

		<p>The activities of the generator will be guided by MSD led research<sup>5</sup> around what works to address financial hardship:</p> <ul style="list-style-type: none"> <li>• Increasing household income – assist individuals and communities to find innovative ways to increase income (enterprise)</li> <li>• Reducing demands on household budget for basics – identifying ways to supplement income / growing (leveraging resources)</li> <li>• Increasing skills to use income to meet basic needs – family functioning, budgeting for those who will not access services, improving life skills (capability building – financial and non)</li> <li>• Increasing capacity to cope with “shocks” – identifying ways to plan ahead, build networks, being informed and getting help</li> </ul> <p>Services such as coaching and mentoring will be co-designed with specific individuals and communities to suit their needs build their confidence and their financial capability skills, while developing new innovative ways to supplement income. Coaches will support and connect the learning’s from the community projects.</p> <p>The Generator will build on gains in similar areas, such as the Akina focus on social enterprise and the TPK approach Hinepreneur, which mentors women and their social enterprise opportunities.</p>
9. Mobile, online or after-hours service accessibility	A consistent financial support service delivered through a range of channels, including smartphone and online, and at a time that works best for the client (including outside normal business hours)	<p>Now called <b>MoneyTalks</b></p> <p>MoneyTalks is a helpline delivered via text, telephone and the internet. It will provide advice and a triage/ referral pathway to appropriate financial capability services</p> <p>Our co design research has shown that often people don’t know where to go for help when they start getting into financial difficulties. Third tier lenders tend to be highly visible and make it easy for people in crisis to sign up to financial arrangements that are not necessarily in the best interests of the client. MoneyTalks will help people make informed decisions and to help identify sustainable options.</p> <p>Often people access budgeting services when they are already in crisis. MoneyTalks would facilitate earlier access to information and assistance for those experiencing financial hardship or wanting new strategies to help them manage their money.</p>
10. On-line tool to measure outcomes and progress	This software-based tool allows clients and those supporting them to track	Initial testing with clients indicated that there was no interest in the tool, and that this would not be a good investment. The outcomes tool was seen as more useful for government.

<sup>5</sup> Perry, B (2016). The material wellbeing of New Zealand households; trends and relativities using non-income measures, with international comparisons, Ministry of Social Development Wellington

	<p>progress around key financial capability outcomes (reducing debt, increase awareness, support family etc.) The software is computer and smartphone based, so users can capture on-the-spot feedback and track clients' progress.</p>	<p>Therefore this has not been progressed externally.</p> <p>We are currently doing work around this component with a view to support providers collect Individual client data.</p>
<p><b>11. Systematic social change programme to achieve community-level learning</b></p>	<p>Resources, systems and co-ordination practices that support strongly connected local communities that understand the nuances and needs of people experiencing hardship.</p>	<p>Initial testing of this component involved merging this concept with income and resource strategies to form the Generator. However, as the co-design progressed, it is evident that communities and certain populations still need ways to start conversations about money and debt in both preventative ways and for crisis management.</p> <p>We are therefore proposing a Money Mates fund that enables communities (and or providers with limited Money Mates funding) to apply for funding to deliver Money Mates in innovative ways. We will be engaging with providers on what support they need to embed the Money Mates into their services and the wider community. An example of support may be small grants to allocate for specialised groups like Pacific churches and or disability groups experimenting with different ways to engage people and communities that are hard to reach and build their capability.</p>

# Report



MINISTRY OF SOCIAL  
DEVELOPMENT  
TE MANATŪ WHAKAHIATO ORA

**Date:** 7 December 2016

**Security Level:** IN CONFIDENCE

**To:** Hon Jo Goodhew, Associate Minister for Social Development

**CC:** Hon Anne Tolley, Minister for Social Development

## Building Financial Capability: service model completion and funding allocation

### Purpose of the report

- 1 Following the advice you received on 3 November 2016, this paper updates you on the progress that completes the transformation of budget services into the full Building Financial Capability (BFC) service model.
- 2 We have now completed Phase One and seek your agreement for the remaining funding allocation for 2016/17. We are advising you of our intention to roll out the full service model from July 2017 using the 2017/18 funding allocation.

### Recommended actions

It is recommended that you:

1. **note** that we are taking a phased approach to the implementation of the BFC model  
**Yes/No**
2. **note** that we have held workshops and updated the service components  
**Yes/No**
3. **note** that providers told us they need extra training and support while the new service is phased in  
**Yes/No**
4. **note** that the next phase includes the establishment of a national entity  
**Yes/No**
5. **agree** that 9(2)(b)(i) of the remaining 2016/17 Budgeting Services appropriation will be invested in training and support to the financial capability sector, and to establish a national entity for BFC providers by July 2017  
**Agree / Disagree**
6. **agree** that we will update you again in early 2017 on the implementation of the full BFC service model.  
**Agree / Disagree**

Maree Roberts  
Associate Deputy Chief Executive  
Community Investment

Hon Jo Goodhew  
Associate Minister for Social Development

7 December 2016

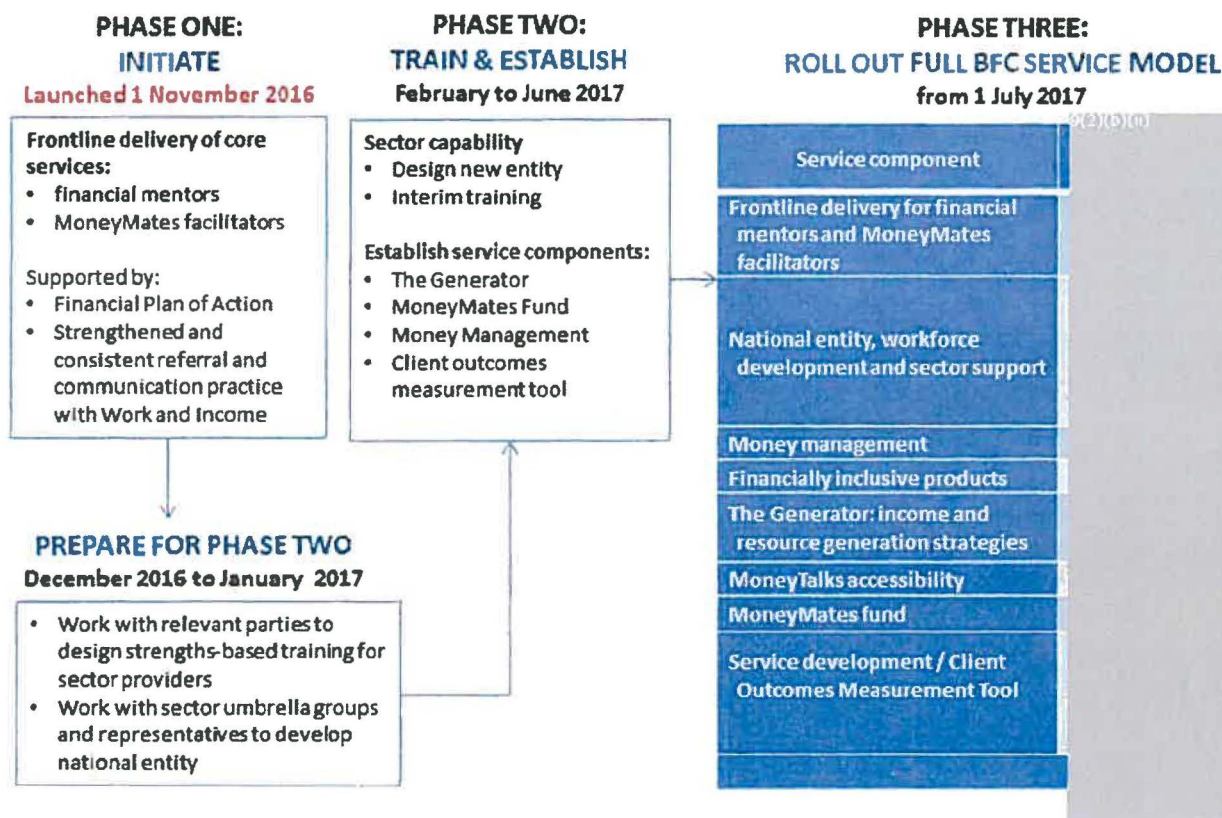
Date

8/12/16

Date

## Background

- 1 In delivering the Building Financial Capability (BFC) service model, we are taking a phased approach.
- 2 Figure 1, below, provides an overview of the full approach, including the three phases:



## We have launched Phase One

- 3 On 1 November 2016 the first phase of the new BFC service model was launched.
- 4 This first phase included delivery of core frontline services across the BFC sector: financial mentors (reframed from budget advisor) and MoneyMates (peer-led support), supported by the use of the Financial Plan of Action and strengthened and consistent referral and communication practice with Work and Income.
- 5 With input from the sector, we developed a range of information products to support providers in the implementation of the new model. These resources provide information and guidance about how to build financial capability and resilience, and focus on behaviour change across the continuum from prevention to crisis. They are available on the BFC pages of the Community Investment website.

## We are now preparing for Phase Two

- 6 On 3 November 2016, we advised you that we were progressing with the design of the remaining service components and provided a description of each component. We advised that we would seek further input to the components from BFC providers through the national workshops in November and December (REP/16/10/1345 refers).
- 7 We also noted that a key element of the BFC model is having a capable workforce to deliver the BFC service, supported by a national entity for providers.



- 8 Since then we have been working with the sector to finalise the design of the remaining service components and to get their feedback on sector capability needs.
- 9 We have held six workshops across the country, attended by more than 220 provider representatives. This programme will be completed with the final workshop in Hamilton on 12-13 December 2016.
- 10 We are updating the service components to reflect the feedback received from the sector during these national workshops. These components are supported by international research around behavioural change for people experiencing hardship. Descriptions of each component are provided in Appendix One.

## **We will focus on building sector capability and establishing Phase Two service components**

- 11 As illustrated in the diagram above, to support service implementation, our focus between now and February 2017 is on Phase Two:
  - **Training for providers:** We are working with relevant parties to design and organise the delivery of strengths-based training for financial mentors and MoneyMates facilitators. Training will start in February 2017.
  - **Supporting a steering group to establish a new national entity:** We are working with sector umbrella groups and representatives (including Māori and Pacific representatives) who have formed a steering group to work with MSD to design a new national entity to deliver BFC national and regional support functions from July 2017.
- 12 This work is supported through the work of the New Zealand Federation of Family Budgeting Services (NZFFBS). NZFFBS will continue its core operations and training for the new BFC sector – now including non-NZFFBS members – until the new national entity is established. (Note that at their November 2016 Conference the NZFFBS passed a resolution to wind up their organisation by June 2017.)
- 13 As a result of our discussions providers have identified a need for extra training and support while the new service is phased in. We are therefore recommending spending §(2)(b)(ii) of remaining 2016/17 Budgeting Services appropriation for this.
- 14 This funding will also support the design work for the national entity.
- 15 From February 2017, we will also begin to establish and refine with the sector the remaining service components.

## **We will roll out the full service model from July 2017 and have allocated 2017/18 funding (Phase Three)**

- 16 From July 2017 we will begin to implement the full BFC service model as set out in Appendix One.
- 17 To deliver the full BFC service model from 1 July 2017, we have allocated §(2)(b)(ii) from the Budgeting Services appropriation for 2017/18. This includes §(2)(b)(ii) from the sector umbrella groups appropriation.
- 18 Figure 1 provides detail of the funding allocation against each of the service components.
- 19 We will report back to you in early 2017 on our progress on implementing the full BFC service model.

## Appendix One: Building Financial Capability Service Model - Investment 2017/18 and out years

Service component	Description
Frontline delivery for financial mentors and MoneyMates facilitators	From 1 November 2016, the first core frontline services began to be implemented across the BFC sector. They include financial mentors (re-framed from budget advisor) and MoneyMates (peer-led support). These services are supported by use of the Financial Plan of Action (strengths-based financial plan), and strengthened and consistent referral and communication practice with Work and Income.
National entity, workforce development and sector support	Provision of national workforce development and sector support from July 2017 including: <ul style="list-style-type: none"> <li>• The establishment of a national entity with national and regional support functions</li> <li>• Development of a national, accessible training system for financial mentors and MoneyMates facilitators</li> <li>• Access to a shared data management system for those who require it</li> <li>• A shared approach to nationally negotiated accords</li> <li>• Quality assurance including the development of professional standards and an auditing mechanism</li> <li>• Shared communications and advocacy</li> </ul>
Money Management (Previously <i>Ethical Money Management</i> )	Over the next 12 to 18 months we are providing financial stability to parts of the sector providing Money Management. This will ensure Money Management clients get the right service to meet their needs. The intention is that this service will differentiate between the long-term money management for clients with high/complex needs and short-term management for people experiencing crisis. This component requires further development for the long term.
Financially inclusive products	Financially inclusive products include access to safe banking products, generating savings and investment, low cost credit, and simple insurance and protection.  This funding will be used to test products and builds on the success of the Community Finance initiative. Over time we will continue to test and trial products to determine effectiveness for our clients. We will start by piloting a micro-savings fund offered with matched funding up to a small amount (say \$500) and collective savings schemes. These align to MoneyMates groups, and support behaviour change and build savings habits.
The Generator: income and resource generation strategies	The Generator is a preventative hand-up rather than a hand-out, and is targeted at the most financially vulnerable populations (women, Māori, Pacific, sole parents). It will work with those who have demonstrated some financial capability skills, but have little or no pathway into growth.  The Generator creates opportunities for people to learn about, share and access local-led economic and non-economic resource generation solutions eg, community garden, repair café, community enterprise. It will involve financial capability coaching, and supports the growth and

	sharing of these innovations across a centralised platform to build learning and continuous improvement.
MoneyTalks accessibility (Previously <i>Mobile, online or after-hours service</i> )	A financial support service delivered via text, telephone and the internet at a time that works best for the client (including outside normal business hours). It will provide advice and a referral pathway to appropriate financial capability services.
MoneyMates fund (Previously <i>Systematic social change programme to achieve community-level learning</i> )	A contestable project fund that enables providers and communities to link into MoneyMates, or to deliver MoneyMates in innovative ways, or for projects which help to embed MoneyMates principles into the community. The aim is to identify innovative ways to engage the communities who are experiencing financial hardship to start conversations about money and debt and build capability.
Service development / Client Outcomes Measurement Tool (Previously <i>Online tool to measure outcomes and progress</i> )	<p>Programme management</p> <p>Research and evaluation</p> <p>Resource development and continuous improvement.</p> <p>The Client Outcomes Measurement Tool is a simple tool so clients can provide feedback on their progress and outcomes. It will align with result measures in BFC providers' Outcome Agreements and provider databases in common use. The tool supports providers and MSD with consistent and standardised tracking of client results and continuous improvement of services to clients.</p>
<b>TOTAL</b>	





## Building Financial Capability: 2017 update

Date: 01/03/2017

Report no.: REP/17/2/137

Security level: IN CONFIDENCE

Priority:

### Action Sought

Hon Ann Tolley

Note

13/03/2017

Minister for Social Development

### Contact for telephone discussion

Name	Position	Telephone	1st Contact
Gordon McKenzie	Manager, Adult, Family and Community, Community Investment	9(2)(a)	<input checked="" type="checkbox"/>

Report prepared by: 9(2)(a) Senior Advisor, Operational Policy and Innovation

### Minister's office comments

- ☒ Noted
- ☒ Seen
- ☒ Approved
- ☐ Needs change
- ☐ Withdrawn
- ☐ Not seen by Minister
- ☐ Overtaken by events
- ☐ Referred to (specify)

#### Comments

Date received from MSD

03 MAR 2017

Date returned to MSD

21.3.2017





# Report

**Date:** 1 March 2017

**Security Level:** IN CONFIDENCE

**To:** Hon Anne Tolley, Minister for Social Development

## Building Financial Capability: 2017 update

### Purpose of the report

- 1 This report updates you on the implementation of the full Building Financial Capability (BFC) model and provides an overview of the phased approach.

### Recommended actions

It is recommended that you:

- 1 **Note** that the Phase One of the BFC service model is in place and Phase Two is now being implemented using a phased approach. **Yes / No**
- 2 **Note** that the BFC appropriation for F2018 and out years includes core funding of <sup>9(2)(b)(ii)</sup> per year, plus transfers of <sup>9(2)(b)(ii)</sup> per year. **Yes / No**
- 3 **Note** that a new National Entity to support the sector is on track to be established by 1 July 2017. **Yes / No**
- 4 **Note** that MSD is communicating with the sector about the Phase Two components and spend. **Yes / No**

Maree Roberts  
Associate Deputy Chief Executive  
Community Investment

2/03/2017

Date

Hon Anne Tolley  
Minister for Social Development

15-3-17

Date

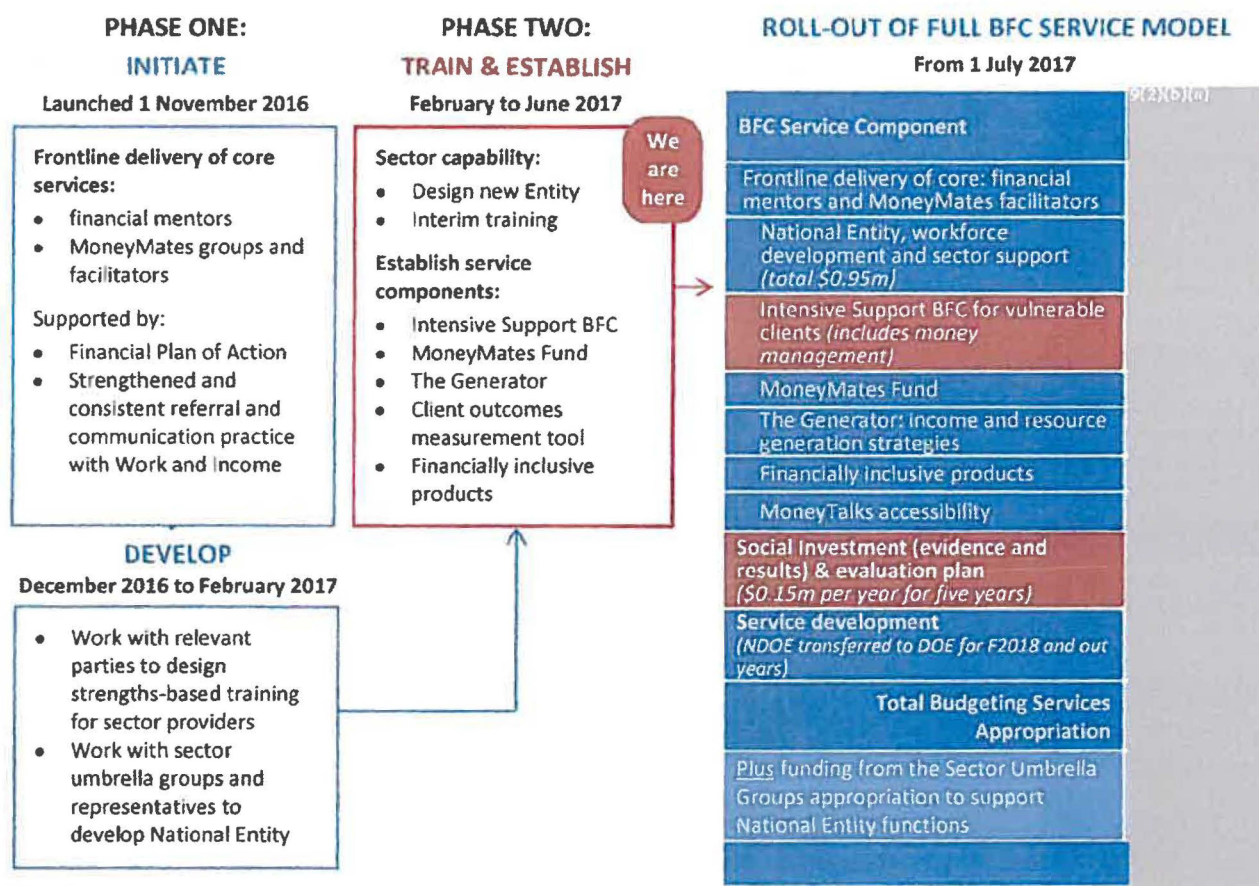
## Background

- The BFC appropriation for F2017 is [REDACTED] For F2018 and out years it includes core funding of [REDACTED] per year, plus transfers of [REDACTED] per year from the Sector Umbrella Groups allocation to support National Entity functions.
- The components of the new service model take a social investment approach and are co-designed with a wide range of stakeholders including current and potential clients, providers and their umbrella groups, the financial sector, and government agencies.
- Phase One delivery commenced on 1 November 2016. [REDACTED] has been allocated and contracted out to social service providers.
- Phase Two, comprising the remaining [REDACTED] of BFC spend, is now being contracted as approved in 2016 (REP 16/12/1598 refers). These components of the programme target New Zealanders who research and current data show are particularly vulnerable to financial hardship.<sup>1</sup>

## The full BFC service model will be implemented in a phased approach

- Our objective (co-designed with the sector) is to build the financial capability of people experiencing hardship. Service is delivered by responsive, effective and joined-up providers, supported by a single National Entity, with an evidence base using leading-edge social investment analytics and insights.
- Figure One shows our BFC implementation programme. Updates since the previous paper are highlighted in red; these are Intensive Support BFC for clients currently receiving money management services, and the addition of the five-year evaluation plan.

**Figure One: Building Financial Capability Implementation Programme**



<sup>1</sup> These are primarily Māori, Pacific, and sole parents (predominantly women).



## Phase One and Two confirmed BFC products and services

- 8 Throughout the co-design, clients told us that they live complex and stressful lives, and require more diverse and flexible responses. Providers said they wanted a range of responses available to them, from prevention through to intervention.
- 9 As directed by Cabinet (SOC Min (13) 25/8 refers), we are introducing preventative social investment initiatives that build financial capability, with particular focus on the needs of groups most in financial hardship.
- 10 We have contracted 113 providers to deliver Phase One BFC services.
- 11 Phase Two products were developed through 2016, and were confirmed through further consultation at national workshops in November and December 2016. The consultation:
  - tested the acceptability of the components within current service delivery
  - communicated the investment direction for the remaining BFC allocation.
- 12 At the workshops, many providers expressed concerns around their perception of reduced funding, however most could see potential opportunities to add Phase Two products to their suite of services.

## We are rolling out the BFC services through a phased approach

- 13 We have refined the Phase Two services with the sector, and now are ready to implement them with a prioritised approach shown in the following table:

BFC Service	Roll-out date
Intensive Support BFC (including money management)	1 July 2017
MoneyMates Fund	1 July 2017
The Generator	Consortium established in mid-2017, Local initiatives funded early-2018
Financially inclusive products	From January 2018
MoneyTalks accessibility	Involves National Entity: post-Entity formation

*Intensive Support BFC services* (b)(6) *over two years)*

- 14 The most vulnerable clients who have very low financial capability and / or are in crisis require intensive support to address their differing risks and needs.
- 15 Some of these clients received versions of money management services (or "Total Money Management") in which budget advisors controlled their finances and managed their money.
- 16 To ensure on-going service provision, Intensive Support BFC services will continue arrangements similar to the previous money management services for a two-year interim period (July 2017 – June 2019). During this period we will standardise service delivery across the different levels of risk and need and develop national standards and processes. This work will be influenced by Work and Income developments, including changes to their redirections policies.
- 17 These services will also be informed by research (currently underway) with clients who have not historically engaged with budget services to learn about how best we can add value to their lives.
- 18 Over the two-year period we will learn more about what is working, and how best we can add value, prior to contracting new services for the longer term.

#### *MoneyMates Fun* 9(2)(b)(i)

- 19 MoneyMates was rolled out in Phase One and provides peer-led support to people in hardship, based around the concept of sharing and learning together as a group. Clients learn from others, talk about and de-stigmatise financial hardship, and gain control over their lives to make longer-term behavioural changes.
- 20 There is further opportunity to ensure MoneyMates builds up a good body of knowledge around this new way of working, continues to innovate based on what is working, and is accessible to communities in financial hardship who may not engage with traditional services.
- 21 The MoneyMates contestable fund is based on the principles of MoneyMates. Grants of \$500 to \$50,000 will be available to BFC providers and communities. Criteria are innovation in service delivery, client recruitment with hard-to-reach communities, and ability to grow the MoneyMates model and knowledge base with fresh insights.
- 22 The contestable fund application process for the MoneyMates Fund will open on 1 July 2017.

#### *The Generator* 9(2)(b)(i)

- 23 The Generator is targeted at the most financially vulnerable populations (Māori, Pacific, sole parents, women). It will work with those who have demonstrated some financial capability skills and ability to manage their budget but may not have enough money and resources to support their pathway to growth.
- 24 It will provide community projects and financial capability coaching to support clients to build their financial resilience and increase their financial and micro-enterprise skills. It will create opportunities for people to learn about, share and access local-led resource generation solutions e.g. community gardens, repair cafés, community enterprises.
- 25 The Generator will be delivered through a consortium of organisations to be established in mid-2017, with local initiatives to be funded from early 2018. It will support the growth and sharing of these innovations across a centralised platform to build learning and continuous improvement.

#### *Financially inclusive products* 9(2)(b)(i)

- 26 This programme recognises the lack of appropriate, accessible and affordable financial products (e.g. credit, savings, insurance) for people in hardship. It builds on the success of Community Finance and broadens our range of products that support financial resilience.
- 27 Our approach is to test and trial new products, then to scale up where feasible. In the first instance we will trial 'rainy day' savings products. This will include matched savings for people in hardship up to a certain amount (say \$500) using behavioural economics insights.
- 28 We are investigating products suitable both for individual and collective savings. We are also investigating partnerships where there is access both to target client groups, and the potential for partners to contribute the matched savings incentives (e.g. iwi or businesses employing low income earners).

#### *MoneyTalks accessibility* 9(3)(b)(i)

- 29 MoneyTalks is aimed at people who need immediate help when under financial pressure. Crises can create tunnel vision and panic that leads to poor financial decisions; people need support to find different and more sustainable options.
- 30 Financial support services will be delivered nationally (via text, telephone and internet) at times that work best for clients. MoneyTalks will also provide a pathway into other BFC services for clients who need more sustained support.
- 31 Delivery could sit with the National Entity; we will progress this once the entity is established.



## **A National Entity for training and sector support**

- 32 MSD is supporting the BFC Sector Steering Group to design and develop a new National Entity for the sector.
- 33 A single entity will promote innovation and collaboration across the sector and enable providers to focus on quality service delivery. This will reduce the duplication inherent in the current four sector umbrella groups.<sup>2</sup> Increasing the quality and availability of national support and infrastructure will lead to increased sector efficiency and effectiveness.
- 34 The National Entity will be in place from 1 July 2017.

## **Social Investment (evidence and results)**

- 35 We are taking the opportunity for BFC to be a front-runner in social investment analytics and insights.
- 36 Overall the evaluation programme will assess how well services are targeted and effective; providing a return on investment; and having an impact.
- 37 We have set aside §(2)(b)(ii) for a five-year evaluation programme from July 2017 to June 2022. This will include process evaluations of individual BFC components and a longer term-impact evaluation.<sup>3</sup>

## **Responding to sector concerns**

- 38 We recognise the sector may have a mixed reaction to the introduction of new interventions, the new National Entity, and the shift to client leadership. The sector is experiencing considerable change through this redesign, shift of funding and introduction of Individual Client Level Data.
- 39 With this move to a more diverse range of service options including preventative approaches, some providers will view the new BFC services as diverting resources away from their traditional core delivery.
- 40 To mitigate these concerns, we have three key response tools:
- A communications plan to inform all stakeholders about the new BFC services.<sup>4</sup>
  - A growing community of practice of providers who are working with the new products and concepts (Whānau Ora providers appear particularly responsive), and who can positively share the new way of working with other providers.
  - We continue to draw on the extensive body of research we have built up through the co-design. This includes the authentic voices of clients and many providers, communicating the aspects of the former budgeting system which did not work, and their requests for new advisory and financial products to help improve their lives.

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<sup>2</sup> In addition to the New Zealand Federation of Family Budgeting Services, other umbrella groups are Christian Budgeting New Zealand (CBNZ), Associated Budgeting Consultants (ABC – Auckland based) and Budget Advisers Collective Network (BACN – Canterbury based).

<sup>3</sup> Process evaluations are planned for: MoneyMates / MoneyMates Fund; The Financial Plan of Action and Financial Mentoring; Intensive BFC services; Financially inclusive products (savings trial); The Generator; Sector Capability and Training.

<sup>4</sup> The communication plan is currently being developed as part of an implementation plan for the BFC next steps. Approval is expected by early March and it then will be forwarded to your office.

- 41 We will actively communicate with the sector, responding to their requests for information about the BFC service opportunities and the new National Entity.

File ref: REP/17/2/137

Author: Alistair Stewart, Senior Advisor, Operational Policy and Innovation,  
Community Investment.



# Memo

**To:** BFC Governance Group  
**From:** Justine Pivac Solomon, Team Leader, Safe Communities  
**Date:** 2 March 2017 (updated to 16 March 2017)

**Security level:** IN CONFIDENCE

*Calvin*  
*27/3/2017*

## Approval to procure BFC Evaluation Programme

### Purpose

This memo seeks your approval to a procurement using the All of Government panel to seek an external organisation to undertake the five year BFC evaluation programme. This evaluation will be in two steps, with step two dependent on satisfactory progress, and consideration of capacity of IMSD to undertake the evaluation post F2018.

### Recommendation

1. **Note** that the Minister has been advised about the BFC evaluation and its <sup>s(2)(b)(i)</sup> budget in the February BFC update. **Agree /**  
**Disagree**
2. **Agree** to procure an external organisation to undertake the BFC evaluation using the All of Government panel, within a budget of up to <sup>s(2)(b)(i)</sup> This includes up to <sup>s(2)(b)(i)</sup> in F2018, followed by up to <sup>s(2)(b)(ii)</sup> for F2019 – F2022 dependent on satisfactory progress and consideration of IMSD capacity to undertake the work. **Yes / No**
3. **Note** that senior technical support is required from IMSD or Insights and Investment to provide internal expertise on evaluation in a social investment context. **Agree /**  
**Disagree**

*Peter Galvin*  
Peter Galvin  
GM, Community Outcomes and Services

*31/3/17*

Date

*Polly O'Brien*  
Polly O'Brien  
Associate GM, Service Development and Innovation

*31/3/17*

Date

## **Background**

1. At the February BFC Governance Group it was agreed that:

- Service development were to proceed with ongoing development of the five year evaluation terms of reference and come back to BFC GG when there is more detail regarding funding and comparative / scalable options.
- Peter Galvin to discuss with Rob Hodgson iMSD capacity
- We would include the five year evaluation in the February Minister's paper.

## **We advised the Minister about the evaluation in the February update**

2. The paper to the Minister notes that we have set aside 1 per cent of BFC funding 9(2)(b)(i) for a five-year evaluation programme from July 2017 to June 2022. It says this will include process evaluations of individual BFC components and a longer term-impact evaluation. This has been approved.

## **We have further developed the evaluation deliverables and budget, with scalable options**

3. The evaluation key deliverables and budget are attached as Appendix One.
4. Indicative costs for individual components of the evaluation come to 9(2)(b)(i) which is well over the 9(2)(b)(i) and constitutes our ideal evaluation programme.
5. iMSD recommended three evaluation providers capable of this type of evaluation and thus prices are based on the average of their maximum standard daily rate, plus an allowance for expenses.
6. In discussion with MSD's procurement team, they recommend that we keep the 'ideal list' and once we procure the evaluator, we negotiate down to 9(2)(b)(i). They are of the view that:
- the programme approach to the evaluation will enable economies of scale
  - this will be an attractive piece of work which should bring in competitive bids
  - an early start to procurement means we have sufficient time to negotiate a value for money price.
7. If we are unable to negotiate a price within our budget of 9(2)(b)(i) over 5 years, options for scaling budget back could include:
- reduce number of monitoring reports
  - MSD produces the provider continuous improvement dashboards
  - reduce number of evaluations of products and services
  - iMSD undertake parts of the evaluation themselves (if available)



### **The procurement will take a two-step approach**

8. To date, we have been advised that in the transition to the formation of Oranga Tamariki, IMSD will be unable to support us beyond 1 April 2017. However, this situation may change in the medium term.
9. The procurement will therefore take a two-step approach with Step two being dependent on satisfactory progress, and include the ability to 'opt out' should IMSD have the capacity to pick up the evaluation.
10. Please note: on procurement advice, the evaluation will still have a budget of [redacted] for the full evaluation programme, to ensure that the evaluation is a sought after proposition that attracts competitive bids.
11. Step one [redacted] F2018) will include working with MSD to ensure the new services are designed in a way that meets future evaluation and monitoring needs. The outputs will include:
  - working together with MSD to enable the gathering of robust data and evidence through the design and implementation of BFC services to meet monitoring and evaluation needs. This will result in a full evaluation plan.
  - the development of an electronic 'provider continuous improvement dashboard' template
  - initial 'continuous improvement monitoring'.
12. Step two (the remaining funding up to [redacted] will cover:
  - 5-7 evaluations of individual BFC products and services
  - an impact evaluation
  - continuous improvement monitoring (provider dashboards and reports)
13. See Appendix Two for indicative budget detail per annum, with Step One highlighted in red.

### **Specialist technical support is requested from IMSD or Insights and Investment**

14. The evaluation will be managed day to day by a BFC Senior Analyst, reporting to an evaluation steering group.
15. However, the size and significance of this evaluation means that senior, specialist internal expertise on evaluation in a social investment context is required to work alongside the BFC Senior Analyst either from IMSD or Insights and Investment. We expect that this would average two hours per week – perhaps more up front, and less over time.
16. David Rea (Principal Advisor, Office of the Chief Policy Advisor) has provided some informal support to date and expressed an interest in continuing to work with us. We would consider him to be a good choice.

### **Support is being provided by MSD's commercial procurement team**

17. MSD's commercial procurement team will lead the procurement. They recommend use of the All of Government panel meaning that it would go to a shortlist of suitable providers to submit a bid.

## Appendix One: Anticipated key deliverables and indicative budget

Indicative Costs <sup>1</sup>	Outputs	Description	Due date
<b>Continuous Improvement Monitoring</b>			
18 reports @ 5 days each = 9(2)(5)(4)	Monitoring reports (Draft submitted to MSD, then Final incorporating MSD feedback)	A short report (5-10 pages) aimed at improving the targeting and effectiveness of BFC services to enable continuous improvement by MSD and providers. Reports will draw from evaluation findings and provider dashboards.	Three monthly, starting Dec 2017, and finishing March 2022
Dashboard development plus 9 x Provider dashboards @ 5 days each = 9(2)(5)(4)	Provider continuous improvement dashboards	Provider continuous improvement dashboards that summarise provider results, and compare them with local demographic data, and overall BFC provider results (produced using data from MSD)	Six monthly, starting March 2018, and finishing March 2022
<b>Evaluation Phase One: July 2017 – Dec 2017: Formation and Planning</b>			
60 days = 9(2)(5)(4)	Workshop with MSD	A 'sprint' workshop with MSD and relevant stakeholders to enable the gathering of robust data and evidence through the design and implementation of BFC services to meet monitoring and evaluation needs.	One month after contract signing.
	Draft Evaluation Plan	A draft evaluation plan, including summarising work done together with MSD to ensure new BFC services are designed and / or being implemented in a way that meets evaluation needs.	Oct 2017
	Final Evaluation Plan	Acceptance / approval by MSD after any revisions of the draft evaluation plan are completed.	Dec 2017

<sup>1</sup> Based on rate of \$1200 fees + \$100 expenses + GST per day. This is calculated through the average of the standard rate of three potential suppliers suggested by iMSD. Indicative costs will be removed for purpose of RFP.

<b>Phase Two: Jan 2018 – June 2021: 5-7 evaluations of BFC products and services<sup>2</sup></b>			
For each evaluation – details confirmed in Evaluation Plan:			
6 evaluations @ 80 days each = [REDACTED]	Field work complete	Field work complete and results provided to stakeholders during a workshop	TBC
	Draft report	Preparation of the draft report and submission to MSD	TBC
	Final report	Acceptance/approval by MSD after any revisions of the draft are completed, and debriefing	TBC
	Presentation/Workshop	To present key findings & conclusions to MSD and relevant stakeholders	TBC
<b>Phase Three: January 2021 – June 2022: Impact evaluation</b>			
Details to be agreed in evaluation plan			
120 days = [REDACTED]	Field work complete	Field work complete and results provided to stakeholders during a workshop	TBC
	Draft report	Preparation of the draft report and submission to MSD	November 2021
	Final report	Acceptance/approval by MSD after any revisions of the draft are completed, and debriefing	April 2022
	Presentation/Workshop	To present key findings & conclusions to MSD and relevant stakeholders	June 2022
<b>Indicative Budget</b> [REDACTED]			

<sup>2</sup> We have seven priorities including: MoneyMates / MoneyMates fund; Intensive BFC services; The Generator; Financially inclusive products (savings trial); Financial Plan of Action / Financial Mentoring; Sector capability and training; and Work & Income processes and practices