# **Social Sector Commissioning** 2022–2028 Action Plan



## Purpose

**Transforming the** way social supports and services are commissioned so that they best support people, families and whānau to live the lives they value.

## Contents

This update has been created to outline the actions that have been created to support the transformation of social sector commissioning in Aotearoa New Zealand.

There are 5 sections to this update. A summary has been provided for each section so you can choose which parts of this document you would like to read.

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Definitions

## **Foreword by the Minister**

Tēna koutou katoa, Talofa Iava, Malo e Ielei, Taloha ni, Kia orana tatou katoatoa, noa'ia, Mauri, Ni sa bula vinaka, mālō ni, Ia Orana, Gud de tru olgeta. The Social Sector Commissioning Action Plan 2022–2028 marks the beginning of a new chapter for social services in Aotearoa New Zealand.

This Action Plan is a significant and exciting shift in the way social services are commissioned to deliver support for people, their whānau, and communities right across the motu and country. It is one step towards modernising our welfare system so that the social sector can support New Zealanders to live with dignity and agency, without having to encounter unnecessary red tape along the way.

We've heard for some time that the experience of working with Government in the delivery of social services needed to improve. Commissioning needed to place trust and meaningful relationships at the centre, rather than it being transactional and contracts based.

We've taken action to make commissioning easier to navigate. Positive progress since 2018 includes contract periods in the main being longer, and procurement is no longer dominated by overly competitive tendering. These changes mean that more time can be spent working with people and whānau who are in need of support. There has also been an encouraging growth of diversity in non-government and community organisations.

Underpinning this Action Plan and the starting point for transformation is Te Tiriti o Waitangi / The Treaty of Waitangi and the need for us to recognise and give practical effect to Te Tiriti. Māori-Crown partnerships must be at the heart of effective commissioning. This Action Plan will support iwi, hapū, and whānau to create their own solutions. These include ensuring there is equitable access, positive experiences and outcomes for Māori who work in the sector, and applying tikanga in a way that informs how support is provided.

At the heart of this Action Plan is the relational approach and building capability across the social services sector. It's about strengthening the ties that bring together government, the sector, iwi, Māori, Pacific peoples, Rainbow LGBTQIA+, the disabled, and migrant communities to support people and their whānau.

The Government is committed to continuing to support this important work. This will be a new way of working together locally, regionally, and nationally, and will help to future-proof the sector so that it can better serve and support people now and in generations to come.

Ngā mihi,

Hon Carmel Sepuloni, Minister for Social Development and Employment

## Non-government members of the Project Board's foreword

Although not always immediately apparent, social sector commissioning affects nearly all New Zealanders at some point in their lives. That is why it is so important that we get things right when it comes to how social sector commissioning works.

Commissioning which is founded on an understanding of the aspirations of children, rangatahi, whānau and communities, and which is geared towards enabling and meeting these, will help to support the lives that they want to live and value.

We welcome the cross-government commitment to making significant change to how government, iwi, and communities work together to deliver social services. With the launch of this Social Sector Commissioning Action Plan, we emphasise that Te Tiriti o Waitangi must underpin all areas of commissioning. The relational approach to commissioning outlined in this Action Plan is a key enabler to this. Giving practical effect to Te Tiriti is integral to achieving equitable, self-determined intergenerational wellbeing of whānau, hapū, and iwi, and therefore Te Tiriti plays a foundational role within social sector commissioning.

Alongside this, it is essential that all government social sector agencies implement the nine Actions outlined, and actively uphold the seven social sector commissioning principles in all commissioning activities. The opportunity for government to actively align and collaborate cross-agency, coalescing around the transformation of social sector commissioning, is significant. This will also make the landscape easier for partners in the community social sector to navigate, enabling them to get on with serving those who seek their services.

The transformation to a relational approach must be sector-wide, intentionally removing barriers and silos. Changes need to tangibly demonstrate a rebalancing between funders and providers. Government and non-government organisations alike must actively listen and seek to understand each other, while finding new and effective ways to directly hear service users about their experiences. This will inform the shaping of transformed approaches.

We look forward to seeing greater transparency in the processes and systems of procurement, and the costing and contracting of services. Equitable and sustainable funding for communitybased social services remains a pressing need. Providers want to see real change, with genuine engagement grounded in genuine relationships at all stages, real negotiations over contracts, shared accountability, and reduction in unnecessary compliance.

Ultimately, social sector commissioning is about the people accessing social services and supports in their communities. How government commissions services and how government and the community-based social sector work together, must be for the benefit of these people – children, rangatahi, whānau and communities. They must be held central within commissioning. Their aspirations and outcomes, both now and intergenerationally, are what transformed social sector commissioning can enable.

This Action Plan provides a roadmap for where we are going. It will be essential to progress on it with commitment and pace, grounded in active, tangible change that is able to be experienced by all involved – but most importantly, by the people and communities who access social services.

The NGO & Independent Project Board members:

Katie Murray, QSM, MNZM, Chief Executive, Waitomo Papakainga Development Society Dr Claire Achmad, Chief Executive, Social Service Providers Aotearoa Brenda Pilott, ONZM, Pay equity project manager Dr Ang Jury, ONZM, Chief Executive, Women's Refuge

# Why change the way we commission social supports and services

Commissioned social supports and services are critical to the wellbeing and prosperity of Aotearoa New Zealand.

Access to social supports and services is essential to the overall wellbeing and prosperity of Aotearoa New Zealand's people and communities .

## What is commissioning?

Commissioning is a blanket term, used to cover a series of activities that usually result in funding being allocated by government agencies, philanthropic organisations, and sometimes non-government organisations to deliver support or services for people, families and whānau across Aotearoa New Zealand.

Over 22 Government Agencies and Crown entities commission social supports and services and in 2020/21 the Crown commissioned an estimated \$6–7 billion in social supports and services through non-government organisations in at least 18,800 separate arrangements (including contracts, grants, and other funded agreements)<sup>1</sup>.

There is no one size fits all approach to commissioning in the social sector. Approaches are often shaped by the timing and resources available, for example responding to a crisis or national emergency or seed funding made available to explore a new service.

## What are the common commissioning stages and activities?

There are a set of common activities in social sector commissioning that will often influence the overall outcome. Good commissioning practice allows for feedback loops between all stages as needed and the opportunity to stop buying existing services, especially if value cannot be well-established or if there is unacceptable risk of harm.

## Defining the purpose of the work - what are we trying to achieve?

This will likely involve policy and current service analysis, understanding the evidence of what works, listening to whānau, strategy setting, and political commitments that might be made.

#### Planning and designing the supports

This stage will typically involve service design, skills assessments, business planning, setting up monitoring and evaluation, undertaking costings and benefits work, and figuring out the capability and capacity needed.

#### Funding and resourcing the supports and services

Securing the funding and resources often involve procurement processes, establishing agreements and/ or contracts, preparing funding schedules and ensuring accreditation or other assurances are ready.

#### Delivering the supports and services

This stage involves making sure that there are the business processes in place, training of staff and encouraging learning as they go, while reaching out to the those who are seeking the supports or services. Some service providers may need to work with other community organisations like translators or advocates.

#### Monitoring - how do we know we're on track?

This stage typically includes collecting information about what's happening, reflecting, and updating the work underway.

## Evaluating - how well did we deliver on what we set out to do?

This is likely to include reflection on the outcomes for those who received the supports and services and consideration for whether further changes are needed to keep the programme running.

<sup>1</sup> This is based on 13 government departments and Crown entities in October 2021 and is prior to the formation of recent agencies, such as Waikaha, Te Whatu Ora and Te Whai Ora. They included: The Ministries of Business Innovation and Employment, Education, Health, Housing & Urban Development, Justice, Social Development, and Pacific peoples, ACC, Ara Poutama, Department of Internal Affairs, Oranga Tamariki, New Zealand Police and Te Puni Kökiri.

### ... but it's missing some important ingredients, government has heard you say



## The purpose of our work

Our purpose is to transform the way social supports and services are commissioned so they best support people, families and whānau to live the lives they value.

Government has heard that trusted relationships need to be at the centre of social sector commissioning – not contracts and procurement rules – and we have listened.

Government is working with non-government organisations and communities to transform the way supports and services are commissioned, by championing a relational approach to commissioning. An approach where people's aspirations, experiences, lived realities, and goals shape the services or support they receive. This relational approach is supported by seven principles. These principles were developed after extensive consultation to guide the nurturing of inclusive and collaborative working relationships with everyone involved. This includes the people, families and whānau being supported, tangata whenua such as iwi and hapū, non-government organisations, the philanthropic sector, and government agencies.

To enable the transformation across the entire social sector, we have created a six-year Action Plan.

### The Action Plan will:



work on removing current barriers that make a relational way of commissioning difficult  $\checkmark$ 

build on existing initiatives and successes, and support major social reforms underway



use continuous learning, monitoring and information sharing to ensure change

## A relational approach what is guiding our work

## We need to work together to meet the expectations of accessing social services

The world we live in is complex. The realities of people, families, whānau, hapū, and communities remain front and centre of all social supports and services being delivered. As there is no one solution to meet the diverse range of need, a collective response is needed, where multiple parties contribute by bringing their unique insights, experience, and resources to the table. Working in this way will forge deeper understanding of the complexities of providing the support, and with time develop relationships based on trust.

Working together varies across the sector. For some, trusted relationships is always how they have worked, whereas others have found system constraints have made this impossible.

## Te Tiriti o Waitangi / Treaty of Waitangi

Through engagement over 2020 and 2021, members of the social sector (from iwi/Māori organisations, social service providers, community organisations, and government agencies) have consistently said that recognising and giving practical effect to Te Tiriti o Waitangi is essential to achieving intergenerational wellbeing for whānau, people, and communities in Aotearoa New Zealand. We heard:

- everyone wants to have a role and responsibility in honouring Te Tiriti o Waitangi – even if it feels challenging, it is the right thing to do
- that partnership, equitable outcomes and the self determination of whānau, hapū, and iwi are the key principles the social sector can work towards together
- the importance of respecting and protecting mana whenua within the social sector
- that some iwi and hapū more strongly recognise He Whakaputanga – The Declaration of Independence
- Te Tiriti o Waitangi needs to be considered and applied across all areas of commissioning – from governance arrangements through to accountability.

## A relational approach to commissioning

Adopting a relational approach to commissioning places trusted meaningful relationships at the centre of all activity. Relationships encourage new ways to fund and co-fund services, empowering individuals, families, whānau, and communities to self-determine how they wish to engage with services that support their aspirations and proactively make space for them to do so.

We have heard from people accessing social services who felt they were present in understanding what is wanted or needed, yet excluded in the development of bespoke support. Even with the best intentions, they felt support was designed for them, not with them.

The diagram on the following page has been specifically designed to show how individuals, family and whānau sit around the shared goals and outcomes. They feed into their development and become contributors to what that support would look like. Their lived experience informs the support development.

## A relational approach to commissioning



Grounding our work in the 2 3 Recognising and giving practical Entering relationships around needs and aspirations of the a common set of outcomes. effect to Te Tiriti o Waitangi/ people we serve. The Treaty of Waitangi. 4 Agreeing how we will work to 5 Committing to shared accountability. **6** Agreeing on clear roles across deliver these common outcomes. the commissioning process. Trusted relationships shared accountabilities Clear roles and responsibilities for each party Shared values and ways of working shared goals and outcomes "People's lived experiences and aspirations start the conversation about shared goals and outcomes." **Delivery organisation(s) Tangata whenua** Individuals, families, Could include iwi, hapū, marae, Including Māori-led and whānau, communities Pacific-led organisations or urban Māori authorities

> Other party Could include community representatives, local council, and key advocates

**Funders** Includes government departments and Crown entities, iwi, and philanthropy

Use lived experiences to inform support and outcomes. Encourage new ways to fund and co-fund services. Empower selfdetermination on how to engage with services to support aspirations.

**Trusted relationships that will** 

Emphasise policy, process, or practice changes to support a high trust approach, for example, common goals, guidelines on how to navigate local service provision, and sustainable funding models.

## A set of principles underpins a relational approach to commissioning

The relational approach is guided by seven principles that support the development of trusted relationships to commission social services and support with everyone involved.

This includes the individuals, families and whānau being supported, tangata whenua, non-government and community organisations, the philanthropic sector, and government agencies.

The principles are interdependent, equally valuable, and indivisible. They should also complement and enable Te Tiriti o Waitangi/The Treaty of Waitangi-led commissioning through the emphasis on building trusted, meaningful relationships centred on the lived experiences and interests of individuals, families, whānau, and communities.

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

Commissioning is responsive to the equity of unique and diverse populations

The sector is always learning and improving

## How we are already working together

We want to support and enable improvements that have been made to social sector commissioning, so they are available throughout Aotearoa New Zealand. Examples of how we are already working together to adopt relational approaches to commissioning include:



## Te Aorerekura - Eliminating family violence and sexual violence strategy

Te Aorerekura is Aotearoa New Zealand's national strategy for the elimination of family violence and sexual violence. Integrating iwi, hapū, and community-led responses is a key mechanism for the delivery of Te Aorerekura through communities. We also know that local collaborative approaches are one of the most effective ways we can have an impact on family violence and sexual violence. Strengthening this way of working will be key to the long-term success of Te Aorerekura. Successful local collaboration to eliminate family violence and sexual violence is enabled through relational commissioning.



### Te Ao Mārama - Enhancing Justice for All

The 'Te Ao Mārama – Enhancing Justice for All' initiative is the District Court's response to longstanding calls for transformative change to the justice system. Led by the judiciary and supported by the Ministry of Justice and High Impact Innovation Programme, the initiative is being designed and implemented by working together with local iwi, communities, justice sector agencies, and the legal profession. Te Ao Mārama is inclusive of all people, no matter their means or abilities and regardless of their ethnicity or culture, who they are or where they are from. It will help ensure that all people, including victims and whānau, will be seen, heard, understood, and able to meaningfully participate in court proceedings.



## Lalanga Fou - A shared vision for Pacific peoples in Aotearoa New Zealand

The Lalanga Fou Programme aims to improve Pacific people's wellbeing outcomes through an all-of-government approach. Aligned to the Lalanga Fou Outcomes Framework and working in collaboration, it includes discussions to work towards a relational approach. This will introduce increased flexibility which makes it easier for social services to respond to what is important to unique and diverse Pacific communities.



## Care in the Community COVID-19 Welfare Response

The Care in Community welfare response is a locally led, regionally enabled, and nationally supported approach that helps people remain safe and supported while isolating because of COVID-19. Partnerships between regional leadership structures and communities allow for the welfare response to be delivered in a way that is tailored to local needs.

Government funding has been provided to bolster existing community resources and ensure effective delivery of the response.



### National Enabling Good Lives Leadership Group - Partnerships

National Enabling Good Lives Leadership Group has been promoting the notion of a tripartite partnership between the Crown, Māori and disabled people. The practical reasons for this are:

- each party needs to be involved in discussions and decisions that affect them
- interconnected issues for each party need a forum where they can be resolved
- tāngata whaikaha Māori are often inconspicuous in such fora.

The concept of this tripartite partnership is novel. It is to be expected that the partnership will develop over time.

Issues like mandate to represent each partner may be ongoing.

## 2022–2028 Action Plan

Implementing a relational approach requires transforming the way the social sector works and is commissioned. To enable the transformation, across the entire social sector, we have created a six-year Action Plan.

## **Outline of the Action Plan**

Representatives from individuals, families, whānau, communities, Pacific peoples, iwi/hapū, nongovernment, community, philanthropic organisations, and government agencies will be involved in the design, implementation, and direction of the work. The Action Plan activities will be guided by:

- the purpose of supporting people, family and whānau to live the lives that they value
- the outcome of improving the intergenerational wellbeing of people, family and whānau
- the seven social sector commissioning principles
- the insights, issues and opportunities raised through engagement and monitoring to inform change and ongoing learning.

The Action Plan has been split into three phases from mid 2022 until 2028.

The diagram on the following spread gives an example of what the pathway to change to the social sector commissioning would look like and adapt to over time.

## **Action Plan phases**



#### Growing and extending Mid 2022-mid 2024

This phase will focus on the vital work of facilitating new ways of working. It will raise key policy and operational questions, which will need to be worked through before progressing to the next step.



## Sector wide scale up 2024-2028

The second phase of work will support and build on existing initiatives and pockets of success so these can be implemented on a wider scale across Aotearoa New Zealand. The social sector is large, and change is often more challenging and time consuming than expected. Achieving change will require sustained support and guidance across the sector.



### Normalising practice 2028 onwards

The sector, individuals, whānau and communities will determine and make further changes to the social sector commissioning system.

In the delivery of each phase, actions are separated into three workstreams.



#### **Clarity and support**

Where common understanding and shared priorities are created, capability is built, and cross social sector issues are addressed.



#### Change

Where tangible changes are made to existing and new commissioning to achieve shared outcomes and deliver what matters to individuals, families and whānau.



#### **Oversight and learning**

Where stakeholders ensure that progress is made, momentum is maintained, the intent of the transformation is protected, and lessons are analysed and shared.

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Pathway to change	9 Actions	<b>Growing and extending</b> Mid 2022 to mid 2024
Clarity and support Creating a common understanding of a relational approach to commissioning.	<ol> <li>Learn how a relational approach can be applied to commissioning.</li> <li>Provide the social sector with guidance on how to work in a relational way.</li> <li>Change commissioning system rules and processes to enable the sector to work together to provide social services.</li> </ol>	<ul> <li>Gather and share examples of successful relational approaches.</li> <li>Develop capability building tools to support the uptake of a relational approach.</li> <li>Understand the gap between our current and future state.</li> <li>Confirm options to address sector wide cross cutting issues.</li> </ul>
Change Implementing a relational approach to commissioning.	<ol> <li>Support reform programmes to work smarter and in a joined-up way to implement relational approaches to commissioning.</li> <li>Government agencies and crown entities make operational changes to deliver the government- endorsed 'commitments' to commissioning practice.</li> <li>Government agencies and crown entities outline the actions and approach they will take to implement a relational approach to commissioning.</li> </ol>	<ul> <li>Implement a relational approach to commissioning via reforms and initiatives.</li> <li>Establish budget processes to ensure investment aligns with a relational approach.</li> <li>Government agencies implement operational enhancements to improve their practice.</li> <li>Social sector chief executives work collectively through the Social Wellbeing Board to agree on government agency plans so that relational commissioning can be implemented.</li> </ul>
Oversight and learning Learning, tracking changes, and maintaining momentum through good oversight.	<ul> <li>7 Create a governance group that represents people who are involved in or impacted by the social sector, so that they guide, promote, and protect the system transformation.</li> <li>8 Build a team who are responsible for implementing the 2022–2028 Social Sector Commissioning Action Plan.</li> <li>9 Monitor and learn how social sector commissioning is impacting individuals, families and whānau.</li> </ul>	<ul> <li>Confirm Government investment in social sector commissioning metrics.</li> <li>Gather and share implementation progress and impacts.</li> <li>Evaluate project implementation.</li> <li>Establish a Commissioning Hub.</li> <li>Establish and expand governance groups to collectively guide, promote and protect the change.</li> <li>Provide Capability Funding.</li> </ul>

## Our purpose is supporting individuals, fami



## lies and whānau to live the lives they value



## -Learn how a relational approach can be applied to commissioning



### Why are we doing this?

The Commissioning Hub will connect with those already working in a relational way to understand their reasons for wanting to work collectively, the role they and their partners play, and the lessons they have learnt and can share. A relational approach to social sector commissioning can mean different things to different people. This is because a relational approach is bespoke – it develops specifically in individual contexts and depends on who is involved in the relationship. Because of this, deepening our collective understanding of the relational approach in multiple situations is important. Our learning around elements – like how to successfully work together, and understanding what skills and processes are used – will provide real life examples that can be used to support the sustained embedding of a relational approach.



### What we plan to do

- Engage with representative individuals, families, whānau, communities, nongovernment organisations and government agencies to understand what a relational approach should look like in their context.
- Gather examples of how a relational approach has been successfully applied. Information from this engagement will be used to develop tools and support (see Action 2).
- Review literature and research for insights into how relational approaches have impacted commissioning and experiences of individuals, families, whānau, hapū, iwi, Pacific peoples, disabled people, communities, nongovernment organisations and government agencies. These insights will provide critical information that will be used to build learning systems (see Action 9).



### Who will be involved?

- Individuals, families, whānau, hapū, iwi, communities, non-government organisations and government agencies.
- The Commissioning Hub.



### Some possible impacts from this work

#### Individuals, families and whānau

We are asked what we would like, where we would like to receive support to help overcome some challenges we are facing. We don't need to repeat ourselves multiple times.

#### Communities

Our diverse needs are heard and understood, and positively influence the support we receive.

## Non-government organisations and government agencies

We all hear what matters and what works for a relational approach.



## Provide the social sector with guidance on how to work in a relational way



### Why are we doing this?

Based on what we have heard and learned, the Commissioning Hub and the Ministry of Business, Innovation and Employment will develop capability building tools, guidance and training to support the sector's uptake of a relational approach to commissioning. Moving to a relational approach involves significant change for everyone involved. The move will involve changes to the way we work together, as well as to many of our underlying operating systems and processes. Capability building support and tools are required to enable organisations to develop the mindsets, behaviours, and skills needed to support a transformation and for it to achieve its full potential.



## What we plan to do

- Use insights and lessons gathered from Action 1 to create learning material to share how a relational approach has been applied. This includes videos, eLearning, coaching, mentoring, and instructor-led guides.
- Creating new and sharing existing material to improve capability for understanding and building ongoing relationships with communities. This includes the disability, rainbow LGBTQIA+, faith, iwi/hapū, Pacific peoples, and migrant communities).
- Provide in person training and coaching of how a relational approach can and should be applied.
- Support individuals, families, whānau, communities, non-government organisations, and government agencies to understand their role and responsibility within a relational approach to commissioning by making available learning material and opportunities for sharing experiences.
- Establish Communities of Practice to provide opportunities to share ideas and experiences.
- Support leaders and practitioners to understand the issues and opportunities with current commissioning arrangements and how moving to a relational approach can address them.



## Who will be involved?

- Social Wellbeing Agency, Te Puni Kökiri, Ministry for Business, Innovation and Employment, and New Zealand Government Procurement (NZGP).
- Non-government organisations and community leaders.
- The Commissioning Hub.



## Some possible impacts from this work

#### Communities

When we meet with government and non-government organisations, they have the skills to work alongside us.

## Non-government organisations and government agencies

We have access to training and material that we can use to support us to understand how communities, non-government organisations and government agencies can work together to provide holistic support and create shared goals with everyone who is involved.



"We can spend more time providing support rather than writing countless reports to provide assurance that we are providing the right type of support."

## 3

## Change the commissioning system's rules and processes to enable the sector to work together to provide social services

## Why are we doing this?

Together Government agencies, non-government organisations, and communities will work to address system barriers that will stop us from implementing a relational approach to commissioning, for example long-standing concerns around compliance burden and funding. Currently the way the social sector operates and is set up makes it difficult to work together in a relational way. The difficulties may arise from the policies, legislation, or processes themselves, or the way these are operationalised. We need to move from providing services to being of service to people, families and whānau.



## What we plan to do

The Commissioning Hub will establish working groups to clarify, design, and create solutions. In response to what we heard from previous engagements we have prioritised the following working groups:

- compliance burden: identify and implement tangible options to reduce compliance burdens. This involves considering burdens related to contracting with multiple funders, inconsistent reporting frameworks, lack of data standards, and complex audit and assurance requirements
- funding models: understand what components form part of costing models and create sustainable funding processes; consider the impact of mixed funding models and COVID-19 flexible funding approach; and assess the implications of pay equity settlements and Fair Pay Agreements for remuneration components.

The Commissioning Hub will:

- create opportunities to listen and learn from non-government organisations and communities to understand what they need to be able to fully engage with the opportunities presented by the system change
- encourage and support government agencies to capitalise on change processes to tackle other shared issues and build consistency, for example using the contract changes required to implement pay equity settlements to reduce compliance burdens
- assist with addressing system-wide policy issues:
  - where the actions of one agency impacts on the demand for another agency's services, such as the impact of housing on health and vice versa
  - that arise from people, families and whānau needing to deal with a range of different agencies
  - where the same issues affect all agencies and communities, for example the application of procurement rules or the Public Services Act 2020 and Public Finance Act 2019.

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## Who will be involved?

- Individuals, families, whānau, hapū, iwi, non-government organisations, government agencies and communities.
- The Commissioning Hub.



## Some possible impacts from this work

#### Individuals, families and whānau

We don't have to go to 100 and 1 different places to get the support we want.

#### Non-government organisations

We can spend more time providing support rather than writing countless reports to provide assurance that we are providing the right type of support.



## 4

## Support reform programmes to work smarter and in a joined-up way to implement relational approaches to commissioning

## Whya

### Why are we doing this?

Major cross-government social reform programmes that require a change to commissioning to achieve their purpose will have opportunities to work together to solve common problems and share their lessons from implementation. Reforms include disability transformation, health transformation, Te Aorerekura: National Strategy to Eliminate Family Violence and Sexual Violence, the Child and Youth Wellbeing Strategy, and All-of-Government Pacific Wellbeing Strategy.



## What we plan to do

Changes will be delivered via the following reform programmes: Disability, Health, Te Aorerekura, Child and Youth Wellbeing Strategy, and All-of-Government Pacific Wellbeing Strategy.

Together with the support of the Reform Programmes and Commissioning Hub we will:

- support aligned implementation through relational commissioning tools and guidance, for example costing models, shared goals, and outcomes guidance (see Action 3)
- facilitate the sharing of the successes and challenges of different reforms to adopting relational approaches to commissioning and what it means in practice (see Action 9)

- address system barriers by surfacing options for the Social Wellbeing Board and Ministers where cross cutting issues required sector wide resolution (see Action 3)
- use changes that are being implemented by the reform programmes to test concepts and tools that are generated, such as monitoring and reporting, funding models, reducing the compliance burden, and the sharing of information and lessons
- provide a holistic view of the commissioning changes happening across the social sector to identify opportunities, minimise duplication, and support the scale up of initiatives.



### Who will be involved?

Relevant Government agencies for major reforms include:

- Disability: (newly established Ministry MfDP), MSD, MoH
- Health: MoH, HNZ, Māori Health Authority
- Te Aorerekura: Joint Venture Business Unit (JVBU), MoJ, MSD, Police, OT, MoH, MoE, TPK, ACC, Corrections
- Child and Youth Wellbeing: Department of the Prime Minister and Cabinet (DPMC), OT, MSD, MoE, MoH
- All-of-Government Pacific Wellbeing Strategy: MPP, MSD, MoH, MoE, HUD, Ministry for Culture and Heritage (MCH), OT, KO, The Treasury (TSY)
- Individuals, families, whānau, hapū, iwi, nongovernment organisations and communities.



## Some possible impacts from this work

## Communities and non-government organisations

We are not having multiple government agencies asking us to be involved in the same kind of work.

#### **Government agencies**

We know other similar work is happening and we can check we are not duplicating anything. We might be able to save time by taking work that has been delivered and seeing whether we could reuse it.



## 5

## Government agencies and rown entities make operational changes to deliver the government-endorsed 'commitments' to commissioning practice



### Why are we doing this?

Social sector government agencies and Crown entities make changes to lift their commissioning practice and start to implement a more relational approach to commissioning. Some operational enhancements, called commitments, have been developed in collaboration with government agencies and representatives from non-government organisations (NGOs) to set expectations of good practice for government agencies. These commitments seek to improve current commissioning, recognising that most of the system will remain under existing commissioning arrangements for some years. The commitments aim to remove barriers to change in the shortterm, lifting standards of practice and reducing complexity.



The commitments

Agencies will implement the following government-endorsed commitments by mid 2024:

## Centering people and collaboration

Government agencies are expected to		Explanation	
1	<b>Start with individuals, family and whānau</b> Start with a focus on what matters to people being supported This shapes investments, the design of support, delivery, assessment, and improvements.	Decision making on supports for and about individual, families, and whānau is made close to them and is influenced by the reality of their daily lives, and the change that they want to see happen.	
2	<b>Enable collaborative commissioning</b> Facilitate NGOs, individuals, family, whānau, and communities to engage as partners in all parts of the commissioning process.	Agencies are to understand and support the capability and capacity of NGOs and communities to be involved and to engage in the commissioning process as partners.	
3	<b>Establish shared endeavour</b> Develop agreed ways of working together with those providing support, and their shared outcomes and goals for individuals, family and whānau.	Relationships between government agencies and NGOs are to move beyond transactional and contractual obligations to trusted, flexible and sustainable collaborations, built around shared aspirations. Formal agreements reflect this.	
4	<b>Ensure shared assurance</b> Work with those providing support to ensure quality assurance is proportionate to risk, focuses on what matters to individuals, family and whānau, and enables shared accountability and continuous improvement.	NGOs currently experience the full burden of government assurance activity across organisational viability and capability assurance, contract specification, monitoring, and reporting. Often this is compounded across multiple funders and service types. This needs to shift to shared assurance.	
5	<b>Support diversity of providers</b> Work together with communities to ensure a diversity of support that reflects the individuals, family and whānau accessing support and their range of needs.	Government agencies, communities, and NGOs regularly consider whether existing service provision is sufficient to meet shared priorities for all populations, particularly where there are entrenched equity gaps in wellbeing. This may involve seed funding and capability support from funders and time to develop.	

### **Innovation and insight**

Government agencies are expected to		Explanation	
6	<b>Enable greater flexibility</b> Learn from each other and work with individuals, family, whānau, and providers to enable flexibility so that the support provided can be more innovative and responsive.	Flexibility in meeting agreed outcomes should be sought and encouraged. Good relationships will help both parties negotiate the conditions for the flexibility. Agencies are to consistently enable early discussions prior to agreements being designed to enable NGOs input into service design.	
7	<b>Grow commissioning capability</b> Ensure staff involved in commissioning have the skills, knowledge, and cultural competency necessary to build and sustain trusted, meaningful relationships with NGOs and communities.	Agencies ensure the right skills and capabilities are in place to build and maintain meaningful, trusted relationships at the core of commissioning. These are different from the skills involved in traditional procurement and contract management.	
8	<b>Develop fit for purpose sourcing</b> Use the range of sourcing approaches to facilitate innovation, collaboration and capability building, while ensuring new organisations can be involved	Government agencies understand which sourcing approach is best for a commissioning process. Robust sourcing is still required, but competitive sourcing is not the default method.	
9	<b>Ensure inclusive continuous improvement</b> Engage with those providing support to assess effectiveness through inclusive and transparent continuous improvement approaches.	Effectiveness is evaluated in ways which include NGOs and informs continuous improvement approaches which reflects what matters to individuals, family and whānau. Information shared from agreements supports shared accountabilities and performance but does not fully indicate service effectiveness.	
10	<b>Improve insight infrastructure</b> Develop data, evidence, and insights to better understand and inform government agencies, NGOs, and communities, and improve outcomes.	Government agencies, NGOs, and communities are clear on how data shared will be used. Analysis and insights are shared transparently. Data is shared appropriately, aligning with the <u>Data Protection and</u> <u>Use Policy (DPUP)</u> , and progressively shifting to more secure methods (e.g. <u>Data Exchange</u> ).	
Fu	nding and resourcing		

Government agencies are expected to		Explanation
11	Take account of the full range of costs	Agencies and NGOs require reliable, robust, and
	in funding models	real world costing models to determine the pricing of
	Take a transparent and evidence-based approach to	services. Costing models need to recognise the full range

costing and pricing models to ensure they recognise the full range of costs, incentivise quality and equity - providing opportunities for those most affected to participate in the evidence gathering process.

#### **12** Ensure clear funding scope

Be clear about whether government funding purchasing a service response or contributing to a shared endeavour - sustainable resourcing is required to match the agreed scope of the service response.

of costs (labour, consumables, capital, return on equity, and risk management) and reflect the variability in service needs across people and contexts.

Where agencies are taking a service purchase approach, they must be able to demonstrate that the resource provided could reasonably be considered sufficient to deliver those services. Where agencies are instead contributing to the activities of an NGO, the funding provided must be proportionate to the expectation of what that will enable the NGO to do.

#### 13 Ensure longer-term funding

In general, funding timeframes should align with a commitment to sustainability of support, flexibility to respond to contextual change and providing greater certainty for planning purposes.

#### **14** Align investment

Work together and seek to involve non-government funders to align investment. This will help to maximise impact and reduce duplication while enabling specialisation and diversity of support.

#### **15** Ensure investment transparency

Annually publish consistent information about government funding that has been distributed to parties across the social sector, including how funding levels were determined. Agencies and NGOs prefer longer-term arrangements where demand is expected to grow or be stable, which can help increase the potential to achieve long-term outcomes. This supports NGOs to plan and invest over time and reduces time spent on renegotiating or varying arrangements. This does not preclude dynamic funding models.

Funders (including non-government funders) work smarter together to become increasingly joined-up where there are shared or common goals and outcomes.

Agencies are transparent about the use of public resources and how and why funding decisions are made. This links to work on clear costing models and funding scope. Agencies progressively move to a consistent data standard.



#### Who will be involved?

- All social sector government agencies and Crown entities<sup>2</sup>.
- Non-government organisations.



#### Some possible impacts from this work

#### **Non-government organisations**

The government agencies we work with treat us as more of a partner rather than just a seller of services.

We understand how funding decisions are made and can provide feedback on the models used so that they reflect the real costs of delivering support services.

#### **Government** agencies

The way we commission is much easier for our partners. Our processes and templates have been updated to reflect how we are working to support people.

<sup>2</sup> Social sector government departments and Crown entities include: the Ministries of Social Development, Justice, Health, Education, and Business, Innovation and Employment; the Ministries for Pacific peoples, Ethnic Communities, and Youth Development; Whaikaha – Ministry of Disabled People; Oranga Tamariki – Ministry for Children; Ara Poutama Aotearoa – Department of Corrections; Te Tūāpapa Kura Kāinga – the Ministry of Housing and Urban Development; Te Puna Aonui – Joint Venture on Family Violence and Sexual Violence; Department of Internal Affairs; and Te Puni Kōkiri; New Zealand Police; Accident Compensation Corporation; Te Whatu Ora – Health New Zealand; Te Aka Whai Ora – Māori Health Authority; Kainga Ora; and the Tertiary Education Commission.

"We can prepare for the future with more confidence because we have a better understanding of how government agencies are planning to implement relational approaches to commissioning."



## 6

## Government agencies and Crown entities outline the actions and approach they will take to implement a relational approach to commissioning



### Why are we doing this?

The Social Wellbeing Board will work provide the government with confidence that government agency plans for adopting relational approaches to commissioning are consistent with the relational commissioning purpose and principles. The Board will also support moves to joined up approaches across social services. These plans will be consistent with the 2022–2028 Action Plan and will build on existing initiatives and pockets of success that are already working well so these can be implemented wider across Aotearoa New Zealand (scaled up). Government agencies will need to actively involve and work together with non-government organisations and the community sector to create plans with shared outcomes.



### What we plan to do

- These plans will identify and prioritise key opportunities to:
  - maintain and evolve promising regional initiatives, for example South Auckland Social Wellbeing Board
  - expand the scope and scale of existing relational initiatives
  - review existing investment for alignment with a relational approach.
- The Commissioning Hub will provide relevant support and guidance to these plans and provide advice on coordinating initiatives to move to a system-wide transformation.
- The Commissioning Hub and Treasury will look to establish processes for future Budgets, which ensures decisions on investment align with a relational approach to commissioning.



### Who will be involved?

- All social sector government agencies and Crown entities.
- Treasury.

- Non-government organisations.
- Communities.



## Some possible impacts from this work

## Communities and non-government organisations

We can prepare for the future with more confidence because we have a better understanding of how government agencies are planning to implement relational approaches to commissioning.

#### **Government** agencies

We feel confident that a comprehensive sustainable plan has been created with non-government organisations and communities that explains how we will implement a relational approach to commissioning.



## 7

## Create a stewardship group that represents people who are involved in or impacted by the social sector, so they guide, promote, and protect the transformation of the system



### Why are we doing this?

A stewardship group for Social Sector Commissioning will work together to ensure the voices of individuals, families, whānau, communities, non-government organisations, and government agencies drive the transformative change of social sector commissioning. Over time, the initial intentions of large-scale programmes and reforms change. The long-term stewardship of people invested in the change will help hold us true to the long- term trajectory of change. The stewardship ecosystem will reflect everyone involved with or affected by social sector commissioning – individuals, families, whānau who are receiving support, and their communities. This includes disability, rainbow LGBTQIA+, faith, iwi/hapū, Pacific peoples, and migrant communities, and non-government organisations, government agencies, and ministers.



### What we plan to do

A regular national forum for stewardship will be convened and supported by the Commissioning Hub throughout the implementation of the Action Plan.

The Commissioning Hub may also support Regional Public Service Commissioners to:

- confirm which existing groups are interested in supporting the social sector commissioning work that could be leveraged to promote and progress work, for example, pre-existing forums that have been created for significant areas of transformation, such as disability and health sectors
- establish or expand the membership of existing stewardship groups to include representatives of individuals, families, and whānau who are receiving support, and representatives from their communities
- agree on the purpose, responsibility, and authority of each stewardship group with all members
- determine how stewardship groups will be supported, such as secretariat support and funding.



## Who will be involved?

- The Commissioning Hub.
- Regional Public Service Commissioners.
- Individuals, families, whānau, hapū, iwi, communities, non-government organisations, and government agencies.



### Some possible impacts from this work

#### Individual, family and whānau

Our experiences and aspirations are helping to guide the changes that need to happen so we can get the support we want to live the life we want.

## Communities, non-government organisations and government agencies

Our experiences and knowledge are helping to guide the changes that make it easier for us to deliver support that matters to people, family and whānau.



## 8

## Build a team that is responsible for implementing the 2022–2028 Social Sector Commissioning Action Plan

## Why are we doing this?

The Social Sector Commissioning work programme will have a team, known as the Commissioning Hub, that will provide support and guidance, and will facilitate change to a relational approach to commissioning. The Commissioning Hub will support the delivery of the Action Plan through collating, measuring, and evaluating implementation progress, coordinating cross-government action, addressing system-wide policy issues, and facilitating change management. It will also support the Social Sector Commissioning Stewardship Group and the Social Wellbeing Board. Its roles are further described on page 38. The Commissioning Hub will also need to work closely with government agencies in carrying out its responsibilities.



### What we plan to do

The Commissioning Hub will provide a holistic overview and the ability to take leadership and support change that is beyond the scope of any agency and system conditions set by central agencies that have an impact on local flexibility and investments and that matter to whānau and communities. Its roles are further described on page 38 and within what we plan to do for each Action. The role of the Commissioning Hub will be reviewed in 2024 as part of the overall review of the Action Plan to determine what ongoing support for the Action Plan is needed.



### Who will be involved?

• The Commissioning Hub.



## Some possible impacts from this work

Individual, family, whānau, communities, non-government organisations and government agencies

We know where to go to find out how the social sector commissioning action plan is being implemented.



"The support we are receiving impacts our life.

Our experience is valued as it is being used to either demonstrate how well social services are being provided, or to make improvements."

## 9

## Monitor and learn how social sector commissioning is impacting individuals, families and whānau

## Why are we doing this?

The Commissioning Hub will implement reporting metrics, monitoring arrangements, and processes for ongoing learning and information sharing about the impacts of changes on individuals, whānau, communities, and non-government organisations. It is important to understand the impacts that implementing the Action Plan has on individuals, families, whānau, communities, non-government organisations and government agencies so we can use this information to make informed decisions and guide what changes need to happen. Information gathered from the reporting will provide insights into the best ways of implementing changes, identify the system barriers that need to change and deepen our understanding of how we are investing in the social sector.



## What we plan to do

Use a set of metrics to better understand the government's investment in social sector commissioning and the contribution it makes to the purpose and outcome of relational commissioning.

This will also include work to develop and implement:

- methods for synthesising insights from individuals, families and whānau, communities, non-government organisations, and government agencies, for example via engagements, interviews, and surveys
- data standards and capability to strengthen the generation of insights from NGO activities
- new mechanisms for collecting the voices of those being supported, and alignment with data sovereignty standards
- forums for sharing key lessons from details of different implementations of a relational approach, for example Stewardship groups and Communities of Practice

- reporting on operational enhancement commitments, existing sector-led changes and cross sector and community-led changes, and progress with implementing relational commissioning
- approaches to measure impacts of the change to relational commissioning
- insights gathered from deepening a relational approach to build learning systems (see Action 1)
- metrics to assess whether the work programme activities and relational approach are delivering transformational change, and give practice effect to Te Tiriti o Waitangi The Treaty of Waitangi, and will provide better outcomes for individuals, families and whānau.



## Who will be involved?

- Individuals, families, whānau, hapū, iwi, non-government organisations, and communities
- Reform programmes.

- Ministers of Finance and Social Development.
- All social sector government agencies and Crown entities.



## Some possible impacts from this work

#### Individual, family and whānau

Our experience of how the support we are receiving is impacting our life is valued. It is being used to either demonstrate how well social services are being provided or to make improvements.

## Communities, non-government organisations, and government agencies

Our experiences, and challenges in responding to people, families and whānau is valued, is reflected in monitoring reports, and is used to guide system improvements.

## Working together to deliver change

### How we will work together

The Action Plan will be supported by the following roles:





## Stewardship

To guide, promote, and protect the social sector commissioning goal of enabling individuals, families and whānau to live the lives they value. Working groups Experts working together to achieve specified goals (including people who receive support and/or provide support).



#### Voices

Sharing the voices of those that receive support, the communities from which they belong, and those that provide the support, so they are heard.



#### **Commissioning Hub**

A team that has been set up to support fundamental change and ongoing learning.

### Stewardship

We need to ensure that our change is guided by and reflects everyone involved with, or affected by social sector commissioning – individuals, families, whānau who are receiving support, and their communities. This includes disability, rainbow LGBTQIA+, faith, iwi and hapū, Pacific peoples, migrant communities, and non-government organisations, government agencies, and ministers.

In this context, stewardship has been used as the term to describe the way the Action Plan will be guided and protected to ensure it follows the required direction of change, and promoted so that the changes are used and embedded.

The Action Plan will establish a stewardship group (see Action 7). The form, purpose, responsibility, and authority of the stewardship group will be agreed with all the members and supported by the Commissioning Hub. The stewardship group will have a mechanism for providing advice to the Lead Minister for the Social Sector Commissioning work programme, should it be necessary.

Further kanohi ki te kanohi (face-to-face) engagement with Māori stakeholders will enable the building of connection and ownership of the social sector commissioning strategic work and identify how the Action Plan can best support Māori. We expect that this engagement will evolve the stewardship arrangements and ecosystem.

Local stewardship groups may also be established. Where possible stewardship and engagement will also continue to occur through other pre-existing forums, especially for significant areas of transformation such as in the disability and health sectors.



### **Working groups**

Specific working groups will be established to clarify, design, and create solutions through the Social Sector Commissioning Hub. Meaningful and purposeful engagement with the following groups will be required to design and implement all relational commissioning initiatives:

- the people, families and communities who seek support
- the diverse communities within which the people being supported live
- iwi, hapū, Māori
- non-government organisations.

These working groups will be established to address significant challenges with the current social sector commissioning system.

 Relational Approach: share learnings of how to work collectively together, and then use this information to support the fundamental shift in commissioning perceptions and behaviours (see Action 1).

- Capability Building: ensure different parties in the sector have the skills and capabilities needed to participate fully in a relational approach and the new ways of working this requires (see Action 2).
- Monitoring/Reporting: confirm quantitative and qualitative metrics, for example, value of investment and social sector insights, and define how information will be gathered and shared (see Action 9).
- Funding Models: understand what costs should form part of costing models and create fair funding estimates/processes (see Action 3).
- Compliance Burden: identify consistent and standard reporting that can be used to gather compliance data and information across government organisations. This can be shared back to non-government organisations and communities (see Action 3).



### Voices

Forums and reporting will be used to share the voices of people who are seeking support, the people who walk alongside them to help them plan for and build a life, and those that provide support.

These voices will help create an understanding of the changes that are required, and then the impact of changes that are being made. Processes to gather narrative will form part of the regular monitoring and reporting. A non-government organisation survey will provide a new mechanism for surfacing areas of progress, sector concerns, and tracking change over time.



### **The Commissioning Hub**

The Commissioning Hub is a team that will play an active supporting role (see Action 8).

Encouraging fundamental change and ongoing learning by:

- convening stewardship groups and facilitating working groups
- developing and implementing regular monitoring and reporting
- overseeing a programme of evaluation of the application of relational commissioning.

Supporting the move to relational commissioning across the social sector through:

- working to align major reform programmes with a relational approach to commissioning
- sharing implementation information and insights, identifying changes that matter, and facilitating central government changes, for example, policy, legislation, and processes
- developing commissioning tools and guidance (in collaboration with subject matter experts and representatives from across the sector).

Addressing commissioning system policy issues:

- where the actions of one agency's impact on the demand for another agency's services, for example, the impact of housing on health and vice versa
- that arise from people, families and whānau needing to deal with a range of different agencies
- where NGOs and community organisations have to navigate multiple agreements or contracts across different government agencies
- where the same issues affect all agencies and communities
- by supporting capability building across the sector.

## Definitions

## Commissioning

For the purposes of this document, commissioning refers to the interrelated activities, including but not limited to planning, engagement, funding, procurement, monitoring, and evaluation that need to be undertaken though thirdparty providers to ensure people whānau and communities who need support get the support they need. In the context of this document, commissioning is an activity carried out by both government and other organisations.

### Communities

Communities can be groups representing distinct populations and characteristics (such as Māori, Pacific, LGBTQIA+, disabled people, refugees, and migrants), as well as communities representing geographical regions.

### **Community-based providers**

These are non-government organisations that are created by or form part of a local community, for example, iwi, hapu, Māori organisations, Pacific peoples, LGBTQIA+, and disabled people.

### **Government** agencies

Government agencies who fund social sector services in particular areas of welfare, housing, health, education, child wellbeing, justice and disability support services. Social sector government departments and Crown entities include: the Ministries of Social Development, Justice, Health, Education, and Business, Innovation and Employment; the Ministries for Pacific peoples, Ethnic Communities, and Youth Development; Whaikaha -Ministry of Disabled People; Oranga Tamariki – Ministry for Children; Ara Poutama Aotearoa - Department of Corrections; Te Tūāpapa Kura Kāinga - the Ministry of Housing and Urban Development; Te Puna Aonui -Joint Venture on Family Violence and Sexual Violence; Department of Internal Affairs; and Te Puni Kōkiri; New Zealand Police ; Accident Compensation Corporation; Te Whatu Ora - Health New Zealand; Te Aka Whai Ora – Māori Health Authority; Kainga Ora; and the Tertiary Education Commission.

### Non-government organisations

Non-government organisations and the diversity of NGOs defies any simple definition. NGOs typically range from traditional not-for-profit organisations through to social enterprises and can include corporations practicing social responsibility and forprofit organisations. NGOs are entirely or largely independent of government and can operate at a local, regional, national, or international level. The goals of NGOs are often focused on creating social and/or economic value for wider communities<sup>3</sup>.

### **Social sector**

For the purposes of this work, the 'social sector' includes both government and non-government organisations and is defined as: government departments and Crown entities and organisations working with individuals and whānau (whether national, regional, or local), in particular areas of welfare, housing, health, education, child wellbeing, justice, and disability support services. This includes government departments and Crown entities that fund social sector services in this regard, philanthropic and other funders, iwi, hapū and Māori organisations, and NGOs and other providers (both for-profit and not-for-profit) that deliver those services within communities.

<sup>3</sup> A range of sources have been used in combination to shape this definition. See: GDRC. 2020. Definitions of an NGO. <u>http://www.gdrc.org/ngo/wb-define.html</u> (accessed 24 February 2020); Alter, Kim. 2006. Social Enterprise Typology. <u>https://canvas.brown.edu/courses/1073328/files/61028038</u> (accessed 24 February 2020); Oxford Dictionary. 2020. NGO. <u>https://www.oxfordlearnersdictionaries.com/definition/english/ngo</u> accessed 24 February 2020); NGO Global Network. 2020. Definition of NGOs. <u>http://www.ngo.org/ngoinfo/define.html</u> (accessed 24 February 2020).



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