

Reference: 20160423

20 February 2017



Thank you for your Official Information Act request, received on 1 December 2016.
You requested the following:

*“I am curious as to why parts of the Social Investment Panel Report have been withheld on the grounds of maintaining the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials. Why does this need protection at this point?
The advice has been tendered and either heeded or not, surely.
Could this be revisited please.”*

As you know, the Social Investment Panel Report is available on the Treasury website:

Item	Date	Document Description	Website Address
1.	February 2016	Budget 2016 Report of the Social Investment Panel	http://www.treasury.govt.nz/downloads/pdfs/b16-info/b16-3396241.pdf

This document was released as part of the Budget 16 proactive release in July. At that time, information was withheld “to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials” (section 9(2)(f)(iv)) because Ministers were still considering some of the advice in the report and had not made decisions on that advice.

We have reviewed the above document as requested. In fact, decisions have not yet been made regarding much of the information withheld following the Budget; this information is still under active consideration. There are, however, two additional sections that can now be released.

Information Being Released

Please find an updated version of the report as noted in the table below:

Item	Date	Document Description	Decision
2.	February 2016	Budget 2016 Report of the Social Investment Panel	Release in part

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

- 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
- commercially sensitive information, under section 9(2)(i) - to enable a Minister of the Crown or any department or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities.

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

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

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

Yours sincerely

Ben McBride
Manager, Health

**Budget 2016: Report of the
Social Investment Panel**

February 2016

Social Investment Panel: Purpose and Function

The Social Investment Panel (the Panel) was convened by Treasury as part of its approach to developing its social sector advice for Budget 2015. Alongside the introduction of CBAX, the Panel process is intended to support Treasury in making more robust assessments of social sector initiatives. The Panel's advice will also be provided to Social Sector Ministers and shared with relevant agencies. The list of Panel members are set out in the Appendix¹.

The Panel met from 10-12 February 2016 and considered 25 proposed new initiatives in the social sector. These initiatives were prioritised from the wider group of 62 social sector initiatives, based on:

- where the Panel's expertise could add most value to Treasury's assessments
- the amount of funding sought.

In its assessments of initiatives, the Panel considered:

- the problem definition and understanding of the target population
- the supporting evidence and intervention logic
- the scale of impact / return on investment
- the capacity of the agency to successfully implement and evaluate the initiative.

Results of assessment process

The Panel noted a range of recurring themes in their consideration of initiatives:

- **Variable understanding of social investment and priority populations:**
 - **Few initiatives made reference to forward liability**, and many didn't show a good understanding of the population they were targeting (e.g., characteristics, needs).
 - **Few initiatives considered by the Panel targeted priority populations²** while others targeted the same or similar populations but were not coordinated. Similarly the Panel noted that the focus on the customer was limited in many of the initiatives.
 - **CBAX quality was highly variable** with some agencies had paid limited attention to the requirement to undertake a CBAX assessment. Agencies who attended workshops and sought support from Treasury had higher quality CBAX assessments. Similarly initiatives with better quality CBA and CBAX supporting information tended to present more comprehensive analysis overall.
- **Weak focus on evaluation and testing of ideas:**
 - Many initiatives **lacked a clear evaluation strategy**. Evaluation was not prioritised or built into the design of initiatives, with many noting only that evaluation would be carried out at some point. The Panel remarked that a cultural shift around the way agencies use evaluation in developing policy may be needed.

¹ Sir Peter Gluckman was a member of the Panel but was unable to attend the sessions in February but provided a summary of his views of the initiatives.

² The priority population is at risk 0-24 year olds

- The Panel considered that **greater use of testing new approaches is needed** before full scale roll outs of new initiatives where there is little evidence on which to base interventions. The Panel encouraged piloting or trialling in an active way (learn by doing approach) in order to better understand the initiative. They specified that pilots should be accompanied by a robust evaluation process creating feedback loops to adjust the initiative as necessary and compare across regions and population groups if needed.
- **Unclear articulation of intervention and logic against a strategy:**
 - a number of initiatives **failed to clearly articulate the actual intervention proposed**, and many didn't clearly set out the logic for the intervention (target population, problem, evidence, distribution chain, and proposal). Some demonstrated a fundamental lack of understanding of what evidence-based interventions are.
 - **initiatives often didn't make wider connections.** In some cases, agencies presented strong problem and issue identification, but the proposed intervention failed to adequately address these core issues.
 - the Panel thought there would be merit in **wider consultation and ideas generation** outside of agencies. It was clear in many cases this wider consultation had not taken place. In some cases, there was a lack of coordination within parts of a single department.
 - driving some of the issues above, a number of initiatives were clearly put together in very short timeframes, and were **significantly under-developed**. It was clear these had been thought up very recently rather than being linked to a longer term direction.
- **CYF review implications:**
 - a number of initiatives were likely to be affected by the review of CYF, and could not be fully assessed because full information was not available (either to the Panel or those developing the initiatives).

The Panel noted that the better initiatives considered, demonstrated:

- **A coherent story:** gave a sense of the big picture and the right level of detail, providing necessary context while not overwhelming the focus on the proposal. Another aspect of a coherent story is a strong link between, needs assessment, the logic for the intervention, evidence for its effectiveness, implementation and evaluation.
- **Analysis rather than advocacy:** explored the basis for their evidence and clearly set out data and assumptions.
- **A focus on how the intervention would be delivered:** building on a similar experience or understanding of the implementation of similar initiatives.

Good presenters were those who were **well-prepared and engaged openly with the Panel**

- allowed Panel members to speak,
- answered questions honestly,
- were prepared and able to unpack their logic, analysis and evidence.

Other comments:

- The Panel would have liked to be able to consider the proposed new initiatives in the context of existing social sector programmes and cost pressure initiatives to test for horizontal and vertical integration.
- There was a sense of agencies being reactive to rather than being able to describe how the initiative links to a longer term strategy, or is related to other parts of their portfolio or target populations.
- There was huge variability in quality between agencies. The Panel was surprised at how often consultants turned up at the Panel, remarking that they appeared to be covering core capability in these agencies.
- The Panel noted a lack of innovation to solve difficult problems. The Panel suggested it might be good to consider other mechanisms than the annual Budget to stimulate this – e.g. some kind of contestable fund to encourage innovative solutions between budgets, particularly for those initiatives that weren't investment ready.

Initiative assessments: summary

The Panel supported four initiatives they considered ready to be implemented, and a further five conditional upon some modifications. The Panel did not support the remaining six initiatives however they noted that 3 of these addressed a significant issue and would encourage further work be done on them.

The table below notes the Panel's position on initiatives and packages. More detailed comments are set out in Appendix 1. When recommending supporting or scaling initiatives, the Panel didn't focus on costing information or the amount requested to the same degree as the intervention logic and evidence base behind the initiative.

#	Name	Summary	CBAX?
Support			
9085	Elective health target [MoH]	Good ROI, aligned with government targets	Yes
9249	Emergency housing [MSD]	Well worked though	Yes
9087	Pharmaceutical Investment [MoH]	Supported, clear positive impacts on the health spend	Yes
9299	Temporary release and pre-release planning [Corrections]	Supported, well integrated with other initiatives and clear evidence of need	Yes
Support with some modifications			
9232	Funding for specialist sexual violence services [MSD]	Support with evaluation more clearly articulated in the design	Yes
9259	Extending the youth service to 18 and 19 year olds [MSD]	Support as a trial, issues around Intervention logic, evaluation approach and capability still need to be worked through	Yes
9086	National bowel screening programme rollout [MoH]	Further work required to ensure readiness for implementation	Yes

#	Name	Summary	CBAx?
9279	s9(2)(f)(iv)		
9280			
Defer for further work			
9145	Supporting communities of learning to raise ECE quality [Edu]	Lack of sufficient information to be funded in B16. Requires more clarity	No
9252	s9(2)(f)(iv)		
9256 (+7)	BPS 1 - Package [MSD]	Comprised of 8 initiatives, see individual write ups below – a mix of defer for further work and do not support	Yes, some
Do not support			
9262	s9(2)(f)(iv)		
9213	Children's action plan – Package [MSD]	The evaluation component was supported s9(2)(f)(iv)	Yes
9222			s9(2)(f)(iv)
9226			
9228			
9268	Targeting school's operational grant increases according to social investment goals [Edu]	Still in early stages of development, does not propose an approach but presents options	No

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Initiative Assessments: Detailed Comments

The Panel's findings on each initiative that they are considered are set out below according to whether they were supported, supported with modifications, recommended to be deferred or not supported.

The Panel was provided information on each initiative, including the initiative template completed by the agency, and a summary assessment by the vote analyst. The Panel then sat for three days in February 2016. They spent approximately 40 minutes on each initiative (apart from the Better Public Service 1 and Children's Action Plan packages, where they had longer). During this time they consulted with agency representatives, and the Treasury vote analyst, then tried to come to a conclusion between themselves. Part of the last day was set aside as an overall moderation, the summaries below are the Panel's final assessments of each initiative.

Support

Elective Health Target (Ministry of Health)

The Panel supported this initiative. It delivered a good ROI and aligned with Government targets.

For future work, the Panel noted that there was a lack of an overall strategy and a sense of what an appropriate level of elective surgery should be to set the target. This was evidenced by a lack of sophistication in demand modelling for elective surgery, with reliance on a model developed in 2006/2007.

The Panel supported efforts to improve data (from patients who are declined, untreated and patients from private care). It recommended further work on population and demand modelling to understand the optimal level of elective surgery, appropriate thresholds for surgical intervention, and how demographic changes are likely to impact this over time.

Emergency Housing (Ministry of Social Development)

The Panel supported this initiative, and thought it was well worked through. There is currently a gap in provision in this area of emergency housing and no clear or coherent emergency housing system. The proposal begins to provide a response, and will develop better information over time as work progresses.

As areas of concern or further work, the Panel noted:

- wrap-around support to address issues leading people to need emergency housing will be critical, and they were not convinced that NGO support is generally available as a response in this area
- the direct connection to Community Investment could be strengthened
- there may be questions about the readiness of emergency housing providers to take up the funding.

Pharmaceutical Investment (Ministry of Health)

The Panel supported this initiative, it had clear demonstrable impacts on the health spend. The Panel had questions around the criteria used to select which products are invested in (PHARMAC's decision making criteria was reviewed in 2015) but had no overall concerns with this initiative.

The Panel noted that even greater benefits were possible from the drug used in the CBAX assessment as a comparable overseas jurisdiction had recently ^{s9(2)(i)}

s9(2)(i)

Temporary release and pre-release planning (Department of Corrections)

The Panel supported this initiative and was satisfied that it will fill what is currently a gap in services. The initiative is well integrated with the suite of other support services currently provided by Corrections both before and after prison release.

Corrections has sufficient evidence to show that pre-release support is vital in ensuring the successful integration of long-term (more than 2 years) prisoners. Internationally, agencies are adopting guided release programmes with evidence showing that pre-release support is more effective than post-release support.

The Panel had questions on workforce capability, and expressed concern that workers were underpaid to undertake the sophisticated casework that was required to be successful. It thought that the capability of the caseworkers was key to the success of this intervention.

The Panel noted the need for a very good evaluation plan, but acknowledged that the Department had a good track record. As the target population could include prisoners with sentences ranging from 18 months to potentially 18 years, what works at what timeframes must be understood for this initiative to be effective in the long-term.

Supported with some modifications

Funding for specialist sexual violence services (Ministry of Social Development)

This initiative has three components: First Response Psycho-Social Services, Harmful Sexual Behaviour (HSB) Services and Services for Male Victims/Survivors of Sexual Abuse (MSSAT). Overall the Panel strongly supported this initiative package but had concerns about the workforce capability, as well as the ability to implement and evaluate aspects of this initiative. They agreed that the quality of life benefits are potentially significant and that this is an important area for attention.

While there are similar models in operation overseas to the **First Response Service**, which this initiative has looked to learn from, the approach is still relatively new with little concrete quantitative evidence on effectiveness.

The Panel supported the HSB component, however it observed that it may need a pilot to better understand effectiveness. There was also concern that the evaluation component

could slip. The Panel had similar views on the MSSAT component and would support a trial backed up by a clear evaluation plan.

There is a significant workforce capacity issue that will require substantial upskilling and professional development for this initiative to be successful. The Panel also had questions about how the supply chain would work for non-mandated customers, but were satisfied that Ministry of Social Development had evidence of demand.

Extending the Youth Service to 18 and 19 year olds (Ministry of Social Development)

The Panel would support funding a scaled trial of this extension in Budget 16, rather than undertaking a full roll out, but wondered how priority for this age group compared to other population groups, for example, population group for early intervention (0-5). Concerns expressed by the panel included:

- the intervention logic is not clear, specifically is this the right intervention to address the needs of this group of young people?
- the evaluation plan is unclear, as is the method for incorporating any feedback from a trial
- capacity and capability of providers was superficially addressed, particularly outside urban areas. The panel noted that although MSD has undertaken some re-tendering to alleviate concerns, and that there should be offsetting savings (due to fewer case managers being required), it questioned whether there is a strong market to provide these services well
- it was an expensive initiative (as represented by price per client) and wanted to know what the trade-offs with MSD provision would look like.

National Bowel Screening Programme Rollout (Ministry of Health)

The Panel considered that there was a strong high level and strategic case for investment having been trialled in Waitemata, but concluded that further work was needed to ensure readiness for implementation. It had questions on:

- the certainty of costings (not validated with DHBs)
- the workforce capacity to deliver additional services needed following screening (as per comments by the Chair of the Health Workforce NZ)
- targeting – whether there were other options for scaling or phasing that would still deliver a return
- whether an opt-in model would reach vulnerable sub-populations. As Māori and Pasifika participation had been lower in the pilot.

s9(2)(f)(iv)

s9(2)(f)(iv)

Defer for further work

s9(2)(f)(iv)

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BPS 1 (Reducing Long-term Benefit Dependence) Package (Ministry of Social Development, Ministry of Health, Department of Corrections)

The Panel considered a set of eight initiatives centred on the refreshed BPS 1 target. Initiatives presented varying levels of information, and not all Initiatives were discussed in depth, and some not at all due to time constraints.

Overall, the Panel commented that it was hard to have a sense of the overall strategy for addressing BPS 1, and how the different agencies and proposals were working together to address the issues (if at all) and work with different client cohorts.

The Panel noted presenters' comments that the Budget process had potentially driven some initiatives to be submitted before they were ready, and supported developing the idea of a pool of funding (a Social Investment fund) that agencies (and potentially providers) could bid into between budgets once the proposals have been developed.

Key comments on individual initiatives are set out below.

1. **Extending BPS 1 Budget 2015 Funding (MSD)** – cost pressure (not discussed)
2. **Segmentation Towards Enabling Pathways (STEP) (MSD)** – clients with Health Conditions or Disabilities (HCD)
 - The Panel did not support extending this programme to additional DHBs until results from DHBs currently participating demonstrated effectiveness.
 - While the overall model focuses on new beneficiaries and ensuring they access the right health services to support them to return to or take up work, Canterbury proposed to focus on a group with more entrenched issues. The Panel questioned whether the general model was appropriate for this group.
 - Questions were raised as to whether MSD had the support of GPs.

3. New & Innovative Interventions for Complex Clients (MSD) HCD clients (not discussed)

s9(2)(f)(iv)

- 5. Supporting Ex-Offenders into Employment (MSD/Corrections); ex-prisoners at risk of long term welfare receipt:**
- The Panel thought this initiative had merit as a trial of a new approach, on the condition that good evaluation was part of the proposal. They sought greater clarity about the links between different service levels for people leaving prison (Out of the Gate, vs more intensive services).
- 6. Reduce long-term welfare dependence by supporting people to gain basic literacy, numeracy and other foundation skills (MSD/TEC) clients for whom literacy and numeracy are issues**
- This initiative was not discussed. Based on written material provided, the Panellists commented that the proposal was unclear and underdeveloped and they would not support it without further information.
- 7. Reducing Teen Pregnancy (MoH) targets at risk youth**
- Panellists thought this initiative identified a serious issue, but that the proposal was the wrong intervention and wondered why the Ministry of Education was not in the room. Panellists suggested that an evidence-based and cross-agency approach would see:
 - school delivery of the number of hours of sex education suggested as effective in the literature (15-20 hours a year, rather than the current average of 8 hours)
 - improvements to school-based health services or increased access to school nurses, including those who could facilitate access to LARCs
 - work with community leaders, particularly in Maori and Pacifica communities, and supported by bespoke web-based material.
- 8. Living Well at Work (MoH) targets people in employment at risk of long term benefit receipt due to Health Conditions:**

- Panellists thought this initiative needed more work, particularly in terms of thinking about incentives for employers. The proposal seems information-focused and not an intervention per se, so Panellists questioned whether it would achieve much traction.
- It wasn't clear which portion of the 50,000 target population mentioned would be covered or what the detailed profile was.

Do not support

Children's Action Plan Package (Ministry of Social Development)

This was made up of four parts: s9(2)(f)(iv) the evaluation, funding for the Hub, s9(2)(f)(iv).

The Panel strongly supported the evaluation component of the package, noting the critical importance of getting good outcome information to support the model before further expansion is agreed. The Panel noted issues with the assessment tool (Tuituia) which has not been validated and is largely narrative based (rather than providing quantitative information) and therefore can't be used to report against outcomes at an aggregate level. The evaluation needs to consider what information to collect.

s9(2)(f)(iv)

Targeting Schools' Operational Grant Increases According to Social Investment Goals (Ministry of Education)

The Panel noted that this initiative was at the early stages of development but has two key goals:

- softening the ground for further reform of operational grants (changing schools' expectations)
- supporting more vulnerable children.

Because the initiative does not propose a specific approach but identifies some potential options, the Panel was not able to provide specific views on its merits or potential efficacy.

The Panel questioned whether a general grant to the school is the best way to get funds to the specific children. They suggested that the best value-add would be to focus on a more narrow target group (e.g., children in care), and to carefully think through the information and funding channels needed to determine impact. They concluded that this option could be trialled with a number of schools.

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Appendix – Panel Members

Name	Position
Andy Fulbrook	CFO Ministry of Justice
Ben McBride (Chair)	Manager Health Team, Treasury
Clare Ward	CEO Superu
Fiona Ross	Deputy Secretary, Treasury
Laura Black	CEO Methodist Mission Southern
Liz Gibbs	CEO Philanthropy New Zealand
Rangimarie Hunia	Ngati Whatua, Director, Whai Rawa Limited Board
Richie Poulton	Science Advisor MSD. Director of the Dunedin Multidisciplinary Health and Development Research, Otago University
Sir Peter Gluckman	Prime Minister's Chief Science Advisor. Professor at Auckland University
Steffan Crausaz	CEO Pharmac
Stuart McNaughton	Science Advisor Ministry of Education, Professor at Auckland University, Director of the Woolf Fisher Research Centre