

Submission by Platform Trust

Productivity Commission's Draft Report (April 2015)

More effective social services

23 June 2015

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Introduction

1. Platform Trust is a peak body representing a wide range of mental health and addiction (MH&A) Non-Government Organisations (NGO) providers across New Zealand (see www.platform.org.nz).
2. Please note that the views in this submission reflect the views of the trustees of the Platform Trust Board.
3. The submission is presented according to the chapter headings in the Commission's draft report (April 2015) and pays particular attention to the key question that has been posed in each chapter.
4. While we support in full the seven major themes that are outlined in the draft report we urge the Commission to prioritise and amplify the following three recommendations, as we believe that their impact when combined has the capacity to fundamentally transform and improve the social services system.

Recommendation 6.2 *Commissioning organisations should ensure that in-house provision is treated on a neutral basis when compared to contracting out and other service models. This requires independence in decision-making processes. In-house provision should be subject to the same transparency, performance monitoring and reporting requirements as would apply to an external provider (page 110).*

Recommendation 6.10 *Fully funded social service payments to non-government providers should be set at a level that allows an efficient provider to make a sustainable return on resources deployed. This funding level will support current providers to invest in training, systems and tools. It will also encourage entry by new providers (page 131).*

Recommendation 14.3 *To strengthen the incentives for reforming the social services system, the Government should:*

- *establish a Ministerial Advisory Board to report publicly on the Government's progress in reforming the social services system;*
- *remove unnecessary barriers to reform;*
- *provide positive incentives for improvement;*
- *expand the measurement and public reporting of the return on investment in social services programmes;*
- *establish a programme for reviewing social service programmes against specified criteria; and*
- *seek beneficial opportunities to undertake joint benchmarking of social services, such as through participating in the Australian Report on Government Services.*

The government agencies responsible for social service programmes should commission the reviews. Reviews should be overseen by independent steering committees, published and subject to assessment by the Ministerial Advisory Board (page 303).

Key points by chapter heading

Chapter 5 – Institutional architecture

5. If the effective integration of services is as reliant on developing a good culture amongst the participating organisations as it is about managing the organisational boundaries, then the institutional architecture needs to incentivise providers to work cooperatively together and, at the same time, reduce the incentives for cost and risk shifting. Ideally this would involve a level of delegation and devolution to local commissioners who would operate within a national framework.

“Culture eats strategy for breakfast” Peter Drucker

Chapter 6 – Commissioning

Effective commissioning

6. Develop one set of agreed ‘rules’ for how all government and crown agencies must engage with, contract with and fund NGOs. For example, the following three documents could become the rules for engaging with the social sector:
 - Treasury (2009) *Guidelines for Contracting with Non-Government Organisations for Services Sought by the Crown and Good Practice*.
 - Office of the Auditor General (2006) *Principles to underpin management by public entities of funding to non-government organisations*.
 - Department of Internal Affairs (Community & Voluntary Sector) *Code of Funding Practice*.
7. Establish some strict monitoring of government and crown agencies application of the rules, possibly under the auspices of the Office of the Auditor General.
8. In addition, explore the establishment of a pan-NGO body to help provide routine oversight of the application of these rules.
9. Develop a single agreed contracting and funding matrix (based on high, medium and low trust categories) that serve to promote ‘choice and voice’ for service users and their families. The matrix should outline the type of contract, the term, level of associated auditing, extent of reporting and the degree of provider autonomy at each level in the matrix.

Choosing a service model

10. Platform Trust endorses the following recommendation in the draft report - *Commissioning organisations should ensure that in-house provision is treated on a neutral basis when compared to contracting out and other service models. This requires independence in decision-making processes. In-house provision should be subject to the same transparency, performance monitoring and reporting requirements as would apply to an external provider* (page 110).

Full funding

11. Platform Trust endorses the following recommendation in the draft report - *Fully funded social service payments to non-government providers should be set at a level that allows an efficient provider to make a sustainable return on resources deployed. This funding level will support current providers to invest in training, systems and tools. It will also encourage entry by new providers* (page 131).

Chapter 7 – A system that learns and innovates

Innovation – actively supporting the production and use of the evidence

12. Innovation is occurring, but it is happening at the edges of the current system. Many innovative programmes have had their genesis with local leaders who have chosen to respond to an unmet need in their local community. In many instances, funders have treated these innovations with a degree of indifference as they operate beyond the reach of the traditional institutional architecture. As a consequence, the opportunities to evaluate the strengths and weaknesses of these innovations have been wasted. A system that learns and innovates is deeply interested in finding out what programmes work, for whom and under what circumstances, irrespective of the programme’s particular funding stream or its target client group.
13. Examples of innovative programmes that have been driven by community interests include the following:
 - *The People’s Project* - to eliminate homelessness in Hamilton.
 - *Kia Kaha Programme* – a primary care programme that supports people who live in South Auckland to learn to self-manage their chronic health condition.
 - *NZ Navigator* – a free on-line organisational self-assessment tool for all voluntary and community organisations.
 - *Equally Well* – a project focused on improving the physical health of people who experience mental health and/or addiction problems.
 - *Lifhack* – a space where young people come together to develop new ventures and build the capacity and the skills to enable them to be healthy and resilient citizens.

Investing in collective impact and social laboratories

14. The only way to solve complex social issues is to embrace an adaptive approach whereby diverse groups of stakeholders are prepared to engage in an intentional process of ‘learning-by-doing’. While traditional business circles of entrepreneurship focus on speed and agility, designing for social impact is about staying the course through a process of methodical, rigorous iteration. This is because innovative solutions to social situations can quickly become less effective in a rapidly evolving context. All programmes, including the innovative ones, need to be subjected to a process of ongoing review so that further improvements and innovations can emerge as part of the constant search for more up-to-date solutions.
15. The success of ‘collective impact’ initiatives and ‘social labs’ in other countries offer New Zealand an example of what is possible when diverse stakeholders come together to co-produce solutions that attempt to address the root cause of why things are not working.

However, these social labs are not one-off experiences. They are ongoing and sustained efforts over time and, as such, they tend to stretch the resources of the key participants.

16. In order for a collective approach to be successful it will require an investment that is over and above the funding that is allocated for direct service provision. This investment could be used to help develop the tools, techniques and skills that will be required to make these contemporary models of human design work more effectively. This is particularly the case with regard to those organisations that provide the 'backbone' support functions (including measurement of progress) for the local collective. Without this additional investment this collective impact approach is highly likely to fail.

Chapter 8 – leveraging data and analytics

17. Big data & analytics are emerging as a strategy to help solve some of society's toughest challenges. However, whilst big data might provide new insights into complex social problems, it is only an enabler of system reform and should not be perceived as the 'silver bullet' in its own right. Systems theory tells us that it is not possible to untangle all of the contributing factors to complex social problems, no matter how much data people might have on a particular subject. For this reason stakeholders need to look for the unintended as well as the intended consequences of their interventions so that rapid adjustments can be made accordingly.
18. For the public sector, the potential to design better policies and target resources more efficiently with big data carries with it the responsibility to examine the issues related to the individual's rights to control access to their personal information. The Privacy Act deals particularly well with government's desire to realise value from existing data through recombination and reuse, but there are areas of the Act that may need to be reviewed or strengthened, particularly in light of the rapid advances in technology that enables data to be easily shared amongst a range of different service providers. The Office of the Privacy Commissioner should coordinate such a review.
19. New information and communication technologies also have the potential to improve the lives of large numbers of people. With mobile phones and tablets proliferating at a significant rate, these new communications tools enable individuals to easily access a broad range of information from wherever they are at whatever time is convenient to them. Combined with social media platforms, people can extend their reach through multiple mobile devices and connect with others in ways that were not envisaged even ten years ago. These technological developments have the potential to revolutionise how people engage with their social service providers and enhance their wellbeing. To a great extent this potential remains untapped, because investments in innovative technology are often beyond what community organisations can reasonably afford. A good investment strategy would need to factor this in.

Chapter 10 – Service integration

20. Health is not a single system, but a complex network of intersecting service providers that have a strong tendency to act as sole agents focused on achieving their own goals. This siloed mentality presents a major challenge to policy makers, planners and funders who are interested in developing a health and social system that effectively acts as one system, albeit with multiple funding streams.
21. Platform Trust maintains that it is not possible to effectively integrate health and social services (whatever model of integration is adopted) without all affected parties having an

equal voice in the design process. Co-production puts the service users at the heart of the design process, both as active agents and equal partners. In addition, the process should also include diverse groups of stakeholders from a range of government, business, not-for-profit, community and other sectors that all share an interest in improving the level of service integration for the benefit of the local population.

22. As per the previous comment on the development of a learning system, the widespread adoption of contemporary models of human design will require an additional investment in the development of the requisite tools, techniques and skills, particularly for those people who are managing and brokering multi-stakeholder partnerships.

“The imperative to collaborate across boundaries.....has been established. Now we just need to learn how to get better at it, quickly.” (The Necessary Revolution, 2008).

Chapter 11 – Client choice and empowerment

23. *There is good evidence that, for some types of social services, empowering clients to make core choices significantly improves their wellbeing* (Draft report, Page 12).
24. Platform Trust endorses the following excerpts from the report *Te Pou o Te Whakaaro Nui. (2014). Individualised funding for New Zealand mental health services: a discussion paper. Evaluations of individualised funding programmes have revealed a number of programme features that support successful implementation. Key components to successful implementation include: provision of good information; active outreach to marginalised or at risk groups; transparent decision making regarding resource allocation; availability of ongoing third party support to assist with the management of finances and employment relations; supportive staff attitudes and the willingness to pass control to the person using services; adequate funding including costs of related administration; and careful policy development and planned implementation.*
25. *It is also important to acknowledge that evaluation studies have tended to focus on the health and wellbeing outcomes of only those people who are eligible to receive health and social care services. It is unclear what impact the widespread use of individual funding has on the overall availability of health and social care support services. This is likely to be a source of uncertainty and anxiety for some New Zealand health services considering individualised funding. Some New Zealand disability providers question what would happen to the employment market and predict that changes could mean that more staff will have to be employed on a temporary or casual basis in response to fluidity of demand.*
26. *Given this understandable uncertainty about the impact of individual funding on the overall supply and quality of health and social support, if this model was considered further it would be very important to include key stakeholders (service users/ tāngata whaiora, families and whānau, providers, cultural leaders and staff members) in related planning and policy development from the outset (Te Pou o Te Whakaaro Nui. (2014). Individualised funding for New Zealand mental health services: a discussion paper. Auckland, Te Pou o Te Whakaaro Nui, page 4)*

Chapter 13 – Māori

27. The individual and collective aspirations for Māori need to be reflected in every part of the report and not just singled out in one chapter.

Chapter 14 – Implementation

Performance benchmarking

28. Platform Trust endorses the following recommendation in the draft report - *To strengthen the incentives for reforming the social services system, the Government should:*
- *establish a Ministerial Advisory Board to report publicly on the Government's progress in reforming the social services system;*
 - *remove unnecessary barriers to reform;*
 - *provide positive incentives for improvement;*
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