



Supporting a strong and vibrant sector

The ultimate goal of Investing in Services for Outcomes is to make sure the social services MSD invests in are making a real and positive difference for people and communities. In an environment of change, the Organisational Capability Framework is one way MSD is supporting community organisations who receive MSD funding to become stronger, more adaptable and more sustainable. It includes three key elements.

Self-assessment tool

MSD's Organisational Capability Self-Assessment Tool identifies good practice elements for 10 organisational capabilities that are characteristic of strong and sustainable organisations. It provides a structured way for organisations to complete an assessment of their current capability.

Capability Investment Resource

The Capability Investment Resource (CIR) is a \$31.65 million resource that will be distributed over four years from 2012/2013.

The focus is initially on organisational capability self-assessment, planning and implementation for MSD-funded organisations. Over time, the focus will shift to supporting innovative ways of working together and collective impact initiatives. This shift recognises that large-scale social development will come from sharing a collective vision and improving cross-sector co-ordination, rather than isolated interventions from individual organisations.

Capability Mentors

The Investing in Services for Outcomes capability mentors are people with skills and experience in supporting and coaching organisations to develop the capabilities characteristic of strong, sustainable organisations. The mentors will work alongside organisations receiving support from the Capability Investment Resource to assess, plan for and strengthen their capability.

Ministry of Social Development
PO Box 1556
Wellington
New Zealand

Phone: +64 916 3300
For more information visit: www.msd.govt.nz/iso
Email the Investing in Services for Outcomes team at: iso@msd.govt.nz



MINISTRY OF SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora



Investing in Services for Outcomes

The Ministry of Social Development wants to make the biggest possible difference in the lives of vulnerable New Zealanders.

We are dedicated to:

- doing things differently
- understanding what our communities need
- ensuring we're investing in services that make the biggest difference
- supporting the social sector to be strong and vibrant.

We'll do this through Investing in Services for Outcomes.



What is Investing in Services for Outcomes?

We all want to make the biggest possible difference in the lives of vulnerable New Zealanders.

Investing in Services for Outcomes is a way of working that supports Ministry of Social Development (MSD) initiatives designed to improve outcomes for children, families, whānau and communities.

Through Investing in Services for Outcomes, we will:

- implement a streamlined and consistent contracting approach that reduces the burden of contract management for community organisations
- encourage innovative ways of working together and collective impact
- develop a transparent MSD investment framework to guide funding decisions across the Ministry
- provide tools and resources that support MSD-funded organisations to become stronger and more adaptable in the current environment.

For people accessing social services, we hope changes made through Investing in Services for Outcomes will improve access to a suite of services that support long-term outcomes.

For MSD-funded organisations Investing in Services for Outcomes will initially reduce the burden of contract management and provide support for remaining strong, vibrant and connected. It will also provide more clarity about what MSD is funding and how it makes funding decisions.

Finally, Investing in Services for Outcomes will see MSD providing the sector with more stability through long-term, outcomes-focused contracts and flexible funding approaches.



Guiding our funding decisions

We are all dedicated to supporting New Zealanders to be safe, strong and independent. We know children, young people, families and whānau must be at the centre of all we do. The development of an MSD-wide Strategic Investment Framework will ensure the services we're funding make the biggest demonstrable difference possible. This is integral to the Investing in Services for Outcomes approach.

MSD's Strategic Investment Framework will support our current priorities, including reducing long-term welfare dependency (Welfare Reform), supporting vulnerable children (Children's Action Plan), boosting skills and employment for young people (Youth Services), and reducing crime committed by children and young people. It will make sure the services and initiatives we fund in these areas are making a real difference for people and communities.

The Strategic Investment Framework will guide funding decisions across MSD's service lines (Work and Income, Family and Community Services, Ministry of Youth Development and Child, Youth and Family) by:

- defining the outcomes MSD wants to see and how the services we fund will help achieve these outcomes
- outlining a robust process for identifying what services communities are currently receiving and what is needed
- identifying funding priorities, including the mix of preventative and intensive services needed by communities
- identifying a reliable and consistent way of showing the positive difference services are making in people's lives.

The Strategic Investment Framework will allow us to gradually move to outcomes-focused contracting. It will provide clarity about the outcomes we are seeking. In turn, MSD-funded organisations will have more flexibility to decide the best way to achieve these outcomes.

Working together

A key part of the Investing in Services for Outcomes approach is improving the way government works with community organisations to make a bigger positive difference for people and communities.

Community-based organisations are often faced with multiple government reporting requirements, processes and systems. This can take you away from supporting vulnerable New Zealanders. MSD has committed to improving the way we work, including introducing a streamlined and consistent whole-of-MSD contracting approach and moving towards long-term, outcomes-focused contracts.

What's involved in the Investing in Services for Outcomes contracting approach?

The Investing in Services for Outcomes contracting approach is centred on strong relationships and the achievement of long-term outcomes. The intention is to reduce the burden of contract management to free up community organisations to focus on achieving outcomes with the people and communities they work alongside.

The approach includes:

- reducing the burden of contract management by offering one cross-MSD contract and one streamlined monitoring and reporting framework (we're calling this 'one and one')
- ensuring we're working in a coordinated way across the MSD service lines, including appointing a Lead Relationship Manager for organisations receiving the largest amounts of MSD funding
- introducing a single, consistent MSD Approvals Framework
- increasing the focus on multi-year, outcomes-focused contracting.

The Investing in Services for Outcomes contracting approach is not intended to be one size fits all. MSD will work with individual providers, or groups of providers, on a case-by-case basis to implement the approach over the next 18 to 24 months (from March 2013). We've started this work, with providers receiving more than \$1 million in MSD funding.