

Cabinet Social Wellbeing Committee

## **Towards Investing for Social Wellbeing**

### **Proposal**

- 1 This paper outlines the Government's high level approach to investing for social wellbeing. The paper also outlines my intention to discuss the investing for social wellbeing approach publicly with a wide range of stakeholders and notes that I plan to use this engagement to seek feedback on the safe, ethical and transparent use of social sector data to inform the development of a Data Protection and Use Policy. I intend to report back to this Committee on the results of the engagement process, including on how an investing for social wellbeing approach could be used to support the work of the broader social sector.

### **Executive Summary**

- 2 This Government values people and is focused on improving wellbeing and building resilience. A social wellbeing approach must be supported by a fundamental commitment to treating people with dignity and respect. This extends to engaging people in decisions that impact on them and making our best effort to ensure information about these decisions is accessible and understandable.
- 3 Investing for social wellbeing also takes the approach that both a wide range of data and evidence, and people's experiences, are crucial to understanding how to develop innovative solutions and for ensuring effective services reach those who need them most, at the time they need them. This requires the ethical use of data, robust use of other evidence, collaboration across government agencies and strong partnerships with non-government organisations (NGOs) and communities.
- 4 An investing for social wellbeing approach is a marked departure from the previous social investment approach which took a narrower focus on reducing government costs and forward liability as a starting point for addressing enduring social challenges.
- 5 Investing for social wellbeing is about understanding the complexity of people's lives and enabling choices that build individual, family and community wellbeing. By wellbeing I mean the ability of individuals and families to live the lives to which they aspire as part of inclusive, equitable and prosperous communities. This approach is predicated also on a view that individual agencies are not necessarily able to see and integrate a full range of information drawn from the interactive system of responses and interventions on people or their actual impact on individuals, families and communities.

- 6 We need to improve our understanding of people's needs over their lifetimes and our knowledge about what works. This will require people to trust us with their data. To build and retain this trust, agreed guidance on when, why and how data is collected and used is essential.
- 7 We are planning to engage with a wide range of New Zealanders, from May to August 2018, ranging from service providers, frontline government agency staff, to service users and specific population groups such as Māori and Pacific Peoples, to ask the public what they think about our proposed approach to investing for social wellbeing. We will use this feedback to inform our approach and how it might best be implemented at a practical level.
- 8 Following the Privacy Commissioner's report *Inquiry into the Ministry of Social Development's collection of individual client-level data from NGOs*, the Social Investment Agency (SIA) together with Statistics New Zealand were asked to develop a shared set of rules for the safe, ethical and transparent use of social sector data (a Data Protection and Use Policy).
- 9 We will also use the engagement on Investing for Social Wellbeing to discuss and gather feedback for the development of the Data Protection and Use Policy.
- 10 I intend reporting back to this Committee with the results of the engagement on the investing for social wellbeing approach in October 2018. At the same time I will also report back on how this approach might be better integrated to support the different work across the social system, including what investing for social wellbeing looks like in practice and how the approach could be implemented.
- 11 Following the public engagement I expect to work closely with my Ministerial colleagues to develop a publically well informed and tested approach that will compliment broader wellbeing and data work. As part of this I expect to develop a cohesive communication strategy that allows the government to speak confidently about what an investing for social wellbeing approach means in practice. (This is separate from and in addition to the communications materials that will support the public engagement process).
- 12 I understand that the term 'social investment' is not well understood publically and is not trusted by many. I propose to use the term 'Investing for Social Wellbeing' during the public engagement process to describe this government's proposed approach to improving social wellbeing and will seek feedback on whether the term correctly captures the principles set out in this paper.

## **Our approach**

- 13 The following section sets out a high level approach that reflects and supports this Government's values and priorities. This will form the basis of an investing for social wellbeing narrative and the subsequent development of tools and practical approaches used by the SIA. I am seeking your views and agreement to this position before I seek feedback more broadly with key stakeholders and groups outside of government.
- 14 Given the public interest and debate over the previous Government's approach to 'social investment' broader engagement of key stakeholders on this Government's

approach to investing for social wellbeing is necessary if we are going to build trust and confidence in this area.

## **Investing for social wellbeing**

- 15 In the past the focus has been too narrow, concentrated on reducing costs to government. An approach premised on fiscal restraint and reducing future liabilities provides limited insight into what are often complex and enduring social challenges, and the range of solutions that might be found. This narrow focus and lack of clarity around the meaning of the term ‘social investment’ has led to a lack of trust in the term social investment itself. This government is taking a new, broader, approach that is based on social wellbeing and it will therefore be called ‘investing for social wellbeing’.
- 16 Wellbeing relates to the ability of individuals and families to live the lives they aspire to and spans both material conditions and quality of life. As a government we want to know that our decisions are making a positive difference to meet these aspirations.
- 17 Investing for social wellbeing means supporting and resourcing people to improve theirs and others’ wellbeing which, in turn, will contribute to broader positive social outcomes. This approach is centred on an attempt to understand, and the need to appreciate, the complexities in people’s lives as well as their ability to build resilience and fulfil their potential in different ways.
- 18 A new approach will require us to continue to draw on insights and measure progress towards ‘wellbeing’ in tangible ways, however, the lens with which we do that must be cast widely. It is important to build an approach that is sensitive to the fact that how we draw on insights and the way in which we monitor progress will not only improve our design of solutions but will be crucial for public accountability and building trust.
- 19 This means the use of data and analytical tools needs to be done in a carefully considered, consistent, transparent and ethical way. These decision-making support tools, along with other evidence, must also be complemented by the equally valuable lived experiences and insights of people seeking support and the NGOs who work with them. It means acknowledging the importance of protecting relationships with Māori and valuing the knowledge that comes from these relationships. Together data, experience and other evidence create a lens that is less narrow than the previous social investment approach, enabling a shift towards investing for social wellbeing.
- 20 In practice, this approach will allow us to understand whether a social service or pilot intervention is making an individual, family or whānau healthier and happier, has led to a new job or change in earnings, improved their social connections or their sense of cultural identity, not simply whether they will continue to be a liability to the government. Our multi-dimensional approach will go a long way to understanding how well the government and social sector services are responding to the on-going and emerging needs of New Zealanders.
- 21 In order to deliver this approach we will need to encourage and support open and transparent relationships amongst government agencies and strong community

partnerships, as the support people require is often not confined to one government agency or NGO. An investing for social wellbeing approach must reflect this.

- 22 We know that some people need more support than others to meet their potential. We also know that there will be common supports that can have wide ranging impacts for large groups of people. Our approach will ensure that we continue to balance these goals in an effort towards proportionate universalism – using the tools and supports we know will have the greatest impact whilst also tailoring solutions for those with high and complex needs. This requires an innovative outlook to trial new forms of support whilst ensuring existing programmes that work are reaching those who need them.

### **Key features of this approach**

- 23 Using this approach to address social issues and challenges will have some very important differences to the previous social investment approach. While the individual components of the investing for social wellbeing approach are not necessarily new, applying them as a method or a framework is. Our approach will be underpinned by:
- 23.1 The needs of people and appreciating the complexity of their lives and required solutions. This includes taking an approach that accounts for people’s diversity, is inclusive, and treats people with dignity and respect.
  - 23.2 Ensuring that the perspectives of groups disproportionately impacted by negative social outcomes such as Pacific and disabled people, are meaningfully incorporated. This extends to inclusion in the development of solutions and consultation on key social sector issues that impact them.
  - 23.3 Actively engaging with Māori to build on and strengthen existing relationships and ensure that investing for social wellbeing translates to positive social outcomes for Māori.
  - 23.4 Using a wide range of evidence, evaluation results and other data to understand what interventions work and the best ways to support people. This includes knowing what data we need; ensuring we make the most of the data we have, as well as frontline knowledge and people’s lived experience; and creating new evidence through testing and trialling new ideas.
  - 23.5 The importance of understanding progress towards wellbeing. This includes ensuring robust measurement of the impact of what we do, improving our insights into complex challenges in a more multi-dimensional way. We expect to significantly upscale efforts to understand ‘what works’ and understanding a range of possible solutions and the impact on people’s wellbeing.
  - 23.6 Moving beyond the last Government’s focus on data and databases to make better use of all sources of information and evidence, including client and provider views and experiences. This includes rebuilding people’s confidence in the ethical collection and use of data.
  - 23.7 Building strong partnerships and thinking holistically to solve complex and cross-cutting issues like child poverty, mental health or housing. This includes

government agencies working in partnership with NGOs, iwi and other groups.

- 23.8 Actively working to grow public confidence through partnership and engagement to learn from a wide range of stakeholders and build trust in the solutions that we develop.
- 23.9 Working to harness the potential of people working in frontline organisations, such as NGOs and District Health Boards, and their ability to design effective local and national solutions to social challenges. This includes working in partnership to build commissioning, contracting and delivery capability.
- 23.10 Having clear goals and a common commitment to the best possible social outcomes. Investing for social wellbeing requires collaboration to ensure there is meaningful coordination and joined-up service delivery across government agencies and key external parties.
- 23.11 Providing clear direction and guidance for government agencies to significantly lift their performance and investment design to align with an investing for social wellbeing approach.
- 23.12 Making considered and fiscally responsible investments that align with our priorities and achieve improved social outcomes. This includes making well considered, evidence based choices about where to invest and being prepared to invest now for future benefits.

### **The importance of improving coordination across the system**

- 24 Our approach needs to link together the social system, complement existing work and support the development of new ways to deliver the Government's wellbeing agenda.
- 25 Currently there are a number of frameworks and approaches being developed or in use to address and measure wellbeing and other social outcomes across agencies. This includes, but is not limited to:
  - 25.1 The Department of Prime Minister and Cabinet's Child Wellbeing Strategy.
  - 25.2 The Treasury's Living Standards Framework.
  - 25.3 Statistics New Zealand's monitoring of New Zealand's progress, including its regular release of wellbeing statistics that measure how people feel about their lives.
  - 25.4 The Government Chief Digital Officer's work on digital human rights and the Government Chief Data Steward's work to develop a framework for data governance.
  - 25.5 The Oranga Tamariki Lifetime Wellbeing Model.
  - 25.6 The review of the Whānau Ora service delivery model and Commissioning Agency to identify sustainable outcomes and improve lifetime opportunities for whānau, and the work of the Whānau Ora Data Advisory Group.

- 25.7 Statistics New Zealand's and the Ministry of Foreign Affairs and Trade's work to monitor Sustainable Development Goals.
- 25.8 The Ministry of Social Development's Social Report and their work on a Privacy, Human Rights and Ethics Framework.
- 25.9 The SIA's work to develop a method for measuring the impact of government funded services on individual and family wellbeing.
- 26 It will be crucial that, as an investing for social wellbeing approach is more broadly socialised and developed, the principles underlying this approach align well with this on-going work.
- 27 I am also aware that Statistics NZ is currently undertaking work to understand the emerging need for guidance on Māori data sovereignty. I expect that our engagement with Māori through this process will provide useful insights to support this work in the broader data and investment and social wellbeing sector.
- 28 I intend to work closely with social sector Ministers to ensure that we are well connected across all of this work and can support one another and not duplicate efforts. The Social Investment Board and the SIA are working with agencies and the broader social system to determine how the system can work better together, how an investing for social wellbeing approach will contribute to the broader system and how the approach should be implemented. I will report back to this Committee in October on the results of this work.

### **We are developing a data protection and use policy**

- 29 If data is to play an effective role in our efforts to improve wellbeing, agreed guidance on when, why and how data is collected and used, is necessary. We need to ensure that value is both mutual and understood and trust is built and retained across all aspects of data collection and use.
- 30 Following the Privacy Commissioner's report *Inquiry into the Ministry of Social Development's collection of individual client-level data from NGOs*, the Social Investment Agency was asked in partnership with Statistics NZ to develop a shared set of rules for the safe, ethical and transparent use of social sector data (a Data Protection and Use Policy).
- 31 The Data Protection and Use Policy will provide principles and guidelines, including processes and tools, to enable frontline staff to safely collect, use, and re-use data in ways that protect the interests of those whose data is being collected, realises the public value of data, and maintains social licence. These principles and guidelines will apply across the social sector with room for adaptation for specific circumstances in different sectors.

### **We have public engagement process planned**

- 32 We are planning to engage with a range of New Zealanders to:
  - 32.1 Socialise this Government's investing for social wellbeing approach and develop an approach that can be used to inform policy that takes into account

the complexity of people's lives and enables choices that build individual, family and community wellbeing.

- 32.2 Inform the development of the Data Protection and Use Policy to develop rules and guidelines that takes into account the specific circumstances and concerns that different groups have in relation to the collection and use of personal data.
- 33 The engagement will happen from May to August 2018. There will then be more targeted consultation on a draft Data Protection and Use Policy that has been produced from the initial engagement.
- 34 The engagement schedule will involve upwards of 100 sessions nationwide. These sessions will run from Kaitaia to Invercargill and include service users including people with disabilities, iwi and pacific peoples; NGOs and peak bodies; and government agencies.
- 35 There will also be an online engagement option available for members of the public who are unable to attend the workshops. Input will be able to be provided anonymously through this option. The engagement process will invite broad participation and allow for a genuine opportunity for all participants to provide feedback and input.
- 36 I consider that the potential benefits to combining engagement on the investing for social wellbeing approach and the Data Protection and Use Policy outweigh any potential risks. Running engagement on the two topics together will avoid over-consultation and participant fatigue. There are important differences between the topics, but the safe and ethical use of data is an important component of the investing for social wellbeing approach and the audiences will be largely overlapping. A combined engagement approach will also avoid excessive consultation costs.
- 37 While there is a risk that a combined engagement approach will lead to confusion around outcomes of the two topics or create conflicting public expectations about other wellbeing work, these risks are being mitigated through the careful design of the workshops and training of facilitators.

## **Next Steps**

- 38 I intend reporting back to this Committee with the results of the engagement on the investing for social wellbeing approach in October 2018. At the same time I will also report back on how this approach might be integrated better to support the different work across the social system, including what investing for social wellbeing looks like in practice and how the approach could be implemented.
- 39 I also intend reporting back to this Committee with the results of the Data Protection and Use Policy engagement and a draft policy in November 2018.

## **Consultation**

- 40 The Ministry of Education, Ministry of Health, Oranga Tamariki – Ministry for Children, Ministry of Justice, Ministry of Social Development, the Department of Corrections, New Zealand Police, Treasury, State Services Commission, Te Puni

Kōkiri, Ministry for Pacific Peoples, Ministry for Women, Department of Internal Affairs, Statistics NZ, and the Accident Compensation Corporation have been consulted and their views taken into account. The Department of Prime Minister and Cabinet has been informed.

41 The Office of the Privacy Commissioner was also consulted and provided the following comment on the paper:

41.1 “The Privacy Commissioner considers that the Government's approach to investing for social wellbeing should proceed cautiously in order to maintain the faith and trust that underpins the social sector. The Commissioner notes that breaches of this trust have the potential to undermine the confidence in Government by both NGOs and the individuals who are entrusting their sensitive personal information for safekeeping, as witnessed with the Ministry of Social Development's attempted collection of individual client-level data”.

### **Financial Implications**

42 There are no direct financial implications arising from this paper.

### **Human Rights**

43 The policy proposals in this paper appear consistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

### **Legislative Implications**

44 This paper has no legislative implications.

### **Regulatory Impact Analysis**

45 An impact statement or impact analysis is not required.

### **Gender Implications**

46 An investing for social wellbeing approach has the potential to contribute to better outcomes for all New Zealanders, including women.

### **Disability Perspective**

47 An investing for social wellbeing approach has the potential to contribute to better outcomes for all New Zealanders, including those with a disability.

### **Publicity**

48 A communications plan for the public engagement is being prepared for the Minister of Social Development. Communications support material, including draft speaking notes for Ministers, will be sent to relevant agencies before the public engagement process begins. I also intend to proactively release this paper.

### **Recommendations**

49 It is recommended that the Committee:

- 50** **Note** our Government’s approach to investing for social wellbeing means supporting and resourcing people to improve theirs and others’ wellbeing which will, in turn, achieve broader positive social outcomes.
- 51** **Note** that our investing for social wellbeing approach is underpinned by:
- 51.1 Understanding the complex needs of people, and engaging widely to build trust in the solutions we develop.
  - 51.2 Using a wide range of evidence, and data, including client and provider views and experiences, to understand the best ways to support people and what interventions work.
  - 51.3 Having clear goals and a common commitment to ensure there is meaningful coordination and joined-up service delivery across government agencies, NGOs, iwi, and communities.
  - 51.4 Making considered and fiscally responsible investments that align with our priorities and achieve the social outcomes we want, including being prepared to invest now for future benefits.
- 52** **Note** I plan to engage broadly on the proposed approach to investing for social wellbeing as set out in this paper.
- 53** **Agree** that we use the public engagement process to test and refine the principles of our investing for social wellbeing approach.
- 54** **Note** that we will use the public engagement process to develop a Data Protection and Use Policy.
- 55** **Note** that following public engagement, in collaboration with Ministerial colleagues, a communications plan will be established to support the government to speak with confidence about the investing for social wellbeing approach.
- 56** **Invite** the Minister for Social Development to report back to this Committee in October 2018 on the results of the engagement process on the investing for social wellbeing approach and how this approach might be integrated better to support the different work across the social system, including what investing for social wellbeing looks like in practice and how the approach could be implemented.
- 57** **Invite** the Minister for Social Development to bring a draft Data Protection and Use policy for the social sector to this Committee by November 2018.

Authorised for lodgement

Hon Carmel Sepuloni  
Minister for Social Development  
Chair – Social Wellbeing Committee