



THE TREASURY
Kaitohutohu Kaupapa Rawa

Reference: 20170279

18 September 2017

J Cone

fyi-request-6368-66ab8b5a@requests.fyi.org.nz

Dear Sir/Madam

Thank you for your Official Information Act request, received on 7 August 2017.

You made a number of requests in relation to the social investment process ('Track 1') in Budget 2017. We have combined the following requests into one response:

- 1) *Treasury Report T2017/478: Social Investment Panel's assessment of Track Initiatives <http://www.treasury.govt.nz/downloads/pdfs/b17-info/b17-3676217.pdf> states on page 7 that "Superu has developed a scale [for ranking evidence]" Please may I have the Superu scale mentioned above?"*
- 2) *Treasury Report T2017/478: Social Investment Panel's assessment of Track Initiatives <http://www.treasury.govt.nz/downloads/pdfs/b17-info/b17-3676217.pdf> contains a redaction on page 6, corresponding to the ellipsis in: ""within their organisations.... Corrections • Corrections have access to"*

Does the redaction contain the name of a State Agency? If so, is the name of the State Agency a matter of opinion? If not, please may I have the original content of the ellipsis, redacted to the minimum sufficient extent to protect matters of opinion?"

Information Being Released

Please find enclosed the following documents:

Item	Date	Document Description	Decision
1.	17 March 2017	Social Investment Panel's Report on Track 1 Initiatives	Release in part

This document relates to the second request above.

I have decided to release the documents listed above, subject to information being withheld under one or more of the following sections of the Official Information Act, as applicable:

- personal contact details of officials, under section 9(2)(a) – to protect the privacy of natural persons, including deceased people,

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- advice still under consideration, section 9(2)(f)(iv) – to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials, and
- names and contact details of junior officials and certain sensitive advice, under section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions.

Information Publicly Available

The information listed in the table below covers the first request and is available on Superu's website.

Item	Date	Document Description	Website Address
2.	2 August 2017	An evidence rating scale for New Zealand: Understanding the effectiveness of interventions in the social sector	http://www.superu.govt.nz/resources/evidence-rating-scale

Accordingly, I have refused your request for the documents listed in the above table under section 18(d) of the Official Information Act – the information requested is or will soon be publicly available.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely



Kamlesh Patel
Team Leader, Budget Coordination

Treasury Report: Social Investment Panel's assessment of Track 1 Initiatives

Date:	17 March 2017	Report No:	T2017/478
		File Number:	BM-2-4-2017-12

Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Steven Joyce)	Note attached report from the Social Investment Panel Forward to all Budget and Social Sector Ministers	21 March 2017
Associate Minister of Finance (Hon Simon Bridges)	Note attached report from the Social Investment Panel Forward to all Budget and Social Sector Ministers	21 March 2017
Associate Minister of Finance (Hon Amy Adams)	Note attached report from the Social Investment Panel Forward to all Budget and Social Sector Ministers	21 March 2017

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
s9(2)(g)(l)		s9(2)(k)	N/A
Ben McBride	Manager, Health	s9(2)(a)	✓

Actions for the Minister's Office Staff (if required)

Return the signed report to Treasury.
Forward to Social Sector Ministers.

Note any feedback on the quality of the report

Enclosure: No

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Treasury Report: Social Investment Panel's assessment of Track 1 Initiatives

Purpose

1. The following briefing outlines the Social Investment Panel's feedback for agencies on their Track 1 initiatives. It summarises some general feedback for agencies and also specific feedback on each initiative.

The Social Investment Panel and Track 1

2. The Track 1 process in Budget 2017 was established to incentivise the development of high quality evidence based social sector budget initiatives. Cabinet agreed 'this track will reward high quality social investment proposals and will be uncapped with respect to the new spending allowances. An evidence-based investment threshold will apply to these initiatives'.
3. Cabinet also agreed that the Treasury and the Social Investment Panel (the Panel) will assess all budget initiatives in Track 1. Each initiative had to reach a threshold in relation to three categories: case for change, value for money, and implementation and evaluation [CAB-16-MIN-0496 refers].
4. The Panel held a check point in November to provide feedback to agencies on whether the draft initiatives they submitted would be best considered in Track 1 or if they were a better fit with Track 2.
5. The initiatives that were the most impressive in the February assessment were those that acted on the advice from the Panel. The Panel reviewed the Track 1 initiatives at the end of February 2017 over three days. The Treasury used the Panel's assessment of each initiative to inform the final assessment of the Track 1 initiatives. The Treasury has assessed whether each initiative makes it past the threshold according to the three categories and you have been briefed on this separately.

Recommended Action

We recommend that you:

- a **note** the Social Investment Panel assessed all Track 1 budget initiatives and provided feedback which the Treasury used as a part of its assessment of these initiatives;
- b **note** the Social Investment Panel considers the quality of the initiatives had improved since 2016, but, for the most part, they still did not take a true social investment approach and did not show cross-agency strategic and operational integration; and
- c **forward** this report to all budget, and social sector, Ministers.

Ben McBride
Manager, Health

Steven Joyce
Minister of Finance

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**The Social Investment
Panel's Report on Track 1
Initiatives for Budget 2017**

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Social Investment Panel Report

The Social Investment Panel's approach to the Track 1 initiatives

- The initiatives were grouped according to population groups and themes. The initiatives did not always fit naturally into these groups. We did this to focus the discussion on population groups and how services fitted together, strategically and operationally, so they wouldn't be considered in isolation. We wanted to encourage agencies to consider what other agencies were doing in each area and this also allowed the Panel to ask broader questions about the service landscape and what this meant for the target populations.
- The Panel had specific discussions on NEETs and mental health. These initiatives were not developed in a co-ordinated way and the Panel wanted to comment on how they all fit together. We chose NEETs because it is a clear population target that already has a wide range of services targeted towards them and mental health because it is an area where there are issues across the social sector. It was also a good opportunity for the Panel to comment on the overall direction of mental health services at a time when the Minister of Health will soon be developing a strategy for public consultation (Rising to the Challenge) aimed at responding to issues in health and social sector.
- Rather than scoring each initiative according to the Track 1 criteria, the Panel assessed the initiatives according to their own perspectives, and areas of expertise, in order to give their general view of each initiative. They also considered whether the proposals were co-ordinated and whether they were in-keeping with the principles for social investment.
- Representatives from the Philanthropic and NGO sectors focused on how these initiatives would work on the ground and they often challenged assumptions agencies made about the role that NGOs would play in the proposals. The Science Advisers were concerned with whether agencies were proposing the right interventions that were supported by the best available evidence. Representatives from government focussed on the intervention logic of proposals and how these were or were not in-keeping with an investment approach and if they were based on good quality evidence and appropriateness of evaluation plans.

Social Investment Panel Report: General Comments on Track 1 Initiatives

The following section provides some general comments from the Panel. It includes reflections on what differentiated the high quality initiatives from those that require further development.

- The Panel noted there was a big improvement from the social sector Budget initiatives submitted last year. Agencies demonstrated an understanding of their target populations, used evidence more effectively, were clearer about the services they were proposing and generally had an intervention logic. The check-point in November was very useful for the Panel to provide early feedback and shape the development of the initiatives, and those agencies that engaged in the check-point provided notably more robust proposals than those that had not.
- While the quality of information and evidence provided had improved, the Panel found, however, that initiatives were generally still taking an agency perspective. Very few demonstrated a cross agency approach which focussed on the client's needs or perspective (of service array). There was an improvement in the evidence underpinning initiatives, but this was not necessarily connected to the solution and existing service landscape.
- The Panel emphasised the fact that agencies need to develop a coherent narrative across the public sector for specific populations (for example NEETs) grounded in the evidence that all relevant agencies could identify with, but weren't agency specific.
- The Panel also made general observations around the policy process used by agencies. They wanted to see agencies involving experts (Science Advisers, Superu and others) outside of the agency when designing policy, and a greater focus on evaluation and monitoring from the outset.
- The Panel's impression was that the voice of users or those at the frontline didn't come through in any of the initiatives that were submitted. The Panel commented that no agency appeared to have involved clients (the people that the initiatives are targeting) in the development of the initiative. This lack of basic market research weakened implementation design undermined the intent of many of the proposals
- A key criterion of the Track 1 process was alignment with social investment. A clearer understanding of social investment is required to help inform judgements around whether initiatives truly represent social investment or are just strong evidence based propositions.
- Overall, the Track 1 process encouraged agencies to provide well thought through initiatives. Further work is required to encourage agencies to work outside of their silos, and to ensure effective collaboration between agencies around the client. They also need to continue to strengthen their use of evidence to support their proposals.
- A number of agencies made good progress in developing internally coherent initiatives around either life courses or intervention logics (for example Education and the Justice sector), but agencies need do this between agencies as well.
- The initiatives did not need to be long and full of detail. The better initiatives were shorter and focussed on their intervention logic and the evidence that supported their approach.

BUDGET SENSITIVE

Good initiatives were able to demonstrate:

- Reference to external sources and validations (including consultation with the agency's science advisor).
- An attempt to make connections with other impacted agencies to take a more client centred approach.
- A deeper understanding of the target population, their needs and where the current service gaps were.
- Robust evidence to support the case for change through an evaluation of an existing programme/pilot or use of international evidence about effective solutions and a robust plan to test in the NZ setting.
- Workforce capability and capacity to meet new demand.

Initiatives which the Panel thought didn't meet the mark, generally:

- Did not present a coherent narrative around the problem definition for the target population and why an intervention is warranted.
- Were focussed on doing more of the same thing, rather than digging into alternative/innovative solutions (for example, case management).
- Did not take a holistic approach to the solution (for example, initiatives focussed on the supply side of the labour market only rather than considering employer demand).
- Did not take into account the wider service landscape or develop initiatives from the target populations' perspective.
- Had been generated by individual agencies, rather than collaboratively.

Discussion on NEETS and Mental health

Many of the Track 1 initiatives related to mental health and NEETs. The Panel held a session where all of these initiatives were considered at the same with track two initiatives that were closely related. The Panel felt strongly that these two areas need to be much more co-ordinated and they need to take client centred approach in the design of the intervention(s) and in the proposed implementation.

NEETs

The Panel considered the NEETs initiatives were not well developed and needed to be considered as a package. The NEETs' bids were seemingly still developed in silos. There was a lack of understanding of the current service landscape, no consideration of how to stop ineffective programmes and how to develop interventions with the target population at the centre. Many of the bids also had limited evidence of effectiveness.

Agencies in general weren't focussed on how targeted individuals engaged with government, but were instead focussed on the services they could deliver. Agencies generally did not take a demand side perspective.

Mental health

There were a large number of agencies who submitted mental health bids that weren't co-ordinated or developed together. MoH provided some material on how they were connected and presented to the Panel. The Treasury notes this was put together after agencies had developed their bids and it was retrofitting them to a framework rather than linking them to a well thought out strategy. They noted that they were developing a mental health strategy but it was not provided to the Panel. Mental health issues are a feature across vulnerable populations in the social sector.

The Panel noted:

- Little had been done since the November check point. In November the Panel had asked agencies to create an overarching narrative that all agencies could identify with, and that recognised, and appropriately prioritised and sequenced, these issues in the mental health landscape. The Science Advisors emphasised that it needed to have a clear cross sector, as opposed to a solely medical, focus.
- None of the science advisors who have deep expertise in this area had been consulted since the November check point.
- That the strategy represented a once in a generation opportunity to take stock and think about mental health services across the social sector. It needed to be widely framed and take a holistic approach. It should involve everything from e-health/tele-interventions, to shifting ingrained attitudes in the medical workforce (some of whom are resistant new technologies), to new service models for the workforce.
- Such a strategy would take a year to develop, and MoH's timeline was not compatible with the work required.
- A new strategy needs to be informed by high quality data.
- The presentation of the bids from MoH was unconvincing and this reflects the fact their strategy is not well developed.
- It was clear that agencies hadn't developed their bids together, and weren't clear on the workforce implications of their proposals (e.g. whether there were actually enough clinical psychologists).
- The Panel were strongly opposed to a mental health contingency that was overseen by the Social Investment Board/Social Sector Board. The Panel considered that the incentives were wrong, agencies lacked expertise, and the Panel was not convinced they could make appropriate trade-offs. Instead, the Panel recommended projects to be supported by the contingency should be developed by a cross-agency work group that has preparation from frontline actors and with connections to the Chief Science Advisers.

Comments for agencies

The Panel noted some general comments for agencies to consider as they look to develop future social sector proposals and work to embed the social investment approach within their organisations.

MSD

- The Panel thought that the MSD initiatives had not evolved further from the population segmentation developed under welfare reform. They had a heavy emphasis on increasing a range of contracted-out, bespoke case management services, rather than taking a population centric perspective. s9(2)(g)(i)
s9(2)(g)(i)
s9(2)(g)(i) They also noted that there was little in the way of cross-agency initiatives.

Corrections

- Corrections have access to good quality data, a sound approach to evaluation and are well connected in the Justice Sector. The Panel was glad to see that they are becoming more focussed on effective treatments to help reintegration and rehabilitation within corrections facilities.

Housing

- The Panel noted that there is no question that access to housing is an important issue and it needs to be addressed in order to influence a range of other issues for vulnerable New Zealanders. The Panel noted the similarity of approach to the other MSD initiatives (with heavy use of contracted out providers). The Panel would like to see MSD and Housing New Zealand put more emphasis on understanding their clients' perspectives. They should work jointly with their clients and service providers as they develop proposals and show more clearly how they are co-ordinating with other service providers.

Justice

- The Panel noted that the Justice initiatives were among the best examples of a social investment approach. The initiatives had genuinely been developed with multiple agencies and had a clear focus on the outcomes they were hoping to achieve for targeted populations. The Panel was also impressed with the Ministry of Justice evidence briefs and their presentation on the robustness or otherwise of the analysis and evaluation in their evidence briefs. However, the Panel also noted the Justice Sector initiatives had mainly done this within the Justice sector and that they will also need to include other social sector agencies in the future.

Education

- The Panel were impressed with the progress the Ministry of Education had made since last year. There was clear evidence of an emerging investment approach to education and the development of a strategy. The Ministry told a compelling story about how they needed to shift their services to younger cohorts in order to address negative outcomes when they manifested early, rather than waiting for them to develop. However, the Panel noted that Education was not connected to other agencies (even within education such as the ERO). In order to develop genuine social investment initiatives they will need to do this and they will also need to develop their ability to evaluate the effectiveness of their interventions.

Ministry of Health

- The Panel thought that the Ministry of Health has further work to do to develop and implement an approach to social investment. As noted above in the discussion of mental health, the Ministry needs to show greater use of data and evidence, think outside existing health service lines and engage the wider social sector, and take a customer perspective. This applies even when initiatives are well evidenced – such as in Long Acting Reversible Contraceptives.

s9(2)(g)(i)

The Social Investment Panel for Budget 2018

- The Panel noted that most initiatives were well developed agency initiatives, but that more will need to be done to encourage cross-agency client centred proposals. This means there is more work to be done to get budget initiatives that take a true social investment approach that takes a population or customer perspective, understanding their needs, what needs to change, what is likely to work best to achieve this change (likely to require more than one agency) and how to measure if it is effective. We could require that the proposals are based on population groups rather than agencies.
- The Panel also noted that it was difficult assessing the initiatives without having an understanding of the service landscape that these initiatives would become a part of. So we could make it a requirement that each initiative comes with a comprehensive service landscape that puts their proposal into context.
- Finally, the Panel noted the need for a consistent scale for ranking evidence. Superu has developed a scale that would be useful to use in future panel assessments.

Annex one: Feedback on Track 1 initiatives

Social Investment Panel's feedback on Track 1 initiatives

Vote	Initiative	Description	Social Investment Panel comment	Theme
Multi-agency social investment bids				
Justice	Investment Approach to Justice – Reducing Youth Offending	As part of the Investment Approach to Justice, the Ministry of Justice with the support of the New Zealand Police, Department of Corrections and Ministry of Social Development is submitting an initiative aiming to reduce youth offending among high-risk 14-16 year olds.	<ul style="list-style-type: none"> • Overall the Panel were very impressed with the Justice Sector initiatives. Mainly with the evidence and strong case but it was a cross justice sector initiative. • The Panel did raise capacity issue and dependency on outside providers. 	Mental Health
Justice	Investment Approach to Justice: Burglary Prevention Case	The Justice Sector (New Zealand Police, the Ministry of Justice and the Department of Corrections) is adopting an Investment Approach to Justice by using data and evidence-driven investment decisions to help reduce the burden of crime on society.	<ul style="list-style-type: none"> • As above 	Mental Health
Good quality bids that use some aspects of social investment				
Education	Early Identification and Removal of Communication Barriers to the Curriculum	This funding will enhance system capability in early childhood education centres. It will provide targeted and specialist support to three and four year olds with oral language needs, who are at risk for literacy difficulties, by trialling a new approach to oral language development.	<ul style="list-style-type: none"> • The Panel were pleased that MoE were not trying to overachieve or oversell the impacts of the initiative. • The Panel raised a question around workforce - there might be issues in the long-term if there isn't a clear process around training and certification of therapists. 	Early Childhood

s9(2)(f)(iv)

BUDGET SENSITIVE

Education	Expanding and targeting behaviour services	This funding will provide earlier, effective behaviour services to children with behaviour difficulties to improve their self-control and return them to the pro-social pathway.	<p>s9(2)(f)(iv)</p> <ul style="list-style-type: none"> • A better understanding of the underlying behavioural problems is important. Also need a better understanding of mis-wirings in the brain which will help this kind of project. 	School Age
Vulnerable Children, Oranga Tamariki	National Coverage for Family Start	This funding will extend Family Start's coverage to ensure all eligible children have access to the full Family Start programme.	<ul style="list-style-type: none"> • The Panel appreciated that this was an already established programme which was trying to change itself and get into the innovative space. There are some components which seem BAU. • The Panel was pleased that the programme has been through a robust evaluation and this has informed the bid. There was concern about Family Start moving into regions with a low level of providers and hard to reach groups. • There is an opportunity to partner with agencies if Oranga Tamariki is already engaging with vulnerable families through this programme and this should be explored in the future. 	Early Childhood
Corrections	Transforming intervention and support for at-risk prisoners	Prisoners have very high levels of mental health needs that place them at-risk of self-harm and suicide, and act as a barrier to engagement in rehabilitation services that reduce re-offending. This funding enables the transformation of how prisoners at-risk of suicide and self-harm are managed within the prison environment.	<ul style="list-style-type: none"> • The Panel agreed that this initiative is targeting a gap in the market. The proposals have been well thought out and the evaluation/implementation was strong relative to other initiatives they had seen for mental health. • Agency should ensure there is also a whanau element to this. 	Mental Health
Education	Incredible Years – expanding programmes to meet specific needs	This funding will allow for Incredible Years programmes to be delivered to parents of children with or at risk of conduct disorder and to parents and teachers of children on the Autism Spectrum.	<ul style="list-style-type: none"> • The evaluation suggests this programme is effective. The Panel raised concerns that they need to maintain programme fidelity if they expand. 	Mental
Corrections	Enhancing Industry, Treatment, and Learning interventions	This funding will reduce prisoners' risk of re-offending and improve broader social outcomes by increasing their access to effective Industry, Treatment and Learning Interventions.	<ul style="list-style-type: none"> • The Panel was supportive. Corrections should focus needs to be on cumulative impact. Should take a whanau centric approach for effectiveness. • They asked how this is different to business as usual for Corrections. 	Crime
Police	s9(2)(f)(iv)			

BUDGET SENSITIVE

Health	Increasing contraceptive access for low income women	The funding will reduce the health, economic and social costs associated with unplanned pregnancy for low income women 15-44.	<ul style="list-style-type: none"> • This proposal has merit and has presented a strong case for investment. • Need to be careful about how this is presented (it should be about equity of access). Focus groups should be earlier. 	Beneficiari
<p align="center">Good progress but isn't sufficiently aligned with social investment principles and needs further development</p>				
<p>s9(2)(f)(iv)</p>				
Housing	Creating Positive Pathways for People with a Corrections History	This funding will be used to purchase additional social housing places and support services, to be provided to people with a Corrections history who have completed an applicable Department of Corrections reintegration programme.	<ul style="list-style-type: none"> • Panel appreciated there was a real gap in the market for this (intervention at peak of vulnerability). • Good to see MSD working with corrections. 	Beneficiaries
<p>s9(2)(f)(iv)</p>				
Housing	Expanding Housing First	This funding will provide social housing places and housing in the private market, to people who are homeless, with a focus on people who are chronically homeless.	<ul style="list-style-type: none"> • The multi-agency picture is missing - what kind of support services will be provided to this group of people? Need to investigate learnings from the people's project in Hamilton - didn't come through in discussion. • Also success of housing first comes from the opportunity to provide services to this population. If this isn't worked out it may not be effective. 	Beneficiaries
Social Development	Individual Placement Support (IPS) for Clients with Mental Health Conditions	This funding will provide 5,000 places over four years across New Zealand to support clients with mental health conditions to improve their mental health and find and maintain employment - using IPS - an evidence-based practice that delivers employment services located within mental health or primary care settings, avoiding the need for people to navigate multiple systems.	<ul style="list-style-type: none"> • The idea of having an employment specialist come into a health setting is innovative. • However, need to consider whether GPs are willing to undertake this in a larger scale. Are they willing to participate, what training and information will be provided to them? 	Mental Health

s9(2)(f)(iv)

Social Development	<p>Intensive Client Support - Extension (ICS-X)</p>	<p>This funding will expand the current ICS service from 240 to 1,500 clients and from 5 to around 20 sites across the country. The ICS-X trial will also test whether the cost-effectiveness of the service can be improved by increasing caseload sizes from 1:40 to 1:60, without compromising service quality. It is aimed at complex clients who first entered benefit prior to age 20, and now aged 25 – 39.</p>	<p>s9(2)(f)(iv)</p> <ul style="list-style-type: none"> • Need to get clients view into evaluation regarding the capability of mentors. • MSD need to have a clearer picture about how all of these services fit together and why they are the most effective intervention for each cohort. 	Beneficiaries
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s9(2)(f)(iv)

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Annex Two: Social Investment Panel members

Social Investment Panel membership		
	Person	Organisation
1	Ben McBride (chair)	Treasury
2	Struan Little	Treasury
3	Jenny Gill	Foundation North
4	Andy Fulbrook	Ministry of Justice
5	Clare Ward	Superu
6	Steffan Crusaz	Pharmac
7	Sir Peter Gluckman	Chief Science Advisor
8	Stuart McNaughton	Science Advisor (Education)
9	Laura Black	Methodist Mission Southern
10	Rangimarie Hunia	Ngāti Whatua
11	Richie Poulton	Science Advisor (MSD)

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