PSA

More Effective Social Services Draft Report

Submission to the Productivity Commission

24 June 2015

For a better working life
New Zealand Public Service Association
Te Pūkenga Here Tikanga Mahi

For information about this submission contact:
Kirsten Windelov or Glenn Barclay
Policy advisors
New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi
E: kirsten.windelov@psa.org.nz or glenn.barclay@psa.org.nz
T: 0508 367 772

More Effective Social Services Draft Report: PSA Submission to the Productivity Commission

PSA submission

Introduction

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 60,000 members. We are a democratic organisation representing members in the public service, the wider state sector (the district health boards, crown research institutes and other crown entities), state owned enterprises, local government, tertiary education institutions and non-governmental organisations working in the health, social services and community sectors.

The PSA supports and endorses the submission on the Draft Report made by the New Zealand Council of Trade Unions Te Kauai Kaimahi.

This submission includes:

- General comments about the Draft Report
- Brief comment on some of the Draft Report's key findings and recommendations; and
- More detailed comment on the recommendations relating to commissioning and client choice and empowerment.

General comments about the Draft Report

The PSA made a substantial submission on the inquiry issues paper. We have found it difficult to frame our response to the Draft Report. The Draft Report brings together useful information about the state of social service commissioning and canvasses many of the enablers and barriers to this being done well, but while better commissioning and contracting arrangements contribute to the larger and more complex challenge of achieving better social services outcomes they are but one enabler of this.

Government has a number of levers it can use to improve social service outcomes. The PSA is concerned by the apparent assumption of the Draft Report that introducing or increasing the prevalence of particular contracting arrangements is what will make the biggest difference for New Zealanders.

Social impact bonds, individualised funding models and ideas about social insurance approaches are interesting to some but by concentrating this narrowly the Commission risks missing the opportunity to recommend changes that could have a more significant and sustained impact.

We recommend that the final report concentrate on areas where there is the potential for the most significant and sustained improvement. In our view this includes:

- Creating a clear location for stewardship and coordination of social service commissioning, delivery and workforce planning and development
- Genuine engagement with the community and voluntary sector in contracting and service design
- Genuine engagement with key workforces such as social workers and care and support workers in generating significant and sustainable change in the organisations they work in and the services they deliver
- Measures by funders to build staff skills and agency capacity to make effective commissioning decisions
- Full funding that allows providers to build capability and make a sustainable return on resources deployed
- Taking into account not just the costs but also the social value of delivery by public and community providers
- Measures to support continued regularisation and professionalisation of the social services workforce, including responsible contracting
- Fast tracking the roll out of the streamlining of contracting for NGOs project across the state sector.

Brief comments on the key findings and recommendations

The role of in house and community provision

We strongly support the Council of Trade Unions' points in chapter 6 of their submission about the limited focus in the Draft Report on in house provision.

We can not see that there is a social consensus that the State should significantly reduce its role in direct delivery or that approaches be adopted that lead to community or iwi providers being displaced by organisations seeking to profit from services needed by the most vulnerable in our communities.

Public services aren't perfect and community provision does not always realise its aspirations of empowerment and community connection but in social services, the issues we're dealing with are hard and have multiple and interrelated causes and impacts.

Our public services are already world leaders:

- New Zealanders have more confidence in and are more satisfied with their public services than the OECD average - 10 percentage points more.
- We are in the top 4 countries in the OECD for public sector efficiency
- The number of people employed in public services is small - 38% smaller than the OECD average
- We already contract out more services that the OECD average.[1]

[1] *OECD: http://www.oecd.org/gov/GAAG2013_CFS_NZL.pdf*

The Maori dimension

The final report needs a deeper consideration of how to ensure the social services system better reflects the tikanga of concepts such as manaakitanga and whanaungatanga. We support the CTU's call for a shared national vision for the provision of social services for Māori.

Social value

The social value created by public, iwi and community delivered services should be more strongly considered in the final report. We note that there is statutory provision in the United Kingdom[2] for consideration of social value in commissioning.

Innovation

We strongly challenge the assumption present throughout the Draft Report that public services can not innovate. Public services have a strong track record of innovation. Among a very long list of innovations that the Commission will be well aware of, public services have bought us weather forecasting, space travel, strategic planning, possum merino, earthquake forecasting, gold kiwifruit, computers, the internet, penicillin and the science behind our agricultural and horticultural successes.

Government sets the parameters and creates environments that enable or prevent public sector innovation. The current innovation environment exists as a result of policy decisions and these settings can be changed if there is a willingness to do so.

Chapter 14: Implementation

The draft report recommends the Government establish an Office for Social Services to help ministers to develop and oversee the reform process. It also recommends the establishment of a committee of ministers to lead this work.

We do not support these recommendations which have the effect of establishing two additional layers of bureaucracy on top of an already multi-layered system. We do support locating strong and clearly mandated stewardship of the system within one of the existing agencies and requiring that function to partner with the community sector.

We do not see the need for overall reform of the system and would instead recommend that the final report consider how best the desired outcomes can be established and sustained through continuous improvement approaches.

---

2 http://www.socialenterprise.org.uk/uploads/files/2012/03/public_services_act_2012_a_brief_guide_web_version_final.pdf

Recommendations:
R6.1 – Formal contracts between an agency and its in-house service delivery arm make costs and expectations explicit. They should be mandatory when that delivery arm competes with non-government providers, and are desirable in other cases.

R6.2 - Commissioning organisations should ensure that in-house provision is treated on a neutral basis when compared to contracting out and other service models. This requires independence in decision-making processes. In-house provision should be subject to the same transparency, performance monitoring and reporting requirements as would apply to an external provider.

R6.6 - The government agencies responsible for commissioning social services should actively build staff skills and agency capacity to make effective commissioning decisions.

R6.10 - "Fully funded" social service payments to non-government providers should be set at a level that allows an efficient provider to make a sustainable return on resources deployed. This funding level will support current providers to invest in training, systems and tools. It will also encourage entry by new providers.

R6.14 - Provider subcontracting can be an efficient way to reduce the number of relationships managed by government agencies, and to improve the quality of relationships overall. Government agencies should be open to providers of social services subcontracting the delivery of services to other providers.

R.12.2To improve tendering practice, government agencies should face new requirements to:

- *undertake reasonable consultation with providers and clients during the pre-contract phase;*
- *report yearly their compliance with tendering timelines;*
- *take account of the past performance of bidders when assessing bids. If agencies intend to ignore past performance, they should publish at the start of the tendering process the reasons why they are doing so;*
- *consider standardising tendering requirements, but standardisation should not be mandatory;*
- *develop, in consultation with providers, a risk management framework that identifies risks and how best to allocate them; and*
- *set contract duration in the context of their overall risk management framework, and taking into account factors such as providers' incentives to invest in relevant capabilities and equipment.*

Government agencies should publish their reasons for selecting a particular contract duration.

R.12.3 Departments, agencies and non-government providers should expand the use of contracting for outcomes where it is efficient to do so.

R.12.4 The Government should improve the capabilities of agencies to contract for outcomes, ideally with payments for outcomes achieved in those contracts.

R.12.5 Government agencies should:

- *adopt a risk-based approach to monitoring contracts as part of their risk management framework; and*
- *publish the reasons for their chosen monitoring arrangements, including an analysis of the costs and benefits to all parties*

R.12.6 The State Services Commission should develop a set of minimum expectations around the promotion of contract management capability, and require the statements of intent of relevant agencies to demonstrate how they will meet those expectations.

The PSA strongly supports recommendations 6.6 and 6.10. These at least recognise the chronic underfunding of social services in New Zealand, which have resulted in low wages and insecure employment for workers in the sector, along with often inadequate training and development. These problems are well known and are a product of the 'marketisation' of social services over the last 3 decades in which providers have competed for the right to deliver social services, largely on the basis of price. Chapter 4 is essentially a critique of this marketisation, so it comes as a disappointment that the main focus of this chapter is on more market solutions, at the expense of the main source of stability in the sector – in-house services.

In-house services are dismissed in this chapter as only being useful when the costs of contracted services are too high or when statutory powers are required. No evidence is presented to support this assertion but the report clearly favours other market-led options such as contracting for outcomes, managed markets, vouchers and client-directed budgets. This reveals that at heart the chapter is about the Commission's view of the role of the state – which is at best an overseer of the social services system and a manager of the social service market. As a market participant it "carries with it the usual risks of a monopoly, in particular costly production and low levels of innovation"[3], which contestability and diversity of supply can help address.

The PSA's view is different. The role of the state has moved well beyond its original narrow role to protect its citizens from crime and in times of war. In order to provide that protection, citizens have ceded certain powers of coercion to the state, such as the power to tax and to imprison. Over time this narrow view of protection has come to be interpreted much more widely.[4] Across high-income countries there has been a steady increase in public expenditure as a proportion of GDP over the last 150 years.[5] This has been driven in large part by spending on public services such as health, education

[3] New Zealand Productivity Commission *More effective social services: draft report,* April 2015 p. 115

[4] Wolf, Martin, 'What is the role of the state?' *Financial Times*, 8 August 2010 http://blogs.ft.com/martin-wolf-exchange/?s=role+of+the+state

[5] Hall, David, *Why we need public spending*, PSIRU, University of Greenwich, October 2010, p6

and social services, which are examples of public goods in which "citizenship rights trump both market power and the bonds of clan or kinship".[6]

With the development of the welfare state it became the only entity well-placed to plan, organise and deliver services. It alone had the authority and the scope to raise the taxes and deploy the services necessary. However, there have always been other advantages to state provision.

The delivery of public services by the state is the clearest way to ensure accountability (through its democratic institutions) for the use of public funds that have been raised through the coercive powers of the state. It also ensures that public good interests are not overridden by private or sectional interests, as the state has a wider obligation to the community as a whole. The state's overview of services, if it is providing and not just funding them, allows it to take a coordinated approach to complex problems, maintain national standards, and ensure equitable access to services.

Lacking a profit motive, the state as a provider is not concerned with market power, and looks to the public service ethic rather than personal benefit to motivate employees. Together with its accountability to the public, these factors make it a natural provider of public good services. In addition, the sheer size of the state suggests that there may some services that only it can provide because of the capacity required and the economies of scale it can achieve.

The natural monopoly argument ignores the unique features of the state and only views it as yet another participant in the market. In our initial submission we addressed the fact that innovation does occur within the state sector and with better engagement of its workforce it could do even better. The way in which the 'costly production' of the state sector has been addressed over recent decades has been through underfunded contracts to the community and voluntary sector and the associated poor wages and conditions in that sector. Treating all providers 'neutrally' as proposed in recommendations 6.1 and 6.2 would just ensure that we get more of the same.

Notwithstanding this view, the PSA recognises that the community and voluntary sector has a proud history in delivering public good services in the days before comprehensive state provision, and will continue to provide services that complement those delivered by the state, whether or not they are funded by the state. Their role has grown in social service delivery over recent decades and, through the links with their communities many are well placed to address poor outcomes for vulnerable groups where the state is not well placed to do so.

In order to support an effective community and voluntary sector in social service delivery we need to implement recommendations 6.6 and 6.10, as well as recommendations 12.2-12.6. These last recommendations address the problem of state sector capacity and capability around tendering, contracting for outcomes and monitoring of contracts. The streamlining contracting with NGOs project being driven out of MBIE is attempting to address some of these

[6] Marquand, David, cited in Coats, David, *Reviving the Public: A New Governance and Management Model for Public Services*, paper prepared for the PSA, 2006, p12

issues, and we support this initiative as well. However, what is missing from both the MBIE project and the Commission's recommendations is a commitment to responsible contracting that addresses issues such as equal pay and ensuring pass on of funding intended for wage increases. Responsible contracting is a mechanism to ensure that when there is competition for services it is based on the quality of the service, not the wage levels of an often vulnerable workforce.

The PSA supports the principle of managing for outcomes – it is important to move beyond a focus on outputs. However, there are risks associated with this when it comes to contracting for outcomes that will need to be addressed. Outcomes can easily become inflexible targets that can distort provider behaviour, often leading to an emphasis on what is being measured as opposed to what matters. Outcomes need to be about delivering real results for clients, not at the expense of others and not in isolation from what other providers might be delivering services to either the same clients or to the same community. They need to fit with a bigger picture.

From a provider perspective the outcomes need to be realistic and measurable and they need to be totally responsible for them, so that overlap with other services and contextual factors that the clients face all need to be factored in. The funding that supports these contracts also needs to be delivered at the beginning of the contract as many NGOs do not have the funds to support service delivery until funding arrives on the delivery of outcomes at milestone points.

There is a serious risk that the community and voluntary sector will be pushed out of social services delivery by the private sector over time. This has been the case in both the early childhood education and aged residential care sectors and the purchase of Access Home Health by Green Cross Health last year means that for-profit providers now dominate the home care support services market as well. Aside from losing the close connection that many community providers have with their communities this trend raises significant issues for the future of public policy. In the future policy development will rely for information and advice from a sector in which the profit motive may well trump the public good, raising questions of moral hazard.

The other options set out in the chapter are given more serious consideration than they deserve. We will only make comments on two – vouchers and social impact bonds.

The possibility of vouchers in education has been touted in New Zealand over many years, with some referring us to their adoption in Sweden. Unfortunately the performance of the Swedish education system since that time has been poor, with a recent OECD report stating: "Student performance on the Programme for International Student Assessment (Pisa) has declined dramatically, from near the OECD average in 2000 to significantly below average in 2012. No other country participating in Pisa saw a steeper decline than Sweden over that period."[7] There are debates about the extent to which

[7] http://www.theguardian.com/world/2015/may/04/sweden-school-choice-education-decline-oecd

the blame for this can be put at the feet of the experiment with vouchers but at the very least there should be grounds for concern.

The government has recently announced progress in its pilots for social impact bonds. Some in the community sector are encouraged by the possibility of access to new money, without the conditions that are attached to government funding. The draft report contains no analysis of social impact bonds, but this is a hotly contested development overseas. Nicholas Mays of the Policy Innovation Research Unit in the UK recently visited New Zealand to talk about the evaluation social impact bonds that his unit has been involved in. In his presentation he listed some interim conclusions from their work:

- Need to continue to try to estimate the balance of pros and cons discussed in the literature
- Most trailblazers do not seem to correspond to Cabinet Office description
- High transaction costs in set up, reliance on 'bridging funds' to continue negotiations or part funding from grant or philanthropic investors (Cabinet Office, Big Lottery Fund or a charity's national office) to launch project
- Key role of intermediaries with potential for conflicts of interest
- Lack of robust evaluation of outcomes
- 'Savings' tend to be linked to hoped for reduction in use of health services (GP visits or A&E admissions) - hypothetical
- Service innovations lie in 'personalization' of services (tailoring of services to individuals via individual assessments and care plans) or are innovative only in their financing with proven interventions imported to a new context (e.g. MTFC-A in Manchester)
- Key outstanding question is how SIBs affect day-to-day service delivery[8]

This was hardly a ringing endorsement of a controversial new approach, which has high transaction costs and an uncertain impact on day-to-day service delivery.

Chapter 11 – Client choice and empowerment

Recommendations:
R6.4 – Commissioning agencies should always consider client-directed service models, as they empower individuals and lead to more effective services. However, those models are not always applicable. Where other service models are chosen, client choice should be supported to the extent feasible.

[8] Nicholas Mays, Stefanie Tan, Alec Fraser, Chris Giacomantonio, Kristy Kruithof, Megan Sim, Mylene Lagarde, Emma Disley, Jennifer Rubin *An investigation of Social Impact Bonds for Health and Social Care* Presentation at Health Services Research Centre, School of Government, Victoria University of Wellington, 28 April 2015

R11.1 – When commissioning services, the Government should look to empower clients where such empowerment would not be detrimental to the client or the broader interests of society. Disability support services, home-based care for older people, respite services, family services, and drug and rehabilitation services are good prospects.

The PSA supports client-empowerment in the design and development of New Zealand's social services. However, the focus in the report on the Enhanced Individualised Funding (IF) of the Ministry of Health's "new model of disability support" and individualised funding packages of "Enabling Good Lives", raises concerns that this is the model for client-empowerment. The PSA believes that client-empowerment should be a feature of all social services but what this looks like in practice will vary widely according to client and community need. It would also be wrong to assume that more traditional methods of service (whether delivered by government or non-governmental organisations) cannot support client-empowerment.

IF and Enabling Good Lives are good example of client-directed funding. They are good examples in that they demonstrate both the strengths and weaknesses of the model.

IF enables people with disabilities to gain a greater measure of personal independence and play a greater role in the communities in which they live. It represents a move beyond person-centred services to person-directed services. In practical terms IF means that some people with disabilities are able to hire, manage, pay, train and make their own contracts with their support workers or choose to manage aspects of this process. The research seems to support the proposal that IF provides greater satisfaction for people with disabilities. For example Fisher et al found that all respondents in their 2011 research "said that individual funding had improved their control, choice, independence and self-determination in their lives"[9].

The real problem with IF is not with the concept or the ambition, but with the assumption that it can serve as a model for other social services and the lack of consideration of the workforce required to provide independence for the person with disabilities.

Given that client-empowerment is most advanced in the disability sector there is a risk that individualised funding will be seen as the only model that can apply when the government looks to generalise the approach. It is not an appropriate approach for all users of disability support services, let alone for the wider social services sector. In the UK take up of 'direct payments' has plateaued recently[10] and there are still a considerable amount of people (particularly the elderly) who have their care arranged by the local council. In the circumstances in which not all people with disabilities can or want to access

[9] Karen R. Fisher, Ryan Gleeson, Robyn Edwards, Christiane Purcal, Tomasz Sitek, Brooke Dinning, Carmel Laragy, Lele D'Aegher and Denise Thompson, *Effectiveness of individual funding approaches for disability support,* Department of Families, Housing, Community Services and Indigenous Affairs, 2010 p. viii

[10] http://www.communitycare.co.uk/2014/10/24/councils-still-controlling-majority-personal-budget-arrangements-survey-shows/

individualised funding, the increased cost associated with client-directed service models[11] raises questions of equity of funding between clients. This is not new to the sector but there is a risk that these funding disparities could be institutionalised in disability and elsewhere in the social services sector.

There is also a danger that client-empowerment can be taken as code for driving professionals out of the mix. We need to recognise the important contribution that professionals make and should continue to make into the future. For example, in our original submission we drew attention to the complex skills required in enabling risk taking by learning or intellectually disabled people. Alex Bonardi describes this as follows:

> *To be confident supporters of risk taking, people who provide supports must possess skills beyond basic risk identification and developing a risk plan. They must have developed skills in:*
>
> - *Multidisciplinary interactions, including a common understanding of risk and the ability to effectively empower, challenge, and support people.*
>
> - *Negotiation, including the ability to clearly state positions and goals, identify boundaries (i.e. clear issues of person safety), and be prepared to 'agree to disagree'.*
>
> - *Facilitation, using empowerment strategies in order to encourage people "to have more say over their lives, but also to assume responsibility for their decisions in relation to risk."*[12]

Other client-centred approaches such as the restorative approach in home care support services involve the exercise of professional judgement, in partnership with the client, about the extent to which an elderly person should be able to manage on their own. This not only involves working with the elderly person on what is achievable and how to achieve it, but in many cases it will also involve challenging someone who expects support staff to focus on home care or domestic duties. Members report issues when either the client or their family resist the change and confront the workers about what they perceive as "the limited range of duties" the workers are meant to be doing while they are enabling clients to do as much as possible for themselves.

In our earlier submission we also raised questions about the challenges IF raises about the workforce. The draft report asks submitters if they are aware of any specific studies that have been undertaken on the impact of IF and Enabling Good Lives on the workforce. We are not, and nor are we aware of much internationally. Bits of research offer some limited insight.

With IF there is a quite appropriate emphasis on the relationship between the person with disabilities and the support worker. The person (and possibly their

[11] New Zealand Productivity Commission *More effective social services: draft report,* April 2015 p. 234

[12] Bonardi, A. (2009)*, The Balance between Choice and Control: Risk Management in New Zealand Intellectual Disability Services*, Fulbright New Zealand p.65

family) have much greater control over who is hired as the support worker. As a family member in Fisher's research stated:

> *The support people he has, we have picked them because of some part of their character that our son is going to relate to and feel at ease with*.

While this is a real advantage of IF, it can carry with it some assumptions about who might be best able to do the work e.g. neighbours, friends and family. This can open up the possibility that the workforce will effectively 'atomise', making it difficult to ensure consistent pay and conditions and leaving both the disabled person and the worker vulnerable. According to Unison, our sister union in the UK there are no collective agreements for these workers, that they are paid and employed on conditions that are basically set by the person with disability who they are supporting, and funding levels also tend to drive the pay provided. Unionisation levels are low at this point and not much is being done about workforce development in a co-ordinated systemic way[13].

This atomisation is also likely to diminish rather than increase access to training for workers in the sector. In the study by Fisher et al some Australian providers expressed concern that where workers were employed by only one family over an extended period they experienced a lack of training opportunities[14]. The same study found that just under a third of providers in Australia (at the time most IF services in Australia were delivered through providers) reported that individualised funding had little success in increasing the availability of qualified support workers, 39 percent found it to be mixed or moderately successful and around a third found it to be successful or very successful.

In New Zealand we are facing problems where providers who deliver or support client-directed services are trying to put the risk arising from the uncertainty of demands for services onto the workers by promoting insecure work and poor conditions, as well as low pay. The PSA has recently begun to negotiate with a provider for a collective agreement that covers staff delivering personal health care services in clients' homes or residences. The employer has put forward a draft employment agreement based on what they are calling client directed services. This includes:

- The client on the interview panel
- Zero-hours style working arrangements. The client can recommend on broad compatibility ground that the worker's employment is ended. If this the case the employer / provider has no requirement to give notice and will instead pay the worker pay for what would be their normal working hours over the next 48hours in lieu of this.
- When staff sleep over in the client's home they have no entitlement to a separate room to sleep in or clean linen. They have no entitlement to a safe place to keep their personal effects.
- Staff have no entitlement to a break in a space unmonitored or observed by the client or client's family.

[13] E-mail exchange, January 2015

[14] Fisher et al p. 43

- Family carers can be appointed. Family carers can be required to do 48 hour shifts.
- Time spent in training or staff meetings to be paid at the minimum wage rather than the usual hourly rate.

These kind of working arrangements leave workers extremely vulnerable. They are very unlikely to raise health and safety or other concerns for fear of losing their jobs.

A recent study in the UK[15] highlights some of the vulnerabilities of working alone in support of people with disabilities. They focus on 'personal assistants' or PAs, who are equivalent to our support workers and are usually employed by people who are directing their own care through a direct payment or individual budget.

Their main finding was:

> *There is evidence that although most PAs do not experience violence at work, it does happen to some PAs, while a majority of PAs have experienced abuse – mainly verbal abuse. Although many PAs identified the employers' individual characteristics as potential causes of abuse or violence, there is an appetite for greater training, monitoring and support for both PAs and individual employers as means to prevent incidents and help PAs who experience abuse and violence[16].*

They also point out:

> *Some of the issues around abuse and violence against PAs are common to other groups of lone workers but some are specific to PAs, in particular, for those who are self-employed. PAs face unique risks and challenges associated with their isolation and vulnerability, working often in people's own homes (not unlike the risks and challenges of their employers). Like their employer, PAs are also potentially vulnerable in one-to-one situations, lacking back-up if needed and without a witness if something happens. The often close working relationship between employer and PA can create situations where boundaries may blur and either side could potentially take advantage of the other, including financial abuse[17].*

The vulnerability cuts both ways. A survey of social workers in the UK about individualised services indicated that 93% say that individuals hired by personal budget and direct payment users should be subject to mandatory regulatory

---

[15] Liz Cairncroft and Andrew Crick, *Research on abuse and violence against the social care workforce: focus on personal assistants,* Skills for Care, Leeds 2014 http://www.skillsforcare.org.uk/Document-library/NMDS-SC,-workforce-intelligence-and-innovation/Research/Research-Reports/Violence-and-abuse-2014/Research-on-abuse-and-violence---PAs-301014-FINAL.pdf

[16] Ibid. p. 12

[17] Ibid p.iv

checks [18] in order to protect service users. The report quotes a PA employed by a disabled person who is both a friend and a director at Birmingham's Centre for Independent Living:

"From what I can see, there are [no checks on staff]. I work for Sam and get paid through a trust, but I've never met anyone there. It's left to Sam to hire and fire. There should be someone to answer to"[19].

So long as the direct employment relationship is between the client and the support worker then these vulnerabilities will continue to be a problem. The PSA is aware of some personal grievances that have emerged in New Zealand already, and these are likely to increase in number as the current model of IF spreads.

While the Commission notes that there is not strong research on the impact of individualised funding arrangements on workers there is a substantial body of research on the effect of contingent work and employment insecurity on working conditions, workers health and wellbeing and organisational performance. There is also research on the effects of triangular employment relationships.

It seems likely that increases in the use of client directed and individualised funding models will increase the prevalence of triangular employment relationships and employment insecurity. We recommend that the final report include consideration of these areas of research in its assessment of the overall benefits and costs of individualised funding.

We also strongly suggest that the Commission recommend in the final report that funders are required to monitor and evaluate the impact of client directed modes of delivery on employment conditions and working experience when contracts on this basis are funded. There are already opportunities to assess these impacts where client directed modes of delivery are already in use. For example in home based care and in home based early childhood education provision. We strongly suggest that the final report recommends that funders conduct such assessments. If the Ministry of Education proceeds with its postponed review of home based early childhood education then this could provide an opportunity for this to happen.

There are real questions about the general application of the IF model to social services. It is worth reflecting on the conclusions of a 2012 Scottish report on the possibilities for 'self-directed support' (SDS) in that country:

> *The expansion of SDS in Scotland is not uncontentious. The aspirations for improved empowerment, choice and control which drive the policy are broadly supported by all the stakeholders involved in this project. However, it is not yet clear that SDS can deliver all it promises, particularly in the era of resource constraints and significant pressures on social care budgets. This project has highlighted significant concerns*

[18] http://www.communitycare.co.uk/2008/10/22/personalisation-exclusive-poll-of-social-workers-views/

[19] Ibid.

about the variations in costs across Local Authorities and different user groups, and uncertainties about equity and fairness in delivering high quality, cost-effective social care services to individual users. There are concerns about where costs will fall, and what the impact of SDS will be on different sectors. Implementing SDS policy will require, to a certain extent, a 'leap of faith' for Local Authorities[20].

[20] *Counting the Cost of Choice and Control: Evidence for the costs of self-directed support in Scotland* http://www.gov.scot/Publications/2012/02/9547/2