

Cabinet Paper material

Proactive release

Minister & portfolio Hon Chris Hipkins, Minister of Education
Name of package Youth Engagement: Transfer of Funds to Extend the Ākonga Fund
Date considered 5 September 2022
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Ākonga Fund**

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Author: Minister of Education

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Cabinet

Minute of Decision

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Youth Engagement: Transfer of Funds to Extend the Ākonga Fund

Portfolio **Education**

On 5 September 2022, Cabinet:

- 1 **noted** that in May 2022, Cabinet agreed to an Attendance and Engagement Strategy that includes bringing together social services and government agencies to work with whānau and communities that need help to address barriers to school attendance [CAB-22-MIN-0193.01];
- 2 **noted** that the Ākonga Youth Development Community Fund – Strengthening Ākonga Resilience to Achieve Better Outcomes (the Fund), administered by the Ministry of Youth Development, was established to support community programmes for ākonga aged 12 to 21 years who are disengaged or at risk of being disengaged from education;
- 3 **noted** that the intended outcomes of the Fund include stronger connections with whānau, Iwi, community, and other support services including schools/kura and health and youth services, and increased engagement in learning and aspiration for the future, and that these outcomes align with the Attendance and Engagement Strategy;
- 4 **noted** that the Fund was funded for 2021 and 2022 with an \$11.729 million drawdown from a tagged Vote Education contingency for targeted support for at risk ākonga established from the COVID-19 Response and Recovery Fund;
- 5 **noted** that while an independent evaluation of the Fund is ongoing, evidence to date suggests it is on-track in of both volumes (5,102 ākonga, being 93 percent of the targeted total, enrolled by the end of Term 2, 2022) and outcomes (ākonga feedback suggests increased engagement and sense of identity);
- 6 **noted** that the Youth Engagement Ministerial Group wishes to include a one-year extension to the Fund (to the end of 2023) in a package of initiatives to prevent youth crime through better youth engagement supports and services, and that the Minister of Education and Minister for Social Development and Employment (joint Ministers) have agreed to this extension subject to funding being available;
- 7 **noted** that joint Ministers intend to announce the extension of the Fund as part of the package of initiatives;
- 8 **agreed** to extend the Fund by one year, to the end of 2023;
- 9 **agreed** that the cost of extending the Fund to the end of 2023 be met by reprioritising existing Education baselines;
- 10 **noted** that the Ministries of Social Development and Youth Development lack any uncommitted funding for this initiative;

- 11 **noted** that at this early stage in the financial year the Ministry of Education has identified funding available in the Improved Quality Teaching and Learning multi-category appropriation (MCA) as there is a temporary saving due to timing of invoicing for internet connectivity services;
- 12 **noted** that the internet connectivity service is expected to be fully spent by the end of the financial year so is a temporary option to fund the costs of extending the Fund to the end of 2023;
- 13 **noted** that to continue delivering internet connectivity services, the Ministry of Education will need to transfer identified underspends from Vote Education or Vote Tertiary Education to the Improved Quality Teaching and Learning MCA at the next baseline update or through appropriation Ministers;
- 14 **noted** that if no alternative underspends are identified, the Minister of Education may seek the Minister of Finance's agreement to draw-down the Between-Budget Contingency to ensure internet connectivity services are delivered;
- 15 **approved** the following fiscally neutral adjustments to give effect to paragraph 9 above, with no impact on the operating balance or net debt:

	\$m – increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Vote Education Minister of Education Multi-Category Expense and Capital Expenditure: Improved Quality Teaching and Learning MCA <i>Non-departmental Output Expenses:</i> Curriculum Support	(4.851)	-	-	-	-
Total Multi-Category Expense and Capital Expenditure: Curriculum Support	(4.851)	-	-	-	-
Vote Social Development Minister for Youth Multi-Category Expense and Capital Expenditure: Partnering for Youth Development MCA <i>Non-departmental Output Expense:</i> Delivering Youth Development	2.911	1.940	-	-	-
Total Multi-Category Expense and Capital Expenditure: Partnering for Youth Development MCA	2.911	1.940	-	-	-
Total Operating	(1.940)	1.940	-	-	-

- 16 **agreed** that the change to appropriations for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

Rachel Hayward
Acting Secretary of the Cabinet

Proactively Released

In Confidence

Office of the Minister of Education

Cabinet Social Wellbeing Committee

Youth Engagement: transfer of funds to extend the Ākonga Fund

Proposal

- 1 This paper seeks approval to transfer funds from Vote Education: Primary and Secondary Education multi-category appropriation (MCA) to Vote Social Development to extend the Ākonga Fund (which funds programmes to strengthen whānau and community connections to support ākonga to re-engage in their learning and/or training) by one year, to the end of 2023.

Relation to government priorities

- 2 Extending the Ākonga Fund is part of a suite of initiatives under the recently initiated Youth Engagement Ministerial Group (YEMG) work programme. This programme supports achievement of the Government's Child and Youth Wellbeing Strategy and in particular the Attendance and Engagement Strategy.

Background

Youth Engagement Ministerial Group – local initiatives to support youth engagement

- 3 The YEMG was established to co-ordinate across agencies to support at-risk young people and reduce their likelihood of engaging in criminal and anti-social activity. This responded to advice from the Social Wellbeing Board on gang harm and recent increases in youth offending, and analysis from the Social Wellbeing Agency (SWA) on life experiences associated with outcomes of poor wellbeing and involvement in crime. SWA will continue to develop this analysis to assist further targeting of support to where it is most needed.
- 4 The focus of the YEMG is on preventative action, making the most of existing community engagement and local solutions that build the resilience of children, young people and their families, including through participation in education, reduction in deprivation, reduced family harm and increased social cohesion. Priority will be given to initiatives that are already making a difference.
- 5 On 10 August 2022, the YEMG directed officials to prepare a package of initiatives to support children and young people experiencing factors correlated with poor wellbeing and future involvement in crime. The package includes the continuation of initiatives that are due to end, or the expansion of existing initiatives (for example over a larger geographical area). Ministers hope to announce the first suite of initiatives, shown below, in early September 2022. Subsequent announcements will cover the longer-term Youth Engagement work programme.
- 6 The initiatives within the package are within the scope of current policy approvals. They include three mainly preventative initiatives:

- 6.1 extending and enhancing the Youth Guarantee Fund for post-school learners up to the age of 24;
 - 6.2 extending He Poutama Rangatahi (HPR) to young people across Aotearoa at risk of or already participating in organised crime; and
 - 6.3 extending the Ākonga Fund (full title “Ākonga Youth Development Community Fund – Strengthening Ākonga Resilience to Achieve Better Education Outcomes”) by one year (to the end of 2023).
- 7 Youth Guarantee provides a pathway back into education and/or sustainable employment for learners with low or no qualifications. Providers receive additional funding to provide pastoral care. It is currently limited to students aged 16 to 19. HPR is co-designed with community providers. It works with young people aged 15-24 who need individualised support to transition back into employment, education, training. It is only offered in certain regions and urban areas. The extension of HPR under the youth engagement work is a set of programmes called Whakawātea ara te Poutama that will be more targeted to young people at risk of or already involved in crime or participating in gang activity. The Ākonga Fund is described below.
- 8 The package will also include the extension of five more responsive, initiatives focused on locations with high concentrations of need:
- 8.1 extending to West Auckland (until June 2023) a successful collaboration in which agencies, iwi and non-government organisations review and make appropriate referrals for the cases of South Auckland children and young people involved with the Police in the preceding 24 hours.
 - 8.2 Including the school alert system in the Waitematā One-System Response to Family Harm, across 48 schools, in which agencies triage and have a single point of referral to support families following a family harm incident.
 - 8.3 extending the Youth Inclusion Programme, a suite of targeted interventions that support children and young people identified as being at risk of future offending to an additional 75 young people and their families, including siblings and peer groups.
 - 8.4 providing whānau centred intensive mentoring to up to 25 additional 10- to 14-year-olds who are disengaged from school and other pro-social activities.
- 9 This initial package is just the beginning of a multi-pronged approach that builds on the good work already underway at a regional level. Future announcements will broaden the coverage and scope of the initiatives, informed by the on-the ground experience of what is needed and what works in each region.

Extending the Ākonga Fund

- 10 The Ākonga Fund is a partnership initiative between the Ministry of Youth Development and the Ministry of Education. It was established in late 2020 with an \$11.729 million drawdown from the COVID-19 Response and Recovery Fund, and is part of a suite of initiatives funded through the Vote Education contingency for

targeted support for highly at-risk ākonga. The Ākonga Fund is administered by the Ministry of Youth Development.

- 11 COVID-19 lockdowns and resurgence events affected ākonga in many ways, and the pandemic will have a lasting impact on young people. Evidence shows young people are more at risk of adverse psychological, social, health, economic and educational effects post-disasters.¹ In particular, ākonga who lacked resources or sufficient support structures for their learning during COVID-19 events have learning gaps, as well as a more pronounced lack of confidence and connection.
- 12 As a result, Iwi and community-based organisations were contracted to deliver programmes over two calendar years (i.e., 2021 and 2022) to support up to 5,500 ākonga aged 12 to 21 years who had their learning impacted because of COVID-19, to stay engaged or re-engage in their education.
- 13 The outcomes for ākonga sought through the Ākonga Fund include:
 - a) stronger connections with whānau, Iwi, community and other support services including schools/kura, health and youth services; and
 - b) increased engagement in learning and aspiration for the future, or have transitioned to further training or employment.
- 14 A wide range of programmes are funded through the Ākonga Fund, with a focus on programmes that support rangatahi Māori, Pacific young people, rainbow young people, and disabled young people. All emphasise resilience factors, including re-engagement in education. However, each programme is tailored to meet the diverse needs of its targeted ākonga, their whānau, and their wider communities. Examples of programmes funded by the Ākonga Fund include:
 - the Champions Programme, run by the Billy Graham Youth Foundation, which uses the disciplines, skills, techniques, and qualities of boxing to engage ākonga, connecting them with people around them and supporting ākonga with their pathway to learning;
 - Te Pihi Ora, run by Te Ora Hou Ōtautahi, which provides mentoring support and activities that strengthen the identity, culture, coping skills, and resilience of ākonga and helps ākonga and their whānau to navigate the transition to secondary school;
 - the Ākonga Pathway Programme, run by Future Leaders Employment Services, which has a strong mentoring component and works with education providers, whānau, community and employers to create and implement successful ākonga pathway plans.

¹ Webb, S, Kingstone S, Richardson E, Flett J. *Rapid Evidence and Policy Brief: COVID-19 Youth Recovery Response 2020-2022*. Wellington: Te Hiringa Hauora/Health Promotion Agency.

The Fund supports achievement of the objectives of the Attendance and Engagement Strategy

- 15 The Attendance and Engagement Strategy approved by Cabinet on 30 May 2022 [CAB-22-MIN-0193.01 refers] introduced a series of targets related to improving attendance. They are:

Focus area	Measure	Target
Regular attendance	Percentage of ākonga attending school regularly (attending more than 90% of the time)	70 % by 2024 75 % by 2026
Moderate absence	Percentage of ākonga who are moderately absent (attending more than 70% and up to 80% of the time)	6 % by 2024 4 % by 2026
Chronic absence	Percentage of ākonga who are chronically absent (attending 70% or less of the time)	5% by 2024 3% by 2026

- 16 The Ākonga Fund is one of the additional community-based initiatives that promote re-engagement in learning as we transition out of the COVID-19 Protection Framework. By strengthening ākonga resilience, wellbeing and community connections, it supports and contributes to community efforts to improve presence and participation in learning for the Fund's target cohorts. Current attendance rates suggest a need for strong, targeted support. For example, regular school attendance rates of Māori and Pacific students are significantly lower than the target, having fallen 14 percentage points from 2015 to 2021. Ākonga Fund programmes are designed to be accessible and effective for Māori and Pacific ākonga.

And complements the work of the Attendance Services

- 17 Schools generally approach Attendance Services for immediate support to contact ākonga up to 16 years of age who are persistently or chronically not attending school. Attendance Services can often return persistent non-attenders to school relatively quickly. In more extreme cases, the Attendance Service works with the student and their whānau to develop an individualised plan to enable the student to re-engage in education. Attendance Services has some capacity to support this re-engagement process, but this often includes referrals to other learning support services, and from services outside the education system such as social workers, child and adolescent mental health and primary health services.
- 18 The Ākonga Fund expands the in-depth support available for students aged 12 to 21. The support provided includes, for example, connecting students with their whānau and iwi and addressing challenges faced by disabled or rainbow students. It is typically delivered outside traditional school/kura settings, in environments where ākonga can thrive and re-engage with learning and community. Most participating students have been identified by schools as being at risk of disengaging, and have not reached the point of being referred to Attendance Services. Unlike the Attendance Services, support can be sustained beyond re-enrolment, in some cases over a full school year.

Funding the extension of the Ākonga Fund to the end of 2023

- 19 An independent research evaluation of the Ākonga Fund is expected to be completed by February 2023, but the evidence to date suggests it is valued by communities,

schools and ākonga. The Fund has been over-subscribed, is on-track to enrol the targeted number of ākonga (5,500 by the end of 2022), and ākonga feedback has been positive. Surveys suggest the funded programmes are strengthening their sense of identity and social connections, engagement in learning, and aspirations. In 2021, schools noted improvements in the attendance and behaviour of participating ākonga. In 2022, providers have reported growing demand to participate, partly driven by widespread community illness.

- 20 As at July 2022, 47% of participants in programmes supported by the Fund were rangatahi Māori, 22% were Pacific youth, 4% were disabled youth and 2% were rainbow youth. 86% were enrolled because their learning was impacted as a result of COVID-19 disruptions or they were at risk of disengaging from education. 43% of enrolled ākonga had reengaged with education, 6% had transitioned into training and 5% into employment.
- 21 I expect that funding the Ākonga Fund for a further year will support the achievement of the targets in the Attendance and Engagement Strategy by addressing barriers to attendance and engagement ākonga. Committing this funding now will ensure that ākonga benefit from these programmes for another year. It will enable officials across agencies to help strengthen links between these programmes and other initiatives to ensure ākonga receive the support they need. Any further funding can be considered as part of normal Budget processes.

Te Tiriti o Waitangi Analysis

- 22 Ensuring our policy settings honour Te Tiriti o Waitangi/the Treaty of Waitangi (Te Tiriti/The Treaty) is part of the Crown's responsibilities under Te Tiriti/the Treaty. We consider that the principles of active protection of Māori interests and equity are most relevant to the proposals in this paper. They reflect the importance of designing policy settings that are culturally appropriate and will help achieve equity for Māori.
- 23 Rangatahi Māori are one of the priority cohorts for the Ākonga Fund. The Ākonga programmes were developed to support ākonga to strengthen connections with whānau and Iwi and are designed to build the aspirations and confidence of ākonga to increase their engagement in their learning and aspiration for their future, or to transition to further training or employment. The programmes are expected to improve the wellbeing of ākonga, including rangatahi Māori. The leading role of Iwi and kaupapa Māori groups in the design and delivery of other initiatives in the package (He Poutama Rangatahi and Kotahi te Whakaaro) provides opportunities for the expression of tino rangatiratanga.

Financial Implications

- 24 Continuing the Ākonga Fund for another year with its current providers would cost \$4.851 million, spread over 2022/23 and 2023/24. Officials have sought to identify savings or underspends within baselines that could be used to meet this cost. This has proven difficult with only one month (July) for underspends to accrue.
- 25 The Ministries of Social Development and Youth Development advise that they have no available underspends of this size. The only sufficient Vote Education or Vote Tertiary Education forecast underspend is in a demand-driven appropriation, from

which underspends are generally returned to the centre (which helps manage risks associated with such appropriations). The Ministry of Education expects that some non-demand-driven appropriations will have forecast underspends by October 2022, but it is too early in the year to determine what these will be. The proposed approach is therefore to make use of a temporary underspend that has arisen in the funding for internet connectivity (due to later invoicing than expected), and to 'back fill' this with an underspend from another appropriation once one has been confirmed.

- 26 Another option that could be considered is a temporary drawdown of the Between-Budget Contingency, again directing the Ministry to backfill this using a confirmed underspend from another appropriation once it has become available.
- 27 The simultaneous transfer of funds between appropriations and financial years requires Cabinet approval.

Legislative Implications

- 28 This proposal has no legislative or regulatory implications.

Population Implications

- 29 The initiative targets ākonga aged 12 to 21 who are disengaged or at risk of being disengaged from education. Its population impacts on Māori, Pacific peoples, women and disabled people are summarised below:

Population group	How the proposal may affect this group
Māori	On average, ākonga Māori have lower school attendance rates and more interactions with the justice system than non-Māori ākonga, suggesting a system that is not yet meeting their needs. There is evidence that when ākonga Māori feel a positive connection to their heritage as Māori become more engaged and aspirational. Outcomes sought from the Fund include stronger connections with whānau, Iwi, community, and other support services including schools/kura and mental health and youth services, and increased engagement in learning, aspiration for the future or a transition to further training or employment. Their services reflect their diverse needs. The same providers are expected to continue through to the end of 2023, targeting similar students and with similar expected benefits.
Pacific	As at July 2022, 22% of enrolled participants had identified themselves as Pacific. The extension of the Fund is expected to help more at-risk young Pacific students become more engaged in learning.
Women	As at July 2022, 44% of enrolled participants had identified themselves as wāhine. The extension of the Fund is expected to help more at-risk young women become more engaged in learning.
Disabled people	As at July 2022, 4% of enrolled participants had been

	identified as disabled youth. The extension of the Fund is expected to help more disabled youth become more engaged in learning.
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Human Rights

- 30 No inconsistencies or potential inconsistencies have been found between the proposal and the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Consultation

- 31 The Ministries of Social Development and Youth Development have been consulted on this proposal and support it. Oranga Tamariki and the New Zealand Police have been consulted on the references to initiatives they administer.
- 32 The Treasury supports this paper, noting that limited time was provided to consider the proposed initiative. The proposal to fund this initiative involves creating a funding shortfall in another programme, most likely to be met through a transfer from underspends elsewhere in Vote Education which are likely to materialise later in the financial year. There is a risk that suitable underspends might not be identified, meaning additional funding may need to be reprioritised from elsewhere or sought from the between-Budget contingency to prevent unappropriated expenditure.
- 33 The Treasury would typically have reservations about supporting this type of arrangement; however, it is supporting it in this case because the proposed alternative was to fund this initiative through a transfer from an underspend in a demand-driven funding component, which is a type of transfer that the Treasury does not support.

Communications

- 34 The Youth Engagement Ministerials Group is planning to announce its first package of initiatives in early September 2022.

Proactive Release

- 35 I intend that this Cabinet paper be proactively released within 30 days of a decision, subject to redaction as appropriate under the Official Information Act 1982.

Recommendations

The Minister for Education recommends that the Committee:

- 1 **note** that on 30 May 2022, Cabinet agreed to an Attendance and Engagement Strategy that includes bringing together social services and government agencies to work with whānau and communities that need help address barriers to school attendance [CAB-22-MIN-0193];
- 2 **note** that the Ākonga Youth Development Community Fund – Strengthening Ākonga Resilience to Achieve Better Outcomes (the Fund), administered by the Ministry of Youth Development, was established to support community programmes for ākonga aged 12 to 21 years who are disengaged or at risk of being disengaged from education;

- 3 **note** that the intended outcomes of the Fund include stronger connections with whānau, Iwi, community, and other support services including schools/kura and health and youth services, and increased engagement in learning and aspiration for the future, and that these outcomes align with the Attendance and Engagement Strategy [CAB-22-MIN-0193 refers];
- 4 **note** that the Fund was funded for 2021 and 2022 with an \$11.729 million drawdown from a tagged Vote Education contingency for targeted support for at risk ākonga established from the COVID-19 Response and Recovery Fund;
- 5 **note** that while an independent evaluation of the Fund is ongoing, evidence to date suggests it is on-track in of both volumes (5,102 ākonga, being 93% of the targeted total, enrolled by the end of Term 2 2022) and outcomes (ākonga feedback suggests increased engagement and sense of identity);
- 6 **note** that the Youth Engagement Ministerial Group wishes to include a one-year extension to the Fund (to the end of 2023) in a package of initiatives to prevent youth crime through better youth engagement supports and services, and that the Ministers of Education and Social Development have agreed to this extension subject to funding being available;
- 7 **note** that the Minister for Social Development and Employment and I intend to announce the extension of the Fund as part of the package of initiatives;
- 8 **agree** to extend the Ākonga Fund by one year, to the end of 2023;
- 9 **agree** that the cost of extending the Ākonga Fund to the end of 2023 be met by reprioritising existing baselines;
- 10 **note** that the Ministries of Social Development and Youth Development lack any uncommitted funding for this initiative;
- 11 **note** that at this early stage in the financial year the Ministry of Education has identified funding available in the Improved Quality Teaching and Learning MCA as there is a temporary saving due to timing of invoicing for internet connectivity services;
- 12 **note** that the internet connectivity service is expected to be fully spent by the end of the financial year so this is a temporary option to provide the costs to extend the Ākonga Fund to the end of 2023;
- 13 **note** that to continue delivering internet connectivity services the Ministry of Education will need to transfer identified underspends from Vote Education or Vote Tertiary Education to the Improved Quality Teaching and Learning MCA at the next baseline update or through Joint Ministers;

- 14 **note** that if no alternative underspends are identified then the Minister of Education may seek the Minister of Finance's agreement to draw-down the Between-Budget Contingency to ensure internet connectivity services are delivered;
- 15 **approve** the following fiscally neutral adjustments to give effect to recommendation 9 above, with no impact on the operating balance or net debt:

	\$m – increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Vote Education Minister of Education Multi-Category Expense and Capital Expenditure: Improved Quality Teaching and Learning MCA <i>Non-departmental Output Expenses:</i> Curriculum Support	(4.851)	-	-	-	-
Total Multi-Category Expense and Capital Expenditure: Curriculum Support	(4.851)	-	-	-	-
Vote Social Development Minister for Youth Multi-Category Expense and Capital Expenditure: Partnering for Youth Development MCA <i>Non-departmental Output Expense:</i> Delivering Youth Development	2.911	1.940	-	-	-
Total Multi-Category Expense and Capital Expenditure: Partnering for Youth Development MCA	2.911	1.940	-	-	-
Total Operating	(1.940)	1.940	-	-	-

- 16 **agree** that the proposed change to appropriations for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

Authorised for lodgement

Hon Chris Hipkins
Minister of Education