

Chair
Cabinet Social Policy Committee

TE TAI TOKERAU, NORTHLAND PLACE-BASED INITIATIVE

Proposal

- 1 This paper sets out an approach to improve outcomes for children, young people and their whānau who are most at risk of poor outcomes in the Northland region. The approach builds on the social investment work that has been undertaken to date and feeds into the region's economic development initiative. It supports local agency leaders to build on what is already working well and power up their ability to:
 - provide integrated responses to at-risk 0-24 year-olds and their whānau, enhancing the use of data and analytics to support decision-making
 - partner with and mobilise communities to shift intergenerational patterns of behaviour and build community self-help, capability and resilience.
- 2 The governance of Northland's place-based initiative (PBI) would initially sit with the region's Social Wellbeing Governance Group (SWGG)¹, transitioning to refined governance and management arrangements after 12 months with decision rights over an investment fund, reallocated from existing contracts. The proposal includes strengthening the education system to ensure that it more effectively delivers for the 0-24 year olds most at-risk and in so doing contributes to broader social and economic goals. The full Business Case is attached to this paper.

Executive Summary

- 3 This proposal introduces the principles of the Government's social investment approach into a local place with a particular focus on children, young people and whānau who are most at risk of poor outcomes.
- 4 The Northland region was one of eight regions identified by both the Youth Funding Review 15-24 year olds and Review of 0-5 year-olds as an area with a high proportion of its younger population at risk. Nearly 6,000 children and young people are estimated as being at risk of poor outcomes, or nearly 12 per cent of Northland's youth population². With the recently launched Tai Tokerau Northland Economic Action Plan there are more opportunities for this at-risk group to contribute to, participate in, and benefit from, a flourishing economy.
- 5 In order to do so, in Northland, there is a need for a strong social fabric that supports each generation, whānau and individual to realise their full potential, and utilise their talents and skills to be independent and self-determining. To achieve this, the region requires a strong education system and a focus on addressing the social barriers and issues currently facing the children, young people, and whānau who are at risk of poor outcomes.
- 6 Four key challenges underpin the development of this proposal:


¹ SWGG is currently comprised of senior regional managers of the Ministries of Education and Social Development, Police, Te Puni Kōkiri, Northland District Health Board, and a nominated representative from the Te Tai Tokerau iwi chairs.

² Based on 0-14 year olds with three or four risk factors and 15-24 year olds using the target population analysis.

- identification and prioritisation of the children, young people and their whānau most at-risk of poor outcomes who are not already getting effective coverage: there are a number of integrated approaches in the Northland region and it is unclear how many of those at risk are already receiving services, from which agency, and to what extent;
- building a self-sustaining environment of capable whānau and community support: better long-term outcomes could be achieved if we tackle the intergenerational patterns of behaviour that are causing disadvantage in communities;
- delegation of decision rights: what rights are required by local agencies to make more of a difference to the outcomes they could achieve and what are the trade-offs;
- capability and capacity of local agencies.

- 7 SWGG has started to make inroads to address these challenges. Its "Fusion" way of working has contributed to a reduction in the youth suicide rate by empowering response teams with full information, proper assessment and coordination. This has been achieved with support from local community groups established in partnership with iwi and hapu. SWGG has also successfully governed the design and implementation of the Whangarei Children's Team, working collaboratively across agencies and with providers.
- 8 The success of SWGG has been enabled by adhering to key principles, including rapid exchange of information and strong relationships. However, the reach of SWGG is currently limited by capacity constraints in the resources it has available and its analytical skills and knowledge.
- 9 Accordingly, I consider that the best option for Northland is to provide additional support to local leaders, lifting their capability and capacity to focus on the 6,000 children and young people we know are at risk of poor outcomes across the region.

How the proposal will operate

- 10 SWGG will continue to provide governance and be accountable for outcomes that would be set by the Government. The agreement with the Government would follow a tight-loose-tight model; tight outcomes, flexibility in how SWGG achieve them, and tight reporting and accountability.
- 11 Over the first year of implementation, I expect the operational integration across the members of SWGG to have improved significantly, to the point where Ministers would give SWGG further decision rights over an investment fund. s 9(2)(f)(iv) OIA
- 12 
- 13 Progressively, SWGG will target responses to those children, young people and whānau most at risk of poor outcomes while at the same time undertaking initiatives that strengthen the communities in which they live. Partnering with, and mobilising, communities to improve outcomes for their most at-risk young people will shift intergenerational patterns of behaviour and build community self-help, capability and resilience.
- 14 SWGG will be supported by an Executive Office that would sit in a local host agency. The Executive Office would need to be linked to the new Social Investment Unit to draw better regional data and analytics to assist with targeting to those 6,000 most at-risk. The Executive Office would inform decision-making on prioritisation and reallocation, give effect to immediate responses and co-design more sustainable changes, working alongside

providers, organisations and communities. These additional resources will support local leaders to manage their collective responsibilities as well as substantially enhancing the region's skill base and capacity.

- 15 Alongside enhanced capacity and capability to support social investment, the establishment of Communities of Learning across the Northland region will ensure that the education system is strong and connected to broader social and economic goals.
- 16 The Northland PBI provides an opportunity to test different approaches. Given that implementation of the Modernising Child, Youth and Family (CYF) Expert Panel's proposed reforms are expected to take several years, information from PBIs could be used to inform the detailed design of the new CYF operating model. It is proposed that decisions on refining the governance and management of the Northland PBI be considered by Cabinet in May 2017 when the new CYF operating model and funding allocations have been decided.
- 17 I would like at that time to consider the possibility of appointing a local coordinative position to head the Executive Office, accountable to SWGG and set at about Deputy Secretary level. This would be a new role in the machinery of government that would have the benefit of ensuring other regional managers are able to contribute to the integrated effort for those most at-risk while not compromising their primary line management responsibilities.
- 18 It would also create the first formal cross-agency position to which local decision rights are delegated allowing the individual interests of the at-risk young person and their family and their access to integrated services to take priority over the sectorial interests of the different government agencies. This could be a very valuable addition to the public service in its regional location, delegations, and career development opportunities for senior public servants.

Expected benefits of the proposal

- 19 The primary benefit of the proposal is to achieve better long-term outcomes for children and young people, placing them on a positive trajectory. The impact of this will be seen both in increased economic productivity and growth, and in a reduction in long-term Government spend in the areas of health, welfare, education and justice. Over time there would be a reduction in the fragmentation and duplication of current services, and a shift from reactive work to a focus on prevention. It is expected that all 6,000 children, young people and their families most at risk would be reached within five years, through a mix of individual and community responses.

Cost of the proposal

§ 9(2)(f)(iv) OIA

- 20 [REDACTED] This will cover both the operating costs of SWGG and one-off funding in the interim of contract funding becoming available. Details on what is needed will be confirmed to inform a draw-down in July, including a host agency. This funding would also contribute \$400k per annum towards the costs of a centralised national office support function for the three place based initiatives, subject to further decisions about this being required.
- 21 Costs associated with the work to strengthen Communities of Learning would be met by the Ministry of Education.

Progressing the proposal

- 22 If agreed, the Minister of Education will consult with the key stakeholders and report back to the Social Policy Committee in June 2016 with:
- a memorandum of understanding
 - recommendations for an independent chair
 - recommendations to draw-down funding.
- 23 SWGG will begin working across three priority areas of the region from July 2016, designing and deploying local responses.
- 24 In May 2017, the Minister of Education will report back to Social Policy Committee on:
- a review of progress in the Northland PBI;
 - recommendations for refined governance and management arrangements;
 - SWGG's advice on the services and programmes that are potentially in scope for transfer for collective decision-making, and consideration of a social investment plan to replace the memorandum of understanding;
 - machinery of government options for sustainable integrated cross-agency activity at regional level.

Background

- 25 For Budget 2016, Cabinet asked agencies to undertake reviews of funding for 0-5 year olds and 15-24 year olds [SOC-15-MIN-0060; SOC-15-MIN-0065]. The purpose of these reviews was to take a social investment lens to a population group and to investigate outcomes and effectiveness of services for those groups.
- 26 These Reviews identified that, while the Government had made a significant investment in services for vulnerable New Zealanders, the effectiveness of some services is unknown and we are still seeing poor outcomes for some groups. Cabinet asked that business cases be developed for PBIs in Northland, South Auckland and Gisborne to build on achievements and to enable sustained change. The aim of these place based approaches was to improve outcomes for the most at-risk children and young people aged 0-24 with a social investment focus [SOC-15-Min-0078].
- 27 The Northland economy is undergoing transformation. Agencies are actively working on the Northland Economic Action Plan launched on 4 February 2016. The need for a strong education system that equips people with relevant skills and capabilities is a fundamental enabler to the success of this proposal
- 28 There needs to be a system response to improving outcomes in Northland. The factors that will make marked differences for this population are income, education and employment. Education and economic development need to be aligned to ensure skills are matched to jobs, and children and young people are supported to see their potential pathways to economic success. High quality, joined up social and health services in turn can mitigate some of the impact of being poor and living in deprived environments. There is a key role for employers in equipping students with the skills and capabilities to benefit from the region's economic development opportunities.

Examples of good work happening in Northland

- 29 Good examples of integration and community-building already exist in Northland. Through its Fusion approach, SWGG led a region-wide response to combat youth suicide in Northland. A Fusion response to youth suicide is set out in page 11 of the business case.
- 30 The Fusion way of working was implemented with support from local community response groups established across Northland in partnership with iwi and hapu, to provide support to vulnerable young people and their whānau. There are indications that this approach is effective. The youth suicide rate has declined from 19 in 2012 to one death in 2015. Success is achieved through full information, proper assessment and coordination of the response as well as comprehensive family, whānau, peer and school responses and providing the right interventions from a range of tasked agencies supporting each other. SWGG also successfully governed the design and implementation of the Whangarei Children's Team and continues to have oversight over its outcomes.
- 31 The critical principles that have enabled the success of SWGG are:
- a small group of key decision makers working to a jointly agreed approach focused on vulnerable children, not individual agency outcomes
 - rapid information exchange and response time
 - strong relationships with iwi, hapu and communities across Northland that enable immediate engagement to address issues as they arise
 - strong links in the design phase with employers that can provide opportunities for young people at risk.
- 32 There are also prototypes that have been developed that integrate the economic and social sectors. These include GROW which tackles the under-employment of young people and grows the skilled workforce in the region; and the Northland College Mānuka Planting Initiative which creates employment, provides education, improved land value and makes revenue for the college to reinvest.

Proposal

- 33 Given the challenges underpinning this proposal (paragraph 6 refers), the preferred way forward incorporates consistent direction-setting, the concept of community and iwi leadership, incentives for joined-up working, and feedback loops for better decision-making, while maintaining clear accountability.
- 34 It builds on the progress already made by SWGG, and addresses the gaps in terms of joined up funding mechanisms, decision-making and new capability.
- 35 Implementing the PBI approach delivers the key service requirements through four building blocks:
- Utilising a **governance mechanism** for the funding that carries the accountability for the target population, and makes investment decisions in conjunction with the local community.
 - Establishing the **capability, capacity and tools** to support decision-making with data and analytics, information sharing, evaluation and measurement, and robust project management of activities.

- Establishing a **funding mechanism** that is flexible and focused on meeting the needs of the child, young person and their family and whānau, across the outcomes areas and without constraint from organisational boundaries.
- **Co-designing with communities** (including local employers) to ensure that the environment is conducive and encourages a culture of success and achievement.

Governance: powering up SWGG

- 36 The proposal is to enhance the capacity and capability of SWGG. The advantages of this approach are that SWGG has local knowledge and experience, already established relationships, and is able and willing to take on a bigger challenge.
- 37 SWGG would continue to be responsible for improving the outcomes of vulnerable Northlanders, but be powered up to focus on those children and young people we know are at risk of poor outcomes across the region. The proposed focus for SWGG would be the priority population agreed by Cabinet for Budget 2016: at-risk children and young people aged 0-24 years (including parents/whānau) in Northland [SOC-15-Min-0078]. To reflect the unique circumstances of the region, SWGG would have the flexibility to design and deploy interventions or approaches that it considers would improve outcomes for those at risk.
- 38 Initially, SWGG would have an agreement with the Government through a results-based memorandum of understanding, which would include:
- local-level outcomes and associated measures/indicators
 - roles and responsibilities, funding arrangements, expectations
 - checks and balances to support appropriate decision-making
 - target number of at-risk children, young people and their families
 - the decision-rights of SWGG
 - national level support and arrangements for monitoring and evaluation
 - reporting frequency and mechanisms.
- 39 Ministerial accountabilities need to be clarified should the proposal be agreed. Three potential options have been identified that I seek the Committee's views on. These are:
- Cabinet establish a Ministerial Oversight Group chaired by a lead Minister, with responsibility for approving proposals for investment submitted by the PBIs. This would be a means to keep the three PBIs and decisions on CYF integrated at Ministerial level.
 - Cabinet approve a memorandum of understanding and subsequent social investment plan which is executed by the lead Minister. Cabinet would thus maintain oversight of how the three place-based initiatives and implementation of decisions on CYF fit together.
 - Cabinet delegate authority for the proposal to a lead Minister who would be authorised to enter into agreement with SWGG, monitor and address performance and ensure that the outcomes for the most at risk are improving. This approach would create space for the lead Minister to test different approaches that can inform the implementation of CYF decisions, especially over the next two years as establishment activities are planned.
- 40 The current agency and iwi membership of SWGG will continue with the exception of a new independent chair that would be appointed by the Government and bring in sound governance disciplines and a strategic focus. The chair would not hold any decision-rights..

SWGG would report regularly to the Government on the outcomes and deliverables it is achieving and be required to communicate this to the Northland community.

- 41 Over the first year of implementation, the operational integration across the members of SWGG would have improved significantly, to the point where Ministers would give SWGG further decision rights over an investment fund.

I would report back on progress in May 2017. Once SWGG reach that point, governance and management arrangements may need to be refined in order for SWGG to have the flexibility to make decisions on those resources and start/stop/modify contracts. To manage the fund, SWGG would develop a social investment plan to be agreed to by Government and could operate as a social investment board. ***Capability, capacity and tools through an executive office and strengthened education response***

- 42 SWGG will be supported by an Executive Office, which would have three functions:

- **mobilising communities:** partnering with, and mobilising communities to shift intergenerational patterns of behaviour and build community self-help, capability and resilience
- **analytics and triage:** analyse available information to identify risk factors, identify patterns of behaviour across families and communities, and agency service usage
- **tasking and response:** coordinate service responses to those most at risk, and develop approaches that partner with local communities.

- 43 The Office will operate with SWGG's mandate to task and coordinate services, undertake analytics and projects with communities, and identify best practice nationally and internationally, drawing on centralised social investment support (e.g. the Social Investment Unit) where appropriate. This operating model is depicted in appendix one. Scenarios indicating what could be achieved and how the proposed model will make a difference are set out in appendix two.

- 44 Without the additional resources for capability building provided through this proposal, the capacity of SWGG to enhance its efforts in this way is low. The support provided by the Executive Office functions will be the backbone of the approach and are an essential resource for local leaders to power up their activities while still managing their business as usual responsibilities. Resourcing this sufficiently will be the key to support success.

- 45 Building on the current way of working, SWGG will need to consider the development of protocols, agreement and secure arrangements for sharing information that put clients at the centre.

- 46 Rigorous measurement, evaluation and information feedback loops will enable SWGG to learn and adapt. It will also inform national office policy and initiatives. The Executive Office would need to be linked to the new Social Investment Unit to draw better regional data and analytics to assist with targeting to those 6,000 most at-risk.

- 47 The national level will need to support the capability and capacity building of the local region. The Social Investment Unit is developing a proposal for the national support arrangements for the three PBIs. In the meantime the Social Investment Unit will support the leads, and take the lead in ensuring there is an integrated national perspective on what we want to achieve through these PBIs and that they are developed in a way which meets expectations on matters such as use of data and evidence, information sharing, performance management and accountability. The Social Investment Unit will need to draw on support

and expertise from social sector agencies, the Treasury and the State Services Commission. The preferred approach will be developed before July 2016.

- 48 In Year two, there is potential to appoint a local coordinative position to head the Executive Office, accountable to SWGG and set at about Deputy Secretary level. This would be a new role in the machinery of government that would have the benefit of ensuring other regional managers are able to contribute to the integrated effort for those most at-risk while not compromising their primary line management responsibilities. I propose to report back to Cabinet in May 2017 with options.

Strengthening the education system response

- 49 Alongside enhanced activities of SWGG, the establishment of Communities of Learning across the Northland region will ensure that the education system is strong and connected to broader social and economic goals.
- 50 Communities of Learning are starting out as groups of kura/schools and early childhood organisations that work together, along with their communities, to raise achievement for all tamāriki and young people by sharing expertise in teaching and learning (ako), and working together to address achievement challenges.
- 51 Integration of social services and Communities of Learning will eliminate time-consuming transactional processes that schools currently engage in to find the right services for children, young people and their families and whānau. Integrated social service provision will also enable school principals to give their attention to be leaders of learning, both within their own school and their wider Community of Learning. The freeing up of time will enable principals and teachers to be focused solely on educating children, so they can lift achievement.

s 9(2)(f)(iv) OIA

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Connecting with the economic development response

- 53 The outcomes sought through the Te Tai Tokerau Northland Economic Action Plan include a reduction in the rate of youth not in employment, education or training, an increase in Northland's population and a decrease in the rate of Māori unemployment. The economic sector cannot achieve these outcomes alone. Northland's labour market opportunity sits with its young people and the social sector needs to do its part to ensure that young people, particularly those at risk, are motivated and able to take up those opportunities. This is more critical for outcomes in the 15-24 age group, although the importance of change for family groups is also part of the picture.
- 54 There needs to be a strong link between the education and economic sectors to ensure that the activities of both are complementary and not duplicated. How this would happen in practice would be a focus of SWGG, incorporating learning from prototypes currently underway that link the two sectors.

Funding mechanism

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Core capabilities and resources

- 56 New operating funding would be required for resources and tools for SWGG; secretariat support, financial and data analysis, evaluation analysis, strategic advice and programme management (see section eight of the business case). [REDACTED] The resources would include. [REDACTED]

s 9(2)(f)(iv) OIA

- Executive Office consisting of up to 15 staff supporting SWGG, including national office liaison and support
 - Triage and tasking and response function consisting of up to seven staff
 - Community mobilisation function consisting of up to seven staff
- 57 The funding has been estimated using the optimal number of resources required to have an impact on outcomes for the most at-risk families. Underpinning this approach is the need for SWGG to 'grow their own' capability by partnering local staff and providers with resources providing skills transfer through joint project work. Resources may not be required all at the same time and may be able to come from existing resources.
- 58 From year five, SWGG would need to source funding for any required resources from the investment pool. The exact number of resources will be worked through to enable draw-down of funding to occur in July 2016.

Investment in service delivery – moving towards an investment portfolio

- 59 Initial analysis of investment in the target population across social sector agencies has identified an estimated total investment of \$30 million in FY 2014/15. This estimate is likely to include both an understatement of the total available, and overstatement of what can be reallocated easily. The total investment fund will therefore be confirmed once detailed analysis is complete
- 60 This forms the overall investment portfolio that could be reallocated to SWGG in the end state, when it is operating at full capability, capacity and maturity. This funding is currently provisioned to individual agencies and other service providers through existing contracts. Due to the scale and complexity of funding, and the terms and duration of existing contracts, I propose that the amount of funding SWGG oversees is phased over a five year period.
- 61 Identifying the funding that could be invested into a portfolio will be difficult as was faced by the Children's Teams and Social Sector Trials. I will seek SWGG's advice on the services and programmes that are potentially in scope for transfer for collective decision-making and report back to Cabinet in May 2017 with recommendations.
- 62 Some new funding would be required in the first year to enable SWGG to start, while current contracts conclude and funding is freed up for potential redistribution.

63 The workload impacts on SWGG members are likely to be felt differently according to the operating structures in each agency and the extent to which local leaders have a direct role in operational decision-making. While SWGG is confident that the Executive Office and key staff will take the pressure off local leaders, the interim fund would enable SWGG to address these pressures in the first year.

s 9(2)(f)(iv) OIA

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65 Costs associated with the work to strengthen Communities of Learning would be met by the Ministry of Education.

Co-designing with communities to ensure that the environment is conducive and encourages a culture of success

66 A key enabler of the future system is for social services to be integrated and tailored to the needs of the child, young person and their family and whānau. This will remove the barriers to participation in education and economic opportunities, and ensure accountability with education and economic development for creating the right pathways, rather than being absorbed into social service delivery.

67 SWGG will target responses to those children, young people and whānau most at risk of poor outcomes while at the same time undertaking initiatives that improve the environment and communities that they function within. More detail will be provided in the report back in July 2016.

68 Partnering with communities to improve outcomes for their most at-risk young people will shift intergenerational patterns of behaviour and build community self-help, capability and resilience.

Benefits of the proposal and expected outcomes

69 The primary benefit of a PBI for Northland is to achieve better long-term outcomes for children and young people, placing them on a positive trajectory. The impact of this will be seen both in increased economic productivity and growth, and in a reduction in long-term Government spend in the areas of health, welfare, education and justice.

70 There may also be shorter term benefits that can be monitored and reported on in the interim, and other harder to quantify benefits such as increased capability and capacity. These will be worked through in an evaluation framework.

71 Analysis of national data on at-risk children and young people shows average costs for this group are significantly higher compared with those with fewer or no risk factors³. These costs include Child, Youth and Family, Youth Justice and welfare benefit costs as a child and as an adult, and Corrections costs. The average costs for 0-5 year olds and 6-14 year olds are shown in Table 1.

| Current Age Group | Average cost at age 21 | | |
|--------------------|------------------------|-----------|------------------|
| | Not at risk | At-risk | Additional costs |
| 0- to 5-year-olds | \$9,454 | \$91,681 | \$ 82,227 |
| 6- to 14-year-olds | \$10,848 | \$103,080 | \$ 92,232 |

Table 1: Average costs of at-risk and not at-risk children at age 21

³ Integrated Data Infrastructure analysis, 0-24 (0-5 6-14 15-24) target groups by selected locations, 2015.

- 72 Similar patterns of higher costs can be seen across older age groups, with the projected expenditure on benefits and Corrections costs when the young person is 25- to 34-years old. The projected costs for both age groups are shown in Table 2.

| Current Age Group | Estimated cumulative costs between 25- to 34-years | | |
|---------------------|--|-----------|-----------------|
| | Not at risk | At-risk | Additional cost |
| 15- to 19-year-olds | \$19,572 | \$90,327 | \$ 70,755 |
| 20- to 24-year-olds | \$17,842 | \$125,092 | \$ 107,250 |

Table 2: Estimated cumulative costs for at-risk and not-at-risk young people between ages 25- to 34

- 73 This suggests even relatively modest improvements in outcomes for at-risk children and young people in the target group would not only improve their lives and futures, but would also deliver significant reductions in long-term spend. The costs above do not include estimated costs in the health or education sectors and are under-stated.⁴
- 74 More importantly, the costs do not account for the positive outcomes of improved educational achievement, economic productivity and setting a positive cycle of intergenerational outcomes.
- 75 It is anticipated that over time there would be a reduction in the fragmentation and duplication of current services, less of a need for local agencies to be so involved, and a shift from reactive work to a focus on prevention.

Considerations and dependencies

- 76 The Modernising Child, Youth and Family (CYF) Expert Advisory Panel is currently developing a plan for the modernisation of CYF. This plan will address a number of the issues relating to the population of at-risk children and young people in Northland. There will need to be engagement with the findings of the Expert Advisory Panel in order to coordinate with the changes to the CYF operating model.
- 77 The Government has a social accord with Te Hiku iwi which aims to empower whānau to improve their lives. The ambition underpinning the accord and that proposed in this paper to improve the outcomes of those most at risk is aligned. Before finalising this proposal, on behalf of the Government I will involve Te Hiku Iwi on the design of the Northland PBI. The co-design of community initiatives in the Far North will include Te Hiku – Make it Happen, some funding for which has been included in the set up costs of the proposal.
- 78 Ongoing work addressing the findings of the previous funding reviews will also be relevant to the proposed initiative as they will address how to improve the reach, effectiveness and usability of the sort of core services that help keep families and communities strong and able to provide good environments for children.
- 79 SWGG would continue to govern the roll out of the Children's Team, and provide support to Social Sector Trials, Te Hiku Make It Happen and the Tai Tokerau Northland Economic Action Plan Steering Group (of which three are concurrent members). SWGG could become the governance mechanism for Social Sector Trials and Te Hiku, subject to consultation over the coming months.
- 80 The intent is that SWGG and Whānau Ora Commissioning Agencies working in the North Island (Te Pou Matakana and Pasifika Futures) will work in synergy in the region to ensure optimal coverage of at-risk children, young people and their whānau. SWGG may engage or

⁴ The costs indicated have not been normalised. For those aged 15-25 the projected costs are to age 34, while for those aged 0-14 the projected costs are to age 21

contract with the Commissioning Agencies to use their network providers for service provision, helping this approach grow in the region, and avoid duplication of existing resources and services.

Implementation Plan

- 81 Three territorial authorities make up the Northland Region. Whangarei has the highest number of 0-24 year olds at risk (2,850) but the far North has a slightly greater proportion of at risk (12%) compared to Whangarei (10%). See appendix three.
- 82 If agreed, SWGG will begin working across three priority areas of the region from July 2016 (Te Hiku, Otangarei, Kaikohe), designing and deploying local responses. The outcomes, target indicators and evaluation approach that would be measured will be developed in the next few months. The number of families who will benefit from the proposal depends on a number of factors (e.g. stocks and flows, current coverage, types of interventions) and is currently being worked through. However, between individual responses and community responses, it is expected that all 6,000 or so children, young people and their families most at risk would be reached within five years.
- 83 Key milestones are set out on page 37 of the Business Case.

Risks and mitigations

- 84 The risks and mitigations are set out in section 6.6 of the business case. In summary they are:
- the proposal will create additional workload for SWGG, which is mitigated by additional skilled resourcing in the Executive Office
 - the proposal will require a capability uplift and new ways of working for SWGG, also addressed through additional resourcing and partnering
 - community scepticism that the approach is another additional initiative adding to existing arrangements would be mitigated through engagement, co-design and partnering with communities
 - following social investment principles may slow the pace to achieve long-term gains but is mitigated by a sustainable capability lift built progressively into communities
 - the approach could be perceived as too agency-centric and lack community buy-in, which needs genuine and quality engagement and partnering by SWGG.

Consultation

- 85 This paper has been prepared by the Ministry of Education in consultation with the Northland Social Wellbeing Governance Group, the Treasury, State Services Commission (SSC), Ministry of Social Development, Ministry of Health, Ministry of Justice, Police, Corrections, Ministry of Business, Innovation and Employment, the Education Review Office, Ministry of Primary Industries and Te Puni Kokiri.
- 86 The Department of Prime Minister and Cabinet has been informed.

Financial Implications

- 87 [REDACTED] to be set aside as a contingency for the proposal. This will cover both the operating costs of SWGG and one off funding in the interim of contract funding becoming available. Details on what is needed will be confirmed to inform a draw down in July, including a host agency. It would also contribute \$400k per annum towards the costs of a centralised national office support function for the three place based initiatives, if considered to be necessary.
- 88 Alternately, we could direct agencies to fund the operating costs of SWGG and the one-off funding from existing baselines. Details of contributions would be determined by July 2016. However, I do not consider the amount sought justifies this agency contribution approach.

Progressing the proposal

- 89 As the components of the approach will need to be developed further, I propose the following process to progress the proposal. If agreed, the Minister of Education will report back to the Social Policy Committee in July 2016 with:
- a draft memorandum of understanding (see paragraph 38)
 - recommendations for an independent chair
 - draw down of funding.
- 90 In May 2017, the Minister will report back to Social Policy Committee on:
- a review of activities to date and recommendations for refined governance and management arrangements
 - SWGG's advice on the services and programmes that are potentially in scope for transfer for collective decision-making, and consideration of a social investment plan to replace the memorandum of understanding.

Human Rights

- 91 The proposals outlined in this paper are consistent with the requirements of the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Legislative Implications

- 92 There are no legislative implications in this paper.

Regulatory Impact Analysis

- 93 A Regulatory Impact Analysis is not required.

Gender Implications

- 94 Approximately 51 percent of Northland's 0-24 year-olds are male and 49 percent are female. Of the at-risk population, nationally 51 percent are also male and 49 percent are female. At an aggregate level, an equal number of males and females are at risk of poor outcomes. However, at an individual target population level there are likely to be differences between categories, for example teenage girls supported by benefits (all females) and teenage boys with Youth Justice or corrections histories (all males).

Disability Perspective

- 95 People with disabilities have also been identified as a group who are at risk of poor outcomes. For example, the Youth Funding Review identified approximately 186 teenagers with health, disability issues or special needs in Northland (about 8% of the target population of those at risk). Investment in these groups will significantly improve their outcomes across multiple domains and support the objectives of the New Zealand Disability Strategy.

Publicity

- 96 A communications plan would be developed in consultation with the Minister of Finance and Ministers responsible for other place-based proposals.

Recommendations

The Minister of Education recommends that the Committee:

- 1 **note** that in response to the findings of the Youth Funding Review, the Social Policy Committee asked the Minister of Education to develop a business case to improve outcomes for the most at-risk children and young people aged 0-24 years in Northland
- 2 **note** that the business case concludes:
 - the potential long-term costs of poor outcomes for the target population of at risk 0-24 year olds in Northland are significant
 - there is an opportunity for the children, young people and their families to benefit from potential growth in the region
 - there is a need for a strong social fabric that holds for generations, a strong education system and a focus on addressing the social barriers and issues currently facing those at risk or poor outcomes
 - that there are some good examples of integration occurring in Northland that are working well, for example the Social Wellbeing Being Governance Group (SWGG), and its Fusion approach to responding to local challenges
 - there is an opportunity to build on local success by providing additional support to get the fundamental and sustained change needed
- 3 **note** that I have worked with local leaders to develop a proposal to scale up their integration and community mobilisation activities to target the 6,000 children and young people and their families most at-risk of poor outcomes
- 4 **agree** that the Minister of Education is the lead Minister for the Northland proposal

- 5 Either

- **agree** to establishing a Ministerial Oversight Group for all place-based initiatives chaired by a lead Minister

OR

- **agree** to delegate authority for each proposal to a lead Minister

OR

- **agree** that Cabinet approve a memorandum of understanding and subsequent social investment plan which is executed by the lead Minister

6 **note** that under the proposal, SWGG would become the governance group overseeing the enhancement of activities and it would:

- be subject to clear outcomes agreed with the lead Minister; and,
- have the flexibility to decide how best to deliver on these outcomes, for example, flexibility to target population sub-groups or selected geographic communities; and,
- cover the entire region.

7 **note** that SWGG will have an independent chair who would report to the lead Minister and be entitled to remuneration in accordance with the Cabinet fees framework, following consideration by the Appointments and Honours Committee

8 **note** that Cabinet will need to approve the appointment of the independent chair on the recommendation of the lead Minister

9 **note** that the accountability for SWGG would be set out in a results-based memorandum of understanding which would include:

- local-level outcomes and associated measures/indicators
- roles and responsibilities, funding arrangements, expectations
- target number of at-risk children, young people and their families
- the decision-rights of SWGG
- national level support and arrangements for monitoring and evaluation
- reporting frequency and mechanisms

10 **note** that new funding would be required to enhance the capability and capacity of the region to focus on at-risk children, young people and their whānau

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12 **note** that final decisions on resources and funding, including the drawdown of any contingency, will need to be made by June 2016

- 13 **note** that a proposal will be submitted to Cabinet to refine the governance and management of the Northland Place-Based Initiative including considering decision rights over a pool of funding reallocated from existing contracts expected to be from 2017/18
- 14 **note** that the accountability under refined governance and management arrangements could be set out in an investment plan which would replace the memorandum of understanding
- 15 **agree** to the further development of the proposal based on the parameters set out in this paper, including consultation with key stakeholders and iwi and hapu groups
- 16 **invite** the lead Minister to work with SWGG, led by the Ministry of Education and supported by the Social Investment Unit and Social Sector Board Chief Executives to report back to the Social Policy Committee in June 2016 with:
- a draft memorandum of understanding
 - recommendations for an independent chair
 - recommendations to draw-down funding, taking into account decisions on a centralised Wellington support function for place-based initiatives
- 17 **invite** the lead Minister to report back to Social Policy Committee in May 2017 with:
- a review of activities to date and recommendations for refined governance and management arrangements
 - SWGG's advice on the services and programmes that are potentially in scope for transfer for collective decision-making, and consideration of a social investment plan to replace the memorandum of understanding
 - machinery of government options for sustainable integrated cross-agency activity at regional level
- 18 **note** the Social Investment Unit will report back with a proposal for the national support functions of place-based approaches in June 2016.

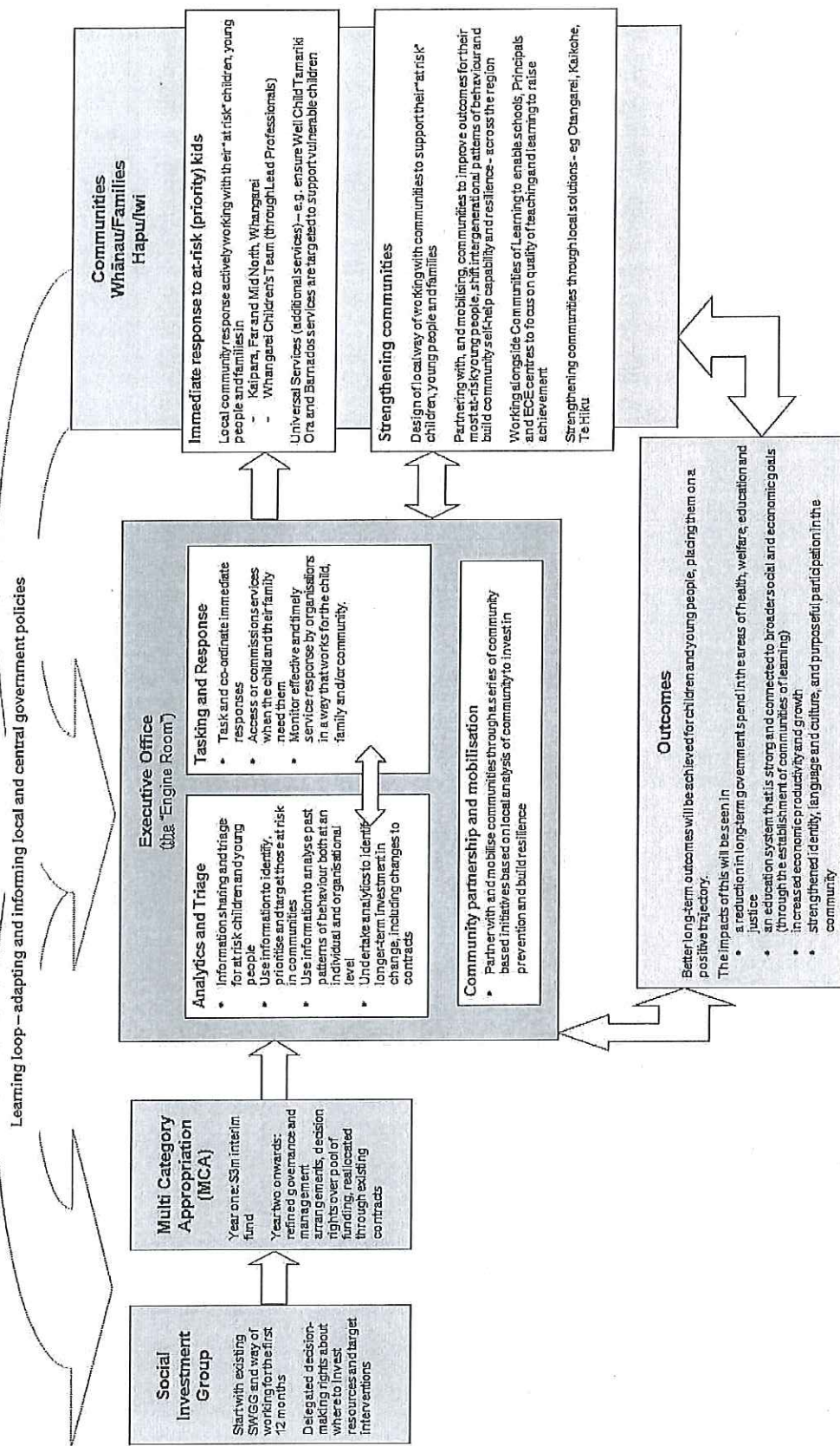
Hon Hekia Parata

Minister of Education

____/____/____

Appendix one: Operating Model

OPERATING MODEL FOR INTEGRATED PLACE-BASED APPROACH IN TAI TOKERAU, NORTHLAND



Appendix two: how the proposed model will make a difference

Scenario one: individual response:

A School Principal is concerned about a child who appears underfed, is often absent and withdrawn from her peers. Previously, because there is no children's team in his area, the Principal would attempt to address the child and whānau needs, organising the interventions and services himself. Under the proposed model, the Principal would be able to contact the triage-analytic team who would coordinate an immediate and integrated response.

Analysts pull all the information available across their agencies and once combined, they identify this child as at-risk. Through the support of the Service Advisors a pathway is identified which will see individual support provided to the child and their family. The case is assigned within the week and the Principal is notified. The case is assigned to an agency who can provide this intensive support who immediately go meet with the work in partnership with the family to commence and identify their needs and goals assessment of their needs resulting in an joint intervention plan to improve their longer term prospects supported by the wider community where appropriate.

Scenario two: Community mobilisation

Region x has been having a raft of graffiti lately. Previously the graffiti would be cleaned up and would eventually reappear. Under the proposed model, the community would be able to undertake a project with the help of SWGG to assess why this is happening and develop an initiative to minimise occurrences.

The community identify boredom as one thing contributing to young people tagging. One of the interventions identified is to encourage young people to play sport however they also identify fee, equipment and transport as barriers. Co-designing with a local rugby club, they start a register of parents who could pay fee, provide equipment and transport young people. They also identify a way to inform young people they can be supported to join. The SWGG provide some seed money to kick it off and also arranges for a community organisation to provide training on mentoring techniques to parents transporting the younger people to optimise every opportunity to support young people at-risk.

Appendix three: Volume of at-risk in Northland

The following table indicates outcomes for children and young people in selected Northland areas:

| Outcomes/risk forecasts | Whangarei | Far North | Kaipara | National |
|---|----------------------|----------------------|-------------------|--------------------------|
| Economic opportunity | | | | |
| Youth employment | 46% | 39% | 43% | 64% |
| NEET rates | 20% | 23% | N/A | 12.5% |
| 18-24-year-olds receiving a main benefit | 1,425 | 1,146 | 211 | 47,521 |
| Achieving/engaging in education | | | | |
| 18-year-olds with NCEA Level 2 | 81.2% | 78% | 79% | 81.2% |
| School leavers with no qualifications | 15.5% | 21% | 15.5% | 13% |
| ECE Prior participation rate | 94% | 87% | 91% | 96% |
| Health (Northland DHB data) | | | | |
| Proportion diagnosed with mood or anxiety disorders | | 20% | | 10.5% |
| Rate per 1,000 live births to teenagers | | 33 out of 1,000 | | 25 out of 1,000 |
| Proportion that are obese (BMI 30+) | | 34% | | 19% |
| Safety and security (2013 data) | | | | |
| Number of convictions for 17-19-year-olds | | 518 | | N/A |
| Number of convictions for 20-24-year-olds | | 922 | | N/A |
| Total population / number and % at risk | | | | |
| 0-5-year-olds | 6,723 / 456 (7%) | 4,767 / 381 (8%) | 1,452 / 57 (4%) | 362,832 / 19,335 (5%) |
| 6-14-year-olds | 10,125 / 501 (5%) | 7,455 / 444 (6%) | 2,274 / 99 (4%) | 510,351 / 24,360 (5%) |
| 15-19-year-olds | 5,679 / 1,032 (18%) | 4,197 / 960 (23%) | 1,329 / 231 (17%) | 289,538 / 36,516 (13%) |
| 20-24-year-olds | 4,953 / 861 (17%) | 3,177 / 615 (19%) | 966 / 135 (14%) | 242,210 / 28,100 (10%) |
| 0-24-year-olds (total) | 27,480 / 2,580 (10%) | 19,596 / 2,400 (12%) | 6,021 / 522 (9%) | 1,462,252 / 14,791 (15%) |
| Risk factors by age | | | | |
| 15-19-year-olds | | | | |
| Males with Youth Justice or Corrections history | 411 | 337 | 87 | 12,800 |
| Health and disability issues / special needs | 93 | 72 | 21 | 5,770 |
| Females supported by benefits | 132 | 126 | 27 | 4,210 |
| Mental health users with stand down or CYF history | 312 | 294 | 69 | 10,930 |
| Experienced significant childhood disadvantage | 531 | 57 | 111 | 16,130 |
| 20-24-year-olds | | | | |
| Custodial sentence | 501 | 204 | 43 | 8,210 |
| Community sentence and Youth Justice or CYF history | 615 | 234 | 51 | 9,540 |
| Jobseekers in poor health with Youth Justice or CYF history | 102 | 42 | 6 | 2,320 |
| Sole parents on benefit with Youth Justice or CYF history | 408 | 153 | 27 | 6,110 |
| Long-term beneficiaries | 162 | 57 | 12 | 4,520 |

Note that 0-5 and 6-14 year olds most at risk are estimated using three or more risk factors.

