



04 MAY 2018



Thank you for your email of 12 February 2018, to the Minister of Education, Hon Chris Hipkins, requesting the following information under the Official Information Act 1982 (the Act):

- *the following report as per your answer to written question 206(2018):
Northland Place Based Initiative, Kainga Ora – Options, received on
15 December 2017*

As you are aware, on 28 February 2018, your request was transferred to the Ministry of Education under section 14(b)(ii) of the Act, as this matter is more closely connected with the Ministry's functions.

There are three areas where Place Based Initiatives (PBI) are in place. These are Gisborne/Tairāwhiti, South Auckland and Northland. The Northland Place Based Initiative, Kainga Ora was established in July 2016 to implement a social investment approach in a locality with a particular focus on children, young people and whānau who are at most risk of poor outcomes.

The policy intent of PBIs is to improve the way local leaders work with at risk children and young people by transferring the control of resources, including funding, to local leaders. This will enable members to share responsibility and accountability for achieving results for at risk children based on their respective roles, their agencies' roles and the expectation that their agencies will work together and contribute resources for common outcomes. The Social Wellbeing Governance Group will play an important facilitative role in driving strong social sector collaboration.

Please find attached the Briefing Note: Northland Place Based Initiative, Kainga Ora - Options as **Appendix one**. Some information has been withheld under 9(2)(f)(iv) of the Act to maintain the constitutional conventions which protect the confidentiality of advice tendered by Ministers and officials.

You may be interested to know that the Ministry of Education has proactively released four documents previously on the Northland Place Based Initiative as follows:

- Cabinet Paper: Northland Place: Northland Place-Based Initiative, Kainga Ora – Progress Report
- Education Report: Update on the Northland Place-Based Initiative
- Cabinet Paper: Te Tai Tokerau, Northland Place-Based initiative: Memorandum of Understanding and Funding
- Cabinet Paper: Te Tai Tokerau, Northland Place-Based initiative – Te Tai Tokerau, Northland Place-Based Initiative Business Case

These are available on our website at the following link:

www.education.govt.nz/ministry-of-education/information-releases/information-releases-from-past-years/the-northland-place-based-initiative/

Thank you again for your email. You have the right to ask an Ombudsman to review this decision. You can do this by writing to info@ombudsman.parliament.nz or Office of the Ombudsman, PO Box 10152, Wellington 6143.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Katrina Casey', written over the printed name.

Katrina Casey
Deputy Secretary
Sector Enablement and Support



Briefing Note: Northland Place Based Initiative, Kāinga Ora - Options

To:	Chris Hipkins, Minister of Education		
Date:	14 December 2017	Priority:	Medium
Security Level:	In Confidence	METIS No:	1091980
Drafter:	Blythe Wood	DDI:	463 4841
Key contact and number:	Susan Howan, 463 2839	Round robin:	No
Messaging seen by Communications team:	Yes		

Summary

- Your office has requested advice regarding the options for the Northland Place Based Initiative, Kāinga Ora.
- Background information on Kāinga Ora and the Northland population is provided.
- The Ministry has outlined options for your consideration.

Recommendations

The Ministry of Education recommends that you:

- note** progress to date and the challenges experienced by the Northland Place Based Initiative, Kāinga Ora
- note** that providing appropriate expertise in a lead or umbrella agency for Kāinga Ora is a consideration in setting any expectations for its future operation
- note** that the current appropriated funding for all three PBI and the National Support Team ends on 30 June 2018
- note** that the Ministry has identified the following options that could be explored further in the New Year:

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Katrina Casey
Deputy Secretary
Sector Enablement and Support

14/12/2017



Chris Hipkins
Minister of Education

29/12/17

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Background

The origin of the Place Based Initiatives

1. In July 2016, Cabinet agreed to establish three Place-Based Initiatives (PBIs), in Tairāwhiti, South Auckland and Northland, to implement a social investment approach in a locality with a particular focus on children and young people most at risk of poor life outcomes. The Ministers of Social Development, State Services and Education were agreed respectively to be the responsible Ministers for the three PBIs.
2. Minister Sepuloni is now the responsible Minister for both the Tairāwhiti PBI and the National Support Team in the Social Investment Agency. You are the responsible Minister for the South Auckland PBI and Northland PBI, Kāinga Ora.
3. The policy intent of the PBIs is to improve the way the social sector works with at risk children and young people by transferring the control of resources, including funding decision making and accountability for outcomes, to local leaders. This is a progression to a community led approach from the community influenced approach of the 'Social Sector Trials.' Funding for the Social Sector Trials ceased in 2016. In Northland the Kaikohe Trial transitioned into the Northland PBI, Kāinga Ora, in December 2016.

Support arrangements for PBIs

4. Each PBI has a lead agency supporting the responsible Ministers' interest; this is the Ministry of Education in the case of Kāinga Ora. Because Kāinga Ora is not a legal entity, the lead agency role provides the necessary legal structure and technical support for administering the appropriation, reporting on its use, employing staff and entering into an accommodation lease on behalf of Kāinga Ora.
5. It was not intended that the lead agency role could direct or control the activity of the PBI. In fact, arrangements to establish the PBIs specifically precluded this. In the case of South Auckland PBI a Social Investment Board was set up immediately. In Northland, Education was given the lead agency role for the initial two years of operation in the expectation that Kāinga Ora would be ready to recommend to Cabinet that it be established as a Social Investment Board from 1 July 2018.
6. All three PBIs have access to support by the National Support Team (NST) based in the Social Investment Agency (SIA). They provide tools, data and analytic support to the PBIs to inform their decision making.

Funding arrangements

7. The three PBIs and the NST are all funded under the "Place-Based Initiatives" tagged contingency. Current funding expires on 30 June 2018. Should the tagged contingency remain in place then consideration for future funding beyond June 2018 for the PBIs and the NST will require Cabinet approval. Cabinet was due to consider a proposed future model for Kāinga Ora, the other two PBIs and the NST in November 2017.
8. We have been advised by the NST that the three PBI and NST report backs have been deferred until February 2018 at the request of Minister Sepuloni.

The Northland PBI, Kāinga Ora

9. The governance for Kāinga Ora was formed around an existing Northland group, the Social Wellbeing Governance Group (SWGG), an interagency group made up of local social sector agency leaders, including iwi¹. The group have previously had success and collective impact through development of a suicide prevention strategy in Northland, known as the Fusion model.

¹ Agencies represented are: Corrections, Northland DHB, Police, Te Puni Kōkiri and the Ministries of Education, Justice, Oranga Tamariki and Social Development

10. Kāinga Ora has a Cabinet appointed independent chair, Harry Burkhardt. Mr Burkhardt has a letter setting out expectations of the role from the Minister of Education. Mr Burkhardt is also the chairman of the Tai Tokerau Northland Economic Action Plan Advisory Group.
11. A Memorandum of Understanding signed between the Minister of Education, as the responsible Minister, and SWGG establishes accountability, performance indicators, measures and funding arrangements between the parties for the implementation of Kāinga Ora to 30 June 2018. The funding appropriated is \$1.64m in 2016/17 and \$1.68m in 2017/18. Decisions regarding expenditure sit with the Governance Group and not the Ministry. They are given effect through delegations held by Kāinga Ora staff employed by the Ministry, or more senior Ministry staff as appropriate, on the minuted decisions of SWGG.

Limited progress to date

Services to at risk individuals in the target population

12. Since its establishment in 2016, progress has been made in scaling up the number of children and their whānau being assisted by Kāinga Ora; however, this has been slower than anticipated.
13. In the first year the initial focus was on targeting the most complex/highest needs children. This meant that the performance measure of 570 integrated service plans for individual children and their whānau most at risk of poor outcomes was not achieved. This measure is expected to be achieved in year two.
14. The 570 are the first tranche of the estimated 6,000 at risk children and young people in Northland to be reached over five years. At the end of November 2017, 492 integrated service plans were in place. Details of the At Risk population 0-24 years in Northland is attached at Annex1.

Community action to reduce future at risk population

15. Co-designed community action plans for an initial three target localities - Otangarei, Kaikohe and Kaitia/Te Hiku - were to be in place by 30 June 2017. The governance group has subsequently agreed that rather than develop new plans they will support existing community action plans; in Kaitia, "Make it Happen Te Hiku," in Otangarei the Kāinga Ora o Otangarei Regeneration Programme plan and in Kaikohe the community action plan.
16. The proposed next step was to establish community action groups in Kaikohe and Kaitia to lead implementation of the plans. The governance group advised in November that the communities do not favour this approach.

Financial performance and investment planning

17. Due to the slower than planned progress the budget for 2016/7 was not fully expended. Kāinga Ora requested an 'in principle' transfer of the unspent \$650,000 to this financial year, this has been approved. The budget for this year is, at the end of November 2017, 36 percent underspent. The full year budget, at this stage, is projected to be underspent by \$981,000.
18. In the original business case it was proposed that a model of integrated service provision and investment would be developed for Cabinet consideration during the first year of operation. This proved to be far too ambitious, as have subsequent plans for presenting a proposal for Ministerial consideration in September and submission to Cabinet in November 2017 (see SOC-17-MIN-0059). No clear plan has been provided at this point.

19. Kāinga Ora have taken advice recently from Ernst & Young on the changes they need to make to raise the performance of the initiative. The advice has indicated the need for a clear strategic framework and programme logic, a specific operating model, enhanced data analysis capability and enhanced operational capability for the PBI to be successful. The SIA and the Ministry had also identified the need for this and have previously suggested where the appropriate expertise and support could be sourced. The Ministry has offered its expertise in planning, performance and evaluation to the executive office but this offer has not been taken up.
20. It was envisaged that the executive office, established to support the PBI, and the independent chair would provide the necessary skills and expertise for the community led approach. Additional support, data and analytical capability, would be provided by the SIA, and administrative and reporting support from the Ministry of Education.
21. If Kāinga Ora is to develop and support a model of integrated service provision and investment in Northland then specific new expertise may be required. The previous Minister advised that this was not a role that she expected the Ministry to provide or to resource.
22. Additional background information on Kāinga Ora is attached at Annex 2.

Evaluation of the Place Based Initiatives

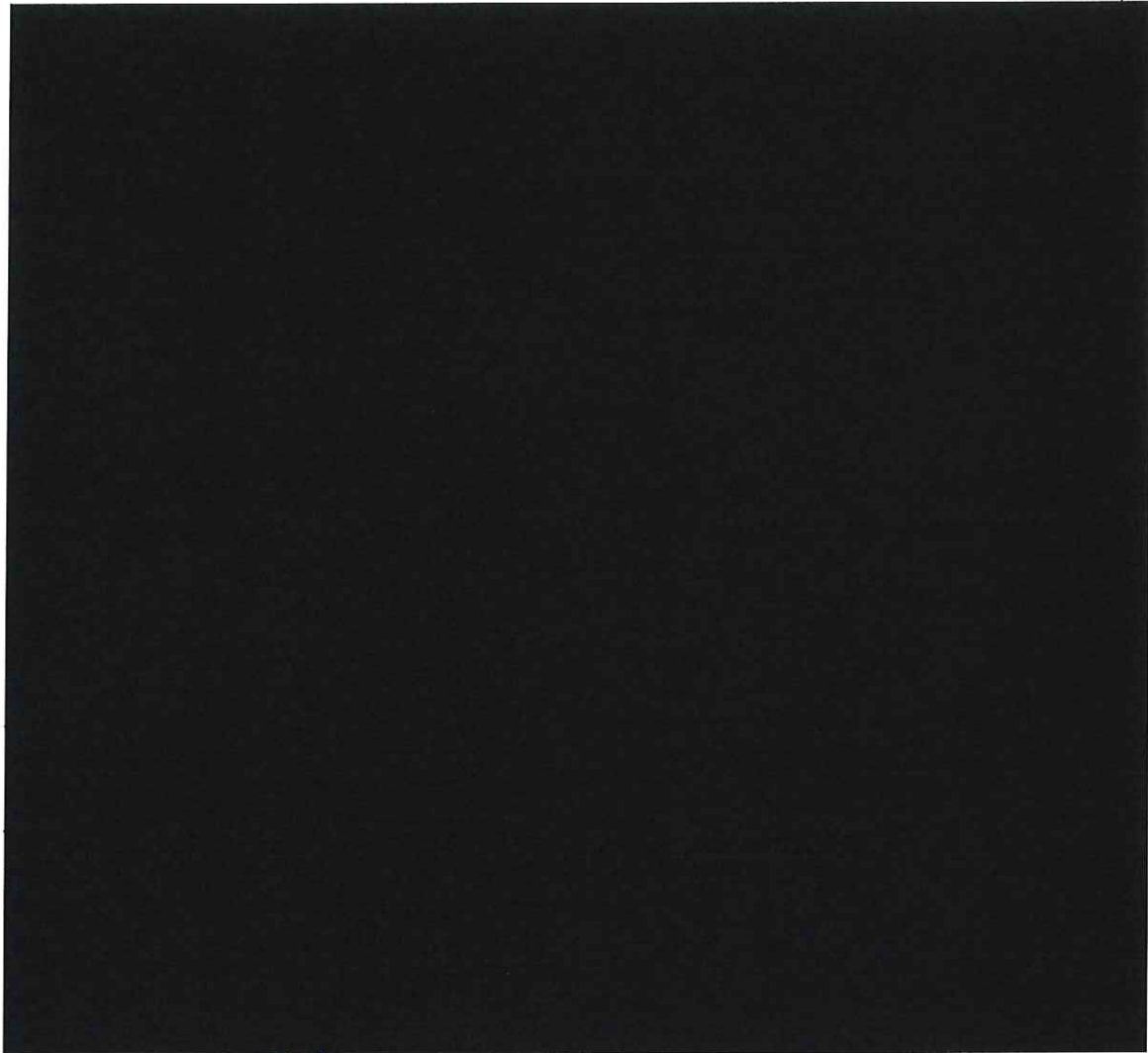
23. Kāinga Ora is responsible for monitoring and evaluating the impacts on outcomes at the local level. The Ministry of Education has offered support and expertise to enable the local team to developing their planning and evaluative capacity. The PBI has yet to take advantage of this support.
24. The Social Investment Agency is responsible for the evaluation strategy for all three PBIs at the national level. This is expected to provide information on both the effectiveness of the PBI models and on the implications for the wider system and strategic decision making. The timeframe for this has not been confirmed. The SIA are finalising an interim internal assessment into the PBIs' relative effectiveness in meeting their objectives.
25. Should further funding be sought Treasury will be approached to provide comment on the fiscal value of current and future investment.

Need for new arrangements for Kāinga Ora, and options

26. Northland has one of the greatest proportions of children and young people most at risk of poor outcomes, 12 per cent of Northland's total population of 0 to 24 year-olds have been identified as having one or more three risk factors. Detail of risk factors is attached at Annex 3.
27. Education has an important contribution in preparing young people to either engage in further training, or enter the regional workforce fully prepared with the right skills and attitudes. But the Ministry is not well placed to provide the expertise and leadership required to support Kāinga Ora.
28. There has also been some tension for Kāinga Ora in reconciling the Ministry's role as a member of the local governance group, and its lead agency role to monitor accountability reporting. Kāinga Ora are keen to have a neutral lead agency moving forward and Education is supportive of this.
29. The Ministry could explore alternative options which could help Kāinga Ora address the needs identified by Ernst and Young, supported by a lead agency with the mandate and expertise to guide the investment approach, upskill staff appropriately, and evaluate effectiveness.

30. The Ministry suggests that consideration be given to placing the PBIs with a single agency going forward and has had preliminary discussions about two possible placement options.

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Progressing options 1 and 2

37. The Ministry suggest that it may be prudent not to undertake work on these options without a decision to allocate further funding to Kāinga Ora after 30 June 2018, as an alternative investment plan redirecting regionally allocated multiple agency funding for this purpose has not been developed.
38. Further work could be undertaken to develop the identified need for a strategic framework, programme logic and operating model. This work should include a reassessment and focusing of the role and the composition of the executive office support required.
39. If funding is required for this the Ministry suggests that some of the funding from the current underspend could be directed to achieving this early in the New Year.

Option 3: Allow the current funding to expire at 30 June 2018

40. Kāinga Ora could conclude at 30 June 2018 when funding ceases. The funding provided for the other two PBIs and the NST also expires at this point.

Appendix One

41. The original business case provided funding for two years on the basis that, in that timeframe, the initiative would gain traction on addressing needs of the first tranche of at risk children and young people in target communities, identify the broader priority needs to be addressed and identify opportunities to redirect social sector investment in the region to be more effective. These gains have not been achieved as hoped, and stepping away from any further commitment of PBI contingency funds to this initiative would create the opportunity to look at a fresh approach.
42. If Kāinga Ora were concluded steps would be required to transition the existing management of integrated service plans to appropriate agencies. These plans are for at risk children who are already known to local agencies. Some of the current underspend could be directed to ensuring that a smooth transition and ongoing identified services and support for those children is ensured.
43. Closing the initiative sooner than 30 June 2018 would require the seven fixed term employees to have their contracts concluded at an earlier date, they would require a period of notice of two months, the six seconded staff would require 4 weeks' notice.
44. The current Ministry held lease for the Kāinga Ora premises is up for renewal at the end of June 2018 and could be concluded, by giving three months' notice in March, if not required beyond 30 June. Cabinet decisions in February would enable this liability to be dealt with prudently.
45. Further information about the two options for continuing Kāinga Ora with another lead agency is attached at Annex 4.

Annexes

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|----------|--------------------------------------------------------------------|
| Annex 1: | Background information on Kāinga Ora |
| Annex 2: | Overview of the At Risk Population 0-24 years in Northland |
| Annex 3: | Statistics about the Northland population |
| Annex 4: | Information on possible options for future lead agency positioning |

Annex one: Overview of the At Risk Population 0-24 years in Northland

1. Children aged 0 to 14 years are categorised as experiencing multiple risk factors, and belonging to three or four risk-factor categories, which contribute to the high risk of poor outcomes.
2. Young people aged 15 to 24 years are categorised as at-risk if they fit into one or more of the risk factor groups; therefore there are overlaps in this age group.

5,769 At-Risk Children and Young People live in Northland

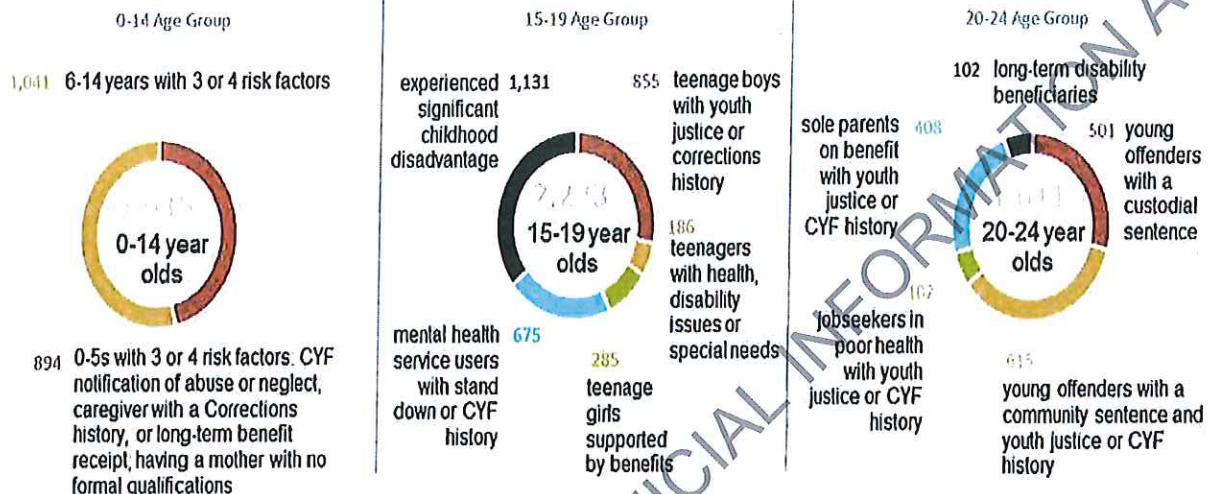


Figure 1: Northland target population of at-risk children and young people

Source: Cabinet Overview paper, *Investment in 0 – 24 year-olds old at risk*, 2015

Annex two: The Northland Place-Based Initiative – Kāinga Ora

1. In July 2016, Cabinet agreed to establish three place-based initiatives, in Gisborne/Tairāwhiti, South Auckland and Northland, to implement a social investment approach in a locality with a particular focus on children and young people most at risk of poor life outcomes.
2. The initiative is being led by the Social Wellbeing Governance Group (SWGG), an existing group of local agency leaders and mandated iwi representatives with a Cabinet appointed independent chair, Harry Burkhardt.
3. Cabinet approved \$1.645 million for 2016/17 and \$1.683 million for 2017/18 to enable SWGG to set up Kāinga Ora and commence activities. The funding has been used to establish an executive office which addresses the capacity and skill gap remaining after current support from agencies and local initiatives has been leveraged or used. A small amount of seed funding is also available to address immediate service delivery gaps.
4. In Northland nearly 6,000 children and young people, are estimated to be at risk of poor outcomes. This group includes 570 children, young people who live in the current three target communities – Otangarei, Kaikohe and Kaitiaki. The focus in these communities is to meet unmet community needs and provide access pathways for existing and new services to engage with at risk whānau.
5. A National Support Team, based in the Social Investment Agency (SIA), provide support including data and analytic support for all three place-based initiatives.

Key Issues/priorities

6. A Memorandum of Understanding between the Minister of Education, as the responsible Minister, and SWGG was updated in August 2017. This document establishes accountability, performance indicators, measures and funding arrangements between the parties for the implementation of Kāinga Ora to 30 June 2108.
7. A proposed model for integrated, service provision and investment for Kāinga Ora was scheduled to be provided to Cabinet in November 2017. This has, we understand from the SIA, been deferred until February 2018.
8. The Ministry will continue to work with Kāinga Ora to develop the Cabinet paper, and advice on an investment model and devolved decision rights that could be given to Kāinga Ora going forward, for the expected February 2018 report back.

Progress to date

9. In its first year of operation, 570 individual children most at risk of poor outcomes were expected to receive integrated services through Kāinga Ora (with an estimated 6,000 children and young people targeted over five years). This target will now be achieved in year two.
10. The rate of progress highlights the challenges in this work. Across government there is good data, but limited capability to analyse and act on it. Considerable effort has been expended to navigate the multiple action plans and initiatives in the three target communities and build trust and engagement in a single sustainable community based approach. Conducting individual agency business and accountabilities as usual while simultaneously being asked to think differently in the context of the PBI is an area of ongoing change and capability development for the governance group.

A congested space for government initiatives

11. There are a significant number of cross agency initiatives operating in Northland targeting at risk children, young people and their whānau. This can be confusing for communities in determining "who does what," and difficult for agency leaders to devote time to management of governance of multiple initiatives and projects.
12. For example:
 - a. Northland DHB and NZ Police are leading the Te Ara Oranga Methamphetamine Demand Reduction strategy pilot
 - b. Children's teams led by Oranga Tamariki
 - c. Count me in Tai Tokerau led by Education and Corrections
 - d. Whiria te Muka; a partnership between Te Hiku iwi leaders (Ngati Takoto Ngati Kuri, Te Aupouri and Te Rarawa) and Police focused on preventing and reducing the family harm experienced by Te Hiku whānau, hapu, iwi and communities
 - e. Whānau Ora.

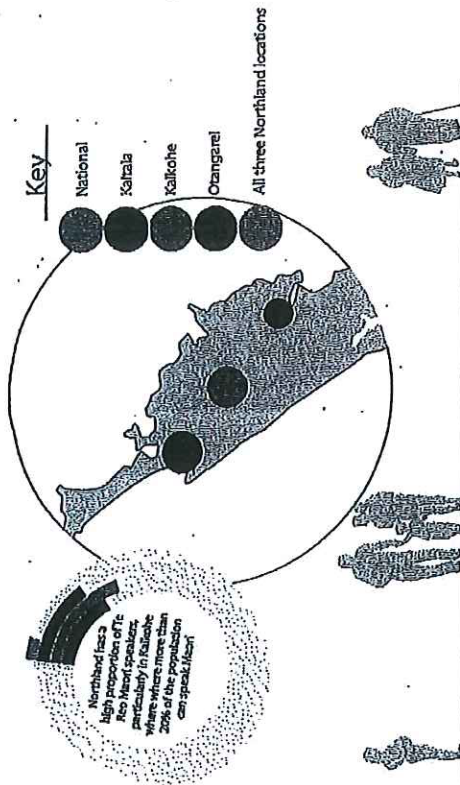
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Learning about our population

Northland || Kaikohe | Kaitiaki | Otangarei

Northland has a young population; women in Northland tend to start their families earlier, and we can see this reflected in the population's demographics which show a higher proportion of infants and youth, especially in Kaikohe where nearly twenty percent of the population is aged between 6 and 14. These families are living on lower incomes than families elsewhere in New Zealand, and people living in these areas have lower rates of qualification.

We can use individual-level data to find out more about the populations of Kaikohe, Kaitiaki and Otangarei.



End of life
The death rate for people aged 25-64 is three times higher in Northland.

Stable home
A person living in Northland is twice as likely to have moved house in the last year as someone who is under the age of 6.

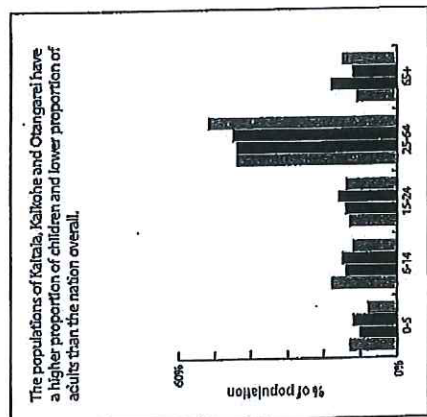
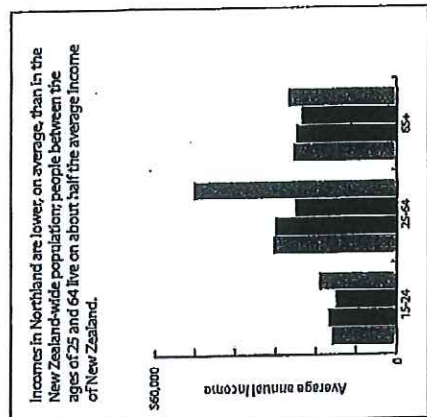
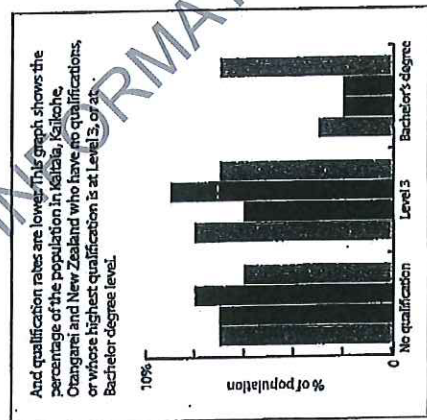
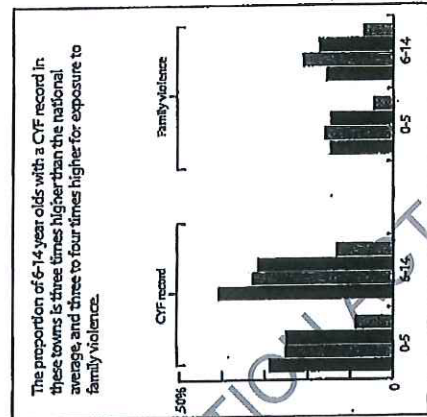
Motherhood and family
Women in Northland tend to start their families younger than the proportion of 15-25 year old women who are mothers is three times higher in Northland.

Kohanga Reo
Northland children are six times more likely to attend Kohanga Reo/Aboriginal medium education.

Immunisation
The proportion of children in Northland who are not fully immunised is two times greater than for the rest of New Zealand - and three times for Kaitiaki.

B4 School check
Northland has about a 1.6 times higher proportion of adults given compared to the national average.

Birth weight
The rate of babies with a low birth weight is at least 2.5 times higher in Northland than in the general population.



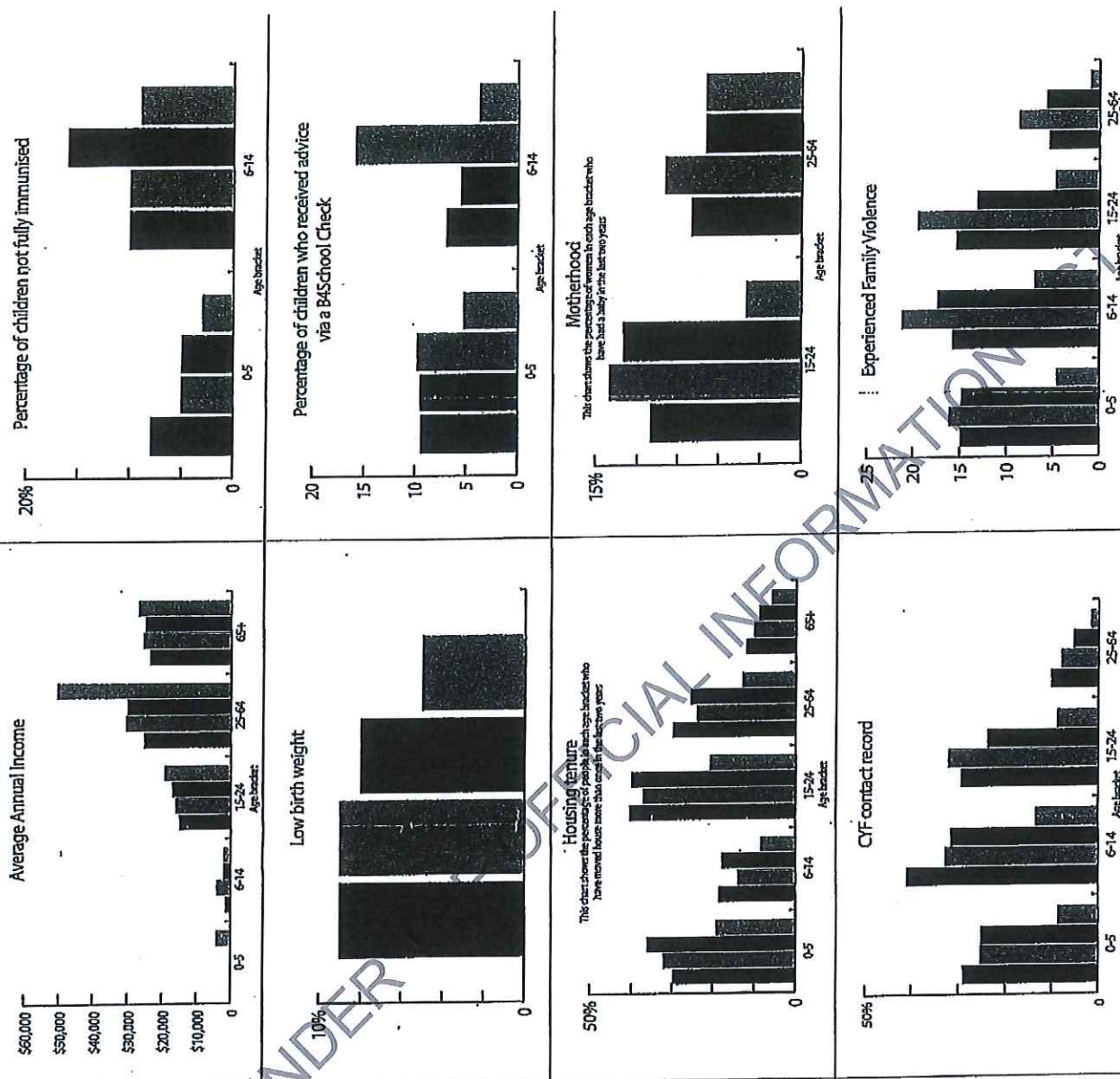
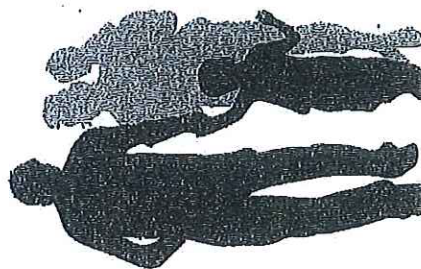
Some more detail

Northland || Kaikohe || Kaitia || Otangarei

These charts provide more detail and context for the story overleaf.

The results in this report are not official statistics; they have been created for research purposes from the Integrated Data Infrastructure (IDI), managed by Statistics NZ. The opinions, findings, recommendations, and conclusions expressed in this report are those of the author(s), not Statistics NZ, or other government agencies.

Access to the anonymised data used in this study was provided by Statistics NZ in accordance with security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, household, business or organisation, and the results in this report have been confidentialised to protect these groups from identification.



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Annex four:

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