



**auckland north community
and development**

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Te Runanga Ratonga Hapori
o Te Raki-pae-whenua

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15 May 2015

Submission on More Effective Social Services – NZ Productivity Commission Issues Paper May 2015

Auckland North Community & Development ANCAD (previously NSCSS) works across five Local Board areas, including Devonport Takapuna, Kaipatiki, Hibiscus and Bays, Upper Harbour, and Rodney. We also work at a regional level both in the area of community development and the provision of community and social services.

ANCAD has a membership base of over 150 community groups on Auckland's North Shore including arts, environment, health, migrants & refugees, Maori, Pacific, older adults, family services, education, community, youth and disability sectors.

We are affiliated to Community Networks Aotearoa and HuiE Community Aotearoa in Wellington.

Comments on draft report

The Productivity Commission's draft report looks at ways to improve how government agencies commission and purchase social services. The draft report recommendations indicate some major changes ahead. The Commission has developed 81 draft findings and 47 draft recommendations, which are summarised into seven themes. These are:

- "Improve system stewardship" which recommends Government key roles cover setting goals, monitoring system performance, investing in data infrastructure and standards, fostering learning and innovation, and prompting change during underperformance;
- "Reshape roles and responsibilities" which recommends more "devolved commissioning and greater client empowerment" and the establishment of an Office of Social Services;
- "Improve commissioning and purchasing capability" which recommends upskilling in areas of commissioning and contract management as well as improving provider skills;
- "Make better use of data" which recommends using data to measure and monitor the effectiveness of services for different types of clients, including the establishment of "comprehensive, wide-access, client-centered data infrastructure";
- "Shape incentives through choice and transparency" which recommends providing clients of social services with more choice, therefore strengthening incentives of services to continuously improve;

- "Embed continuous improvement" which recommends a focus of learning and innovation by trying new ways of doing things and establishing what works. This includes a shift to outcome-based contracts; and
- "Encourage consultation" which recommends ongoing consultation between users and providers of services, and between government agencies and non-government agencies.

In Summary:

Some of the things we like in the draft report:

- the development of better forms of evaluation and data collection across social services and supported adequately financially;
- better coordination of the provision of services;
- building models of best practice that can be followed;
- funding set at levels where providers can invest in training, evaluation, data analysis and innovation;
- the concept of an 'enabling government';
- the encouragement of a diversity of service models;
- some good points for choosing 'system architecture' and service models;
- the importance of harnessing local knowledge; and
- the promotion of a shared service model that which reflects the view that complex social problems are best addressed by the organisations closest to the clients working together.

Some of our concerns:

- the more commercial model proposed by the Commission may erode the wider role of social services in building individual capabilities, cohesive communities and a more civil society;
- we would like to reinforce the important role played by government and social service providers together in addressing complex and dynamic social problems that rely on robust dialogue for continual improvement (There needs to be 'skin in the game' from both government and community. Will 'system stewardship' do this?);
- recognising that community organisations/social service providers should not be seen simply as government service delivery arms, but as co-producers of solutions and key participants in decisions of best models of practice;
- we recommend much more than 'consultation' of community and urge an 'engagement' approach where all parties work together from the outset in all facets of delivery and outcome visioning;
- recognising that in some cases government is best placed to deliver services;
- promoting genuine choice as opposed to choice between different services offering the same thing;
- concern that competition and for-profit provision in social services may not necessarily improve the quality of social services and gains in efficiency, quality, adaptability and innovation;
- there does not appear to be any consideration of a 'strength-based' approach to service delivery, which goes beyond intervention and prevention. We recommend this approach be considered by the Commission, particularly looking at the successes of this approach in Canada;

- the investment approach adopts investment and insurance tools to prioritise clients and services but provides no guidance on effective interventions;
- the enquiry has avoided examining how specific policies impact on social services outcomes and this is such an important factor where specific policies impact negatively on social outcomes; and
- the Commission recommends that ‘funding for community development should be through grants for that purpose, and co-funded in some form by the relevant community’. We agree that more parties should have ‘skin in the game’ but do not agree with the silo mentality of community development being seen as somehow separate, as a programme in itself. We would like to see a community development approach across all delivery and services.

Many of the recommendations in the draft report are positive but there is concern that, while recognising the value of existing social services, the Commission through its draft report has made clear its view that further commodification of services, shifting to a private contracting model and exposure to the rigours of the market are required.

ANCAD believes that Social Services are vital forms of social investment. They help build capabilities so that people can realise their hopes and aspirations, contribute to more cohesive and inclusive communities, and are there for people during times of crises in their lives. The role of social services is a vital function of the state, and countries like New Zealand rely on interplay between community service organisations, government and broader civil society to continually develop and improve collective responses to complex social problems. This relationship between government and social services is a much deeper and more complex function than other simpler purchaser-provider relationships that government engages in.

ANCAD contends that the view of shifting to a market orientated approach oversimplifies the role played by social services in creating a strong community and participating in the necessary processes of public debate and together working out solutions to social problems. Social services often exist as a response to the failures of the market and have a significant social dimension that is fundamentally at odds with the commodification and competition that the Commission endorses.

Genuine diversity, choice and innovation in social service provision is possible and desirable, but requires collaboration and partnerships between organisations that are driven by a strong sense of civic duty, as well as a genuine commitment to building relationships and networks that empower people and communities. Applying competitive principles to social services can undermine many of these important features. The winners of contracts may not be service users or communities, but for-profit providers who may not be so concerned that the services go to those most in need.

ANCAD does not discount the value of competition in many contexts, and we do not believe in keeping the status quo either. We support an efficient and effective social service system that builds capabilities, strengthens the social fabric of our communities and continuously looks at new ways of doing things. The risk with competitive funding is people performing key functions without being adequately trained.

We welcome the recognition of the importance of choice for service users. Providing genuine choice would be supported by many across social service providers. However, there are barriers and limitations to genuine choice, and, it is dependant on the level of control accorded to service users by the government and services providers and the availability of the right service types to meet user's needs. Choice should not simply mean being able to choose between different services offering the same thing, but be between diverse ranges of services offered meeting a particular need. A concern in a tight fiscal environment is that quality, diversity, speciality and choice may disappear where contracts are let to large-scale providers offering minimal options of service delivery.

The commission recognises that the current system of social service delivery is not well designed to deal with the complex problems facing society's most 'vulnerable'. Services are often designed in silos without the full picture of what a client might need. This not only means a poor outcome for clients, but a less efficient and more expensive system.

"Clients should be at the centre of the social services system, not politicians and providers. However, decisions that impact clients' lives are often made in Wellington, many kilometres away from the messy realities of social problems, and often without good information on what works or what doesn't.

"Our current system of public administration is not well designed to deal with the complex problems facing many of society's most vulnerable members. Services are designed and commissioned in administrative silos, without the full picture of what an individual might need. This not only means a poor outcome for clients, but a less efficient and more expensive system overall.

"New approaches are required that can better match services to the needs of clients, give clients and particular communities greater control and choice, reduce paperwork and the cost of government processes, and encourage service providers to innovate and continually improve their services. There are already pockets of successful innovation within the sector. One challenge is to encourage those innovations to be used more widely.

"We advocate for new arrangements that reshape the roles of governments, providers and in some cases clients, to empower clients and give service providers more autonomy. The role of central government would shift, from its current emphasis on controlling the provision of services to one of conscious stewardship of the social service system.

"There is also scope to improve current purchasing and contracting practice in order to reduce the cost of these processes to all parties – including government agencies.

"The Government needs to put more effort into setting goals and standards as well as monitoring performance, and evaluating effectiveness of whole programmes. It needs to put less effort into telling providers how these goals should be achieved. (Productivity Commission draft report)."

With the investment approach the commission is outlining and a more competitive funding approach, there is concern that many community agencies are 'cash strapped' and need certainty of operational base funding to continue; any implementation of new service models require considered planning with high levels of stakeholder engagement right from the outset.

In determining an appropriate model for contracting and service delivery, we commend the Commission in its recognition that 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. Solutions must be flexible enough to meet multi-faceted issues. Causes are complex and require multiple methods and approaches.

We endorse, as we did in our earlier submission, the 'whanau ora' approach that puts the person at the centre. We stress the importance of other relationships and that the focus on the individual is not enough to solve complex problems. Social service delivery must provide for a range of service types and relationships that cater to people with single simple issues through to people with a complex range of needs. Here in Auckland North the feedback we receive from agencies is that more individuals are presenting more complex issues than they used to.

ANCAD firmly stresses that specialisation and professionalism play an important role in developing expertise at 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 new models of collective impact are highly demanding and sophisticated, requiring strong leadership and facilitation. Our view is that this is the way of the future but there must be recognition that this requires considerable resourcing. Many community organisations are struggling; often working on low salaries for long hours, unpaid or dependant on volunteers. 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 society.

Attempts to establish a more joined up, wrap around, 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 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.

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 'backwards' 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 warn against a

model which sees big national providers taking over the work of smaller providers. Many significant gains and important knowledge would be lost with this particular model. However, a joined up approach that allows for specialisation is a much-preferred option.

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