

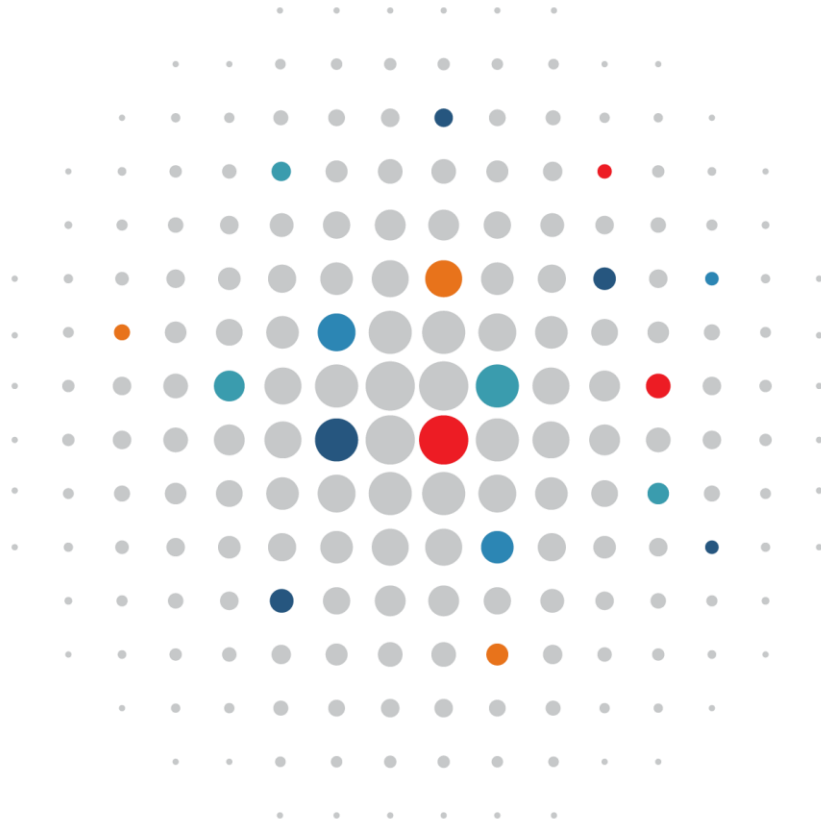


Social Investment Agency
Toi Hau Tāngata

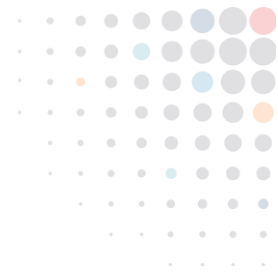
E.116 (2024)

Strategic Intentions

2024/25 - 2028/29



Te Kāwanatanga o Aotearoa
New Zealand Government



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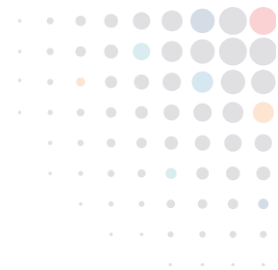
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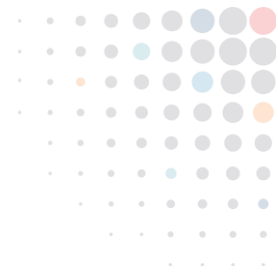
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Contents

<i>Minister’s statement</i>	4
<i>Chief Executive’s statement</i>	5
<i>Foreword</i>	6
<i>What is social investment?</i>	7
<i>Our role and purpose</i>	9
<i>Our scope and responsibilities</i>	10
<i>Our strategic direction</i>	11
<i>Our outcomes</i>	12
<i>Our strategic objectives</i>	14
<i>Our priorities</i>	15
<i>How we measure success</i>	16
<i>Our organisational health and capability</i>	18

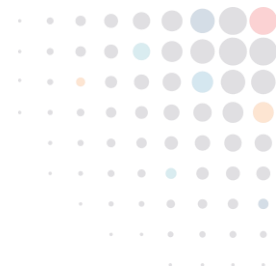


Minister's statement

I am satisfied that the information on strategic intentions prepared by the Social Investment Agency Toi Hau Tāngata in Strategic Intentions 2024/2025 to 2028/2029 is consistent with the policies and performance expectations of the Government.

A handwritten signature in blue ink, appearing to read 'Nicola Willis', written in a cursive style.

Hon Nicola Willis
Minister for Social Investment
Date **16 December 2024**



Chief Executive's statement

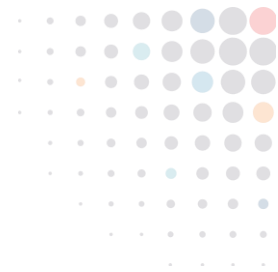
In signing this information, I acknowledge that I am responsible for the information on strategic intentions for the Social Investment Agency Toi Hau Tāngata. This information has been prepared in accordance with section 38 and section 40 of the Public Finance Act 1989.

A handwritten signature in blue ink that reads "Andrew Coster". The signature is written in a cursive, flowing style.

Andrew Coster

Secretary for Social Investment and Chief Executive, Social Investment Agency

Date **16 December 2024**



Foreword

The Social Investment Agency's role is to **lead** the implementation of the social investment approach, **build** the infrastructure and tools required, and **show** how it can work in practice.

We were established as a new central agency from 1 July 2024 under Vote Social Investment.

Our priority for the 2024/25 fiscal year will be setting the foundations for social investment, delivering on some initial key components such as the Social Investment Fund, Social Investment Board, and developing prototypes for outcomes-based contracting.

We expect to refine and revise our organisational strategy as we set our foundations and achieve our strategic priorities in this document. This would be reflected in a future update of strategic intentions.



What is social investment?

Social investment is about driving better outcomes from the investments made in social services, particularly for our most vulnerable people.

It involves using data, evidence and analytics to understand the value from investments, including what works for whom, where and when; and using that understanding to drive better outcomes for people.

Why do we do social investment?

Every year, the Government invests more than \$70 billion into social services. While well-intentioned, we are not seeing the outcomes we want for all New Zealanders, with many vulnerable New Zealanders with complex social needs continuing to have very difficult lives. This is reflected in welfare dependency, declining educational attendance and achievement, poorer health outcomes, rising rates of youth and violent crime, rising gang membership, and dependence on statutory services such as Oranga Tamariki and Police, as well as increasing inequality.

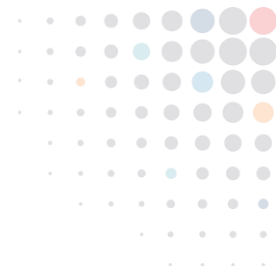
The Social Investment Agency (SIA) was established on 1 July 2024 to shift the system towards using data and evidence to invest earlier and more effectively to improve the lives of New Zealanders.

How is the social investment approach different?

Evidence-based policy isn't new. The social investment approach utilises the combination of evidence, outcomes-focused commissioning and new funding, design and delivery models, to improve outcomes for vulnerable New Zealanders. This approach combines data and evidence with the wisdom and energy of those delivering services.

The social investment approach is:

- **A way of allocating resources** – taking an evidence-based approach to social policy, understanding the impact and value of investments made in social services, and prioritising resources to where impact and value is highest, particularly for our most vulnerable communities and whānau.
- **A way of purchasing services** – establishing outcomes-based contracts that allow service providers to innovate and adapt approaches to achieve well-defined outcomes.
- **A way of delivering services** – actively monitoring outcomes for people in real time and adjusting interventions in response to learning what is working to achieve the desired outcomes for them.



Key elements of social investment

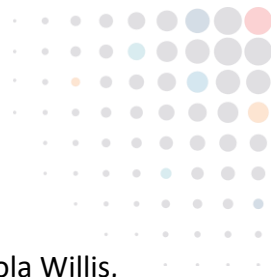


Knowing what outcomes we are seeking, and measuring the impact of services is key

Effective, reliable and safe data and information flows across government and between service providers and government are needed to answer the questions that social investment asks.

This means ensuring quality data is collected and used in a seamless, integrated, safe and ethical way across the social sector – between service users, providers and investors. It also means ensuring the right data is collected – data that can indicate whether or not services are having the intended impact and, if not, what might need to change.

This, in turn, requires service providers and government agencies to work in partnership with service users to build the trusted relationships needed to establish the information feedback loops at the heart of social investment.

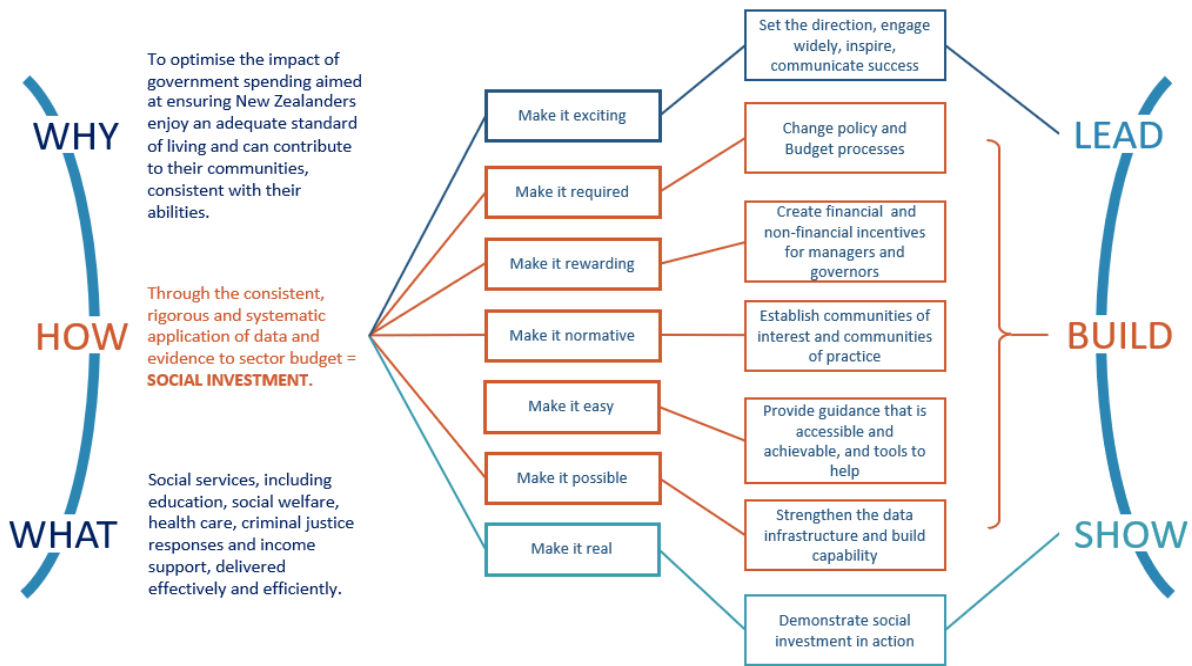


Our role and purpose

We are a central agency, and we report to the Minister for Social Investment, Hon. Nicola Willis, who sets the priorities for the portfolio.

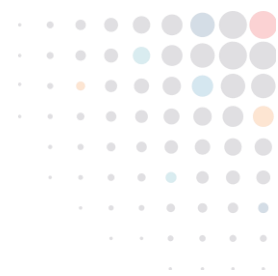
Our purpose is to shift the system using data and evidence, so that the system invests earlier and more effectively to improve the lives of New Zealanders.

Our role is to **lead** the implementation of the social investment approach, **build** the infrastructure and tools required, and **show** how social investment can work in practice.



We are focused on the social sector, which funds, commissions and delivers services to New Zealanders, especially vulnerable New Zealanders. We provide government agencies and other partners with the tools required to adopt a social investment approach. This means ensuring decision-makers have access to data and evidence, insights on the impact of government spending in the social sector, and advice to improve outcomes. We are working with funders to improve commissioning of services, and we will directly commission targeted interventions for New Zealanders most in need through the Social Investment Fund.

We partner with other agencies and services providers to make the shifts required in the social sector to improve the quality of government investment and improve outcomes for our most vulnerable people.



Our scope and responsibilities

We have the following functions

- Setting the standards for social investment practice to ensure there is consistency across government agencies and contracted providers.
- Advising on and facilitating the creation of the data and evidence infrastructure for social investment.
- Working with other agencies to apply the social investment approach.
- Leading an ongoing review of social sector spending to measure outcomes.
- Providing cross-social system advice and supporting the social sector with cross-system work.
- Creating insights, tools, and practices that improve cross social system decision making for improving wellbeing.

Other ways we support social investment

We support the Social Investment Board

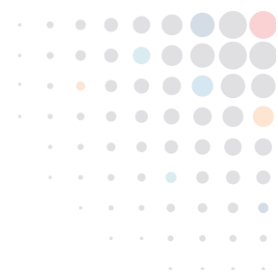
The Social Investment Board is a ministerial advisory committee created to provide independent advice and assurance to the Minister for Social Investment. This includes working closely with the Agency to support the Minister for Social Investment to implement the Social Investment work programme.

The Social Investment Agency provides secretariat support so the Board can deliver on its purpose to challenge and provide oversight of the Government's social investment work programme.

We are establishing the Social Investment Fund

The purpose of the Fund will be to directly commission services to vulnerable New Zealanders and demonstrate the impact of the social investment approach.

The Social Investment Agency's role is to design and establish the Fund, as well as report to Ministers on the Fund's performance.



Our strategic direction

Our purpose is to shift the system using data and evidence, so that the system invests earlier and more effectively to improve the lives of New Zealanders.

The outcomes we are seeking

Earlier and more effective investment, supported by data and evidence (Lead)

We understand who we need to invest in and what works for those people, as well as how we can measure progress to ensure that what we are doing is working.

Better outcomes for vulnerable people (Build and Show)

The way we deliver, commission and scale-up successful social services allows us to achieve outcomes, invest better and drive greater impact.

Our strategic objectives

- Social sector agency capability to apply a social investment approach is growing.
- Social sector spending shifts from low value to high value investments
- Data and evidence infrastructure is fit for purpose to support the social investment system.
- Social service providers are increasingly funded for outcomes rather than outputs.
- Social services innovate to address complex needs and know that outcomes have been delivered.
- Decision makers are supported with the right advice, analytics, and evidence.

Our strategic priorities (12-18 months)

- Establish the Social Investment Fund
- Partner to deliver improvements to commissioning.
- Invest to improve data and evidence infrastructure.
- Establish the Social Investment Board
- Establish the Agency's role as a central agency and system lead.
- Deliver social investment components of budget 25.
- Conduct a rolling review of social sector spend

Our values

Tāngata – we're about people.

Manawa Māui – we are a catalyst for change

Taunakitanga – we influence through evidence.

Puaretanga – we're transparent by nature



Our outcomes

Delivering on our strategic objectives will lead to improved social sector performance, including how we commission services and the decisions the system makes about funding. In practice, this will lead to better outcomes for New Zealanders.

Earlier and more effective investment, supported by data and evidence

We understand who we need to invest in and what works for those people, as well as how we can measure progress to ensure that what we are doing is working. We use data, evidence and modern analytics to invest earlier and more effectively. We have the required data and evidence infrastructure to support social investment.

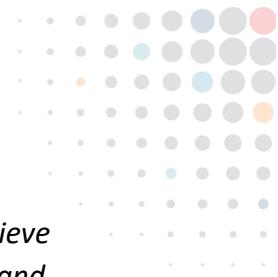
Current state

Every year, the Government invests more than \$70 billion in social services. Despite this, recent trends have seen poorer social outcomes, including rises in welfare dependency, declining educational achievement and attendance, poorer health and mental health outcomes, and increasing rates of serious youth and violent crime. Furthermore, a significant proportion of this spend goes on crisis intervention – dealing with social problems once they have escalated. Interventions at this stage are usually both costly and challenging, as it is very difficult to turn lives around after people have reached a point of crisis. In many cases, evidence suggests that earlier interventions to support people at risk of poor outcomes before they reach crisis are both less costly and more effective.

There are currently significant gaps in the availability of evidence to suggest whether programmes funded by Government are working or not. This compromises the ability of Government investors to understand where to prioritise funding for greatest impact.

Desired state

Information feedback loops are established at every level of the social system to enable actors within the system to evaluate progress towards their goals, and to adjust practice as required. At a strategic decision-making level, this means that data is routinely collected and analysed to inform decisions about which groups of people are not achieving the outcomes, when interventions might be offered and what interventions work to achieve those outcomes. This information is then used to prioritise investment to where it has the greatest impact, moving from low to high value investments where required. At an operational level, this means providers also use data to continuously improve and adapt their approaches to changing circumstances and challenges; they use data and evidence to stay on track to achieve desired outcomes and be more resilient to change.



Better outcomes for vulnerable people

The way we deliver, commission and scale up successful social services allows us to achieve outcomes, invest better and drive greater impact. There is a focus on new approaches and innovation, including co-investment and collation of contracts with non-government organisations (NGOs). We use the Social Investment Fund to test new ways of working and adopt what we learn in the social sector.

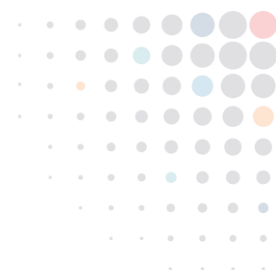
Current state

People with complex needs routinely and repeatedly come to the attention of social services for serious issues. Service provision for these people is often poorly coordinated and not sufficiently flexible to address their specific circumstances effectively.

Contracted service providers are often constrained in their ability to effectively meet the needs of the most vulnerable people by current contract arrangements that focus on outputs. These typically involve payments and accountability measures that are focused on inputs and/or activities, rather than on what might be needed to achieve desired outcomes.

Desired state

People are supported by integrated and effective social services, based in their own communities. These service providers are contracted to deliver outcomes – contract arrangements involve payments being wholly or partly dependent on outcomes being achieved. These arrangements incentivise them to innovate and to constantly adapt their services to achieve the desired outcomes for their most vulnerable clients.



Our strategic objectives

- **Social sector capability to apply social investment is growing**
The Social Investment Agency will work with government agencies and stakeholders to grow social investment capability.
- **Social sector spending moves from low value to high value investments**
The Social Investment Agency will work with social sector agencies and directly with service providers, including through the Social Investment Fund, to shift toward investment in services that are proven to work.
- **Data and evidence infrastructure is fit for purpose to support the social investment system**
The Social Investment Agency will work with Stats NZ and other agencies to define the requirements and invest in the data and evidence infrastructure required to support the social investment approach.
- **Social service providers are increasingly funded for outcomes rather than outputs**
The Social Investment Agency will show social investment in practice by commissioning for outcomes through the Social Investment Fund and by working with social sector providers and agencies to improve commissioning and contracting with existing service providers.
- **Social services innovate to address complex needs and know that outcomes have been delivered**
The Social Investment Agency will drive innovation through identifying priority cohorts and commissioning evidence-based services to address complex needs using outcomes-based contracting arrangements.
- **Decision makers are supported with the right advice, analytics and evidence**
The Social Investment Agency will provide government agencies, governance bodies and providers with the advice, analytics and evidence they need to make decisions.



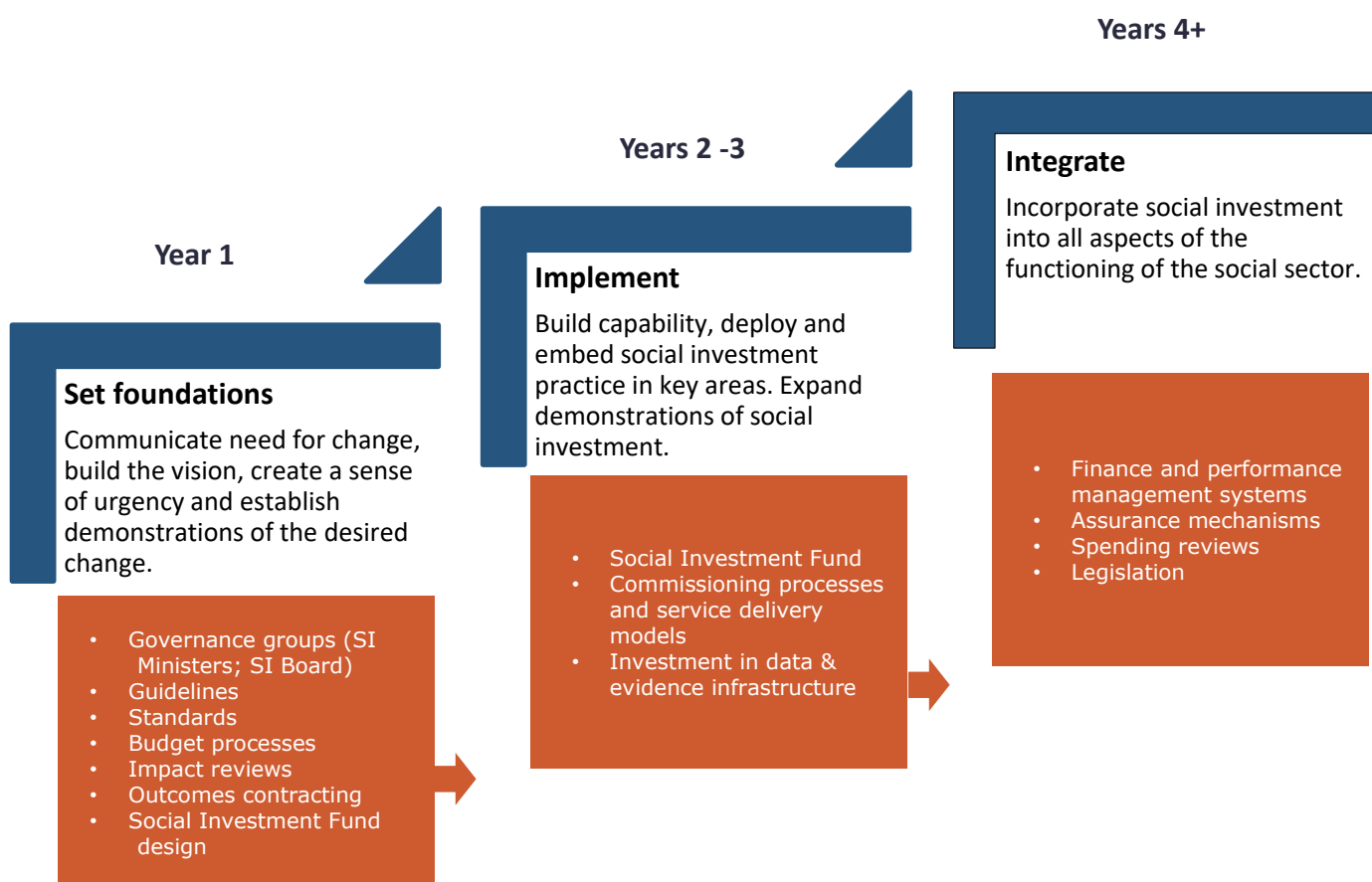
Our priorities

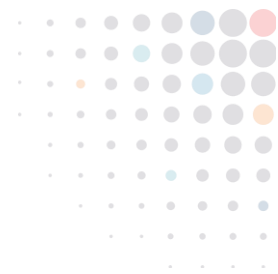
In our first 12-18 months as the Social Investment Agency, we are setting the foundations to implement social investment. Using our expertise in data and analytics, our priorities are to:

- Establish the Social Investment Fund.
- Partner to deliver improvements to commissioning.
- Invest to improve data and evidence infrastructure.
- Establish the Social Investment Board.
- Establish the Agency's role as a central agency and system lead.
- Deliver social investment components of Budget 25.
- Conduct a rolling review of social sector spend.

These activities will set the foundations for the Social Investment Agency to deliver on its strategic intentions.

The levers we use to shift the social sector system toward social investment over time





How we measure success

Developing our measures

As a new central agency, the way we measure our performance and success will evolve over time. We are collecting data and evidence to support reporting against other measures in future years to demonstrate we are achieving our outcomes.

Year 1 (2024/25)

PRIORITIES

- Measuring activities and outputs as we establish our core functions
- Measuring our progress in creating the enabling conditions for the social investment system to succeed
- Establishing baseline performance for the objectives we will measure in years 2 and 3

Year 2 and 3 (2025/26 - 2026/27)

OBJECTIVES

- Measuring the impact of contracts
- Measuring changes in system capability to apply social investment (e.g. agency performance plans demonstrate application of social investment approach)
- Allow for experimenting
- Benefit from faster feedback loops
- Monitor and assess the status of data and evidence infrastructure
- Assess shifts in the value of government investment (e.g. results from demonstrations)
- Identifying emerging trends and practices

From year 4 (2027/28)

OUTCOMES

- Learning from previous investment cycles
- Improving commissioning and investment based on previous iterations
- Embedding performance monitoring and quality assurance across the social sector

Through our priorities in our first year as a central agency, the Social Investment Agency will identify appropriate indicators and begin establishing baseline performance for each of our strategic objectives. We will monitor and measure our performance in shifting the social sector toward the social investment approach.



Measuring our success in 2024/25

Priority	Reporting measure	By 30 June 2025:
Establish the Agency's role as a central agency and system lead	<p>The policy and analytical advice provided by the Social Investment Agency enables decision making informed by data and evidence.</p> <p>Social Investment Ministers have trust and confidence in the advice we provide.</p>	<p>Quality of policy advice out of a possible 5*</p> <p>Overall satisfaction out of a possible 5*</p>
Establish the Social Investment Fund	The Social Investment Agency designs and establishes a Social Investment Fund	Establishment of the fund of underway
Partner to deliver improvements to commissioning	The Social Investment Agency establishes a model for contracting for outcomes	3-5 model contracts initiated to demonstrate contracting for outcomes, which will establish a model and strengthen the evidence base available to decision makers and funders
Invest to improve data and evidence infrastructure	The Social Investment Agency invests to improve the volume and quality of data and evidence available to funders, providers, and decision makers to enable social investment	<p>New data will be added in the IDI:</p> <p># of new datasets added</p> <p># of updated datasets added</p> <p># of cohorts of social investment interest added</p>
Establish the Social Investment Board	The Social Investment Agency leads the establishment and provides high quality advice and support as measured by survey of board members	<p>Board established</p> <p>Average overall satisfaction scores out of a possible 5</p>

* Using the standard satisfaction survey and quality of advice guidance provided by the Department of Prime Minister and Cabinet (DPMC)



Our organisational health and capability

Our Māori name, Toi Hau Tāngata, signifies the valuable aspects of living life – manifesting in the wellbeing of the people. The individual words have many meanings, including Toi - peak, Hau - vital essence and Tāngata - humankind.

Our values

Our values, developed by our people, focus our efforts, and are used internally and externally to guide us.



TĀNGATA

We're about people

People will do better, sooner and for longer, when the social system works in partnership, acting on better evidence to develop and deliver services.



MANAWA MĀUI

We are a catalyst for change

We challenge the status quo constructively and seek better ways of doing things. We help create change to improve lives through different approaches.



TAUNAKITANGA

We influence through evidence

We use evidence to influence positive change for New Zealanders.



PUARETANGA

We're transparent by nature

We will share what we're doing, how we're doing it, and what we learn.

Our people

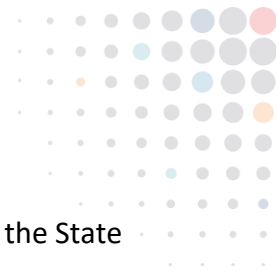
We have a multi-disciplinary team comprising policy analysts, economists, data scientists, data systems specialists, and other areas of expertise. We have strong capability in policy, data and analytics, and we are building capacity in engaging outside of government to deliver social investment projects. As we grow, we are continuing to recruit specialist capabilities and develop our future workforce plans.

Our people strategy, Tāngata, supports our organisational strategy. We are focused on developing the skills and capability we need and hiring strategically to ensure we have the capability to drive and support social investment across the social sector.

We are also focused on maintaining our high performing culture and that enables us to consistently deliver our work. We want SIA to be a great place to work so we can retain our talent. We put our people at the centre and demonstrate our values in our day-to-day work.

To make a difference for New Zealanders, we need diverse thinking, backgrounds, and experiences. We also need an inclusive culture where people are valued, respected, and supported to reach their potential and contribute to our mahi.

Our culture, engagement and inclusion working group, Tātou, leads the development and implementation of our Diversity, Equity, and Inclusion Plan. This sets out our commitment to meeting the Public Service Kia Toipoto Action Plan and the Papa Pounamu priority areas. The Social Investment Agency is an equal employment opportunity employer.



Developing cultural competency

Te Aho Kura, our Māori Cultural Capability Plan, was introduced in 2019 in response to the State Sector Act Reform: Te Ao Tūmatanui – strengthening the Māori/Crown relationship.

Te Aho Kura focuses on building staff knowledge and capability. Te Aho Kura 2024-25 focuses on building staff confidence and capability to support our work with iwi and Māori organisations.

Health and safety

As a small, office-based agency with no public-facing staff, we have a lower-risk health and safety environment. We have an active Health and Safety Committee that meets regularly to consider a range of health and safety issues that matter to our people, including staff wellbeing and mental health.

Strategic and operating environment

We ensure that the organisation is well-managed and carefully consider our stewardship role in our decision-making.

We adopt public service guidance, tools and practices to support us in how we work.

We regularly measure and report on our capability and performance, through annual reports and other public documents.

Who we work with

We maintain a range of formal and informal relationships with:

- Government agencies
- Governance groups
- Philanthropists
- Service providers
- Communities
- Iwi



Te Kāwanatanga o Aotearoa
New Zealand Government