

Report



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Date: 26 June 2019

Security Level: IN CONFIDENCE

To: Hon Carmel Sepuloni, Minister for Social Development

Update on the review of the Youth Service

Purpose of the report

1. This report updates you on the findings from the 2018 Youth Service (YS) review and how these findings are being incorporated into the redesign of the YS in preparation for Government re-tendering in August 2019.

Recommended actions

It is recommended that you:

1. **note** that the current YS contracts have been extended until 31 December 2019 and that the proposed changes to the YS will inform the government re-tender of the YS in August 2019, with new contracts commencing in April 2020
2. **note** that the proposed changes to the YS have been informed by the findings of the review and the NEET trial
3. **note** the significant reduction in the YS:NEET volume for 2019/20 from 6,000 to estimated 2,000 young people as a result of a more intensive, tailored service and reduced case load ratio to 1:20
4. **note** the funding for the service remains within the YS MCA appropriation (service delivery)
5. **agree** to support the general direction to make operational improvements in the YS, which include:
 - (a) having a continued primary focus on education, training and work-based learning
 - (b) including employment and pastoral support for up to 6 months post-employment for YS:NEET cohort
 - (c) establish discretionary funding for targeted initiatives that aligns with MSD client cohort priorities and investment
 - (d) a youth development and mentoring focus
 - (e) improving business and administrative processes

 **AGREE / DISAGREE**

6. **agree** to support the general direction to re-target YS:NEET to improve its effectiveness, which includes focusing more intensively on vulnerable, high-risk young people, including those transitioning from Oranga Tamariki care

AGREE / DISAGREE

7. **note** that the proposed changes will be funded by the existing YS baseline budget of \$31m for 2019/20 and requires no additional funding

8. **note** that the Welfare Overhaul Team is providing you with initial advice on the Welfare Expert Advisory Group's proposed policy changes to the YS

9. **agree** to forward a copy of this report to the Minister for Youth

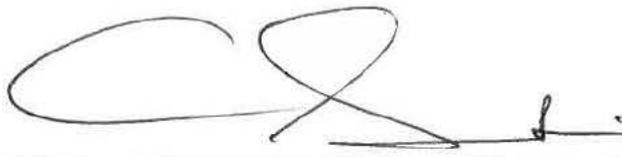
AGREE / DISAGREE



Viv Rickard
Deputy Chief Executive

27/06/19

Date



Hon Carmel Sepuloni
Minister for Social Development

30/06/19

Date

Background

2. MSD began contracting community organisations nationally to deliver the YS in 2012. The YS currently contracts with 42 YS providers (two are in-house YS) that are a mix of Iwi/Maori, NGO and Private Training organisations.
3. The YS targets 16 to 19 year olds at risk of poor outcomes, and aims to equip them with the skills and education to build an independent future.
4. YS providers engage, assess and support young people to enter and remain in education, training or work-based learning. Participating young people include:
 - Youth Payment (YP) or Young Parent Payment (YPP) recipients: All young people aged between 16 and 19 who receive a benefit are required to participate;
 - YS: NEET: Young people aged 16 to 17-years not in education, employment or training (NEET) and not currently receiving income support from the government but identified as at risk of benefit dependency. The YS: NEET is voluntary.

Youth Service evaluations

5. Treasury completed an evaluation of the YS during 2015. Findings from the evaluation showed that the YS is effective for young parents (YPP) in particular at improving educational attainment, reducing time on benefit and increasing employment outcomes.
6. Results for young people without children (YP) were mixed, with short term improvements seen in educational participation and attainment, and modest impacts on employment outcomes. Improved employment outcomes did not however translate to less time on benefit.
7. YS: NEET was shown to be marginally effective at improving educational attainment on average, but not effective at improving participants' employment or benefit outcomes. The service is however more effective at improving educational attainment for the very highest risk ten percent of youth in terms of expected poor outcomes at age 18 (Appendix A).
8. The NEET and YP / YPP interventions are measured through the MSD annual cost effectiveness report. The 2016/17 MSD report findings showed intervention effectiveness for YPP was 'effective', YP as 'promising' and NEET as 'negative'.
9. The YS review seeks to identify key areas for change that will enhance the service for young people in the context of external / internal evaluation findings to date. The context for change considers the Treasury evaluations and analysis from the MSD annual cost-effectiveness report (2016/17) with the intent to identify areas within the YS that need to be enhanced to ensure it is fit for purpose and responsive to the needs of young people.

Scope of the Youth Service Review

10. The YS has not been put out to the open market since its inception in 2012, and as part of the government's procurement practice we are required to re-tender the service.
11. The YS has not been substantively reviewed since its introduction in August 2012. In 2018, the MSD Youth Service Governance Group (YSGG) agreed to a fundamental review of the YS and was conducted internally.
12. The foundation of the review was based on five key areas (Appendix A): well-being, strengths-based, connections, pathways and transitions.

13. The review scope included seven areas; processes and procedures, service design, communication, reporting, service / performance outcomes, contractual obligations, training and development.
14. Areas out of scope included: legislative changes relating to age, client social obligations, Youth Service Support Unit (YSSU) structure, MSD In-house resourcing / structure.

Review's consultation process

15. Consultation channels included young people who have engaged and exited from the YS, external stakeholders (government, business and NGO sector) and internal staff in the regions, notably Regional Contracts Managers, Regional Directors and Regional Commissioners.
16. During September and October 2018, five regional hub workshops were held in Rotorua, Palmerston North, Auckland South, Auckland North and Christchurch with a total of 149 people attending the half-day sessions. In total 1,250 people provided input into the review.
17. Two co-design workshops were held with current and past YS clients (rural and urban areas) and provided valuable insight into their experience and aspirations for the future that has shaped this review.
18. Three written submissions were received from YS providers (Community College Christchurch, Strive in Auckland and VIBE in the Hutt Valley). Associate Professor Louise Humpage, University of Auckland also contributed to the review as did the Carterton Councillor responsible for the youth portfolio as part of the Mayors Taskforce for Jobs.
19. A Youth Service Provider Advisory Group was established in August 2018 that included selected YS Providers (Maori/Iwi, rural, urban, large and small) to provide independent advice as part of the review process. This approach was important in validating feedback from the consultations and providing guidance to shape what is best for young people and the YS based on their strategic and operational expertise and insights.
20. Analysis of the key themes and findings based on feedback from clients (current / exited from the YS), YS providers / Youth Coaches, internal MSD staff and external stakeholders is highlighted in Appendix B.
21. A survey of young people (911) engaged and exited from the YS highlighted, 77% of young people's needs were met from the YS. Twenty two percent indicated that their needs were not met. The main reason for dissatisfaction came down to the capability of the Youth Coach.
22. The Youth Service Governance Group (YSGG) monitors performance, provides direction, decision making, and facilitates the co-ordination MSD business units to support the delivery of the YS. Members of the YSGG include senior MSD representation from Oranga Tamariki, Insights, Research & Evaluation, National Contracts, Policy, Communications, Regional Commissioner, Ministry of Youth Development, In-House Youth Service, Youth Service Support Unit (YSSU) and Regional Contracts.
23. The YSGG endorsed the review recommendations and the proposed re-design of the YS delivery model, incorporating nine key areas for improvement (Appendix B).
24. Overall, the proposed key changes to the YS are summarised below (Appendix C).

Re-design of Youth Service delivery model

25. Based on the findings of the YS review and the NEET trial, MSD is undertaking a number of changes to the service. The key changes to the YS for NEET, YP, YPP and YS providers are highlighted as Appendix C.

Primary focus of the YS continues to be education, training and work-based learning

26. Education, training and work-based learning provide young people with the skills to be attractive to employers and to participate in the labour market.

27. Feedback from the review highlighted the importance of retaining education, training or work-based learning as the primary focus for the YS. This was seen as a positive step towards gaining qualifications and skills to improve employability and labour market outcomes.

Re-targeting the NEET service to improve effectiveness

28. In July 2016, MSD commenced the NEET trial with three YS providers in response to the Treasury's evaluation findings, which highlighted the need for a more intensive intervention for high-risk NEET youth.

29. The NEET service is being re-targeted to focus more intensively on vulnerable, high-risk young people, including those transitioning from Oranga Tamariki (OT) care.

30. This change will require lower caseloads for contracted providers. The findings from the NEET trial, particularly the lower caseload ratio of 1:20, provided the YS providers with the capacity and time to work intensively with the young people, their whānau and other external agencies to achieve positive outcomes (Appendix A).

31. To date, NEET trial participants have shown: improved mental health, increased confidence, improved interpersonal relationships, reduced violence, reduction in drug and alcohol use, raised goals and expectations, educational achievement and employment (Appendix A).

32. We anticipate that re-targeting the NEET cohort funding to those most at risk will improve the effectiveness of the NEET service, including improved rates of NCEA Level 2 (and above) qualification attainment and moving towards parity of employment outcomes compared with those who are not in service.

33. The implications of re-targeting the NEET service and having lower case loads means that the number of NEET clients will be reduced from approximately 6,000 to 2,000 at one time enrolments. This equates to the usual number of youth assessed as high risk throughout the last few years of the service.

34. The significant reduction in NEET client volume reflects the targeting of the service towards youth more at risk of poor outcomes, focus on quality engagement and mentoring with young people and providing a more intensive wrap around service.

35. International literature suggest that the optimal caseload size for case managers/youth workers is largely based on the intensity of services provided to clients rather than type of services. We will have the ability to review this approach post-implementation.

36. Effectiveness of this approach we envisage would see an increase in young people in education, training, work-based learning and employment, less time and churn on benefit, increase in earnings and reducing the cycle of benefit dependence.

Work readiness, employment with pastoral support for the NEET Service

37. We propose to include employability and work readiness skills, employment outcomes and pastoral support for up to 6 months to the YS for the NEET cohort.
38. YS providers and young people have told us that trying to re-engage in an education or training pathway is not always the best option. For some young people enrolled in the YS, obtaining sustainable employment would be a better outcome.
39. Therefore, we propose to incorporate employment outcomes as an option for YS: NEET participants where this is the most appropriate option for them.
40. As evidenced by the NEET trial, the time taken to get a young person work ready can vary between 3 to 18 months. The client co-design sessions highlighted the importance of wanting to gain basic foundation and life skills that would set them up for success in the future, e.g. cooking, literacy/numeracy, securing a tenancy, opening a bank account, how to pay bills. These aspects of the service will be personalised to the needs of the young person in the YS.
41. We also propose to introduce pastoral support for up to 6 months to those young people who go into employment. The delivery of pastoral support will assist with retention in sustainable employment and will be delivered by the contracted YS providers.
42. Employment outcomes are not being extended to people in the YS receiving Youth Payment (YP) or Young Parent Payment (YPP). However, this could potentially be explored as part of the long-term welfare overhaul work programme. The Welfare Overhaul Team is providing you with further advice on this separately (REP/19/6/545 refers).

Establish a discretionary fund from baseline

43. We propose to keep the discretionary fund that was tested in the NEET trial. The cost of the fund will be met from the YS baseline funding.
44. The fund will continue to allow providers to access funding for initiatives or trials tailored to the needs of the young person in their local community.
45. It is expected that the fund will encourage innovation, co-design and local solutions to local problems. The fund will complement MSD's investment priorities.
46. Feedback from YS providers and regional staff signalled the desirability of having 'flexible discretionary funding', to be held centrally and accessed for initiatives or trials that are outside the 'business as usual' delivery of the service.
47. At present, YS providers are funded for standard delivery costs where they are paid incentives for achieving particular milestones with young people, e.g. NZ qualification Level 2 and above or equivalent. The bulk of YS provider costs are absorbed in staff salaries.

Youth development and mentoring focus

48. With the lessons learned from the NEET trial, we have seen the benefits of adopting a 'whole of person' approach to engagement and the subsequent improvements in young people's overall well-being. Young people have expressed the importance of understanding their needs across a broad well-being spectrum (social, physical, mental etc).
49. The YS providers will be required through the tender process to demonstrate how their own practice and operating model supports a young person's development that integrates a strengths and positive youth mentoring approach.

Improved business and administration processes

50. The review highlighted a continuing need to streamline practices and workflow for YS providers and to remove unnecessary administration.
51. Some of these key changes will include: aligning the ART (Activity Reporting Tool) system that YS providers use with the MSD system requirements that YSSU need to ensure timely financial assistance to youth clients and reduce re-work, youth clients accessing financial assistance online.

Alignment with the welfare overhaul

52. MSD is considering the Welfare Expert Advisory Group's (WEAG) report recommendations to inform the welfare overhaul.
53. As you are aware, the WEAG's report has a number of recommendations aimed at supporting young people to achieve better outcomes.
54. The two key recommendations related to youth are:
55. Recommendation 38 – Abolish, in the Youth Service, compulsory money management, and separate case management from youth mentoring so it is consistent with and has a positive youth development focus.
56. Recommendation 39 – Use evidence-based approaches that support young people to be learning, earning and, where young people are parents, caring. These approaches need to build on the strengths of young people and provide a basis for their long-term engagement with the changing world of work.
57. MSD's Welfare Overhaul Team is considering these recommendations more fully and is providing you with initial advice on recommendation 38 (REP/19/6/545 refers). This also includes advice on other potential policy changes to the Youth Service that could be explored as part of the long-term welfare overhaul work programme.
58. Responding to recommendation 39 will require a cross-agency approach and the WOT will update you on this work in due course. There is cross-agency work already underway as part of the Employment Strategy, which will have an action plan focussed on youth. The Welfare Overhaul Team is working with the Ministry of Business, Innovation and Employment, who are leading this strategy.

The proposed changes to the YS align with the WEAG recommendations

59. The proposed changes to the YS enhance existing policy settings and do not implement the policy changes recommended by the WEAG. However, they strongly align with the recommendations and findings of the WEAG report.
60. The report recommended that young people are supported through evidence-based approaches that are informed by young people's voices. The YS review provided young people with the opportunity to voice their concerns about the service and articulate what works for them and their aspirations for the future. This has informed our proposals for improving the service, including having employment as a potential outcome for the NEET cohort.
61. Through the tender process potential YS providers will need to demonstrate how their own practice and operating model supports a young person's development that integrates a strengths-based and positive youth mentoring approach, in line with recommendation 39.
62. The proposed streamlining and removal of unnecessary YS processes and reduction in client caseloads should provide Youth Coaches with the capacity to mentor and engage

more intensively with young people that have complex and varied needs. This is expected to foster a strong positive youth development practice, which aligns with recommendation 38.

Funding

63. Funding of the YS will be met from the existing baseline of \$31m for 2019/20 financial year and will be sufficient due to the deferral of the new contracts from April 2020.
64. As at 17 June 2019, the YS have 3,784 YP/YPP and 6,568 NEET, total of 10,352 enrolled. The average cost for each NEET / YP and YPP client in service for 12 months is \$2,500 and will increase to a proposed cost of \$5,000 per year per client. The proposed funding allocation for 2019/20 we estimate will be for 3,700 YP/YPP and 2,000 NEET, total of 5,700.

The Youth Service will continue to be evaluated

65. MSD undertakes regular evaluation of the impact of its employment programmes and services. As part of this work programme the YS will be included and we will update the results from the Treasury 2018 YS impact evaluation. MSD's Research and Evaluation team will be completing their evaluation in July 2019.

Next steps

66. It is expected that the YS will be going out for tender in the open market in August 2019. The review recommendations and outcomes will be incorporated in the tendering specifications to reflect the re-designed service.
67. MSD will update you following the completion of the tendering process.

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Appendix A: Background to Youth Service Review

YS review foundation

The foundation of the review was based on the following focus areas:

1. Wellbeing: The Youth Service supports the well-being of young people through effective mentoring practice to achieve their aspirations.
2. Strengths-based: The Youth Service operates a consistent strengths-based youth development approach that is embedded in practice with every interaction had with a young person.
3. Connection: The Youth Service facilitates positive engagement and connections with others in society, e.g. whanau/family, community, peers, school that builds their resilience and network of support.
4. Pathways: The Youth Service equips young people with the tools and support that is tailored to their situation so they can make informed choices about their pathway towards education, work based learning, training, employment and independence.
5. Transition: The Youth Service facilitates a seamless service and connection points with other appropriate agencies in the transition of the young person to other services and support available in the community.

YS Background

The YS was established in August 2012 as part of the Welfare Reforms introduced under the former National Government to support young people who are at risk of long-term benefit receipt by supporting them to achieve qualifications and independence. The service is compulsory for people aged 16-19 who are receiving a youth benefit; either the Youth Payment (YP) or Young Parent Payment (YPP). The service is available on a voluntary basis for young people aged 16-17 who are Not in Education, Employment or Training (NEET), or who are at risk of becoming NEET.

As at 17 June 2019 there are:

- 1,885 young people receiving YP
- 1,899 young parents receiving YPP
- 6,568 supported through the YS NEET

The bulk of young people that enrol in the service are NEET. Youth who have long-term NEET spells (more than six months) are particularly at risk of negative future outcomes. This includes persistent negative effects on their employment status and earnings over their lifetime.

Treasury 2016 Youth Service impact evaluation

Treasury completed an evaluation of the YS during 2015. Findings from the evaluation showed that the YS is effective for young parents (YPP) in particular at improving educational attainment, reducing time on benefit and increasing employment outcomes.

Results for young people without children (YP) were mixed, with short term improvements seen in educational participation and attainment, and modest impacts on employment outcomes. Improved employment outcomes did not however translate to less time on benefit.

YS: NEET was shown to be marginally effective at improving educational attainment on average, but not effective at improving participants' employment or benefit outcomes. The

service is however more effective for the very highest risk ten percent of youth (in terms of expected poor outcomes at age 18) at improving educational attainment.

The YS: NEET results suggested there were opportunities for tighter targeting of YS: NEET participants toward young people at very high risk of poor outcomes.

Whilst the Treasury evaluation concluded that the YS had limited effectiveness there are a number of possible reasons for this:

The organisations that are contracted to deliver the service may not have the appropriate skills or strategies in place to raise the educational achievement of disadvantaged youth;

Contracted organisations also vary in focus. Some have a health orientation, others an education orientation, and in places there is a lack of appropriate local social services or infrastructure to refer young people to, e.g. educational institutions and community agencies;

NEET is voluntary, which means youth can exit at any time and this affects providers' ability to attract, enrol and retain young people in the service and education.

Following the Treasury evaluation we have made changes which include:

- An improved referral and administration process supporting young people participating in YS: NEET was introduced in July 2016, and supported by operational guidelines and strengthened provider contracts;
- Removing youth risk rated as 'Very Low' and a move to increase enrolments of Medium-High risk;
- A trial retargeting the YS NEET service.

Youth Service NEET Trial

In July 2016, the Ministry commenced the NEET trial in response to the Treasury evaluation findings highlighting the need for a more intensive intervention for high-risk NEET youth.

NEET youth represent an undesirably large share of the overall youth population. NEET status is a common risk factor among youth at high-risk of adverse outcomes.

The Ministry defined the trial target group as youth with high or very-high risk ratings using the Ministry's assessment tool. The trial has the same overall goal as YS: NEET: enabling young people to transition successfully to adulthood.

The trial aimed to find out whether:

- YS:NEET providers could attract and retain higher risk NEET young people by working differently?
- Outcomes for higher risk NEET young people were improved through more intensive support by the provider?

The Ministry's approach to implementation allowed the providers scope to implement new, innovative approaches to supporting the participating youth. The key elements of the trial that contributed to improved engagement with education and employment are:

- Lower caseloads (1:20)
- A flexi-fund provided opportunities to engage young people in different ways
- More intensive support from Youth coaches
- Group work

- Engagement with whānau

Interim findings of the trial participants have seen; improved mental health, increased confidence, improved interpersonal relationships, reduced violence, reduction in drug and alcohol use, raised goals and expectations, educational achievement and employment. The trial continues until December 2019 which will align with the end of the current youth service contracts.

Appendix B: YS review survey findings and recommendations

Survey Findings:

Young people (911 total responses):

- 81% female; 17.6% male
- 61.5% received financial assistance, 38.4% didn't
- When you look at the split of those in receipt of support; 53% YP, 46% YPP
- 64.6% enrolled currently in the YS, 35.9% exited from service. Those that declined service was largely as a result of being non-contactable or felt supported by the school or other means
- The level of contact by Youth Coaches based on what they said varied from weekly, monthly, once every term, fortnightly, not enough
- How did they find out about YS? 27.6% Government, 20.5% school, 20% family, other referrals from Plunket, midwives, doctors was also encouraging
- A real positive is when we asked young people were their needs met by the YS, 77% said yes and 22% said no. Reasons provided based on those that said 'no' included; lack of follow-up, lack of contact, lack of understanding, not feeling valued or heard and some questioned the capability of the youth coach.

When asked what they liked about working with their Youth Service Provider, young people said:

- Enjoy working with YS provider? Enjoy 33%, Really enjoy 26.7%, Neutral 29%
- Happy with Youth Coach Service? Happy 34%, Neutral 26.2%, Really Happy 25%
- Favourite part about service? Help provided, understanding, support, listening and not being judged

YS Providers and Youth Coach staff

We had 181 responses, the bulk of this being from Youth Coaches.

When asked what works and what could be improved:

- Build capability and understanding of Work and Income products/services available to young people
- Increase access to existing MSD programmes for NEET and YP/YPP
- Incorporate Whanau Ora model / principles
- Incorporate wellbeing model that focuses not just outcomes but the journey and growth of the client
- Having a flexible funding model where you can utilise a pool of funds that is tailored to a young person's needs
- Recognition of pastoral support delivered to young person
- Re-assess the relevance of the operational providers guidelines in the current environment
- Sustainable funding and high trust contracts

- Overall, a movement and desire from transaction-based decision-making (based on entitlements) to delivery of intensive services that is tailored, personalised to their individual circumstances and what was also clear was that "one size doesn't fit all", our YP are not all the same.

Providers want:	MSD staff & regions want:	External stakeholders want:	Young people want:
<p>Service design</p> <ul style="list-style-type: none"> Attendance incentives, drivers licence support Lower case loads Increase training / staff capacity Whanau approach to engagement with young people 	<p>Service design</p> <ul style="list-style-type: none"> Total service package that is flexible to meet the needs of youth Address transport funding / mobility issues NEET – more flexibility and incentive-based Access to short courses so young people can trial what they may like Holistic approach – health as a focus Include 15 year olds in NEET service 	<p>Service design</p> <ul style="list-style-type: none"> Access to short courses so young people can trial what they may like Educating young people in basic life skills, e.g. cooking Early engagement prior to leaving school Align support services with schools and young people Resource government run career/support hubs in the community Free learners licence test and free driver education up to and including restricted drivers licence Mental health support 	<p>Service design</p> <ul style="list-style-type: none"> Keeping Youth Service separate from Work and Income Being heard and understood Trusted relationship with youth coach Transport More stores for payment card Youth coach responsive to their needs and contactable <p>Quotes:</p> <p><i>"They are easier to talk to and more understanding than Work and Income"</i></p> <p><i>" I enjoyed that they listened to me about what I wanted to do with my future"</i></p> <p><i>"Mine was amazing, he was supportive and would call in and check on me all the time, always answered my questions"</i></p>
<p>Performance / Service outcomes</p> <ul style="list-style-type: none"> Drivers licencing focus and funding for providers 	<p>Performance / Service outcomes</p> <ul style="list-style-type: none"> Employment as an outcome Target high risk clients – those not 	<p>Performance / Service outcomes</p> <ul style="list-style-type: none"> Improve interagency communication 	<p>Service Outcomes</p> <ul style="list-style-type: none"> Drivers Licence Full time employment with support

<ul style="list-style-type: none"> • Incorporate a broad well-being model that focuses not just on outcomes but the journey and growth of the young person from a strengths perspective • National marketing campaign to increase Youth Service profile 	<p>engaged with any service</p> <ul style="list-style-type: none"> • Improve interagency communication • YSSU to trust coaches recommendations and judgement 	<ul style="list-style-type: none"> • Holistic approach – health as a focus • Prioritise self-care and healthy lifestyles (not money) • Ensure providers have the skills they need to provide wraparound support 	<ul style="list-style-type: none"> • Part time training or part time work
<p>Processes and procedures</p> <ul style="list-style-type: none"> • Processing times improved • Risk ratings - why not have a set criteria for the service • Remove mandatory budgeting if youth person is already financially capable and competent when they come onto benefit • Build capability and understanding of Work and Income products/services available to young people • Increase access to existing programmes by MSD for NEET and YP/YPP • Strong desire for structured, consistent MSD training • Improved communication 	<p>Processes and procedures</p> <ul style="list-style-type: none"> • Simplify YP/YPP process • Risk ratings - have a set criteria for the service • YSSU prioritisation of outstanding tasks • Too much compliance; the provider is required to verify far too much when it comes to applications or requests for financial assistance • Transition points need support to make them smoother for clients and staff • Access to regional contracts 	<p>Processes and procedures</p> <ul style="list-style-type: none"> • Training Incentive Allowance for all young people who have youth obligations regardless of benefit type • Simplify YP and YPP application process • Thorough needs assessment • Remove sanctions and money management 	<p>Processes and practices</p> <ul style="list-style-type: none"> • Understanding what is available for young people • Making the process more clearer • Consistency in practice <p>Quotes:</p> <p><i>"only if I asked something, info not volunteered of what may help"</i></p> <p><i>"wasn't advised how to declare wages so ended up in debt"</i></p> <p><i>" not the right information was provided or my coach didn't know"</i></p> <p><i>"there was no follow up"</i></p> <p><i>"barely keeps in contact and when</i></p>

<p>and relationship with YSSU</p> <ul style="list-style-type: none"> • Allow providers to approve Special Needs Grants eg; clothing and food up to a certain amount 			<p><i>trying to contact her she's nowhere to be found"</i></p> <p><i>"when running the budgeting course maybe provide a workbook or hand out resources to take home"</i></p>
<p>Contractual requirements and terms</p> <ul style="list-style-type: none"> • Having a flexible funding model where you can utilise a pool of funds that are tailored to a young person's needs • Recognition of pastoral support delivered to young person • Recognition for part time study or non-credit based learning (e.g. micro-credentials, cadetships) • Offer incentives for NEETs as recognition of meeting achievement milestones 	<p>Contractual requirements and terms</p> <ul style="list-style-type: none"> • Payment model - streamlined and weighted more towards client success than Provider inputs and outputs • Increase contact with high risk clients • Improve quality of action plans 	<p>Contractual requirements and terms</p> <ul style="list-style-type: none"> • Target high risk clients – those not engaged with any service • Increase funding and get the right people to deliver • Align support services with schools and young people - make the KPIs explicit and known to all • Work skills/preparation 	
<p>Reporting</p> <ul style="list-style-type: none"> • Reduce ART administration and align templates in system 	<p>Reporting</p> <ul style="list-style-type: none"> • Use Youth Plans as a measure of quality/activity 		

YSGG nine recommendations following the YS review:

1. Continued primary focus on education outcomes

- a) Agree that engagement in education, training, work based learning remains as the primary focus for the YS;

- b) Note that pathways towards higher learning, attainment of qualifications (NCEA level 2 and above or equivalent) that are fit for purpose for the future of work is positive for young people to earn a decent wage.

2. Re-targeting the NEET service

- a) Note the learning's from the NEET trial will be integrated as part of the refreshed YS;
- b) Agree a NEET workload of 1:20 with focus on high intensity young people;
- c) Agree to the move from risk rating to service level indicators, working with Insights team to re-calibrate the predictive model;
- d) Agree that a reduction in NEET volume will provide opportunity for YS providers to work more intensively with young people, their whānau and other external agencies.

3. Work readiness, drivers licensing, employment and pastoral support

- a) Agree that the outcomes of the YS include sustainable employment;
- b) Agree that Youth providers will be required to build work readiness and employability of young people that would include a suite of services and support, e.g. license, confidence, CV, literacy and numeracy, life skills, budgeting, parenting programmes;
- c) Agree the inclusion of micro-credentials and other vocational pathways as a positive stepping stone towards employability and gaining valuable skills and experience;
- d) Agree that Youth providers deliver career support / pastoral support to young people for 6 months post-employment placement;
- e) Agree the contractual payment model for YS providers considers the upfront costs associated with the delivery of core services as part of work readiness and preparation for education and employment.

4. Discretionary funding

- a) Agree discretionary funding is available for YS providers to utilise that supports the goal of the service & tailored to meet the young person's need;
- b) Agree a proportion of the Multi-Category Appropriation (MCA) YS funding is reserved for innovative initiatives and trials that support specific client cohort needs throughout the year, e.g. Maori, Pasifika, single parents and aligns with regional investment and national priorities.

5. Incorporation of well-being as part of performance / service outcomes

- a) Agree that the integration of well-being recognises the young person's journey

6. Improved administration and business processes

- a) Agree that we identify areas for business improvement to enable seamless end to end workflow and business processes that adopts a client-centric lens;
- b) Agree we review areas within the IT ART system that can consolidate, automate or remove duplication of effort and streamline processes and procedures;
- a) Agree that critical transition points, particularly upon entry and exit from the service is clear and mechanisms are in place to ensure young people feel supported

as part of a handover process, e.g. Oranga Tamariki young people entering the service, YS clients ageing out of service;

- b) Agree to the alignment of MSD programmes and initiatives with the YS that supports clients to prepare and engage in education, employment and training.

7. Training and development

- a) Agree that a national training package be developed and delivered to enable on-going training of YS administration, policy, processes and Ministry products/services to all youth providers;
- b) Agree working with the regions to clarify roles and responsibilities of Regional Training Co-ordinators to deliver training support to YS providers;
- c) Agree alignment and integration of the key review and youth development principles is featured as part of the refresh of the YS contract, i.e. well-being, strengths-based, connection, pathways and transitions.

8. Communications

- a) Agree to the development of a communications and campaigns plan for the YS that raises the visibility of the service, including use of digital, social media channels and written communication materials.

9. Evaluation & performance measures

- a) Note MSD evaluation team are to undertake an evaluation of the YS in 2019;
- b) Agree a client experience survey or mechanism to capture their insights with the service is developed and distributed nationally;
- c) Agree that the reporting framework be reviewed to include the YSSU as part of the quality assurance processes to assess the performance of contracted providers delivering the service;
- d) Agree that an evaluation of the YS is to be undertaken 12 months following the introduction of the YS contract.

Appendix C: Key changes to the Youth Service

Youth Service Client Cohort	Current State	Future State <i>(key changes in italics)</i>	Rationale for Change	Implications
<i>Not in Education, Employment & Training (NEET)</i>	<ul style="list-style-type: none"> Average caseload is 43 for NEET clients Re-engage and/or keep engaged in education Risk rating predictive model focussed on low medium-high risk young people 	<ul style="list-style-type: none"> <i>Average client caseload 1:20</i> <i>Inclusion of sustainable employment where appropriate for young people</i> <i>Inclusion of pastoral support – up to 6 months post-employment placement</i> <i>Move from risk rating to service intensity model</i> <i>Increased focus on most vulnerable young people at risk of poor outcomes (remove low-medium risk)</i> <i>Inclusion of Oranga Tamariki young people who transition out of care & need intensive wrap around support</i> <i>Inclusion of literacy & numeracy, work readiness / employability skills</i> 	<ul style="list-style-type: none"> Evidence shows that educational attainment is one of the best pathways to lowering likelihood of being unemployed, improving chances of earning a higher income and improving social outcomes NCEA level 2,3,4 or equivalent qualification should lead towards meaningful future study or employment Research shows that early parenthood places young mothers, in particular, at risk of disconnecting from education and NZ data shows that their participation in education is low The YS review highlighted the need to ensure it is 'fit for purpose', responsive to client needs 	<ul style="list-style-type: none"> Greater intensity of support for most vulnerable young people Reduction in NEET volume for YS providers from approx. 6,000 to estimated 2,000 any one-time enrolments Provider risk with reduction in NEET volume nationally Reduction in administrative payments & increase in performance expectations, development of benchmarks
<i>Youth Payment (YP) and Youth Parent Payment (YPP)</i>	<ul style="list-style-type: none"> Average client caseload 1:31 Be in or available for, education, approved training or work-based learning (except where exempt) – to at least NCEA level 2,3,4 or equivalent Undertake an approved budgeting programme For parent (YP), undertake and approved parenting education programme and requirements (e.g. having their child registered with a Well Child provider) Money management Guaranteed Childcare Assistance Payment, enrol in Early Childhood Education (ECE) Complete a parenting programme 	<ul style="list-style-type: none"> <i>Average client caseload 1:20</i> <i>Be in or available for, education, approved training or work-based learning (except where exempt) – to at least NCEA level 2,3,4 or equivalent</i> <i>Undertake an approved budgeting programme</i> <i>For parent (YP), undertake and approved parenting education programme and requirements (e.g. having their child registered with a Well Child provider)</i> <i>Money management</i> <i>Guaranteed Childcare Assistance Payment, enrol in Early Childhood Education (ECE)</i> <i>Complete a parenting programme</i> 		<ul style="list-style-type: none"> Greater intensity of support, personalised wrap around support
<i>Youth Service Providers</i>	<ul style="list-style-type: none"> Contract is outcome based. Payment for: Enrolments, administration (participation), engagement in education, completion of budgeting & parenting courses, achievement of NCEA, off benefit after exit 	<ul style="list-style-type: none"> <i>Baseline funding based on FTE to caseload replacing Enrolment, Administration and some Success fees</i> <i>Adding access to a discretionary fund to cover miscellaneous client costs and/or innovative projects</i> <i>Adding performance measures & benchmarks for good and poor performance</i> 	<ul style="list-style-type: none"> Streamline / reduce administration and unnecessary reporting Creation of perverse incentives for YS providers and unintended consequences 	<ul style="list-style-type: none"> Payments based on reduced case load will limit the number of NEET clients that can be in-service as we need to stay within appropriation