



Dear 

On 12 November 2019, you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

'Can I please request the report that was put forward to request consent to close Kaiti office. I am making this request under the official information act. I would like to see the reasons that were put forward for closing this office and also hope it isn't closing it to save funds that will go towards a new office being built in Napier in the near future. Can this request please be auctioned as soon as possible.'

I would like to extend my apologies for the delay in responding to your request for information.

Please find attached the requested report, dated 20 May 2019, entitled *Relocation of Kaiti Service Centre*.

Currently the Kaiti Service Centre is seeing an average of 12 clients per week and is based in a building which is no longer fit for purpose.

We've been engaging with Iwi leaders, community groups, local government and other government agencies, and have considered a variety of options for delivering our services in the area.

Good bus connections mean people can get to the Gisborne Service Centre when they need to, and they'll also see the familiar faces of the Kaiti staff when they visit.

We are working with a range of partners to make it easier for clients to access our services following the closure of the service centre.

You will note that in the report, the name of an individual as well as staff salaries are withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

Some information is withheld under section 9(2)(b)(ii) of the Act as, if released, it would be likely to prejudice the commercial position of the person who supplied or

who is the subject of the information. The greater public interest is in ensuring that the commercial position can be maintained.

You will note that page three, paragraph 22 states that *'there have been occasions where staff have indicated they have felt unsafe despite effectively having one security guard to one staff member'*. This information was included in the report due to an increase in gangs congregating next to the liquor store which is nearby the Service Centre and not due to any particular incidents on site.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public shortly. The Ministry will do this by publishing this letter and attachments on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely

pp


Bridget Saunders
Manager Issue Resolution, Service Delivery



MINISTRY OF
SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora

memo

To: Viv Rickard, DCE Service Delivery
Kay Read, Group General Manager, Client Service Delivery

CC: Cassandra Wise, Manager, Client Service Delivery

From: s 9(2)(a), Regional Director

Date: 20 May 2019

Security level: IN CONFIDENCE

Relocation of Kaiti Service Centre

Purpose of the report

- 1 This memo seeks your approval to relocate our service delivery operations from the Kaiti Service Centre to the Gisborne Service Centre
- 2 This memo responds to Service Delivery's key principles around relocations and the potential impact on clients and staff

Recommended actions

It is recommended that you:

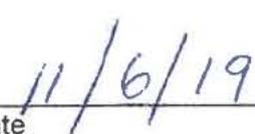
- 3 **note** that Service Delivery, Regional Services with the approval of the Group General Manager, regularly makes decisions about how it allocates limited resources, to best provide effective and responsive services to clients. This includes the reconfiguring and opening and closing of sites when required
- 4 **note** that the needs of clients are central to these decisions, and these decisions are underpinned by a principle that all clients will continue to have access to the services they need, when they need them
- 5 **note** that Service Delivery, East Coast plans to relocate the service delivery from Kaiti Service Centre and accommodate existing staff and services to Gisborne Service Centre
- 6 **note** that Kaiti Service Centre is currently managed by Gisborne Service Centre based management
- 7 **note** that this decision follows the application of business principles that Service Delivery has determined whether/when a site closure or reconfiguration may be appropriate

- 8 **note** that the current Kaiti site is not fit for purpose and would need a significant refresh if the Ministry wished to retain a presence in Kaiti. There are no seminar facilities and it operates on a drop-in/enquiries service for working age clients, and limited appointments for Seniors
- 9 **note** that the Gisborne Service Centre is located 2.2 kilometres from Kaiti Service Centre. There is a bus service that departs five times a day from Kaiti to a bus stop 50 metres from the Gisborne Service Centre
- 10 **note** that relocating this service is not expected to have an adverse impact on clients.
- 11 **note** that all Job Seekers, work ready are provided with a service from Gisborne as this is where new business appointments are undertaken, seminars delivered and where there is an employment zone.
- 12 **note** key external stakeholders including local MPs, Beneficiary Advocates already engage with the Gisborne Service Centre Managers
- 13 **note** that the process to close the site will include:
- 13.1 advice to key internal stakeholders including: staff, the Public Services Association
 - 13.2 the assessment of all property and IT requirements including furniture relocation/removal and decommissioning of the site¹
 - 13.3 the redirection of clients to the Gisborne Service Centre as soon as can be practically arranged
 - 13.4 decommissioning of the site once services have been removed
- 14 **note** that once approval is given to relocate services from Kaiti, the East Coast Region will implement the operational plan for the relocation
- 15 **approve** in principle the relocation of the service delivery in Kaiti Service Centre and move all services to Gisborne Service Centre

APPROVE / DECLINE



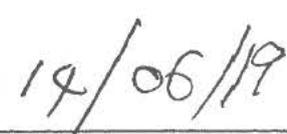
 Kay Read
 Group General Manager
 Client Service Delivery



 Date



 Viv Rickard
 Deputy Chief Executive
 Service Delivery



 Date

¹ Gisborne Service Centre has the furniture and IT requirements to accommodate the relocating staff

Background

- 16 As a part of its role as the Government's key provider of social services, Service Delivery through MSD's Property and Facilities (MSD Property), manages a large network of regional sites, covering the length and breadth of New Zealand. This network currently incorporates approximately 126 sites, operated by 3,000 staff.
- 17 Managing this network requires Service Delivery to regularly make decisions about how it allocates limited resources, to best provide effective and responsive services to clients. This includes considering how changes in demand, the needs of clients, and the wider environment (e.g. technology changes) impact on how we provide services to clients.
- 18 Service Delivery regularly shifts resources to respond to changing needs, including moving staff between sites, changing the location of sites, opening and closing or reconfiguring sites when required.
- 19 The needs of clients are always central to these decisions – for example: reprioritising resources from regional offices to online services recognises that many clients increasingly want to complete transactions online, rather than visiting a physical site.
- 20 Underpinning decisions about changes to our network is a principle of client access – that all clients should continue to have access to the services they need, when they need them.

Planned closure

- 21 The East Coast Region is seeking your approval to close the Kaiti Service Centre at the Kaiti Mall, Gisborne as soon as can be practically arranged. The building is in poor condition, not fit for purpose and the staffing numbers are not tenable. This building would need a significant refresh if the Ministry wished to retain a presence in Kaiti.
- 22 There have been occasions where staff have indicated they have felt unsafe despite effectively having one security guard to one staff member.
- 23 This decision follows the application of five business principles that Service Delivery uses to determine whether/when a site closure or reconfiguration may be appropriate.
- 24 The five principles cover:
 - client volumes and/or face to face assistance requirements
 - a site's ability/need to deliver a full range of services
 - costs associated with site operations (including security and property)
 - proximity to other sites
 - availability of expanded services provided through online and Contact Centre channels.
- 25 Each of the principles are considered on their own merits, and then in combination (e.g. access to extended services through online and Contact Centre channels will lead to further reductions in clients visiting sites for face-to-face interactions). More information on the principles is included in Appendix A.

Information about the Kaiti Service Centre

- 26 The Kaiti Service Centre is a dual managed site with the Gisborne Service Centre. The Kaiti site is dated and is currently on a monthly lease arrangement with the landlord. The site does not have seminar facilities and case manager numbers are not tenable.
- 27 When the current service model was introduced in 2013, a decision was made to shift most Working Age clients (excluding SLP clients) to the Gisborne Service Centre. The staff numbers followed and by 2016, most staff and the remaining working age clients were transferred to the Gisborne Service Centre.
- 28 The Kaiti site now operates as a drop-in/general enquiries service, as well as providing appointments on Monday and Wednesday for Seniors. Since January 2019, Kaiti has assisted 98 working age clients with a walk-in need. This equates to 1.06 clients per day. The Senior case manager has assisted 194 Seniors which equates to 2.10 clients per day.
- 29 The Gisborne Service Centre will be undergoing a fitout as part of Future State during August 2019, we envisage that we will be unable to move all services to Gisborne until September 2019.

Client numbers, Operational costs and travel

- 30 Client numbers at May 2019 there are 22 clients associated with Kaiti, 18 of these clients are in receipt of Main Benefits. These are likely to be coding errors, as the site has no assigned client base. The and operational costs are as follows:

Client Population (at end of Feb 2019)	Working Age	Nil
	Seniors	600 – likely to reduce
Lease	Cost per annum	\$64,070 rent + \$30,200 utilities
	Term / Expiry	monthly
	Annual Operating Cost (A) ¹	\$94,427.00 pa plus GST
Guards	Number of Guards	3 guards
	Estimated Cost per annum (B)	s 9(2)(a)
Staff	Staff Numbers	1 (plus 1 visiting Seniors staff member twice each week)
	Additional Support	SCM on ad-hoc basis
	Estimated Staff Costs per annum (C) ³	s 9(2)(a)
Estimated Total Service Cost (A+B+C)		\$320,379.50

² Annual Operating Costs include the costs associated with running a site such as power and water costs.

³ Costs based on average Case Manager salary, plus additional costs including ACC and Superannuation

- 31 The right of renewal for the site will not be exercised and s 9(2)(b)(ii)
s 9(2)(b)(ii)

Case manager numbers Gisborne/Kaiti

- 32 Case manager allocation for F19 is as follows:

Site	All WFCM	CMH	WSS	GCM	Seniors	Admin	Total
Gisborne	7	2	1	11.6	1	0.57	23.17
Kaiti	0	0	0	1	1	0.84	2.84

- 33 While there is minimal case manager coverage of the Kaiti service centre, the level of support to cover unplanned absences impacts on Gisborne service delivery. The current management arrangement is also problematic, with the two managers from Gisborne, leading the large Gisborne site as well as the Kaiti site and the Ruatoria site (a 2-person site 130km from the Gisborne Service Centre). This spreads the leadership too thinly over the three sites.
- 34 A rotation schedule has been in place for the case manager position in Kaiti for several years. There is a seniors' case manager in Kaiti fulltime interviewing 2 days a week and processing 3 days, and if this person is away another is sent from Gisborne to provide cover. The Admin person does reception. A third case manager will often sit in Kaiti undertaking non-client facing work. This means at least 2-3 staff will be better utilised in Gisborne.

Travel and parking

- 35 The Gisborne Service Centre is 2.2 kilometres from Kaiti Service Centre. There are regular buses from the Kaiti area to near the Gisborne Service Centre. Parking at the Kaiti Service Centre is very good, with quite often free client parking available directly in front of the office. This is not always the case in Gisborne, there is free parking in front of the service centre including a disability park, but these parks are not always available.

Gisborne Service Centre

- 36 The Gisborne Service Centre has the physical capacity to manage the staff relocation from Kaiti and the clients who will be redirected.
- 37 Gisborne Service Centre is currently going through a FOH refit that is expected to be finished in August 2019.
- 38 There are considerable efficiency and effectiveness gains in decommissioning the Kaiti Service Centre. These include the lack of economy of scale that exists in a small site, i.e. support to cover unplanned absences, requirement of a manager, assistant service centre manager and service centre trainer attendance at the site daily.
- 39 Kaiti has three security guards who currently look after 3 case managers.

Communications Plan

- 40 It is our intention to relinquish the lease for the Kaiti site and to accommodate staff at the Gisborne Service Centre. Staff who relieve at Kaiti; have permanent desks in the Gisborne site.
- 41 Once approval has been given to close Kaiti, engagement will occur with local community groups and other stakeholders to advise of this change. Given the proximity to Gisborne and the fact we deliver the majority of services at Gisborne clients should not be disadvantaged.
- 42 We will develop a local communications plan once approval is given to close Kaiti. Since Kaiti has not delivered full services since 2013, it is unlikely this closure will disadvantage clients; in fact it will minimise confusion with one point of delivery.
- 43 The current process and timelines for the closure of the Kaiti site, including planned consultation, are outlined below:

Action	Timeframe
Inform owner of the Kaiti site that the ministry is relinquishing its lease for the site	Dates will be affirmed as soon as approval is given
Consult with key internal stakeholders including: staff, PSA, Property, IT	
Consult with your office on our communications plan, including agreeing key messages	
Activate communication plan to coincide with formal engagement and notification of key external stakeholders including: local MPs, Iwi, Beneficiary Advocates, the Ministry's National Media team and impacted communities	
Assess and confirm all property and IT requirements including: IT, furniture relocation/removal, and decommissioning of site	
Kaiti lease expired	

Next steps

- 44 We will provide you with updates throughout the process of the Kaiti closure

Appendix

Service Delivery has developed five business principles that it is using to determine whether/when a site closure or reconfiguration may be appropriate.

Each of the principles are considered on their own merits, and then in combination (e.g. access to extended services through online and Contact Centre channels will lead to further reductions in clients visiting sites for face-to-face interactions).

Client volumes and /or face to face assistance requirements

Transactional services offered by Service Delivery are being streamlined so that clients may not need to present at sites to receive assistance (for example, Hardship Assistance or phone-based appointments).

The ministry provides more services digitally, online, through transactional processing centres or via phones. Streamlined services are leading to a reduced need to clients to present at some sites for face-to-face assistance.

Face-to-face services will be prioritised for clients who need additional support to overcome barriers to work and/or independence (for example, Work Focused Case Management and Work Search Support).

The sites ability/need to deliver a full range of services

Service Delivery's frontline regional services cover a wide range of complex products and services with more intensive work focused case management required. Some sites do not have the resource (staffing expertise, office layout) to provide full service offering.

Sites offering predominantly transactional services will continue to see a reduction in face-to-face assistance as more services are offered through the online and Contact Centre channels.

Additional costs associated with the site operations (including security and property)

Operational costs to run a site include Security Guards, property leases, power and water costs which creates high overhead costs for sites offering reduced services. It is considered more appropriate to merge these services into larger sites to reduce this footprint.

Small site overheads are disproportionately higher than larger sites. Where consolidation is suitable, the small site overheads can be eliminated / minimised.

Close proximity to other sites

There are many cases where a locality is serviced by more than one site within a short distance (up to 10 kilometres).

Public transport options are often available, and are a suitable option for clients to use, taking into account cost, frequency and accessibility.

Expanded services provided through online and Contact Centre channels

Online and digital services (including voice enabled technology) have been expanded so that clients can manage simple transactions (such as updating details or managing appointments) without needing to visit a site. Service Delivery will continue to build on these services to further reduce the need for face-to-face transactions.

Contact Centre services have been expanded to allow clients in certain circumstances to receive assistance over the phone (for example, hardship assistance). Clients also have the option of using phone based appointments rather than the face-to-face option.

Service Delivery will continue to grow its online and phone channels to make it easier for clients to deal with us. It's very important that we offer clients a choice when they need to engage with us and give them consistent service across our channels.

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OFFICIAL INFORMATION ACT