

Funding Reform Update



February 2007

Welcome to the second edition of the Funding Reform Update, keeping you up to date on the progress of DoCS Funding Reform.

Where are we at? The DoCS Funding Policy

Since the release of the DoCS Funding Policy over a year ago there has been much debate about the policy and analysis of its implications for the sector. Much of the debate has been useful in drawing out the practical implications of the policy and has provided the opportunity for DoCS to clarify some early misconceptions about it. It should be now crystal clear that the intention of the policy is not to squeeze out small service providers or to only do business with large organisations!

Recently the debate has become more informed and the sector is beginning to acknowledge the potential of the Funding Policy to improve the service system and outcomes for children, their families and the community. This clears the way for us all to look forward and to do the most we can do for our sector.

In particular, a more in-depth understanding of the underlying framework of the policy, Results Based Accountability (RBA), has redefined the debate.

RBA is an approach that has, at its core, principles of simplicity and common sense and provides us with the common ground from which we can all work.

A key message from Mark Friedman, founder of the Results Accountability Framework, is "helping people get from talk to action". This recent shift in the debate is doing just that. An example of this action can be seen in the work currently being undertaken by NSW Family Services Inc. (FamS) and Local Community Services Association (LCSA) to develop a results accountability map for their service sector.

What is Results Based Accountability?

Government and service providers increasingly need to show that they are achieving results and are accountable for the money that they administer.

RBA is a structured approach to thinking about service delivery, which starts with defining the ends we want (results and indicators) and works backward to the means to get there.

RBA is an approach that can be understood and applied at all levels of the service system, ranging from Government Departments, through to small community based organisations, to demonstrate that we are getting results for the children, families and communities we serve.

The value of this approach to the community services sector is that all service providers, large organisations and small grass roots agencies alike, have a role in determining the means (or service response) to get to the results we want.

RBA is an approach that is being taken up widely by human service agencies in the US and Australia due to its simplicity, effectiveness and the ability to steer away from getting caught up in defining numerous and meaningless performance measures.

"We must insist that programs and agencies identify the three or four most important measures; make sure these measures focus on customer results, not just amount of effort."

- Fiscal Policy Studies Institute.

DoCS is working hard with the sector to make sure that we come up with measures that focus on client results and enable us to demonstrate that we are achieving sound results for the wider community.

Dr Gül Izmir

Deputy Director-General
Service System Development

For further information on Results Based Accountability go to:

www.resultsaccountability.com
www.raguide.org

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Results Based Accountability Pilots

Community based organisations are demonstrating their significant capacity to contribute to and lead the design of service responses. LCSA and FamS, for example, are providing leadership in partnership with DoCS through their embracing of the RBA approach to pilot their own reporting and accountability framework.

These pilots start with planning the results that the sector wants for their clients as a whole, what it would look like if these results were achieved, and the strategies that are required to get there. When the results for the service sector are agreed, the pilot services will undertake their individual service planning based on providing services that support clients to reach these goals. This then becomes the basis for developing performance measures for their service.

The work being undertaken by LCSA and FamS will develop a range of performance measures and results statements that can be used as a basis for other services wanting to develop their own. In time this uptake of RBA will lead to the consolidation of a common approach to reporting and accountability across the community services sector. The widespread use of RBA will ensure that it becomes a solid platform for demonstrating the achievements of the sector, which will be used far beyond the life of the current Funding Policy.

It is DoCS' intention to use the RBA framework in a manner that enables service providers to identify progressive and innovative service responses. DoCS has no interest in prescribing service delivery models to fit within a rigid funded services system. Rather, we wish to engage in a collaborative process of improving service delivery through open and frank discussion and analysis of the implications and practicalities of service delivery for all of us.

One of the major ongoing apprehensions and misperceptions relating to the Funding Policy was that DoCS will be expecting all smaller services to amalgamate with larger charitable organisations. It is time to put this issue to rest once and for all.

It takes an entire service system to provide services to children, families and communities. No one agency can deliver all things to all people. Individual agencies contribute towards achieving population wide results and are responsible for their part of the overall service

delivery system. As a community leader, DoCS has a "responsibility to bring together the necessary partners to make progress at the population level" (Friedman). DoCS has no intention of fostering a service system dominated by large organisations and maintains its commitment to sector diversity.

Making use of the Research to Practice Program

Funding Reform is challenging us all to think about how we identify the results we want for clients, innovative service responses and evidence that particular service responses work. In line with this challenge, the DoCS' Research to Practice Program managed by DoCS Centre for Parenting and Research provides a valuable source of information and ideas for policy makers and practitioners.

A wide range of research papers and practice notes from the Research to Practice Program that are directly relevant to service delivery are currently available on the DoCS website www.community.nsw.gov.au/html/news_publications/research.htm or follow the publications and research links from the "For Our Partners" page on the DoCS website.

The website also features a bi-monthly newsletter *Research to Practice Update*, which highlights research news and links to the latest research.

DoCS Research to Practice Program aims to make research accessible and targeted to the needs of DoCS and funded services. It provides information and advice based on the latest research evidence and best practice for early intervention and prevention, out-of-home care, child protection and parenting.

Many of the research findings can be used when applying a results focus to service descriptions. They are also useful in identifying models of services delivery that have proven benefits for clients.

Research is being more frequently used to inform service design and delivery and to help the sector make decisions that are backed up by the latest evidence and best practice.

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Funding Reform Project updates

Good Practice Guidelines for DoCS Funded Services

Many funded services have already begun to implement the Good Practice Guidelines for DoCS Funded Services. The Good Practice Guidelines have also been attached to the Early Intervention Program Service Specifications.

A comprehensive "How To" manual, (*Good Practice Guidelines for DoCS Funded Services Manual*) is being developed and will soon be released by DoCS, complete with implementation tools and information on how the Guidelines relate to DoCS approach to performance management. The manual will be available on the DoCS website. Service providers will be notified as soon as the manual becomes available.

To find a copy of the Guidelines, visit the For Our Partners pages at DoCS' website
www.community.nsw.gov.au

Performance Based Contracting (PBC)

From October 2006, DoCS has been conducting information sessions for DoCS staff and NGOs on the roll out of Performance Based Contracting. Specific training for DoCS staff commenced in February 2007, to resource staff to work with funded services in their contract negotiations with DoCS. The training has been timed to fit with a number of upcoming events including:

- The OoHC funding round coming up in 2007, which is the next major rollout of DoCS funding. (Some negotiations with services transferring from Header Agreements, however, were carried out in 2006).
- The first round of quarterly service data for the Early Intervention Program (EIP) will be collected at the end of March 2007. Although data analysis will occur at Central Office, PBC training will provide staff with the skills and knowledge to use this data to analyse service performance.
- The roll out of SAAP V and the negotiations of SAAP V Service Specifications will be underway in 2007. PBC training will assist DOCS staff to implement PBC with services, and further build on skills gained through SAAP Performance Monitoring trials in the field.

The PBC training will draw from the experiences of the Early Intervention Program, OOHC High Needs Kids, and SAAP V, to develop skills that can be applied across all DoCS programs.

Directions for the Community Services Grants Program (CSGP)

Work will be undertaken throughout 2007 to define the future directions for the CSGP. A consultant will be engaged to first:

- Identify the objectives of the CSGP and how these align with the Department's core objectives
- Develop options for reconfiguring the CSGP service system to align with DoCS core objectives
- Define the clear benefits and results achieved through CSGP for children, families and the community
- Draft a business case suitable for presentation to NSW Treasury outlining the costs and results to be achieved by the revised CSGP.

DoCS will then work with the consultant's results to further define the CSGP, taking into account the Results Based Accountability approach and future client need and demand.

DoCS Head Office and Regional staff will then be involved in ensuring that the CSGP delivers planned and effective support services to our community.

Frequently Asked Questions

When will the Performance Monitoring Framework be operational?

The DoCS Performance Monitoring Framework (PMF) has been implemented in the Early Intervention Program and High Needs Kids from 1 July 06. Some SAAP services have been implementing the PMF on a trial basis since July 2006, with full implementation due in SAAP from 1 July 07.

It is envisaged that the PMF will be rolled out to other DoCS funding programs progressively through to 2009/2010.

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What are these “outcomes” that DoCS keeps talking about?

The DoCS Corporate Plan 2004/5 – 2008/9 has clearly stated results, or outcomes, DoCS expects each of its funding programs (eg SAAP, CSGP, OoHC) to achieve for children, families and communities.

Funded services are being asked by DoCS to show how the service they provide contributes to achieving these program results. DoCS is encouraging services themselves to identify the service response that will best achieve the results, (also referred to as outcomes), and ensure that the desired service result contributes to achieving the results for the whole program.

This is a shift away from DoCS prescribing the service response, to fostering innovation in the service sector. However, this also presents a challenge to services not used to developing results statements for their service.

DoCS will be assisting services as much as possible to make the shift to a results focus, and accepts that some services will be more skilled than others in relation to this.

The more that we all work at it, the more familiar this will become. The LCSA and FamS Results Based Accountability project, for example, will help the sector to build a bank of results focussed service descriptions. Initiatives such as the DoCS Research to Practice Program also contribute to the bank of information we can draw on when developing our own results focus.

Where can services access resources to improve governance and service delivery?

DoCS is currently developing strategies in consultation with the Human Services CEOs to further support capacity building of NGOs.

The Communitybuilders website provides a discussion forum useful for NGO networking, peer support and information exchange. It provides information about sources of funding from Government agencies and the corporate/philanthropic sectors. The website includes a variety of resources that can be used by community organisations to further develop their business

capacities. The Tips and Tools document developed through the Small Non-government Organisations Working together (SNOW) project, for example, is available on the website.

Visit the website

<http://www.communitybuilders.nsw.gov.au>

This site also includes a link to the Institute of Chartered Accountants website www.icaa.org.au and the Voluntary Treasurer’s Handbook found at: http://www.charteredaccountants.com.au/resource_centre/tools_checklists.

DoCS has commenced a standard Chart of Accounts project for community services NGOs in NSW, based on the work of the Queensland University of Technology (QUT) and Queensland Treasury.

A standard Chart of Accounts provides a common approach to accounting by community organisations, using the same standard terms and categories, e.g. Wages & Salaries, Printing & Stationery, to refer to the same activities. This simplifies the work of community organisations when acquitting government grants.

The Queensland Standard Chart of Accounts was developed by Queensland University of Technology, working jointly with Queensland Treasury and the five largest government funding departments, as well as community peak bodies and a group of finance officers from community organisations. It is now being implemented by Queensland Treasury working with all government departments. For more information visit the Chart of Accounts on the QUT website <http://www.bus.qut.edu.au/research/cpns/whatweresearch/chart.jsp>

Funding Reform Update will be posted out to DoCS funded services and uploaded onto the For Our Partners section of DoCS’ website www.community.nsw.gov.au

If you have any suggestions for areas you would like to see covered in the information sheet or questions about DoCS funding reform, you can email us funding.reform@community.nsw.gov.au