Te Puni Kōkiri
REALISING MĀORI POTENTIAL

17 March 2016

AIDE MEMOIRE

Whānau Ora Commissioning Agencies: Three-year forecast annual budgets

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Purpose

1. This aide memoire accompanies a slide deck that forecasts each Whānau Ora Commissioning Agency's annual budgets for FY16/17 through to FY18/19.

Context

2. Following your meeting with the Minister of Finance on 15 March 2016, you requested information in relation to the funding trajectories of the Commissioning Agencies for the next three years.

3. The attached slide deck sets out each Commissioning Agency's FY15/16 actual annual budget, as well as forecast annual budgets through FY18/19.

Comment

4. The table below sets out each Commissioning Agency's forecast budget:

Commissioning Agency ($m)	FY15/16 (Actual)	FY16/17 (Forecast)	FY17/18 (Forecast)	FY18/19 (Forecast)	Total (Forecast)
Te Pou Matakana	27.7	40.8	42.7	42.7	153.9
[redacted]					
Total Out of scope	**45.3**	**65.9**	**68.0**	**68.0**	**247.1**

5. This forecast considers the following sources of funding:

   a. Current commissioning funding as set out in the Outcome Agreements with Te Puni Kōkiri ($25.77m in FY15/16 growing to $29.70m in FY16/17 and assumed to continue at this level through FY18/19);

   b. Current Navigator funding secured through Budget 2014 and Budget 2015 ($17.44m per annum from FY15/16);

   c. Additional FY15/16 funding made available to Commissioning Agencies from uncommitted Te Punanga Haumaru funding ($2.05m for FY15/16 only);

   d. Funding expected to be transferred to Commissioning Agencies from Vote Social Development ($9.29m in FY16/17 growing to $11.38m in FY17/18 and assumed to continue at this level through FY18/19);

   e. Funding reprioritised from Moving the Māori Nation ($2.00m per annum from FY16/17); and

f. Additional funding sought from Budget 2016 (assumed to be $5.00m per annum of commissioning funding and $2.47m per annum of Navigator funding from FY16/17).

6. A number of the funding sources listed above have not been confirmed, nor has the allocation of that funding between Commissioning Agencies. For the purposes of this exercise, where funding has not been confirmed or allocated, we have assumed:

   a. Any commissioning funding secured through Budget 2016 will be allocated according to the base commissioning funding allocation model[1];

   b. Any Navigator funding secured through Budget 2016 will be provided to Te Pou Matakana and Te Pūtahitanga to maintain the current workforce profile;

   c. Funding and contracts transferred from the Ministry of Social Development for FY16/17 (referred to as tranche two funding and contracts) will be allocated as recommended in the joint briefing provided on 23 February 2016[2]; and

   d. Funding and contracts transferred from the Ministry of Social Development for FY17/18 (referred to as tranche three funding and contracts) will be allocated based on an initial analysis in line with the analysis described in the joint briefing provided on 23 February 2016.

Attachments

1. This aide memoire attaches a slide deck entitled 'Whānau Ora Commissioning Agencies: Three-year forecast annual budgets'.

Di Grennell
Manahautū Tuarua, Te Puni Hononga ā Rohe

NOTED
Hon Te Ururoa Flavell Te Minita Whānau Ora
Date:_____ / _____ / 2016

[1] Note the base commissioning funding allocation model allocates funding based on four weighted factors – population, geography, deprivation and income. This results in the following allocation:
   a) 45.34% for Te Pou Matakana;
   [redacted] Out of scope

[2] This analysis included consideration of the following factors for each provider contract:
   a) Degree of alignment between a contracted provider's service approach and the Whānau Ora commissioning approach;
   b) Degree of alignment between a provider's service delivery location and target group and Commissioning Agencies' area of focus;
   c) Likelihood of a successful contracting relationship between a service provider and a Commissioning Agency;
   d) Provider viability risks associated with the transfer of provider contracts; and
   e) Likely impacts to the community served by the provider as a result of the transfer to a Commissioning Agency.

BUDGET SENSITIVE

Te Puni Kōkiri
REALISING MĀORI POTENTIAL

Whānau Ora Commissioning Agencies: Three-year forecast annual budgets

Te Kāwanatanga o Aotearoa

17 March 2016

Purpose and assumptions

Purpose

This document sets out each Whānau Ora Commissioning Agency's FY15/16 actual annual budget, as well as forecast annual budgets through FY18/19. The forecast considers the following sources of funding:

- Current commissioning funding as set out in the Outcome Agreements with Te Puni Kōkiri ($25.77m in FY15/16 growing to $29.70m in FY16/17 and assumed to continue at this level through FY18/19);
- Current Navigator funding secured through Budget 2014 and Budget 2015 ($17.44m per annum from FY15/16);
- Additional FY15/16 funding made available to Commissioning Agencies from uncommitted Te Punanga Haumaru funding ($2.05m for FY15/16 only);
- Funding expected to be transferred to Commissioning Agencies from Vote Social Development ($9.29m in FY16/17 growing to $11.38m in FY17/18 and assumed to continue at this level through FY18/19);
- Funding reprioritised from Moving the Māori Nation ($2.00m per annum from FY16/17); and
- Additional funding sought from Budget 2016 (assumed to be $5.00m per annum of commissioning funding and $2.47m per annum of Navigator funding from FY16/17).

Note Commissioning Agencies are able to withhold up to 20% of the total funds available to the Agency over the life of the contract for their operating costs.

Assumptions

It is important to note that Commissioning Agencies are contracted through FY16/17. While the Outcome Agreements between Te Puni Kōkiri and each Commissioning Agency allow for an extension to that term, the Outcome Agreements only detail the allocation of commissioning funding through FY16/17.

Assumptions (cont'd.)

A number of the funding sources listed opposite have not been confirmed, nor has the allocation of that funding between Commissioning Agencies.

For the purposes of this exercise, where funding has not been confirmed or allocated, we have assumed:

- Any commissioning funding secured through Budget 2016 will be allocated according to the base commissioning funding allocation model;*
- Any Navigator funding secured through Budget 2016 will be provided to Te Pou Matakana and Te Pūtahitanga to maintain the current workforce profile;
- Funding and contracts transferred from the Ministry of Social Development for FY16/17 will be allocated as recommended in the joint briefing provided on 23 February 2016;** and
- Funding and contracts transferred from the Ministry of Social Development for FY17/18 will be allocated based on an initial analysis in line with the analysis described in the joint briefing provided on 23 February 2016.

Out of scope

* Note the base commissioning funding allocation model allocates funding based on four weighted factors – population, geography, deprivation and income. This results in the following allocation between Commissioning Agencies:

- 45.34% for Te Pou Matakana;
- [redacted]

** This analysis included consideration of the following factors for each provider contract:

- Degree of alignment between a contracted provider's service approach and the Whānau Ora commissioning approach;
- Degree of alignment between a provider's service delivery location and target group and Commissioning Agencies' area of focus;
- Likelihood of a successful contracting relationship between a service provider and a Commissioning Agency;
- Provider viability risks associated with the transfer of provider contracts; and
- Likely impacts to the community served by the provider as a result of the transfer to a Commissioning Agency.

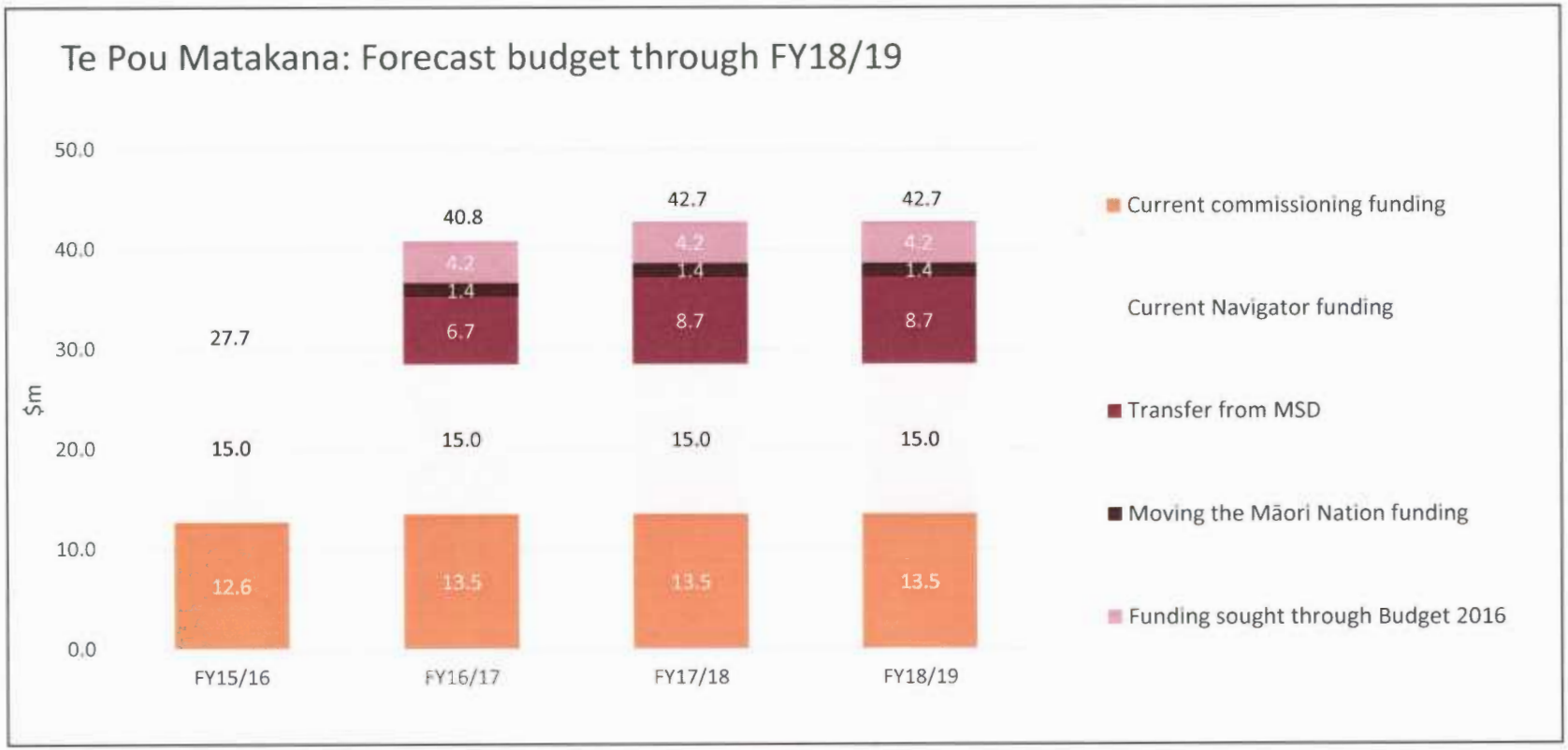
Overview

The table below sets out each Commissioning Agency's forecast budget using the assumptions described on the previous slide.

Commissioning Agency ($m)	FY15/16 (Actual)	FY16/17 (Forecast)	FY17/18 (Forecast)	FY18/19 (Forecast)	Total (Forecast)
Te Pou Matakana	27.7	40.8	42.7	42.7	**153.9**
Te Pūtahitanga	7.4	11.7	11.7	11.7	**42.5**
Pasifika Futures	10.2	13.5	13.5	13.5	**50.8**
Total	**45.3**	**65.9**	**68.0**	**68.0**	**247.1**

The following pages provide a more detailed view of each Commissioning Agency's annual budgets.

Te Pou Matakana



Following 2 Pages Out of scope