Graham Scott

Commentary on Ken Warren's 'A new model of collaboration' and related IGPS working paper

Ken Warren's central concern is the relative weakness of hierarchical arrangements for service delivery through state agencies when addressing poor outcomes for people with complex needs, for which standardised solutions are a poor fit. He says the case is made that these require the collaboration of multiple parties to implement tailored responses to needs, and refers to the evidence from the New Zealand Productivity Commission's report on social policy, the Welfare Expert Advisory Group and the review of Whānau Ora. For readers familiar with the Productivity Commission report the focus of interest is on the people in 'Quadrant D' (Productivity Commission, 2015, p.53). These people have multiple continuing and complex needs combined with low capacity to navigate and coordinate the services they need, either because of their circumstances or because of institutional characteristics of the services that make it hard for them to access them.

Referring to the numerous initiatives over almost 30 years to improve the co-ordination of public service agencies, Ken identifies the limits of these endeavours as a top-down exercise that tries – and commonly fails – to meld disparate services' lines into an integrated whole in response to many and varied needs. He avoids the conventional bromides and exhortations about collaboration. With respect to public finance, 25 years of easing restrictions on how public funds are spent with the intention to promote collaborations hasn't and won't satisfy these needs – especially those of vulnerable groups with multiple chronic conditions – because, as he says, silos 'are an inherent part of hierarchical operating models. They can be made with thinner walls and leaders can try to make them less parochial but they cannot be eliminated' (Warren, 2021, p.11). Solutions to complex social issues require more flexibility in how services are melded together across the boundaries between public services, and also between public services and non-government providers, than the standard modes of service delivery can generally provide. The balance of accountabilities should be more towards downward and horizontal modes within vehicles for collective impact that flexibly incorporate the people and resources needed to get better results.

Building on a concept Ken developed in the report of the Social Investment Working Group (which I chaired and in which Ken participated) (Social Investment Working Group, 2016), he proposes to legislate for a separate funding channel for collective impact responses to the kinds of issues that the conventional modes of public services can struggle with. Complex problems need solutions that are very uncertain ex ante and require collaboration among multiple parties, including the recipients. His working paper notes: 'Collective models should be targeted at complex variegated problems where interventions need to be adaptable at a local level, and outcomes are emergent rather than predictable and controllable' (Warren, 2021, p.iii). But also heed Ken's advice that public sector efficiency demands that such activity be limited when input–output–outcome relationships are well understood by the hierarchy.

Ken proposes a central investment manager to fund and oversee collective impact vehicles, promulgate learnings from experience, and husband the evolution of collectives that are aligned with government objectives. In my view a lot more work is needed to think through the details of how this central investment manager function would work, and the provisions that would be needed to make it a success and avoid reversion to unproductive micromanagement. Its relationships with the line ministries, its decision criteria, its dynamic evolution and the political forces around

Graham Scott is a former secretary to the Treasury.

it all would need attention. It might have some characteristics of venture capital, but would be very different in many respects.

Each collective has a treasurer who releases money within the collective on the basis of performance against plan and can block funding otherwise. Because outcomes in the relevant domains are emergent, the criteria for funding emphasise trust and confidence by stakeholders and track record by the collectives, which Ken refers to as mana in a limited meaning of that broad concept.

As outlined in the IGPS working paper, the collectives bring collaborators together to:

- define the problem and create a shared vision to tackle it;
- make coordinated interventions with the targeted population;
- establish a shared measurement basis to track progress and allow for continuous improvement; and
- foster and coordinate collective efforts to maximise desired impact and build trust and relationships among all participants.

Ken's work is government centric, which is appropriate to his position and interests. Many collective impact vehicles will have little or no government oversight. His system is driven top-down, although largely blocking the centre from micromanaging the collectives. He says clearly that these relationships will not be contracts for services in the usual sense. Much will depend on whether the investment manager can avoid the degeneration into micromanagement of the providers that the Productivity Commission identified as a big problem in relation to NGOs funded through ministries.

I see severe problems of information asymmetry as one cause of the degeneration into micromanagement by ministries. The centre commonly does not know ex ante what will work with complex issues, so holding providers to account for performance is compromised – especially where the result sought is not the province of one ministry alone. This problem is magnified in the presence of complex adaptive systems, which is where the priority problems emerge. These generally cannot be driven to specified outcomes by any one player in the system – even the government. These issues, together with the instinctive centralism of state agencies, justify Ken's proposal for a dual system and a separate funding track for collective impact responses to this class of issues.

Ken's work is grounded in relevant local and international literature, both conceptual and practical. His method points to the need for greater depth in advice about the structure and function of government service delivery modalities than is commonly in evidence today. He provides a fruitful basis for further conceptualisation, institutional design and improved practices of policy making and resource allocation in areas where this challenging approach is warranted against the business-as-usual counterfactual. Further work is needed to develop and evaluate his proposals to the point where they could go live. More development is needed particularly on the investment manager function and how to stop the new funding channel reverting to the existing one over time.

Also, it would be productive to pursue the lines of analysis and advice he presents on a wider canvas. For example, the current health reforms could have benefited from much deeper consideration of the causes of poor integration of services and how to get better outcomes. The reforms default to a highly centralised design to address fragmentation, while also resting on an intention to create health locality networks to implement the core objective of the reforms, to reorientate the whole system to a focus on population health. These will necessarily be decentralised. Very little has emerged about the design and operation of these, nor on learning from the locations where this focus is already in evidence.

Ken's proposal might lead to better bridging across 'investment for wellbeing' (social investment), the Living Standards Framework and the Treasury's CBAx system for cost–benefit analysis, which have developed somewhat piecemeal. Well-functioning collectives could also facilitate 'wrap-around' modalities of service delivery that emphasise engaging with, and building on the strengths of, individuals and families. While further work is needed on Ken's proposal, it provides a sound basis for this and makes a solid contribution to the relevant literature.

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References

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