

Evaluation of the Lead Funder Prototype Pilot

June 2001

Evaluation Unit
Knowledge Management Group
Ministry of Social Policy

ISBN: 0-478-25110-6

Acknowledgements

This report was prepared by Robyn Bailey and Vicki Wilde for the Evaluation Unit, Knowledge Management Group, Ministry of Social Policy.

Edited by Helen Beaglehole.

The evaluators (Robyn Bailey and Vicki Wilde) would like to acknowledge the people who gave their time and willingly shared their experience and perspectives of the lead funder pilot. Their honesty, openness and enthusiasm was appreciated.

It is hoped, as the participants suggested, that this report and what was learnt from the pilot will provide a useful discussion base for the ongoing development of new approaches to the funding and purchase of services that meet changing needs.

Disclaimer

The views expressed in this report are those of the evaluation participants and the report authors. They do not necessarily reflect the views of the Ministry of Social Policy.

Table of contents

<i>List of tables and figures</i>	iii
<i>Executive summary</i>	1
<i>1. Introduction</i>	6
<i>2. Background</i>	7
2.1 Introduction	7
2.2 Background to prototype development	7
2.3 Lead funder concept.....	9
2.4 Choice of service provider	10
2.5 Current status.....	10
<i>3. Evaluation</i>	11
3.1 Introduction	11
3.2 Key evaluation question.....	11
3.3 Methodology	11
3.4 Analysis and reporting.....	12
3.5 Limitations	12
<i>4. Participants</i>	13
4.1 Introduction	13
4.2 Interdepartmental group	13
4.3 Service provider.....	13
4.4 Funding agencies	15
<i>5. Integrated service</i>	16
5.1 Introduction	16
5.2 The Trust's integrated service.....	16
5.3 Changes in funding agency purchasing.....	19
5.4 Lead funder fit with programme purchasing	19
<i>6. Rationale and expectations</i>	20
6.1 Introduction	20
6.2 Government	20
6.3 Service provider.....	21
6.4 Local funding agencies.....	21

7. National process	23
7.1 Introduction	23
7.2 Concept development, presentation and response	23
7.3 Standard documentation and relationships	24
7.4 Combining funding	25
8. Local process	26
8.1 Introduction	26
8.2 Timing	26
8.3 Meetings	26
8.4 Initial meetings and representation	28
8.5 Funding negotiation	28
8.6 Project management	29
8.7 Lead funder	29
8.8 Protocol	30
8.9 Communication strategy	30
8.10 Contract and service specifications	31
8.11 Reporting	33
8.12 Funding schedule	35
8.13 Parties to the lead funder contract	35
9. Costs	37
9.1 Introduction	37
9.2 Definitions	37
9.3 Perceived changes	37
9.4 Description of compliance costs	39
9.5 Description of transaction costs	39
10. Influences and improvements	40
10.1 Introduction	40
10.2 Factors affecting the lead funder process	40
10.3 Future interest	43
10.4 Suggested improvements	44
11. Key findings	46
Appendices	49
Appendix 1: Interview guides	49

Appendix 2: Lead funder contract principles and service specifications.....	56
Appendix 3: Copies of overheads of case studies	61

List of tables and figures

Tables

1.1	Prototypes
3.1	Type and number of interviews
4.1	Government funding of service providers
8.1	Financial years of government agencies
10.1	Influencing factors
10.2	Participants' suggestions for improvements

Figures

5.1	An integrated service approach
5.2	A programme-based approach
8.1	Timeline of the lead funder pilot

Executive summary

This report presents the findings of the evaluation of the lead funder prototype pilot.

Background to the pilot

The pilot was developed from the Best Funding Strategy, an initiative developed under the previous government. This reviewed funding arrangements and sought ways of reducing the compliance costs that fall on community organisations. Five prototypes that might achieve the latter were developed, among them the lead funder prototype – a concept where a single government agency acts as the lead agent when contracting with a service provider that receives funding from more than one government agency.

This concept was seen as potentially advantageous to both parties concerned. From a government perspective, it provided opportunities to reduce service provider compliance costs associated with government-funded contracts, and greater inter-sectoral collaboration. From the provider perspective, it offered potential to have integrated, rather than programme-based, services for young people recognised and funded fully, as well as the security of a longer-term (three-year) contract.

The pilot that this evaluation covers was to test this prototype further, along with investigating the possibility of developing standard documentation for purchasers. The Otago Youth Wellness Trust was the service provider. The Dunedin offices of four government agencies were involved: the Department of Child, Youth and Family, the Health Funding Authority (including Personal, Mental, and Maori Health), the Ministry of Education and the New Zealand Police. These agencies, with the exception of the New Zealand Police, had been involved in Family Start, the first national programme to utilise the idea of a lead funder.

Each agency had an existing contract with The Otago Youth Wellness Trust, and the purpose of this pilot was to develop a single contract which would replace these. The pilot began in the latter part of 1999 with the Health Funding Authority taking the lead project management role. The Department of Child, Youth & Family subsequently took the lead funder role.

The change in government in October 1999 signaled a change in the direction of health and social services. Both the Health Funding Authority and the Department of Child Youth & Family were affected by organisational restructuring during the term of this project. The funding agencies experienced these factors as impacting not only on the implementation process and timeframes but also on the ability of the personnel involved to effect changes in departmental funding philosophies and provide surety with regard to long-term service direction and support.

Three of the four government agencies involved in funding the Otago Youth Wellness Trust have now signed the lead funder contract. This is for a period of three years from January 2000 to December 2002, pending ongoing government funding. However, the Ministry of Education and the Maori Health Unit within the Health Funding Authority continue to contract separately with the Trust.

The evaluation

Purpose

Two specific purposes were identified:

- to describe the process the pilot participants experienced and/or perceived
- to gather information on how the participants identify and define compliance and transaction costs, and on the perceived impact of the lead funder process on these costs.

Evaluation methodology

The evaluation is based on interviews with the pilot participants. National and local documentation associated with the lead funder pilot were used when necessary.

However, the evaluation's limitations should be noted. While key considerations for future policy and operational development in relation to this initiative have been identified, it is important that care is taken in generalising from the evaluation findings. These have been developed from, and are specific to, the experience of this one lead funder pilot.

Key findings

The key findings are:

Perspectives

- 1 The key drivers for the government and service provider participation in the lead funder pilot were different:
 - the government was focused on reducing compliance costs for service providers (efficiency rationale). The funding agencies involved also recognised that an integrated approach to funding could be more conducive to integrated service delivery.
 - the service provider was focused on improving its capacity to provide an integrated service in order to achieve better outcomes for young people (service delivery rationale). The Otago Youth Wellness Trust believed an integrated funding approach across government agencies would help achieve this.

- 2 The impact of the difference in rationale has yet to be fully explored and addressed. While government social policy objectives embrace an integrated approach to service delivery, from the service provider's perspective, the lead funder approach did not address the philosophical shift needed within government agencies' purchasing processes to achieve this.

Contract process

- 3 The contract process needs modification to avoid, as far as possible, the problems experienced in setting up the pilot:
- while most of the process for establishing a lead funder contract at the local level took three to four months, ongoing work associated with signing it off at a national level took another six months
 - the resource demands for those involved in developing the contract were significant. The agency facilitating the process and the agency which later took on the lead funder role were, in particular, involved with intensive periods of meetings, workshops and discussions. In addition, the service provider had to provide a lot of legal (and costly) input.
 - the funding agencies highlighted that changing purchasing processes requires more time than was available for this project, in addition the Government and organisational changes occurring at the same time impacted on the process.

Funding

Transaction and compliance costs

- 6 Some of the local funding agencies experienced an increase in transaction costs in terms of time spent meeting with each other.
- 7 There was no perceived decrease in compliance costs for the service provider. This is likely to reflect the newness of the process and that two government agencies decided not to be part of the lead funder contract and continued to contract separately with the Trust.

Payment of service provider

- 8 Government procedures did not allow funding to be transferred to the lead agency to make combined payments to the service provider. The funding agencies involved continue to pay the Trust directly, and according to their particular funding periods, rather than channel their funding directly through the lead funder organisation. They knew from the start that it is not currently possible to transfer vote money between government organisations, and their efforts were primarily focused on developing and trying out the lead funder process rather than in attempting to resolve this question. This has created additional transaction costs for the service provider, as well as, from its perspective, inefficiencies in achieving integrated service delivery (see above).

Additional funding

9 The service provider was not able to negotiate for additional funding when negotiating the contract. While the agencies had stipulated this from the start, the Trust believed that it should have been possible to negotiate funding in a way that was responsive to additional identified service needs. The funders considered that attempts to renegotiate funding would impact negatively on the lead funder process.

Expectations and experiences

10 The local funding agencies and service provider had significantly different expectations and experiences of the lead funder process:

- both the local funding agencies and the service provider (the Trust) expected that the process would be one of partnership and that this would evolve according to local needs. However, the Trust did not experience this. For instance, the government agencies' decisions over changes in the lead funder position were taken without reference to it
- the developmental work primarily occurred between the local funding agencies and not with the Trust
- the Trust expected the contract service specifications and reporting requirements would be a new document and reflect an integrated service approach. This possibility was, in their view, constrained by the funding agencies' existing accountability requirements. They saw the contract as essentially a compilation of the different agencies' existing service specifications listed separately
- the local funding agencies believed that the contract was a new document with integrated sections on the service philosophy, relationships and service description which reflect recognised best practice. The reporting requirements were listed separately to meet various accountability requirements.

Outcomes

11 In spite of the issues noted above, all parties to the pilot reported remarkably favourable outcomes. The strength of existing relationships, respect and goodwill between local funding agencies and the Trust helped them work with these differences. The local funding agencies experienced an improvement in inter-agency relationships and understanding as a result of the lead funder process. All participants said they would participate again or be open to considering

participating in a future lead funder process. Most saw the lead funder pilot as a positive start for further development.

The funders considered that achieving a lead funder model with the co-ordination of three government agencies within a four month period was a significant achievement and provided a framework for further intersectoral collaboration with the Otago Youth Wellness Trust and other service providers.

Policy issues

A number of policy issues have yet to be addressed. These include:

- whether the lead funder concept can in itself enable government agencies to purchase an integrated service, or whether there are other more fundamental issues that need to be addressed to achieve this
- whether the lead funder process is able to be a bottom-up process, i.e. that it would start with identifying the needs of the target group and then develop a contract, service specifications and reporting requirements in response to these
- whether, where there are existing contracts, the process could, or should, involve funding negotiation
- the need to address agencies' current accountability requirements to enable a shift from output to outcome-based reporting to reflect better both the intention of government policy objectives and integrated services provision.

1. Introduction

This report presents the findings from the evaluation of the lead funder prototype pilot in Dunedin. The prototype grew out of the government's interest in reviewing funding arrangements and reducing the compliance costs that fall on community organisations. The pilot began in the latter part of 1999. It involved the Otago Youth Wellness Trust as the service provider, and the Dunedin offices of the following funding agencies: the Department of Child, Youth and Family Services, the Health Funding Authority, the Ministry of Education, and the New Zealand Police.

This evaluation of the pilot had specific aims. It was to describe the experience of all agencies involved in the pilot and to discover whether the service provider's compliance costs and/or the government agencies' transaction costs, had been at all reduced. The information was gathered through interviews of the members of the different stakeholders.

The report is divided into 11 sections. The initial three sections contain the executive summary; this introduction, and a description of the way the lead funder concept was envisaged as working.

Material on the evaluation itself follows. This details how the evaluation was carried out, notes its limitations and provides information on the participants. Sections 4 to 9 set out the evaluation findings. These cover participants' rationale and expectations, the interactions of the national and local government offices, and outcomes from developing standard documentation. Section 8, Local process, describes in some detail what happened at the local level and highlights issues that arose. Section 9 addresses the question of whether compliance and transaction costs were reduced, and details how participants saw the process impacting on those costs. Section 10 sets out factors participants saw as affecting the process and identifies and discusses the issues that arose; and section 11 presents key findings. Appendices are attached on the questions used to guide the interviews, on the lead funder contract principles and service specifications, and on case studies.

2. Background

2.1 Introduction

This section sets out the history of the pilot and notes work related to the pilot that is currently underway.

2.2 Background to prototype development ¹

Government initiative

In 1998, the then Associate Minister of Social Services, Nick Smith commissioned a survey of some service providers that contract with the New Zealand Community Funding Agency (now part of the Department of Child, Youth and Family Services) to provide services that support the government's social and community welfare aims. The survey identified that "the areas where improvements for the 1998/99 financial year can be instituted are in reducing compliance costs and increasing multi-year contracts".²

The Associate Minister of Social Services, on behalf of the Social Services Team of Ministers, then requested that officials carry out work to review funding arrangements and seek means of reducing compliance costs falling on community organisations.

The Best Practices in Funding project, an interdepartmental group led by the Department of Internal Affairs, initially identified five prototypes aimed at reducing compliance costs for community groups and organisations delivering social services. The prototypes, of which the lead funder prototype is one, are as follows:

¹ This summary for this and the following section is based on the information from the Ministry of Social Policy documents *Proposal for Evaluating the Lead Funder Prototype – Best Practice Funding Strategy June 2000* and *Community Organisation Funding: Compliance Cost Reduction and Improved Practice*.

² New Zealand Community Funding Agency Community Provider Survey 1998, page 1.

Table 1.1 Prototypes

Prototype	Description
Standard documentation for discretionary funders.	Standard grant documentation to streamline the funding application process and clarify risk.
Standard documentation for purchasers.	Standard contract documentation for agencies to use when purchasing services on behalf of government.
A lead funder approach to purchasing.	Where one government agency takes administrative responsibility for managing, on behalf of other funding departments and where this is appropriate and agreed to by the service provider (e.g. the Family Start model), a single joint contract with a community or Maori/iwi organisation providing a range of services.
Sharing capability assessments through mutual recognition of the capability to deliver multi-funded services.	Funding agencies utilise (and avoid replicating) the capability assessment of a community organisation (e.g. checks of legal status, financial information, management systems and structure, staffing, and previous history) that the provider group agreed another funding agency undertake.
Improved information-sharing and co-operation.	Using existing local interagency fora to achieve better sharing of information between local groups and government agencies regarding applications or tenders for services, and proposed and actual funding decisions.

Members of the interdepartmental group split into five sub-projects. The Department of Child, Youth and Family Services, the Health Funding Authority and the Ministry of Education formed the sub-project team (led by the Department) to advance the lead funder prototype and standard documentation for purchasers. All these organisations had been involved in Family Start – the first national programme to utilise the idea of a lead funder.

The team’s key task was to test the lead funder concept and standard documentation for purchasers. It explored the possibilities of piloting the lead funder prototype and associated standard documentation. The resulting pilot with the Otago Youth Wellness Trust in Dunedin is the subject of this evaluation.

2.3 Lead funder concept

The following paragraphs describe the lead funder concept as originally discussed with the local funding agencies.³

Definition

A lead funder was where a single government funder acted as the lead agent for the purposes of contracting with a service provider who received funding from more than one government funder.

Role of the lead funder

The role of the lead funder was to negotiate a single contract on behalf of all government funders for the full range of services. The lead funder was also to be responsible for:

- co-ordinating all contract payments
- monitoring contract performance
- acting as the point of contact for the provider on all matters pertaining to the contract and its deliverables
- passing information to other funders as agreed between funding parties.

Role of all funders

All funders were to:

- develop an agreed protocol for working together

and, in discussion and consultation with the service provider:

- develop service specifications
- develop an agreed contract format (based on the best practice standard contract template)
- develop an agreed set of contract performance measures
- meet on an agreed basis to discuss contract performance, funding, planning, etc.

Deciding on the lead funder

This was to be negotiated by all funders taking into account the following factors:

- level of funding by each funder
- staff resources
- capacity and capability
- desire to lead
- staff location factors
- provider wishes.

³ Section 3 is based on the overheads presented to the local funding agencies, 24 August 1999.

2.4 Choice of service provider

About three years ago the Otago Youth Wellness Trust started to discuss with local funding agencies the need to provide integrated care across the different service types (e.g. health, education, welfare, justice) in order to tackle the problems underlying those with which the young people were presenting (e.g. truancy or offending).

As part of this discussion, the Trust's accountant suggested the concept of one pool of money rather than separate budgets for separate programmes, in order to better reflect their integrated approach to responding to young people's needs.

The Trust began, as they put it, "agitating [with local funding agencies] for one contract". It was also keen for funders to purchase outcomes rather than continue with the current output-focused purchasing model.

The local funding agencies were aware of the Trust's interest in a single contract and, because of this and subsequent conversations with staff on the sub-project team, the Trust was invited to pilot the lead funder prototype (hereon referred to as the lead funder process, pilot or contract).

2.5 Current status

The Ministry of Social Policy is currently exploring a work programme to continue the work of the interdepartmental group. It proposes to develop further the following three aspects:

- the lead funder approach
- shared capability assessments
- improved information-sharing arrangements.

Officials have identified that using one standard document for grants and contracts across agencies may not be workable. It would entail developing a comprehensive format able to meet all needs and would therefore be likely to add to the complexity of application and reporting processes. The Ministry is proposing to refocus work in this area on *simplifying documentation*.

This evaluation will be used to inform the proposed developments.

3. Evaluation

3.1 Introduction

The aim of the evaluation of the lead funder pilot was to describe the process as experienced and/or perceived by the Otago Youth Wellness Trust and the funding agencies involved, including:

- what worked well and why
- the difficulties and solutions
- the value of the process to the participants.

The evaluators were also asked to gather information on how the participants identified and defined compliance and/or transaction costs, and on the perceived impact of the lead funder process on these costs.

3.2 Key evaluation question

The key question for the evaluation was whether the service provider's compliance costs had been reduced. A secondary question was whether the funding agencies' transaction costs had been reduced.

3.3 Methodology

The evaluation was to provide information that would both help improve further developments of the prototype, and assist policy decision-making. With respect to these mixed uses, the evaluation can be seen as both formative and summative.

The evaluators gathered the information required to describe the lead funder pilot process and the experiences of the different stakeholders from 10 semi-structured face-to-face and two phone interviews, and a review of the relevant national and local documentation. A copy of the interview guides are attached as appendix one.

Three groups of stakeholders were involved in the pilot: the sub-project team of the interdepartmental group, the service provider, and the local offices of the four government organisations who provided annual funding to the Trust (referred to hereon as the "local funding agencies"). Each of these groups is described more fully in section 4.

The interviewees were distributed across the three groups of stakeholders as follows:

Table 3.1 Type and number of interviews

Stakeholders	Number of interviewees
Sub-project team (interdepartmental group)	3
Service provider	4
Local funding agencies (including a national programme staff member)	9

All those directly involved in the Dunedin pilot were interviewed.

The evaluators carried out a group interview with the service provider. The group included the Trust’s chairperson and two board members (one of whom provides the Trust with legal assistance), and the Trust manager. Two staff in one of the funding agencies were interviewed jointly. The rest were interviewed on an individual basis.

3.4 Analysis and reporting

The material gathered was primarily collated and reported according to the information requirements specified in the evaluation proposal.

3.5 Limitations

The findings presented in this report are based on the experience of *this one* lead funder process. The participants in this process have identified key considerations for future policy and operational development in relation to this initiative. However, any generalisations based on this single pilot should be made carefully.

4. Participants

4.1 Introduction

The following section provides brief information on those involved in the wider Best Practices in Funding project and the lead funder pilot.

4.2 Interdepartmental group

Wider group

The interagency group was established late 1998, was led by the Department of Internal Affairs, and included the following government organisations: the [then] Community Funding Agency, Community Employment, Community Probation Service, the Department for Courts, the Crime Prevention Unit, Early Childhood Development, the Health Funding Authority, the Ministries of Youth Affairs and Pacific Island Affairs, and Te Puni Kokiri.

The group received advice from two community group representatives, the Ministries of Education and Justice, and Skill New Zealand.

As mentioned previously, the interagency group worked in five sub-project teams.

Sub-project team

The members of the Lead Funder and Standard Documentation for Purchasers sub-project team (referred to hereon as the “national lead funder team”) were interviewed as part of the evaluation. They were from the following three organisations:

- Department of Child, Youth and Family Services (incorporating the Community Funding Agency at this stage)
- Health Funding Authority
- Ministry of Education.

The Community Funding Agency and the Health Funding Authority staff were the key initiators of the lead funder pilot.

4.3 Service provider

Background

The Otago Youth Wellness Trust, established as a charitable trust in 1996, arose out of a working party responding to concerns about young people on the streets, truancy, and recidivist offending by truants.

The working party involved a cross-section of agencies including school principals and counsellors, public health workers, nurses, general practitioners, police (including those

working in Youth Aid and the Superintendent), the [then] Children, Young Persons and their Families Agency, the Council of Social Services, the Dunedin City Council and the media.

This group worked over a year with focus groups of young people that included groups of disabled, gay, Maori, Pacific Island people, and young people on independent youth benefit. From this process, it developed a model for addressing the concerns.

Approach

The model was developed to address the underlying concerns with which the young people are presenting and a response method based on providing an integrated range of services. The Trust described itself as providing an “umbrella over the silos” – the silos being the separate government agencies and the services and/or programmes they fund. This approach is described more fully in the next section.

Services

The Trust, through its Centre, provides a range of services to youth (11 to 18 year olds) in the wider Dunedin area (including both urban and rural areas).

It makes an initial assessment of a young person’s needs and, based on that, the following services may be offered: case management, peer support, mentoring, learning centre support, personal health services, and referrals to specialist support. The Centre also runs a van service that picks up and delivers young truanters to their school.

Staffing

The Centre has a staff of 17 paid workers supported by between 20 and 30 volunteers. Twelve of the paid staff are full-time, the remaining five are either temporary or part-time. Two of the positions are Task Force Green positions. All those undertaking assessments and case-work with the young people are paid staff with professional backgrounds and qualifications (e.g. social work, nursing, teaching).

Information support

The Centre has worked with the multi-disciplinary Health Unit at Otago University. It has also established a database from which, along with its detailed local knowledge, it can monitor trends among Dunedin’s young people and identify gaps in service provision for them.

Funding

Since its establishment, the Trust has received funding from a variety of sources including government organisations, trusts, health sector, city council, and public donations.

4.4 Funding agencies

The national lead funder team asked the four government organisations that provided annual funding to the Trust – the Ministry of Education, the Health Funding Authority, the, New Zealand Police, and the Community Funding Agency – to be involved in the lead funder pilot.

The three areas of the Health Funding Authority providing funding to the Trust were initially all involved in the process. These were Personal Health, Mental Health, and Maori Health.⁴ Personal Health had managed past contracts with the Trust for the Authority.

The amount of annual funding provided by each organisation is shown in the following table:

Table 4.1 Government funding of service providers

Government Funding Agency	Annual Funding⁵
Health Funding Authority	\$296,028.54 (total)
<ul style="list-style-type: none">• Personal Health• Mental Health• Maori Health	\$149,528.54 \$81,500 \$65,000
Ministry of Education	\$106,945.30
New Zealand Police	\$80,000
Department of Child, Youth and Family Services	\$63,652

Together, these organisations provide approximately 65% of the Trust’s income with the remaining 35% made up from a variety of sources – for example trusts, the city council, and public donations.

⁴ Maori Health were represented in the lead funder process by Personal Health. Other than attending one of the early meetings, they were not directly involved in the pilot and were not interviewed.

⁵ Except for the Ministry of Education, these figures exclude GST.

5. Integrated service

5.1 Introduction

There were philosophical differences within the lead funder pilot between the Trust's integrated approach to service delivery and some funding agencies' programme approach to purchasing services. This section describes the Trust's integrated approach to service delivery and illustrates the difference between it and the more common programme-driven approach. It also notes how the funding agency purchasing approach changed as a result of the lead funder process. The section concludes by briefly outlining the Ministry of Education's perspective on their programme's lack of fit with the lead funder approach.

5.2 The Trust's integrated service

The Trust's integrated service is based on the young individual (client) and his or her needs. These people are seen as whole people, not health statistics, offenders or truants. They are seen in the context of their family, life circumstances and relationships with themselves, family, school, friends, community etc. Behaviours such as truancy, offending and bullying are regarded as symptoms, and signs that they need help. Early intervention is preferred. Referrals are received from schools; Child, Youth and Family; families; and increasingly from other agencies.

The following briefly outlines the referral process:

- referral via standard form (information is recorded on the Trust's database)
- Trust staff look at each referral, determine urgency and consider options
- senior staff do a face-to-face needs assessment interview with each client at their home or school (not at the Trust Centre). This covers family history, literacy and educational achievement, relationships, health, socio-economic status, self-reporting drug use, aspirations etc
- on the basis of ethnicity, gender etc, the client is matched with an appropriate case worker
- case worker establishes relationship and works with the young person over a period of six to nine months (average), working to a mutually agreed, individual, flexible management plan
- in a process regarded as critical, case workers actively assist the young clients to establish/re-establish their connections with family, school and learning, interests, friends, community etc

- Trust staff become involved with family, school, other agencies and community groups, and make referrals to specialist services or programmes where necessary.

Each case worker carries a caseload of 20 to 25 clients at one time and has weekly supervision with senior staff.

The outcomes that the Trust focuses and reports on reflect:

- clients' presenting needs and community aspirations (e.g. reduced/no offending, reconnection with school and learning, fewer unwanted pregnancies etc)
- increasing clients' access to opportunities and entitlements (e.g. young people off the streets and at school, learning)
- qualitative rather than quantitative change.

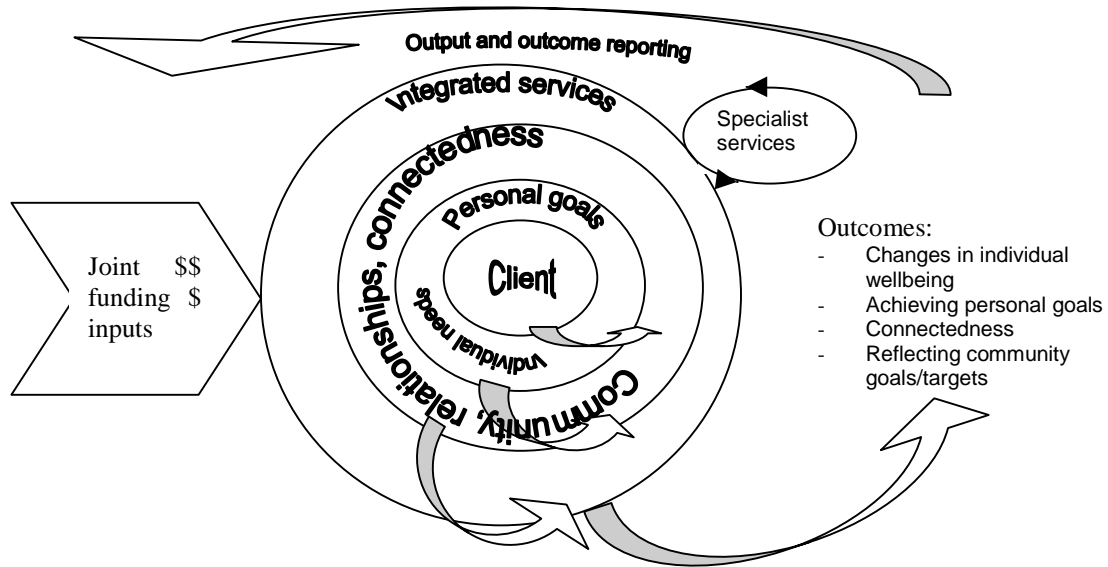
Integrated service delivery is fundamentally driven by individual needs, not by what programmes are available. The extent and nature of intervention or service needed to meet a client's needs may require referral to other agencies or working in with other services or groups. The Trust believes in maximising and supporting the use of existing community resources rather than establishing new services based at their Centre. As noted above, the importance of client connectedness to learning, family, their own community etc is paramount.

The Trust believes an integrated approach to service delivery puts the client as a whole person with their needs in the centre of the process. They also believe this approach allows greater flexibility to interpret and achieve the intentions of social policy in a way that separate programme and service delivery does not.

Appendix 3 includes two case studies that illustrate the above process and outcomes for the young people involved.

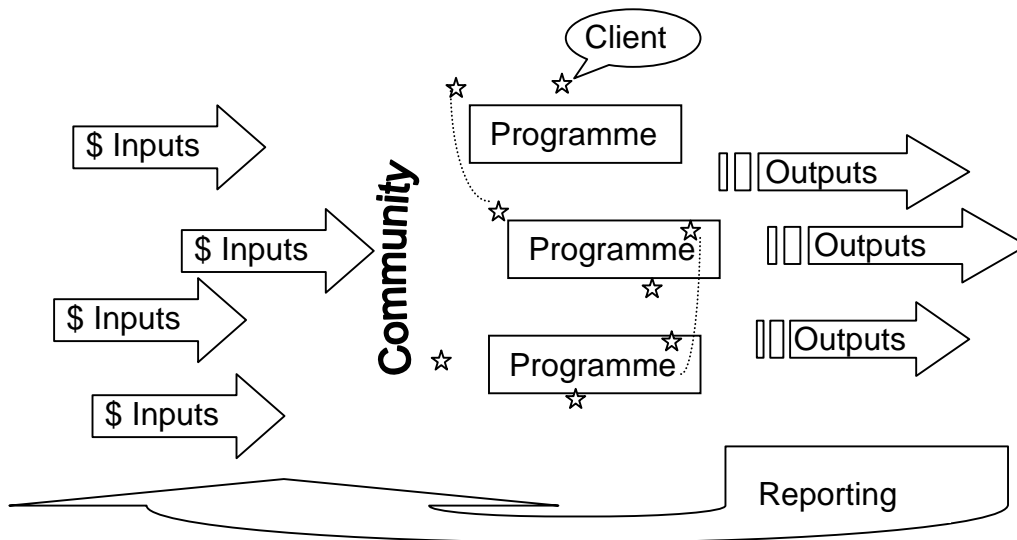
The Trust's integrated service approach is illustrated below.

Figure 5.1 An integrated service approach



By contrast, programme-driven services may be illustrated as follows:

Figure 5.2 A programme-based approach



5.3 Changes in funding agency purchasing

In previous contracts, Personal Health within the Health Funding Authority funded a full-time equivalent nurse position and Child, Youth and Family funded a mentoring programme and home-based support. Reporting was mainly against outputs such as the numbers of clients seen by the nurse, client reception of contraceptive advice, or their programme attendance. As a result of the lead funder approach, they now refer more generally to services with broad descriptions of intervention based on client needs rather than specific programme outputs. The lead funder contract is also volume-based across all the funding agencies.

The result of this change means the Trust does not have to identify outcomes for each of its clients against separate funding inputs, to the extent it used to for reporting purposes. The shift in the lead funder contract to include outcome reporting is new. Participants' experience of this is discussed more fully in section 8.

5.4 Lead funder fit with programme purchasing

The Ministry of Education identified issues early on regarding the potentially difficult fit between the integrated approach inherent in this lead funder pilot, and the truancy programme that the Ministry had contracted the Trust to deliver:

- the truancy funding (unlike that from the Health Funding Authority and Child, Youth and Family) was not targeted to deal with the underlying causes of truancy that were a main focus of the lead funder contract
- the focus of the truancy programme on getting schools to take responsibility for responding or seeking help from other agencies to respond to truant issues would be diluted through the Ministry's participation in the lead funder contract
- the lead funder contract age group (11 to 18 years) was narrower than the school age group (five to 16 years) for truancy services
- the requirement for standard reporting requirements at both national and local levels
- schools' capacity to change the service provider via an annual decision-making process that occurred through the District Truancy Service
- the Ministry's different funding period from some of the other agencies.

6. Rationale and expectations

6.1 Introduction

This section describes the different rationale for and expectations of each of the three groups of participants involved in the lead funder pilot – government,⁶ service provider, and the local funding agencies.

6.2 Government

Rationale

The key driver for the government for the lead funder process is to reduce the service provider's⁷ compliance costs associated with government-funded contracts.

The Best Practices in Funding project and the Lead Funder and Standard Documentation for Purchasers sub-project also had wider aims of improving co-ordination between government funding agencies and relationships between government and service providers.

A secondary benefit identified by members of the national lead funder team was an increase in the ability of funding agencies to purchase a whole service, which in turn contributed to their funding working more effectively. One member said:

This is great stuff. I recommend that all new funding should be done jointly describing a whole service. All funding should go through this. [Purchasing] a whole service identifies gaps and provides opportunities to refine and avoid duplication – to look at the whole not the bits. Can't [achieve] outcomes without all the funders together. Individual outputs contribute to the outcome, for example, to reduce teenage crime. Organisations can't achieve this by themselves – they contribute towards the outcomes.

Expectations

All members of the national lead funder team expected that compliance costs for the Trust would reduce in the short term, with this possibly being tempered by being a new process.

Pilot participants all expected that the process would place a larger resource burden on the local government funding agencies, particularly in the establishment phase. They were also concerned that it would increase the ongoing transaction costs for the lead agency (discussed in a later section), although this was expected to be offset by a decrease in costs for the other agencies involved.

⁶ The “government” being represented by documentation outlining the early Smith-led ministerial initiative (refer to section 1.3), brief of the interdepartmental group and members of the national lead funder team.

⁷ Service providers in this context refers to not-for-profit organisations in the voluntary and community sectors.

If multi-year funding was adopted, this was also seen as having the potential to reduce transaction costs for funding agencies.

6.3 Service provider

Rationale

The Trust believed:

the primary benefit of a single contract is the opportunity it provides to fund a fully integrated service for young people. [The Trust had] been seeking a one funder concept for some time now on the basis that greater integration between the range of funders and [it]self is likely to lead to greater integration of service provision and this can only provide positive benefits for [its] clients.⁸

While it acknowledged there may be some benefits in terms of reporting and cash flow, the Trust primarily saw the lead funder process as a “sensible way of working” that supported its [and others] integrated approach to service provision and holistic treatment of young people. The Trust saw reducing compliance costs as a secondary issue, describing it as a “red herring”.

Expectations

The Trust had hoped to start the lead funder process with “a blank piece of paper”, i.e. once a young person’s need had been identified, a contract, service specifications, reporting requirements and funding levels would be determined.

It recognised that the pilot could be the forerunner of the development of a national model, an outcome the Trust philosophically favoured. It envisaged that the lead funder process would emphasise the interdependence of agencies and facilitate information-sharing (i.e. the local funders would become more familiar with what the Trust and each other were doing).

The Trust was also interested in having three-year rather than annual funding. It believed that “if we can get co-funding right, we will get security”.

6.4 Local funding agencies

Rationale

The rationale for the local funding agencies’ involvement in the lead funder pilot reflected both that of the government and the service provider. Interviewees variously described the lead funder process as “making sense”.

Most of the interviewees from the local funding agencies believed that the “whole would be greater than the sum of the parts”. They envisaged that joint funding for an integrated service would enable their individual funding to go further and produce better outcomes

⁸ Letter from the Trust to the Co-Funders [local funding agencies], 21 October 1999.

for the young people. One interviewee commented that the funding of his organisation alone would be insufficient to purchase the kind of outcomes the organisation was looking for.

The interviewees also saw the lead funder approach as supporting a holistic, seamless service for young people:

The service provider can't chop young people up into different health, welfare bits etc, and neither should we.

Expectations

The local funding agencies identified the objective of the lead funder pilot as:

to work in partnership with the Trust to develop an integrated, single contract, with one funding stream, which involves all or some of the existing funders of the Trust.⁹

Interviewees had also hoped to develop closer working relationships with the other funding agencies. One interviewee hoped:

it would make clear to me the mysteries of other agencies and the inter-relationships between different agencies' policies.

Another expected that it "would be a lot of work".

⁹ Minutes of Lead Funder Pilot Meeting Three, 3 September 1999.

7. National process

7.1 Introduction

The following section outlines the national lead funder team's involvement with the lead funder pilot.

7.2 Concept development, presentation and response

The Child, Youth and Family member, in consultation with the other two members of the national lead funder team, developed and presented the lead funder concept at the initial meeting the local funding agencies held to discuss the idea. The Child, Youth and Family and Health Funding Authority members of the team attended this initial meeting. The national truancy programme manager from the Ministry of Education also attended this and a number of the earlier meetings.

The national lead funder team saw their role as securing local funding agencies' interest in the pilot and facilitating their involvement. While the team presented the concept, the process of "how the local funders [established a lead funder contract] was up to them to work out". One member commented that they:

wouldn't like to see the process set in concrete. The principles are the key elements, that is, the protocol for communication between the funding agencies and a single service specification that describes a whole service, the outcomes, and the range of outputs from the range of organisations. The way this might be achieved would be different with different service providers, the professionalism of the organisation, and the amount of funding involved. Still, the core elements would stay the same.

The team did suggest that the local funding agencies work in partnership with the service provider:

As soon as the agencies agree, bring the provider in as early as possible as this process will impact on them – not present as a fait accompli.

All the agencies supported the concept enthusiastically. One said they were "quite surprised by the buy-in" given the anticipated increase in the work involved.

It was envisaged that the process would take between three and six months.

7.3 Standard documentation and relationships

The national lead funder team organised a draft contract to be used in the lead funder pilot.¹⁰ Child, Youth and Family funded the preparation of this. The draft contract was built from a “whole pile of contracts”, including Health Funding Authority and Family Start contracts. It was described as providing the standard:

legalese. In every project, this would be customised by the service specifications, the amount of funding involved, the performance measures etc.

A standard contract was intended to:

avoid this being a sticking point and to save time given that the template will have already been agreed by the agencies involved (i.e. at a management, legal and national lead funder team level).

The pilot presented an opportunity to test and refine the document. The contract was also to be tested in 12 new Family Start initiatives.

One interviewee from the national lead funder team noted that:

the documentation is relatively easy. It's getting agreement to work together, how to do [the lead funder process] that is critical. If they get this right, the rest will fall out. You can't force organisations that are used to working separately [to work together]. So the spin-off [from the lead funder process] is getting departments used to working together and next time the short-term costs [associated with the lead funder process for funding agencies] will be reduced. The relationships and process are more important than the product.

The same team member suspected that:

relationships are quite important to service providers, more than compliance costs, and there would be an inverse relationship between the two.

The Child, Youth and Family member of the national lead funder team also drafted a protocol, based on Family Start material, for how the local funding agencies involved in the pilot could work together and what expectations the local funding agencies and national lead funder team could have of each other. This document was to sit outside of the lead funder contract.

¹⁰ There is a discrepancy between the reporting in this and section 8.10 about the subsequent existence of a draft contract or contract template to assist with the formation of the lead funder contract.

7.4 Combining funding

It was intended that the national lead funder team would investigate the technicalities of how funding agencies could channel their funding to the lead funder, who would then forward this to the service provider. If this were to happen, it needed to occur in a manner that would meet Treasury requirements, that would be reflected appropriately in the organisations' own accounts, and that would allow the outputs to still be owned by the individual organisations.

8. Local process

8.1 Introduction

The following section describes the process that actually occurred at the local level during the lead funder pilot. Comments on relevant issues that arose and/or notes on the participants' experience of the process are included within a box at the end of each sub-section.

8.2 Timing

The majority of local meetings and work associated with establishing a lead funder contract occurred over three to four months between late August and mid-December 1999. Ongoing work associated with seeking sign-off of the contract at a national level occurred through the first half of 2000.

The local group planned to have the contract signed by 30 December 1999, when a number of the funding agency contracts with the Trust were due for renewal.

A draft contract had been agreed at the local level by December, but was not signed until June 2000. The delay was due to a change in legal personnel at the Child, Youth and Family national office that resulted in the final draft contract being reviewed.

The potential for the Trust to suffer financial difficulties as a result of the delay in signing off the contract was addressed. Both the Health Funding Authority and the Police rolled over their existing funding arrangements, which expired 31 December 1999, and the Trust continued their usual reporting to these agencies in lieu of the lead funder contract being finalised.

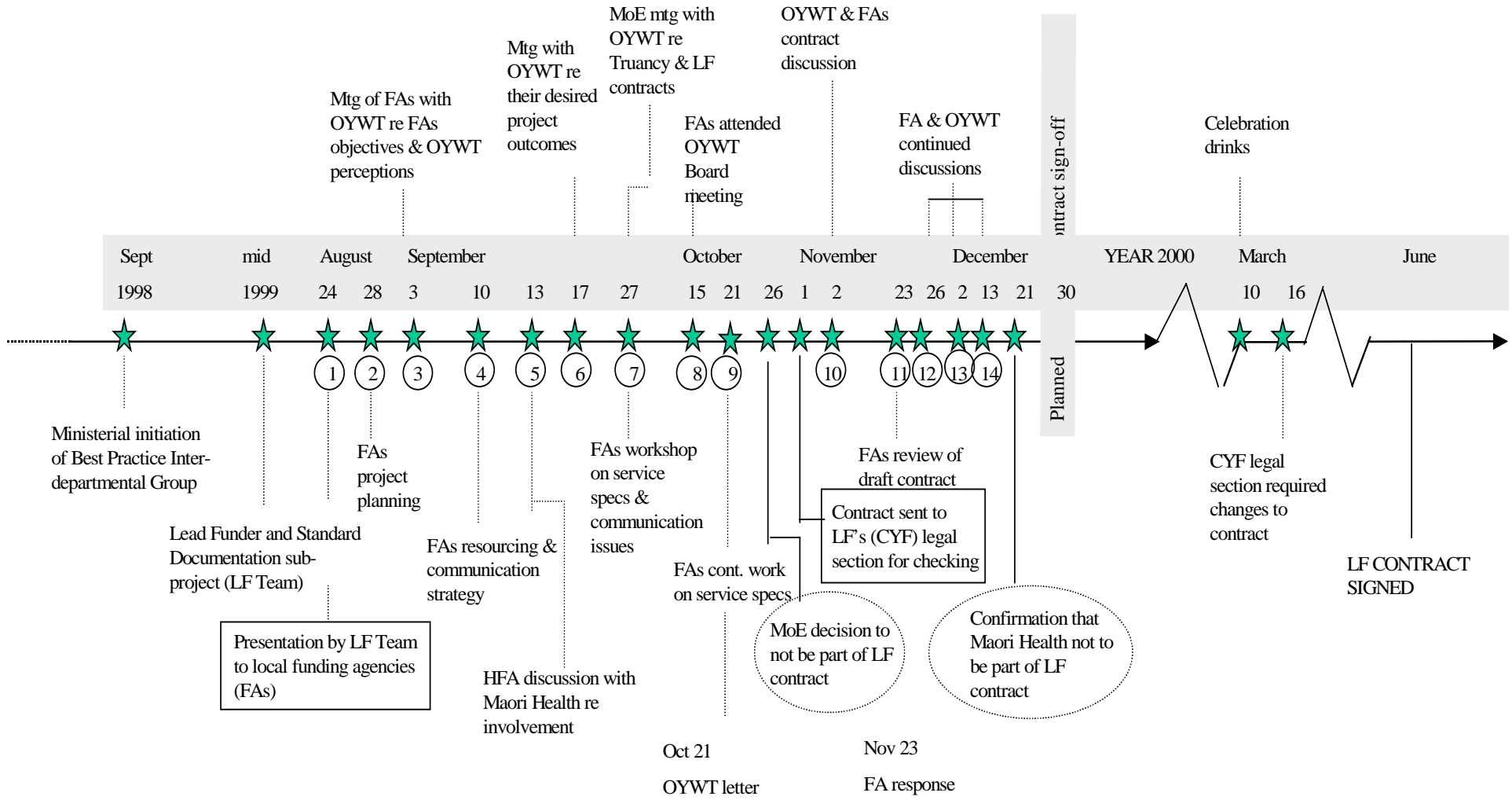
The existing Department of Child Youth & Family contract and associated funding was secure until the end of the contract term 30 June 2000.

8.3 Meetings

The following timeline set out in figure 8.1 illustrates the intensive period of meetings, workshops and discussions held, and the purpose of these, from late August to mid-December. It also illustrates two processes – meetings and workshops between the funding agencies themselves, and meetings and discussions between the funding agencies and the Trust.

Figure 8.1

Timeline of the lead funder pilot



Key:

- Meetings shown above the timeline were between OYWT and funders
- Meetings and events below the timeline were between funders

8.4 Initial meetings and representation

Local staff from Child, Youth and Family and the Health Funding Authority met with the Trust's chairperson to discuss the idea of piloting a single funding process and seek the Trust's interest. The chair sought this from the board.

All agencies involved in funding services provided by the Trust (refer to Table 4.1) held an initial meeting. Its purpose was to decide if each government funder thought it was worth supporting the pilot of the lead funder concept. Most were in favour of proceeding.

The Ministry of Education representative said that they would need to know more about, and be in agreement with, the lead funder process. If in agreement, they would then need to talk with the local District Truancy Service and schools in Otago, before they could commit to a lead funder contract.

A representative from the Otago Community Trust also attended this meeting to outline their funding relationship with and support for both the Trust and the lead funder concept.

The Health Funding Authority's Maori Health Unit was not present at this initial meeting and was later represented by Personal Health at subsequent meetings. Discussion about their participation in the lead funder contract mainly took place between the two units, Maori and Personal Health.

8.5 Funding negotiation

At the initial meeting with Child, Youth and Family and the Health Funding Authority the Trust was informed that the lead funder process would not include any negotiation about funding levels. The agencies would be working with their existing funding commitments to the Trust; and their focus would be on developing and piloting the lead funder process, not funding negotiation.

This was later clarified at a meeting with the Trust Board as meaning that until the establishment of the lead funder contract the Trust was to make all requests for further funding through the usual channels within each agency. Once the contract was in place, the Trust was to approach the lead funder or meet with the co-funders as a group to request further funding.

The local funding agencies came to the lead funder pilot focused essentially on the process of how to establish a lead funder contract, stipulating that this process would be separate from any requests the Trust might make for additional funding. Some believed that funding negotiations would stymie the lead funder process and also noted that no further funding was available for that financial year as it had already been allocated.

The Trust was unhappy about not having the option of negotiating an increase in funding to meet any service gaps that may have been identified as part of the lead funder process. It had envisaged that the process would involve starting with a blank piece of paper and funding would be related to the identified service needs. It regarded the non-negotiability as indicative of a benevolent funding mentality set in the context of government service purchasing where, it considers, the approach and amount of funding often does not fully recognise the cost and level of the services required.

8.6 Project management

The funding agency side of the lead funder workload was mainly carried out by the change manager for the Health Funding Authority's Personal Health (also responsible for co-ordinating Strengthening Families for the Health Funding Authority) and the contract specialist for Child, Youth and Family.

The Health Funding Authority Personal Health change manager managed the overall local lead funder process (hereon referred to as project manager). She kept all parties informed via phone and email contact, and distributed the meeting minutes. The project manager worked approximately 0.2 of her time on the lead funder process.

The contract specialist of Child, Youth and Family facilitated the development and eventual approval of the lead funder contract, including the development of the service specifications. She worked up to 20 hours per week during the contract development part of the lead funder process, and between eight and 10 hours per week while the draft contract was with the national office legal section.

8.7 Lead funder

The Child, Youth and Family member initially volunteered to be the lead funder. This then changed to the Health Funding Authority due to Child, Youth and Family restructuring, then shifted back to Child, Youth and Family due to Health Funding Authority restructuring.

The service provider was not consulted about their wishes as to who would be the lead funder. While it was satisfied with the decision, it believed it should have been included in the process.

The stability of the position of the individual who would be acting as the representative for the lead funder organisation was the key deciding factor for which organisation would act as the lead funder.

8.8 Protocol

The protocol that the national lead funder team drafted was intended to establish a framework for how the local funding agencies, and the local funding agencies and national lead funder team, were going to work together. The team drafted it at the same time that the local lead funder process was occurring.

The protocol document itself was not a significant feature of the lead funder pilot. At the time of the evaluation, the local funding agency interviewees had little or no memory of the protocol document. However, it appeared that the process of facilitating the meetings and relationship building reflected the intention to have a protocol. Funding agency interviewees generally found the discussions on how they were going to do things and work together useful, and appreciated the informality of the process.

8.9 Communication strategy

The local group, being firstly the funding agencies then in conjunction with the Trust, developed a communications strategy. This involved identifying consultation and communication processes among funders, between funders and the Otago Youth Wellness Trust, other agencies, and the public and identifying media and other communication risks. There was agreement that neither party would talk to the media until the lead funder process had been worked through.

The Trust in particular appeared to be confused about the communication strategy and its intended purpose. It considered that the development of the strategy reflected a top-down approach, where the solution had been imposed before the problem had been clearly defined. Combined with what was described as a “gagging clause” in the contract, it experienced this process as constraining its ability to share information with other service providers in the way that it had been used to doing.

The concern about media contact appeared to be primarily connected with the pilot occurring at the same time as the 1999 election and concern that it might be used for political purposes. There was also concern that any difficulties occurring between the local funding agencies and the service provider were not made public during the lead funder process.

However, an interviewee from one of the funding agencies commented that the value of the communication strategy was not the result it produced but the discussion that occurred during its development.

8.10 Contract and service specifications

No contract template was made available to the local lead funder group. In the absence of such a guide, the local agencies sat down with their existing contracts and identified what they had in common and what could be removed. The quality specifications for Family Start were used as a guide to assist with the quality aspects of the lead funder contract.

The group set a day aside in late September to work on “bringing all the funding agencies’ service specifications together”. The Child, Youth and Family member “took them away and pulled them together” and brought this back to further meetings of the local funding agencies. About 12 drafts were needed before all participants were satisfied.

In addition to the specifications held in common, different agencies’ specific requirements were listed separately in the contract’s service specifications. The intention was to ensure the specifications reflected the individual funding agency purchase agreement and internal accountability requirements.

Using what [specifications] we already had in place and putting them in the contract – nothing was lost.

The local agencies then sought feedback from the service provider. Along with an exchange of correspondence, the local funding agencies and the Trust met regularly from early November to mid-December to discuss and negotiate the content of the contract and the service specifications. The final contract was a 46-page document.

Funding agencies' experience

The process was considered by some to be time-consuming, particularly for the lead funder who had to co-ordinate the development of the contract, sort through each agency's service specification requirements, and reach agreement about how to meet these in the contract.

Putting the contract together was described as:

a long and constructive process. [The contract was] an assemblage of existing contracts from each funding agency, in agreement with all the funding agencies involved.

The local funding agencies generally regarded the lead funder contract and the process of developing it as very positive. They experienced a lot of co-operation, open communication, and information-sharing amongst the local funding agencies and learnt a lot about each other's organisation, policies and operation.

Service provider's experience

The Trust's experience of the contract development was quite different from the funding agencies'. It was not involved in the process of drafting the contract. It was presented with a draft contract and tended to be consulted after, and separately from, the funding agencies' decision processes.

The Trust did not experience having "an equal role with the funding agencies" and continued to feel "on the back foot" around the service specifications, which they saw as a "cut and paste exercise" – not fully or satisfactorily discussed with it. "Often people didn't know why [certain points] were in the contract." The Trust's impression was of a *fait accompli*.

The Trust saw the contract largely as a "cobbled together" document, with bits from each funding agency and no clear ownership of the different parts. It was considered unusual from a legal point of view, both in terms of the process of its construction and the document itself. The Trust's legal representative had to follow up a number of queries directly with funding agency legal staff in Wellington to address their legal concerns.

Fundamentally the Trust regarded the "principles" – which it described as "wonderful" – stated at the front of the document as "carrying the rest of the contract" (refer appendix two). It was willing to sign the contract on the strength of the principles.

Overall, the Trust experienced the process as a:

top-down approach driven by the upcoming election. [It was afraid that if it did not sign the contract] the government agencies would back off and it would be left without secure funding. Nothing has changed in the culture [of the funding organisations], the Trust continues to have the same accountabilities and was trying to fit a new way of working into the old systems.

While the Trust was disappointed in the process, it had good working relationships with the local people involved. It remains keen to continue to participate because it believes in the concept and is keen to see longer-term, secure contracts between community-based service providers and government funding agencies being established.

The Trust continued to be concerned about the funding agencies' focus on the funding rationale for the lead funder process rather than on achieving better outcomes through the delivery of a whole, integrated service. It believed this should have been the driving force for the initiative. While several members of the local funding agencies agreed with this point of view, it was not resolved.

8.11 Reporting

As part of the lead funder contract, the Trust negotiated to report on both outputs and outcomes. The existing contracts had focused on output-based (i.e. numerical) reporting, which the Trust believed to be “lacking meaning and not reflecting the changes in young people”.

The Trust “want[ed] a much stronger focus on outcome-based reporting” and one funding agency interviewee described this as the “key difference” in the contract development. While this was agreeable to most of the funding agencies, the local group (including both the funding agencies and the Trust) had considerable discussion about how this could be done and how it would be possible to demonstrate the links between inputs and outcomes. The Trust was asked to present its ideas to the local funding agencies, who discussed what could work and what was measurable.

The local funding agencies and the Trust agreed that the agencies would provide a streamlined, quarterly report to the lead funder for distribution to the other funding agencies. The quarterly reports would provide information on client statistics. The six-month report would also include a narrative on service quality. The final report for each year would include a discussion on the outcomes achieved for that year. Meetings between the funding agencies were to be held to discuss each report.

A full year of reporting has yet to take place. The level of satisfaction with the agreed reporting is yet to be determined.

An integrated approach to service provision and the resulting focus on reporting whole outcomes rather than on the component “bits” needed by agencies remains an unresolved issue.

The Trust considered the move towards outcome-based reporting as a positive progression toward more accurately reflecting the nature of the integrated service it provides. However, it also thought that the reporting requirements might result in more work initially as the format will be different.

The Trust was disappointed that government agency staff did not seem to “get excited about the changes for the kids”. It wondered about the lack of connection between the changes the young people experienced and the extent this was reflected in funding agencies’ reporting requirements.

While the local funding agencies agreed in principle with outcomes reporting, several commented on the difficulty of reporting measurable outcomes, particularly to satisfy their respective accountability requirements to government. One interviewee commented:

[The] specifications are fine, but reporting is different and it doesn’t really meet specific requirements. It needs sharpening up.

Another commented that the outcomes need “to be not too highly pitched”, i.e. that outcomes should be linked to the intervention and not to factors beyond the control of the provider.

Agencies had different experiences of the flexibility of the local funding agency accountability requirements. Most of the local funding agencies regarded their requirements as flexible. One did not. The service provider did not experience the local funding agencies as having the degree of flexibility required to significantly alter their reporting requirements.

There appeared to be little change towards or discussion of the need for change in the funding agency approaches to reporting to reflect the move towards purchasing a whole service. Essentially, the accountability requirements for the local funding agencies appeared to determine their reporting requirements from the lead funder contract. There seemed to be no scope for them to either alter or question their respective accountability requirements in any significant way to reflect the move towards the whole service, outcome-based reporting approach that the Trust desired.

Most of the participants believed the lead funder approach would make no difference to the outcomes for the young people given that the Trust was already providing an integrated service. There was a general belief that a holistic approach to the provision of services will make it easier to achieve the desired outcomes.

8.12 Funding schedule

The local funding agencies had decided that they would each continue to pay the Trust directly as it would be “too difficult to pay Child, Youth and Family each year” and they knew this might not be possible. There were differing legal opinions as to whether it was possible to transfer money between government departments.

In light of the funding agencies continuing to pay the Trust directly under the lead funder contract, the local group changed the contract wording from “lead funder” to “lead agency” as they thought “lead funder” implied that there was only one funding stream.

A table of how much and when each funding agency would be paying the Trust was developed as part of the contract and for the Trust’s budgeting purposes. Each of the funding agencies worked with different financial years:

Table 8.1 Financial years of government agencies

Financial year	Government agencies
July–June	Department of Child, Youth and Family Services Health Funding Authority
January–December	New Zealand Police Ministry of Education

The lead funder contract is for a period of three years from 1 January 2000 to 31 December 2002.

8.13 Parties to the lead funder contract

The three local funding agencies who finally signed the lead funder contract were:

- Department of Child, Youth and Family Services
- Health Funding Authority – Personal Health and Mental Health
- New Zealand Police.

The Maori Health Unit of the Health Funding Authority communicated its decision not to be part of the lead funder contract in late December. The Maori Health Unit was in the process of restructuring and unwilling to commit funding beyond a six-month period. This occurred as a separate contract with the Trust.

The local office of the Ministry of Education decided not to become a party to the lead funder contract. There was a concern that the lead funder process did not fit with the truancy programme (described earlier in section 5.4) and the local office decided it was not possible to carry out the necessary consultation with the local schools at that point in

time. This decision was communicated to the project manager in late October. The Trust continue to have a separate contract with the Ministry for its truancy service.

The Ministry's local office considered seeking schools' agreement to fund the Trust for the three-year period of the lead funder contract. However, extending the truancy contract from one to three years represented a significant change to the existing arrangement. This was not pursued due to the length of time such a consultation would take (the lead funder process timeframe overlapped with school holidays) and possible political risk associated with being so close to the national elections.

The Ministry is open to considering involvement in future lead funder processes.

9. Costs

9.1 Introduction

The key question for the evaluation was whether compliance costs for the service provider had been reduced. A secondary question was whether there had been any reduction on transaction costs for the funding agencies.

This section outlines participants' perceptions of how the lead funder process impacted on compliance and transaction costs, and identifies the components of these costs as described by the evaluation participants.

9.2 Definitions

A draft ministerial report¹¹ about the wider Best Practices in Funding project provided the following definitions:

Transaction costs are defined as the internal operating costs of government and community agencies and compliance costs are defined as the costs incurred by community organisations in complying with pre-funding and post-funding processes imposed by funders. Transaction costs are often discretionary whereas compliance costs are mandatory.

Participants' responses loosely fitted within this definition framework. Some respondents saw compliance costs as including the range of pre- and post-funding processes for the service provider, whereas others only spoke of compliance costs in terms of reporting requirements. Most respondents only referred to funding agencies when considering transaction costs.

9.3 Perceived changes

The evaluation respondents¹² did not provide quantifiable information on compliance and transaction costs, nor was it possible to attempt to assess this within the scope of the evaluation. None of the government agency respondents were aware of any attempts within their organisations to measure transaction costs. One member of the national lead funder team said they:

doubt[ed] it could be done definitively. Perception is nine-tenths. If people perceive there has been a reduction and/or the process is better, then that's great.

¹¹ Practical Ways of Improving Government Funding and Services Purchasing from Community Organisations, Draft Report to Hon Dr Nick Smith, Associate Minister of Social Services, 15 December 1998.

¹² This includes both the local funding agencies and the service provider.

Compliance costs

As mentioned earlier in the report, the service provider's main response to discussing compliance costs was that it is a "red herring". Their experience was that compliance costs had not been reduced by the lead funder process:

There had been huge costs in setting up the contract. The Trust is lucky to have a lawyer on the board – her time is voluntary.

The local funding agencies' views on whether compliance costs had been reduced ranged from "no knowledge of this, can't answer – talk to the Trust" to an expectation that they would have been substantial as this was:

the first time. [However there would be] some difference [or] they would reduce in the future with only one, not four contracts to report on.

It was noted that the contracts and subsequent reports for the Ministry of Education and Maori Health were still separate.

In relation to the discussion about compliance costs, one interviewee said that a number of government agencies regarded compliance as a cost to the service provider, whereas others included compliance costs in their funding. The interviewee also said that if funding were to cover compliance costs, this would then no longer be an issue, but recognised that this raised the issue of whether government funding policy was programme- or organisation-based.

The service provider noted that often government funding does not reflect the "true [i.e. full] cost" associated with providing a service.

Transaction costs

Several of the local funding agency participants believed that the transaction costs for the lead funder would have increased as a result of this process. Some participants also noted that the amount of time involved in meeting with the other funders had increased during the setting up of the lead funder contract.

The Personal Health interviewee (who was responsible for managing the Health Funding Authority contract with the Trust and is still responsible for the Health Funding Authority's proportion of the lead funder contract) noted that once the lead funder contract had been signed, approximately 50% of her time had been saved through less direct contact with the service provider as this role was picked up by the lead funder.

The lead funder's time and involvement has increased significantly as a result of becoming the lead agent. Prior to this, the lead funder had had limited contact with the Trust as Child, Youth and Family's policy is to have no face-to-face monitoring with providers for contracts under \$100,000.

9.4 Description of compliance costs

Compliance costs for the service provider were variously identified by the evaluation participants as including:

Pre-funding

- liaison with funding agencies
- preparing funding proposals
- legal representatives' time associated with contract negotiations.

[and pre-funding processes by the number of contracts]

Ongoing

- time spent managing the different components of each child's needs via the separate funding streams
- operating a database/information systems and collating the information needed to meet reporting requirements and official information requests
- training and supervision of staff
- quality mechanisms (e.g. regular audits and reviews of operational policies and procedures). This could include feedback from young people, families and referring agencies.

Post-funding

- preparation of regular monitoring information and/or written reports
- action required in response to identified difficulties from the reports
- arrangements for site visits.

[and post-funding processes by the number of contracts]

9.5 Description of transaction costs

Transaction costs for funding agencies involved in the lead funder process were identified as including:

Pre-funding

- liaison and meetings between funding agencies
- time needed to decide on lead funder and funding processes
- establishing the form of contract to use.

Post-funding [for lead funder]

- receiving and distributing regular reports
- meeting other funders to discuss and follow up on any action required
- arrangements and carrying out site visit.

10. Influences and improvements

10.1 Introduction

This section presents a summary of the factors that influenced the lead funder pilot, and notes participants' views on whether they would do it again and their suggestions for improvements.

10.2 Factors affecting the lead funder process

The points listed below are the local participants' perceptions and experiences of the factors that influenced the lead funder pilot.

Table 10.1 Influencing factors

Motivation and attitudes
<ul style="list-style-type: none">• The pilot was a locally driven process, with each of the participating agencies (including the Trust) being involved because they chose to be.• Different expectations and rationale were expressed by both government agencies and the Trust for participating in the lead funder process – each experienced different levels of satisfaction with the result.• There was frustration with the Ministry of Education appearing to be “in and out” of the lead funder process and continuing to contract separately with the Trust.• The Trust experienced the pilot as an opportunity to trial a new approach to contracting for services and gain a longer-term contract.

Skills and relationships

- The local funding agencies' confidence in working with the Trust and perceived:
 - good management
 - effective service provision
 - understanding of government issues.
- Participants' ongoing involvement, face-to-face contact, trust and cooperation with each other.
- The two key workers' (the Health Funding Authority and Child, Youth and Family) facilitative styles and skills:
 - business skills
 - strong leadership
 - clear roles
 - regular, clear communication via meetings and e-mail.
- Existing commitment and positive working relationships between the local funding agencies and the Trust at the start of the lead funder process.
- The Trust's experience of not being treated as an equal partner in the lead funder process – not as involved as they wanted to be in developing and shaping the new contract process.

Communication

- Quality of key workers' ongoing communication with funding agencies and the Trust.
- Value of inter-agency discussion throughout the lead funder process, including the development of the communication strategy.

Standard documentation

- Lack of standard documentation available for the lead funder process. In the absence of a template contract, the funding agencies pooled their respective contract formats and service specifications to develop an agreed joint contract – a process that took a lot of time (particularly for the lead funder) and many drafts.
- The Trust's experience of the contract as a “cobbled together” document with bits from each funding agency and no clear ownership of different parts. This resulted in their legal representative following up numerous queries directly with national office legal staff in Wellington.

Funding negotiations

- Funding agencies generally believed non-negotiability of funding levels within the lead funder process was positive and simplified the process.
- The Trust experienced the non-negotiability of funding as missing an opportunity to address service provision and gaps in an integrated way through open inter-agency discussion.

Contract process

- The importance of the principles stated at the front of the document, which for the Trust captured the concept of integrated service provision, reflected its philosophy and, in its view, “carried the rest of the contract”.
- Establishment of a longer-term, secure contract between a community-based service provider and government funding agencies.

Reporting

- Lead funder contract inclusion of outcomes reporting regarded as a step forward:
 - beginning to reflect an integrated approach to service provision
 - potential for recognising greater (holistic) outcomes for young people
 - the Trust not having to identify service results (outcomes) to the same extent as before when only reporting on outputs
 - raised difficult (unresolved) accountability issues for some funding agencies, but the process of discussing them enabled agencies to learn more about each other’s policies and operations.
- The local funding agencies’ accountability requirements determined the contract reporting requirements:
 - focus on outputs remained paramount for some funding agencies
 - there appeared to be no scope for reporting to fully embrace integrated service outcomes.
- From the Trust’s point of view, the lead funder contract did not achieve the reduction and integration of reporting that it expected:
 - it continued to have separate contracts with Maori Health and the Ministry of Education for the truancy service.
- Reporting measurable outcomes to meet the different accountability requirements of each funder agency remained a challenge for the lead funder process.

Organisational culture and issues

- Restructuring within several of the funding agencies (the Health Funding Authority, Child, Youth and Family, and the Police) affected the nature of individual participation, the decision as to who would be the lead funder, and the participation of one funding agency in the lead funder process.
- There was a mismatch between government policy and implementation at local level:
 - the Trust believed its integrated service reflects government policy objectives but that government agency reporting requirements do not.

Some factors which some participants regarded as positive, were experienced by others as difficult. The differences were generally between the local funding agencies and the service provider.

The funding agencies were largely task-focused on developing and implementing the lead funder process and contract, and developing working relationships with each other.

On the other hand, the Trust was focused on achieving a fundamental philosophical shift in the contracting process with government agencies. This shift would be from the “silo mentality” of separate funding agencies to a more holistic view of clients and formal recognition (across funding agencies) of the value of an integrated service delivery to their clients.

The critical factors that positively affected the process and helped offset such fundamental differences included:

- all participants being involved because they chose to be
- key participants’ skills
- effective communication
- strength of relationships between participants
- co-operation and goodwill.

10.3 Future interest

The participants were very clear that they would participate again in a lead funder approach. Most were very enthusiastic and had some suggestions on how to improve the process.

The Trust also remained committed to the lead funder concept and believed, although this process has not worked in the way they hoped, it was definitely “the first step”.

The Ministry of Education personnel said they would require different circumstances in order to participate in a lead funder contract including a better “fit” with the truancy programme and more time for consultation with schools. They expressed interest in considering future participation.

10.4 Suggested improvements

The improvements considered necessary by local lead funder participants ranged from fundamentally redesigning the lead funder approach through to developing specific tools to help with the process.

Several funding agencies also commented that they would prefer to answer the question about suggested improvements once the local lead funder group had met again and had been able to review and discuss the process. They were next scheduled to meet to discuss the six-month report from the Trust.

Table 10.2 Participants’ suggestions for improvements

Participants’ suggestions	Funding agencies	Service provider
Have national commitment and support for the lead funder initiative within each government agency to ensure policy and operational issues can be addressed as appropriate.	✓	✓
“The lead funder process needed to be a very specific process, starting from a place where there is a reason to pull together. To start from the community where there is an opportunity to work across sectors in response to an incident or a ‘serious need’ to come together. It is important that the community is the driver, not the opportunity for multiple funding.”	✓	✓
Begin the process with a “blank piece of paper”, identify needs and discuss, negotiate and develop the lead funder process and contract “from the ground up”, and include people with authority to negotiate and make decisions.		✓
Participating agencies need to have a philosophical and practical understanding of integrated service delivery and belief that co-funding could more effectively support it.		✓
Develop guidelines on how to do the lead funder process to save the local lead funder group having to develop the process themselves as well as do it.	✓	

Create an inter-agency purchase contract that stipulates the non-negotiable requirements, with input from key people (including government and service provider personnel) to ensure it works and will meet each agency's requirements.	✓	
Develop generic service specifications that could be modified to cover different groups of young people.	✓	
Develop indicator measurements for reporting on outcomes – involving funding agencies and service providers.	✓	✓
Design and set up the evaluation framework before starting the pilot to ensure all the necessary information is collected and available.	✓	

11. Key findings

This section presents the key findings of the evaluation of the lead funder pilot.

The report has:

- briefly backgrounded the lead funder pilot, outlined the lead funder concept, and provided a context for the pilot
- described those involved
- described an integrated service approach and difference compared with a programme-based approach
- outlined participants' interest in and expectations of the lead funder process
- outlined the national involvement with the lead funder pilot
- described what actually happened at the local level and the participants' perceptions and expectations and the issues that arose for them
- described perceived compliance and transaction costs and impact of the pilot on these
- outlined influencing factors.

Participants' general response to the lead funder pilot was positive and all would participate again in the future. The funding agency participants benefited from the process of developing relationships with each other and learning more about their respective policies and operations. The Trust regarded the pilot as a positive step toward establishing longer-term inter-agency contracts and gaining recognition of the value of an integrated approach to service delivery.

However, this evaluation has highlighted some fundamental differences between the funding agencies' and service provider's perspective. These have implications for further lead funder approaches. The following quote by one funding agency participant captures the nature of the differences:

We're just not on the same wave length about what we mean by certain things.

From the Trust's perspective, the lead funder approach did not address the philosophical shift that needs to happen within government agencies' purchasing processes to better reflect an integrated approach to service delivery and more effectively implement government's and their social policy objectives. They identified that such a shift would need to include:

- more inter-agency collaboration and co-operation nationally and locally
- a common understanding of what an integrated service looks like and how it operates i.e. putting the young person and his/her needs in the centre of any service intervention, which is based on relationships and connectedness

- understanding the practical implications for inter-agency funding, resourcing and monitoring of services
- different accountability requirements, including a move away from output reporting toward establishing service goals with measurable outcomes that reflect both national policy and local community goals
- establishing stable roles and relationships (i.e. the same people) within each of the participating agencies (i.e. need to lessen government restructuring) to support consistency of inter-agency (government and non-government) relationships
- inter-agency commitment at national and local levels to move away from the silo mentality of service delivery.

The funding agencies had a variety of perspectives. Some did not fully see the value of an integrated service approach and struggled to reconcile this with their agency accountability requirements. Some were satisfied that the process they developed as an inter-agency group was ground-breaking in its own right. Most also saw it as a good beginning for further development.

In summary, the findings of the evaluation are:

- the key drivers for the government and service provider participation were different:
 - the government was focused on reducing compliance costs for service providers (efficiency rationale)
 - the service provider was focused on improving their capacity to provide an integrated service in order to achieve better outcomes for young people (service delivery rationale). The Trust believed an integrated funding approach across government agencies would help achieve this and better reflect government policy objectives
- there were significant differences in expectations and experiences of the lead funder process between the local funding agencies and service provider:
 - both the local funding agencies and the service provider expected the process to be one of partnership and would evolve according to local needs. However, this was not the Trust's experience
 - the contract developmental work occurred largely between the local funding agencies and not with the Trust, which was more involved in the latter stages. The lead funder saw this as appropriate – not involving the Trust unnecessarily in the time-consuming cut and paste exercise of putting the early drafts of the lead funder contract together. The Trust would have preferred to be involved in the whole process, although not as a cut and paste exercise

- the Trust expected the contract service specifications and reporting requirements would be a new document and reflect an integrated service approach. This development was constrained by the funding agencies' existing accountability requirements. While the contract is essentially a compilation of the different agencies' needs, the reporting requirements included outcomes as well as outputs
 - local funding agencies stipulated that the lead funder process would not involve any funding negotiation – they would work on the basis of existing contracts. The Trust believed that, to be responsive to identified service needs and gaps, funding negotiation should have been part of the lead funder process
- the strength of existing relationships, respect and goodwill between local funding agencies and the Trust helped them work with these differences
 - most participants saw the lead funder pilot as a positive start for further development and were very clear that they would participate again in a lead funder approach
 - some of the local funding agencies estimated an increase in transaction costs in terms of time spent meeting with each other. The representative of the lead funder in particular experienced a huge increase in her time and involvement. All experienced and valued the improvement in inter-agency relationships and understanding as a result of the lead funder process
 - compliance costs for the service provider do not appear to have decreased. This is likely to reflect the newness of the process and the fact that two government agencies decided not to be part of the lead funder contract and continued to contract separately with the Trust
 - there were a number of policy issues that need to be addressed including:
 - whether the lead funder concept can in itself enable government agencies to purchase an integrated service, or whether there are more fundamental issues that need to be addressed to achieve this
 - whether the process is able to be a bottom-up process, i.e. that it would start with identifying the needs of the target group and have the contract, service specifications and reporting requirements developed in response to these
 - whether, where there are existing contracts, the process could or should involve funding negotiation and what parameters would be appropriate
 - addressing agencies' current accountability requirements to enable a shift from output to outcome-based reporting to better reflect both the provision of integrated services and the intention of government policy objectives.

Appendices

Appendix 1: Interview guides

**Evaluation of the Lead Funder Pilot
Interview Guides**

Interviewee: _____

Funding agency details

Name of organisation: _____

Number of staff involved with trial of the lead funder prototype: _____

Otago Youth Wellness Trust programmes currently funded and funded over the last two years:

Programme	Year funded	Amount	Proportion of total required

Evaluation of the Lead Funder Pilot Interview Guide

Interviewee: _____

Service provider details

Name of organisation: _____

Type of organisation: _____

Purpose:

Number of paid staff: full time _____ part time _____

Number of volunteers: _____

Services/programmes provided	Client group(s)	Location of service delivery

Range of programmes funded over the last two years:

Programme	Funding agency	Proportion of total funding required

Interviewees	Questions
A. Preparedness, interest and hopes	
Funding Agencies ✓ Service Provider ✓ Education ✓	1. What information did you have regarding the lead funder process before this actual trial began? 2. What did you think would be involved? 3. What persuaded you/your organisation to participate? 4. What did you hope to achieve from this process?
B. Education's withdrawal	
Funding Agencies ✗ Service Provider ✗ Education ✓	5. (a) When did your organisation withdraw from the lead funder process? (b) Why – what contributed to your withdrawal? 6. (a) Would your organisation consider participating in a future lead funder process? (b) Under what circumstances would you participate in the future?
C. Description of process	
Funding Agencies ✓ Service Provider ✓ Education ?	7. Please describe the lead funder process from the beginning of this trial. Prompts: <ul style="list-style-type: none"> – what happened first? – who/what initiated this? – then what happened? – how did this/that work?

	<p>8. Protocol and 9. Memorandum of Understanding</p> <ul style="list-style-type: none"> (i) Describe how this was developed. (ii) How was it used? (iii) Were there any difficulties <ul style="list-style-type: none"> - what were they? - how were they resolved? (iv) How useful was it?
<p>C. Description of process continued ...</p>	
<p>Funding Agencies ✓ Service Provider ✓ Education ?</p>	<p>10. Contract negotiation</p> <ul style="list-style-type: none"> (i) Describe what happened. (ii) What was your role? (iii) What roles did others play? (iv) How clear were these roles in practice? (v) Were there any issues for your organisation in entering into the negotiation process? (vi) What helped the contract negotiation to proceed? (vii) How satisfied were you with the final contract? <p>11. Service specifications including reporting</p> <ul style="list-style-type: none"> (i) [FA] What types of service specifications did your organisation require? [SP] What types of service specifications did each funding agency require? What specifications were there for reporting? (ii) How detailed were the service specifications of each funding agency?

	<p>(iii) How satisfied were you with the level of detail?</p> <p>(iv) How was agreement reached?</p> <p>(v) Were there any difficulties in reaching agreement? If yes - what were they? - how were they resolved?</p> <p>(vi) Were there any unresolved difficulties? If yes - what happened with these?</p> <p>12. Documentation</p> <p>(i) What documentation guides (if any) were provided at the beginning?</p> <p>(ii) How useful were they?</p> <p>(iii) How (if at all) were they modified? And why?</p> <p>(v) In the future, would you find it useful to work with template documents? If yes - what would you find useful?</p>
B. Education's withdrawal	
<p>Funding Agencies ✓</p> <p>Service Provider ✓</p> <p>Education ✗</p>	<p>13. How did Education's pulling out of the process affect you/your organisation?</p>
D. Influencing factors	
<p>Funding Agencies ✓</p> <p>Service Provider ✓</p> <p>Education ?</p>	<p>14. What factors influenced the lead funder process? Prompt: - What worked well and what didn't?</p> <p>Specifically:</p> <p>(i) Organisational factors</p> <p>(ii) Attitudes (personal and organisational)</p> <p>(iii) Roles and skills of participants</p> <p>(iv) Communication</p>

	<p>(v) Standard documentation</p> <p>15. Were there any other barriers and/or positive factors?</p>
E. Compliance costs	
<p>Funding Agencies ✓ Service Provider ✓ Education ✗</p>	<p>16. What are the components of compliance costs for your organisation? (e.g. meetings, reporting)</p> <p>17. What is your estimate of the actual costs and what would you take into account in your estimates?</p> <p>18. What difference did the lead funder process make to these costs? [FA] What difference do you think the lead funder process made to the provider's compliance costs?</p> <p>19. Would you anticipate a reduction/further reduction in the future? If yes, on what basis?</p>
F. Transaction costs	
<p>Funding Agencies ✓ Service Provider ✗ Education ?</p>	<p>20. What are the components of transaction costs for your organisation?</p> <p>21. What is your estimate of the actual costs and what would you take into account in your estimates?</p> <p>22. What difference did the lead funder process make to these costs?</p> <p>23. Would you anticipate a reduction/further</p>

	reduction in the future? If yes, - on what basis?
G. Impact and improvements	
Funding Agencies ✓ Service Provider ✓ Education ?	24. (a) How well did the lead funder process work for your organisation? (b) On what basis do you make this judgment? (c) Did it achieve what you hoped? (d) What difference has this process made to your organisation? (e.g. staff changes) 25. Did it have any impact on the achievement of the programme outcomes? If so, what? [FA] What changes (if any) has it made to provider reporting? 26. (a) What could be improved in the lead funder process? (b) Of these improvements what do you think are the most important? 27. Would you go through the lead funder process again? If so, under what circumstances?
Other comments	

Appendix 2: Lead funder contract principles and service specifications

The following extracts from the LF contract are included to illustrate the nature of the principles referred to by the Otago Youth Wellness Trust (in the contract contained in schedule 1 – relationship principles; and in schedule 2 – service description) and the more detailed service specifications.

SCHEDULE 1: RELATIONSHIPS

1.0 RELATIONSHIP PRINCIPLES

1.1 Both of us acknowledge that our relationship is fundamental in achieving both of our respective objectives in entering into this **agreement**. **Both of us** acknowledge that collaboration will be required to ensure the successful delivery of the **services**.

1.1.2 Both of us recognise that providing **services** involves novel approaches, and that modifications and adjustments may be necessary as the **services** develop.

1.2 To this end, **both of us** have agreed that the following relationship principles will guide **both of us** in our dealings with each other in the operation of this **agreement**.

1.2.1 Acting honestly in good faith;

1.2.2 Communicating openly and in a timely manner;

1.2.3 Supporting the parties' respective obligations to achieve the objectives of the services;

1.2.4 Working in a co-operative and constructive manner;

1.2.5 Recognising the other's responsibilities to it's [sic] clients and stakeholders;

1.2.6 Encouraging quality and innovation to achieve positive outcomes for clients of the services.

SCHEDULE 2: SERVICE DESCRIPTION

1.0 DURATION OF THE SERVICES

The services delivered under this contract will operate for three years commencing on 1 January 2000 and terminating on 31 December 2002.

2.0 PHILOSOPHY

In purchasing this service **we** wish to provide access to a range of primary services for young people who are less likely to access mainstream services. The service goals are to provide a positive experience of health and welfare care in a culturally safe, youth focused environment, which facilitates health promotion, safety of young people and early intervention.

We accept that children and young people are an integral part of families/whanau and their issues cannot be considered in isolation.

Our purchase of this initiative is consistent with the Crown's partnership responsibilities to tangata whenua o Aotearoa, recognising the Ngai Tahu iwi as mana whenua. **Our** goal is to improve access to a range of services to the target population.

The **co-funders** and the **providers** wish to contribute to the achievement of successful joint outcomes as a consequence of a collaborative funding.

SERVICE SPECIFICATIONS

5.0 KEY SERVICE COMPONENTS

The services **you** provide will include:

5.1 General Welfare Components:

- a) Individual mentoring and self-esteem programmes outside school hours.
- b) In depth support for families/whanau of young people in the service, especially those with inter-generational dependency.

5.2 Health Components

5.2.1 General

You will work with appropriate community agencies and services in particular the Maori Community Youth Worker, Project Leader and Lead Mentor to:

- a) Identify need;
- b) Establish pathways to minimise barriers to health;
- c) Provide access to health services;
- d) Plan and implement workshops and courses;
- e) Provide home based contact;
- f) Provide outreach services;
- g) Develop tuakana and whanau support;
- h) Visit individuals, and families/whanau, to identify specific health needs, provide information and help them get the treatment they need;
- i) Develop and implement health care plans for individuals;
- j) Provide health information services in community and clinical settings, including co-ordinating and providing health information regarding aspects of primary care, e.g. maternity, well child, respiratory health, sexual health, diet and diabetes in co-operation with any other relevant health professionals;
- k) Provide advocacy and support, in order to increase clinical appropriateness and client understanding of diagnosis, treatment and compliance requirements;
- l) Develop a community profile within the Maori community;
- m) Develop relationships with community organisations in the Maori community;
- n) Identify key people in health services working with Maori youth and develop relationships to make referrals easier and create a safe environment for treatment of illness;
- o) Identify those with unmet health needs;
- p) Develop good relationships with general practice service providers;
- q) Link clients to a general practice service wherever possible. Assist both the general practice service and the client including their family/whanau in overcoming barriers to attendance at a general practice service;
- r) Actively work to make your service attractive and to reduce any barriers to access, such as lack of information or cultural differences;
- s) Keep appropriate clinical records including collection of National Health Index (NHI);
- t) Provide support to access other resources and services as required, and to ensure that referrals are carried through.

5.2.2 Mental Health

You will provide:

- a) mental health education, promotion and early intervention through a range of education, liaison and consultative programmes for individuals and groups;

this includes the provision of information to the general public and to other community agencies;

- b) comprehensive assessment, management and short-term therapy with regular reviews of clients with mental health needs;
- c) appropriate referral of those with chronic or severe mental health problems to specialist child and youth mental health services for psychiatric assessment and treatment.

5.2.3. Sexual Health

Contraceptive advice will be provided by appropriately qualified family planning practitioners. Prescribing and dispensing of contraceptives will occur with an overseeing medical practitioner. This will include:

- a) advice and information on contraceptive options;
- b) advice on sexual wellbeing;
- c) prescribing and dispensing contraceptives;
- d) laboratory tests ordered, as appropriate;
- e) prescribing and supplying condoms;
- f) pregnancy tests;
- g) screening for sexually transmitted diseases and referral for treatment with follow up, including contact tracing;
- h) HIV/AIDS pre-test counselling and testing, or referral for these services, and referral for treatment as necessary;
- i) Provision of services in schools which choose to make these services available to their students.

5.3 Youth Justice Components

Liaison with Police Youth Aid, Court Support, Legal Rights and Victim Support Groups.

5.4 General

You will provide services at times when young people and their family/whanau are able to access them.

You need not provide after hours emergency services but will ensure that clients know how to access emergency services if required.

It is important that you understand the statutory requirements of other agencies and comply with them, (e.g. Education Act 1989, Children, Young Persons and Their Families Act 1989).

The service will also address issues such as:

- a) mental health issues, including drug and alcohol use; grief and loss; suicide ideation; anxiety; eating disorders; body image;
- b) personal health issues, including sexuality and sexual health;
- c) Social issues, including anger; family issues; relationship difficulties; social isolation; abuse; access to education; criminal offending.

“S”

- 16 years old
- Male
- NZ Maori

- School Exclusion
- Substance Abuse
- Social Functioning
- Behavioural
- Criminality

Assessment (S)

- Family environment supportive (strong whanau connection)
- Strong anti-social peer relationships and associated regular cannabis use
- Failing at school (severe truancy, failing academically, involved in bullying at school)
- Suspended from one mainstream school, unsuccessful in establishing schooling in the North Island, enrolled in private alternative school and subsequently expelled

Treatment (S)

- Successfully linked him with kaumatua
- Brokered another alternative education programme
- Negotiated with mainstream school for S to complete two mainstream subjects (English and Biology)
- Worked with family to support S in his education
- Ongoing supervision to ensure school attendance
- Intensive intervention over 6 months

Outcome (S)

- Exited end of last year
- Successfully completed school year
- Awarded tourism scholarship
- Now successfully studying tourism course in Christchurch
- No record of further criminality
- Connectedness to family learning

15 Year Old Male – School referral

Presenting issues

(Referral form and backgrounding)

Long-term absenteeism, school phobia, low self-esteem, anxiety

Other circumstances: Lived with mother and sister
Mum on DPB, estranged from father – a lot of grief within the family surrounding this

Disadvantages identified: Chronic truancy, mental health, ineffective parenting, educational deficits, employability deficits, poverty, anti-social behaviour

From the Young Person's Questionnaire:

- A self-destructive identity and tendency to delinquency showed quite highly as a problem.

Timeline of client's progress from referral point:

June 1998

- Client asked to leave King's High School because of incident involving the use of marijuana.
- Otago Youth Wellness Centre referred client to Youth Specialty Services: client being seen once a week for therapy. Issues covered included anger management, revenge tendencies, client's isolationist behaviour, excessive drinking, desire to physically harm his mother.
- Client enrolled in a course at the Dunedin Academy.
- Otago Youth Wellness Centre endeavoured to foster interest in mountain biking.

October 1998

- Client attempts suicide: Emergency Psychiatric Services, Youth Specialty Services, and Otago Youth Wellness Centre intervene.
- Client refuses to continue with course.
- Otago Youth Wellness Centre facilitates/supports enrolment into Correspondence School. It is decided client will complete some of this work at the Learning Centre at the Otago Youth Wellness Centre.

October 1998 – February 1999

- Case conferencing monthly with Otago Youth Wellness Centre, Youth Specialty Services and mother. At critical times this happened more regularly.

February 1999

- Moved to live with father suddenly. Had absolutely no contact with his mother. Otago Youth Wellness Centre supported all members of the family at this time.
- Correspondence School work took three months to be processed then took a lot of persistence for client to become engaged with his school work.
- Client started coming into the Centre two days a week to do his school work.

April 1999

- Client started coming into the Centre more often. Would only come when other young people were not present.

April 1999 – June 1999

- Would come more often when young people were present than not.

July 1999

- Client enrolls at King Edward International High School and is wanting to do schooling with his peers now.

Client currently ranks his wellbeing as 10/10. Otago Youth Wellness Centre and Youth Specialty Services still work with this client but more in a maintenance capacity.