



Cabinet

Minute of Decision

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Social Sector Leadership: Delivering Better Results

Portfolios **State Services / Social Development**

On 5 December 2016, following reference from Cabinet Social Policy Committee (SOC) Cabinet:

- 1 **noted** that in May 2016, the Cabinet Social Policy Committee invited the Minister of State Services and the Minister for Social Development to report on options for the future arrangements of social system leadership in light of the sector changes following the establishment of the Ministry for Vulnerable Children, Oranga Tamariki [SOC-16-MIN-0053];
- 2 **noted** that for most New Zealanders social services are provided by single agencies and that our social services perform well on this basis;
- 3 **noted** that a smaller group of clients with multiple and complex needs continue to experience poor outcomes and that addressing their needs requires collective action that is beyond the remit of any single agency;
- 4 **noted** that tools have been developed for addressing the needs of these cohorts and individuals through the work on data and analytics and the progression of the social investment approach;
- 5 **noted** that the Social Sector Board has achieved some momentum in improving cross-agency responses to challenging issues but that there is an opportunity to move this to the next level with strong governance of performance, accountability and leadership arrangements;
- 6 **noted** that there is an opportunity to achieve the better results that Ministers are seeking for cohorts of individuals with multiple and complex needs through:
 - 6.1 tightly focused collective governance of the social sector that supports Ministers to set clear priorities and direction;
 - 6.2 formalising the collective accountability of chief executives for social investment advice and support;
 - 6.3 bringing together the capability needed to provide advice and assessment from a sector-wide perspective independent of the interests of any particular agency;

- 7 **noted** that the paper under SOC-16-SUB-0174 proposes new arrangements under which decision-making remains with individual portfolio Ministers, and collectively through the Cabinet Social Policy Committee and Cabinet, but will be more strongly supported through new arrangements;

Social Investment Board

- 8 **agreed in principle, subject to** the report-back outlined in paragraph 20 below, to disestablish the Social Sector Board and replace it with a Cabinet-mandated Social Investment Board, based on the Specific Purpose Board model developed as part of the Better Public Services Reforms;
- 9 **agreed** the purpose of the Social Investment Board will be to:
- 9.1 provide advice to the Cabinet Social Policy Committee on the strategic direction, priorities and joint results for the social system in areas where better results cannot be achieved without a collective approach;
 - 9.2 advise the Cabinet Social Policy Committee on the best investments for achieving joint results, including advice on optimal resource allocations and any reprioritisation across time, and how investments are performing;
- 10 **noted** that the Social Investment Board will not be accountable for the work of the Vulnerable Children's Board;

Departmental agency

- 11 **noted** that the establishment of a Departmental Agency is proposed to support the Social Investment Board to achieve the results that Ministers are seeking, and provide the critical mass of capability needed to effectively support the new Board;
- 12 **agreed in principle, subject to** the report-back outlined in paragraph 20 below, to establish a new Departmental Agency;
- 13 **noted** that there is also potential for stronger alignment and/or consolidation in the future of some functions currently in Superu;

Financial implications

- 14 **noted** that the financial implications of the proposal will be worked through with Treasury and Social Sector Board chief executives;
- 15 **noted** that the Social Investment Unit is seeking funding in Budget 2017 for its ongoing operation as its current funding ceases at end of June 2017;
- 16 **noted** that the State Services Commissioner will work with the Chief Executive of the Ministry of Social Development to identify the resources that would be transferred to the Departmental Agency;
- 17 **agreed in principle, subject to** the report-back outlined in paragraph 20 below, that the functions and resources currently comprising the Social Investment Unit will be transferred to the Departmental Agency, if established;

Next steps – approach to aligning functions (and associated resources)

- 18 **directed** the State Services Commissioner, in consultation with the relevant chief executives, to develop a terms of reference for a new Social Investment Board;

- 19 **noted** the State Services Commissioner will work with the Chief Executive of the Ministry of Social Development to identify the resources that would be transferred to the Departmental Agency;
- 20 **invited** the Minister of State Services to report back to SOC by 31 March 2017 on:
- 20.1 the mandate, remit and terms of reference for the Social Investment Board;
 - 20.2 the final composition of the Board and how the interests of Te Puni Kōkiri and the population agencies in the working of the Board will be met;
 - 20.3 how the Social Investment Board will differ from the current Social Sector Board;
 - 20.4 an implementation plan including the commencement date;
 - 20.5 the location for the Departmental Agency;
 - 20.6 the financial costs of the proposals;
- 21 **invited** the Minister of State Services to also explore the feasibility of including the functions of Superu in the Departmental Agency and to report back on this in the report to SOC in March 2017.

Michael Webster
Secretary of the Cabinet

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