



Budget 25 Social Investment Initiatives – criteria for investment

Date:	30 January 2025	Priority:	High
Security classification:	Budget – Sensitive	Tracking number:	SIA-24/25-149

Action sought		
	Action sought	Deadline
Hon Nicola Willis Minister for Social Investment	<p>Note that some engagement and identification of opportunities will be needed to proceed prior to Budget 25 decisions; and</p> <p>Agree to the proposed criteria for the prioritisation of locations and to support the detailed design of initiatives.</p>	5 February 2025

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Aphra Green	Deputy Chief Executive, Policy, Data and Insights	9(2)(a)	
Tahia Eaqub	Manager, Data Systems		✓

The following departments/agencies have been consulted

Minister's office to complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by Events

☐ See Minister's Notes

☐ Withdrawn

Comments:

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Purpose

To seek your agreement to the criteria that the Social Investment Agency (SIA) will use to refine the locations, cohorts and outcomes to enable us to begin design discussions and expedite delivery of demonstration social investment initiatives, should funding be allocated in Budget 25.

Recommended action

The Social Investment Agency recommends that you:

Note that to have social investment demonstration initiatives established this year, some engagement and identification of opportunities will be needed to proceed prior to Budget 25 decisions ☐ Noted

Note that this engagement will be relatively targeted, small-scale, and designed so as not to raise expectations ☐ Noted

Note that the Iwi Social Investment Design Group has offered to engage with us on the design and selection processes ☐ Noted

Agree to the proposed criteria for the prioritisation of locations and to support the detailed design of initiatives ☐ Yes ☐ No



Aphra Green
 Deputy Chief Executive – Policy, Data and
 Insights
 Social Investment Agency

Hon Nicola Willis
 Minister for Social Investment

Context

1. In December 2024, you submitted two bids as part of the B25 process seeking funding for up to 3 Social Investment initiatives as well as for the first rounds of investment for the Social Investment Fund. These investments are intended to build momentum and demonstrate social investment in action.
2. You previously agreed that the Budget announcement will focus on the outcomes, cohorts and locations for investment and how these align to Government targets and priorities but not include reference to potential partners or providers for these investments (SIA24/25-112 refers). The initiative bid provided a nationwide view of outcomes, cohorts and possible locations for investment, and an initial scan of opportunities sourced from Regional Public Service Commissioners indicating significant enthusiasm and interest in a wide range of locations.
3. To manage expectations and deliver demonstration initiatives at pace, SIA will need to work in a targeted way with a small number of locations prior to Budget announcements to refine and begin designing opportunities for investment. We are operating on the assumption that any funding allocated to these initiatives will be modest, enabling up to three initiatives to be funded.
4. You previously indicated a preference for Ministers to remain at arms' length from selecting locations and initiatives, but to provide decision-making parameters for these. This briefing sets out proposed criteria and processes for this for your agreement.

Proposed criteria

5. As discussed with you in December 2024, we are seeking your agreement to the criteria to prioritise locations, cohorts and outcomes for investment and begin to further develop investment-ready initiatives.
6. In addition to the criteria listed below, our primary ongoing consideration will be to ensure that any initiatives funded through Budget 25:
 - Demonstrate and test the key elements of social investment, such that they are 'model initiatives' for others to learn from
 - Drive a visible shift towards and begin to build key elements of the future state for social investment that you are seeking to implement.
7. We will also engage and collaborate with the Iwi Social Investment Design Group (endorsed by National Iwi Chairs Forum) on a process that enables iwi to contribute to the design of this initial stage of building and testing social investment.

Criteria for prioritising locations, cohorts and outcomes for targeted engagement

8. We seek your agreement to the following criteria to refine the locations, cohorts and outcomes for investment, so that we can begin targeted engagement and initial design discussions:

Elements	Key considerations We will consider and weigh more favourably, factors such as:	Portfolio considerations To progress to detailed design, we will also consider the mix of potential initiatives to build a portfolio with:
Outcomes	<ul style="list-style-type: none"> • Alignment with or likely to make strong contribution to Government targets / priorities • Measurable (intermediate and long term) 	<ul style="list-style-type: none"> • A mix of outcome domains
Cohort	<ul style="list-style-type: none"> • Has or likely to have high and complex needs (i.e. top of the triangle) • Issues are tractable / amenable to investment • Can be identified operationally, with existing service referral points 	<ul style="list-style-type: none"> • Different stages in the life course (age)
Region	<ul style="list-style-type: none"> • Has high need • Leadership and relationships – strong relationships including with iwi, existing governance and/or coordination, and leadership • Readiness – has willing and capable partners and/or providers 	<ul style="list-style-type: none"> • Mix of rural and urban • Both North and South Island

Further criteria to inform initiatives for detailed design

9. Through the targeted engagement and discussions, we will confirm the locations, outcomes and cohorts for investment, and identify partners or providers to proceed with more detailed design discussions, using the criteria below:

Intervention	<ul style="list-style-type: none"> • Ability to demonstrate impact within 12-18 months • We have evidence it will likely work • ROI assessment is positive 	<ul style="list-style-type: none"> • Different types and levels of innovation and risk
Provider	<ul style="list-style-type: none"> • Readiness to implement at pace and has infrastructure, systems and processes in place to enable it to demonstrate impact within 12-18 months • Trusted by, and able to reach, cohort (likely to already be working with whānau) • Strong track record of delivery, including delivering with and through other providers • Relationship maturity and strong communication 	<ul style="list-style-type: none"> • A mix of size (bigger and smaller) providers • A mix of mainstream NGO, iwi and/or Māori

	<ul style="list-style-type: none"> • Data and evidence maturity / ability to measure outcomes and learn • Willingness to engage with the IDI 	
Other funders	<ul style="list-style-type: none"> • Interest from other funders (eg, iwi, philanthropy, private sector) in co-funding 	<ul style="list-style-type: none"> • Range of co-funding possibilities.

Next steps

10. Following your agreement to the criteria, we will prioritise locations and engage in initial discussions to identify potential investment opportunities.

11. We will keep you updated as we progress this work. We anticipate the next steps being:

Feb - March	Targeted engagement with up to five locations to explore investment opportunities Engage with Social Investment Iwi Design Group to explore investment opportunities
April - June	Confirm outcomes, cohorts and locations ahead of Budget announcements Budget announcement on outcomes, cohorts and locations Proceed with more detailed design and collaboration to develop investment ready initiatives
July - September	Begin contract negotiations with some providers
October onwards	Contracts in place