

**In the Matter of
The New Zealand Productivity Commission: More
Effective Social Services Inquiry**

**Submission by
Waimakariri District Council**

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1 Introduction

1.1 The District

The Waimakariri District Council welcomes the opportunity to comment on the New Zealand Productivity Commission's issues document "*More effective social services*". The Council also invites the Commission to visit its District to observe the ways in which social services are being delivered in area.

The Waimakariri District is located to the north of the Waimakariri River and neighbours Christchurch City and the Selwyn District to the south and the Hurunui District to the north. The District has experienced continued population growth over the last 25 years, since its establishment. In 1989, the estimated resident population of the District was approximately 27,800 and in 2014 Statistics New Zealand's provisional estimated resident population for the area is 54,400. The District can be best described as "peri-urban" with approximately 60 percent of its people living in its four main urban areas, Rangiora, Kaiapoi, Woodend/Pegasus and Oxford. The remainder of its people are living in smaller settlements or the District's rural areas.

During the last 25 years the Council has focused a good deal of attention on the way in which social services for its area have developed. It was one of the first Councils to establish a Safer Community Council in the early-mid 1990s, and today has a Community Team that has community development advisors funded by the Council working alongside team members focusing on crime prevention and injury prevention, on contract from government agencies. At the same time, the area's community development trust established in Kaiapoi prior to the creation of the District in 1989 has developed into a major service provider, operating as the Community Wellbeing North Canterbury Trust, with an income of in excess of \$1.5 million in 2014.

In response to the Ministry of Social Developments "local services mapping" initiative in the early 2000s the Council and the District's social services providers established a collaborative grouping "Social Services Waimakariri", in an effort to assist with the integration of the provision of social services for the District. This grouping involves representatives of the District's non-governmental service providers meeting with representatives of government agencies and Council officers on a monthly basis. The Council's community team also hosts regular community service provider networking meetings which attract a wider range of people with involvement in service provision in Kaiapoi, Rangiora and Oxford.

1.2 Key points of this submission

- The important role of volunteers in the work of non-governmental organisations is acknowledged, but it is necessary to recognise that with increasing workforce participation by women, there is a limit to the number of people available to volunteer.
- The practice of competitive tendering for contracts is not seen as contributing to innovation in the delivery of social services, because of the constraints placed on the organisations involved with service delivery under these conditions including the absence of any funding for administration, including the underfunding of these services to cover overheads such as administration and travel.
- Effective social services are most likely to be achieved when decisions about what is needed and how these are to be delivered are made as close as practicable to the community to which they are to be delivered.

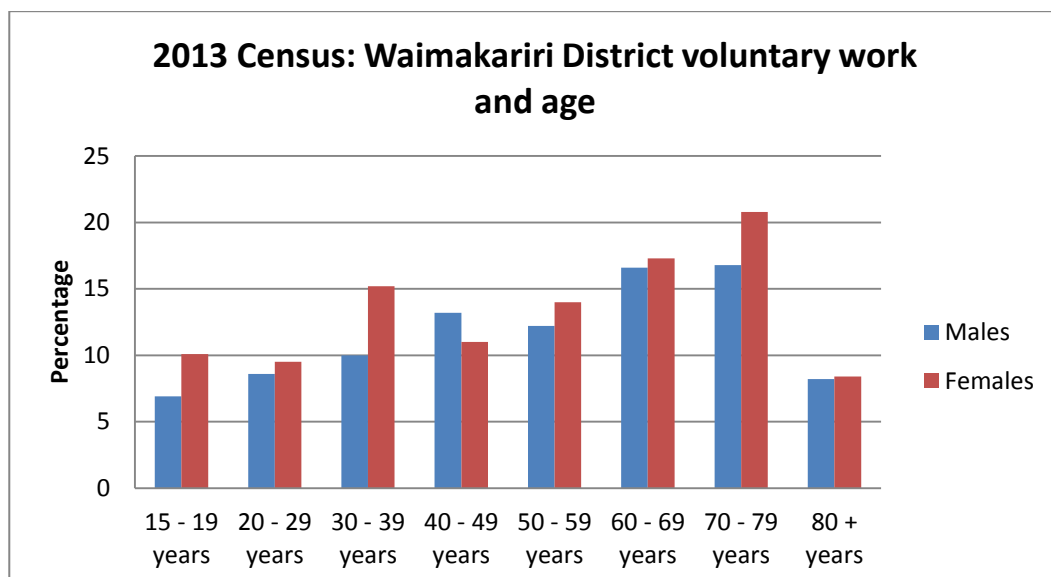
- The integration of social services at community level is more likely to be achieved when a number of contracts are held by a community based organisation with a mandate to provide services for a particular area, which is also accountable to its community.
- Innovation is more likely to be achieved at local level by people perceiving a need and having the imagination and energy to make changes, or by organisations confident in their role in providing services working beside other organisations undertaking similar work able to compare methods and outcomes and learn from each other.
- It is important that small specialised non-governmental organisations retain a place in the social service delivery system, despite the current emphasis on the consolidation of contracts.
- Attention should be paid to providing funding for on-going projects which have proved their worth as “pilots”, as opposed to the apparent preoccupation with “pilots” and/or “start-up” services.

2 The role of volunteers in the provision of social services

The providers of social services in the Waimakariri District recognise the value of volunteers in supporting the work that they do. The larger organisations stress the importance of providing their volunteers with the same sort of work environment as their paid staff. For example, their volunteers are formally recruited and have job descriptions. In other spheres volunteers work on a more casual basis, providing transport to out-patient appointments and similar in Christchurch.

While the immense contribution of volunteers to the provision of social services, it was also noted by service providers consulted in the preparation of this submission that the trend for more women participating in the paid workforce is reducing the number and calibre of people available for volunteering.

In the Waimakariri District, as shown in the graph below women aged 70 – 79 years of age with just over 20 percent, recorded the highest percentage of any age group involved with voluntary work.



At the same time, women 50 – 59 years of age recorded the highest percentage of women in full-time employment by age in the District with 54.3 percent, and a further 24.9 percent of women in this age group were in part time employment in 2013. This suggests that it is important when considering ways to provide more effective social services that there are limits on the cost efficiencies associated with reliance on volunteer labour.

3 The impact of contracting on the delivery of effective social services

Contracting for the delivery of social services creates significant difficulties for the delivery of effective social services. It is partly responsible for the fragmentation of services, in the sense that organisations may win a contract to deliver particular service across a wide area when another organisation might be equally capable of delivering that service along with other services to that area.

Situations such as this create difficulties because there is uncertainty about who has contracts for what services, and for how long. There is also likely to be wastage because resources can be expended unnecessarily on travel if the contract is won by an “out of area” provider. In addition, there may be occasions when a contract is let for services for an extended area but end up, in fact, being delivered to a more limited area.

Decisions to change the organisation responsible for the delivery of a service to an area often create significant disruption and uncertainty for the people receiving the service, and result in the unnecessary expenditure of resources in reassuring these people that their service will continue uninterrupted. For others working in related areas these changes put further pressure on the need to collaborate, an activity which also demands resources. In addition, the people in the organisation that have lost the contract will experience disruption in their employment, even if this is only to be re-employed by another organisation. When such changes are made it is very difficult to find clear evidence that a change of contractor results in more effective social services from a community perspective.

4 Decision making and delivery of social services at community level

The Council favours having decisions with respect to the delivery of social services made as close to the point of delivery as practicable. This is often referred to as the subsidiarity principle, which it is noted the Commission supports. It also reflects the fact that one approach does not suit all communities.

There are two possible approaches to the consolidating of contracts, vertical and horizontal. The vertical approach to consolidation involves the larger regional or national service providers working with government funders as a single entity to deliver multiple contracts across a number of areas, and in some instances the span for a single contract being nationwide.

Among the larger not for profit non-governmental organisations, Presbyterian Support which holds a single New Zealand-wide contract has been contributing to the social services available in the Waimakariri District for many years. When single contracts are put in place for organisations such as Presbyterian Support, it is very important that there is sufficient flexibility for these organisations to continue to respond to local circumstances and that such contracts do not become constrained to a single nation-wide approach.

To-date Presbyterian Support, the area’s major provider of aged care services, is meeting the needs of its community, in engaging with the District’s other service

providers through Social Services Waimakariri. From time to time, however, there are reports that the services being provided have changed because a contract has run its course and a contract for a different service for the District has been awarded in its place. From a local perspective, this creates a changing environment making it difficult for community and other service providers in the area to keep abreast of where the “gaps” are and/or who should be attempting to fill them.

The alternative of horizontal consolidation of contracts sees a number of contracts for services for a particular area under a single umbrella organisation. This would appear to offer significant advantages for “peri-urban” or rural communities where the delivery of services by multiple contract holders based in a larger urban centre is likely to include significant travel costs incurred in addition to the cost of service provision. In addition, these community based organisations are usually formally constituted trusts or incorporated societies providing local governance.

In contrast with vertical consolidation which because of the scale of the entity involves levels of senior management in addition to those directly responsible for service delivery, horizontal consolidation will usually involve voluntary governance and limited commitment at management level. While one of the major concerns articulated in the report was accountability to Ministers and to Parliament, horizontal consolidation with local governance not only provides an element of local accountability for expenditure, and enhanced opportunities for the integration or coordination of services.

See appendix 1 for information about Community Wellbeing North Canterbury Trust as an example of horizontal consolidation.

5 Competitive tendering is not necessary to achieve innovation in social services

At local level the experience in the Waimakariri District has been that innovation in service provision has occurred as the result the perception of need, accompanied by community led initiative stimulated by a person or people with imagination and determination. Over the last three decades there have been a number of significant community led social service initiatives which can be attributed to this approach.

Prominent among these have been the establishment of:

- a minibus trust in the mid-1980s;
- a teen parent unit at Kaiapoi High School in the 1990s;
- a daycare service for older people in Kaiapoi in the early 1990s;
- a community trust to provide for the needs of the Oxford community in the 1990s; and
- a medical trust to provide general practitioner services for the Oxford community in the early 2000s.

In terms of innovation at a regional level, the health board model would appear to have more to offer than competitive tendering. It involves organisations that are secure about their future and have the opportunity to consider opportunities to explore new ways of delivering services without the fear that they could lose the opportunity to deliver some services at the next contracting round. There would also appear to be greater freedom for these organisations to “compare notes” without the risk that a competitor will take up their ideas and possibly win the next tender. Under these conditions there would appear to be more scope for collaboration and the integration of services than when large scale nationally organised service provider organisations compete with one another.

See appendix 2 for details of these local examples of initiation in the provision of social services.

6 A place in the social service delivery system should be maintained for niche providers

The experiences in the Waimakariri District suggest that although the government is focusing on rationalising its contracting for social services by offering fewer contracts to larger organisations, it is important that the role of smaller organisations providing niche services is also recognised. The Kaiapoi District Senior Citizens and Friends Inc. (Darnley Club) is an example of one such locally based community organisation that has a contract with the Canterbury District Health Board to provide services for the elderly in Kaiapoi. This organisation also proved its value for Kaiapoi in the aftermath of the 2010 earthquake, as it received the contract from the Ministry of Social Development to provide the earthquake support service for Kaiapoi.

The Oxford Community Trust has also developed niche services for the Oxford community as it holds a contract with the Ministry of Social Development to provide an OSCARS service. It also has funding from Internal Affairs Community Organisation Grants Scheme, the Lotteries Grants Board, the Canterbury Community Trust, Youth Social Isolation, and Youth Summer Fun. In addition, this Trust provides a link between the members of the community requiring various support services and the providers of these services. This means that people are receiving the services they need promptly, and do not find themselves “in limbo” between services when the help they receive from one has run its course and they need to transition to another service. As this Trust is also largely dependent on short term funding for projects, it finds that it is frequently having to present its proposals as “pilots” when it would find it much easier from an administrative perspective if it was able to receive on-going funding for services that it has proved effective than having to rework the proposed service as a new “pilot”.

7 The role of local government

The Council does not see itself as having a direct role in seeking contracts to provide social services. It does, however, consider that it can play a constructive role in support the locally based service providers by contributing information about the community, including the analysis of data from Censuses and administrative data relevant to service provision in the District. This information is used to support funding applications for grants from funders and/or to help to identify gaps in current services in the area.

The Council also supports the governance of community based service providers by having Council representatives on trusts such as the Community Wellbeing North Canterbury Trust. This trust also receives funding grants from the Council. The Darnley Club in Kaiapoi and the Oxford Community Trust in Oxford each lease dedicated space in Council owned community buildings.

Appendix 1 Community Wellbeing North Canterbury Trust as an example of horizontal consolidation.

The Community Wellbeing North Canterbury Trust base in Rangiora and oversees the provision of a wide range of social services in the Waimakariri District as well as some contracts for services in the Hurunui District. Its governance rests with a voluntary board of members elected from the community plus a representative appointed by the Waimakariri District Council. Its paid staff include a manager and four team leaders and in addition to the professionals involved with service delivery, in 2014 it enjoyed the support of 110 volunteers who between them contributed approximately 7000 hours of their time.

The Trust's 2014 Annual Report provides an overview of the extent of its services and the complexity of its funding arrangements. These are set out below:

Services provided

Child and family counselling
 Community youth workers
 Kaiapoi community pantry
 Kaiapoi community support

 Kaiapoi girls group
 Karanga Mai Early Learning Centre
 Restorative Justice North Canterbury
 School attendance
 Social workers
 Strengthening Families North Canterbury
 timeXchange Waimakariri
 Volunteer drivers
 Youth drug and alcohol counselling

Sources of Funding

Air Rescue Services Ltd
 Alcohol Advisory Council
 Caritas
 Department on Internal Affairs
 (Community Grants Scheme and NZ
 Lottery Grants Board)
 Enterprise North Canterbury
 Mainland Foundation
 Ministry of Education
 Ministry of Health (Canterbury District
 Health Board and Partnership Health)
 Ministry of Social Development (Family
 and Community Services, Child Youth and
 Family Services, OSCAR Funding and
 Work and Income)
 Pub Charity
 The Canterbury Community Trust
 The Southern Trust
 Todd Foundation
 Visit Waimakariri
 Waimakariri District Council

Appendix 2 Local examples of social service innovation

The North Canterbury Minibus Trust established in the mid-1985s as a partnership between Presbyterian Support and the community was the initiative of the Principal Nurse at the Presbyterian Support's residential home at that time. The initiative was taken up by representatives of service clubs in the District and the initial funds raised, and with support from the Lotteries Commission. Subsequent management has involved community representatives on the Trust working with Presbyterian Support which has overseen the day to day operation of the vehicles.

The teen parent unit known as Karanga Mai was an initiative of the Kaiapoi High School's school counsellor, who using money available funding from a variety of sources to create a service allowing teen parents to return to complete their education, while at the same time offering child care and parenting support for these young women. The childcare programme associated with this service is now under the umbrella of Community Wellbeing North Canterbury while Kaiapoi High School provides the opportunity that allows these young women to complete their education.

The Darnley Club, the Kaiapoi based day care service for older people, run by the Kaiapoi District Senior Citizens and Friends Inc. was established in 1989 because an individual saw a need and a person well known and active in the community took up the cause. Shortly after it was established the society obtained a contract to provide services from the Canterbury District Health Board. The Darnley Club as an NGO

providing a single service, and is based in a community building and pays a rental to the Waimakariri District Council. Apart from this all the resources it receives from its CDHB contract go towards its service. Significantly, the Darnley Club is providing a parallel service for older people in Kaiapoi to that provided by Presbyterian Support's "Enliven" service in Rangiora, which highlights the potential for small community based NGOs when able to obtain funding.

The Oxford Community Trust provides social services to the rurally more isolated Oxford District by direct delivery or referral, and acts as a hub for those needing support and services of government and non-government agencies. The first moves to establish this Trust came in 1994, shortly after the formation of the Waimakariri Community Development Trust (now known as Community Wellbeing North Canterbury), an Oxford Community Room opened under the auspices of this Trust. In 1998, in recognition of the advantages associated with being a separate trust and reflecting the strong sense of community in the Oxford area the Oxford Community Trust was formed. Among the direct services it currently provides are an OSCAR programme, youth services and an emergency food bank. Its current sources of funding include from Internal Affairs Community Organisation Grants Scheme, the Lotteries Grants Board, the Canterbury Community Trust, Youth Social Isolation, Youth Summer Fun, and OSCARS funding from the Ministry of Social Development.

The Oxford Health Charitable Trust manages the Oxford Community Health Centre. This Trust was formed in response to the pressure on the areas general practitioners to provide afterhours cover, and in 2005 the Trust bought the general practice. Since then the Trust has worked with the Council to extend the building in which the Oxford Community Health Centre is based. This centre, which currently has a staff of 23 with four doctors, five rural nurse specialists and seven practice nurses, is now being hailed as a model for the provision of continuous health care in a rural community, and because it is operated as a charitable trust any profits are returned to the community in the form of enhanced medical services. Also, in term so afterhours care the people served by the Oxford Community Health Centre receive a standard of service not enjoyed by the remainder of the people living in the Waimakariri District.