

Ministry of Social Development

Investing in Services for Outcomes

Community Investment Strategy

Update 2016



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What this Update is all about

This document provides an update about what we have achieved in the first year of a three-year process to implement the Community Investment Strategy (the Strategy).

It also sets out the direction for the next twelve months. This will include ensuring alignment between the Strategy and the transfer of certain functions and programmes and services from the Ministry of Social Development (MSD) to a new children's entity once this is set up, and the 'Investing in Children' programme of work.

Introduction

Since the release of the Strategy in 2015, MSD has been developing its use of the social investment approach to contracting for programmes and services. This allows us to deliver effective programmes and services to the right people at the right time.

In essence, social investment is about:

- setting a clear direction about priority result areas for vulnerable people
- developing our understanding of vulnerable people and what their needs are
- identifying target groups to ensure the right people are accessing programmes and services
- establishing results-based measures to monitor progress towards meeting people's needs, so we know what services and programmes are working.

This document provides information about how the social investment approach is being used to set the direction of the Strategy, and what our priority areas for investment are. These priority areas include children at risk of maltreatment, young people at risk of offending, and victims/survivors of family violence and sexual violence.

A social investment approach is about providing up-front investment to support people most at risk of poor outcomes later on in life. It uses real-time information and data, and the latest technology available, to help us understand the people who rely on the programmes and services we invest in.

The focus is on ensuring there is sufficient evidence about the programmes and services we fund for us to be confident that they will work. That is why we are:

- improving the quality of the client level data we collect from providers
- using data analytics to bring together different sets of data to analyse patterns, correlations and other insights about the people who use these programmes and services, and their effectiveness
- using the information we gained from a stocktake of the programmes and services we fund to assess whether they are evidence-based and well-targeted
- continuing to evaluate the programmes and services we fund.

An integral part of the Strategy is engaging with stakeholders (including providers and communities) to better understand what is important for them, and hearing their ideas about innovative ways to meet vulnerable people's needs.

We have been simplifying the way we contract for programmes and services, with the goal that providers can spend more time working with clients and collecting information about the results they are getting, and less time meeting our contract compliance requirements.

What we learn through applying the social investment approach will help us to set a clear direction for future funding. This means directing (and sometimes redirecting) funding to the most effective programmes and services.

We want stakeholders (including providers and communities) to know what changes we are planning and why we are making them, so they can be involved early in the process.

Part One: The Community Investment Strategy

The Ministry of Social Development invests over \$300 million in community-based programmes and services for vulnerable people each year.

1. The Strategy sets out how MSD is building a system to ensure that the funding it invests in social services is targeted to the most vulnerable people and in the right place, to best meet needs and improve results.
2. The Strategy is being implemented over a three-year period and focuses on six key elements. These are:
 - focusing more clearly on priority results
 - building the evidence base for effective programmes and services
 - improving the quality of data collection
 - setting a clear direction for funding
 - further simplifying compliance requirements and including result measures in contracts
 - continuing to build provider capability.
3. Developments around these six elements are discussed in this document.
4. This first update sets out the initial positive changes we have made in year one of a three-year process. It also outlines what vulnerable people, providers and communities will see over the next two years as the Strategy and the social investment approach continues to be embedded.
5. You can read more about the [social investment approach](#) on Treasury's website, and the background to the [Community Investment Strategy](#) on MSD's website.

Focusing on improving results for vulnerable children and youth, and reducing family violence and sexual violence

6. The three priority results under the Strategy are:
 1. supporting vulnerable children, children in hardship, and reducing child maltreatment
 2. supporting vulnerable young people, including youth offenders, and reducing youth crime
 3. supporting adult victims/survivors, addressing perpetrators' behaviour, and reducing violent crime (family violence and sexual violence).
7. We also fund a number of other services not directly related to the above three main priorities. These include:
 - participation and inclusion services for disabled people
 - the Christchurch Earthquake response, including counselling services <https://www.msd.govt.nz/about-msd-and-our-work/newsroom/media-releases/2016/quake-counselling-available-to-those-who-need-it.html>
 - social work services for refugees and migrants.
8. See the [Community Investment Strategy: Priority results areas](#) and the [Community Investment Strategy Results Measurement Framework](#) which explain how our programmes and services align to achieve these priority results.

Informing the Strategy is a better understanding of who vulnerable New Zealanders are

9. When we talk about our most vulnerable children and young people, we are mainly referring to those children and young people already in, or at significant risk of becoming part of, the statutory care and protection and youth justice systems.
10. We note that while Māori tamariki make up only 23 percent of the 0-14 year old population of New Zealand, Māori tamariki represent approximately half the children receiving statutory services.
11. The Government has done some analysis of data on outcomes that shows the characteristics of children and young people at risk of poor outcomes as young adults, these findings are available on [Treasury's website](#).
12. Sometimes families and whānau need help to be safe, strong, healthy and resilient. That is where tailored and targeted programmes and services that are known to be effective and are culturally appropriate, can make a big difference to their lives.

Example: Case study which shows the positive difference Family Start¹ made for client 'D' and her baby

D self-referred to Waitakere Family Start in May 2014. She was desperate to escape her violent, drug-using partner, and to make a new life for herself and her 11 month old baby boy. Her situation was complicated by the threat of deportation – leaving her partner meant her visa was no longer applicable.

A Family Start worker worked alongside Child, Youth and Family, Immigration and Shakti (Women's Refuge) to provide wrap around support for this vulnerable woman and her baby. The Family Start worker advocated with Work and Income and enabled D to become financially independent. Her baby was enrolled into Early Childhood Education (ECE), and his language and social skills have blossomed after a traumatic start exposed to significant family violence.

D and her boy successfully graduated from the Family Start programme in March 2016, ready to face the challenges ahead with confidence.

Relayed by a Family Start provider during a service development conversation with a member of the Community Investment Team

¹ Family Start is an intensive home visiting programme available to vulnerable pregnant mothers and vulnerable families with pre-school aged children. Government spends \$30 million on Family Start annually and it is an integral part of the continuum of programmes and services for vulnerable children.

We have a better understanding of where vulnerable New Zealanders are

13. We now have a better understanding of where vulnerable New Zealanders are across the country through the work of MSD, Statistics New Zealand and its [Integrated Data Infrastructure](#), and [Treasury's analysis](#) of integrated data on the characteristics of children who are at greater risk of poor long-term outcomes. You can see [Statistics New Zealand's interactive maps](#) on its website. We are planning to make profiles of the areas where vulnerable people are located available to stakeholders as part of our engagement with them.
14. Having a better understanding of where vulnerable people live means we can better target programmes and services to these areas.

Example: We used Treasury data on vulnerability to inform the expansion of Family Start

Treasury's mapping of [vulnerability factors for 0-5 year olds](#) has been combined with MSD's mapping of children who meet the Family Start referral criteria. This analysis has been used to inform investment decisions about the expansion of Family Start.

Continuing engagement with stakeholders to plan, collaborate and innovate

Over the next year we will be engaging with stakeholders about investment decisions that will best improve results for vulnerable people in each region

15. Social investment is about connecting improved data and analytics with community knowledge to improve results that matter to vulnerable populations.
16. We will continue to engage with stakeholders, including [Community Response Forums](#), and others such as [Children's Teams](#), the Minister's NGO (non-government organisations) Advisory Group, local government, providers, iwi, government agencies, funders' groups, district health boards, churches, and other local networks and initiatives.
17. We will hear stakeholders' and their communities' priorities, share our priorities, and consult on the proposed plans for investment in 2017/2018. These conversations are important as stakeholders (including providers) have valuable knowledge of, and connections with, communities. We rely on this to reach vulnerable people and families and whānau who need the most support.
18. We recognise that many of our vulnerable populations also include a large proportion of Māori or Pacific people. Programmes and services must be accessible and respond to their needs appropriately. We will continue to engage with Māori and Pacific stakeholders to ensure our new way of working, the programmes and services we are purchasing, and any changes to the way they are funded, are effective for the Māori and Pacific people who need our support.
19. The dates and opportunities for stakeholder engagement will be set out in a stakeholder engagement plan, which will be published on MSD's website in September 2016.

We want innovation and collaboration that improves results for vulnerable people

20. We want to make sure that for the 2017/2018 financial year, we have an investment plan that is informed by data about vulnerable people, and by local understanding of their needs and how to meet them. We also want to hear about innovative and collaborative solutions. This means engaging with stakeholders early in the process and sharing ideas.

Example: We used a co-design process to move from budget services to a building financial capability model

We have been working with clients and providers to re-design how we fund and deliver budget services. The aim is to help build the financial capability of New Zealanders experiencing hardship.

Providers gave us a strong message that change was needed, because real change in the financial capability of those accessing services could not always be shown. In September 2015, we began a co-design approach with over 350 people to actively engage clients, providers and experts in the field. They were involved from the initial ideas right through to the implementation, and on-going development.

There were over 100 different service ideas that were refined, evaluated and prioritised. This informed the development of a strong framework that we are using to underpin the new service structure, and a set of principles to work with.

For example, we heard that people have complex lives with a range of families and whānau, cultural health and financial issues that can mean they feel powerless, depressed, and out of control. We learnt that a strengths-based model that is focused on a client's aspirations and goals will assist in building long term independence.

In response to this feedback, we are refocusing the role of budget advisors, so that they become financial mentors who will empower people to make positive financial change while connecting people to services. Rather than the current budget sheet, there will be a new strengths based financial plan that helps clients clearly see their financial situation based on their priorities and goals.

Other work being rolled out by 1 November 2016 in the first phase of new services includes:

- MoneyMates: group and peer-led support so people can learn from others in similar situations and share insights and knowledge
- standardised referral to Financial Capability services by Work and Income.

Part Two: Implementation of the Community Investment Strategy

Measuring Results

21. We are using a Results Measurement Framework (RMF) to pull together information that can show how the programmes and services we fund contribute to achieving the results we are seeking for clients and the wider population (see page 3 of this Strategy Update for details of our priority results areas).
22. The RMF has two levels:
 - the population level - which includes high-level Government priorities
 - the performance level - which looks at provider, programme, service and client level results.
23. Some examples of results measures that have been developed are as follows:

Example One: Results measures that we have included in contracts from 1 July 2016

Service / programme	Result measures
Family Start	<p>Of the families who exited Family Start during the reporting period:</p> <ul style="list-style-type: none"> • % of children enrolled with a primary health organisation • % of children attending scheduled Well Child visits • % of children who have up-to-date immunisations • % of children aged between 18 months and five years attending early childhood education <p>Using agency data-matching:</p> <ul style="list-style-type: none"> • % of children who have had a substantiated abuse finding with CYF, within 12 months of ending participation in the Family Start programme.

Example Two: Results measures that we will include in contracts from 1 July 2017

Service / programme	Result measures
Social Workers in Schools services (SWiS)	<p>Of the children who exited the SWiS service during the reporting period, how many showed a:</p> <ul style="list-style-type: none"> • % increase in pro-social skills – as reported by their teacher and parent(s) • % decrease in behavioural and learning difficulties – as reported by their teacher and parent(s).

24. There is [more detailed information about how the RMF works](#) on MSD's website.
25. By using actual, measurable client level results we will be able to build an evidence base about effective programmes and services in communities, and improve our understanding of demand and supply. This will help us with our strategic planning and purchasing decisions.
26. At the performance level, we are using results-based measures in provider contracts to build an evidence base of effective programmes and services in communities. By July 2018, results measures will be in all providers' contracts.

Example: We are using new result-based measures for Family Start to assess rates of abuse and neglect for clients exiting the programme

From 1 July 2016, a new client result measure will be introduced for Family Start which will report the number and percentage of children with a substantiated report of abuse or neglect in the 12 months following their exit from Family Start.

A trial of this measure showed that, for clients exiting the programme in 2014 (planned and unplanned exits), 7% had a substantiated abuse finding within 12 months following their exit from the programme.

For 'unplanned exit', the rate of substantiated abuse finding was 9%, however, for clients who had a 'planned exit' from Family Start this was reduced to 5%. This tells us that clients with unplanned exits have a greater risk of a substantiated report of abuse or neglect in the 12 months following their exit from Family Start as opposed to those clients who complete the programme.

The measure is being refined and the data-matching infrastructure is being built to report nationally and at a provider level in 2017. This measure will drive a focus on ensuring children are better prepared for success before exiting Family Start.

27. We are currently working with third party information and communications technology (ICT) vendors who support a number of our providers, to ensure the safe and secure collection and transfer of client level data. We will be able to conduct analysis of this information, and then share the key findings with providers. We will continue to investigate other ICT options to ensure all providers are supported in the collection and transfer of client level data.

Funding evidence-based interventions

28. In 2015, we carried out a Line by Line Review of programmes and services we funded including those funded by the Ministry of Youth Development. You can [find out more about the Line by Line Review](#) on MSD's website.
29. The Line by Line Review helped us to identify service gaps and assess whether programmes and services were:
 - aligned to government priorities
 - evidence-based and effective
 - well-targeted at a population and geographic level
 - contributing to any duplication, oversupply, or undersupply of programmes and services.
30. The findings from the Line by Line Review has led to some changes to what we fund in 2016/2017.
31. We are also systematically building the evidence base of our funded programmes and services to make sure that the programmes and services we purchase are the right ones. Information for this evidence base will come from evaluations, policy reviews, results measurements (by way of contract reporting requirements), a strengthened focus on effectiveness in provider contracts, and strengthened contract monitoring practices.
32. There is more information about how we are [building this evidence](#) base on MSD's website.

Example: We are using data to build evidence of impact for Family Start

Previous studies of Family Start found that families value the programme. However, none of these studies could substantiate the difference that the programme made for families, and what the outcomes for the children would have been if they had not participated in Family Start.

An Impact Evaluation, using client level data collected by Family Start providers since 2005, was completed in 2015 and published in March 2016 to fill that gap. [Information about the evaluation](#) is available on MSD's website.

Key findings of the Impact Evaluation for children who had participated in Family Start were:

- positive impacts on use of some health services and children's participation in Early Childhood Education (ECE)
- mortality rates in the first two years of life were significantly reduced, with reductions in deaths from child maltreatment injuries, and sudden unexpected death in infants
- the presence of the Family Start worker in the home, and increased contact with other services as a result of Family Start, made it more likely that concerning behaviours and circumstances were identified and brought to the early attention of Child, Youth and Family.

The increased ECE participation and reduced mortality findings have been used to calculate a return on investment, using Treasury's cost benefit analysis framework. Preliminary results showed that Family Start has a positive return for New Zealanders.

These findings would not have been possible without data identifying the families who had participated in Family Start. The positive findings of the evaluation have informed the 2016 expansion of Family Start.

33. To date we have evaluated Social Workers in Schools (SWiS) and the Family Start Programme, and the results have been positive.

Example: We have seen promising results from the preliminary SWiS evaluation, and potential for client-level data to strengthen impact research

In partnership with the Auckland University of Technology (AUT), we completed a preliminary evaluation of the SWiS service. Research was conducted using the [Integrated Child Dataset](#), and investigated the effects of attending a school that had the SWiS service on subsequent secondary school enrolment and NCEA achievement, among other factors.

The study looked at effects on children who were enrolled in a SWiS school in school years 7 or 8 (intermediate school years), prior to starting high school during 2009 or 2010.

The evaluation found that, compared to similar children in similar schools without SWiS at that time, children who attended a school that had the SWiS service showed:

- some statistically significant reductions in non-enrolment days (e.g. girls had 12 fewer days of non-enrolment in their first 3 years of high school on average - a 27% reduction)
- significantly higher NCEA Level 1 attainment for girls (the proportion of girls with NCEA Level 1 by the year they turned 16 was 4.8 percentage points higher on average – an 8% increase).

There is also evidence, with weaker statistical significance, that suggests there are fewer Child, Youth and Family – Youth Justice referrals for boys in the first 3 years after starting secondary school.

What are we doing next?

Results from the evaluation are promising but not conclusive, due to the limitations of the dataset. However, from the evaluation we can see that these results are consistent with SWiS having had a positive effect on children's transitions to high school. This suggests there is reason to be cautiously optimistic about the service, although results should be viewed as interim until further work is undertaken.

Further work has been commissioned using the Statistics New Zealand's [Integrated Data Infrastructure](#) research database about people and houses and more recent data from MSD. This work will potentially include client-level data held by providers. This will allow researchers to identify exactly which children received services, which will provide us with a more targeted view of SWiS results.

Improving data collection

Data collection and information-sharing for better results

34. Starting from July 2016, we will begin collecting individual client level data from providers. We will do this progressively over the year, so that we are collecting client level data from all providers by July 2017.
35. Client level data minimum requirements are as follows:

Client	Name, address, gender, date of birth, primary ethnicity, iwi.
Dependents	Name, date of birth, relationship to client.
Service Level Information	Programme/service name, start date and end date.

36. Client level data will help us to better understand the history and the needs of clients, and what types of interventions are likely to work. We will then be able to better identify target groups of programme and service users and understand if a programme or service is effective.
37. As we develop our capability to use this data effectively, we will be able to look across other programmes and services that clients access (funded by other Government agencies) and be better able to understand what programmes and services are attributed to the results we are seeking.
38. Improving our data collection means we will be able to work with other Government agencies when developing annual investment plans, ensuring that across government we are purchasing a mix of programmes and services that are effective, targeted and provide the results needed for New Zealand's most vulnerable people.

Using data analytics

39. Data analytics is about harnessing the latest technology to analyse different sources of information to uncover patterns, correlations and other insights about vulnerable people and effective programmes and services. Data analytics is an integral part of the future direction of the Strategy.
40. We will actively collaborate with community partners, including Community Response Forums, sharing our respective priorities and working together to develop investment plans. These discussions will be informed by data analysis on the needs of vulnerable people in local communities. This data will take a two to 10-year outlook, so that longer term trends can be planned for.
41. We are very aware of the importance to keep client level data secure. A Security Risk Assessment will be undertaken by 31 October 2016 to ensure the data collection mechanism we use is appropriate and secure.

Redirecting funding to our priorities

The mix of programmes and services we purchase has changed

42. Some of our purchasing decisions were made many years ago, and may not reflect changing demographics. We are now developing a better understanding of the needs of vulnerable people, where they are, and what programmes and services work best to meet their needs. This means we can better align funding to those with the highest needs and to programmes, services and providers that demonstrate that they are meeting these needs, with evidence about what works.
43. We have already started to change the programmes and services we fund (see examples below). Additional detail about the funding shifts can be found on our [website](#).

Examples: We have redirected some funding to better align to the highest needs and the programmes that work best

\$7.3 million per year of Parents as First Teachers (PAFT) funding has been redirected to expand Family Start. Family Start is an intensive service, targeting vulnerable children just under the Child, Youth and Family threshold for intervention. It is an evidence-based home visitation programme, visiting families sometimes several times per week. PAFT is a much less intensive programme where families receive one home visit per month.

\$1.38 million per year of Strengthening Families funding has been redirected to support the Children's Action Plan. Funding is being transferred to the Children's Action Plan Directorate to support the expansion of Children's Teams to district health board boundaries in Northland and Canterbury during the 2016/2017 financial year.

44. All of these changes have had a significant impact on our investment mix for the 2016/2017 year. [A summary of the programmes and services we fund](#) by priority result area and intervention level is on MSD's website.

In 2016/2017 we expect further changes

45. The Strategy's focus on getting better long-term results for those most at risk of requiring some form of statutory intervention aligns with the intent of the Investing in Children work programme. In the [Investing in New Zealand's Children and Their Families](#) work, population data and evidence of what works will be used to develop the [new operating model for vulnerable children](#). The new operating model will include the core statutory care and protection functions currently performed by Child, Youth and Family, and also include programmes and services that support vulnerable children currently funded by us.
46. The [Children's Action Plan](#) Directorate will continue working with us to make sure Government's investment in programmes and services prioritises and facilitates support for Children's Teams. Children's Teams are using the Strategy to deliver better results and encourage collaboration across agencies.
47. The [Ministerial Group on Family Violence and Sexual Violence](#) has a cross-agency work programme. We lead a number of work-streams and contribute across the work programme. All family violence and sexual violence services and future activity is included in the work programme, which aims to both align and improve current activity, and look at the long-term investment in family violence and sexual violence. The outcome of this work will inform the Strategy.

The Ministry of Youth Development's (MYD) focus is on increasing development opportunities for young people

48. In 2015, the Government announced a new direction and priorities for its role in youth development. This includes aligning youth development funding with the Strategy. You can read more about these changes on [MYD's website](#).
49. Over 2016, MYD is undertaking a rolling review of the providers currently funded by MYD, whose multi-year contracts have been extended until July 2017. This is to ensure alignment with MYD's new direction and priorities for youth development, and will include strengthening of contracted data collection, reporting and monitoring requirements. This will help to build the evidence base on the effectiveness of youth development opportunities, and ensure that MYD investment delivers opportunities to a diverse range, and greater number, of young people.

Introducing some flexibility in contract arrangements, with a focus on provider sustainability and results

We are developing a tailored contracting framework that has flexible purchasing, pricing, procurement and contract arrangement components

50. We are developing a more consistent and flexible approach to making decisions about contracting arrangements for programmes and services. This approach supports our move to results-based contracting (see 'data collection and information-sharing for better results' section above).
51. We are making changes to contracts which will give effect to the implementation of our Results Measurement Framework.
52. This contracting approach means contracts will allow providers to respond to changes in clients' needs, have clear funding structures and, where possible, result or milestone payments linked to client results.

We are continuing to simplify compliance through how we contract

53. Close to 99 percent of our providers have been transitioned to the Ministry of Business, Innovation and Employment (MBIE) Streamlined Contracting Framework (Framework). This Framework has been put in place to reduce variance in, and duplication of, contract management practices across government agencies.
54. For those providers funded by multiple MSD service lines, [streamlined contracting](#) has resulted in:
 - funding combined into one contract or outcome agreement
 - streamlining our relationship activities and appointing lead relationship managers to co-ordinate all contract monitoring, approvals/accreditation activities
 - the development of a relationship management plan or outcome agreement management plan setting out how and when these activities will occur.

We are also simplifying compliance through the Cross-Government Accreditation project

55. Through the Cross-Government Accreditation project we are working with eight other government agencies to join up the processes we use to assess providers' capability and capacity to deliver programmes and services. This allows us to reduce duplication where possible by increasing consistency in our processes, and assessing providers against a number of shared standards.
56. From April 2016, 10 Social Sector Accreditation Standards were implemented across MSD. Over time, providers will start to see [Social Sector Accreditation Standards](#) being used across government.

Continuing to build provider capability

We are supporting provider capability through the Capability Investment Resource

57. The Capability Investment Resource (CIR) is a \$31.65 million fund that has been distributed over four years from 2012 to 2016 to support a stronger, more adaptable and more integrated social sector.
58. In its final year, the CIR is funding a tailored training package for targeted providers. The package is supporting providers to achieve and report on results through strengthening organisational strategic governance, including knowledge and awareness of what it takes to identify, understand and report on results.
59. We are embarking on work across several other fronts to assist providers with adopting an enhanced results focus and **provide support to build provider capability**. This includes utilising web-based educational media to share resources and information, and working with [Superu](#) on the use of evidence and evaluation to support better results for clients.

Example: Focusing the CIR to support providers to make positive improvements to the way they operate

A provider received a grant under the CIR to work with a capability mentor. The provider described this as a very positive experience which front-ended their subsequent application for support around governance training, financial risk strategies, work force development and cultural competency.

When asked what difference this support had made for the provider, they replied:

“Seeing the outcomes has just been fabulous. For example, the ability to implement workforce development, that’s been great. ...The staff are going from strength to strength. ...It’s given staff more security in terms of knowing and having a purpose for being here. They feel really supported by us now. ...I’ve had to tell them to stop thanking me because it’s not me that’s actually doing it, it’s the CIR that’s enabled this.”

