







Social Sector Commissioning – Update on Future Direction

June 2021

In 2018 I asked the Social Wellbeing Board to **look into how we can improve the way we work with social service providers to ensure they are supported to be effective and responsive to need in our communities**. This work applies to a number of agencies who fund and commission social services (those working with individuals and whānau in particular areas of welfare, housing, health, education, child wellbeing, justice and disability support services) including the Ministries of Social Development, Justice, Health, Education, and Pacific Peoples, Oranga Tamariki, Te Puni Kōkiri and Ara Poutama. In July 2020 Cabinet agreed to a set of draft commissioning principles and ten key actions to progress the work. Following Cabinet decisions, I released a sector update in August, [Social Sector Commissioning: progress, principles and next steps](#) which built on kōrero between members of the sector and officials, including key reflections from early in our COVID-19 response.

THE SECTOR UPDATE DESCRIBES SIX DRAFT PRINCIPLES FOR IMPROVED COMMISSIONING

To guide action, the sector update proposed a set of principles:

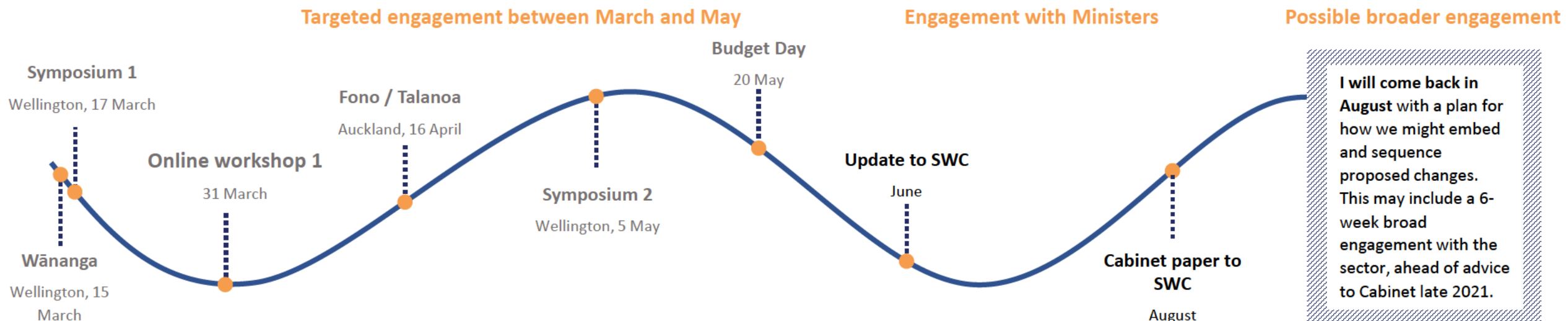
					
Individuals, families, whānau and communities exercise choice	Māori-Crown partnerships are at the heart of effective commissioning	The sector works together locally, regionally and nationally	The sector is sustainable	Decisions and actions are taken transparently	The sector is always learning and improving

TIMELINE FOR 2021 – WHERE WE HAVE BEEN AND WHAT COMES NEXT

Government agencies continue to implement changes and improvements to the way they commission social services, including: rolling out significant investment in Budgets 2018-2020, increasing the use of longer-term contracts, simplifying contracting and procurement, and partnering with iwi and Māori communities.

Officials and the sector have been working together to progress some of the issues and actions identified last year. Broadly, this work has been progressing in 3 key phases – targeted engagement with members of the sector (including participants from iwi/Māori organisations, Pacific organisations, social service providers, community organisations, and philanthropy), preparation of advice and engagement with Ministers, and proposed broader engagement with the sector.

The direction of this work is described on the next page. There are opportunities to align this work with other changes to commissioning including Whānau Ora and the Health & Disability System Reforms. I propose to come back to you in August with a plan for how we progress changes for how social agencies commission services.



DELIVERING MORE EFFECTIVE SOCIAL SERVICES REQUIRES GOVERNMENT AND THE SECTOR TO WORK TOGETHER DIFFERENTLY

At present our systems, processes and ways of working shape a set of behaviours and outcomes that are not aligned with Government’s broader wellbeing goals for Aotearoa New Zealand. While there is work underway to improve commissioning across agencies, greater effort is required to embed consistent practice, given that the communities they work with often overlap. The sector want to work with government agencies to develop the change and stay with us through the journey towards commissioning for outcomes. Work is progressing on how we embed and sequence change to the enabling parameters and the relational approach.

ENABLING PARAMETERS – CHANGES TO SUPPORT A MORE EFFECTIVE SOCIAL SECTOR

To enable a move towards commissioning for outcomes, we need fit-for-purpose systems and processes... Some of these things are about catching up with emerging best practice when it comes to commissioning for outcomes, some are new ways of working, and some are about making current processes easier and simpler for everyone....

FUNDING / RESOURCING

Moving from short-term, competitive funding approaches to longer-term, collaborative and flexible resourcing.

This means:

- Longer-term funding contracts.
- Working together to agree fit-for-purpose costing approaches.
- Working together on solutions when funding challenges arise.
- Funding agencies are joined up, flexible and responsive.
- Agencies being transparent about funding decisions.
- Clarity on when government funds the full cost of a service.

AGREEMENTS

Moving from rigid input/output contracting to agreements that focus on shared outcomes and that allow flexibility.

This means:

- Agreements that set out shared goals, roles and ways of working to achieve agreed outcomes.
- Jointly agreeing activities to bring effort and resources to.
- Investing in agreed goals through direct sourcing.
- Developing integrated agreements across agencies and organisations where there are shared goals.

MUTUAL ACCOUNTABILITY & QUALITY ASSURANCE

Moving from risk adverse audit and oversight driven by funders to mutually agreed accountability for outcomes in supporting whānau.

This means:

- Proportionate assurance to meet mutual accountabilities.
- Agreeing clear and robust mutual expectations that provide confidence to communities and the Crown.
- Reducing administrative burdens.
- Mutual respect and trust to work through risks and any issues that arise.

CONTINUOUS LEARNING

Moving from static service design and under-used reporting to generating meaningful insights and adapting services to match.

This means:

- Collecting meaningful information, developing and sharing the insights.
- Hearing directly from service users, whānau and communities on their experience of support and their aspirations.
- Insights driving service and quality changes.

WORKFORCE / CAPABILITY

Moving from people in Government and the sector who transact contracts and compliance to people who have strong collaborative working relationships.

This means:

- Sector and Government leaders able to work in partnership and empowered to make decisions.
- Contract and procurement staff able to work relationally.
- Service design and quality assurance capabilities in place to support shared goals.

A RELATIONAL APPROACH – WORKING BETTER TOGETHER OVER THE LONGER-TERM

We have heard from the sector that changes to processes and systems is not enough to deliver a successful shift to commissioning for outcomes. They expect a different way of working with the Crown, in full knowledge that strong and effective relationships are key to long term change in communities, and have called for a more open and inclusive approach to who is involved in, and the nature of, commissioning conversations.

Pursuing a relational approach to commissioning for outcomes is about resetting relationships, expectations and behaviours so that the right people can work together on solutions to meet the needs of, and deliver better outcomes for, whānau and communities. This recognises our commitments to partnership, equity and self-determination under Te Tiriti o Waitangi / Treaty of Waitangi, and recognising and valuing the uniqueness and diversity in our Pacific communities.

At its core, taking a relational approach has 6 features:

- Recognising and giving practical effect to Te Tiriti o Waitangi / Treaty of Waitangi.
- Grounding our work in the needs and aspirations of the people we serve.
- Entering into relationship around a common set of outcomes.
- Agreeing how we will work together to deliver these common outcomes.
- Committing to shared accountability
- Agreeing clear roles through the commissioning process.

What does this mean?

For government agencies, in practice embedding a relational approach would see...

Changes in behaviour:

- Recognising the value of engaging with partners to develop solutions as opposed to relying on agency-oriented (and often siloed) solutions.
- Moving away from one-sided, government dominated interactions towards ongoing relationships / interactions between parties.
- Working with other government agencies on outcomes of common interest – to reduce duplication, and pool resources.

Changes to practice:

- Setting aside time and funding to enable relationship building
- Supporting the capability of community partners and providers so they can meaningfully participate in relationships.
- Allowing time and space for relationships to build, develop, and be maintained over time.
- Using system parameters in new or different ways to put the intent and outcomes ahead of any one process.

Changes to systems:

- Undertaking a change management process across government to incentivise the right behaviours to maintain a relational approach.
- Building tools and processes to support consistent implementation of the system parameters.
- Level of decision making aligned to support a relational approach (eg, devolution of funding).