other countries in the world. The Council has set up a strategy and is working to fuse relationships with key philanthropic players to boost the visibility of social service need in the Wellington region. Council officials meet with Philanthropy New Zealand regularly, and are actively working to influence the disbursement of funding to align with the city's priorities for funding.

Another example is the Council's establishment of the Wellington Strategic Coordination Group, which includes the leaders of key central government agencies and the Council. The purpose of the group is to bring to light the role that local government can play as a critical influencer in shaping Wellington as a dynamic, sustainable and highly liveable city. The absence of a regular forum in which to broach emergent social issues with relevant agencies hampered the ability to develop and implement truly collaborative activities.

The Council's view is that in forming such a group, the right people with the right skills and shared interests will be brought together to support coordinated activities at a strategic, outcomes-focused level. In addition, such a forum will act as a natural home for strategic oversight on city-wide social strategies that address social matters.

The objective of the forum will be to deliver meaningful engagement that leads not only to better understanding and cooperation between agencies, but also towards implementation of initiatives that have a real impact on the ground.

### **Service model: a way forward**

The Council acknowledges that there is a big shift required to get the social services delivery where it needs to be. It requires strong partnerships, shared goals, and an agreement to work together to achieve a shared vision. The above paragraphs demonstrate how the Council is working to improve the delivery of social services.

Central to the effective and efficient delivery of social services are partnerships and joined-up outcomes. All of the parties – central government, local government, other funders, national and local organisations, service providers – working within the sector and with the same pot of funding must agree upon outcomes. All parties must work toward the same set of goals. The Council sees this best operating through a collaboration of central government, local government and umbrella organisations with the capability and capacity to represent the views of social service providers.

Different agencies have different roles in addressing the same issues, and despite these agencies potentially meeting their individual measures of success, what is not clear is if the total use of resource is having the best impact and being spent in the most appropriate area. A step back to look at what is creating the issue and then looking how to best treat it holistically is necessary to ensure funding is spent in the most efficient way to address the problem from an all-inclusive point of view, as opposed to a particular agency or department's view.

Social policies are often vertical, and it is not always clear that the combined efforts present a good value for money. There needs to be more joined up ways of working, and local authorities have a role in that. Local government is key to ensuring effective social service delivery because of its unique and valuable insight on the needs of its local community.

Once there is agreement about shared outcomes, the barriers preventing the group from achieving the outcomes can then be detailed. For example, a lack of consistency in policy application can make dealing with government a difficult and confusing experience – e.g. Income Related Rents for social housing, where Housing New Zealand tenants are able to access a service, but Council tenants cannot. Other barriers include:

- How are the differences in community versus national issues identified and realised? How is the funding determined?
- Where are the gaps in delivery?
- Who gathers information? How will it be shared?
- How will the information inform decisions?
- What is the process for decision making?
- How are projects/funding monitored?
- How will the lessons learned inform future policy development?
- How are the messages received and communicated?

Solving the barriers will assist in developing a more efficient way of delivering what the sector is trying to achieve. In addition to this, the current fiscal climate means that more must be delivered with increasingly less resource. The Council recognises the need to work smarter in order to improve delivery and maximise the benefit of the funding available. The Council also recognises the often heavy requirements and expensive costs associated with running grant and contracting rounds, and recognises the need to keep heavy machinery of government and associated bureaucracy to a minimum while ensuring the funding is maximised.

Once the barriers are identified, defining who is best-placed to do what will allow for an efficient and effective way of managing resources and delivering on the objectives with the resource available.

### **Service model in action**

#### *Social Housing*

The Council is actively looking to better the effectiveness and efficiency of the social services it delivers. One key example of the Council providing local leadership in social services is with the City Housing unit. Wellington City

Council is one of New Zealand's largest social housing providers, housing approximately 4,000 people. There is a current stock of 2300 units, of which 67% are high density (tower blocks), valued at around \$350 million.

The Council's Community Action Programme team won the 2010 nationwide Australasian Housing Institute (AHI) - Excellence Award for Engagement and in 2012 the AHI Leading Housing Innovation Award. The win was an acknowledgement of the strengths-based community development work that runs alongside the Housing Upgrade project.

The Council provides rental housing to low income families or individuals whose needs are not met by the private sector housing market. The social housing objectives for the Council are:

- Provide for housing needs not met by other providers.
- Target low-income households with particular needs.
- Focus its service on those most in need of assistance.
- Enable and empower people, where possible, to make positive changes in their lives.
- Work in partnership with agencies already involved in providing services to tenants and to avoid duplicating services currently being delivered.
- Operate as a successful business while recognising the social needs of tenants.

### *Te Mahana*

The social infrastructure in Wellington is complex, with many different pieces of work underway to best meet the needs of the community. The Council's homelessness strategy is but one thread of the Safe City framework, and a good example of showing how the Council has played a pivotal coordination and facilitation role in a whole of community approach to realise shared outcomes and effective use of resource by addressing the problem in a holistic sense.

In 2011, a combination of issues including a challenging economic climate, withdrawal of central government support for a number of activities, the imminent closure of some community-based support organisations, and the emergence of some innovative local approaches meant it was timely for the Council to review its Homelessness Strategy.

An action-orientated review began, with a draft policy emerging from a day-long practitioner "lock-in" with all relevant stakeholders. The lock-in included more than 100 people, representing Government agencies and community organisations, as well as people experiencing homelessness. There was also a call at the lock-in to build a Māori cultural perspective into the strategy, given Māori are over-represented in those experiencing homelessness. Māori organisations responded by holding two hui to provide a cultural perspective on homelessness, which was weaved into the strategy.

Many of the actions identified had little or no Council involvement. The strategy needed to be a strategy for the city endorsed by a host of organisations, including the Council. A number of other organisations including the Council endorsed the strategy with the view that Te Mahana will be sector-led.

The Council worked with the sector to establish the governance model, and to finalise a funding model that will provide optimum service to those experiencing homelessness. A key success factor of Te Mahana is ensuring coordinated service planning, funding and reporting functions are in place between agencies to deliver Te Mahana. This includes:


- implementing a framework for coordinated planning, funding and reporting across agencies.
- implementing a mechanism to generate and report data on homelessness.
- government partners scoping opportunities for future collaborative planning and funding around Te Mahana.
- scoping opportunities for improving data collection on trends.

In addition to championing Te Mahana, the Council funds, through grant and contracts, social service provision for organisations dealing with homelessness.

### **Conclusion**

The social services sector is disjointed, which is partially a product of funding contestability. This has led to service provider differentiation and a focus away from achieving outcomes.

While a move to longer term, high trust, outcome-focused funding arrangements may be desirable, such arrangements must happen collaboratively. Effective social service delivery requires an understanding of local conditions and priorities. Local government plays, and can continue to play, a pivotal role in brokering shared outcomes for social service delivery to local communities. However, for these collaborative endeavours to be most successful, more thought needs to be given to how best to support the social services sector to participate in these process. Currently there is limited capacity and capability for umbrella organisations representing the views of social service providers to engage collaboratively and effectively with funders.

A handwritten signature in black ink that reads "Kevin Lavery". The signature is written in a cursive, flowing style.

**KEVIN LAVERY**  
**CHIEF EXECUTIVE**

## APPENDIX 1: WELLINGTON CITY COUNCIL CONTRACTS

<b>Current contracts 2014/15 financial year Organisation name</b>	<b>Amount funded 2014/15 (excl GST)</b>	<b>Contract term</b>
Age Concern Wellington Inc	\$25,500	2013-16
Aro Valley Community Council Inc.	\$43,404	2013-16
Be. Institute Charitable Trust	\$20,767	2012-15
Brooklyn Community Association – Brooklyn Community Centre	\$40,898	2013-16
Brooklyn Community Association - Vogelhorn Hall	\$30,715	2013-16
Brooklyn Community Resource Centre	\$26,986	2013-16
Catacombs	\$17,340	2013-14
Challenge 2000	\$40,000	2014-17
Changemakers Refugee Forum	\$15,000	2014-17
	\$51,918	2012-15
Downtown Community Ministry	\$135,782	2014-15
Eastern Southern Youth Trust	\$70,000	2014-17
English Language Partners Wellington Incorporated	\$16,320	2013-16
Hataitai Childcare Collective and Community House Inc.	\$39,341	2013-16
Johnsonville Community Centre	\$47,847	2013-16
Kaibosh	\$25,959	2012-15
Karori Community Centre	\$47,847	2013-16
Katherine Mansfield Birthplace Soc.	\$72,303	2013-16
Khandallah Cornerstone Resource Centre	\$37,831	2013-16
Kilbirnie/Lyall Bay Community Centre	\$47,847	2013-16
Life Flight Trust	\$46,726	2012-15
Miramar and Mapua Community Trust	\$45,266	2014-16
Mokai Kainga Maori Centre Charitable Trust	\$45,189	2013-16
Multicultural Service Centre	\$13,499	2012-15
New Crossways Community Trust	\$38,605	2013-16
Newtown Community & Cultural Centre	\$47,847	2013-16
Newtown Community & Cultural Centre - Newtown Playground Hall	\$32,189	2013-16
Newtown Community & Cultural Centre- Smart Newtown	\$98,940	2013-16
Newtown Community & Cultural Centre- Wellington Timebank	\$20,000	2014-16
Newtown Residents Association- Newtown Festival	\$62,220	2013-16
Nga Hau e Wha O Paparangi	\$41,122	2013-16
Northland Memorial Community Centre	\$37,831	2013-16
Strathmore Park Community Base Inc.	\$47,847	2013-16
Taki Rua Productions	\$51,918	2012-15
Thistle Hall	\$47,847	2013-16
Volunteer Wellington	\$38,419	2012-15
Wellington Boys and Girls Institute Inc	\$70,000	2014-17
Wellington Citizens Advice Bureau Inc	\$207,672	2012-15
Wellington City Mission	\$33,228	2012-15
Wellington City Mission- WCC's Mayoral Relief Fund	\$21,266	2012-15
Wellington Community Law	\$72,685	2012-15
Wellington Council of Social Services	\$57,110	2012-15
Wellington Free Ambulance	\$91,414	2012-15
Wellington Night Shelter Trust	\$60,700	2014-15
Wellington Women's Refuge	\$36,343	2012-15
ZEAL Education Trust	\$70,000	2014-17

