

HANDING BACK THE SOCIAL COMMONS

A REPORT TO THE NEW ZEALAND PRODUCTIVITY COMMISSION

James Mansell // April 2015

This is a July 2016 summary of the Report, created by Marion Heppner in collaboration with James Mansell and the NEXT Foundation.

Limitations of the current social system

While industries like music, media and retail have been disrupted and innovated by big data, the state and social sectors have, comparatively, not adapted at all. The way that the social system is currently organised, it will never be innovative, collaborative or value-focused. This is because of two features:

- **Centralised service-orientated monopolies.** The state sector has organised the social system through centrally-planned processes that reduce cost by reducing waste. It has created a network in which services are orientated inwards towards the central hub of government, which controls the network through the flow of information, budgets, authority and incentives. Networks with centralised hubs are fragile and open to failure as all traffic goes through the hub; they are poor for the transmission of information, innovation and engagement, and for selecting good ideas; they breed echo chambers of similar thinking through lack of diversity of interests and perspectives at the decision-making table; they tend to breed asymmetric information flows; they accrue influence at the centre.
- **Fragmentation.** The social sector is organised around services and fragmented by deep servicing channels. This means that nobody has visibility of the whole system and data and knowledge are locked in silos, making it hard to see the whole client or their pathway across services, to learn across boundaries and orientate towards value.

Unless these two features are changed, they will continue to diminish our ability to drive improved social value. System-level transformation of the sector is required.

How can big data transform the social sector?

This report recommends using Big Data, technology and the internet to enable a less fragmented, more collaborative social sector.

Networking and social media have enabled “Commons”-style management of large scale collective activity such as Wikipedia, Uber and GitHub.

Big Data and technology such as HealthKit, case management systems, educational apps and depression diagnosis websites, are all providing new ways for the health sector to learn and share insights.

The social sector too can use networking, social media, Big Data and technology to become a more effective, collabora-

tive peer-to-peer network.

Data is already the life blood of the social sector - every day citizens, families, communities, doctors and social workers share information to conduct assessments and make diagnoses. The more we share our experiences, insights and outcomes, the better we are able to learn what works and collaborate to improve those outcomes.

But sharing data risks invading privacy, further marginalising those who are already marginalised, and allowing already coercive interests to be more coercive.

To address this concern, this report recommends that, instead of central

government owning and controlling social sector data (which is currently the case), the social sector should co-own a “Data Commons”, where the use, rules and value of data are the shared responsibility of the citizens, researchers, teachers, health workers, social workers, NGOs, social entrepreneurs and investors who are work within the sector.

A decentralised Data Commons will be safer than central government having the power to decide who can use data and how they can use it. A defragmented Social Commons will increase the power of the social sector to direct policy, identify problems, learn what works and collaborate to improve outcomes.

Executive summary

- The social sector is fragmented into servicing hubs, with little focus on value, and minimal ability to collaborate, invest wisely, and quickly adapt and innovate.
- Big data can be used to improve effectiveness and innovation within the social sector.
- Safe, high-trust data sharing – a “Data Commons” – would enable the social sector to become a shared “Social Commons” – owned and controlled peer-to-peer, by the key actors within the sector - *in common*.
- Handing back ownership of this Social Commons would enable the social sector to learn what works best at scale, adapt and innovate quickly to improve effectiveness, and deliver a step-change in social, fiscal and economic return on New Zealand’s investment in social services.

What are the challenges?

The challenge is not technical. That part has been solved. The real challenge is adapting how we work.

The social sector currently operates under a centrally-controlled model that has divided the sector into competing *self-interests*, orientated towards the centre. To build a Social Commons, the actors within the social sector will need to orientate towards each other in the *common* interest. Schools, GPs, NGOs social workers, and others within the sector collectively hold more and better data than the government. To realise its latent influence, the social sector needs to build trust, share those data assets and act in the common interest .

Another challenge will be to figure out the rules of the road. Just how do we collectively own and manage a shared data asset that has huge potential and huge risks? What rules and ownership model will give already-anxious, marginalised communities confidence about how their data will be used?

Can it be done?

Handing back the social commons is already happening in New Zealand.

Over the last seven years the **Canterbury DHB** has implemented a decentralised business model, devolving decision-making away from the central Planning and Funding Team, and empowering teams at all levels to innovate.

Elements of this model include enabling everyone working within the system to see the whole of the system, building a safe place where people can have difficult cross-service conversations to create system-level solutions, creating a single budget pool that allows funding to be allocated closer to the front line, and aligning incentives to focus not on services, but on clients and their outcomes.

The Canterbury DHB has won several awards for the work that it's done with this model, including the Treasury Award for Excellence in Improving Public Value through Business Transformation and the Prime Minister's award for Public Sector Excellence. Tangible outcomes of the new model have included:

- *HealthPathways*: an IT system designed by GPs and surgeons to enable more effective sharing of data and decision-making about the referral of clients to surgeons. Since it was implemented, *HealthPathways* has resulted in fewer false positives being referred to surgeons, fewer clients visiting hospital out-patient clinics, a higher conversion rate from surgical assessment to surgical treatment, and resulting cost savings which have translated into a 43% increase in access to elective surgery.
- Better outcomes for aged care. Collaboration and data-sharing be-

tween a diverse range of health professionals has enabled a realignment of resources to provide more in-home care, resulting in a significant reduction in the number of people in aged residential care facilities and the time spent in those facilities. And this has been achieved against a backdrop of an increasing aged population. Seven years on, Canterbury is spending the same amount of money on aged residential care as it was in 2006/7 and has an age-adjusted acute hospital admission rate that is 30% below the national average.

A few years ago **Ports of Auckland Limited** was facing high-profile industrial unrest. It subsequently made changes to its management model, including implementing i-lign – an IT solution that enables transparent, symmetrical, peer-to-peer information flow, project management and knowledge management. Implementing this technology has helped POAL to achieve greater buy-in, mobilise innovation and problem-solving and engage its people in new ways. Under the new model 100% of innovations have come from the front line, and the “us-and-them” mentality has largely gone. Management and the frontline have mobilised together to make POAL a better work place and a more competitive business. Implementing i-lign was an integral part of this transformation.

How can we kick-start transformation of the social sector?

- Central government is working on a new accountability model called the “Social Investment Approach”. Through this approach government devolves decision-making on *how* to deliver value, and instead facilitates the creation of value by focusing on measuring client outcomes. The social sector should support this model as it will result in greater autonomy, localised allocation of funding, and

more collaborative approaches to solving social challenges. It will also result in greater focus on early intervention and investment in longer-term solutions - allocating more resource to building the fence at the top of the cliff and less to providing the ambulance at the bottom.

- Social service actors (NGOs, philanthropists, researchers, the tech community) should mobilise to build a

shared Data Commons, enabling data sharing in a high trust and inclusive way.

- This will require support from the Government for a “New Deal” on social sector data.

