

Chair
Cabinet Social Policy Committee

NEXT STEPS IN ESTABLISHING THE NEW CHILDREN'S ENTITY AND IMPLICATIONS FOR THE MINISTRY OF SOCIAL DEVELOPMENT

Proposal

- 1 This report seeks agreement to the core role and functions of the New Children's Entity and to the core role and functions of the Ministry of Social Development in light of Cabinet decisions on the vulnerable children's system.
- 2 It outlines the approach to the allocation of the existing capability of the Ministry of Social Development to enable each agency to deliver on its core role and to ensure each agency is fit for purpose. An update on the approach for the provision of corporate services to the New Children's Entity is also provided.

Executive summary

- 3 In May 2016, Cabinet agreed to the creation of a New Children's Entity as a stand-alone department, with a broader range of functions and responsibilities than those currently held by Child, Youth and Family. This paper provides advice on the role and functions of the New Children's Entity and on the implications of these changes for the Ministry of Social Development.
- 4 The creation of the New Children's Entity will establish a single point of accountability for ensuring a coherent and complete response for services to vulnerable children and young people. This will include a focus on commissioning and delivering child-centred services that prevent or respond to incidences of vulnerability, supporting vulnerable children and young people to fulfil their potential and promoting the integration of services across the system. It will manage the social, economic and fiscal liability for this group and provide advice on preventing the occurrence of vulnerability and reducing the intensity and duration of this.
- 5 In order to support this proposed role, consideration has been given to the current functions and capability within the Ministry of Social Development that should be reallocated to ensure the New Children's Entity is fit for purpose.
- 6 It is proposed that the New Children's Entity will be responsible for functions relating to statutory care and protection, youth justice services, adoption services, the Children's Action Plan Directorate, funding and contracting relating to services for vulnerable children and young people, family and sexual violence services relating to child victims or perpetrators, current complaint services and policy advice relevant to these functions.
- 7 The New Children's Entity will have a specific focus on vulnerable children and young people and the services that support them. This focus means that, at least during the establishment phase of the new agency, services that focus on supporting adult members of a family will remain the responsibility of the Ministry of Social Development. The two agencies will need to work closely to ensure alignment of these services and the management of the shared liability for clients supported by such services.

- 8 These changes will have a significant impact on the Ministry of Social Development. The Ministry of Social Development will continue to develop and deliver effective and efficient client-centred services for its population groups and manage the actuarial liabilities for welfare and social housing through the development of an integrated investment framework. It will provide Government with both current and long-term social policy advice relating to the achievement of social outcomes for the populations it serves, and provide shared corporate services to the New Children's Entity for a minimum of two years.
- 9 There are also opportunities for the Ministry of Social Development to use its social policy and intellectual capital and expertise to develop innovative thinking and approaches to issues such as material wellbeing, poverty and inequality.
- 10 It is proposed that the Ministry of Social Development be responsible for functions relating to the assessment and payment of superannuation, welfare benefits and other entitlements, employment support and training, and social housing assessments, case management and purchasing places for emergency and social housing. It will also be responsible family and sexual violence services (not directly related to children and young people) and funding and contracting for social services not focused on vulnerable children. It will retain responsibility for the Office for Senior Citizens, the Office of Disability Issues and the Ministry of Youth Development. It will continue to provide policy advice relevant to these functions and advice relating to the populations served by the agency.
- 11 Following decisions by Ministers on the role and functions of each agency and funding levels, the final allocation of the capability required to ensure each agency can deliver its agreed role will be determined by the Chief Executives (or designate) of the two agencies. Each agency will need to develop the capability to allow it to carry out its role and this may include the development of new capability.
- 12 The operating model of each agency will be developed in a way that supports the integrated delivery of services for common clients, both between the two agencies and within the wider sector. This will require practical, frontline protocols and agreed systems and processes for accessing services and information sharing arrangements. Using data to support the investment approach to identify the most effective interventions will be an important way in which improved outcomes are realised across the sector.
- 13 The New Children's Entity will require the full suite of corporate services to fulfil its functions and implement the new operating model, including legal, communications, Ministerial services and service design. The Expert Advisory Panel proposed a shared services arrangement between the Ministry of Social Development and the New Children's Entity for the first two years and Cabinet endorsed this proposal.
- 14 Work continues to identify options for corporate services to ensure that each agency has the requisite capability to fulfil its purpose. In particular, this will include determining those services that need to be established within each agency and those that could be provided on a shared services basis. Cabinet will receive advice in October 2016 on options and the cost implications of each option.
- 15 The creation of the New Children's Entity will significantly change the landscape of the social services sector and lead to changes in the way agencies within the sector engage with each other, provide universal and targeted services and make investment decisions. The State Services Commission is continuing to lead work on options for social sector leadership.

Background

- 16 On 30 March 2016, exercising delegated authority from Cabinet, the Social Policy Committee (SOC) approved the creation of a new operating model for services to vulnerable children and young people [SOC-16-MIN-0022].
- 17 In May 2016, Cabinet agreed to establish a stand-alone department to develop and implement that operating model. It also noted that establishing this new department has significant implications for the existing Ministry of Social Development [SOC-16-MIN-0053].
- 18 The Minister of State Services and the Minister for Social Development were invited to report on the functions, strategy and structure of the Ministry of Social Development as a result of the transfer of functions to the New Children's Entity, including on the potential for the Ministry to have a role in strengthening and coordinating the performance and leadership of the wider social sector, and how those functions will work with the emerging New Children's Entity operating model [SOC-16-MIN-0053].
- 19 Cabinet also invited the Minister of State Services and the Minister for Social Development to provide a report confirming the functions that will be transferred from the current Ministry of Social Development to the New Children's Entity and the proposal for providing specified corporate services to the New Children's Entity for a minimum period of two years [SOC-16-MIN-0053].
- 20 This report responds to these requests for advice.

Next steps in establishing the New Children's Entity

- 21 Cabinet agreed to establish the New Children's Entity as a stand-alone agency, with many of the roles and functions that are currently the responsibility of the Ministry of Social Development.
- 22 Agreeing the role and functions of the New Children's Entity and the consequent changes to the role and functions of the Ministry of Social Development, will define the scope of the mandate of each agency, the services for which they are each accountable, and the necessary operational relationship between the two agencies. This will allow respective Chief Executives to develop the structures for the new agencies.

Proposed role and function of the New Children's Entity

- 23 Cabinet has agreed that the New Children's Entity will be responsible for addressing the needs of children and young people who are at significant risk of harm now and into the future as a consequence of their family environment, and/or their own complex needs, and young people who have offended or may offend in the future [SOC-16-MIN-0022]. This will include providing services in the areas of prevention, intensive intervention, care support, youth justice and transition support areas.
- 24 To support this responsibility, we propose that the role and function of the New Children's Entity be to:
 - 24.1 commission or deliver child-centred services that:
 - prevent or respond to incidences of vulnerability
 - support vulnerable children and young people to fulfil their potential

- promote the integration of services across the system

24.2 manage the actuarial liability for vulnerable children

24.3 provide 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.

- 25 This role is consistent with the key elements of the new operating model and its performance management framework as previously agreed by Cabinet [SOC-16-MIN-0022]. As set out in that paper, other social sector agencies such as the Ministries of Health and Education will continue to be accountable for the provision of universal services.
- 26 The New Children’s Entity will have a specific focus on vulnerable children and young people and the services that support them. This means that, at least during the establishment phase of the new agency, services that focus on supporting adult members of a family will remain the responsibility of the Ministry of Social Development, even when those services are relevant to the child’s wellbeing within that family.
- 27 For example, due to the adult-focused nature of the majority of services to support victims and perpetrators of family and sexual violence, these functions will be allocated to the Ministry of Social Development. However, specific services within these functions such as services for children who witness family violence and programmes to support young people displaying harmful sexual behaviours, will transfer to the New Children’s Entity.
- 28 Regardless of where current services are located, the New Children’s Entity will, over time, have the ability to directly purchase services to meet the needs of vulnerable children.
- 29 We propose that final decision-making on the allocation of the family and sexual violence services functions be delegated to the Minister for Social Development, in consultation with the co-Chair of the Family Violence/Sexual Violence Ministerial Oversight Group. Additional information has been sought from officials on options for how the governance, coordination, policy and service delivery elements of these functions will be managed, including the role of the Family Violence Unit.
- 30 To ensure successful delivery of these types of services, the operating models of the two agencies will need to be aligned to ensure improved outcomes for the wider family unit and the management of the shared liability. As the operating models of both agencies develop, there will be opportunities to reconsider the location of, and responsibility for, some of these functions and services.

Proposed allocation of functions and capability

- 31 To support this proposed role and function, consideration has been given to the allocation of the current functions and capability within the Ministry of Social Development that will be required to transfer to the new entity.
- 32 We propose that the New Children’s Entity have responsibility for functions relating to:
- Statutory care and protection
 - Youth justice services
 - Operational adoption services

- 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
- Current Community Investment functions relating to funding and contracting for vulnerable children services
- Family and sexual violence services relating to child victims or perpetrators
- Complaint and grievance panel services
- Policy advice relevant to these functions.

Implications for the Ministry of Social Development

33 The establishment of the New Children’s Entity and the transfer of roles and functions will have a significant impact on the responsibilities of the Ministry of Social Development.

Proposed role and function of the Ministry of Social Development

34 We propose that following such changes, the Ministry of Social Development’s core role and function be to:

34.1 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

34.2 manage the actuarial liabilities for welfare and social housing through the development of an integrated actuarial approach

34.3 provide Government with both current and long-term social policy advice relating to the populations served by the agency

34.4 provide shared corporate services to the New Children’s Entity for a minimum of two years.

35 We consider there also are opportunities to use the Ministry of Social Development’s social policy and intellectual capital and expertise to develop innovative thinking and approaches to issues such as material wellbeing, poverty and inequality.

Proposed allocation of functions and capability

36 We propose that the Ministry of Social Development have responsibility for functions relating to:

- Assessment and payment of welfare benefits and entitlements
- Employment support and training
- Social housing assessments, case management, and purchasing places for emergency and social housing
- Current Community Investment functions not relating to funding and contracting for vulnerable children services (e.g. budgeting services, community engagement)

- Family and sexual violence services (not directly related to child victims or perpetrators)
- Historic Claims
- Strategic social policy advice
- Office for Seniors and services for Seniors
- Office for Disability Issues
- Ministry of Youth Development
- Policy advice relevant to these functions and population services.

37 The Ministry of Social Development will also manage residual risks for the New Children's Entity for issues such as property maintenance liability (such as earthquake strengthening of buildings) and litigation (including resolving historic claims).

38 The Ministry of Youth Development is focused on supporting all young people, aged 12 – 24 years, to have access to youth development opportunities. This could include experience in leadership training, mentoring, or a certain number of hours volunteering. This broader focus better aligns with the wider population focus of the Ministry of Social Development than with the role and functions of the New Children's Entity.

Allocation of the Ministry's current accountability for monitoring of Crown Entities is dependent on the outcome of a number of other processes

39 The Ministry of Social Development currently has accountability for the monitoring arrangements for four Crown Entities – SuPERU/Families Commission, the Social Workers Registration Board, the Office of the Children's Commissioner and the New Zealand Artificial Limb Service.

40 A number of processes are underway to review the role and function of some of these entities, such as advice on the revised responsibilities of the Office of the Children's Commissioner and consideration of the form of the new advocacy service. Other work is currently underway in relation to sector leadership options and the future location of data and analytics functions. Decisions arising from these reviews will impact on the most appropriate location of monitoring arrangements for each Crown Entity. In the interim, monitoring responsibilities for these entities will remain with the Ministry of Social Development.

Supporting capability will be agreed following Ministerial decisions on the allocation of the functions for each agency

41 A high-level analysis of the capability to support each of the allocated functions has been undertaken and is set out in Appendix A.

42 Following decisions from Ministers on the functions and allocations to the New Children's Entity and those that will remain with the Ministry of Social Development and funding for each agency, decisions around the capability required to ensure each agency can deliver on its core functions will be worked through by the Chief Executives (or designate) of the two agencies. Each agency will also need to develop the capability to allow it to carry out its role and this may include the development of new capability. While the majority of the capability allocation will be straight forward, a small portion of services and capability could be allocated

to either agency. Both agencies will require in-house investment approach capability to manage their respective liabilities.

- 43 The final allocation will be weighted to support the child-centred core focus of the New Children's Entity.
- 44 The October report back will provide Ministers with final advice as to the allocation of capability between the two agencies. This will allow Ministers to determine whether each agency will have the necessary capability to deliver on its role and function.

Supporting the Operating Models of each Agency

The operating models of each agency will need to be developed in a way that supports the integrated delivery of services and improved outcomes for common and intersecting clients

- 45 The New Children's Entity, the Ministry of Social Development and other sector agencies will have common and intersecting client groups. This will require the operating models of agencies to support the ability to provide services to these clients and ensure that adult focused services support adults in their role as parents (where appropriate). This would include vulnerable children who are also clients of other agencies such as the Ministries of Health and Education and NZ Police, as well as adult clients of the Ministry of Social Development whose vulnerability through unemployment, housing or disability issues impact on a child.
- 46 Ensuring the operating models support the intersecting client groups will require practical, frontline protocols and agreed systems and processes for accessing services, particularly in relation to implementing new approaches such as funding following the child and direct purchasing of services. It will also require strong data sharing protocols to support the ability of staff to effectively and lawfully access information relevant to common clients.
- 47 Using this data and information to expand the investment approach to identify the most effective interventions for different clients will be an important way to realise improved outcomes for both agencies and for agencies within the wider sector.

Specified corporate services will be provided for the New Children's Entity to allow it to focus on frontline service delivery changes and implementation of the new operating model

- 48 In May 2016, Cabinet endorsed the proposal that specified corporate services for the New Children's Entity should be provided by the Ministry of Social Development for a minimum of the first two years of its operation [SOC-16-MIN-0053]. 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. This includes identifying the level of funding for services to be transferred to the New Children's Entity.
- 49 Appendix B sets out current thinking on the corporate services to be embedded in each agency and those for which further analysis is required to identify options to ensure each agency can fulfil its purpose.
- 50 In considering options to determine the corporate services functions allocated to each agency or provided by shared services, particular regard will be given to the following principles:

50.1 Functions will be funded, owned and located in the accountable agency if they are:

- aligned to the strategic intent of the agency

- fundamental and necessary for the agency to be able to operate effectively and efficiently
- enable the agency to manage the cost, quality and risks associated with delivery of services and the performance of the agency
- required to create and build a sustainable future organisational capability
- strategically important for that agency and/or require a tailored customised service where there are no advantages of shared provision.

51 It will also be relevant to consider implications such options may have for wider government goals in relation to the delivery of corporate services.

52 Note that research and data analytics services are not included in either group of services at this time. It is recognised that both agencies need this capacity and capability, and options are being developed to ensure both agencies are able to deliver on their purpose.

53 Following agreement by Ministers in October 2016 on the funding arrangements, the Chief Executives (or designate) of the two agencies will finalise the arrangements for the provision of services.

There will be additional costs associated with providing corporate services

54 Loss of economies of scale and the need to ensure a critical mass for each agency where current services are split between each agency will incur additional cost. Further work is required to assess the financial impact and this detail will be in the October report back.

55 In addition, as previously noted some corporate infrastructure enhancements (e.g. IT functionality) will be necessary to support the operating model of the New Children's Entity [SOC-16-MIN-0023]. However, it is not yet possible to cost any required enhancements as work on the operating model is still at an early stage. If at the end of the two year period the model to provide corporate services is changed, additional costs will be incurred.

56 Officials will be seeking to mitigate any costs and implications of the corporate services model agreed by the Chief Executives (or designate). Further information will be included in the October Cabinet report back.

Implementation Requirements

Name of the New Children's Entity

57 We have considered a number of options for the name of the New Children's Entity and we propose that the new entity be called the Ministry for Vulnerable Children as we believe it best encompasses the role and function of the new agency.

58 The creation of the New Children's Entity as a new department requires Orders in Council to insert the new agency's name into Schedule 1 of the State Sector Act 1988 and Schedule 1 of the Ombudsmen Act 1975. These Orders in Council will be submitted to Cabinet for approval in August 2016.

A comprehensive programme of work is underway to give effect to these changes and to ensure that both the New Children's Entity and the Ministry of Social Development are operational from 1 April 2017

- 59 The transfer of functions and capability to the New Children's Entity will require the creation of a new Vote for the New Children's Entity and this will be progressed through a separate process. Officials advise that the existing Vote structure for the Ministry of Social Development will be sufficient to manage its redefined functions, subject to any business-as-usual enhancements.
- 60 The transfer will have implications for current Ministry staff and protocols and processes are being developed to support the transition of staff and ensure the transition of human resources arrangements provides an opportunity to ensure these maximise the ability of each agency to fulfil its function. A high level transition plan will be provided in the October report back.
- 61 The costs of the proposed transfer of functions, and costs associated with establishing the new corporate services model, are still being worked through as they are dependent on the decisions in this paper. More detailed advice on the implications of the transfer on staff, appropriations, property, cash and capital assets will be provided to SOC in October, following discussions with the Ministerial Oversight Group.

Report Back on Social Sector Leadership

- 62 Cabinet invited the Minister of State Services and the Minister for Social Development to provide advice about options for aligning appropriate functions to support social sector leadership [SOC-16-MIN-0053]. We consider that this report back should be deferred to allow more time for discussions among Ministers and affected agencies, and will report to SOC by the end of October 2016. Until such time as alternative arrangements for sector leadership are agreed by Cabinet, the Ministry of Social Development will continue to carry out its existing responsibilities in this area.

Consultation

- 63 The Ministries of Health, Education, Justice, Business Innovation and Employment, Pacific Peoples, and Women, the Department of Corrections, NZ Police, Te Puni Kokiri, Accident Compensation Corporation, Housing New Zealand and The Treasury have been consulted in the development of this paper. The Department of Prime Minister and Cabinet has been informed.
- 64 The Vulnerable Children's Board has been consulted in the development of this paper.
- 65 The Office of the Ombudsman was informed of the addition of the Ministry for Children's Futures to Schedule 1 of the Ombudsmen Act 1975.
- 66 The Government Chief Information Officer and the Office of the Attorney General have been consulted on options for the provision of corporate services.

Treasury Comment

- 67 In May, Cabinet invited joint Ministers to ensure that this report back provided information about the potential likely transitional costs of creating the New Children's Entity [SOC-16-MIN-0053]. Treasury notes that the detailed costings of establishing the New Children's Entity, restructuring the new social sector agency and the expected ongoing operating costs will now

be provided in the October report back. It will be critical for the October report back to make clear what trade-offs will be required in order to fund any establishment and restructuring costs.

Vulnerable Children's Board Comment

- 68 The Vulnerable Children's Board has endorsed the direction of the New Children's Entity operating model as being consistent with the high level model approved by Cabinet [SOC-16-MIN-0022]. The Vulnerable Children's Board will continue to review the operating model detail as it is developed.

Financial implications

- 69 Detailed costings for the provision of corporate services and transition costs associated with establishing the New Children's Entity and impacts on the Ministry of Social Development will be provided in the October 2016 report back.

Human rights implications

- 70 There are no direct human rights implications arising from the proposals in this paper.

Legislative implications

- 71 The only direct legislative implications arising from the matters considered in this paper are the Orders in Council.

Regulatory impact and compliance cost statement

- 72 The Regulatory Impact Analysis (RIA) requirements apply to the proposal to establish the new children's entity as a separate department and a Regulatory Impact Statement (RIS) was presented alongside the paper seeking earlier decisions in SOC-16-MIN-0053 on 4 May 2016. Orders in Council will be required to give technical effect to Cabinet's decision in May 2016, and we propose to submit these to Cabinet for approval in early August 2016.
- 73 The Regulatory Impact Analysis Team at the Treasury (RIAT) reviewed the RIS prepared by the State Services Commission and considered that the information and analysis summarised in the RIS partially met the quality assurance criteria, given the timeframes and parameters set by Ministers for a decision on institutional form at that time.
- 74 The previous paper signalled that the impacts of the decision to create the new entity would be supported by future analysis, including of establishment transition costs, but that has not yet occurred. The detailed decisions on giving effect to the proposed operating model will be brought to SOC in October 2016. Treasury expects that a Regulatory Impact Statement that includes further detailed analysis will be presented to SOC at that time.

Gender implications and disability perspective

- 75 The decisions on the role and functions of the New Children's Entity and Ministry of Social Development do not have, in themselves, any gender or disability implications. The Office for Disability Issues is a cross-agency function and it will work closely with the New Children's Entity as it provides advice to Ministers on disability issues.

Publicity

- 76 A detailed communications approach is being developed to inform staff and stakeholders of the decisions on the name, role and functions of the New Children's Entity, and the implications for the Ministry of Social Development, once these have been agreed with Cabinet and decisions on the timing of these announcements have been made.

Recommendations

- 77 It is recommended that the Committee:

Role and Functions of the New Children's Entity

- 1 **note** 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
- 2 **agree** that the core role and function of the New Children's Entity is to:
 - 2.1 commission or deliver child-centred services that:
 - 2.1.1 prevent or respond to incidences of vulnerability
 - 2.1.2 support vulnerable children and young people to fulfil their potential
 - 2.1.3 promote the integration of services across the system
 - 2.2 manage the actuarial liability for vulnerable children
 - 2.3 provide 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
- 3 **agree** that the following functions within the current Ministry of Social Development be allocated to the New Children's Entity:
 - Statutory care and protection
 - Youth justice services
 - Operational adoption services
 - 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
 - Current Community Investment functions relating to funding and contracting for vulnerable children services
 - Family and sexual violence services relating to child victims or perpetrators
 - Complaint and grievance panel services
 - Policy advice relevant to these functions

- 4 **note** that the New Children's Entity will, over time, have the ability to directly purchase services to meet the needs of vulnerable children.
- 5 **agree** that the Minister for Social Development, in consultation with the co-Chair of the Family Violence/Sexual Violence Ministerial Oversight Group, be delegated authority to determine the final allocation of family and sexual violence functions between each agency

Role and Functions of the Ministry of Social Development

- 6 **agree** that the Ministry of Social Development's core role and function be to:
 - 6.1 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
 - 6.2 manage the actuarial liabilities for welfare and social housing through the development of an integrated actuarial approach
 - 6.3 provide Government with both current and long-term social policy advice relating to the populations served by the agency
 - 6.4 provide shared corporate services to the New Children's Entity for a minimum of two years
- 7 **agree** that the following functions within the current Ministry of Social Development be allocated to the Ministry of Social Development:
 - Assessment and payment of welfare benefits and entitlements
 - Employment support and training
 - Social housing assessments, case management, and purchasing places for emergency and social housing
 - Current Community Investment functions not relating to funding and contracting for services for vulnerable children services (e.g. budgeting services, community engagement)
 - Family and sexual violence services (not directly related to child victims or perpetrators)
 - Historic Claims
 - Provision of strategic social policy advice
 - Office for Seniors and services for Seniors
 - Office for Disability Issues
 - Ministry of Youth Development
 - Policy advice relevant to these functions and population services

- 8 **note** that both the New Children's Entity and the Ministry of Social Development will require investment approach capability to manage their respective liabilities
- 9 **agree** that final decisions on allocating existing Ministry of Social Development capability across the New Children's Entity and the Ministry of Social Development will be determined by Cabinet as part of the October 2016 report back

Operating Model

- 10 **agree** the proposal 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
- 11 **note** 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
- 12 **note** 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

- 13 **confirm** 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
- 14 **note** 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
- 15 **note** 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 back
- 16 **note** that, following agreement by Ministers 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
- 17 **note** 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

- 18 **agree** that the New Children's Entity be named the Ministry for Vulnerable Children
- 19 **agree** to issue drafting instructions to the Parliamentary Counsel Office to draft Orders in Council:
 - 19.1 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

19.2 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

- 20 **invite** the Minister for State Services and Minister for Social Development to submit Orders in Council to Cabinet for approval in August 2016
- 21 **note** 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
- 22 **note** 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
- 23 **note** 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

- 24 **note** that the report back on aligning functions to support social sector leadership [SOC-16-MIN-0053] has been deferred and will now come to SOC by the end of October 2016
- 25 **note** that until such time as alternative arrangements are agreed by Cabinet, the Ministry of Social Development will continue to carry out its existing sector leadership responsibilities

Approved for lodgement by:

Hon Paula Bennett
Minister of State Services

_____ / _____ / _____

Hon Anne Tolley
Minister for Social Development

_____ / _____ / _____

Roles and functions and associated capabilities

New Children's Entity

<p>Statutory care and protection</p> <ul style="list-style-type: none"> • CYF assessment and triage • CYF investigations • Statutory care placements • Care and protection residences • CYF case reviews/practice guidance • CYF recruitment/training/review of caregivers
<p>Youth Justice services</p> <ul style="list-style-type: none"> • Youth justice social work • Youth justice conferences • Youth justice residences • Funding for Youth and youth crime services
<p>Adoptions and International</p> <ul style="list-style-type: none"> • Operational adoption services • International agreements with respect to children
<p>Children's Action plan</p> <ul style="list-style-type: none"> • CAP directorate/Children's teams
<p>Funding and contracting for vulnerable children services</p> <ul style="list-style-type: none"> • Community investment operational policy/service development • Community relationship management • Funding for services to support vulnerable children and young people • Family and sexual violence services relating to child victims or perpetrators
<p>Supporting capability</p> <ul style="list-style-type: none"> • Children and Youth Justice policy • Strategic social and cross sector policy in relation to vulnerable children • CYF gateway • Family group conferences/plans • Complaint and grievance panel services (post 2008) • High and complex needs unit • Privacy and Official information requests (POI) • Investment approach capability/data and analytics capability • Design and improvement/operational policy

Ministry of Social Development

Assessment and payment of welfare benefits and entitlements <ul style="list-style-type: none">• Eligibility assessments and payment of benefits/entitlements• Service delivery contact centres• Benefits review• Income support and employment policy
Employment support and training <ul style="list-style-type: none">• Employment skills/readiness training• Employer liaison
Social housing assessments and management of social and emergency housing <ul style="list-style-type: none">• Eligibility assessment for social housing• Social housing• Social housing contracts and supply• Emergency housing• Social housing policy
Strategic social policy provision <ul style="list-style-type: none">• Strategic social policy• Cross sector policy• International agreements policy
Office for Seniors and Services for Seniors <ul style="list-style-type: none">• Office for Seniors• Older peoples policy
Office for Disability Issues <ul style="list-style-type: none">• Office for Disability Issues• Disability policy
Funding and contracting for social services not focused on vulnerable children <ul style="list-style-type: none">• Elder abuse and neglect funding• Budgeting advisory services• Ministry for Youth Development• Funding for youth development• Funding for family/sexual violence services (not directly related to child victims or perpetrators)• Residual community funding (e.g. resettlement support, community engagement)• Young people, family and community policy
Supporting capability <ul style="list-style-type: none">• Case management• Design and improvement/operational policy• Concession cards• Fraud/overpayments and recovery (including fraud policy)• Claims resolution (historic and contemporary claims)• Investment approach capability/data and analytics capability

Appendix B – Corporate Services Allocation

Each agency will require the full suite of corporate services. Core services that must be embedded within each agency have been identified. Work continues to identify the best way for each agency to have access to those services that need not be embedded. The respective lists are noted below.

Research and data analytics services are not included in either group at this time. It is recognised that both agencies need this capacity and capability, and options are being developed to optimise the access of both agencies to this.

Corporate services that should be established within each agency

- Risk and assurance
- Communications
- Ministerial Services
- Organisational strategy and governance
- Organisation performance
- Enterprise portfolio management

Corporate services that require further analysis

- Finance
- Commercial procurement and approval of contracted providers (excluding procurement in relation to New Children's Entity providers and service provision)
- Human resources (including workforce vetting)
- IT
- Property management
- Document and records management
- Legal
- Health and safety
- Security (physical and information)