

IN CONFIDENCE

Office of the Minister of Social Development

Chair
Cabinet Social Policy Committee

Modernising Child, Youth and Family Expert Panel

Proposal

- 1 This paper proposes the establishment of an expert panel to oversee the development and implementation of the Modernising Child, Youth and Family (CYF) Business Case. This paper also sets out my intention to appoint the Chair and membership of the expert panel.

Executive summary

- 2 The Modernising CYF programme is designed to put children and young people at the centre of what CYF does. It aims to develop a new operating model that will strengthen CYF's overall impact in terms of the results it delivers for the children, young people and families it comes into contact with and the efficiency of its spend. Modernising CYF represents a significant and timely opportunity to improve outcomes for children and young people in CYF care and to address government and public expectations about how CYF responds to New Zealand's most vulnerable children.
- 3 I received the first draft of the Modernising CYF Business Case in December 2014. While it represented a good starting point, it did not fully encapsulate my vision for CYF's future operation.
- 4 I consider existing governance and assurance arrangements for the Modernising CYF programme need to be enhanced to inject fresh, child-centric thinking into the development of the business case.
- 5 I propose to meet this objective through the establishment of an expert panel to provide independent advice and assurance on the development of the Modernising CYF Business Case. The Welfare Working Group and Work and Income Board are examples of similar advisory mechanisms.
- 6 Paula Rebstock has agreed to chair the expert panel. The Commissioner of Police, Mike Bush has agreed to be a member of the panel. I propose to appoint the three remaining members of the panel following consultation with the Minister of State Services.

Background

- 7 The former Department of Child, Youth and Family Services (CYFS) merged with Ministry of Social Development (MSD) in 2006. Prior to this time, CYFS experienced significant organisational and performance issues. While there have been improvements, a number of recent reports show that significant issues still exist within CYF. These include:
 - The Mel Smith report (2011) emphasised the need for a child-centred approach with all of government taking joint responsibility for child safety and welfare.
 - The Broad report (2013) proposed ways to ensure Child, Youth and Family is accountable for what it does, and identified areas for improving the framework

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of organisational, professional and regulatory structures to support the practice and framework of Child, Youth and Family.

- A Deloitte report looked into Child, Youth and Family spending.
 - The Qualitative Review of Social Worker Caseloads, Casework and Workload Management (the Workload Review) (2014) found a lack of clarity around Child, Youth and Family's core business.
- 8 In addition, the Children's Action Plan, along with other MSD and government initiatives (Youth Crime Action Plan, Whānau Ora and Investing in Services for Outcomes), are changing the environment in which CYF operates – creating both opportunities and different expectations.
- 9 The Modernising CYF programme seeks to respond to this changing landscape, through inquiring into CYF's operating model and developing a business case for investment in operating model improvements. Modernising CYF represents an important and timely opportunity to improve outcomes for the children, young people and families that CYF serves.
- 10 I received the first draft of the Modernising CYF Business Case in December 2014. The draft business case represented a good starting point but did not fully encapsulate the opportunity for change that is currently available or my vision for CYF's future operation.
- 11 I consider existing governance and assurance arrangements for the Modernising CYF programme need to be enhanced to:
- 11.1 Inject fresh, child-centric thinking into the development of the Modernising CYF Business Case;
 - 11.2 Incorporate much greater external expertise; and
 - 11.3 Provide me, as the responsible Minister, with greater assurance on the development and implementation of the Modernising CYF Business Case.

Future governance and assurance arrangements for Modernising CYF

- 12 I have considered a range of options to address the concerns outlined above. These options ranged from small scale changes that could be implemented by the Chief Executive of MSD (e.g. changes to the frequency and type of assurance reporting I receive) through to a Ministerial advisory board, such as the Work and Income Board.
- 13 I consider that small scale changes are unlikely to address the scope or nature of my concerns. A Ministerial advisory board for Modernising CYF is most likely to meet my objectives because it would:
- 13.1 Inject external expertise into the Modernising CYF programme;
 - 13.2 Ensure that the Modernising CYF business case rigorously considers a full range of options; and
 - 13.3 Provide me with greater assurance over the Modernising CYF programme.
- 14 From this point forward, I refer to the Ministerial advisory board as the 'Expert Panel'.

Establishment of an expert panel

- 15 I propose to establish an expert panel to provide external advice and oversight over the design of the Modernising CYF Business Case (including assessing the effectiveness of investment and how to apply an investment approach).
- 16 The Expert Panel will be advisory in nature and will not have decision making powers. This ensures that accountability for programme delivery remains with MSD's Chief Executive. The Expert Panel will be supported by a dedicated and suitably senior secretariat. The proposed governance arrangements are set out at Appendix A. Recent examples of similar advisory mechanisms include:
 - 16.1 The Welfare Working Group
 - 16.2 The Work and Income Board; and
 - 16.3 The Expert Panel on Parole.

Terms of reference for the Expert Panel

- 17 Draft terms of reference for the Expert Panel are attached at Appendix B. I propose to finalise the terms of reference following consideration by Cabinet and discussion with the Chair of the Expert Panel.
- 18 The terms of reference are very broad and allow the Expert Panel to consider any matter relating to Child, Youth and Family's operating model and core business.
- 19 The Expert Panel will be responsible for providing the following deliverables to the Minister for Social Development:
 - 19.1 A programme level business case by 30 July 2015. The programme level business case will be focused on the case for change, desired future state for CYF and a high level assessment of options for a future CYF operating model; and
 - 19.2 Oversight and challenge on the development of the detailed business case, to be delivered by December 2015, with any Budget decisions considered as part of Budget 2016.
- 20 These dates are indicative and are subject to further refinement following discussion with the Chair of the Expert Panel.
- 21 I intend to circulate the programme level and detailed business cases to the Minister of Finance and Social Sector Ministers, including the Minister of Justice once they are available.
- 22 I intend to review the terms of reference and membership of the Expert Panel in November 2015, with a view to shifting its focus to assurance over the implementation of the business case. I will consult Cabinet on the Expert Panel's revised terms of reference and membership before the end of 2015.

Appointment of Expert panel members

Skills and attributes sought

- 23 I propose the Expert Panel comprises 5 people, one of whom will be appointed as Chair. As a whole, the Expert Panel should have:
 - 23.1 Extensive, large scale change management experience, preferably in an operational environment;

- 23.2 Experience in developing and / or providing assurance on an investment approach;
 - 23.3 A strong understanding of CYF's operating environment, or of a comparable operating environment in another jurisdiction;
 - 23.4 Senior and recent Public Service experience;
 - 23.5 Strong understanding of tikanga Māori; and
 - 23.6 Strong governance capability.
- 24 Expert Panel members will be appointed for a period of 10 months, from March 2015 to December 2015. I will review the composition of the expert panel in November 2015, at the same time as I consider its terms of reference.

Membership

Chair

- 25 Paula Rebstock has agreed to chair the Expert Panel. Ms Rebstock has extensive governance experience, and experience dealing with actuarial valuation models. She is Chair of the ACC Board, Chair of the Work and Income Board, Deputy Chair of KiwiRail, Chair of the Insurance and Savings Commission, a member of the University of Auckland Business School Advisory Board, and a member of the Synergia Limited Advisory Board. She is also a lead reviewer for the Performance Improvement Framework for the State Services Commission. Ms Rebstock's CV is attached at Appendix C.

Expert Panel members

- 26 Mike Bush, Commissioner of Police, has agreed to be a member of the Expert Panel. Commissioner Bush joined Police in 1978 and has held a number of senior operational and administrative positions including Counties-Manukau District Commander, where he pioneered community policing. Commissioner Bush led significant operational changes to Police through the Policing Excellence programme. He was awarded the MNZM for his service as New Zealand Police's South East Asian liaison officer following the 2004 Asian tsunami. Commissioner Bush's CV is attached at Appendix C.
- 27 I intend to appoint three more members to the Expert Panel following consultation with the Minister of State Services. I have not yet finalised these appointments. However, the three proposed appointees are set out at Appendix D (to be tabled at Cabinet Committee).

Induction

- 28 The Expert Panel will receive a thorough induction designed to introduce them to CYF's operating environment and ensure they hear from children and young people in contact with CYF.

Appointment process

- 29 In making appointments to the Expert Panel, I will follow the State Service Commission Board Appointment and Induction Guidelines and will consider the representativeness of the Expert Panel to ensure that it has an appropriate mix of skills and experience. I will also ensure that appropriate enquiries concerning conflicts of interests are made and any identified conflicts are appropriately managed.

Fees

- 30 The fees of members of the Expert Panel are subject to the Cabinet Fees Framework. The Expert Panel is a Group 4, Level 1 body. The fees range for the Chair of such bodies is \$500 - \$1,062 per day and \$375-\$800 per day for members. I anticipate that an exemption to the Cabinet Fees Framework will be required for the Chair of the Expert Panel and possibly for some members. I propose to finalise the fees of the Chair and members, including any exemptions to the Cabinet Fees Framework following consultation with the Minister of State Services. Expert Panel members' fees (including the Chair's fee) will be published on the MSD website once the appointment process has been concluded.

Secretariat

- 31 The Expert Panel will be supported by a MSD based secretariat. The secretariat will require senior representation from across the social sector. The role of the secretariat will be to:
- 31.1 Provide timely and comprehensive advice and drafting assistance to the Expert Panel to enable them to complete the Modernising CYF programme level business case by 30 July 2015; and to
 - 31.2 Develop the Modernising CYF detailed business case by December 2015, with oversight and challenge from the Expert Panel
- 32 The role and composition of the secretariat will be reviewed in November 2015, at the same time as I consider the expert panel's composition and terms of reference.
- 33 To fulfil its role, the secretariat will require information from social sector agencies. I seek Cabinet's approval to direct social and justice sector agencies (including the Ministry of Health, the Ministry of Education, the Ministry of Justice and New Zealand Police) to comply with any information requests they receive from the secretariat in a timely manner. Social sector agencies should be anticipating information requests and should be starting to think about appropriate briefing material.

Consultation

- 34 This paper was prepared by the State Services Commission in close consultation with the Ministry for Social Development. The Treasury was consulted. The Department of the Prime Minister and Cabinet was informed.

Financial implications

- 35 The fees and overheads associated with the Expert Panel and costs associated with the Expert Panel's Secretariat will be funded from within MSD baselines.

Human rights implications

- 36 The proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Legislative implications

- 37 It is possible proposals arising from the Modernising CYF business case will require legislative changes.

Regulatory impact analysis

38 A Regulatory Impact Statement is not required.

Gender implications

39 There are no legislative implications.

Disability perspective

40 There are no legislative implications.

Publicity

41 I intend to publicly announce the establishment and membership of the Expert Panel. Once the appointment of Expert Panel members has been completed, their details, including fees, will be published on the MSD website.

Recommendations

42 I recommend that the Committee:

- 1 **note** that I intend to establish an Expert Panel to oversee the development and implementation of the Modernising Child, Youth and Family Business Case
- 2 **note** the draft terms of reference for the Expert Panel (attached at Appendix B) including the key deliverables of the Expert Panel, which are:
 - a. to provide me, as the responsible Minister, with a programme-level business case by 30 July 2015
 - b. to provide oversight and challenge on the development of the detailed business case, to be delivered by December 2015, with any Budget decisions considered as part of Budget 2016
- 3 **note** that I will finalise the terms of reference following consideration by Cabinet and discussion with the Chair of the Expert Panel
- 4 **note** I intend to appoint Paula Rebstock as Chair of the Expert Panel; and Mike Bush as a member
- 5 **note** that I will finalise appointment of the final three Expert Panel members following consultation with the Minister of State Services
- 6 **agree** that the Expert Panel is a Group 4, Level 1 Body under the Cabinet Fees Framework
- 7 **agree** that I will finalise the fees of the Chair and members of the Expert Panel, including any exemptions from the Fees Framework, following consultation with the Minister of State Services
- 8 **note** that in making further appointments, I will follow an appropriate process including giving consideration to the representativeness of the expert panel and making appropriate enquiries concerning conflicts of interest
- 9 **note** that the fees and overheads associated with the Expert Panel and costs associated with the Expert Panel's Secretariat will be funded from within MSD baselines

- 10 **agree** to direct social and justice sector agencies (including the Ministry of Health, the Ministry of Education, the Ministry of Justice and New Zealand Police) to comply with information requests from the Expert Panel Secretariat in a timely manner.

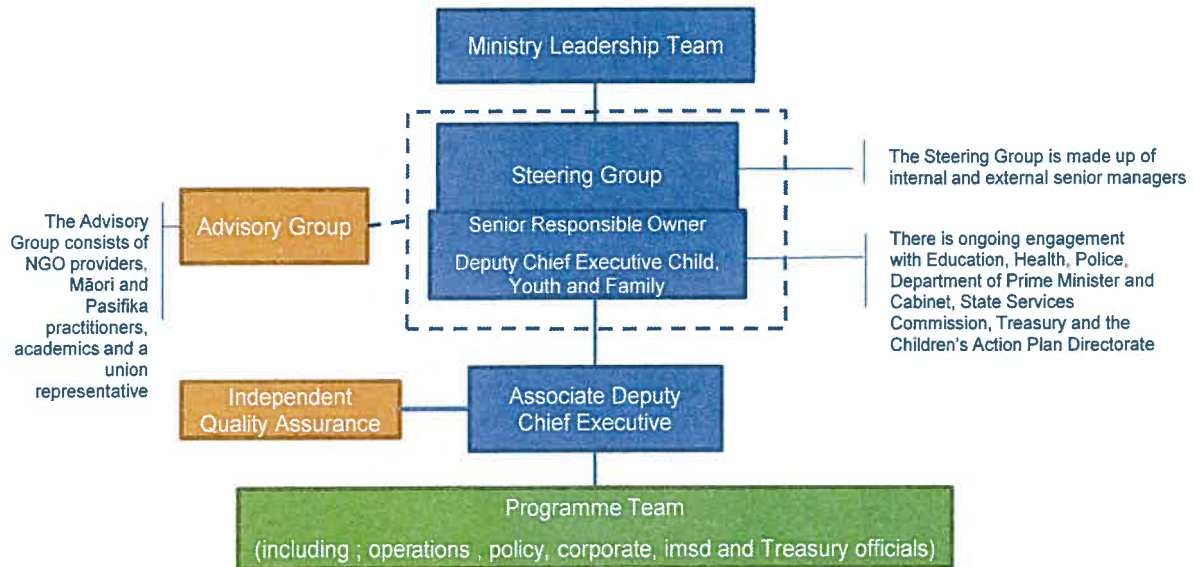


Hon Anne Tolley
Minister of Social Development

11/2/15

Appendix A: Revised governance arrangements for the Modernising CYF Programme

Current governance arrangements for the Modernising CYF Programme



Proposed governance arrangements for the Modernising CYF Programme

