

The Treasury

Budget 2024 Information Release

September 2024

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- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
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- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

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Treasury Report: Funding to accelerate social investment

Date:	12 April 2024	Report No:	T2024/1009
		File Number:	ST-4-11-M104188

Action sought

	Action sought	Deadline
Hon Nicola Willis Minister for Social Investment	agree that the attached Budget bid can be submitted to Hon Chris Bishop in his capacity as Associate Minister of Finance for his consideration, and inclusion in the Budget 24 package if agreed	15 April 2024

Contact for telephone discussion (if required)

Name	Position	1st Contact
Siobhan Duncan	Senior Analyst, System Transformation	[39] ✓
Oliver Parsons	Manager, System Transformation	

Minister's Office actions

Return the signed report to Treasury and inform the Budget Team of decisions as soon as possible so that the bid can be submitted to Hon Chris Bishop for consideration.

Note any feedback on the quality of the report

Enclosure: Yes (Social Investment Budget Bid
<https://portia.hamlet.treasury.govt.nz/work/link/d/IMANAGE!4942524.2>)

Treasury Report: Funding to accelerate social investment

Recommended Action

We recommend that you:

- a **note** that we have prepared a Budget initiative on your behalf seeking funding to accelerate social investment
- b **agree** that the attached Budget bid can be submitted to Hon Chris Bishop in his capacity as Associate Minister of Finance for his consideration, and inclusion in the Budget 24 package if agreed

Agree/disagree.

Oliver Parsons
Manager, System Transformation

Hon Nicola Willis
Minister for Social Investment

____ / ____ / ____

Treasury Report: Funding to accelerate social investment

Purpose of Report

1. This report updates you on a Budget initiative that Treasury has prepared with your office for funding to accelerate social investment.

Analysis

2. Treasury is currently preparing advice on the social investment work programme. Broadly, there are five core components:
 - a Developing the approach to Budget 25 (including setting key priorities for social investment spending, ^[33] and evidence standards, supporting the evidence base including cohort analysis and review of existing spend in certain areas).
 - b Settings for the Social Investment Fund including funding and financing, and governance.
 - c Wider institutional settings including the functions and remit for the new Social Investment Agency.
 - d Ensuring data infrastructure is fit for purpose, including governance and funding settings.
 - e Alternative operating models and devolution of social service provision, in order to deliver better outcomes.
3. Treasury and the Public Service Commission will provide you with further advice on this work programme by 25 April.
4. Policy advice on this work programme is currently being met through agency baselines (The Treasury, Public Service Commission and the Social Wellbeing Agency). There is some capacity within the existing Social Wellbeing Agency, which has a baseline of \$6 million per annum to deliver on parts of this work programme. However additional funding is required to support the full scale of the Government's intended work programme.
5. We have prepared a Budget bid to submit through Budget 2024. Funding is sought for several core components of the social investment approach including; the new proposed Social Investment Agency, establishing the Social Investment Fund, testing devolution of social services to regional partners, and developing options for better use of government administrative data.
6. Planning for the social investment work programme is its early stages, and this initiative has been prepared at pace to ensure critical enablers are in place for Budget 2025 to be a successful Social Investment Budget. Given there is still some uncertainty over the work programme and timing of entity establishment it may be appropriate to hold some of the funding in tagged contingency.
7. We have signalled in the Budget initiative that the seed funding for devolving some social services to iwi and regional partners is a good way to make an early start on your commitment to social investment, and can be progressed more quickly while the broader work programme is stood up.

8. If the Budget initiative is not successful, then we will provide you with advice on how you can scale the social investment work programme. This would include options for further prioritisation. In some areas – you may be able to make adjustments to existing processes to support a social investment approach rather than the more fundamental shifts that your desired work programme supports.
9. If no new funding is received, you would also need to consider how to best utilise the existing capacity within the Social Wellbeing Agency. The key risks to this approach are that you may miss opportunities to improve the general capability for social investment across the public sector and you may not see an improved quality of initiatives, which has been a challenge in the past.
10. If no new funding is provided it also limits opportunities to improve the evidence base which can improve the value of new spending as well as identifying current areas of low value spending.

Timing and process

11. On 14 March, you wrote to Associate Minister of Finance Hon Chris Bishop requesting a late invitation for an initiative relating to social investment. This request was agreed the same day.
12. Funding for social investment was raised at Budget Ministers Five, with Ministers noting that Hon Chris Bishop will review it in his capacity as Associate Finance Minister. The Treasury Vote team is available to provide him with independent advice to support his decision.
13. There is a very limited window to include this initiative into the Budget 2025 package. In order for the bid to be considered at Cabinet on 29 April, a decision needs to be made by 17 April so that the recommendation can be included in the Cabinet paper. A decision later than this introduces risks into the Budget production process.

Next Steps

14. We recommend that you provide the attached Budget initiative to Hon Chis Bishop as soon as possible so that it can be considered by Cabinet in the Budget package if he agrees.