

# BARRIERS AND OPPORTUNITIES FOR INNOVATION AND COLLABORATION IN THE HEALTH AND DISABILITY NGO SECTOR

## NGO WORKING GROUP SEPTEMBER 2007

### INTRODUCTION

This document summarizes a number of issues raised recently by NGOs about the barriers to, and opportunities for, innovation and collaboration within the health and disability NGO sector. It has been written by the NGO Working Group's researcher, on behalf of the NGO Working Group and is based on a workshop held at the May 2007 Ministry of Health - NGO Forum in Christchurch on this topic, responses to several questions in the recent NGO Working Group survey of NGOs and discussions within the NGO Working Group.

This summary will be presented to the Ministry of Health in order to make them aware of the issues facing NGOs. It will also be made available to NGOs attending the October 2007 MoH-NGO Forum and to other NGOs via the NGO Working Group website and the NGO desk weekly email update.

More information about the NGO Working Group and the Ministry of Health – NGO Forums can be found at [www.moh.govt.nz/ngo](http://www.moh.govt.nz/ngo).

## POTENTIAL BARRIERS - HOW THE ENVIRONMENT IMPACTS ON INNOVATION AND COLLABORATION WITHIN THE HEALTH AND DISABILITY NGO SECTOR

The following key themes were commonly mentioned in both the Forum workshop sessions with about 80 NGO participants and in the survey responses from 46 NGOs who answered the question on barriers to innovation and collaboration.

### *FUNDING AND CONTRACTING PROCESSES*

A competitive funding model, funding in silos and issues with the contracting process were all described by Forum workshop participants and survey respondents as barriers to innovation and collaboration within the health and disability NGO sector.

NGOs identified the dominance of a funding model that encourages competition between NGO providers (whereby tenders are sought from NGOs based on an RFP process) as being a key barrier. The competitive funding model means that NGOs are competing amongst themselves for limited funding. NGOs believe that this means they are therefore less open to sharing good ideas (or exposing vulnerabilities that they could use some support with) when this could be used against them in a future competitive tendering situation.

*“The current funding structure encourages competitiveness and isolation of organisations, not collaboration and joining of strengths”*

*“We like to defend our own patch”.*

*“Any new ideas we have is jealously guarded territory”*

Funding streams that are “*siloed*” or “*ring fenced*” are also thought to inhibit innovation and collaboration. NGOs described funders as only interested in funding particular outputs relevant to their particular silo and that they don’t work together in order to fund innovative (cross-sector) initiatives that may fall partly outside the scope of their particular silo.

Barriers to innovation are also seen to exist because of the way in which NGO contracts are managed by Ministry of Health and DHB funding managers. NGOs in the Forum workshops described mechanistic contracting processes where a renewed contract is

sent out to the NGO with little or no time or opportunity given to meet, discuss and negotiate collaborative or innovative approaches prior to the contract being offered or signed.

### *FUNDING AND CONTRACTING MANAGERS*

NGOs at the Forum workshops and in the survey responses also described funding and contracting managers as being risk averse, having fixed views and attitudes, not listening and not always being at the same stage in thinking as NGOs and considered these attitudes as being barriers to innovation within the sector. They described funders as being well removed from the reality of service delivery and therefore less able to identify and promote innovative practices.

*“NGOs may have innovative ideas but funders are often not ready to take these on board”.*

Several survey respondents also described the dominance of the medical model within the funder environment as a barrier to innovation in the sector.

Issues relating to the lack of trust and respect given to NGOs by funders was also raised at both the Forum workshop and in the survey responses. It was considered that there was less likelihood of NGOs taking risks with innovation and collaboration possible in this unsupportive environment.

In addition, because contract managers are often changing, NGOs described the need to re-teach the contract manager each time about their business, giving less opportunity for moving the discussion forward into potential innovative service delivery opportunities.

### *FUNDING*

Issues relating to the level and sustainability of funding available to NGOs were also raised as acting as a barrier to innovation and collaboration in the sector.

Short-term contracts were described as acting to “*support an environment of uncertainty*” with NGOs having little potential to innovate when they could not plan long-term.

NGOs also mentioned the fact that funding levels were not keeping up with the increase in costs (such as Kiwisaver, compliance audits, infrastructure) and that this limited their ability to engage with others and / or do things differently.

*“You have to have a stable infrastructure to be able to reach out and collaborate”*

### *UNEVEN PLAYING FIELD*

The perception that NGOs are not accorded equal opportunities in the sector was also raised at the Forum workshop and in the survey responses as an issue affecting health and disability NGO sector innovation and collaboration.

The DHB funder / provider conflict (where a DHB does not put services out to tender that they think they can deliver themselves) and the issue of PHOs being offered contracts previously offered to NGOs were mentioned as significant issues. NGOs believe that they are not being given the opportunity to deliver services in innovative ways because services are not being tendered for in a transparent process. The issue that NGOs lack the infrastructure / support to contest this process (via sourcing legal advice) was also mentioned at the Forum workshop.

In addition, the issue of lack of pay parity between FTE funding offered to NGOs and pay for DHB staff was also mentioned as a barrier to innovation, because of an inability to retain or attract new staff that may bring innovative ideas.

### *CAPACITY*

NGOs at the Forum workshop recognized that they may not always have the capacity or the skills to collaborate or innovate as much as they would like. This was seen to be mostly a reflection of the focus on funding service deliverables only and the lack of funding available to support collaboration or engagement with others in the sector.

The fact that NGOs are also very busy delivering the services that they are funded for and the acknowledgement that time is required to develop an understanding of who else is out there to network with was also mentioned at the Forum workshop.

### *DIVERSITY OF SECTOR*

The diversity of the sector and the consequent range of approaches, philosophies and interests in the health and disability NGO sector was also acknowledged in the Forum workshop as an issue impacting on collaboration in particular.

The difficulty in identifying common interests, amongst this diversity, was seen as a potential barrier to collaboration.

*“You need to have a common interest or reason to collaborate”*

NGOs also mentioned that the different approaches and philosophies used by NGOs also means that sometimes NGOs are speaking different languages and this makes collaboration more difficult.

### *LACK OF INFORMATION*

Lack of information / consultation from funders was also mentioned as a barrier to innovation and collaboration at both the Forum workshop and in the survey responses.

Several survey respondents also mentioned the lack of evidence / research to inform decision making as a barrier to innovation.

## POSSIBLE OPPORTUNITIES – WHAT MAY WORK TO PROMOTE INNOVATION AND COLLABORATION WITHIN THE HEALTH AND DISABILITY NGO SECTOR

NGOs at the Forum workshop and those responding to the survey question identified a number of opportunities to advance innovation and collaboration within the sector.

Some of these related to addressing the barriers in the wider environment with solutions such as:

- transparent and equitable methods and levels of funding,
- longer-term funding,
- cross-sector, centralized funding-for-outcomes type approaches (highlighted in a Forum presentation by MSD)
- improved communication and relationships with funders
- providing opportunities for NGOs to use expertise to develop new service delivery models

Many of the opportunities mentioned at the Forum workshop, however, related to finding ways for the NGO sector to take responsibility for their own development. These included the following key themes:

### *PROVIDING SUPPORT*

NGOs at the Forum workshop provided a number of examples of how NGOs could work together to gain efficiencies and support one another. These included ideas such as:

- big sister / buddy / collaborative support / mentoring between larger and/or established NGOs and smaller or newer organisations
- need to encourage sharing of resources, eg administration services

### *SHARING INNOVATIONS / BEST PRACTICE*

The desire to celebrate and share innovations and best practice was also highlighted in the Forum workshop. It was acknowledged that a twice yearly NGO Forum, while good for networking, did not provide enough time to share ideas. Opportunities discussed included:

- NGO awards (along the lines of the Health Innovation Awards described at the Forum)
- Roadshow of Health Innovation Awards regionally so more NGOs were able to see best practice examples
- More regular Forums – maybe regional / local forums on a more regular basis
- Sharing outcomes of pilot projects

### *WORKING TOGETHER TO INFLUENCE FUNDERS*

The need for NGOs to work together to influence funders and / or secure contracts was also mentioned at the Forum workshop and in the survey responses. NGOs wanted to “*move on from the divide & conquer*” paradigm and saw that there was strength in numbers in working together to influence funders. The need to speak the same language

as the Ministry / DHBs and present a case that met their needs was highlighted as being important as was developing local networks to work on local solutions.

### *REPRESENTATION*

NGO representation on DHB / PHO Boards or advisory groups was also mentioned as a way to influence decision-making.