



Memo

To: Investment Strategy and Governance Committee (ISGC)

From: s 9(2)(a) National Manager Youth Service

Date: 25 March 2019

Security level: Confidential

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Youth Service Review

Purpose

1. This memo provides an update on the 2018 review of the Youth Service (YS) and the proposed process from here to incorporate the findings and recommendations of the review into the redesign and retendering of the YS in preparation for 2020 provider contracts.

Recommendations

We recommend that the Committee:

- a) **Discuss** the Youth Service review recommendations, implementation timeframe and resourcing needs to re-design the Youth Service delivery model.

Context

2. 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.
3. As at 23 March 2019 there are:
 - 1,955 young people receiving YP
 - 1,932 young parents receiving YPP
 - 6,408 supported through the YS NEET
4. 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.^[1]

Review of Youth Service

5. The Youth Service Governance Group (YSGG¹) monitors performance, provides direction and decision making, and facilitates the co-ordination of business units within the Ministry to support the delivery of the YS.
6. The YS has not been reviewed since its introduction in August 2012. In 2018, the YSGG agreed to review the YS. The review provided opportunities to highlight the value of the service and identify areas for improvement in supporting young people to achieve their aspirations and positive outcomes.
7. The recommendations from the review are intended to shape the future of the tender specifications with the service being put to the open market in April 2019 through a competitive tender process. Confirmed contracts are to take effect from 1 January 2020.
8. On 20 March 2019, the YSGG endorsed the review outcomes and the proposed re-design of the youth service delivery model incorporating nine areas of improvement.

Process

9. The underpinning principles of the review focused on five key areas: well-being, strengths-based, connection, pathways and transitions. The review scope also focussed on seven areas; processes and procedures, service design, communication, reporting, service / performance outcomes, contractual obligations, training and development. Out of scope included: legislative changes relating to age, client social obligations, Youth Service Support Unit structure, MSD In-house resourcing / structure.
10. Consultation to inform the review outcomes included young people who have engaged and exited from the service, external stakeholders (government, business and NGO sector) and internal staff in the regions, notably Regional Contracts Manager, Regional Directors and Regional Commissioners. In total 1,250 people provided input into the review nationally. During September and October 2018, five regional hub workshops were delivered in Rotorua, Palmerston North, Auckland South, Auckland North and Christchurch with a total of 149 people attending the half-day sessions.
11. Four written submissions were received from Youth Service Providers (Community College Christchurch, Strive Auckland and VIBE). The Associate Professor Louise Humpage, Sociology, University of Auckland also contributed to the review as did the Carterton Councillor responsible for the areas youth portfolio as part of the Mayors Taskforce for Jobs Initiative.
12. A Youth Service Provider Advisory Group was established in August 2018 that included selected Youth Service Providers (rural, urban, large and small) to provide independent advice as part of the review process. This approach was important in

^[1] OECD (2015), OECD Employment Outlook 2015, OECD Publishing, Paris.

¹ Membership of YSSG includes: Work and Income Contracts, Regional Commissioner Taranaki, National Manager Youth Service, YS NEET trial lead, Director, Ministry of Youth Development, Client Service Delivery, Insights Team Manager, Director of Service Design and Development, Manager Centralised Services, Service Manager YSSU.

validating feedback from the consultations and engagements, providing guidance to shape what is best for young people and the service based on their expertise.

Youth Service NEET Trial factored into YS review

13. In July 2016, the Ministry commenced the YS NEET trial in response to the Treasury evaluation² findings highlighting the need for a more intensive intervention for high-risk NEET youth.
14. 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 of the YS with the addition of employment outcomes.
15. 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?
16. 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
17. Interim evaluation findings by Melatest International 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, and educational achievement and employment. The trial continues until December 2019 and the findings will be integrated as part of the tendering specifications and operational model in 2020.

Re-design of Youth Service delivery model

18. In responding to the outcomes of the review, and noting the interim trial findings, the YS review project team looked at what aspects of the current YS delivery model would need to continue or change to reflect a re-designed service.
19. On 20 March 2019, YSGG endorsed the review outcomes and proposed re-design of the youth service delivery model incorporating the following nine areas of improvement:

² 2017 Treasury report - <https://treasury.govt.nz/publications/wp/evaluation-impact-youth-service-youth-payment-and-young-parent-payment-wp-16-07-html>

19.1 Continued primary focus on education outcomes

Feedback from the review highlighted the importance of retaining education, training or work based learning as the primary focus for the YS as this was seen as a positive step towards gaining qualifications, skills.

Agreed recommendation: that education, training, work based learning remains as the primary focus for the YS.

19.2 Re-targeting the NEET service

The NEET trial outcomes to date are factored into the YS review and support the need for a higher intensity service (lower case load ratio 1:20) for high risk NEET youth and more engagement with whānau support around the young person.

Other changes to the NEET service include supporting young people in the care of Oranga Tamariki and adding employment to existing education outcomes as a means to provide more opportunities for young people.

The NEET YS model currently produces a risk indicator which signals the level of support that might be required and determines provider funding. In order to re-target the NEET service the predictive model will need to be aligned to the outcomes of the redesigned youth service and to include wellbeing indicators, sustainable employment and education outcomes.

Feedback from YS providers strongly supported the need to change the terminology from 'risk rating' to 'service level indicator' removing negative connotations associated with the term 'risk rating'.

Agreed recommendations:

- (a) NEET workload of 1:20 with focus on high intensity young people;*
- (b) to move from risk rating to service level indicators, working with Insights team to ensure the model is aligned to the outcomes of the redesigned youth service;*
- (c) a reduction in NEET volume will provide opportunity for YS providers to work more intensively with young people and their whānau;*
- (d) the learning's from the NEET trial will be integrated as part of the refreshed YS.*

19.3 Work readiness, drivers licensing, employment with pastoral support

Whilst the primary focus of the YS is on education, YS providers and young people have told us that trying to re-engage in an education or training pathway isn't always the best option. For some young people enrolled in the YS, obtaining sustainable employment with (or without) a driver's license would be a better outcome.

As evidenced by the NEET trial, the time taken to get a young person work ready can vary between 3 to 12 months. The client co-design session with young people highlighted the importance of wanting to gain 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.

Agreed recommendation: Youth providers will now 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 and deliver pastoral support to young people for up to 6 months post-employment placement.

19.4 Discretionary Fund

As part of the NEET trial, YS providers had access to a discretionary fund. The fund enabled providers to purchase items or services specific to a young person's needs or enabled providers to undertake group activities.

Feedback from providers and regional staff signalled the need to have 'flexible discretionary funding' to be held centrally and accessed for initiatives or trials that are outside the 'business as usual' delivery of the service.

In order to access discretionary funding, providers would need to demonstrate the need for the funding, that it isn't already funded by other Government contracts (i.e. health services or regional funding), and that it is clearly linked to outcomes that will benefit young people. Initiatives would also need to complement regional investment and align with national priorities.

Agreed recommendation: *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.*

19.5 Incorporation of well-being outcomes as part of performance / service outcomes

The Governments focus is on improving the well-being of young people. As yet, decisions around how well-being is to be measured are not finalised as part of the National Child Youth and Well-being Strategy.

With the learning's and research 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 wellbeing spectrum (social, physical, mental etc). YS Providers will be required to demonstrate through their own practice and internal mechanisms how their delivery will support a young person's well-being.

Agreed recommendation: *to the inclusion of youth well-being in the tender specifications where youth providers demonstrate through their own practice and delivery how they positively contribute to young people's well-being.*

19.6 Improved administration and business process

The review feedback highlighted a continuing need to streamline practices and workflow for youth providers, youth coaches and the Youth Service Support Unit (YSSU) and to remove barriers and improve consistency of practice and efficiencies. This was often a key source of frustration for youth coaches and led to less time spent with young people. There are a number of systemic changes that also need to occur to ensure we have a seamless end to end service at entry and exit from the YS.

Agreed recommendations:

- (a) identify areas for business improvement to enable seamless end to end workflow and business processes that adopts a client-centric lens;*
- (b) review areas within the IT ART system that can consolidate, automate or remove duplication of effort and streamline processes and procedures;*
- (c) 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;
(d) alignment of MSD programmes and initiatives with the YS that supports clients to prepare and engage in education, employment and training.

19.7 Training and development

Since the introduction of the YS in 2012, and in 2015, no standardised training of Work and Income products or services has been provided on a regular basis for youth providers. The review identified a need to develop and deliver a training package to enable on-going training of YS administration, policy, processes and Ministry products/services to all youth coaches.

The development of this training would also align with best practice in the youth development sector, such as the Code of Ethics and integration of the National Youth Development principles in the Youth Development Strategy Aotearoa. It is envisaged that we would identify experts to support us with the youth development approach.

Agreed recommendation: 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.

19.8 Communications

When the YS was introduced in 2012 there was no national campaign to promote the service. Review feedback highlighted the importance of raising the profile of the YS by developing and delivering a national communication package for internal and external stakeholders.

Review feedback also identified the need to review the content and structure of the YS website, digital and social media platforms to ensure it is appropriate for the audience and user-friendly. Strengthening linkages with MYD in terms of reach in local communities and communication channels was also advantageous and positively aligned to reach a wider audience of young people and organisations.

Agreed recommendation: the development of a national 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.

19.9 Evaluation and performance measures

The Youth Service Impact evaluation is due to be completed by MSD mid-2019 using data from Statistic New Zealand's Integrated Data Infrastructure (IDI). In addition to this, an evaluation mechanism needs to be in place to assess the effectiveness of the new YS service model. The evaluation should include a client satisfaction survey for young people to gauge their service experience, it is also encouraged that YS providers have systems in place to gauge this as good youth development practice and part of continuous business improvement.

The review also identified the need to review the reporting framework and include YSSU as part of the quality assurance processes contributing to Regional Contracts Managers assessment of performance by providers delivering the service.

Agreed recommendations:

(a) development of a client experience survey or mechanism to capture their insights with the service and distributed nationally;
(c) 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) an evaluation of the YS changes is to be undertaken 12 months following the introduction of the YS contract.

Strategic alignment

20. The principles and re-design of the YS supports and contributes to the Ministry's strategic direction *Te Pae Tawhiti*:

- *Mana Manaaki – A positive experience every time.* The YS operates a strengths-based youth development approach is embedded in practice with every interaction with a young person. The YS supports
- *Kotahitanga – Partnering for greater impact.* The YS facilitates positive engagement and connections with others in society, e.g. whanau, peers, community, school that builds resilience and network of support. The YS facilitates a seamless service and connection points with appropriate agencies in the transition of young people to other supports available in the community.
- *Kia Takatu Tatou – Supporting long-term social and economic development.* The YS 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, training, employment and independence.

Māori Impact Statement

21. Currently the youth service contracts 44 providers nationwide and includes the In-house youth service based in Wellington and Whanganui Work and Income sites. Of the 42 contracted providers 11 identify as Iwi based or Maori owned and operated.

22. Through the procurement process and in recognition of the Te Pae Tata Strategy work in growing Pacific and Maori contracted providers, cultural competency in the sector the procurement / tendering specifications will seek to work with those organisations that can demonstrate a strong cultural competency that is holistic and proven to better outcomes for Maori youth.

Resourcing and priorities

23. In order to successfully implement the nine key areas, commitment of resources, funding and time from various MSD business units will be required. Resource will be required in the area of communications, IT system, digital channel changes and training and development. The work streams, led by subject-matter experts from the different MSD business units will work through the financial costings to highlight the investment required to enable the proposed changes to occur. This will be prioritised based on short-medium and long-term horizon for change and feasibility, subject to securing resource support internally.

24. The review consultations and work to date has been resourced from existing positions in the youth and national contracts team, with the recent addition of part-time

resources secured from Programmes and Community Partnerships area to manage the programme/implementation aspects of the review.

25. Competing priorities across the MSD business units and the review of work programmes may impact on our ability to enact the review changes.

Timeframes and contract funding

26. The Youth Service will be going out for tender in the open market from 23 August 2019 to 4 October 2019. The review recommendations and outcomes will be incorporated in the tendering specifications to reflect the re-designed service.
27. There was a one off funding reallocation of an expected underspend in the current year, with the current funding allocation for Youth Services being \$31m against an original allocation of \$40m. Following the tender which would include a fees increase and funding of a more intensive approach for higher risk youth this reallocation may not be possible. However, the deferral of the new contracts until 1 January 2020 means the allocation of \$31m will still be adequate for 2019/20 financial year.
28. Key procurement timeframes are;
- 23 August 2019 – 4 October 2019; Tender Advertised on GETS website
 - 7 October – 22 November 2019; Consideration of Tender applications
 - 25 November – 6 December 2019; Due diligence undertaken
 - December 2019; Finalisation of providers
 - 1 April 2020; New contract commences

Next Steps

29. Consultation with Regional Directors and Regional Commissioners following the endorsement by the YSGG of the redesign of the YS service model is to occur in the week commencing 25 March 2019 to ensure national/regional alignment.
30. Finalisation of the Project Initiation Document detailing the work streams, activities, deliverables and key milestones.
31. Consultation with the Service Delivery Service Design Governance Committee in April to endorse particularly the service design, IT channel support changes and training and development resource required in preparation for 2020 contract delivery.