

Submission to the productivity commission

This submission has four parts

Part 1. Introduction a" community centric" model

Part 2. Model responses to inquiry questions

Part 3. Social Sector Trial Learning

Part 4. Conclusions

Part 1. Introduction - A 'community centric' model

We are members of the Ministry of Social Development Waikato Community Response Forum. The forum is part of a network of 14 Forums set up in 2010 by Minister Bennett to advise her as Minister of Social Development. We are asked to provide the Minister with community advice on the creation of more effective and efficient social service purchasing.

The forum acts as an advocate for the community relaying undiluted community responses or messages to the Minister through a direct reporting line so as to ensure that there is no added "ministry spin".

The Waikato Forum has four community representatives that sit alongside the Regional Manager of Te Puni Kokiri and MSD's own Community Investment Group. We are not directly involved in the delivery or purchasing of social services.

Our mantra has been that "it is the community that knows best what social services the community needs". We in the forum are looking for a connection between communities and central government over the delivery of those is services.

Our findings.

Over the last 4 years we have been working tirelessly across largely rural Waikato communities speaking to the concerned citizens, local councils, central government service providers and users of services to collect their ideas on making social services more effective.

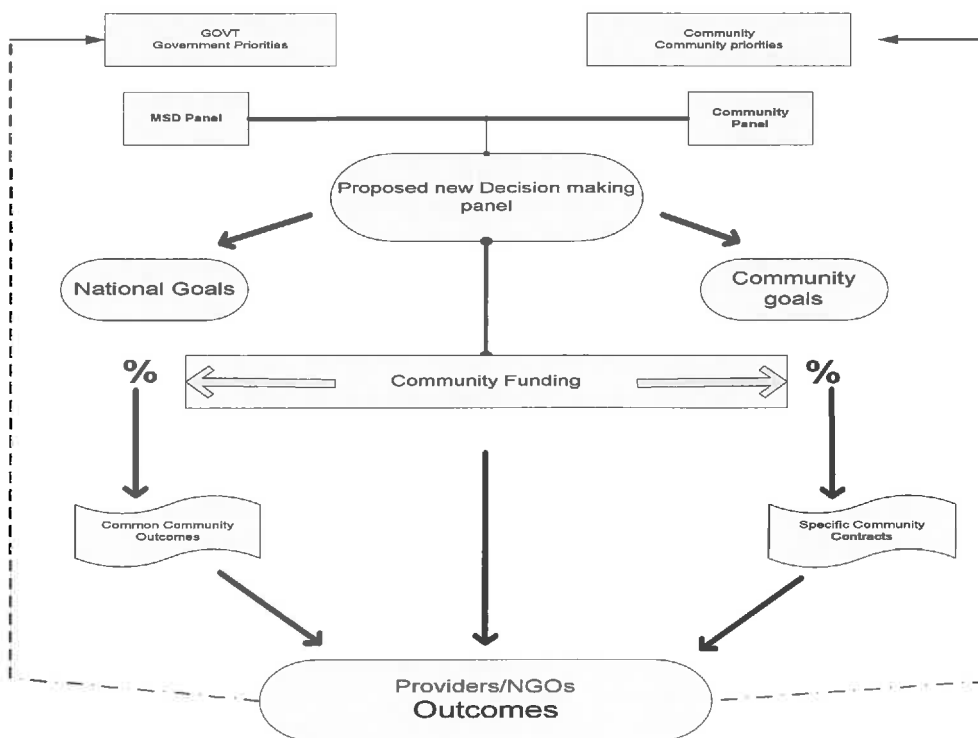
Two central themes have developed:

Firstly – From a community perspective, it is the centralized commissioning and purchasing of social services that most significantly contributes to their ineffectiveness. Services are rolled out to communities by different government departments without reference to each other and without reference to the community benefiting from the service. This results in services that don't match community needs and capacity, overlaps and gaps between government purchased services, and communities who are reluctant to take responsibility for outcomes.

Secondly - From a community perspective, government purchased services are only a small proportion of the social services they see. When we talk to communities about the effectiveness of social services, they are more likely to provide us information about government provided services. Improvements in the efficiency of government purchased services will not create more effective services as that can only be achieved by a closer relationship between the operation of government provided and government purchased services in communities.

From these themes, the forums has developed a community centric model for social services purchasing which we believe will lead to more effective and connected social services and an increased feeling of community well-being.

Waikato CRM Forum Recommended Funding Model .



Key features of this Model are:

1. Clear common or national goals
2. Community specific goals
3. Percentage funding available for Community goals
4. A Decision making panel
5. MSD still getting government determined results from funding
6. Community still getting outcomes for their priorities
7. Communities providing feedback on how government priorities can be achieved

We are aware that however logical implementing a model like this seems to us, implementing it in a way that delivers government's accountability needs is a complex task.

We are encouraged that government already has a number of initiatives to explore how better local co-ordination can support better purchasing decisions

In our region there are three social sector trials which have achieved good outcomes for the communities they work in through better coordination of services,(government provided and funded services) with a focus upon improving specific outcomes for young people.

We believe that the knowledge gained from these trials provides a blueprint for the development of a more community centric way of funding.

Part 2. Model responses to inquiry questions.

Treaty of Waitangi.

In our work with communities in the Waikato, connecting with iwi and iwi social services has been a standard part of our community engagement. Most Iwi in our region have well developed aspirational plans for their people and clear views about social service priorities. The biggest social service providers in rural Waikato are iwi owned organizations that are funded by government to provide social services. Working in a meaningful way with iwi is complex and we cannot imagine how it could be done properly and effectively by a centralised system. However, using a community centric decision making system would provide the flexibility needed to manage that complexity, and also to ensure meaningful partnerships with iwi to achieve community outcomes to drive effective delivery.

The Role of Volunteers

In our discussions with the communities of the Waikato we have met many people of great heart and passion who want to make their communities better and who put in many hours of voluntary effort into making social services work.

Volunteers might include the people who provide services on a purely voluntary basis like budget advisors to those who form boards of governance for social service organisations. These providers of partially funded social services invariably work well beyond the scope of their remuneration because they have a genuine interest in what they seek to achieve and they hold a firm belief that they can make a difference for their communities.

A centralised commissioning and funding system (especially one operating from a premise that bigger organisations are more efficient and therefore effective) ignores the reality we have observed that effective delivery of social services is deeply rooted in people's passion for their community and their willingness to provide voluntary services. There will never be enough funding to provide all the services New Zealanders need in their communities and we need a system that encourages increased participation of volunteers. A less centralised system which allows communities to be involved in resourcing decisions that impact on them will encourage volunteering, community responsibility and

spur the development of the spirit of volunteering that binds the delivery of social services in New Zealand.

Integration of Services.

Observing the work of the social sector trials in our area, we can clearly see the power a shared agenda has for driving the integration of services. Social services integrate well when they know they are accountable for the outcomes of specific young people. As noted before, the most important contribution commission and purchasing of services can make to creating more effective services, is to help government provided and government funded services to integrate and support vulnerable individuals and families in a coordinated way. Our experience is that a centrally based commissioning and purchasing system cannot achieve that goal. A devolved system of commissioning and purchasing is likely to be more successful because it allows people involved in the delivery (school principals, local service centre managers etc) to participate in the decision making process and determine what services are needed for their clients and whether the services provided are working to achieve outcomes.

Accountability for the Better Public Service Targets

The government's Better Public Service targets provide a very clear indication of the types of outcomes that the government is trying to achieve with its investments. However, that accountability requirement does not work well with a centrally controlled funding system.

Achieving change in the BPS targets for any given reason requires coordination of a range of government provided and funded services. Simply monitoring the performance of certain tasks within a preordained service specification will not drive the changes the government seeks. A devolved system with accountability for the outcomes of funding decisions on community outcomes is much more likely to deliver an improvement of outcome in the areas that the government has made a priority.

Management of Performance Risk

Government is already moving to introduce more flexibility into government contracts however, where performance is measured centrally there will always be an increased risk that arises because of the absence of a "coal face" community presence. Performance needs to be measured by completion of outputs which is not necessarily an accurate measure of the success of the investment. A devolved 'community centric' system supports accountability because of the "thousand eyes" factor - people living in the community provide an external perspective on what is working and whether changed outcomes are obvious or desired.

Part 3 Social Sector Trials Learning

Through the social sector trials the government has been experimenting devolution decision making around the achievement of specific outcomes for specific populations groups. In the Waikato with

having three Social Sector Trials have operated quite independently of each other and we believe a thorough analysis of the successes and barriers experienced by the trial lead will help us to understand what needs to be in place to support a devolved “community centric” model of commissioning and purchasing funding.

Social Sector Trial (SST): Waitomo

Our Forum has had on going contact with the SST lead in Te Kuiti since the project commenced 3 years ago. The characteristics for this trial have been:

Small Population - The Waitomo population is less than 10,000 people and the trial was initially limited to Te Kuiti and only focussed upon young people in that population aged between 12-18 years of age.

Locally-based Advisory Committee - The SST Advisory board is made up of the Local Mayor, High School Principal and Local Service Managers and the SST lead is an individual employed by MSD.

Limited Range of Service Providers - Te Kuiti has one major social service provider who holds a significant proportion of the resourcing for the age group in Waitomo. The service provider chose early on to disassociate themselves from the trial which has made it more difficult to get the right services to vulnerable young people.

This SST has produced some very significant outcomes for the young people, with improved engagement in education, passes in NCEA for very vulnerable young people and significantly reduced youth offending.

These results have been achieved by a focus on outcomes for specific young people and overcoming service barriers on a case by case basis. The work has included challenging government provided services to respond and taking responsibility for finding the funding and delivery of a wide range of services.

To the limited extent that funding decision making has been devolved, it has produced significant a difference e.g. when the DHB provided \$60,000 for Alcohol and Drug services, all A & D providers in the community (government funded or provided) sat down together and developed a plan to get better outcomes for the targeted group of young people . This changed the way A & D services were delivered When providers considered how they could get better outcomes for these young people, they changed the way they were offering services to make them more effective and this added value to the amount of the grant

The biggest barrier to success for the SST lead is the centralised and siloed systems of the 5 Ministries that contribute to the Trials. The lack of accountability for the impact of the funding in the community, .i.e. even in this very small town, with strong local buy in, services for the target population have been provided or taken away without reference to the advisory board, or in contravention of the advisory board recommendations. So even though the mechanisms were available to provide a more community centric approach, the pressure on government departments to meet their own output focused KPI’s was an unintended barrier.

Social Sector Trial SST: South Waikato

This trial has also been in operation for 3 years and in this case the trial is led by an organisation.

The population is comparatively small (12,000) and the local advisory group has a selection of NGO's and representatives from regional offices again chaired by the Mayor.

This provider has been better able to provide services where this has been required, and in this trial, have been particularly successful in developing a positive youth voice in Tokoroa with significant reductions in both truancy and youth offending. The capacity of the NGO provider to support this direction has added value to the trial.

Similar to Waitomo, the principal barrier in South Waikato was the centralised and siloed approaches of the 5 Ministries which has stymied community responsibility for the outcomes of the target group in South Waikato. Ministry staff have Ministry output focussed agenda which do not align well with the more holistic outcome focussed approach of the social sector trials. During the trial, services affecting the target group have been purchased without reference to the SST Advisory Board notwithstanding that it is the advisory board that has the responsibility for providing a more co-ordinated approach to obtaining better outcomes.

Members of the advisory board are concerned that as the trials are moved to permanency, the discussion is about putting a contract out to tender and there is no mention of the advisory board role. This indicates to the advisory board and those leading the trial projects that the trials are seen as a vehicle for the delivery of contracted services rather than an alternative process for communities to take responsibility for the outcomes of community members.

Social Sector Trial Waikato District

This trial site is quite different from the other sites as the Waikato District Population is 60,000. There are 60 schools spread over five distinct communities. It is much newer site and has only been going for 18 months.

Overall governance is provided by a Regional Managers Governance board chaired by the Mayor.

The approach in each of these communities is to work with young people and service providers to develop a common agenda for everyone in each town. A lot of work has been done with young people about their priorities (in each town the priority is different for some employment, some offending etc). The work to raise the profile of youth services and to develop a shared agenda is an essential first step in ensuring communities share in the responsibility for outcomes.

However, there is pressure for the SST to actually provide (rather than co-ordinate) youth services and to achieve measureable outcomes quickly. This is far more difficult to achieve across 5 different sites. As a

consequence of the size of the area, the capacity to deliver short term improvements in youth outcomes is likely to be protracted.

As with the other trials sites in our region, the main barrier to achieving the sort of integrated approach that will make a difference to young people is the extent to which government agencies are intrinsically tied to specific outputs as directed by their head offices. Government agencies simply do not have the capacity to come on board with a community outcome approach or a shared responsibility philosophy to improve outcomes for the target population.

Conclusion

There needs to be a revolutionary change in the way government transacts its business in order to develop a more effective and outcome focused system for commissioning and purchasing services. The current siloed and centralised approach that government commissions purchase community based services is clumsy and wasteful of resources. In some instances there is duplication of services and in other cases there is a total disconnect between the community needs and what central government has identified as the community needs. We see the present approach as limiting the capacity of government to improve (a) the effectiveness and efficiency of services and (b) accountability systems that will assist in identifying and driving improved outcomes for New Zealanders.

The development of the Better Public Service targets, experiments with Youth Social Sector Trials and indeed Community Response Forum themselves indicate an acceptance on the part of Government that there is room for improvement.

The Waikato Forum considers that the relative success of the SST's demonstrate the effectiveness of community involvement in the allocation and use of social service funding. The Community Centric Model as promulgated by the Waikato Forum appears to its members as providing the requisite framework in which the commissioning of social service can be enacted as the community provides the targets for funding and the community takes a role in the provision of the resource.

If one accepts the proposition that it is the community that is best positioned to identify community priorities, then the corollary is that the community should have some input into how social service spending on the community is best allocated.

We on the Waikato Forum feel the Community Centric model provides a clear strategy for a cost effective method of social service spending. The forum looks forward to your feedback on our proposal and we remain willing and enthusiastic about performing our role in the Waikato.

Waikato Forum Members

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