Te Puni Kōkiri
REALISING MĀORI POTENTIAL

BRIEFING

WHĀNAU ORA NAVIGATORS: FUNDING ALLOCATION

Date:	20 May 2015	**Priority**	High
Classification	In-confidence	**Tracking Number**	28986

Action sought	**Date action required by**
agree for the following principles to underpin the process for allocating additional Whānau Ora Navigator and Kaitoko & Oranga Whānau funding secured through Budget 2015: • Volume; • Reach and impact; • Price; • Performance; and **direct** officials to develop and implement this allocation process consistent with these principles, and to commence discussions with Whānau Ora Commissioning Agencies on this basis following Budget 2015 announcements on Thursday 21 May 2015.	20 May 2015

Contact for telephone discussion (if required)

Name	**Position**	**Telephone**	**Mobile**	**1st contact**
Di Grennell	Deputy Chief Executive, Regional Partnerships	04 819 6147	027 589 6374	X
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Other Agencies Consulted

☐ MBIE	☐ MoJ	☐ NZTE	☐ MSD	☐ TEC	☐ MoE
☐ MFAT	☐ MPI	☐ MfE	☐ DIA	☐ Treasury	☐ MoH
☒ Other					

Minister's office to complete:

☐ Approved ☐ Declined
☐ Noted ☐ Needs change
☐ Seen ☐ Overtaken by Events
☐ See Minister's Notes ☐ Withdrawn

Comments:

Te Puni Kōkiri
REALISING MĀORI POTENTIAL

20 May 2015

Te Minita Whānau Ora

WHĀNAU ORA NAVIGATORS: FUNDING ALLOCATION APPROACH

Kaupapa/Purpose

1. The content of this briefing relates to the Whānau Ora priority kaupapa.
2. This briefing provides a recommended approach to allocating the additional $49.76 million secured in Budget 2015 between Whānau Ora Commissioning Agencies to support Whānau Ora Navigators and Kaitoko & Oranga Whānau.

Key Points

3. We have confirmed the inclusion of $12.44m per annum from 2015/16 ($49.76m in total) to maintain the Whānau Ora Navigator workforce within the proposed package for Budget 2015. This funding will sit within Te Puni Kōkiri's Non-Departmental Output Expenses, and is assigned to 'Commissioning Whānau Ora Outcomes'.
4. On Friday 15 May 2015 we provided you with a briefing outlining four options for the allocation of this $12.44 million across the three Whānau Ora Commissioning Agencies.
5. You subsequently discussed your priorities regarding this funding with officials on Monday 18 May 2015.
6. We understand your preference is to allocate this additional funding to Whānau Ora Commissioning Agencies in accordance with the following principles:
   - **Volume:** The current overall number of Whānau Ora Navigators and Kaitoko & Oranga Whānau should be maintained to support access for whānau and families;
   - **Reach and impact:** Whānau Ora Commissioning Agencies should be tasked with distributing these Navigators and Kaitoko & Oranga Whānau to work in regions where they will have the greatest reach and impact;
   - **Price:** Whānau Ora Navigators and Kaitoko & Oranga Whānau should be engaged at the same benchmark cost per FTE at which they have been engaged pre-1 July 2015; and
   - **Performance:** Navigators and Kaitoko & Oranga Whānau should be incentivised to achieve measurable and quantifiable outcomes.
7. We have developed an allocation process consistent with these preferences. Within this process, funding will be made available to Whānau Ora Commissioning Agencies for the commissioning of Navigator and Kaitoko & Oranga Whānau services based on pre-1 July 2015 regional distribution.
8. This process takes into account the current contracted arrangements for Navigators and Kaitoko Whānau as at 1 July, and allocates the remaining workforce as a proportion of the shortfall for each region in order to retain pre-30 June 2015 numbers.

Commercially Sensitive: In Confidence

9. A small discretionary funding contingency will be retained for distribution between Commissioning Agencies.

Recommended Action

10. Te Puni Kōkiri recommends that you:

    a. **note** that we provided you with advice on Friday 15 May 2015 outlining options for allocating additional funding of $49.76 million for Whānau Ora Navigators secured via Budget 2015;

    b. **agree** for the following principles to underpin the process for allocating this additional funding:

    - **Volume:** The current overall number of Whānau Ora Navigators and Kaitoko & Oranga Whānau should be maintained to support access for whānau and families;
    - **Reach and impact:** Whānau Ora Commissioning Agencies should be tasked with distributing these Navigators and Kaitoko & Oranga Whānau to work in regions where they will have the greatest reach and impact;
    - **Price:** Whānau Ora Navigators and Kaitoko & Oranga Whānau should be engaged at the same benchmark cost per FTE at which they have been engaged pre-1 July 2015; and
    - **Performance:** Navigators and Kaitoko & Oranga Whānau should be incentivised to achieve measurable and quantifiable outcomes;

    YES / NO

    c. **direct** officials to develop and implement this allocation process consistent with these principles, and to commence discussions with Whānau Ora Commissioning Agencies on this basis following Budget 2015 announcements on Thursday 21 May 2015; and

    YES / NO

    d. **note** that officials are available to discuss any issues arising from this briefing.

Di Grennell
Deputy Chief Executive, Regional Partnerships

NOTED
Hon Te Ururoa Flavell Te Minita Whānau Ora
Date:_____ / _____ / 2015

Current Situation

1. This briefing provides you with a recommended process for allocating additional Whānau Ora Navigator and Kaitoko & Oranga Whānau funding of $12.44 million per year confirmed as part of Budget 2015 from 2015/16.

Background

2. Budget 2015 includes $12.44 million per year from 2015/16 to maintain the Whānau Ora Navigator workforce. This funding will sit within Te Puni Kōkiri's Non-Departmental Output Expenses, and is assigned to 'Commissioning Whānau Ora Outcomes'.

3. On Friday 15 May 2015 we provided you with a paper outlining options for the allocation of this $12.44 million across the three Whānau Ora Commissioning Agencies. You subsequently discussed your priorities regarding this funding with officials on Monday 18 May 2015.

4. We understand your preference is to allocate this additional funding to Whānau Ora Commissioning Agencies in accordance with the following principles:

   - **Volume:** The current overall number of Whānau Ora Navigators and Kaitoko & Oranga Whānau should be maintained to support access for whānau and families;
   - **Reach and impact:** Whānau Ora Commissioning Agencies should be tasked with distributing these Navigators and Kaitoko & Oranga Whānau to work in regions where they will have the greatest reach and impact;
   - **Price:** Whānau Ora Navigators and Kaitoko & Oranga Whānau should be engaged at the same benchmark cost per FTE at which they have been engaged pre-1 July 2015; and
   - **Performance:** Navigators and Kaitoko & Oranga Whānau should be incentivised to achieve measurable and quantifiable outcomes.

Direction to Whānau Ora Commissioning Agencies

5. As outlined in our briefing of 15 May 2015, the Whānau Ora commissioning model reflects the high level of autonomy held by Whānau Ora Commissioning Agencies. Commissioning Agencies are tasked with investing in a portfolio of interventions to deliver Whānau Ora outcomes for whānau and families.

6. As Minister for Whānau Ora, you are responsible for providing direction to Commissioning Agencies on the priority outcomes to be achieved through the investment of the funding using a Navigator approach and the regions of focus for the investment of the Navigator funding.

7. The commissioning model empowers Commissioning Agencies to determine the nature of the outcomes and results sought via their Navigator workforce and the way in these outcomes and results will be sought.

Proposed allocation process: commissioning for services

8. In line with your preferences, Whānau Ora Commissioning Agencies will be tasked with commissioning Whānau Ora Navigators and Kaitoko & Oranga Whānau to work with whānau and families. This allocation process will maintain the overall envelope of 230 FTEs.

9. This process will not extend current contracts for Whānau Ora Navigators and Kaitoko & Oranga Whānau. Whānau Ora Commissioning Agencies will be required to submit proposals outlining their Whānau Ora Navigator investment approach, including:
   - The number of Navigators and Kaitoko & Oranga Whānau to be commissioned and the regional distribution of these roles;
   - The outcomes expected to be achieved via this workforce; and
   - How their investment approach will satisfy the overarching allocation principles of volume, reach and impact, price, and performance.
10. This allocation process will also be designed to take into account:
   - Te Puni Kōkiri's engagement with whānau, communities, iwi and hapū, and the knowledge and preferences of whānau, families and communities who are best positioned to meet their own needs and aspirations;
   - Information about the past performance of providers who have contracted Navigators in the first phase of Whānau Ora;
   - Whānau Ora Commissioning Agencies' knowledge and views of regions and communities of greatest need; and
   - The desirability of administrative efficiencies in commissioning Whānau Ora Navigators and Kaitoko & Oranga Whānau.
11. This process will allocate funding to Whānau Ora Commissioning Agencies to maintain as closely as possible the pre-30 June 2015 regional distribution of Whānau Ora Navigators and Kaitoko & Oranga Whānau. This allocation process will ensure that the additional funding supports the efficient and effective distribution of the Whānau Ora Navigator and Kaitoko & Oranga Whānau workforce across the regions.
12. The process will take into account the current contracted arrangements for Navigators and Kaitoko Whānau, and will allocate the remaining workforce in proportion to the regional distribution of Navigators and Kaitoko Whānau to reflect pre-30 June 2015 numbers.
13. A small discretionary contingency fund will be retained for distribution between Whānau Ora Commissioning Agencies. This contingency will be able to accommodate up to 21.5 Whānau Ora Navigator FTEs.
14. Whānau Ora Commissioning Agencies will be expected to commission Navigators and Kaitoko Whānau at a fixed ceiling reflecting current rates, inclusive of any overheads or operating costs.[1]
15. In line with the Whānau Ora commissioning model, Commissioning Agencies will be required to report on a quarterly basis on the results of their Whānau Ora Navigator and Kaitoko Whānau commissioning activity.

[1] All operating costs for Whānau Ora Commissioning Agencies are expected to be kept within the overall benchmark of 20% of total commissioning funds [SOC Min (13) 14/3 refers].

Benefits and risks

16. This allocation approach will involve the following benefits:
    - The approach will minimise the gap between the current Navigator and Kaitoko & Oranga Whānau workforce and the workforce post 30 June 2015; and
    - The approach creates a small discretionary contingency fund that can be distributed between Commissioning Agencies.
17. The approach also involves the consideration of the following risks:
    - The approach is predicated on the current workforce allocation being the most effective arrangement for reaching high-needs whānau and families;
    - The approach is predicated on maintaining current workforce volume, and will therefore result in a higher allocation of Navigators to areas that have been well represented during the first phase of Whānau Ora. This risks distributing fewer FTEs to target areas that had fewer FTEs allocated during the first phase of Whānau Ora (for example, Pasifika families and whānau in Te Waipounamu); and
    - The approach takes a 'Navigator-centric' view of allocation, rather than a whānau-centric approach.
18. There is a risk that Commissioning Agencies will express concerns at the approach given the objections previously expressed on behalf of the South Island and Pacific Families Commissioning Agencies regarding the allocation of additional Navigator funding secured through Budget 2014.
19. These concerns may be managed via the distribution of the discretionary funding contingency between Commissioning Agencies.

Performance and reporting

20. This process will involve implementing a performance and reporting regime for Whānau Ora Navigators and Kaitoko & Oranga Whānau which seeks measurable results and outcomes for whānau and families, and illustrates the achievement of a clear set of consistent outcome indicators.
21. Te Puni Kōkiri has developed a performance framework which incorporates:
    - Outputs-based performance measures that enable an assessment of how well the funding is managed;
    - Results-based performance measures that enable an assessment of the effectiveness of navigation in achieving results for whānau; and
    - Outcomes based measures focused on enabling the assessment of the financial and other impacts of the benefits of the intervention.
22. Each Commissioning Agency will be held to account for a standard set of output and outcome measures. The results based measures will reference the individual whānau assessment tools of each Commissioning Agency. These tools are the way the Commissioning Agencies are able to articulate incremental improvements and results that lead towards outcomes.

23. To determine how well the funding is administered, the monitoring and evaluation framework for Navigators will include measures that focus on the administration of the funding. They are:
    - Efficiency of the funding administration;
    - Volume of activity and reach of whānau engagement;
    - Reach into high-needs whānau and families; and
    - Quality of engagements with Navigators.
24. Table 1 sets out the performance indicators that will be used to determine how well funding is managed by Whānau Ora Commissioning Agencies.

Table 1: Outputs-based performance measures

Indicator	Measure
Efficiency of the funding administration	Funding on a per FTE basis does not exceed $80,000 per Navigator FTE per annum and $70,000 per Kaitoko & Oranga Whānau FTE per annum (including operating costs).
Volume of activity and reach of whānau engagement	Navigators engage with 20 whānau on average; Navigators are contracted through a range of providers; and Navigators engage with whānau in the regions specified in the contract with Te Puni Kōkiri.
Reach into 'high-needs' whānau and families	[XX%] of whānau and families working with Navigators are 'high-needs'.
Quality of engagements with Navigators	[XX%] of whānau working with Navigators report that the navigator takes a whānau-centred approach; and [XX%] of whānau working with Navigators report that the initiative has identified and responded to their specific priorities and needs.

Results-based measures

25. To understand the impact of Navigators and Kaitoko & Oranga Whānau, Commissioning Agencies will be required to report specifically on the results of navigation for whānau and families.
26. This will be done by Navigators working with whānau to identify where they are placed against a series of indicators that map back to Whānau Ora outcomes.
27. The results of navigation would be to show a verifiable shift from one point on the matrix to better position on the matrix. An example indicator (financial literacy) is shown in table 2:

Table 2: Example results-based measure

Outcome	Indicator	1	2	3	4	5
Whānau are economically secure and successfully involved in wealth creation	Financial literacy	One or more whānau or family members have enrolled in a financial literacy programme	One or more whānau or family members have developed a financial plan or budget	Whānau and families use financial plans for making decisions	Whānau and families have decreased debt and/or increased financial assets and/or material assets	Whānau and families have made financial provisions for future generations

Outcomes-based measures

28. Whānau Ora Commissioning Agencies will be expected to evidence and report on KPIs that are of particular interest to Government, and support the move towards applying a cost benefit analysis approach to outcomes achieved through Whānau Ora.

29. Examples of indicators that Commissioning Agencies will report against are as follows:

    - Educational enrolment and achievement;
    - Health indicators, such as immunisation rates, screenings, smoking cessation and drug/alcohol rehabilitation;
    - Housing outcomes such as warm, dry homes and avoiding overcrowding;
    - Reductions in instances of domestic violence/violent offences;
    - Reduction in likelihood of whānau or family members under the age of 18 at risk of being removed from the home;
    - Increases in income levels and savings rates;
    - Increases in employment levels and income; and
    - Improvements in financial literacy and budgeting;

Implementation and next steps

30. Following your approval of the recommended allocation principles, we will implement the allocation process for this funding, and will commence discussions with Whānau Ora Commissioning Agencies on this basis following Budget 2015 announcements on Thursday 21 May 2015.

31. We will also provide updated Budget 2015 communications material regarding additional Navigator funding reflecting this allocation approach.

32. Given that this funding involves the commissioning for specific services rather than commissioning for outputs, a new set of contracts between Te Puni Kōkiri and Commissioning Agencies may be required.