

22 January 2025

Te Minita mō Whānau Ora

HE PĀRONGO | AIDE MEMOIRE

Whānau Ora Procurement Update

Te Puni Kōkiri contact: Grace Smit, Deputy Secretary, Regions
Phone: 9(2)(a) [REDACTED]
TPK tracking no: 71782

Purpose

1. This aide memoire provides you with an update on the procurement activity relating to Whānau Ora Commissioning services.

Context

2. Your priority for the Whānau Ora portfolio is to enable its adoption as a public service model for improving outcomes for New Zealanders with distinct needs.
3. The first phase in achieving this includes resetting Whānau Ora Commissioning services to strengthen alignment with the Government's targets and the emerging Social Investment approach. The timing of this coincides with the natural endpoint of existing multi-year Whānau Ora Commissioning contracts and fulfills public stewardship obligations, noting that open tendering has never occurred, despite significant increases in the Government's Whānau Ora investment.
4. 9(2)(g)(i) [REDACTED] following this, on 25 August 2024 you directed Te Puni Kōkiri to commence the procurement process for Whānau Ora Commissioning services for four regions (TPK 49277 refers). That guidance has been reflected in the current procurement approach.

Procurement Update

5. On 26 November 2024 we provided our last update to you on the procurement process that is now currently underway. We noted that the registration of interest process had been completed successfully, and we were expecting to receive twelve proposals. At the closing date for the proposals, 19 December 2024, we received eleven proposals from ten entities. We are pleased with the range of proposals received and note the emergence of iwi entities with operational activities in the social services domain, alongside other providers. (This was not necessarily the case when Whānau Ora was established with many iwi groups yet to complete settlement processes at that time.)
6. Assessment of the proposals is now underway, and final decisions expected to be made, as earlier advised, in mid-February. This is a three-stepped process; with a panel engaged to undertake assessments of the proposals received.

7. To review materials the panel is using an assessment matrix that aligns with the tender requirements. This was made available to tenderers through the Request for Proposals (RfP); so it is a 'no surprise' approach. Equally the funding available to each region was also clearly stated, and the rational (need-based) was also set out in the RfP. The full RfP document has previously been provided to you (30 November 2024).

9(2)(b)(ii)

9. The panel will conclude its work by making recommendations to the Te Puni Kōkiri Whānau Ora Steering Group. The steering group will then make recommendations to the delegated fundholder for consideration. The Chief Executive of Te Puni Kōkiri is the delegated fundholder with final decision-making authority for these contracts. That is because of the significant financial value of contracts to be let, which collectively total \$156 million in 2025/26.
10. Throughout this process Audit NZ is taking an active role in monitoring and observing each step. Te Puni Kōkiri appreciates this observatory role as it is possible – whatever recommendations and decisions are made – that these will be challenged. It therefore remains important, as always, for us to demonstrate professionalism, compliance and impartiality throughout the selection process.
11. For that same reason the only engagement on the proposals with tenderers at this time is through the formal assessment process. A pre-condition of tendering is that no tenderer may approach Te Puni Kōkiri staff / others involved to discuss tender matters in any form.

9(2)(g)(i)

Your Queries and Comments

12. At this time you have asked for further information on five areas. This briefing provides a written reply as requested which will be supplemented with further oral advice when you are ready to discuss further.

9(2)(g)(i)

9(2)(g)(i)

Proactively released

Govt Social Goals 2024	Whānau Ora	Whānau Ora Outcomes
<ul style="list-style-type: none"> • Shorter stays in emergency departments • Shorter wait times for treatment • Reduced child and youth offending • Reduced violent crime • Fewer people on the Jobseeker Support • Increased student attendance • More students at expected curriculum levels • Fewer people in emergency housing 	<p>Investment Guidance (from TPK)</p> <p>↓</p> <p>Investment Planning from Commissioning Agencies)</p> <p>↓</p> <p>Investment Decisions and Provider Selection from the Investment Boards of Commissioning Agencies</p> <p>↓</p> <p>Provider engagement of Navigators</p> <p>↓</p> <p>Navigator support for Whānau Changes, and delivery of Whānau Support Initiatives</p>	<ul style="list-style-type: none"> • self-managing whānau • living healthy lifestyles • participating fully in society • confidently participating in Te Ao Māori • economically secure and successfully involved in wealth creation • cohesive, resilient and nurturing • responsible stewards of their natural and living environments.

What Are the Success Indicators for the Procurement?

18. The procurement process has two overarching success indicators;

- fairness – ensuring an evenhanded approach to assessing proposals (and selected the best);
- fitness for Purpose – alignment with the Whānau Ora objectives as set out in the RfP.

19. In relation to both indicators our procurement team has developed a clear assessment criteria, which as noted above was made available to tenderers. All tenderers are asked to provide responses to the same question areas linked to the criteria.

“Whānau Ora was established partly on the basis that Government had failed to effectively deliver public services and facilitate healthy and well whānau over many generations, and as a result a new way of doing things that had flexibility for providers and whānau centred outcomes was necessary. We need to be mindful that procurement does not undermine credible successful delivery, and unnecessarily impose Government expectations e.g. specific FTE Navigator numbers, on Commissioning Agencies.”

20. Te Puni Kōkiri agrees with this observation. The approach we are procuring further devolves decision making to communities, in line with the original theory and expectations of Whānau Ora. In addition, the shifts being implemented will decouple commissioning from service provision, move staffing resources to the frontline, and move the frontline forward to whānau and communities in greatest need. As per early advice to you, we are targeting an increase in support to whānau from 600 to 900 navigators **Out of scope**. These navigators will be allocated across the four regions as per the deprivation index data.

21. An increase in navigator numbers is one of the key shifts. A summary of the being sought through the procurement (as advised in previous briefings) has been provided to those involved in the delivery of Whānau Ora (<https://www.tpk.govt.nz/en/nga-putea-me-nga-ratonga/whanau-ora/next-steps-for-whanau-ora>) and the **attached** material is part of a pack which been provided to the evaluation panel. An outline of the 5 key shifts is provided below:

- a. Greater service reach across Aotearoa, New Zealand, particularly to populations most in need:
 - i. an updated regional funding allocation model, with increased funding to front-line delivery; and
 - ii. a greater spread, reach and number of Navigator services.
- b. Strengthened evidence base, leading to broader adoption of Whānau Ora as a service delivery model:
 - i. anonymised Whānau Ora data will be linked to the Stats NZ Integrated Data Infrastructure (IDI) database; and
 - ii. national consistency across impact and measurement frameworks.
- c. Data-driven investment planning:
 - i. introducing a data-driven approach to strategic and investment planning, with a focus on government targets and alignment with the emerging Social Investment Approach;
 - ii. an updated funding model will ensure resource is channelled to where it is needed most, based on Stats NZ deprivation index; and
 - iii. the introduction of Investment Boards to better ensure localised representative input will drive investment decisions.
- d. Improved frontline workforce development and retention
 - i. Commissioning Agencies and service provider networks will develop and deliver regional workforce development plans, ensuring that Navigators can meet the diverse needs of communities; and
 - ii. incentivising workforce remuneration is in line with pay equity guidance.

e. Strengthened risk management processes

- i. enhanced data accuracy, traceability and reporting will support the early identification of risks to ensure timely interventions for vulnerable whānau.

Four Regions

22. One of the shifts is an updated regional funding allocation model. The procurement process reorientates funds towards frontline navigator services, ring-fencing that funding and ensuring an increase of navigators provided throughout New Zealand communities. This will deliver greater reach for Whānau Ora (an issue identified in the 2018 Review).

9(2)(g)(i)

24. The approach has not specified the number of navigators, nor the balance between purchasing navigator services vs other initiatives to support whānau actualise their improvement plans. It also has not targeted services to communities of greatest need.

25. The approach we are now procuring uses a data-driven, evidence-based allocation model. This model uses the 2023 Census data of communities of highest deprivation (levels 8 – 10). The table below shows how this compares to the current three 'regions'. This approach, of using the deprivation index, aligns with the Social Investment framework of ensuring resources are appropriately allocated and targeted based on evidence.

Whānau Ora Region	Current State FY24/25		Future State FY25/26	
	\$	% of total appropriation	\$	% of total appropriation
1	\$ 80,772,154	52.2%	\$ 66,552,000	43.0%
2			\$ 38,568,000	24.9%
3	\$ 29,729,398	19.2%	\$ 21,398,000	13.8%
4	\$ 44,356,591	28.6%	\$ 28,340,000	18.3%
Total	\$ 154,858,144		\$ 154,858,000	

Current Commissioning Activities

9(2)(g)(i)

9(2)(g)(i)

Attachments

- Erubunt

Hautū, Te Puni Rohe | Deputy Secretary, Regions

NOTED
<p>Hon Tama Potaka</p> <p>Te Minita mō Whānau Ora</p> <p>Date: _____ / _____ / 2025</p>

Whānau Ora:

Supporting material for the Evaluation Panel

Proactively released

Whānau Ora: RfP Assessment Objectives

Fairness

- an evenhanded approach to assessing proposals

Fitness for Purpose

- alignment with policy goals written into the RfP

Proactively released



The Whānau Ora Approach (and background)

- Whānau Ora was established in 2010, following advice from an expert working group, led by Sir Mason Durie, on how to better support tangata in need.
- The approach centres on stronger consideration of families as a whole, and ensuring social support is delivered within their whānau and household contexts. This approach is centred on three policy planks:
 - ❖ support should focus on the whole needs and aspirations of whānau and families (i.e. not just individuals nor singular negative social hazards);
 - ❖ support approaches are to be centred on whānau gains against an established Whānau Ora Outcomes Framework, which includes seven wellbeing elements developed;
 - ❖ service delivery is to be devolved, with non-Crown commissioning entities engaging a network of localised providers to work with whānau that might otherwise be hard for central agencies to reach and positively connect with.



Reset Parameters (what is not changing)

- **The Core Elements of Whānau Ora are not to change**
 - ❖ Whānau Ora is to retain the key design elements offered by Sir Mason Durie mā, including positive whānau-centred approaches focused on the seven wellbeing outcomes at its centre, delivered through services devolved to communities.
- **Prioritisation in Cabinet remains**
 - ❖ The Government has retained Whānau Ora as a central Ministerial Portfolio within Cabinet.
- **Funding Security will not be compromised**
 - ❖ Funding for Whānau Ora is not being reduced. It is expected the reset will present opportunities for further investment in Whānau Ora to be considered across agencies.

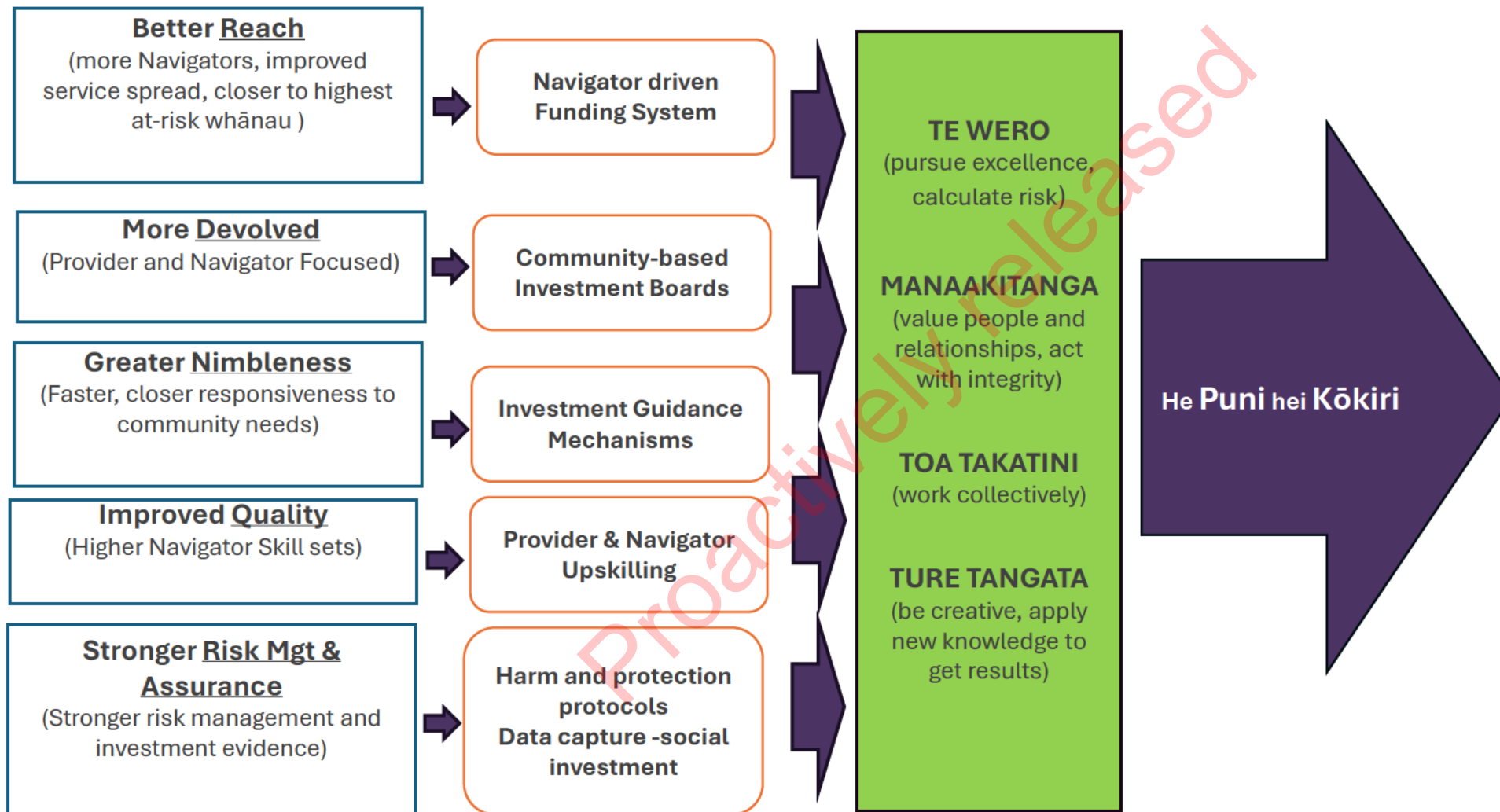


But some matters will change because

- Whānau Ora has grown within Vote: Māori Development, but its use across agencies has not evolved (a finding of the Auditor-General)
 - ❖ there is a driver to extend Whānau Ora approaches across Government and also to improve its impactfulness;
- The Government has established a Social Investment Agency to help ensure all social expenditure achieves desired results for New Zealanders
 - ❖ there is a driver to demonstrate more widely the value of Whānau Ora and connect this with modern social investment methodologies;
- Whānau Ora is a contracted service and re-tendering is a standard aspect of public sector stewardship to ensure services remain fit-for-purpose.
 - ❖ there is a driver to ensure ongoing best use of public funding for the decade ahead.



Whānau Ora: Re-design Objectives



Five key shifts

While the seven core elements of Whānau Ora, as articulated in the Whānau Ora Outcomes Framework remain fundamental to achieving whānau wellbeing, five key shifts are being sought through this procurement process:

1. Greater service reach across Aotearoa, New Zealand, particularly to populations most in need:
 - an updated regional funding allocation model, with increased funding to front-line delivery
 - a greater spread, reach and number of Navigator services.
2. Strengthened evidence base, leading to broader adoption of Whānau Ora as a service delivery model:
 - anonymised Whānau Ora data will be linked to the Stats NZ Integrated Data Infrastructure (IDI) database
 - national consistency across impact and measurement frameworks.
3. Data-driven investment planning:
 - introducing a data-driven approach to strategic and investment planning, with a focus on government targets and alignment with the emerging Social Investment Approach
 - an updated funding model will ensure resource is channelled to where it is needed most, based on Stats NZ deprivation index
 - the introduction of Investment Boards to better ensure localised representative input will drive investment decisions
4. Improved frontline workforce development and retention
 - Commissioning Agencies and service provider networks will develop and deliver regional workforce development plans, ensuring that Navigators can meet the diverse needs of communities
 - incentivising workforce remuneration is in line with pay equity guidance.
5. Strengthened risk management processes
 - enhanced data accuracy, traceability and reporting will support the early identification of risks to ensure timely interventions for vulnerable whānau.



Changes for commissioning agencies

From	To
<ul style="list-style-type: none"> • Inter-connected relationships with some service providers / provision 	<ul style="list-style-type: none"> • a step-removed commissioning approach
<ul style="list-style-type: none"> • Largely unrestrained funding parameters 	<ul style="list-style-type: none"> • a provider-centric funding model, heavily focusing on increasing the navigator workforce
<ul style="list-style-type: none"> • Grant-based funding approach 	<ul style="list-style-type: none"> • an investment planning approach focused on evidence of social gains
<ul style="list-style-type: none"> • Determining who gets funding 	<ul style="list-style-type: none"> • facilitating the operation of a community investment board to select providers based on regionally identified needs

Fitness for purpose considerations

- How well does the proposal present an understanding of Whānau Ora 2025 objectives?
- How well does the proposal demonstrate alignment with the objectives and working well with TPK?
- Are there any 'red flags' or areas for possible questioning in tenderer presentations?

Proactively released

