CASE STUDY

One-Stop-Shops’s: the key to low cost service delivery in rural areas
The Case of Heartland Services
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1 Executive summary
One-Stop-Shop's provide rural citizens with a single point from which they can access information and services from a potentially wide variety of Government agencies. This is a partnership model of service delivery that creates economies of scale for participating agencies, which help to overcome the problem of poor cost-efficiency in delivering services to rural areas with low population density. The success of the Heartland Services initiative based in rural New Zealand shows what is feasible from the policy concept. This case also highlights what is required to make it work. Recent advances in communications technology and the results of other variants of the model trialled in other countries, suggest that even greater levels of service and cost savings may yet be achievable.
2 Background: Economic decline in rural communities

Many rural economies around the globe are presently in decline. Agriculture which was once the heart of the rural sector has been struck by a combination of globalisation, falling investment and climate change (OECD, 2012). Unsurprisingly, rural areas contribute less to GDP (Dijkstra & Poelman, 2008; O'Keefe et al., 2009) and offer fewer opportunities for education, employment and industry. Indeed, rural working age populations have atrophied this last century as more and more people relocated to urban centers in search of opportunity (Dimitri et al., 2005; Tacoli, 2009). As well as creating a human capital shortfall in rural communities, this internal migration has caused overcrowding and a plethora of social, health and employment problems in burgeoning inner city areas (Ehrlich & Ehrlich, 2013).

Rural economies are now also becoming more diverse, with many now including significant contributions to GDP from mining, tourism and small scale manufacturing (OECD, 2006). Such a shift warrants a correspondingly broader approach to rural policymaking, particularly to facilitate the infrastructure needed by workers to remain in rural areas and for business and industry to develop and expand these new sources of economic growth - and thereby help to reverse the rural decline.

A major obstacle to the development of business and industry in rural areas is that they often cannot match the economies of scale found in urban centre's (OECD, 2003). This tangible disadvantage has been exacerbated by the onset of globalisation and the outflow of capital to where production costs are lower. Moreover, globalisation and its keystone objective of cost efficiency have spilled over into the public sector, causing a paradigm shift that has had consequences for the way public entities are now administered.

In many countries there is now a more private-sector-like supply-chain mentality behind the organisation of public service delivery, typically characterised by increasing vertical integration and modularisation of services (Bryden et al., 2007, PWC, 2012). Whether this efficiency push has been embraced for reasons of ideology or of necessity, such as in response to an economic crisis, services (or the more expensive components thereof) are cut back wherever the unit cost of delivery is deemed high - as is usually the case in sparsely populated rural and remote communities. Unsurprisingly, the aforementioned economic decline in the rural sector is matched by a paucity of public services.

The abovementioned private and public elements of the rural crisis are circularly linked: business and industry cannot thrive without adequate human capital or essential services; lack of industry employment, as well as basic services causes working age people (ie. the human capital) to move out of rural areas; the resulting low population density makes it uneconomical to deliver high quality public services. The rural decline has been longstanding largely because these problems are structural in nature, and like the wider contributing issues such as climate change, are not easily amenable to quick policy intervention. Worse still for contemporary policymakers, the world is now changing in ways that is increasing pressure on Government's to address this complex malaise.

Once upon a time, country dwellers were resigned to a relative paucity of opportunity and services, particularly as they had limited if any knowledge of the breadth of what was available in bigger cities. However, by virtue of advancements in transportation infrastructure and technology - particularly telecommunications and media, rural inhabitants are now increasingly aware of what they may be missing out on and this perceived inequality is fueling growing dissatisfaction with Government (Blind, 2007;
Mcloughlin & Batley, 2012). Social media too is facilitating surprisingly powerful social movements that are giving contemporary Governments reason to feel nervous about allowing disadvantaged groups or regions to feel that it is indifferent to their plight (Mahroum, 2012). Notwithstanding the merits of cost efficiency, contemporary rural policy making must now be made as much in the interests of socio-political stability and cohesion as in economic expediency.

2.1 Policy issue: Low population density makes service delivery expensive

The additional costs incurred in delivering services to geographically dispersed rural communities have been a long-standing obstacle to public policymakers (Bryden et al., 2007; OECD, 2012). Ensuring service coverage requires funds that a Government cannot afford, or else there may be a shortage of qualified personnel. Distance is synonymous with rural life and getting service delivery personnel to rural areas and then housing them adequately incurs higher costs. Ongoing training and support in rural areas is logistically more difficult and expensive to arrange because of the shortage of local providers. Networked computers are necessary for accessing information and recording service usage statistics that feed into centrally managed service planning processes. Compared to urban areas, there are fewer users to defray the high fixed and low variable costs of such essential infrastructure.

At the crux of the policy problem is population density. Concentrated populations in urban centers provide the critical mass necessary for both private investors and public policy planners to expect that there will be enough take-up of services to justify risking investment against competing choices as depicted in Figure 1. In regions with small communities spread over larger geographic areas, low population density makes it difficult to achieve critical mass and thereby low unit cost of delivery. The consequence being that essential services in rural areas are invariably of lesser breadth and quality, or offered only by private providers at higher cost, or not available at all (Asthana et al., 2003; OECD, 2008).

![Figure 1. Delivering equivalent services nationally requires significant personnel and infrastructure - and cannot be achieved efficiently as low rural population density limits take-up of services. Schematic presupposes a minimum level of service](attachment:image.png)

One country town community

- Service A office
- Service B office
- Service C office
- Service D office
- Service E office
- Service F office
- Service G office
- Service H office
- Service I office

Less than 100% take-up of services due to low rural population density

Region with 5 town communities

- Town 1: 12 offices and 24 staff
- Town 2: 12 offices and 24 staff
- Town 3: 12 offices and 24 staff
- Town 4: 12 offices and 24 staff
- Town 5: 12 offices and 24 staff

Bare minimum infrastructure/personnel => 1 reception & 1 service delivery staff per site

for one rural town community: 12 Govt Agency offices, 24 personnel

in a region of 5 rural town communities: 60 Govt Agency offices, 125 personnel
delivery where sites require at least one coordinator / receptionist in addition to one staff member who delivers actual services.

2.2 Traditional Policy Approaches: What hasn't worked in rural areas

To achieve cost efficiency in the face of insufficient take-up, policy planners will usually try to aggregate whatever demand that exists by consolidating or merging delivery resources and infrastructure.

Aggregation via *consolidation* involves closing selected delivery points and reallocating the unmet need to the nearest remaining service locations as illustrated in Figure 1. Theoretical demand for services rises because the number of clients per remaining service point increases. Aggregation of this type can work to some extent if it is feasible for clients to travel to a surviving service location. However this is often not the case in rural communities where large distances make doing so prohibitively expensive or impractical.

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<tr>
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<th>Government Agency &quot;A&quot; consolidates its service delivery sites in a region</th>
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<tr>
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<td>Services are delivered in some but not all of the towns in a region</td>
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<td>Town 4</td>
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<td>Agency &quot;A&quot; 1 office 2 staff</td>
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**Trade-off in aggregating by consolidation**

- Service delivery costs are reduced by cutting infrastructure and personnel
- Theoretically this increases the number of clients who must come to remaining delivery sites for services

*But...*

- There is no service for some clients who cannot readily travel to a town with services, elsewhere in their region
- Service quality may suffer following the relocation or loss of staff made redundant by the consolidation of sites or functions

**Figure 2. Consolidating service delivery sites to aggregate demand.** Schematic presupposes a minimum level of service delivery where sites require at least one coordinator / receptionist in addition to one staff member who delivers actual services.

Where there are services with related functions or an overlapping client base, aggregation has been pursued through *merger*. In theory, it is arguably cheaper to deliver rural services using fewer personnel in a merged department to perform more functions, sometimes from a smaller number of offices if there has also been downsizing as shown in Figure 3. This approach works up to the point where it remains possible to train the remaining staff to perform all of the functions of the merged entities. The tradeoff being that it is more expensive to train and pay staff to do more, and some services require pre-requisite skills and characteristics that make the merging of their functions impractical. For example, combining the functions of a taxation officer with those of a community health nurse. Managing a department with highly diverse and seemingly unrelated functions incurs other management and personnel costs that may also offset any apparent efficiency gains.
Figure 3. Merging agencies to aggregate demand. Schematic presupposes a minimum level of service delivery where sites require at least one coordinator/receptionist in addition to one staff member who delivers actual services.

2.3 Innovating to overcome the economics of low population density

The major challenge in delivering services cost effectively in rural areas lies in devising a means of aggregating demand in a way that overcomes the poor economies of scale, but which does not reduce proximal access to services that invariably follows when functions are consolidated or merged.

The concept of a one-stop shop (OSS) was born out of the need to reduce delivery costs in a way that overcomes the aforementioned limitations arising from the strategies of consolidation and merger. The name “one-stop shop” reflects the trend in the late 1990s of some government agencies re-conceptualising their relationship with citizens as that of a provider with ‘customers’ or ‘clients’. Borrowing private sector vernacular in this way facilitates the idea of public service delivery points being ‘shops’ - and a one-stop-shop is a quasi-supermarket offering a range of services from multiple government agencies. The major point of difference among the various OSS policy models that now exist around the world is the extent to which each goes in trimming costs associated with personnel and infrastructure.

Virtual One Stop Shops

The first and more frugal interpretation dispenses entirely with service delivery personnel, using instead a virtual internet portal through which information about Government services can be obtained and a limited range of transactions processed. The direct.gov.uk and HKGov websites are examples of OSS portals through which residents can access information and complete online transactions in the UK and Hong
Kong, respectively. The New York State based NYC-311 telephone help-line offers a similar web portal, but is theoretically a little more expensive because it employs telephone operators. However all of these models do away with the need for actual service delivery sites. A report prepared by the private sector consulting firm Price Waterhouse Coopers (PWC) articulates the underpinning economic rationalism:

"We have found that the issues associated with customer contact across Government aggregate up to four core challenges to manage when designing the new operating model of a One Stop Shop. Step 1: Remove inefficiency and inconsistency across the service value chain. Step 2: Migrate high volume, transactional interactions to self service platforms. Step 3: Rationalise inefficient face to face access points. Step 4: Improve customer experience." (PWC, 2012)

As indicated in "Step 4" here, this approach rests on a premise that "customers" will have a better experience of government when they engage with it in the form of an internet website rather than a face-to-face interaction, which is deemed 'inefficient'.

**One Stop Shop partner sites**

The other broad approach to OSS design does not seek to do away with face-to-face contact but rather to more efficiently allocate existing service delivery personnel and rural infrastructure to provide it at a lower overall cost, to more sites in that rural area.

An OSS partner site is typically an existing government or community agency premises that has been adapted to permit the delivery of services from a much wider range of government and community agencies. This rests on an inter-agency partnership model in which individual partners agree to make available their premises in rural areas to other agencies to deliver their services. Each site employs a receptionist/coordinator who schedules service delivery visits from the various agency personnel, each using the site at different times, and promotes this schedule of visits among the local community.

An OSS programme may be administered by a single department or as a partnership of agencies, or even by a community administered organisation. The mix of services on offer can be tailored to local needs and this platform which brings together multiple agencies has the potential for creating further synergies such as 'joined-up' or co-ordinated service provision (Bryden et al. 2007).

With regard to cost-efficiency, the **key innovation that distinguishes the OSS approach** from the consolidation or merger strategies discussed earlier, is that service delivery personnel and infrastructure are not downsized or made otherwise redundant - but rather, are used more efficiently in an OSS to achieve far greater levels of service take-up and rural area coverage at lower cost for the individual agencies involved. Moreover, an OSS approach avoids the loss of performance that follows from the trauma and disruption caused by 'cost-cutting' consolidation or merger strategies. In fact the OSS concept tends to be welcomed by personnel in the partner agencies, including at senior management level because it does not undermine the autonomy and independence of participating agencies, and has potential for creating other cross-agency synergies. In short, as shown in Figure 4, agencies working in such a partnership get 'more bang for their buck' primarily because:

- scheduling agency visits to an OSS partner site has the effect of aggregating local demand for each and any particular service (i.e. such that every local who wants that service is obliged to attend a site at the times allocated), which ensures high take-up and thus delivery efficiency and lower overall unit costs for the agency responsible for administering that service.
• delivering services from rural premises owned by other agency partners, reduces the cost to individual agencies of providing their particular service over a much wider geographic area

• the unit cost of operating their rural sites fall because it processes more individual client transactions, as more clients have more reasons to visit the premises.

![Figure 4: How One-Stop-Shops reduce the cost of rural service delivery.](image)
3 Innovative rural service delivery: The case of Heartland Services

This case study examines the Heartland Services initiative based in rural New Zealand that is administered and led by the Ministry of Social Development (MSD), in partnership with 35 other government departments and some 50 community organisations. The mission of this cross-agency initiative that commenced in 2002 was literally "to bring government services back to rural New Zealand". The policy was based on the concept of an OSS from which a range of Government and other community services are offered to citizens living in rural areas, and with relatively low operating costs for the partner agencies involved. At each Heartland Services centre, a site coordinator schedules visits from a range of agency personnel who provide services, and to promote these visits and the service itself among the local population as shown in the flyer contained in Figure 5. In some locations, the coordinators also help local people to make long distance contact with services that may still only be available in large urban centres'. The Heartland Service sites are based either in standalone purpose built buildings, or are co-located in offices of existing government agencies or those of other community organisations.

![Promotional flyer, Heartland Services - Golden Bay District, 2013](image)

3.1 What was the policy trying to achieve and why

As discussed earlier, the OSS concept offers an innovative means of overcoming the typically high unit cost of service delivery in rural areas with low population density. The Heartland Services initiative saved money for each of the participating agencies by removing or reducing their cost of rural office space and providing a means by which a comparably small number of front line personnel could deliver services to a geographically large area. Together with addressing issues of cost efficiency, the Heartland Services initiative was rolled out at a time when policymakers around the world were also becoming interested in the synergistic benefits of interagency cooperation around common clients and/or overlapping areas of service. It was
envisaged that co-location of personnel form such agencies could facilitate professional relationships and networks, and offer serendipitous opportunities for working together around common clients.

This policy intervention was particularly timely for rural New Zealand because it arrived following a decade during which essential social services had been severely reduced by a sequence of major cuts in Government funding that followed the global economic downturn of 1987.

While there was broad interest in the various possibilities afforded by the OSS concept, the seminal Government directive in November 2000 was for the service to:

- improve access to government services for people in rural areas
- improve interagency collaboration
- support community and other voluntary agencies in rural areas.

The policy was rolled out in stages with investment allocated to open 16 Heartland Service Centres’ in 2001, followed by another 9 sites in 2002 and a further 5 sites in 2003, together with a trial of two special-purpose sites in outlying semi-urban locations. This constituted a significant investment for a small country and commensurate GDP, and a population of less than 5 million people, of which 13% live in rural areas. While other versions of the OSS approach have been implemented in Australia, North America, Africa and South and Central Asia (Bryden, 2007; PWC, 2012, UNIFEM, 2012), this was one of the earliest and the way that it has evolved over the last decade offers useful insights about what is really important in making this innovative policy concept work - and what else may be possible under the OSS banner.

3.2 Implementation and lessons learned

When the Heartland Services initiative was rolled out in 2002 it was early days in the concept of OSSs, and there was little in the way of existing models in New Zealand or elsewhere to look to for guidance.

An early decision that with hindsight proved judicious was the appointment of a senior executive at MSD with longstanding personal networks in rural communities to lead the project. This experienced public servant had worked successfully on various service delivery initiatives in rural areas and understood first-hand the nature of the challenges in remote communities, and where local support might be found for launching early OSS sites. Lastly and perhaps most importantly, he became a passionate advocate of the concept and by virtue of the seniority of his executive position, was ideally placed to champion it at all levels of government in building cross-agency partnerships, as well as with community leaders and other local stakeholders.

The sequence of steps in the rollout of the policy was not formally documented by the implementation team at MSD. However, the infrastructure and documentation produced over the years reveal a sequence of actions and goals that may be useful to other policymakers. These include:

- appointing a senior public servant with extensive first-hand operational experience and strong rural networks to champion the project
- obtaining Ministerial support for the establishment of a cross-agency partnership
- consulting rural community leaders to obtain their cooperation in finding OSS sites in their respective localities
- identifying existing government or community agency premises where OSS sites might be co-located
- developing a brand and reporting requirements for the new OSS sites
- recruiting persons with strong local networks and experience in the public service to fill the administrative site coordinator role.

Facilitating relationships between site coordinators and partner agencies to begin the process of service delivery.

Following a process evaluation of the initial service roll-out (MSD, 2004), a range of further changes were made to improve the ability of the service to achieve the goals set for it by Government. The major issues in establishing the initiative are detailed below.

### 3.3 Location of sites

The choice of location for the initial sites was opportunistic insofar as these were determined based on availability of rural office space belonging to one of the project partners that could feasibly accept the co-location of a Heartlands Services site. The majority of sites were owned or leased by MSD (particularly offices responsible for administering social welfare payments) or one of the other participating government agencies, and the remainder were placed in rural community agencies that had agreed to share their office space.

**Awareness**

The process evaluation conducted in 2004 found that co-locating sites in the premises of an existing community-based organisation resulted in higher levels of public awareness about the service. This was most likely because these agencies were places where rural inhabitants often went to when they need help to find a particular service. Those co-located in an existing government office were less well known among the local populace.

**Type-casting**

OSS sites co-located with a longstanding government agency were found to suffer from a form of type-casting associated with the pre-exiting function of the particular premises. That is, in the minds of local inhabitants, these buildings were so strongly associated with a particular function that it was hard for them to imagine other services being delivered from the location. While co-location is essential to the OSS concept of reducing service delivery costs, this finding indicates that pre-existing perceptions about a site are long lasting and that some form of dedicated marketing is needed to raise awareness. Further in this regard, site coordinators located in offices administering social welfare payments or a court’s buildings also reported that potential clients were reticent about using their site because of its pre-exiting function.

"The location in Work and Income [the name of the social welfare agency] sounds like it is only for beneficiaries [persons receiving social security payments]. The service is not for me" *Rural resident survey* (MSD, 2004).

**Promoting take-up of the service**

The co-location of sites with a pre-existing government agency had important implications insofar as influencing community perceptions about the service and who it was meant for. This was especially so because the name of the service itself: 'Heartland Services' did not infer its actual purpose and functions. The process evaluation undertaken in 2004 found that many locals either misunderstood or were unsure about
the function of a service with such a name. The small amount of signage on many of the early Heartland Services buildings compounded the issue.

"[the Heartlands building] is not well sign-posted and people sometimes walk the length of the main street trying to find us because we are at one end of it " Site coordinator (MSD, 2004)

With hindsight a name along the lines of "Doorway to Government Services" might have been a better choice. Moreover, the OSS concept was unknown to locals at the time that the service was rolled out, meaning that a more concerted promotion and education effort was required to raise awareness and ensure take-up of the service. The annual budget of NZD500 assigned to each office for advertising was insufficient for this purpose.

Privacy
Service providers requiring or delivering confidential information raised the issue of privacy in the 2004 process evaluation, reporting that they were sometimes obliged to discuss such matters with a client, or had to make similar such telephone calls within earshot of other workers or visiting clients. An issue particularly relevant in small communities where such information can become the subject of harmful local gossip.

"The proximity of the desks means that privacy could be an issue. We need to be careful that conversations are not heard when visiting agencies are here or when people waiting to see Work and Income staff are sitting nearby" Service Provider (MSD, 2004)

Specialist service provision
Offering face-to-face service provision from 25 different government agencies and 50 community organisations on a budget that did not allow for purpose built amenities meant that visiting service providers had to make the best of whatever facilities were available at each location. Along with the inability of some Heartland Services sites to offer a workspace that permitted confidential provider-client interaction, the lack of budget for reconfiguration of sites meant that some service providers were only able to offer a restricted range of services.

Performance data
The ability of an agency to monitor service performance is essential to ensuring that it remains on track to achieve its goals. Because the Heartland Services initiative was rolled out at a time when the OSS concept was still in its infancy, it was not possible to specify precisely the performance data that would best meet this need. As such, the service performance statistics that coordinators were required to report to head office on a monthly basis was simple and largely output based (eg. the number of enquiries received etc). Because some coordinators saw such routine data collection as a hindrance to their primary function of helping clients to access services, fidelity was variable. Moreover, given that the prospect of an annual remuneration increase was based in part on their site’s performance data, bias in these statistics was possible.

A broader issue affecting the collection of outcome data in a project of this type is the political ramifications of being accountable when results are less than ideal. By law, performance reports held by government agencies in New Zealand and elsewhere are ‘discoverable’ by opposition members of parliament. History shows that these are frequently used to embarrass a responsible Minister or the agency involved. Agencies not wanting to be the target of such political point scoring thus have a strong incentive not to improve the quality of the outcome data that they collect. The adversarial nature of
the federal political system in New Zealand as well as the abovementioned use of performance data to determine annual staff remuneration increases, are symptomatic of the tensions that underpin the paucity of quality outcome data in this and other major policy initiatives.

3.4 Coordinator role

Selection

While it was clear from the initial implementation phase that the site coordinator role was going to be critical to the success of the project, there was no similar service in New Zealand or abroad that could be looked to for a job description of the knowledge, skills, experience and characteristics against which new coordinators should be recruited. As such, coordinators were selected according to varying criteria but generally with an emphasis on the strength of their networks in the local community and any experience in the public sector.

In 2012, MSD published guidelines which detail criteria against which site coordinators should be recruited and the role they are expected to perform. This may well create a minimum standard that supports the recruitment of appropriately qualified personnel.

Competing service objectives

The process evaluation conducted in 2004 observed that coordinators based in sites co-located with existing government agencies, tended to style their approach on the processes and culture of that agency, which was not always ideally suited to the aims of the OSS concept. For example, at a site co-located with a pre-existing social welfare office, the coordinators processed enquiries as quickly as possible, spending the minimum time necessary with clients (as is typical of this particular agency which sets minimum client quotas for staff to process each day). The result being that clients with difficulty articulating their needs or who were unsure of which agency they needed assistance from, may not have received enough support to make full use of the benefits intended under the OSS approach. This can be contrasted with sites not co-located with a pre-existing government service. Here the coordinators tended to take more time and openly spoke about the importance of building a relationship with clients and of asking additional questions in an effort to maximise the possible benefits of the OSS for that person. Needless to say, the latter received much more positive feedback from clients who also reported using their sites more frequently to access a greater range of services.

Competing service roles

The problem of competing service objectives was especially apparent where the role of Heartland Services coordinator had been given to the receptionist or coordinator already working for the government agency in which that OSS was co-located. This created tensions as to which role should be allocated the most time and resources. Often the coordinator gave more attention to the role of associated with the co-located agency, because their activities were monitored on-site by a manager from that agency.

"My main role here is the Work and Income receptionist, I do those other [Heartlands] jobs as well but my main role is Work and Income reception" Site coordinator (MSD, 2004)

The service guidelines published in 2012 help to clarify the role that coordinators ought to perform. However, it is difficult to foresee them having an impact on the issue of 'co-located department culture'. Indeed such an issue is very difficult to address through head-office guidelines or directives, because a coordinator cannot be expected to
maintain an attitude to clients that is at odds with that of every other government employee in that shared workspace.

Training and development
The absence of any similar service in New Zealand or elsewhere meant that the implementation team had little to guide the recruitment and development of site coordinators. During the 2004 process evaluation, it was observed that coordinators received no formal induction or standardised training about how best to perform their role, nor information about the range of services that were theoretically available to be delivered at their site.

"Instead of an individual person telling me about IRD or something it would be good to have a government [department], one department, like MSD, giving us that overall view of breaking down, where to go for something or other, right from the beginning. Break down the departments, right down eg someone asks for citizenship or something, where you go, what is the next step and the one after that." Site coordinator (MSD, 2004)

While coordinators understood the broad purpose of the initiative, the absence of a uniform approach to induction resulted in a lack of consistency in the way it was operated across sites.

"At one site, the coordinator may see their role as assisting the community in any way they can including doing tasks like writing CVs, while the coordinator at another site may restrict their role to coordinating appointments for government agencies" (MSD, 2004)

The 2004 process evaluation observed that there was no opportunity for coordinators to pool what they were learning individually to build best practice approaches. When MSD later supported workshops for coordinators to meet periodically to share effective practices or to seek advice from their peers, the response from previously isolated coordinators was overwhelmingly positive:

"Last week Sabina and I attended a South Island two-day workshop for Heartlands Co-ordinators in Christchurch. This was both enjoyable and educational with an intense programme of workshops with topics ranging from trends and future directions for Heartland Services, presentations from several other Southern Region coordinators (including Takaka), opportunities for open discussion and some excellent training workshops. As always the engagement with other coordinators was extremely useful with the sharing of ideas for the development of our centres. We both returned full of ideas for the future". Site coordinator (Nelson Bays Primary Health, 2013)
4 Impact on desired outcomes

Robust quantitative estimates of the outcome-impact of the Heartland Services initiative are not possible because data concerning outcome variables was not collected prior to the opening of sites (ie. that might render a before/after comparison). Moreover, the process evaluation in 2004 found that significant inconsistencies in the site usage statistics sent by coordinators to head-office each month precluded reliable cross-site comparisons. Subsequent improvements in the collection of performance statistics together with qualitative and other survey data, however permits qualified conclusions to be drawn about the effects of the initiative.

4.1 Take-up of the service

The process evaluation conducted in 2004 found that after less than 2 years of operation, the service was well setup and already improving access to government services for people in rural areas.

"The presentation of the centres is clean, well organised and professional with lots of helpful brochures and information on display. Where there are kitchen facilities a cup of tea will not be far away. This is important because some people who come to use the centre don’t quite know what is available, what they need or what questions to ask. A big part of the coordinator’s job is helping people organise their thoughts and ideas so they can ask the right questions and feel less awkward when they meet with the government service representative they have come to see" (MSD, 2004).

An investigation by the Office of the Controller and Auditor General also conducted in 2004 drew similar positive conclusions, and a customer satisfaction survey of rural communities reported by the New Zealand Minister of Social Development in 2005 found that 75 per cent of persons who had used the service stated that they were "very satisfied" with the service (Audit Office, 2004).

An analysis of service performance statistics in 2010 indicated that over 100,000 annual client visits were made to the 35 Heartland Centres to access services from any one of 25 central government agencies or 50 rural community service organisations. A survey that same year of end-users and participating agency personnel found that the service was meeting its objectives (MSD, 2010 in that:

- 95% of the surveyed clients indicated that the service made it easier for them to access a greater diversity of services in their communities;
- 95% of the agency personnel from partner agencies who were surveyed, indicated that Heartland Centres improved significantly their ability to make their services available people in rural areas.

Another 2010 survey of 773 rural inhabitants who used the service found that over ninety percent of respondents 'agreed' (of which two thirds 'strongly agreed') to the survey statement: "Heartlands Services made it easier for me to access the services I need" - and with less than 3% disagreeing to this proposition.

"Having the Heartlands Service available here in town provides important access for many people in our community. It provides the important personal 'one to one' meetings with agency support for those of our community that cannot achieve the journey out of town... We need more services like this" Resident survey (MSD, 2010)
4.2 Unexpected outcomes

*Joined up service delivery vs privacy*

A potential benefit of initiatives that require service delivery agencies to collaborate is that the professional networks that develop serendipitously, can lead to better joined-up delivery of services for common clients. Indeed, improving interagency collaboration was a formally stated goal for the service. However, privacy legislation in New Zealand prevented service providers seeking or sharing information about a common client without their express consent. Some site coordinators were able to facilitate this by sharing with providers the picture they had built up in the course of helping a client to access various services, but overall the gains in this respect were more limited than envisaged.

*Security*

An unexpected finding in the process evaluation of the first 28 service centres was that some site coordinators and partner agency personnel did not feel safe when dealing alone with aggressive or emotionally disturbed clients. An OSS site is by definition intended to service all sectors of the community, including persons in the community that may have substance abuse problems and/or personality disorders or mental health problems or who happen to be highly distressed or aggressive on the day they enter the site. In urban areas, government services are typically staffed by multiple workers and have security staff on site. However, in a rural location the staff at a Heartland Services OSS may find themselves alone with a client without strong security provisions. The exception to this being the sites co-located in a court’s building or those where social welfare benefits are administered, which already have comprehensive security arrangements. The service guidelines published by MSD in 2012 raise this issue for community agency partners contracted to manage OSS sites, but it remains a challenge for the OSS concept more broadly.

*Social cohesion*

A criticism of central Government is that it is often perceived to pay insufficient attention to more distant rural voices. An example of which is the difficulty sometimes faced by survivors of natural disasters in negotiating central government imposed red-tape when seeking emergency assistance. Following the major earthquake in the south island of New Zealand in 2010, Heartland Services sites were ideally placed to ease the path to emergency and other assistance for persons traumatised by the event:

"[We] provided a lot of help with form filling and application writing. For many people, negotiating these kinds of processes is a hurdle at the best of times. “We are also trying to reach out to those who don’t make it through our door” Site coordinator (MSD, 2011)

Initiatives like this which help people in rural communities to access help in times of need may go a long way in helping to enhance the perspective that rural communities have of central Government.

"We get approx 2000 people frequenting our centre on a monthly basis. Comments from people are that it’s so warm and inviting and everyone working here is so friendly. People love coming in; everyone is welcome here. With all our services, we cater for all ages, creed, health problems, etc., from expectant mothers, babies, youth through to retirees, as well as terminally ill people. When nobody knows who to see or where to go – they come to Kawerau Heartlands”. Site coordinator, MSD (2010)
Vexatious community grievances regarding indigenous rights to land title have been a longstanding threat to social cohesion in New Zealand. A review conducted in 2004 by the Controller and Auditor General endorsed the role of Heartland Services in helping Government bring resolution to this issue:

"We visited a Heartland Services clinic to see how it worked, especially given the Maori Land Court Unit’s presence, and found that it was an ideal opportunity for the Unit’s clients to obtain information... we think that the Heartland Services programme is a positive example of government agencies working together to try to ensure that their clients in more remote areas are adequately serviced. We would like to see this level of co-ordination more evident among the parties in the Maori Land sector" (Audit Office, 2004).
5 Discussion & Conclusion

The Heartland Services initiative demonstrates that service delivery based on the OSS concept can be used by governments to deliver face-to-face services in a cost effective way to rural communities with low population density.

While the OSS approach clearly has merit, this case study also highlights the broader importance of using best practice approaches in public service administration, for a project of this type to be implemented successfully. These include:

- assigning the initiative to a well resourced lead agency with an existing network of rural offices that can be adapted to co-locate OSS sites, and formally tasking other agencies to participate in the initiative

- appointing a senior executive with strong rural experience and networks, and who is an effective communicator to lead the project. This is especially important in securing the cooperation of cross agency partners and local communities.

- recruiting personnel systematically, based on a considered analysis of their intended role, and providing a standardised induction about how to do the job so that they can work efficiently toward the objectives of the initiative.

- monitoring performance according to outcomes that are meaningful (number of clients whose needs were adequately met) versus outputs (eg. number of clients served) so that the project achieves real value for money.

The case study also highlights limitations to what is possible with an OSS partner site, particularly when cost minimisation is a criteria against which ongoing operational decisions are made.

There is a penalty involved in co-locating OSS sites in government premises that continue to perform a function that may deter some members of the community (eg. basing an OSS in a rural court house or social welfare office).

Co-locating an OSS partner site in premises designed for one particular agency will not suit all other providers. Looking forward it may be advantageous to provide different categories of OSS offices to deliver different clusters of services. This could be organised along the lines of the HKGov OSS website in Hong Kong. Here information is clustered (e.g. environment, transport, education) to the perceived needs of major user groups (business and industry, youth etc). As such an OSS partner site could for example be configured with basic medical facilities appropriate for a range of health care professionals, or secure consulting rooms for tax officers or other counsellors to discuss personal or sensitive information in private.

Minimising personnel costs means there are few personnel at some OSS partner sites, which creates a security issue in dealing with clients who present in a distressed state. Particularly when there are no police or other security nearby.

Co-locating OSS partner sites in the premises of an existing agency that relates to clients in a less than friendly way (e.g. an unemployment benefits office that requires its staff to minimise time spent with clients), creates tensions for the site coordinator that will compromise their effectiveness - especially if they are part-employed by both services. A situation that can be exacerbated when a site coordinator is subordinate to a local agency manager who issues directives that do not align with those of the agency leading the OSS project.
One of the touted benefits of this cross agency policy concept was that it should facilitate interagency collaboration. Indeed this was a secondary goal set by the New Zealand Government for the Heartland Services initiative. The available evidence however suggests that only marginal gains have been made in this respect because privacy legislation has hindered delivery personnel from sharing information about common clients.

It is more expensive to train and develop site coordinators dispersed across rural communities. Providing a good induction and ongoing training improves the quality of the service but raises costs.

Some of the development issues observed in relation to the Heartland Services initiative were also observed by Bryden et al. (2007) in their evaluation of a community led national OSS service supported by the Government of Scotland. While this project has also had some success, it has endured additional difficulties arising from a policy decision to require community agencies to procure and manage OSS site offices using unpaid volunteer coordinators. Because such organisations pay for their sites using short term grant monies, the ongoing sustainability of the initiative is not well assured. While the co-location of Heartland Services sites in existing government offices creates some limitations, doing so has endowed it with comparably greater security of tenure.

As noted earlier, OSS models range from frugal website platforms to those based in actual offices such as Heartland Services. While OSS internet portals such as HKGov and UKdirect.gov cost considerably less to implement and administer than Heartland Services, the trade-off is that they are largely inaccessible to persons unfamiliar with or unable to use the internet, or who need personal assistance. Also, where people send email queries to sites like UKdirect.gov, personnel resources are required to find an appropriate agency representative to respond, and for that response and any ongoing correspondence to be prepared. To this end, preparing a written response often requires more time than giving advice over a service counter - particularly if back and forth communication by email is required to clarify details of a request. As such, doing away with face-to-face interaction (as advocated by PWC, 2012) to cut costs, may not work so effectively in practice. The impersonal nature of this approach may also unhelpfully add to the sense of disconnection that distant rural citizens may have with central Government.

OSS website platforms that offer some human interaction have a significant advantage. The New York State based NY 311 initiative offers a ‘virtual’ OSS that citizens can access via the internet or by a telephone call to an operator who has access to a comprehensive repository of information about services. However, this operator does not actually deliver services. Taking this one step further, Service Canada and Service Ontario are OSS initiatives that provide an internet based portal to government augmented by a limited number of sites for face-to-face service delivery. While lacking the breadth of geographic coverage of the Heartlands Service, these services seeks to combine the advantages of a website portal with face-to-face interaction.

Looking forward, it would seem advantageous to continue to experiment with new OSS initiatives that combine the best of the existing policies, and which capitalise on advances in communication technology and the global growth in access to the internet. The popularity of web-based communication platforms such as Skype shows that increasing numbers of people are becoming comfortable with speaking to one another through the medium of a computer terminal. This would suggest that the merits of face-to-face engagement evidenced in the Heartland Services initiative might feasibly be
achieved at an even lower cost through a digital online service that permits face-to-face interaction with service delivery personnel. Except for services such as health care which necessarily require in-person contact, the vast majority of other government services may be feasibly delivered through a ‘virtual' OSS office, albeit staffed by real service delivery personnel. From the comfort of their home, clients could make appointments to speak to a range of service providers, without the usual hassle or cost of having to travel to a government office. Likewise government departments could reduce the costs associated with sending delivery professionals to rural areas, as well as ensuring the physical safety of their staff. Basing such a virtual office in an inner city location would take advantage of the economies of scale available in urban centres.

Government and local communities have much to gain from a more vibrant rural economy making a greater contribution to GDP, and the OSS concept has shown it has significant potential in helping policymakers to achieve this. OSS initiatives have been positive success stories for all of the governments that have implemented them. Rural communities starved of access to essential services are grateful for the support that local OSS sites offer and as such, this approach goes some of the way in building community confidence that Government is there for them.

"I think seeing the faces of the people when they come in, and, you know, solving their problems. Especially if they’ve been trying to solve something for ages, especially with a tax problem, and they’re just sort of lost, they don’t know where to go, what to do, who to see – and then just to see them come through a week later and say thank you, that’s my job satisfaction". Site coordinator (MSD, 2009)
6 References


