



# Cabinet

## Minute of Decision

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### Next Steps in Establishing the New Children's Entity and Implications for the Ministry of Social Development

**Portfolios**                      **State Services / Social Development**

On 11 July 2016, following reference from the Cabinet Social Policy Committee (SOC), Cabinet:

### Background

1        **noted** that:

- 1.1        in March 2016, SOC approved the creation of a new operating model for services to vulnerable children and young people [SOC-16-MIN-0022];
- 1.2        in May 2016, SOC:
  - 1.2.1        agreed to establish a stand-alone department to develop and implement the operating model;
  - 1.2.2        invited the Minister of State Services and the Minister for Social Development to report on the functions, strategy and structure of the Ministry of Social Development in light of the transfer of functions to the New Children's Entity;

[SOC-16-MIN-0053]

### Role and Functions of the New Children's Entity

2        **noted** that the creation of the New Children's Entity as a stand-alone agency requires agreement to the role and functions of the New Children's Entity and to the role and functions of the Ministry of Social Development as a result of these changes;

3        **agreed** that the core role and function of the New Children's Entity is to:

- 3.1        commission or deliver child-centred services that:
  - 3.1.1        prevent or respond to incidences of vulnerability;
  - 3.1.2        support vulnerable children and young people to fulfil their potential;
  - 3.1.3        promote the integration of services across the system;
- 3.2        manage the actuarial liability for vulnerable children;

- 3.3 provide the government with current and long-term policy advice on preventing the occurrence of vulnerability, and reducing the intensity and duration of vulnerability for this group;
- 4 **agreed** that the following functions within the current Ministry of Social Development be allocated to the New Children's Entity:
  - 4.1 statutory care and protection;
  - 4.2 youth justice services;
  - 4.3 operational adoption services;
  - 4.4 the Children's Action Plan Directorate and the Children's Teams, including the transfer of responsibility for the Vulnerable Kids Information System (ViKI) and the Hub;
  - 4.5 current Community Investment functions relating to funding and contracting for vulnerable children services;
  - 4.6 family and sexual violence services relating to child victims or perpetrators;
  - 4.7 complaint and grievance panel services;
  - 4.8 policy advice relevant to these functions;
- 5 **noted** that the New Children's Entity will, over time, have the ability to directly purchase services to meet the needs of vulnerable children;
- 6 **authorised** the Minister for Social Development, in consultation with the co-Chair of the Family Violence/Sexual Violence Ministerial Oversight Group, to determine the final allocation of family and sexual violence functions between each agency;

### **Role and Functions of the Ministry of Social Development**

- 7 **agreed** that the Ministry of Social Development's core role and function be to:
  - 7.1 develop and deliver effective and efficient client-centred services, including for income support and benefits, employment support and training, social housing, students, seniors and people with disabilities;
  - 7.2 manage the actuarial liabilities for welfare and social housing through the development of an integrated actuarial approach;
  - 7.3 provide government with both current and long-term social policy advice relating to the populations served by the agency;
  - 7.4 provide shared corporate services to the New Children's Entity for a minimum of two years;
- 8 **agreed** that the following functions within the current Ministry of Social Development be allocated to the Ministry of Social Development:
  - 8.1 assessment and payment of welfare benefits and entitlements;
  - 8.2 employment support and training;

- 8.3 social housing assessments, case management, and purchasing places for emergency and social housing;
  - 8.4 current Community Investment functions not relating to funding and contracting for services for vulnerable children services (e.g. budgeting services, community engagement);
  - 8.5 family and sexual violence services (not directly related to child victims or perpetrators);
  - 8.6 historic claims;
  - 8.7 provision of strategic social policy advice;
  - 8.8 the Office for Seniors and services for Seniors;
  - 8.9 the Office for Disability Issues;
  - 8.10 the Ministry of Youth Development;
  - 8.11 policy advice relevant to these functions and population services;
- 9 **noted** that both the New Children's Entity and the Ministry of Social Development will require investment approach capability to manage their respective liabilities;
- 10 **noted** that the Minister of State Services and the Minister for Social Development will report to SOC in October 2016 seeking agreement to final proposals on allocating existing Ministry of Social Development capability across the New Children's Entity and the Ministry of Social Development;

### Operating Model

- 11 **agreed** that the operating models of both agencies support the ability to provide services to common and intersecting client groups and manage the resulting shared liability;
- 12 **noted** that this will require practical, frontline protocols and agreed systems and processes for accessing services, including strong data sharing protocols and the ability for staff to access information relevant to common clients in order to realise improved outcomes across the sector;
- 13 **noted** that the Vulnerable Children's Board has endorsed the direction of the New Children's Entity operating model as being consistent with the high level operating model approved by Cabinet and will continue to review the operating model detail as it is developed;

### Corporate Services

- 14 **confirmed** that the Ministry of Social Development is to provide specified corporate services for the New Children's Entity for a minimum period of two years from 1 April 2017;
- 15 **noted** that work continues to determine those corporate services that will be embedded within the New Children's Entity and those that will be provided by the Ministry of Social Development;

- 16 **noted** that detailed information on the costs and implications of centralised corporate services for the New Children's Entity and the Ministry of Social Development will be identified in the October 2016 report to SOC;
- 17 **noted** that, following SOC's decisions in October 2016 on the funding arrangements, the Chief Executives (or designate) of the two agencies will finalise the arrangements for the provision of corporate services;
- 18 **noted** that there will be an initial cost to establish arrangements for corporate services and that if at the end of the two year period the model to provide corporate services is changed, additional costs will be incurred;

### Implementation Requirements

- 19 **agreed** that the New Children's Entity be named the Ministry for Vulnerable Children;
- 20 **invited** the Minister of State Services to issue drafting instructions to the Parliamentary Counsel Office to draft Orders in Council:
- 20.1 under the State Sector Act 1988 to add the name Ministry for Vulnerable Children to Schedule 1 of that Act and to authorise the Ministry for Vulnerable Children to use the Ministry of Social Development name (if required) for a further 12 months; and
- 20.2 under the Ombudsmen Act 1975 to add the name Ministry for Vulnerable Children to the list of government departments in Schedule 1 of that Act;
- 21 **invited** the Minister for State Services and Minister for Social Development to submit Orders in Council to Cabinet for approval in August 2016;
- 22 **noted** that the transfer of functions and capability to the New Children's Entity will require the creation of a new Vote and this will be progressed through a separate process;
- 23 **noted** that the transfer of functions will have implications for Ministry of Social Development staff and protocols and processes are being developed to support the transition of staff and to ensure that the transition of Human Resources arrangements maximises the ability of each agency to fulfil its function;
- 24 **noted** that the costs of the proposed transfer of functions, and costs associated with establishing the new corporate services model, are still being worked through, with detailed advice on the implications of the transfer on staff, appropriations, property, cash and capital assets to be provided to SOC in October 2016, following discussions with the Ministerial Oversight Group;

### Social Sector Leadership

- 25 **noted** that:
- 25.1 a report on aligning functions to support social sector leadership will be provided to SOC by the end of October 2016;

- 25.2 until Cabinet approves alternative arrangements, the Ministry of Social Development will continue to carry out its existing sector leadership responsibilities.

