

Integrated contracting

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Simplifying contracting across government

Community health and social services play an important role in this country contributing economic, social and cultural value for a better New Zealand.

Government funds non-government, community service organisations to deliver a range of health and social services that support people, families and whānau to get the help they need. Many of these organisations have contracts to deliver services for a number of government agencies.

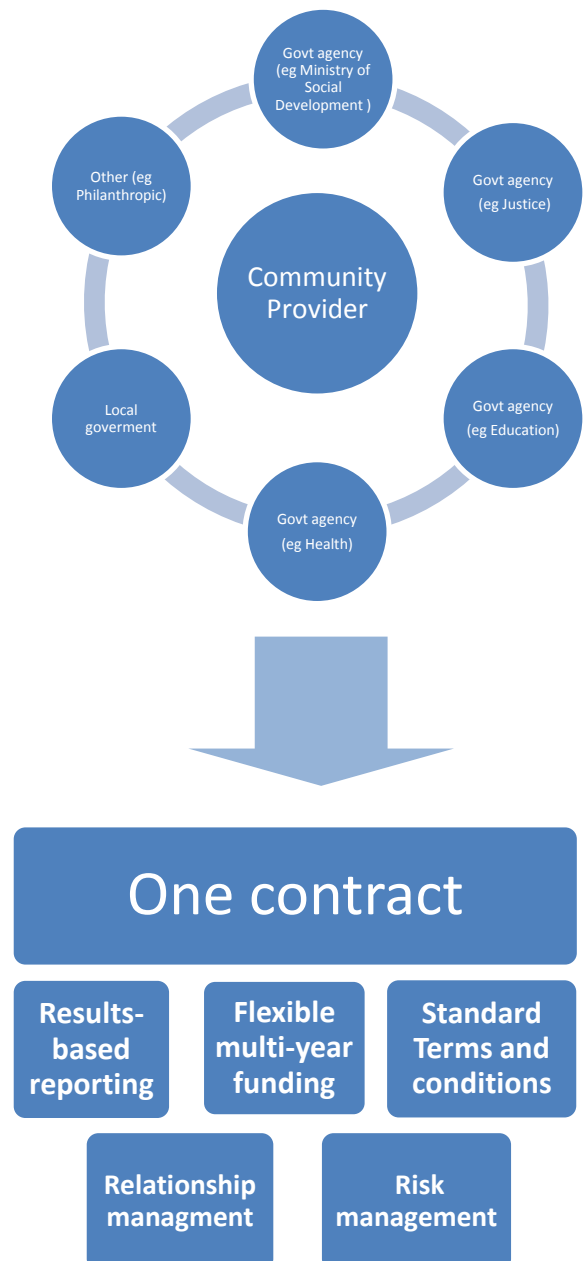
Community service providers are most effective when they can focus on delivering services for their clients to help them achieve better lives for themselves and their family members. The reality is that, at present, many of them are faced with a maze of reporting requirements, processes and systems from multiple government agencies.

The result can be that organisations spend considerable time on numerous paper trails, checks and audits rather than concentrating on delivering effective services to clients.

Integrated Contracts Process

One way to simplify the funding relationship with government is to bring together multiple funding agreements into one single document that focuses on shared outcomes, and cuts down on administrative compliance. These are called integrated contracts and they free service providers up to deliver more quality services to clients.

This is how the process works:



Key elements

The key elements that make an integrated contract work are:

Collaboration

- all parties sit around the table together in a strategic partnership

Relationships

- an environment of trust, respect, honesty, fairness is created

Communication

- is open and timely

Results-based thinking

- conversations are strategic and focused on what is to be achieved

How the integrated contracting process works

Community organisations that are contracted to deliver services for more than one government agency - and have a good track record delivering social services - are eligible for an integrated contract.

The Ministry of Social Development has built up considerable knowledge and expertise in the process of integrated contracting and encourages other government social services, health and education funders to be part of this community of practice.

To this end, the Ministry has developed a toolkit which provides the resources needed to develop an integrated contract. These include:

- results-based framework and reporting templates
- legally-reviewed contract templates
- a relationship management template
- a risk and mitigation template
- integrated contracting information.

The resources can be found on www.familyservices.govt.nz

Results Based Framework

Identifying real and measureable shared results relevant to families and whānau and outlining these results using simple language, are essential steps to developing an outcomes-focused contract.

The integrated contracting process uses the following six step results-based framework to develop a shared understanding of what is to be achieved and who for.



More information

To find out more about how your organisation can become part of the integrated contracting process contact the Ministry of Social Development at integratedcontracts@msd.govt.nz.

Questions and Answers

What is integrated contracting?

An integrated contract brings together two or more funders, and the service provider they support, into one joined-up, outcome-focused agreement.

It is an approach to funding that enables funders and community service organisations to work in joined-up ways, enabling holistic services to be delivered to families and whānau.

What are the main components of an integrated contract?

The main components of an integrated contract are:

- multi-year, flexible funding
- plain English standard terms and conditions
- six-monthly results-based reporting (frequency of reporting agreed by the parties to the integrated contract)
- a relationship management plan
- a risk management plan.

Who is eligible for an integrated contract?

Community organisations delivering health, education or social services that are funded by two or more government agencies are eligible for an integrated contract. The organisation should have a good track record delivering services for government and have strong governance and management systems.

How does my organisation get an integrated contract?

Community organisations that wish to participate in an integrated contracting process should contact their funders who will work with the Ministry to initiate the process.

What is the role of an integrated contracting advisor?

An integrated contracting advisor works closely with the service provider and key portfolio/contract managers who represent each government funder. The advisor facilitates and leads the process and pulls the contract together on behalf of all parties. Once the contract is signed the advisor steps away from the process and provides support to the process through a nominated integrated contract relationship manager.

How many integrated contracts are in place across Government?

Since 2003, 45 integrated contracts have been developed. Fifteen of these are with service providers who are part of a Whānau Ora collective.

How is integrated contracting connected to Whānau Ora?

Whānau Ora is an inclusive approach to providing services and opportunities to families across New Zealand. It empowers families as a whole rather than focusing separately on individuals and their issues. Whānau are at the centre of this approach and require government agencies to work together with families rather than separately with individual family members.

Integrated contracting brings multiple government agencies around the table with a Whānau Ora provider to streamline existing contracts into a single contract.

How long does the integrated contracting process take?

The integrated contracting process is a considered process which involves all the parties coming together to agree on a shared set of outcomes for a specific target group. The key to the process is the

quality of the relationship that forms between the funders and the service provider. This can take some time but is viewed by all participants as one of the most valuable components of the approach.

What are the benefits of integrated contracting?

The integrated contracting process streamlines government investment in the health, social and education sectors.

Benefits include:

Improved collaboration: Bringing government agencies together with the service provider they fund enables them to get a holistic view of the range of services that organisation provides. This helps them identify the inter-related and shared needs of individuals, families and communities.

The right results for clients: Using a results-based framework to determine outcomes, and integrating them into reporting, enables more effective responses for clients and better identification of achievements.

Reduced compliance: Through simplifying the contracting process and integrating multiple funding agreements into one standard contract and by consolidating the quality assurance, audit and reporting processes, service providers spend less time - so fewer resources - on compliance, freeing them up for service delivery.

More effective responses: Through the process of open and honest communication, equal participation in strategic conversations and mutual respect for each other's knowledge and expertise, strong relationships are built between government funders and the service provider. This leads to a better understanding of the needs of each other and the individuals, families and communities they serve,

and ultimately, more effective responses for families and whānau.

What is an outcomes-focused contract?

An outcome-focused contract focuses on what is delivered (an outcome or result) for families, as well as how much service is delivered (an output). This is about counting the right things rather than counting things right. For example, an output would be 20 counselling sessions, and an outcome would be that the client's behaviour changed as a result of the counselling, and the individual and their family is better off in some way.

What is the results-based-framework?

The results-based framework is one method to develop and measure the results achieved for clients and also for communities.

It can be used by communities and agencies to strengthen a joined-up way of working. It involves asking and answering a number of questions in a disciplined way, over time, that enable the impact of the work to be identified.

The sorts of questions asked under this framework include:

- Who are our clients?
- What is the service we are providing?
- What result do we want to achieve for our clients/families?
- How much service did we deliver?
- How well did we deliver it?
- How can we measure if our customers are better off?



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