6. Experiences to date and ways forward

While there are many bilateral and multiparty agreements in existence between a range of agencies, generally speaking, agreements which are truly partnering based are still relatively rare. This reflects the fact that partnering is still very much in its infancy in New Zealand.

What follows are some reflections on current issues facing those undertaking multiparty partnering agreements. They will all need to be addressed if outcomes from partnering are to be fully realised.

6.1 Effective relationships - a critical deliverable

Year one of most new partnering arrangements is about relationship building and developing the foundations to support the partners to achieve their visions and goals. Participating partners and particularly funding agencies, need to realise that time is needed to develop a common language, create joint understandings and identify synergies and opportunities. This is especially important where new ground is being broken, such as building social goals into environmental agencies or vice versa. That's not to say that practical projects, outputs and outcomes cannot be achieved in the first year. Demonstrating success is important and getting some smaller "go now" projects happening can be vital. However, these kinds of visible and tangible project type outputs should only be seen as part of the work programme and not the sole basis on which success and achievement is judged.

Into the future: goals should be built into partnering agreements that are about purposeful or meaningful relationships with sufficient time being allocated and funded to allow this to happen.

In the early stages a significant investment in relationship building is required. This generally comes in the form of staff time (ie. agency representatives sitting at the partnering table) and, where appropriate, a partnership coordinator or project manager whose role also extends to building and or brokering relationships outside of the immediate partners. In subsequent years time for relationship maintenance and development should also be programmed and funded.

6.2 Silo accountabilities at the expense of joined up outcomes

The Public Sector Finance Act has been frequently cited as the main reason why central government agencies cannot join up. Over-riding accountabilities back to individual Ministers are usually cited as the reason[16]. But joining up between agencies, sectors and across localities can and is happening.

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[16] Treasury's *Guidelines for Contracting with NGOs* identifies 'best practice' and dispels many myths about what is possible under the Act.

A key issue is that of consistency. There are a variety of different approaches to joining up across and within departments, sectors and levels of government. Some of the opportunities for improved practice include:

- the development of a framework of cross-departmental outcomes to stimulate, prioritise and guide interagency partnering

- the potential to develop explicit expectations around interagency effectiveness within Performance Agreements for government agency leaders

- the need to explore more consistency around decision-making and resource allocation capacity at the levels most appropriate for acting on Community Outcomes

- the opportunity to explore more consistent approaches towards funding for collaboration around outcomes, rather than narrow and specific project based outputs, as indicated by the State Services Commissions work around "Managing for Outcomes." There is still some variability among government agencies, and continuing education and support to the public service to embrace and innovate around "Managing for Outcomes" will be important.

Treasury and the State Services Commission (SSC) are clear that outcomes as well as outputs are important and Cabinet also intends that central agencies play a pivotal role in collaboration and co-ordination between government agencies. Where there is clear partnering intent and shared visions/outcomes are being worked to, negotiated relationship documentation, contracting, compliance and auditing processes should be accepted as the rule rather than the exception.

Into the future: to assist departments in working across silos, cross-departmental outcomes need to be identified and clearly articulated by Chief Executives. It's also important that the expected operational impacts of cross-departmental outcomes are documented so that "joining" doesn't end at the outcomes eg. show how outcomes will translate into joint action and work programmes and how performance will be managed.

Considerable time and effort should also be invested in workforce development so that the capability of organisations to work in interagency ways is better supported. More meaningful integration among agencies working at the local level will require:

- a greater understanding of what partnering means and how core business processes may need to be done differently

- greater support within agencies to assist those working in local partnering processes, eg:
  - assigning partnering brokers within each agency who can be called on to advise and assist those involved in partnering at local levels, especially to those who have never worked in partnering situations before
  - assigning cross government partnering brokers who can actively work across agencies to facilitate participation or, conversely, represent a number of agencies at locally or regionally based partnering tables. This may be an extension of the current role of the Department of Internal Affairs Local/Central Interface team or it could be an entirely new role
  - proactively developing and mainstreaming interagency best practice in partnering as it emerges eg. promoting terminology, standards, and processes that are acceptable across government agencies
  - developing cross sector training programmes that share and promote best national and international practice in interagency partnering.

- backing up imperatives to work in a partnering way which are now in many job descriptions with incentives to encourage better performance and results, for example:

- including relationship outcomes and outputs in staff performance management systems
- evaluating effectiveness of staff partnering performance, and identifying barriers or blockages to partnering that management will commit to addressing and reporting back on
- use of third party feedback in staff performance reviews
- rewards for those leading by example.

6.3 Over emphasis on risk management and centralised compliance

Risk management is a critical aspect of government activity at both central and local government levels. However partnering, which is by nature more risky, means that traditional risk elimination approaches may need to be reviewed. With partnering being relatively new effective systems, processes and mechanisms to monitor performance and evaluate success are still being developed. What is clear is that traditional, very top down, very risk averse compliance systems are inappropriate for partnering processes.

Local partnering arrangements are rarely one size fits all models, with local/regional context, history and outcomes needing to be key drivers of the arrangements that evolve. Despite this, many contracting regimes, within both central and local government, are slow to recognise new collaborative ways of working and adjust their systems and processes to accept innovation and experimentation at the local level. Personnel involved at all levels need to be appropriately supported and re-trained if necessary.

For partnering to work, balance between risk minimisation and flexibility is needed. This needs to be better recognised at both management **and** political levels.

Into the future: funding community wellbeing outcomes and having many agencies working together should be seen as a positive for risk management at the local level. In effect, there are many eyes overseeing whether or not funding is being effectively utilised, along with a more informed understanding of how various outputs and funding streams are working together to achieve local outcomes. In addition, within partnering processes, success or failure is more complicated than whether or not outputs have been met within stated timeframes. There may be good, mutually agreed reasons, why the "what" and "when" are changed along the way. What is important is having any changes well documented, and the audit trail complete.

6.4 Decentralisation tensions

To some degree, the levels of discretionary authority required to support partnering have not yet settled in the right places. It seems the higher up that things are centralised, the more risk averse, or legally prescriptive, contract based projects seem to be, the original relational or collaborative basis for working often seem to get lost on the way.

Authorisers of partnering arrangements and those who implement them are not always the same people. Sometimes, if individuals haven't been involved with in- putting to the partnering agreement directly, they may be less willing to subscribe to its principles or to understand the implications of what it means for the way the agreement is managed, implemented and monitored.

Into the future: greater attention needs to be paid to internal agency communication channels, processes and feedback loops to ensure a greater alignment of partnering expectations and activity within each agency.

6.5 Tension between collaboration and competitive tendering

Many central government agencies are actively encouraging provider groups to work together to achieve new or different combinations of services. In many cases the process of competitively tendering contracts[17] may not be the best way of achieving desired results. The fact that competitive tendering processes are frequently characterised by short and often inflexible timeframes is problematic as it makes it extremely difficult for organisations to come together and develop successful integrated service proposals. Also, when one tender is chosen over another, the results can have adverse consequences at the local level in terms of lost productivity and enthusiasm for collaboration within the sector.

There are also examples that can be cited at a local government level. Council procurement guidelines generally require an open tender process above a few thousand dollars of expenditure. However, when working on a locality basis and looking for new community based organisations or groups of organisations to take on project work or contracts, there is sometimes the need to build relationships and support these organisations (eg. with health and safety knowledge, business planning or better governance structures etc) before they are in the position to take on a council contract[18]. This can get tricky when the proposal they have been helped with to prepare has to then be put through a public tendering process. This in essence undervalues the relationship you have built and can impede the trust that is growing between you. Needless to say, it will likely be a "relationship killer" if the organisation is not successful in the tendering process.

Into the future: If it is believed that a range of service providers working together will likely produce better outcomes than one provider alone, or where no single provider exists who can do the job required, collaborative processes should be proactively developed. However, in these situations, competitive tendering methods should be actively discouraged. Priority should instead be given to identifying agencies that could potentially offer the services or skills required. Funders could then proactively invest in processes which enable these agencies to come together to develop new partnering arrangements or assist in building organisational capability building, if and where required. Through this alternative method processes could also be added to ensure that requirements for best value, public accountability, and confidence in delivery are also met.

Purposeful collaboration capacity building will be essential to increase the range and scope of partnering activity at the local level, especially where over-worked and often very stretched community based organisations are involved.

6.6 Adding communities to the mix

An interagency partnering arrangement, that involves community, will likely require some degree of capacity building or special resourcing to enable effective community participation in the agreement development process and later implementation phase. It should not be assumed that community agencies will automatically have the capacity or resourcing to interact with a new partnership or partnering opportunity or have the same background as government organisations in dealing with a detailed collaborative agreement process. Similarly, more government agencies round the table can sometimes inadvertently result in less time for community agencies and their agendas. Government agencies actively involving communities in shared partnering processes need to be cognisant of these issues and plan accordingly.

Into the future: Ensure that partnering agreements are put together using plain English and that resources to support more equal participation and build capacity are included in overall

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[17] Note: sometimes this is a politically or legislatively dictated process and not in an individual government agency's direct control.
[18] It's often the case that with new community organisations or activities, support and/or capacity building is also required once the contract is in place to ensure longer term viability and success.

budgets[19]. Making extra resources available upfront in the agreement development process can make a significant difference in addressing the natural power "imbalance" that exists between Government and community. It also shows that Government is committed to investing in a long term meaningful relationships and that the contribution of the community sector organisations is truly valued. In practical terms, extra upfront resourcing mean that trust, relationships and partnering processes can build much faster.

6.7 Managing for community outcomes

The recent Ministry of Social Development led "Funding for Outcomes" pilots[20] have resulted in a number of integrated agreements, or clusters of agreements, being developed between a range of government funders and community providers. Tools and templates to guide the development of integrated contracts have been developed as part of the project. Although the formal evaluation of the initiative will not be completed until later this year, early anecdotal learnings suggest it has been a useful process for:

- bringing funders together to better understand the agencies they are funding and how their particular funding streams can work together to better meet the needs of communities, families and individuals

- developing "stripped down" processes for contracting, reporting and compliance ie. agencies having shared, rather than individual, processes for contract preparation and a shared, rather than individual set of performance measures, compliance and audit processes

- negotiating and agreeing on joint outcomes and integration of services to a greater or lesser degree depending on their purpose[21].

This is a significant breakthrough for the state sector. What this process has shown is that, with some hard work and a commitment to doing things differently from all sides, a more coordinated and integrated contract process involving a number of government agencies is achievable.

There is huge potential for this basic principle to be applied not just to broader government funding models and but also to the next phase of local community outcomes processes where joint local action will be required to achieve local community wellbeing goals and visions. Hopefully this concept can be picked up and explored by Ministry of Social Development officials as they consider how the learnings and tool kits that have been developed within the Funding for Outcomes pilots can be more widely applied across sectors and types of interagency working.

Into the future: working towards a particular community outcome can be the catalyst around which various funders could come together and work in partnering ways. Where there is close alignment of government and community outcomes an integrated agreement process, adapted from the Funding for Outcomes pilot projects, could be followed by participating agencies. In this regard, upcoming localised planning and action phases around the country could be a useful vehicle through which best practice principles and processes from the Funding for Outcomes work could be transferred and extended.

There is need for ensuring central government agencies prioritisation and resourcing of specific local outcomes where there is commonality between central government agency key performance indictors and community outcomes. One option could be some proactive and practical thinking, by both central and local government, on how interagency projects stemming from community outcomes could be made more visible, and actively demonstrate local-central partnering approaches eg. new public co-branding of community outcome related projects.

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[19] For helpful advice on working with the community and voluntary sector see www.goodpracticeparticipate.govt.nz
[20] For more detail and local contacts see Ministry of Social Development – Funding for Outcomes on http://www.msd.govt.nz
[21] Within the integrated contract process, each funder retains financial accountability.