

More effective social services inquiry
New Zealand Productivity Commission
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Submission on More Effective Social Services – NZ Productivity Commission Issues Paper October 2014 by the Auckland District Council of Social Services

The Auckland District Council of Social Services works across the Auckland Isthmus, the former Auckland City Council area. We also work at a regional level both in the specific areas of housing and of community development as well as advocacy and submissions on social policy and on provision of community and social services. We can be contacted at PO Box 6817, Wellesley Street, Auckland 1141, phone 09-6341494 or 0272479662 or email at northey@xtra.co.nz.

ADCOSS has a membership base of over 100 community groups and individuals including health, migrants & refugees, Maori, Pacific, older adults, family services, education, community, youth and disability sectors and a diverse elected executive of 12 who are responsible for this submission. We are affiliated to Community Networks Aotearoa nationally.

Introduction

ADCOSS welcomes the opportunity to comment on the issues paper. It raises many important issues that affect the capacity of social and community service providers to improve the lives of people, families and communities with whom we work.

ADCOSS took part in an ANCAD (our sister organisation on the North Shore) hosted workshop in Takapuna on the 4th November for social services and community providers to discuss this issues paper. People and organisations from across the social services sector in Auckland north and central participated in the discussion. This submission is informed by their views as well as our years of experience working with communities and agencies developing and delivering services in response to social and community needs.

We recognise the benefits of overcoming problems of service fragmentation and a lack of collaboration where they exist, promoting integration and joined up services, within a person-centred service delivery. Our response, however, is framed by a number of considerations that are not sufficiently evident in the issues paper.

The first is the extent to which structural factors impact on individuals, families and communities causing poverty and serious disadvantage that are beyond the scope of a social services delivery framework alone to solve. In our view it is these structural factors that are the prime cause of

people and families being disadvantaged, suffering poverty, and in need of support from social services rather than being caused by individual deficiencies or weakness. Many structural factors appear to be worsening and increasing disadvantage among many people, families and communities with significant impacts and demands for family, community and social services to increase. Mason Durie also asserts that many people, particularly Maori, are in what he calls “Trapped Lifestyles”. These are the product of several forces acting together: socio-economic forces, lack of a secure cultural identity, the life experience of many Maori and of many migrants and refugees, together with a sense of powerlessness. For those in “Trapped Lifestyles” a positive intervention in one area of deprivation by one social service may well not be enough to achieve self-actualisation in the face of an interconnected web of negative influences.

Greater acknowledgement is required about the role of structural factors and of inequality as key determinants of health and well-being and therefore as drivers of demand for community services. The key role of community services providers is to be responsive to the needs of the most disadvantaged and to inform central and local government of the issues and gaps to ensure that resources and services are directed where they are most needed in an effort to reduce inequality and increase the health and welfare of citizens. A worrying trend is that being a ‘voice’ for the most disaffected and contributing to the making of good policy at a local and central level is seen merely as ‘advocacy’ and as a somewhat subversive role to undermine government. We stress that advocating for new solutions and informing policy plays an extremely important and necessary role in communities. Agencies need to be able to alert government to important factors and issues around service delivery. The making of relevant innovative and therefore effective policy needs to be a collaborative exercise between communities, agencies and government. This process is critical to the design of ‘Better Social Services delivery.’

It is important also to understand the history of contracting and service delivery. From 1991 to 1993 the government brought in a competitive contracting model, which created a plethora of competing agencies.

In determining an appropriate model for contracting and service delivery, a ‘one size fits all’ approach fails to recognise that solutions to serious long-term problems must be tailored and premised on the understanding of specific localised problems and responses. Solutions must be flexible enough to meet multi-faceted issues. Causes are complex and require multiple methods and approaches.

We strongly endorse the ‘whanau ora’ approach that puts the family or whanau at the centre. This appears to be working well, particularly in the delivery of health services. We stress the importance of other relationships and the building of functioning families as a crucial centre of healthy communities is critical alongside a ‘targeted’ focus on the individual which will not be enough to solve complex problems. Meeting the needs of the individual is important but they are generally family members and families live in communities and, in turn, communities need support, advice and resourcing to be healthy, safe and just places for people to live. Social service delivery must provide for a range of service types and relationships that cater to people with single simple issues through to people and families with a complex range of needs. Here in Auckland the feedback we receive from agencies is that more individuals and families are presenting more complex issues than they used to.

ADCOSS accepts that specialisation and professionalism play an important role in developing expertise in the delivery and policy and procedures level. Simple 'self-help' models may well be a valuable part of an integrated system but do not necessarily offer the right approach on their own for a varied client base. This latter point recognises the inherent sophistication of integrated models and collective impact frameworks allowing for more choice and the right service for the right person.

The issues paper does not appear to recognise the critical importance of data analysis and interrogation of evidence. The importance of tertiary institutions in this regard is not raised. Rigorous research and a clear overview and understanding of social structures and of services are extremely important in any decision making around proposed models and future structures. We urge that key people in universities who understand the history and analysis of social services are brought into the conversation and assist with evidencing good practice and models of working. Also it is important to recognise the importance of training in the community sector. Training in what can be sophisticated evaluation and evidence gathering techniques, requires concerted resourcing. Evaluation needs to be encouraged and to be funded and resourced adequately so that service organisations can assess and improve their performance and particularly what impact both innovative and continuing services are having. Community organisations often do not have the time or expertise to effectively design and deliver a good evaluation model, and this is seldom funded (apart from MSD and its promotion of the RBA model in Auckland). We discuss the limitations of a single outcomes framework later in our submission. Lack of appropriate design and place based outcome models are a flaw in the current funding/contracting framework.

Collective impact models are highly demanding and sophisticated requiring strong leadership and facilitation. Our view is that this is an important way of the future but there must be recognition that this requires considerable resourcing. In our experience, however, this kind of resourcing is seldom funded or not funded adequately. Money is targeted to the clients and the service delivery and not available to improve the organisations' capability and capacity. We applaud MSD for their current fund for increasing capability in the sector. Traditionally, however, this is the most difficult area to get any resourcing for and many community organisations are struggling, working often on low salaries, long hours unpaid or significantly dependant on volunteers. For example, internships and placements in the social sector, such as social workers, are not resourced like other professions. The community sector is very often the 'poor cousin'. We urge that the funding/resourcing of the community to deliver social services should have some 'parity' with the cost of resourcing government service delivery. We need to empower communities rather than only focus on the individual. A thriving social services sector is vital to a well-functioning and just society.

The issues paper proposes ranges of funding/contracting models. Again we caution against a one-size fits all approach. The strengths and weaknesses of different models evidenced through experience and evaluation should inform any contracting implementation model. Attempts to establish a more joined up, wraparound, consolidated, collaborative and integrated sector is a worthy aspiration in our view but we also believe that it is important to think further about why social services have developed the way they have around separate programme areas? Often this is to meet a specific social or community need. Specific specialisation may be meeting an important need in the community and a particular programme may have delivered many gains and outcomes that a new contracting model cannot afford to lose.

The funding model that is based on grants in aid rather than contracting has much to commend it in many circumstances. It enables social service organisations to innovate and to advocate where appropriate without ultimate responsibility for these particular activities resting with the Government or funding organisation. It is an older model of government / voluntary organisation relationship whose main weakness was inadequate reporting and evaluation of performance both to the organisation itself and to the funding body. If mutually acceptable reporting, evaluation and other expectations are clear and agreed on in advance this model should be utilised more widely rather than contracting.

What is important to any new contracting/funding model is the type of relationships it fosters between central government, local government, businesses and the multiple providers in the community sector. There is huge potential for government and community agencies to develop relationships with businesses to advance social and economic outcomes. An ultimate goal would be respectful and reciprocal relationships between community, business and government as providers of innovation for funding and resourcing of prevention and intervention where necessary to help build thriving healthy communities.

Our reservation with the one-size fits all approach relates also to the results based accountability outcome framework. Successful evaluation recognises differences between people, places and programmes. The requirement of differentiation raises doubts over the efficacy of a single common outcome framework such as RBA promoted by the current government. Outcome goals and measures should be developed and established where the delivery takes place. It should be based on effectiveness of service delivery or a determinant of programme shortcomings as the basis for improvements and not just as a reporting tool. Reporting with this framework can create considerable work for the provider without the benefit of activating any real learning and improvements in service delivery.

Along with a more place-based approach to social services, we also want to advocate the benefit of the smaller providers who often know their own local areas in depth and are very familiar with history and development of local social issues. They can be extremely responsive to local issues and understand what is required to solve these specific issues locally. We strongly oppose a model, which generally sees big national providers taking over the work of smaller providers. Many significant gains and important knowledge would be lost with this particular model. A joined up/collaborative continuous and active learning approach that allows for specialisation would address the diversity and complexity of social issues and needs far more effectively.

At the very beginning of the paper there is reference to “the social services system” where we do not see social services as a system any more than there is one “sports system” or one “scientific and health research system” but rather an organic range of largely collaborative service provision and initiatives. We agree with the comment on page 2 that contestable funding in this environment reduces collaboration and often generates service disruption and anxiety for clients.

The definition of social services on Page 5 ought to be expanded to include reference to combating poverty and disadvantage and empowering communities to be more resilient.

Although on Page 9 we accept that the inquiry will not cover the level of public funds allocated to specific services or providers, increasing structurally derived problems in New Zealand do, in our view, need greater public funds to meet and combat increasing issues and needs.

We will now endeavour to respond to some of the specific questions you have asked. In particular, in response to your last question, we are certainly willing to meet with the commission.

Q1 What are the most important social, economic and demographic trends that will change the social services landscape in New Zealand.

A growing gap in wealth and income; increasing ethnic diversity; digital challenges and opportunities; technological change; an aging population; environmental challenges; new hazardous products, including gambling products.

Q2 How important are volunteers to the provision of social services?

Volunteers are vital now and in the future. The organisations and their clients benefit from being able to provide fuller and more diverse services from a wider base of knowledge and life experience. The volunteers benefit from the socialisation, learning, employment training, forming networks and gaining wider experiences. The traditional main source of housewives is drying up because most are now in full-time work principally for economic reasons. The main source now is recent migrants seeking relevant work experience and good references so they tend to spend less time as volunteers and initial have less knowledge of New Zealand ways of doing things. As travelling and other costs of volunteering increase many volunteers need assistance with these costs to be able to afford to volunteer.

Q4 What contribution do social enterprises make to providing social services and improving social outcomes?

They are not a great deal proportionately now nor likely to become so. They are a useful small part of the mix. Most social services do need to be businesslike and sometimes entrepreneurial in their governance and operation- so social enterprises are a small part of a continuum rather than a category.

Q5 What are the opportunities for social-service partnerships between private business, not-for-profit social service providers and the government?

These are not as extensive as in countries like the United States but there are indications that the role of socially responsible business is growing in helping fund and extend valuable social services. In general this is great. The risks are that they might interfere in policy and priority setting which should be left to the expertise of the social service provider and the government agency or that they will concentrate on more appealing social services, e.g. for children's cancer more than seniors' senile dementia and blind people more than deaf people

Q6 What scope is there for increased private investment to fund social services?

Not a great deal. A number of businesses choose to make what is effectively a grant to social services organisations philanthropically as a public good that they believe in and are socially responsible. Others do it to improve their reputation by associating themselves with a well-regarded social service. In both case "investment" is not the most appropriate descriptive word. There is less scope for private financial profit in this sector where they have less knowledge and possibly empathy than voluntary agencies with intimate knowledge, skills and long involvement rather than there is for philanthropy from private sources to expand significantly.

Q8 Why are private for-profit providers significantly involved in providing some types of social services and not others?

This is usually because they are either intrinsically, or because of official policy, more profitable. Sometimes this is because of government financial, policy or ideological backing, for example age care. Sometimes because the activity is more appealing to the public and to the government for investment and promoting good outcomes, for example sick and disabled children's services rather than brain injured adults.

Q9 How successful have recent government initiatives been in improving commissioning and purchasing of social services?

The results are very mixed indeed. Those derived from pragmatism have been more successful than those derived from ideology. Both internationally and locally, partnership schools often have serious problems; social bonds have insufficient reason or ability to succeed in practice or in theory and the bonds dropped from the Peterborough pilot project; social housing in New Zealand lacks the financial means and appropriate government policies to expand significantly. However Health Alliances and Individualised funding for disability support services have been largely successful.

Q10 Are there other innovations in commissioning and contracting in New Zealand that the Commission should explore?

The attempt to contract principally by outcomes is unlikely to be fruitful. For short-term outcomes with very few inputs such as hospitals and prisons it can work. For building community resilience a great many services come together each with varying but unmeasurable effectiveness so the proportionate role of each input which led to the outcome usually can't be determined. For early interventions with children and other intractable issues the outcomes are not seen for a generation or more but desperately need to be supported.

Q12 What are the barriers and risks in applying international experience lessons in New Zealand?

The most important barrier is that many of these approaches have been carried out in more mono-cultural societies than ours. The multi-culturalism and diversity of our main centres and the importance of Maori culture throughout Aotearoa make some of these experiences likely to be irrelevant.

Q16 Which social services do not lend themselves to client-directed budgets?

Probably addiction services like alcohol or gambling; combatting obesity; severe mental illness; very limited intellectual capacity; risk related services generally because of limitations in the understanding of the client or of their appreciation of the changes they ought to make.

Q19 Are there examples of service delivery decisions that are best made locally? Or centrally?

In general decisions should be made as locally as practicable consistent with the resources and skills available to the social service organisation and the community concerned. This is absolutely vital for services that are about building the capacity and autonomy of individuals and families or to empower communities and make them more resilient. This need for local decision making is generally true for example of disability resources, local employment generation and community development. It is less true of specialised services for highly dispersed individuals like rare or complex illnesses or needs.

Q20 Are there examples where government contracts restrict the ability of social service providers to innovate? Or where contracts that are too specific result in poor outcomes for clients?

Yes indeed there are too many examples. Contracts that are largely dependent on quantitative and short-term accountability measures are self-defeating generally. Major reasons for government agencies choosing to contract with voluntary agencies and community providers is because they are nimble; willing and able to innovate; respond quickly and effectively to the needs and views of their clients; are more appropriate culturally to their particular clients and communities; and emphasise quality and other intangible measures of success. Where major technological, economic or social

change or community needs are changing substantially and rapidly for clients the agencies are severely constrained and harm clients by being obliged to be harking back to outdated, locally-irrelevant, partial and excessively bureaucratic measures. Where contracts are short-term and decided too much by such limited measures and by the whim of decision-makers both the service providers and the clients are fearful and risk averse, resulting in poor outcomes for clients.

Q21 How can the benefits of flexible service delivery be achieved without undermining government accountability?

By full reporting, including anecdotes and innovative approaches tried out as well as quantitative measures. "Secret shoppers" and client feedback can enhance accountability.

Q22 What is the experience of providers and purchasing agencies with high risk contracts?

The Experience has been generally positive as more forward planning and successful innovation can and does occur.

Q24 Are there examples of where government agencies are too dependent on particular providers?

Yes indeed. For any substantial service the government should fund at least two competing and complementary providers in order to provide choice for clients, to encourage the development of best practice and in case one provider comes to provide inadequate performance or ceases to operate in that field either because it collapses or changes its mission substantially.

Q26 What factors should determine whether the government provides a service directly or uses non-government providers?

For substantial services the optimum mix is often to have the bulk of the service delivered by government directly but with a couple or so of voluntary agencies also resourced to provide client choice, diversity and greater opportunity for innovation and improving practice overall.

Q28 What are the characteristics of social services where contestability is most beneficial or detrimental to service provision?

Contestability is most detrimental where the contracts are short term and there is a real likelihood that the bulk of the service will be moved to a new provider. Rather than collaboration in the field, unhealthy competition is the characteristic of the field with a failure to share best practice, a reluctance to innovate, and underpayment or under valuing of staff, a reluctance to identify, communicate or advocate desired changes of policy or practice to the government for fear they will lose their contract, and this causes fear and uncertainty for both clients and staff.

Q29 For which services in which parts of New Zealand is the scope for contestability limited by low population density.

Throughout New Zealand for small ethnic communities and for relatively rare or specialised disabilities or illnesses there is little scope. Also there is little outside the five main centres for a somewhat wider range of services.

Q30 Is there evidence that contestability is leading to worse outcomes by working against cooperation?

Absolutely yes there is. Best practice and learning is not being shared and innovation is discouraged frequently

Q36 What are the most important benefits of provider diversity?

Client choice in the style and nature of the service, whether their service is to be secular or faith based for example –clients of other faiths or none may feel there are barriers otherwise; greater responsiveness to clients; more innovation leading to better practice. Unless the total number of clients is small or meeting their needs is a very specialised or resource intensive or essentially localised undertaking, provider diversity should generally be preferred.

Q 41 Which types of services have outcomes that are practical to observe and can be reliably attributed to the service?

This can only with reasonable certainty only be attributed for those in institutions such as prisons, rest homes and hospitals.

Q43 What is the best way to specify, measure and manage the performance of services where outcomes are not easy to observe or to attribute?

This is the \$64,000 question. The best way is probably by seeking a broad range of qualitative measures and feedback, particularly from clients and communities, including 360 degree reviews, anecdotes, examples of innovation whether successful or not, examples of best practice being developed, cultural changes, even happiness!

Q47 Does the commissioning and purchasing system encourage bottom-up experimentation?

Generally it does not. Instead the alternative system of making significant grants to successful and innovative organisations with thorough and diverse reporting back would often have better outcomes. This system often worked for previous generations.

Q48 Would an investment approach to social services spending lead to a better allocation of resources and better social outcomes?

It definitely would no. It is dependent on measuring outcomes where you can be certain what and which intervention caused these outcomes. It is very rare to be able to ascertain this in an open diverse community; and it sends perverse signals to service providers.

Q52 In what service areas is the impact of culture and leadership most evident

In a literal sense social services for ethnic groups need to have a very appropriate culture and a style of leadership appropriate to the culture they are service.

In a general sense a strong organisational culture is vitally important for morale, best practice and a deep commitment to the organisation's mission and helping their clients all make for greater effectiveness and is more able to be achieved in a social service organisation than in a large and diverse government organisation or department. A government department's long-term mission may not be consistent with that of their Ministers for example.

Q55 are there important issues for the effective commissioning and contracting of social services that will be missed as a result of the Commission's selection of case studies?

Yes. Because there are distinctive issues in each we would recommend adding the following:

Ethnic group social services;

Addiction Services;

Community and social housing providers;

Budgeting services.

Q56 Are you willing to meet with the Commission?

Yes we would be keen to do so, in Auckland.

Yours sincerely

Richard Northey

Chair

Auckland District Council of Social Services