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| Partnership Fund for Youth Development |
| Information for discussion & response |
| November 2015 |

**From the Minister for Youth**

I have recently outlined the Government’s new direction and priorities for youth development. The evidence seems clear: participation in positive community engagement experiences such as volunteering can have significant influence on young people. Participating in youth development also has positive benefits in terms of positive engagement with education and employment. Youth development provides young people with the skills and experiences they need as they transition into adulthood. These are outcomes we all have an interest in seeing flourish.

As Minister for Youth I believe it is important that we improve access to leadership and volunteering opportunities for young people.

In order to achieve my expectations we need to look differently at how we fund youth development opportunities. That is why I am excited by the prospect of collaborating with business groups and philanthropic organisations to progress our shared outcomes.

The new Partnership Fund approach provides the opportunity for business groups, philanthropic organisations and government to work collaboratively to ensure funding reaches as many communities and individuals as possible. Using our collective knowledge, experience and commitment to see communities thrive has the potential to make a significant difference for our young people and the future of this country.

I encourage you to read this document and provide my officials with feedback on the questions presented.

Hon Nikki Kaye

Minister for Youth

We are interested in receiving your feedback

This document sets out options for how government, business groups and philanthropic organisations can make investment decisions for a joint partnership fund, established to fund youth development.

**The Ministry is seeking your views on the best option for the Partnership Fund**

The Ministry of Social Development is seeking your comments and feedback on the approach as well as other matters that might impact on the ability of agencies to work effectively together.

This document sets out two options, both of which aim to provide business groups and philanthropic groups with an appropriate level of independence for effective decision-making:

Option1: Charitable trust

Option 2: Non-statutory board.

An outline of the main features of each option is set out on page 7.

How to have your say

We will be arranging meetings with stakeholders late in January and early February to discuss the Government’s approach to funding youth development.

You can send us your thoughts on the questions in this document anytime. Responses need to be with us by 7 February 2016. Please email your comments to us at Partnering\_for\_YD@msd.govt.nz.

**The new direction for youth development**

**The Partnership Fund will mean more young people will have the opportunity to participate in youth development programmes**

The Minister for Youth has recently outlined the Government’s new direction for youth development. This direction will strongly focus on improving access to youth development opportunities in the form of leadership programmes and volunteering for those aged between 12 and 24 years.

The Government has indicated that it wishes to increase the numbers of young people accessing these services from 50,000 per annum to 70,000 in each of the next two years and a further increase to 100,000 in the long term. There will also be increased emphasis placed on providing young people from disadvantaged communities and groups with an opportunity to participate. The evidence shows young people from these communities have less opportunity to participate in these programmes. The proportion of funding targeted at young people from these communities will increase from 18% to 30%.

In order to facilitate this expansion of opportunities, the Minister has also announced a new Partnership Fund. The intention in setting up this fund is to formalise some earlier discussions with business groups and philanthropic organisations about the benefits of working more closely together, and the need for greater coordination and collaboration between funders.

This partnership approach will open up the prospect of progressing joint objectives through new ways of funding existing programmes and innovative approaches to service delivery.

**The opportunity for business, philanthropy and government to partner in the new direction**

We would like to know your interest in partnering with government and other business and philanthropic groups to establish the Partnership Fund to support youth development opportunities.

Working in partnership has a number of advantages for each of the parties.

Greater coordination will enable better sharing of information. This means that decisions about investment options are likely to be of a better quality. We can therefore be more confident about the impact that these services will have for young people.

**Improved coordination and information sharing between the funders will have benefits for all the parties**

More and better coordinated investment in priority areas is likely to get greater returns from the available resources..

Information about the effectiveness of programmes is also likely to be improved. The scale of the programmes will be larger with a higher number of participants meaning the quality of data will become more reliable.

Working collaboratively towards shared outcomes means we can benefit from the strengths of our different approaches. There is an opportunity to learn from one another and develop some shared best practice approaches to community investment.

The size of the fund will depend on the level of interest and contribution from philanthropic groups and business organisations.

The decision-making body established to make investment decisions for the fund will be responsible for looking for ways to increase the size of the fund over time.

**Young people and communities will be involved in funding decisions**

**Question:**

1. **What is your level of interest in partnering with government and other business and philanthropic investors to jointly invest in youth development ?**

An important feature of the Partnership Fund is that investment decisions will be made with input from youth and the community sector.

The decision-making body is likely to indicate what its priority areas for investment are so as to provide an appropriate level of transparency. However, there should be sufficient flexibility to allow the body to respond to one-off or ad-hoc opportunities.

**We are looking for your ideas on how the partnership can work**

The idea of establishing a Partnership Fund for youth development is new. We have been looking into what governance and administrative arrangements would be needed to support the approach. We are keen to know your thoughts and feedback on this.

**The trust/board being able to operate at arms-length from Ministers is an important feature of the Partnership Fund concept**

We have given particular consideration to how we can best give effect to the partnership arrangement. Providing the decision-making body with the authority to make investment decisions at arms-length from Ministers is an important feature of this arrangement. Many of the traditional mechanisms are therefore not suitable. We have arrived at two options. We would like your views about each option. The options are:

**Option 1: Charitable trust** (for example, Christchurch Earthquake Appeal Trust)

You are likely to be familiar with charitable trusts through your own funding programmes. The main advantage of this approach is the level of independence from Ministers. Trustees also have equal decision-making ability. Further consideration needs to be given to:

**Questions:**

1. **Which of these two options would be your preferred approach? Why?**
2. **Does your preferred option raise any issues that we would need to take into account?**
3. **Do you have any views on the composition of the board/trust?**

* The extent to which the Trust Deed will include public accountability measures
* The ease with which trustees can withdraw
* Wind up arrangements
* The level of investment needed to establish the trust and meet operating costs

**Option 2: Non-statutory board** (for example, New Zealand Sign Language Board)

The main advantage of a non-statutory board over a charitable trust is time. A board can be established reasonably quickly. Appointments to the board would be made by the Minister. The roles and responsibilities of a board would be set out in a Terms of Reference that could be developed with key stakeholders. In all other respects a non statutory board is similar to a charitable trust.

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|  | Charitable Status | Non-Statutory Board |
| Appointment process | Greater flexibility about appointment process. Parties can agree process and ratify through Trust Deed. | Nominees appointed by Ministerial action and can be removed on advice by Minister  Board operates under Terms of Reference (which may be agreed) |
| Decision-making | Trust Deed sets out responsibilities of Trustees and scope of authority to act. Trust Deed able to be reviewed and amended periodically to make changes. Trustees also have ability to make structural changes needed to support decision-making process (e.g establish Advisory Committee) | Scope of decision-making authority determined by Minister/CE. Chief Executive delegates authority to board. Chief Executive needs to keep delegation current by renewing delegation. Chief Executive can withdraw decision-making delegation. |
| Transparency and accountability | Trust able to be listed under Schedule 1 of the OIA as an organisation subject to the Act.  Trust able to be listed under Schedule 4 of Public Finance Act – being added to list means Trust has statutory reporting obligations as if it was a Crown Entity. Scope of those requirements flexible.  Trustees accountability to Minister is through statutory reporting requirements (if any) and Trust Deed. OAG can audit to ensure trustees acting consistently with terms of Deed.  Trust Deed might establish process allowing one or more parties to withdraw from the Trust. Rules would also set out process for withdrawing (unallocated) funding.  Term of the Trust may be limited to specified period of years. | Documents and records able to be released under OIA.  Public funds subject to agency’s normal reporting obligations under Public Funding Act.  Office of Auditor General able to conduct financial and performance audits.  Board directly accountable to Minister - Minister able to dissolve the Board if decisions don’t meet expectations |
|  | **Charitable Status** | **Non-Statutory Board** |
| Resourcing | Drafting of Trust Deed likely to be costly and take more time to finalise.  Level of resourcing to support trustees to be determined by trustees. Source of funding to be confirmed.  No requirement to pay trustees but remuneration could be set by trustees with or without reference to Cabinet Fees Framework  Deed Rules may allow trustees scope to increase size of body or co-opt new trustees if required. | Supported by Government agency and requires no direct cost to establish  Board remunerated under Cabinet guidelines. Source of funding to be confirmed.  Size of the board determined by Minister |