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**ORDINARY MEETING**

**OF**

**COMMUNITY, SPORT AND RECREATION COMMITTEE**

**MINUTE ITEM ATTACHMENTS**

**Time:** 12.30pm  
**Date:** Tuesday, 9 June 2015  
**Venue:** Committee Room 1  
Ground Floor, Council Offices  
101 Wakefield Street  
Wellington

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**Business**

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**2.2 Submission to the Productivity Commission**

1. Submission to the Productivity Commission

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## **Introduction**

The Wellington City Council has a vested interest in the Productivity Commission's review of social service delivery given the Council's key role in the leadership of social and community services in our city. The Council plays a pivotal role in the relationship between social providers, local government services, central government, and the community. Given the breadth of the Commission's report, this submission focuses on local government's role with the social services, which is namely one of leadership, support, enablement and facilitation.

The main point the Council wishes to make is that it sees itself as having a particularly important role in changes made to the way in which New Zealand's social services are managed – referred to in the report as the 'institutional architecture'. In principle, the Council agrees with the Commission's view of what a well-functioning social service system would look like (page 10, summary report) as well as the identified weaknesses (page 11, summary report). However, the Council notes that the report does not provide a clear description of the role local government plays, despite its importance in the social service framework:

- Local government experience and knowledge of communities and their needs is paramount to the effective delivery of social services.
- The proposed approach, which excludes local government from the design, planning and implementation of social service modelling and delivery, will compromise the delivery of the goals it aims to achieve.
- Local government is distinctive in that it has strong relationships with providers, central government, communities and knowledge of the services provided. The Council takes a leadership role with its communities, which was reinforced recently during the Council's long term plan submission process.

## **Wellington City Council's role in social services**

Local government is uniquely placed to understand the local concerns and priorities that should underpin effective and targeted social service delivery. In response to these concerns and priorities, the Council provides funding to the sector, where it is best placed to do so, as well as leads initiatives to foster greater coordination and collaboration amongst the parties.

The Council shows its commitment to its role in the social sector through a projected spend of over \$750M on social and recreational services over the next ten years, plus a further \$320M on cultural activities. The 2014/15 Annual plan includes expenditure of just under \$40M to deliver the Council's community support functions.

The 2014 Quality of Life Survey for Wellington City showed very high rates of community satisfaction with a number of areas that the Council's direct involvement in has helped to shape – safety, quality of life, and community, culture and social networks.

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Our last submission focussed on describing the role of the Council with regard to social services in Wellington. The Council is key to effective delivery by facilitating and enabling services – which are vital to service success. The key points described in the Commission’s report – better commissioning, increased innovations from lessons, integration of services, data sharing, better purchasing and contracting – will require the assistance of local councils if they are to be fully successful. This is particularly apt with the Commission’s recommendation to empower clients – Wellington City Council prides itself on the relationships it has with its communities, and would be a crucial and invaluable resource when determining how to best reach its communities – in short, to foster clients’ ability to decide what, who, where, when and how services will be delivered.

The Council does not duplicate central government efforts, but fills where a larger scheme leaves gaps by understanding the nuances of its community and population, and should be recognised as a valued partner in social service delivery. As the priorities of central government sharpen and narrow, the gaps local government needs to fill are expanding. As this occurs, the role of local government in effective delivery of social services becomes increasingly important.

Council projects support partnerships and programmes within communities and neighbourhoods as a way of building local community resilience, and working with our partners to ensure the city’s social infrastructure supports vulnerable people in the city. The Council agrees with the Commission that strategic planning and proper evaluation with regard to social services needs to occur from a holistic viewpoint to work though the causes of the problem, and how to best use our resources to gain the greatest impact.

## **Discussion**

This report focuses on the improvement of the social services in New Zealand, with a strong focus on central government as the responsible party for ushering change – the role of ‘system steward’. The report does not explore in detail the crucial role that local government, particularly councils within metropolitan areas, plays in the effective delivery of social services, and the Council would like see the role in the overall structure defined. This is particularly apt as the report discusses the shift from a top-down approach to one of decentralisation.

The report mentions the problem of top-down budget appropriations being made based on a departmental portfolio, single issue, population group, etc, and notes the difficulty this leads to when providing services for clients – ie that there is not a ‘one-fits-all’ solution. Councils, having intimate knowledge of the communities which they serve, can greatly assist in ensuring that the nuances of large government social service initiatives are addressed.

## **Chapter 5 – Institutional architecture**

The Council has a particular interest in the framework for social services for New Zealand.

This chapter notes that it does not support the large-scale devolution of responsibilities of social services to local governments, as it would not solve the problems with the design of social service

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delivery. The Council agrees with this, but does not agree with the lack of a clear description of what local government's role is – ie one of relationships, facilitation, and community advocacy.

So while the Council is supportive of the recommendation not to devolve the delivery of social services to local authorities, it notes that the delegation of responsibility to other entities can be best done through utilising the skills and knowledge that the Council possesses.

*R5.3. Government has a unique role in the social services system. It is the major funder of social services, and has statutory and regulatory powers unavailable to other participants. Government needs to take responsibility for system stewardship, and for making considered decisions that shape the system. This includes the overarching responsibility for monitoring, planning and managing resources in such a way as to maintain and improve system performance.*

The Council agrees with this recommendation, but again stresses the point that the role of steward is by no means delivered in a vacuum, and that all decisions and plans must be created with a wide net for input – from local government, providers, users, etc.

*Question: Which communities of interest would like to be part of greater devolution of service commissioning?*

There is a key role for local authorities to play in the devolution of social services. The report acknowledges that territorial authorities' stances on social services differ. The Council notes that this is particularly relevant given the location of the authority, and notes that while councils throughout the country may have different levels of involvement with the social services in their communities, the facilitation and support functions of councils are the same the nation-wide.

The report notes that, *'the Government should be open to councils choosing to take an expanded role in providing or coordinating social services for the populations they serve.'* The Council agrees with this statement, but requests that more certainty about the way in which this role is supported and acknowledged by central government is explained.

### **Seven themes for an implementation strategy**

The Commission recommends the development of an Office of Social Services to lead the changes and implementation. Representation with experience in local government and with social services at a local level should be employed by the Office.

It should be recognised that local authorities each regard its role in social services differently, and therefore a 'one-size-fits-all' approach to interactions with local government should not be attempted, much the same way a 'one-size-fits-all' approach does not work for recipients of social services.

The Council sees itself as having an integral part in the planning and ownership of the themes outlined in the paper to lead toward a strategy – including commissioning, leveraging data and data sharing, and better contracting. Furthermore, the themes of client choice and empowerment and service integration are areas where a local viewpoint will greatly assist any decisions made at a national level. Perhaps

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most important is the crucial role local government has in ensuring the achievement of a successful monitoring programme. Local authorities naturally sit closer to the programmes in action, and will be able to provide valuable monitoring information in terms of expenditure and outcomes. Information sharing between central and local government would prove invaluable resource in ensuring the programmes and projects were achieving the desired effect.

The next steps, including the creation of an implementation plan, are where the Council plays its most important role. It is imperative that central government work with local government, particularly in the country's main metropolitan areas where there is a larger role played with regard to social services, to best reach the communities it is setting out to help.

As the seven themes outlined in the report are developed into a framework for implementing change, the Council requests that local government representation, particularly from a metropolitan local authority, is present.

If the changes proposed in the report go forward, current models and provision will be greatly disrupted. As Wellington City Council plays a key role in ensuring its constituents receive the social services required, working with Councils to create a transition plan would be critical.

The recommendation to move away from a top-down approach is a significant one, and requires that service providers and ultimately the clients to step further into leadership and strategic-thinking roles. Local councils can provide key support to assist with this transition, to be the bridge between central government and the 'coal-face' – a characteristic that local councils specialise in.

### **Conclusion**

Local government is unique in that it has strong relationships with providers, central government, communities and knowledge of the services provided. Any change to the delivery of social services must happen collaboratively. Wellington City Council plays a crucial role in achieving outcomes for our community, and excluding the Council from either the design of or from the implementation will compromise the achievements of any outcome suggested by this report.

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