

## IN CONFIDENCE

Office of the Minister of State Services  
Office of the Minister Responsible for Social Investment  
Office of the Minister for Social Development

Chair  
Cabinet Social Policy Committee

### Social sector leadership: Report-back on Superu

#### Proposal

- 1 This paper reports back on the implementation of in-principle decisions taken by Cabinet in April 2017 to disestablish Superu and its functions [CAB-17-Min-0146 refers]. We seek agreement to issue drafting instructions for the legislation necessary to repeal the Families Commission Act 2003 (the Act). We also seek Cabinet agreement that, on repeal of the Act, the Families and Whānau Status Report and major contracts held by Superu will transfer to other specified agencies, and to reconfigure the remaining Superu funding to better align with and support the government's social investment approach.

#### Executive Summary

- 2 The government has taken important steps toward embedding the social investment approach with decisions to establish the Social Investment Board and Social Investment Agency. As part of these changes, Cabinet also agreed in principle to disestablish Superu and requested further advice on how to best reconfigure social science research and evaluation functions to support the social investment approach.
- 3 Superu and its functions will continue to exist until disestablished through repeal of the Families Commission Act. Cabinet decisions taken through this report-back will take full effect on repeal. There will be an inevitable lapse of time between Cabinet decisions and legislative change. In the interim period prior to repeal the Superu Board may, at its discretion and in consultation with the Minister responsible, begin to delegate responsibilities, resources and contractual obligations having regard to Cabinet's decisions. The Board will also advise on the staging of financial transfers, including through the Statement of Performance Expectations process.
- 4 We have assessed Superu's current activities and resources, and considered which should continue in other agencies post-disestablishment. We consider that responsibility for the Family and Whānau Status Report and associated resources should be transferred to the Ministry of Social Development, responsibility for managing the Family Violence Clearing House contract should transfer to the Ministry of Justice and responsibility for the government social science research hub should transfer to the Social Investment Agency. We consider that the Growing Up in New Zealand study should also continue following Superu's disestablishment. The responsible Minister for Superu will report back to the Cabinet Social Policy Committee on where responsibility for managing the contract would most appropriately transfer.

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- 5 Superu's remaining activities relate to its research, monitoring and evaluation function, which is distinct from the data, analytics and insight function that will be undertaken by the Social Investment Agency. In the context of decisions to disestablish Superu, there is an opportunity to ensure coherence and strong alignment between these functions by reconfiguring the existing research and evaluation functions to better align with and support the government's social investment approach, and bringing the leadership functions for data, analytics, social science and evaluation together in one place.
- 6 Consequently, we propose that all funding associated with Superu's remaining research, monitoring and evaluation activities be reconfigured to support the Social Investment Agency, and to better align with and support the government's social investment approach. We recommend that this be achieved by authorising joint Ministers to approve the transfer of all remaining Superu funding (i.e. funding for Superu's research, monitoring and evaluation activities and any residual corporate support funding) to appropriation(s) for social investment in Vote: State Services, with the Minister Responsible for Social Investment as appropriation Minister. As part of the process for working through changes to appropriations, the Minister Responsible for Social Investment will develop a case setting out what the funding will be used for and what it will seek to achieve.
- 7 The preferred appropriation structure will depend in part on the Social Investment Agency's operating model, which is still under development as the agency was only recently established (on 1 July). We therefore propose that Cabinet authorise the Minister of Finance and the Minister Responsible for Social Investment to jointly approve the establishment of any new appropriation(s) necessary to give effect to the proposals in this paper. This will provide flexibility and ensure that appropriation arrangements can be better tailored following further development of the Social Investment Agency operating model.
- 8 Repeal of the Families Commission Act through legislation is necessary to give effect to Cabinet's decisions to disestablish the Families Commission and its functions. Following Cabinet decisions taken through this report-back, the responsible Minister for Superu will initiate the legislative change process by issuing drafting instructions to the Parliamentary Counsel Office for the Bill required to repeal the Act, and will begin to work with the Board on transitional arrangements.

### Background

- 9 In April 2017 Cabinet agreed to put in place new social sector leadership arrangements, which included replacing the Social Sector Board with a new Social Investment Board, and establishing a new Social Investment Agency to support the proposed governance arrangements and the social investment approach [CAB-17-MIN-0146].
- 10 In April Cabinet also:
  - 10.1 agreed in principle, subject to a report back (see below), to disestablish the Families Commission (operating as Superu) and its functions, reassess the functions required for the Social Investment Agency to fulfil its role, and reassess the remaining functions (identifying elements to be continued such as the Family and Whānau Status Report) for possible allocation to other agencies (e.g. Ministry of Social Development);
  - 10.2 invited the Minister of State Services and Minister Responsible for Social Investment to report back to SOC by 31 July 2017 on the functions to transfer

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from Superu to the Social Investment Agency, funding and employment implications, implementation timeframes, and decisions needed to enable legislative change;

10.3 invited the Minister Responsible for Social Investment to work with the responsible Minister for Superu to determine the most effective arrangements for formalising links between, and aligning the functions of, Superu, the Social Investment Agency and the Social Investment Board in the interim.

11 This paper seeks final decisions to implement Superu's disestablishment, and addresses the request for report back outlined above. Given the Minister for Social Development's role as the responsible Minister for Superu, it has been agreed that this is a joint report back between the Minister of State Services, the Minister Responsible for Social Investment and the Minister for Social Development.

### Context

12 The Families Commission, operating as Superu, is an autonomous Crown entity monitored by the Ministry of Social Development. The legislative functions of Superu are set out in the Families Commission Act.

13 Superu has an establishment of 36 staff. As at 30 June 2017 Superu has 26.5 staff in place, of which 19 are permanent employees and 7.5 are fixed-term or on contract. It has a board and a chief executive. Superu is funded from the Vote: Social Development non-departmental output expense appropriation Families Commission, including core funding of \$8.304m per year plus \$13.119m spread over four years for the Growing Up in New Zealand study.

14 Superu will continue in legal existence as long as the Act remains in force. Legislative change to repeal the Act could take up to 1 year after Cabinet decisions are made to implement disestablishment. The Act requires that the following must continue until legal disestablishment:

14.1 a board of at least 3 members (one designated as Families Commissioner);

14.2 a chief executive appointed by the Board;

14.3 Families and Whānau Status Report (annual);

14.4 a Social Science Experts Panel of at least 4 members.

15 Superu has two legislated functions under the Act:

15.1 to act as an advocate for the interests of families generally (the advocacy function i.e. the Family and Whānau Status report);

15.2 to monitor and evaluate programmes and interventions in the social sector, and provide social science research into key issues, programmes, and interventions across that sector (the monitoring, evaluation, and research function).

16 The monitoring, evaluation, and research function currently in Superu is distinct from the data, analytics and insight function that will be undertaken by the Social Investment Agency. Superu has a role undertaking, commissioning and collating research, conducting cross-sector evaluations and building evaluation capability for the social sector. In contrast, the Social Investment Agency will provide data and analytics to support investment advice and have an impact evaluation role, tracking metrics and providing fast feedback on progress against result targets.

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- 17 These functions do not overlap. Our view is that they are complementary and a necessary component of a social investment system that supports good advice, monitors impacts, can tell whether an intervention has been effective (social science research) and uses existing research to guide investment decisions. In the context of decisions to disestablish Superu, there is an opportunity to ensure coherence and strong alignment between these functions by reconfiguring existing research and evaluation functions to better align with and support the government's social investment approach, and bringing the leadership functions for data, analytics, social science and evaluation together in one place.
- 18 Reconfiguring the existing research and evaluation functions and integrating some of these activities into the Social Investment Agency has the potential to reduce fragmentation, aligning these in one agency with data and analytics and policy capability. This would create a critical mass of expertise, allows greater flexibility to shift resource between functions, and provide advice to Ministers based on a more comprehensive evidence base. It would also support improved capability across agencies and strengthen the evidence base that is critical to support a high-performing social investment system.

### Governance of change

- 19 While legislative change to disestablish the Families Commission (Superu) will take time (up to a year), the Superu Board has the ability to delegate functions (with the approval of the Minister responsible) and second resources to a nominated chief executive of a social sector agency in the interim. Via this mechanism, the Board could choose to implement transitional arrangements having regard to Cabinet decisions taken through this report-back, and thereby provide greater certainty for staff and continuity of key activities, well in advance of legislative change.
- 20 The Board will have a residual management role, including meeting reporting requirements such as overseeing the completion of Superu Annual Reports for 2016/17 and 2017/18. Where any short-term expenditure has already been committed, the Board will continue to manage projects and contracts until complete. This includes projects with funding already committed through Superu's Ministerial Research Fund, and existing contracts that finish prior to 1 July 2018. Following Cabinet's in-principle decisions to disestablish Superu in April, the Board has avoided making any new permanent staff appointments at the request of the responsible Minister for Superu.
- 21 As there will be an inevitable lapse of time between Cabinet decisions taken through this report-back and the legislative change required to finally disestablish Superu, there is a need in the interim for the Board to:
- 21.1 manage the operations of the entity with a view to legislative disestablishment;
  - 21.2 effect, where possible and appropriate, the earlier relocation of activities or resources to other agencies to better align with the government's social investment approach.
- 22 In order to discharge residual management responsibilities in the interim period prior to legal disestablishment, Superu may where necessary employ fixed-term staff or delegate activities to a nominated chief executive of a social sector agency as described above. Where there are residual management responsibilities that continue after legal disestablishment, these will be met by the Ministry of Social Development in its capacity as the monitoring agency. This includes but is not limited to completing the final annual

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report, managing residual creditors and debtors, assignment of leases and archiving requirements.

- 23 Through its capability building and evidence gathering work, Superu is continuing to develop a range of guidance, manuals and tools, and has built relationships with the NGO sector. The responsible Minister for Superu will work with the Superu Board and monitoring agency to assess the potential for continuing and repurposing these when working through detailed transitional arrangements.

### Transfer of functions and responsibilities

- 24 The April Cabinet decisions invited us to reassess the functions of Superu in the context of the government's social investment approach, including the establishment of the new Social Investment Board and Social Investment Agency. Specifically, Cabinet requested advice on where to transfer responsibility for the Family and Whānau Status report and any other activities that should continue post-disestablishment, and how the remaining functions and resources could best be reconfigured to support the social investment approach.

- 25 We have considered the current functions and activities of Superu, which of these would continue post-disestablishment, and which agency or agencies the associated responsibilities and resources would most appropriately be assigned to. We consider that the activities that should continue in other social sector agencies after Superu is disestablished are:

- 25.1 the Families and Whānau Status report, and associated research programme;
- 25.2 the government social science research hub;
- 25.3 major contracts managed by Superu that involve commitments past 2017/18 (i.e. the Growing Up in New Zealand Study and the Family Violence Clearing House).

- 26 The location options considered for the reassignment of ongoing functions and resources include the Ministry of Social Development, the Ministry for Vulnerable Children Oranga Tamariki, the Social Investment Agency, the Office of the Children's Commissioner, the Department of Internal Affairs, Statistics New Zealand and the Ministries of Health, Education and Justice.

- 27 We propose that responsibility for the Family and Whānau Status report and associated research programme be transferred to the Ministry of Social Development, along with funding and relevant staff. The Ministry of Social Development is most appropriately placed to continue these activities given their role in supporting and providing services to families and whānau. The Family and Whānau Status report involves the production of an annual report and underpinning research. Relevant resources include up to \$500,000 in staff costs (4 staff), and \$230,000 per annum for other costs including research, preparation and publication.

- 28 We propose that responsibility for the ongoing management of the government social science research hub be transferred to the Social Investment Agency, given their role in driving the social investment approach at a system level. This is a simple database of social sector research, and ongoing management will require only a part-time administrative resource (0.5 FTE). Improvements can be made to the search functionality and web platform, which have already been scoped by Superu.

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- 29 We consider that the contract for the Growing Up in New Zealand study could be managed by the Ministry of Social Development, Statistics New Zealand, the Social Investment Agency or other agencies such as the Office of the Children's Commission. At this stage there is no obvious preferred location. The responsible Minister for Superu will report back to the Cabinet Social Policy Committee on where responsibility would most appropriately transfer on legal disestablishment of Superu. This contract has a total remaining value of \$4.35m (over 2 years). There is also an associated research fund with a value of \$750,000 per annum, plus administration costs for contract management (\$0.289m for 2017/18, \$0.346m for 2018/19 and \$0.1m for subsequent years).
- 30 We propose that responsibility for the Family Violence Clearing House be transferred to the Ministry of Justice, given the Ministry's role in leading the government's Family Violence work programme. The Family Violence Clearing House is the national centre for the collation and dissemination of research and knowledge about family violence. The contract has a remaining value of \$1.06m (over 3 years).
- 31 Formal transfer of responsibility for and resources associated with these activities will occur on legal disestablishment of Superu through repeal of the Act. However as discussed above, in the interim period prior to repeal the Board may where possible and appropriate, at its discretion and in consultation with the Minister responsible, begin to align activities with the social investment approach by delegating functions, and transferring resources (through secondment) and/or contractual obligations (e.g. with agreement by all parties).
- 32 The decisions taken by Cabinet through this report-back will provide clear policy direction on the final location of these functions and responsibilities on legal disestablishment of Superu, and may assist the Board in making decisions regarding optimal interim arrangements.

### Repurposing operating funding to support the social investment approach

- 33 As well as the Families and Whānau status report and major contracts, Superu currently conducts a range of activities under its monitoring, research and evaluation function, including:
- 33.1 Ministerial Social Sector Research Fund;
  - 33.2 evidence synthesis;
  - 33.3 cross-sector evaluation;
  - 33.4 capability development and quality assurance for government and NGOs;
  - 33.5 evidence gathering to inform policy (on-the-ground perspectives).
- 34 We propose that these functions and related activities currently undertaken by Superu cease on legal disestablishment, and where appropriate are managed down by the Board in the interim. These functions, as currently configured, would not transfer to any other agency, nor would associated staff be transferred to any particular agency on disestablishment.
- 35 As discussed earlier, we believe that there is value in continued investment in research and evaluation to support the social investment approach, and that bringing leadership of research and evaluation for the social sector together in one place with data, analytics and policy capability would help us to achieve an integrated, end-to-end approach to the

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social investment cycle. This would also be an opportunity to provide an exemplar to other agencies of how to implement a social investment approach.

- 36 Consequently, we propose that all funding associated with Superu's remaining research, monitoring and evaluation activities be reconfigured to support the Social Investment Agency and to better align with and support the government's social investment approach. We recommend that this be achieved by transferring all remaining Superu funding (i.e. funding for Superu's research, monitoring and evaluation activities and any residual corporate support funding) to one or more appropriations for social investment. Initial estimates are that this would be approximately \$6-7m per annum.
- 37 The preferred approach to structuring appropriations will depend in part on the Social Investment Agency's operating model, which is still under development as the agency was only recently established (on 1 July). We therefore propose that Cabinet authorise the Minister of Finance and the Minister Responsible for Social Investment to jointly approve the establishment of new appropriation(s) to give effect to the proposals in this paper. This will provide flexibility and ensure that appropriation arrangements can be better tailored following further development of the Social Investment Agency operating model.
- 38 Any new appropriation(s) will be in Vote: State Services, as the State Services Commission is the host department for the Social Investment Agency and is required to administer the appropriations used by the agency. The appropriation Minister will be the Minister Responsible for Social Investment.
- 39 As part of the process for working through changes to appropriations under delegated authority, the Minister Responsible for Social Investment will develop a case for what the funding proposed to be transferred will be used for and what it will seek to achieve. This will include funding to be used by the Social Investment Agency for policy, research and evaluation activities that align with and support existing components of the social investment approach. Ministers may also consider some non-departmental funding for the Minister Responsible for Social Investment to commission research and evaluations, supported by the advice of the Social Investment Agency and, where requested, the Social Investment Board.
- 40 Transfers of Superu funding to social investment appropriation(s) would be made at, or where possible before (in the case of funding for discretionary activities), legal disestablishment of Superu (with staging of financial transfers to be worked through with the Superu Board, as discussed under 'financial implications'). Further work is required to determine the total funding that would transfer (initial estimate is approximately \$6-7m per annum, as noted above) and the division of funding between different appropriations or categories.

### Staff implications

- 41 Superu has an establishment of 36 staff. As at 30 June 2017 Superu has 26.5 staff in place, of which 19 are permanent employees and 7.5 are fixed-term or on contract. The Board can proactively support remaining staff to find alternative employment before final disestablishment. Decisions on the expertise needed to support the Board through this process are a matter for the Board.
- 42 On legal disestablishment (i.e. repeal of the Act), any residual staff still employed by Superu will be entitled to redundancy payment. If in the interim period prior to legal

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disestablishment there is insufficient work for Superu staff following completion of existing projects and any delegation of functions to other agencies, or there is a significant change in the mix of corporate and operational staff, it may be necessary for the Board to make some staff redundant in advance of legal disestablishment. Decisions on the timing of redundancies will be a matter for the Board.

- 43 Staff associated with the Families and Whānau Status report and major contracts, where offered alternative positions at the agencies responsible for the functions following transfer, will not be entitled to redundancy payment as long as the positions offered qualify as 'alternative positions' under s61A(1)(b) of the State Services Act. This would account for approximately 4-5 of the total 26.5 current Superu staff.
- 44 During the interim period between Cabinet decisions and legislative disestablishment, decisions will be made on the organisational design of the new Social Investment Agency, and the agency will be looking to recruit additional capability. Superu staff who do not receive a direct transfer within the State Services may apply for roles in the Social Investment Agency, and if successful be appointed. Whether these staff have the appropriate skills, qualifications and experience for the available positions is a matter for the chief executive of the Social Investment Agency to determine.
- 45 The extent of redundancies will depend on the number of staff that transfer directly to other agencies (restricted to those associated with the Families and Whānau Status report and major contracts) and employment decisions made by individuals during the manage-down period (i.e. finding alternative employment). Managing staff and redundancy implications through this period will be a matter for the Board. Initial estimates suggest the maximum redundancy liability would be \$1m, but we expect this to be substantially less following transfers and work to support staff in finding alternative employment.

### Next steps

- 46 Following decisions taken through this report-back, the next steps are for:
- 46.1 the responsible Minister for Superu to work with the Board to ensure appropriate interim arrangements are in place, pending legislative repeal, including for example the staging of financial transfers through the statement of performance expectations process;
  - 46.2 officials to work with the chief executive of Superu to finalise transition arrangements and implementation plan; and
  - 46.3 the responsible Minister for Superu to issue drafting instructions to the Parliamentary Counsel Office for repeal of the Families Commission Act.

### Consultation

- 47 The Ministries of Social Development and Justice, the Ministry for Vulnerable Children, Oranga Tamariki, Statistics NZ and the interim chief executive of the Social Investment Agency have been consulted on these proposals. Treasury has been consulted, and DPMC informed. The chief executive and Board of Superu have been informed.

### Financial Implications

- 48 As discussed in paragraph 37, we propose that Cabinet authorise the Minister of Finance and the Minister Responsible for Social Investment to jointly approve the

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establishment of new appropriation(s) where necessary to give effect to the policy proposals in this paper.

- 49 The funding transfers necessary to give effect to the proposals outlined in paragraphs 27-32 and paragraphs 36-40 will be achieved through fiscally neutral transfers between appropriations.
- 50 We propose that Cabinet authorise the relevant appropriation Minister(s) and the Minister of Finance (joint Ministers) to make decisions on the specifics and timing of funding transfers, with initial financial transfers being made through the October 2017 or March 2018 Baseline Updates and the final transfer of any remaining funding and net assets being made on legal disestablishment of Superu.
- 51 The Superu Board will be best placed to provide Ministers with advice on the staging of financial transfers through the manage-down process, including areas where it might be possible to give practical effect to decisions taken through this report-back through delegations and other interim arrangements prior to legal disestablishment.
- 52 There will be costs associated with the disestablishment of Superu, including but not limited to the payment of redundancies and meeting any residual management responsibilities (including those managed by the Ministry of Social Development after Superu is disestablished). We are confident that Superu will have sufficient cash on its balance sheet to pay for these costs. Any remaining assets, after all the residual costs have been dealt with, will be transferred to the State Services Commission for use by the Social Investment Agency.
- 53 The statement of performance expectations process may provide a suitable mechanism for documenting and managing through the more detailed elements of the transition period.

### Human Rights

- 54 The proposals in this paper are consistent with the requirements of the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

### Legislative Implications

- 55 The Families Commission (operating as Superu) is established and its functions defined through the Families Commission Act 2003. Repeal of this Act through legislation is necessary to give effect to Cabinet's decisions to disestablish the Families Commission and its functions.
- 56 There is no existing vehicle on the legislative agenda that is suitable for the proposal in question, so a standalone Bill will be required. We propose that the legislation be given priority 5 ([to](#) be referred to select committee within the year).
- 57 The proposed Bill will comply with each of the following:
- 57.1 the principles of the Treaty of Waitangi;
  - 57.2 the rights and freedoms contained in the [New Zealand Bill of Rights Act 1990](#) and the Human Rights Act 1993;
  - 57.3 the principles and guidelines set out in the Privacy Act 1993; and

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57.4 the LAC [Guidelines on Process and Content of Legislation](#) (2014 edition), which are maintained by the Legislation Design and Advisory Committee.

58 The Families Commission Act 2003 includes a clause stating that the Act binds the Crown. As the proposed Bill will repeal this Act, it is necessary that the resulting legislation also bind the Crown. The Bill will include a clause to this effect.

59 Following Cabinet decisions taken through this report-back, the responsible Minister for Superu will initiate the legislative change process by issuing drafting instructions to the Parliamentary Counsel Office for the Bill required to repeal the Act.

### Regulatory Impact Analysis

60 The Regulatory Impact Assessment Team at the Treasury has advised that, as the proposals in this report-back primarily concern the central government's administrative arrangements and will have no or only minor impacts on businesses, individuals and not-for-profit entities, a regulatory impact statement is not required.

### Gender Implications

61 None.

### Disability Perspective

62 The reconfiguration of research and evaluation activities to align with and support the social investment approach will help to direct investment into interventions that are effective for disabled people, and for other New Zealanders.

### Publicity

63 Following Cabinet decisions in April on social sector leadership arrangements, the Minister Responsible for Social Investment made a public announcement regarding the establishment of the Social Investment Board and Social Investment Agency.

64 Following Cabinet decisions taken through this report-back, we will proactively release this Cabinet paper, along with the December 2016 and April 2017 papers relating to the establishment of the Social Investment Board and Social Investment Agency (with any necessary redactions, including budget-sensitive information). We also intend to make public announcements relating to the disestablishment of Superu, and the intention to reconfigure its research and evaluation activities to better align with and support the social investment approach.

### Recommendations

The Minister of State Services, the Minister Responsible for Social Investment and the Minister for Social Development recommend that the Committee:

#### *Background*

1 **note** that in April Cabinet agreed in principle, subject to this report-back, to disestablish the Families Commission (operating as Superu) and its functions, reassess the functions required for the Social Investment Agency to fulfil its role, and reassess the remaining functions (identifying elements to be continued such as the Family and Whānau Status Report) for possible allocation to other agencies

#### *Superu disestablishment*

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- 2 **agree** to disestablish the Families Commission (operating as Superu) and its functions through legislative repeal of the Families Commission Act 2003
- 3 **approve** the inclusion of the Families Commission Repeal Bill in the 2017 Legislation Programme, with a priority 5 (to be referred to select committee within the year)
- 4 **note** that the Families Commission Repeal Bill will repeal the Families Commission Act 2003, thereby disestablishing the Families Commission (operating as Superu) and its functions
- 5 **invite** the Minister for Social Development to issue drafting instructions to the Parliamentary Counsel Office by 17 July 2017
- 6 **note** that the Bill should be introduced no later than 21 November 2017
- 7 **note** that the Bill should be passed no later than 30 June 2018
- 8 **note** that the Act requires that at a minimum the following must continue until legal disestablishment:
- 8.1 a Board of at least 3 members (one designated as Families Commissioner)
  - 8.2 a Chief Executive appointed by the Board
  - 8.3 Families and Whānau Status Report (annual publication)
  - 8.4 a Social Science Experts Panel of at least 4 members

*Reassessment of functions*

- 9 **note** that Superu has two legislated functions under the Act:
- 9.1 to act as an advocate for the interests of families generally (the advocacy function)
  - 9.2 to monitor and evaluate programmes and interventions in the social sector, and provide social science research into key issues, programmes, and interventions across that sector (the monitoring, evaluation, and research function)
- 10 **note** that the activities currently undertaken by Superu in respect of these functions are as follows:
- 10.1 Family and Whānau Status report (annual) and supporting research programme
  - 10.2 management of major contracts, including:
    - 10.2.1 Growing Up in New Zealand study (and associated research fund)
    - 10.2.2 Family Violence Clearing House
  - 10.3 management of the government social science research hub
  - 10.4 a range of other activities related to the monitoring, research and evaluation function (including Ministerial Social Sector Research Fund, evidence synthesis, cross-sector evaluation, and capability development and quality assurance for government and NGOs)
- 11 **note** that on repeal of the Act, Superu's functions will cease to exist, and any activities that continue in another agency or agencies will do so by virtue of Cabinet decisions to transfer responsibility and resources
- 12 **note** that we have reassessed the activities of Superu in the context of the government's social investment approach to determine which of these would continue post-

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disestablishment, and which agency or agencies the associated responsibilities and resources would most appropriately be assigned to

- 13 **agree** that responsibility for the Family and Whānau Status report and supporting research programme and all associated funding will transfer to the Ministry of Social Development, along with relevant staff subject to due employment processes
- 14 **invite** the responsible Minister for Superu to report back to the Cabinet Social Policy Committee on where responsibility for managing the contracts for the Growing Up in New Zealand study and associated research fund, and all funding appropriated in respect of these activities, would most appropriately transfer on legal disestablishment of Superu
- 15 **agree** that responsibility for managing the contract associated with the Family Violence Clearing House, and all associated funding, will transfer to the Ministry of Justice
- 16 **agree** that responsibility for ongoing management of the government social science research hub and all associated funding will transfer to the Social Investment Agency
- 17 **agree** that all remaining functions and activities currently undertaken by Superu will cease on legal disestablishment and will be proactively managed down in the interim, and that funding associated with these functions and activities and all net working capital held by Superu will transfer from Vote: Social Development to social investment appropriations in Vote: State Services with the Minister Responsible for Social Investment as the appropriation Minister, as soon as practicable on or before disestablishment of Superu

*Governance of change*

- 18 **note** that, as there will be an inevitable lapse of time between these Cabinet decisions and the legislative change required to finally disestablish Superu, there is a need in the interim for the Board to manage the operations of the entity with a view to legislative disestablishment and effect, where possible and appropriate, the earlier relocation of activities or resources to other agencies to better align with the government's social investment approach
- 19 **note** that in the period prior to formal disestablishment the responsible Minister for Superu will work with the Board of Superu, including through the Statement of Performance Expectations process, to identify opportunities to delegate functions, second staff and effect financial transfers ahead of legal disestablishment, and to assess the potential for continuing and repurposing materials and relationships being developed through Superu's NGO capability building and evidence gathering activities
- 20 **note** that, in the interim period, Superu will remain legally responsible for any contracts entered into
- 21 **note** that residual management responsibilities that continue after legal disestablishment will be met by the Ministry of Social Development

*Financial implications*

- 22 **note** that Superu is funded from Vote: Social Development non-departmental output expense appropriation Families Commission, including core funding of \$8.304m per year plus \$13.119m spread over four years for the Growing Up in New Zealand study
- 23 **authorise** the Minister of Finance and the Minister Responsible for Social Investment jointly to approve the establishment of any new appropriation(s) necessary to give effect to the policy decisions above

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- 24 **authorise** the Minister of Finance and the relevant appropriation Ministers jointly to approve fiscally neutral adjustments to appropriations and their timing to give effect to the policy decisions above
- 25 **authorise** the Minister of Finance, the Minister of State Services, the Minister Responsible for Social Investment and the Minister for Social Development jointly to approve the capital withdrawal from Superu and capital injection to the State Services Commission needed to transfer Superu's net assets to the State Services Commission for the use of the Social Investment Agency
- 26 **note** that as part of the process for working through changes to appropriations under the authority delegated above, the Minister Responsible for Social Investment will develop a case for how the funding proposed to be transferred under recommendation 17 will be used to improve the use of evidence and evaluation as part of the social investment approach
- 27 **agree** that any changes to appropriations or capital injections for 2017/18 approved by Ministers to give effect to the policy decisions above be included in the 2017/18 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply

*Staff implications*

- 28 **note** that staff performing activities transferred directly to other agencies (i.e. the Families and Whānau Status report and major contracts), if offered alternative positions as defined under s61A(1)(b) of the State Sector Act at the agencies responsible for the functions following transfer, will not be entitled to redundancy payment
- 29 **note** that the Superu Board intends to support remaining Superu staff who do not receive a direct transfer to find alternative employment within the State Services, including the Social Investment Agency
- 30 **note** that staff remaining in their roles at the time of disestablishment will be entitled to a redundancy payment under s61A of the State Sector Act, and that if in the interim period prior to legal disestablishment there is insufficient work or a significant change in the mix of corporate and operational staff the Board may decide to make some staff redundant ahead of legal disestablishment
- 31 **note** that the maximum redundancy liability is approximately \$1m, but it is expected that the actual liability will be substantially less than this amount following transfers and support for staff in finding alternative employment.

Authorised for lodgement

Hon Paula Bennett,  
Minister of State Services

Hon Amy Adams,  
Minister Responsible for  
Social Investment

Hon Anne Tolley,  
Minister for Social  
Development

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RELEASED BY SSC UNDER OUR COMMITMENT TO OPEN GOVERNMENT

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