



THE PROVISION OF SOCIAL SERVICES
FOR CHILDREN, YOUNG PEOPLE
AND FAMILIES/WHANAU

SSPA's Briefing to Incoming Ministers

October 2017



CONTENTS

- 4 Summary of SSPA proposals and alignment with Labour policy
- 5 Introduction
- 6 Government investment in provider capability
- 7 Fair funding for providers
- 10 A more stable environment for providers
- 11 A real partnership between social service providers and Government
- 14 Appendix: About Social Service Providers Aotearoa

SUMMARY OF SSPA PROPOSALS AND ALIGNMENT WITH LABOUR POLICY

NEW ZEALAND LABOUR PARTY POLICY	SSPA PROPOSALS
<p>Labour will support communities by investing in quality social service delivering for all New Zealanders.</p>	<p>Investing in provider capability:</p> <ul style="list-style-type: none"> • An ongoing and realistic funding programme for capability development • A workforce development plan for social services.
<p>Labour will undertake a full funding review with a focus on improving the tendering process so that it aligns better with the community sector and ensures the best outcomes for people using these services.</p>	<p>An immediate funding boost to relieve funding pressures, followed by a collaborative approach to developing and implementing a fair and sustainable funding model, including:</p> <ul style="list-style-type: none"> • funding that maintains its value over time • compliance costs built into contracts for service • genuine negotiations over the costs of delivering services • adequate funding for representative bodies such as Social Service Providers Aotearoa.
<p>Labour will foster greater relationships with community social services and take into account the full range of contributions social services make to their communities during tendering processes.</p> <p>Labour will implement improved contracts for social service organisations receiving government funding to allow them to best serve the community, including a standard duration of three years for funding as recommended by the Productivity Commission.</p>	<p>A more stable environment for social service providers that includes:</p> <ul style="list-style-type: none"> • a commitment to provider sustainability as a core component of the social service system • streamlined procurement, contracting and reporting systems • longer-term contracts, with three to five years as the standard. <p>A real partnership between providers and government that includes:</p> <ul style="list-style-type: none"> • consultation and engagement around new policies and key issues for the sector • continuing co-design with Oranga Tamariki • financial recognition of the costs to front-line organisations when contributing expertise to working groups.
<p>Labour will ensure that community and voluntary organisations can engage in advocacy without fear of losing government contracts or their charitable status.</p>	<p>Recognition of the advocacy role of NGO social service providers and our independence as community organisations.</p>
<p>Labour believes that we can address poverty and extreme inequality in New Zealand with a real social investment approach . . . that is about supporting everyone to achieve their potential throughout their lives, rather than focusing only on reducing benefit numbers. . .</p>	<p>A wide-ranging engagement process on all aspects of social investment.</p>
<p>Labour wants to collect data that can be used to view wider patterns and inform positive and progressive policy, rather than deter people from seeking help and cause concerns about privacy.</p>	<p>Immediate cessation of the requirement for social service providers to collect individual client-level data. The development of a policy on social sector data. Recompense for the costs of increased data collection activities.</p>

INTRODUCTION

Social Service Providers Aotearoa (SSPA) is a membership organisation representing non-government organisations working with vulnerable children, young people and families/whanau.

Members have been consulted on the priorities that should be raised in this briefing paper. They are matters seen as fundamental to the sustainability of the NGO social service sector and its continued focus on innovation and best practice in working with children, young people, families and communities.

SSPA is committed to a constructive partnership with government to achieve our shared goals for effective social service policy and delivery. We view a collaborative, joint working approach between SSPA, its members and government as the means of delivering the best results.

Our priorities for progress are:

1. Government investment in provider capability
2. Fair government funding
3. A more stable environment for providers
4. A real partnership between providers and government.

GOVERNMENT INVESTMENT IN PROVIDER CAPABILITY

BACKGROUND

The Expert Advisory Panel's final report, *Investing in New Zealand's Children and their Families*¹, points to the need for a strategic partnership to ensure vulnerable children get the services they need. Rather than a growth in Oranga Tamariki-delivered services, the report places the focus on building "the capacity, capability and supply of services with community and iwi".

There is currently no sustained funding programme to build and maintain capability across the sector. A one-off four-year capability investment fund made some contribution but this has now concluded. Significant challenges remain:

- Lack of an agreed workforce development strategy and plan
- Lack of investment in NGO governance² and management
- Lack of information-sharing on evidence-related practice and research findings, a gap that that will grow with the winding down of Superu
- Unclear capability requirements for the non-social worker sections of the social services workforce.

SSPA PROPOSALS

1. An ongoing and realistic funding programme for capability development.

Departments recognise the need to invest in the professional development of their staff; the same need exists for social service providers.

2. A workforce development plan for social services.

The goals would be twofold: a workforce with the right skills and qualifications; and well-run organisations. Building professional and organisational skills for now and into the future will require a partnership that includes government funders, community and iwi providers, ITOs and training providers.

HOW SSPA CAN CONTRIBUTE

SSPA is currently partnering with Careerforce to prepare a report on the capability needs for the current and future NGO social services workforce as the basis for a workforce development plan. This initiative builds on SSPA's contribution to enhancing capability through our programme of best-practice seminars and workshops. We look forward to further discussion with Ministers on this.

¹ Ministry of Social Development, December 2015

² Dr Jo Cribb, *Governing for Good: the Governance Capability of Social Service NGOs*, 2017
<http://www.communityresearch.org.nz/research/governing-for-good-the-governance-capability-of-social-service-ngos/>

FAIR FUNDING FOR PROVIDERS

BACKGROUND

SSPA members have raised a number of issues with the current funding regime.

Flat-lined funding

Social service providers report that their baseline government contract funding has flat-lined, with no cost increases for up to ten years. The situation is similar for their representative body, SSPA. Providers have had to absorb increases in rent, transport, wages and demand for services.

While there has been some additional funding for community-delivered social services in recent years, this has largely been for new services.

Reporting on its *State of the Sector 2016* survey³, ComVoices found that 42 percent of organisations were worried about their financial viability. Almost half were using their reserves to fund operations. Most said this was unsustainable.

Contributory funding

For providers funded primarily by MSD or Oranga Tamariki, the contributory funding model represents a particular challenge. Instituted in the late 1980s, the model has been retained by MSD and, except for a few specific programmes, only partially funds the total cost of the service delivery they contract. Other departments⁴ do not use this funding model for their social service contracting.

Contributory funding is inherently unfair and has led to a deepening sense of financial unsustainability for many providers. There is emerging evidence that funding pressures are responded to by cuts to client numbers, leading to waiting lists or unmet need.

Short-term funding

Short-term contracts, usually for just one year, add to the cost pressures and, with the attendant uncertainty about future funding, reduce the ability of providers to plan ahead and build their capacity and capability.

Additional cost pressures

Other cost pressures are arising or forecast from:

- The upcoming costs of mandatory registration of social workers
- Wage increases which must either be absorbed within lean budgets or not offered with the attendant risk of reduced ability to recruit and retain staff
- Compliance requirements such as health and safety and quality assurance
- Pay equity settlements and changes to the minimum age
- Data collection requirements.

³ ComVoices, *State of the Sector Survey 2016 Snapshot*

⁴ For example, Ministry of Justice, ACC, Ministry of Health and DHBs.

SSPA PROPOSALS

1. An immediate funding boost.

SSPA strongly recommends an immediate funding boost to relieve the pressures that have built up over the past decade. This would provide time to consult with the sector and develop and implement a sustainable funding model.

2. A commitment by government to work with the sector in developing and implementing a fairer and more sustainable funding model.

We note the Productivity Commission recommended that “full funding is appropriate when government is paying non-government organisations to deliver the government’s goals or commitments, and want full control over the service specification.”⁵

While this recommendation is on the right track, we think the funding model should be in the context of a more collaborative and negotiated approach to service specification as this will produce better results.

SSPA recommends a priority project to identify those services that must be fully funded and those that may continue to be supported through contributory funding. We suggest, for example:

- Fully-funded services are those the State wishes to ensure are available, and where the State agency and the delivery partner(s) have together specified the service type, target group and reporting measures, and have arrived at a fair negotiated remuneration for these services.
- Contributory or subsidised funding is for important services that communities believe to be needed and are open to all members of the community.

SSPA recognises that while implementing a fairer and more sustainable funding model is essential for the long-term viability of the NGO provider sector, it will come with significant costs. In view of this, we suggest a three-year transition period.

It is important that a new approach to funding does not compromise the volumes of services required, nor seek to drive a reduction in the number of providers.

3. That funding for NGO-provided services maintains its value.

This includes annual adjustments to social service contracts to cover increases in rent, transport, wages and general living costs.

4. Genuine negotiations over the costs of delivering services.

Providers are seldom consulted about the cost of their services and contract discussions do not generally feature genuine negotiation over costs and volumes. This is poor practice that excludes essential information.

5. Compliance costs are built into service contracts.

Greater consideration needs to be given to the financial consequences of changes to government policy and legislation that impact on NGO service providers. For example, mandatory registration of social workers, while welcome as a policy initiative, has a direct additional cost for providers and will require practical support to be successful. Transitional

⁵ Productivity Commission, *More Effective Social Services*, 2015 recommendation F6.15

financial support for employers and employees would be appropriate for this sort of policy initiative and help ensure its success.

Pay equity for the social service workforce and raising the level of the minimum wage are further examples of government initiatives which are to be welcomed but will require additional funding and a careful transition.

6. Adequate funding of representative bodies such as SSPA.

The current funding is inadequate for the range of services representative organisations such as SSPA provide to their members, including tailored information, professional development and advocacy services that are either not provided elsewhere, or are unaffordable. In addition, government agencies benefit from the ability to consult with organisations through the representative body, a mechanism that is not only efficient but offers considerable savings in time and money.

HOW SSPA CAN CONTRIBUTE

As the representative body for a significant portion of the providers contracting with MSD and Oranga Tamariki, SSPA can help streamline discussions on funding issues at a policy level and is well-placed to facilitate sector discussions with Ministers, MSD and Oranga Tamariki.

A MORE STABLE ENVIRONMENT FOR PROVIDERS

BACKGROUND

NGO social service providers are used to operating in an ever-changing environment and have responded with flexibility and innovation. But unnecessary change can create uncertainty about the future and make it difficult to put in place good mechanisms around planning and capability building.

The multiple procurement and contracting processes are costly for government in both time and money, and add significantly to costs and instability for providers. There needs to be a better balance between enabling new providers to enter the market and retaining the skills and experience built up over years by providers.

These problems are exacerbated by the use of one-year contracts. A consequence of this is the high use of fixed-term employment contracts with the attendant risk of losing organisational knowledge and investment. Addressing these issues and creating a better balance between stability and change will have considerable benefits, including cost savings, for government and providers.

SSPA PROPOSALS

We note the good work done by MBIE's social services procurement capability unit, as well as the Social Investment Agency's work on commissioning⁶. These initiatives can be developed as standard for all government agencies.

1. A commitment to provider sustainability as a core component of social services system.

This means assessing the impacts for providers of new initiatives and providing resourcing to manage those impacts. It also means working closely with the sector and its representatives to ensure all relevant issues are identified.

2. Streamlined procurement, contracting and reporting systems.

Streamlining the procurement and reporting systems, along with more support for providers where necessary, will reduce the compliance costs for providers and the administration costs for government agencies. Explore the potential to include NGO's in the All of Government contracts in future to allow them to access the discounts that government agencies currently have.

3. Longer term contracts, with three to five years as the standard.

Year-long contracts are a major cause of the uncertainty that pervades the sector, as well as a costly imposition and time. Longer-term contracts will provide greater stability, a prerequisite to service improvement.

HOW SSPA CAN CONTRIBUTE

SSPA is currently involved with the procurement work MBIE is doing and can use the collective knowledge of its nationwide network of providers across a wider set of reforms of government procurement and contracting processes.

⁶ Social Investment Agency, *Commissioning Platform*, July 2017. <https://sia.govt.nz/assets/Uploads/Fact-sheet-SIA-Commissioning-platform-July-2017.pdf>

A REAL PARTNERSHIP BETWEEN PROVIDERS AND GOVERNMENT

BACKGROUND

“We’ve all got a part to play and need to act collectively – government agencies, providers, NGOs, iwi, partners, and New Zealanders.”⁷ *New Zealand’s Social Investment Framework (Draft)*.

NGO social service providers are inherently client-focused and appreciate that the presenting problems with which they deal may not fit neatly into departmental or government appropriation silos; our approach is to work with others to achieve client outcomes. For this to succeed there needs to be a stronger partnership between providers and government that recognises each other’s accountabilities and responsibilities.

Advocacy role of service providers

Most NGO providers have an advocacy role and need to be able to speak up on behalf of clients which may, at times, mean speaking publicly for or against proposed government policies. There can be no genuine partnership between government and providers if the threat of loss of funding is used to shut down debate. For NGO providers, recognition of and support for our independent advocacy role is crucial.

Co-design

There has been a pleasing willingness on the part of Oranga Tamariki in particular to involve providers in co-design methodology. MSD is using co-design for its work on the accreditation process. SSPA supports the continuation of this practice, along with a commitment to build service design capability.

Securing meaningful engagement in policy development, however, remains challenging for NGO providers.

Planning

Transparent forward planning that harnesses local knowledge of the community will produce better, more grounded results.

Access to quality planning information will assist providers to look ahead and plan their response demographic and demand changes.

Clear signals about the medium-term outlook from key funders, especially MSD and Oranga Tamariki, would help providers plan across a longer time horizon and invest with greater confidence in matters such as workforce development and service evaluation.

Social investment and data collection

There has been little discussion with the NGO sector about the social investment strategy and how it will shape the funding priorities for social services. There is widespread agreement about the need for evidence-based practice and decision-making to ensure government funding is put to best use. Access to evidence, including data, is fundamental to the social investment approach, or indeed any strategy for the social service sector.

⁷ Social Investment Agency, NZs Social Investment Framework, draft document, July 2017.
<https://sia.govt.nz/assets/Uploads/nz-social-investment-framework.pdf>

SSPA endorses the need for good quality aggregate data, along with research and evaluation, to underpin funding and policy decisions. However, there has been a lack of engagement with the provider sector on the overall approach or on specific matters such as the use of data, the value of other forms of evidence, and the balance between data-driven targeting and case management at local level.

All social service providers collect information on their service users, by way of case notes, aggregate statistics, and, in some cases, more detailed data. Almost all providers have resisted attempts to enlarge the scope of data collection and sharing to include client data that can identify individuals.

There are significant issues around data to be resolved, including:

- Lack of a shared view on the use of social service data at individual, group or whole-of-system levels.
- A multiplicity of systems to gather and store data, with many providers lacking the technical expertise to assess the value and workability of data collection packages.
- Shortage of the skills to gather, transfer and analyse data – these skills are in high demand, with limited supply and high cost.

SSPA PROPOSALS

1. Recognition of the advocacy role of NGO social service providers and our independence as community organisations.

SSPA recommends that contracts include a statement to this effect. We also suggest it would be useful for government to seek our input on the key issues for the sector in the first 100 days of the new parliamentary term.

2. Consultation and engagement around new policies and key issues for the sector.

SSPA believes this should be a matter of no-surprises policy to ensure good decisions and system planning.

3. Continuing co-design with Oranga Tamariki and MSD.

This has worked well and should continue.

4. Immediate cessation of the requirement to collect data identifying individual client.

Providers seek a clear commitment that individual and identifiable client-level data will not be a feature of any future policy framework.

5. A wide-ranging engagement process on all aspects of social investment.

SSPA is engaging with the Social Investment Agency (SIA) on the design of a data use and protection policy. An early decision is needed about whether this work continues and, if so, on what basis. There has been welcome engagement with the SIA but there is scope for a more wide-ranging debate. SSPA seeks consensus and a sustainable environment for funders and providers alike which:

- recognises the importance of collecting data and understanding ‘what works’; and
- avoids the potentially stigmatising effects of collecting that information.

6. A joint exercise to develop policy on social sector data.

This should seek agreement between government and NGO providers about the extent and use of any data that is collected on social service users.

7. Recompense for the costs of increased data collection activities.

The costs to providers of gathering, storing and transmitting data for government purposes, including technology platforms, secure storage and transmission facilities, capability and skills development and maintenance, need to be identified and recompensed.

8. Financial recognition of the costs to front-line organisations of contributing expertise to working groups.

Front-line organisations bring important expertise to working groups and other consultative forums, and are very pleased to do so. However the costs to the organisation may be significant and a drain on limited resources. This needs to be recognised and recompensed.

HOW SSPA CAN CONTRIBUTE

SSPA is interested in being part of any discussions about formal mechanisms for engagement between the NGO sector and government. We have the knowledge and expertise to play a strong role in an engagement process on social investment.

Part of our capability-building programme will include the skills for service design and co-design methodology.

SSPA is represented on the Social Investment Agency's working group on data use and protection policy and, if this work proceeds, will encourage strong participation in the consultation processes. SSPA provides a helpful conduit to ensure all issues of concern to providers are raised with the working group, and will engage constructively in any wider debate on social investment.

As MSD and Oranga Tamariki are currently designated as the first agencies to use/test the proposed policy framework, we will be seeking an early decision on this work and, if it proceeds, engagement at a national level to ensure a consistent and reasonable implementation approach.

APPENDIX

ABOUT SOCIAL SERVICE PROVIDERS AOTEAROA

Social Service Providers Aotearoa (SSPA) is a membership organisation representing non-government organisations working with vulnerable children, young people and families/whanau.

SSPA was registered as an incorporated society in 1999 and is a registered charity. Its roots go back further, to a conference in 1992 organised by s396 approved provider organisations, and then in 1995 when the need for national representation was agreed.

MEMBERSHIP

Membership is currently organisation-based and open to social service providers contracted by any government agency to work with children, young people, families and/or communities. Our core membership are providers accredited under Section 396 or Section of the 403 of the Oranga Tamariki Act and funded by MSD or Oranga Tamariki to work with children, young people and their families.

Affiliate membership is available to other organisations and individuals with compatible objectives.

Some 200 social service providers, ranging from the largest to the smallest organisations, are SSPA members.

FUNDING

SSPA has a joint contract with the Ministry of Social Development and Oranga Tamariki to provide advocacy and capability development, mainly delivered through best practice seminars. This funding is currently at \$161,000, an amount that has been virtually static for a number of years. It is supplemented by membership fees of around \$11,000 and income from professional development workshops and conference, with total revenue last year at \$245,000.

GOVERNANCE AND MANAGEMENT

SSPA is governed by an elected national executive of up to 10 members. Executive members tend to be leaders within their organisation although this is not a requirement. The current national executive is:

SSPA chair: Dee-Ann Wolferstan – CEO of Te Whare Ruruhou o Meri Trust

SSPA deputy chair: Paul Hooper – Director of Family Works Otago

SSPA treasurer: Fiona Guy – Chief Financial and Funding Officer, Youth Horizons

Veronica Bennett – National Manager Business Development, Stand Children's Services

Julia Hennessy – General Manager of Family Works Central

Graeme Munford – Director of ACROSS Te Kotahitanga o te Wairua

Libby Robins – Director of Family Help Trust

Wesley Tala'imanu – Executive Director of Fonua Ola

Irene Te Koeti – Manager of Family Works Southland

Brenda Pilott – SSPA National Manager.

This year, there have been changes to the rules on governance which will require the election, from 2018, of at least three tangata whenua members and three tauwiwi members, and will allow for appointed members to fill any knowledge gaps.

SSPA employs a full-time national manager, Brenda Pilott, and two part-time staff members, all based in Wellington.

OUR ROLE

SSPA's work falls into three broad categories:

- Professional development
- Information
- Advocacy

Professional development

SSPA runs workshops around the country on social service practice and organisational capability. More than 600 practitioners have taken part in this year's workshops on child-centred and trauma-informed practice.

SSPA's annual conference attracts up to 200 participants and has a strong focus on professional development through a programme of practice-based workshops and topical speakers.

SSPA is working with Careerforce to report on the NGO social services workforce as the basis for a workforce development plan including a learning and development framework aligned to the needs of the sector and the qualifications framework.

Information

SSPA has surveyed members on their information needs and, in line with the findings, keeps members informed of sector news, events, research findings and policy changes through our regular and succinct email newsletters.

SSPA is to publish a twice-yearly journal focused on social service practice which will fill an information gap. An editorial board of highly respected practitioners and academics has been formed. The first issue of the journal is due in March 2018.

Advocacy

SSPA has an important role in advocating on behalf of members. Indeed the advocacy role was the prime reason for SSPA's establishment. We perform this role through submissions to parliamentary select committees, representing members' views to government ministers, providing a voice on committees and consultation bodies, and speaking out publicly on matters of widespread concern.

SSPA is in regular communication with members and actively seeks feedback to ensure their views are accurately represented.