

Template 1: Budget Initiative template for Disability Support Services' Cost Pressures

There are five sections of this template agencies need to fill out:

- Overview and context
- Detail on the investment proposal
- Wellbeing impacts and analysis
- Cost understanding and options
- Collaboration

Overview and context

Key Question/area	Comment/answer
Agency to complete	
Portfolio of lead Minister	Hon Dr David Clark
Portfolio(s) of other Ministers involved (if this is a joint initiative)	N/A
Votes impacted	Vote Health
Initiative title	Disability Support Services (DSS) – Support Service Funding
Initiative description	This funding will meet the Ministry's annual demand driven volume, price and complexity cost pressures to <u>maintain</u> the existing support services delivered to disabled people that support their ongoing good health and well-being outcomes.
Type of initiative	Non-discretionary cost pressures
If this initiative relates to a priority, please outline the specific priorities it contributes to	<p>This initiative directly aligns with the Budget priority areas of:</p> <ul style="list-style-type: none"> • Improving child wellbeing • Supporting mental wellbeing for all New Zealanders, with a special focus on disabled persons. <p>Additionally, this initiative has indirect/positive flow on impacts to the priority areas of lifting Māori and Pacific incomes, skills and opportunities.</p>
Does this initiative relate to a commitment in the Coalition Agreement, Confidence and Supply Agreement, or the Speech from the Throne?	No
Agency contact	<p>Jeremy F Kennerley Manager, Disability Information & Advice Ministry of Health</p>

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Responsible Vote Analyst	s 9(2)(a) [REDACTED]

Funding

Funding Sought (\$m)	2019/20	2020/21	2021/22	2022/23 & out years ¹	TOTAL
*Operating (Gross Bid)	s 9(2)(f)(iv) [REDACTED]				
Efficiency	[REDACTED]				
**Add back reprioritisation from B18 bid	[REDACTED]				
Operating (Net Bid)	[REDACTED]				

*This level of investment reflects the current growth curve faced by Disability as identified by financial modelling.

**When the Budget 18 bid was finalised a decision was made by the Ministry to reprioritise a total of \$48m across the years 2019/20 to 2021/22 from the Disability baseline.

Funding Sought (\$m)	2018/19	2019/20	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Capital ²	-	-	-	-	-	-	-	-	-

1. Executive Summary

1.1 EXECUTIVE SUMMARY

A. Short summary of the proposed initiative and expected outcomes.

Under s32 of the New Zealand Public Health & Disability Services Act 2000 the Ministry of Health funds (through DSS) a range of disability support services based on eligibility criteria. The Health and Disability Services Eligibility Direction 2011 sets out the groups of people eligible for publicly funded health and disability services in New Zealand.

DSS has very significant non-discretionary Non Departmental Expenditure (NDE), currently just over \$1.26b, and this service support is delivered through 1250+ service contracts with over 980 providers.

¹ If funding is time-limited and does not carry on into out-years please delete the reference to “& out years”

² The first 10 years of capital investment is counted against the multi-year capital allowance. Please reflect the full 10 year profile in the table.

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	<p>This proposed investment will enable DSS to maintain current delivery of services. All funding sought is for the continued delivery of current demand driven contracted disability service supports.</p> <p>If additional funding is not secured then either the range of service supports or the amount of support disabled people will receive, or both, will need to be reduced i.e. a cut in services.</p> <p>There are approximately 34,000 people receiving Ministry of Health funded supports through the Needs Assessment Service Coordination (NASC) organisations, around 7,500 of whom are in residential care. These services include community residential, home and community support, respite, funded family care and early intervention services. They account for the majority of the DSS annual spend.</p> <p>A wider cohort of 75,000 + persons receive Environmental Support Services (ESS) for people of all ages (including the over 65 group). This equipment includes that required for mobility and positioning; sensory disability supports (hearing/vision); equipment for daily living and housing and vehicle modifications.</p> <p>Environmental support services are a range of services and support funded by the Ministry that are available to a broader group than DSS accessed via NASC. They include:</p> <ul style="list-style-type: none"> • Equipment and Modifications Services (EMS) – equipment, housing modifications and vehicle purchase and modifications • Supports and services for people with hearing loss (such as hearing aid subsidies, cochlear implants and services; interpreter services and hearing therapy) • Supports for people with vision loss (such as spectacle and contact lens subsidies, and services for blind and deaf blind people). <p>Successive Governments have made social and political commitments to support improved health and life outcomes for disabled people. Last year, the Government supported an annual cost pressure bid for the provision of disability service support.</p> <p>The funding will be spent assisting the disabled community build greater resilience and independence.</p>
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2. The Investment Proposal

This section asks you to outline your overall investment proposal and intervention logic. It should be supplemented with a one page intervention logic map showing the progression from outputs, outcomes and impacts of the initiative. See template 5 for an example of an intervention logic map that you can use as a template or guide.

2.1 Description of the initiative and problem definition	
What is this initiative seeking funding for?	<p><i>Disability support services are available to people who have a physical, intellectual or sensory disability (or a combination of these) which:</i></p> <ul style="list-style-type: none"> • <i>Is likely to continue for at least 6 months, and</i> • <i>Limits their ability to function independently, to the extent that ongoing support is required.</i> <p><i>For the most part these people are mainly younger individuals under the age of 65 years.</i></p>

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The Ministry will also fund disability support services for people with:

- *Some neurological conditions that result in permanent disabilities*
- *Some developmental disabilities in children and young people*
- *Physical, intellectual or sensory disability that co-exists with a health condition and/or injury.*

These services are commonly utilised by people of all ages including those aged 65 or older (unless the need arises from aging in which case funding is through the DHB).

The disability sector has increasing expectations on what the system can deliver for people to have a 'good life'. This has led to disabled people demanding more choice, control and flexibility over the disability supports they access and higher expectations over what the system can offer.

This bid for increased funding is to maintain the current level of DSS operational services (i.e. 2018/19) being delivered in order to remain within its annual appropriation.

The aging population (ESS services are accessed by eligible people of all ages) and increasing complexity (survival at birth, behavioural challenges, ASD) are driving both increased demand based on volume and increasing cost per client due to improving technology or the need for high levels of direct support (often quantified as additional staff hours).

Price cost pressure is being driven by service providers who are facing increasing costs, including the impact of the Pay Equity Settlement, as well as the increased costs relating to supporting clients of increasing complexity e.g. due to behavioural issues.

The challenge is to maintain the volume of service support to meet needs as prescribed by the disability Act, yet absorb and fund the non-discretionary cost pressure driven by demand volumes.

The quantum and composition of the bid was determined by DSS with cross reference and validation to the financial modelling work undertaken independently by the Ministry's Finance and Performance team.

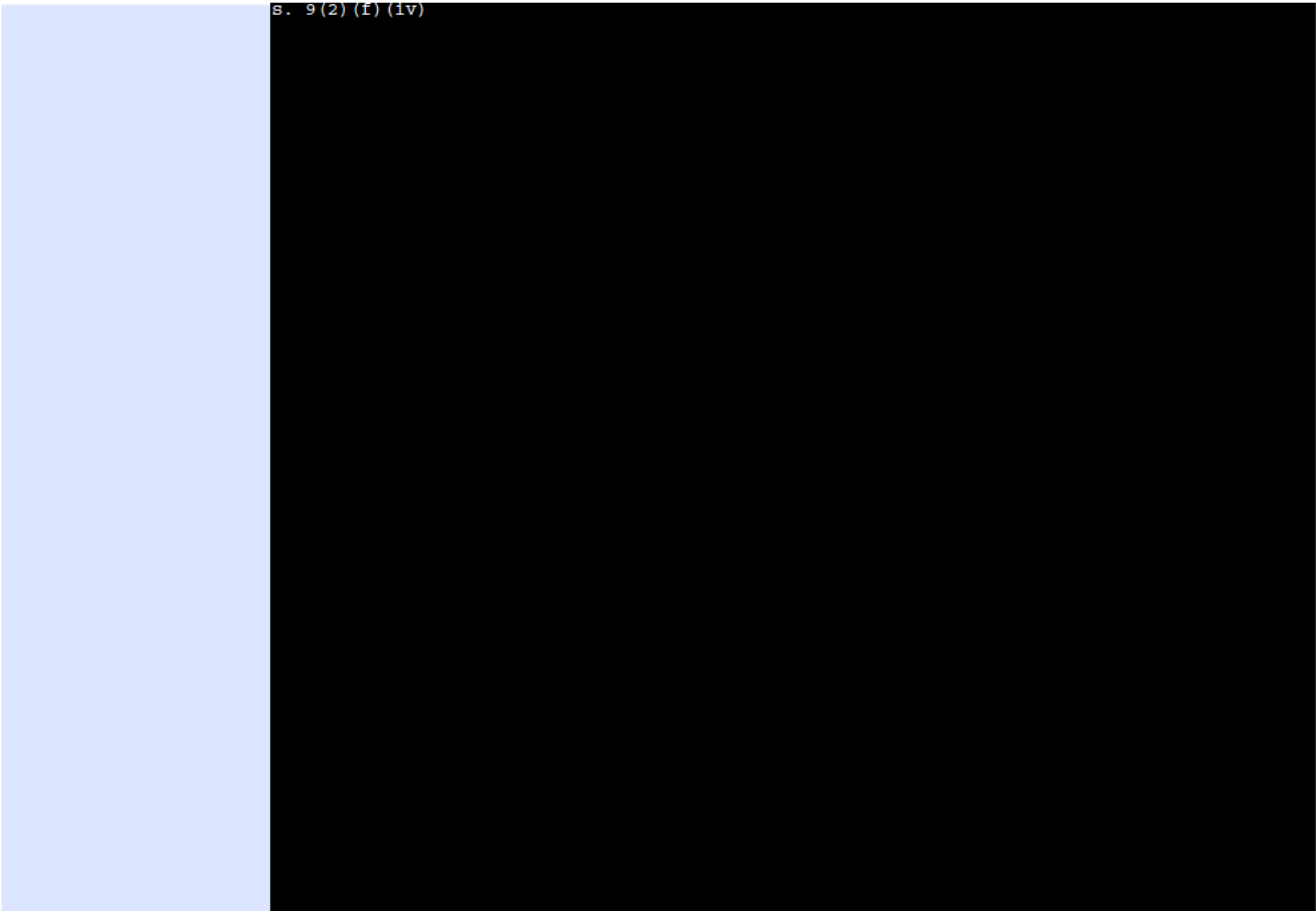
The bid is seeking to purchase:

- Behavioural Support & Specialised Services (BSS)
 - To meet the impact of service cost faced by providers' evidence in service quality reduction and provider deficits.
- Enhanced Individualised Funding (EIF)
 - To meet an increase in demand for EIF arrangements which are more flexible and therefore better suited to some family situations.
- Environmental Support Services (ESS)
 - To meet the increased demand for equipment and modifications - based on increased access due to increased complexity and aging population.
 - To meet increased numbers of people accessing sensory disability services (excluding cochlear implants).
 - For demand in specialist services due to increased complexity of disability
 - For the impact of CPI on service cost faced by providers.
- High & Complex Support (H&C)
 - To meet volume driven pressures arising from increasing behavioural court ordered decisions.
- Household Management (HM) & Personal Care (PC)
 - To meet an increase in volume of services being sought (and encouraged) as an alternative to the more costly residential options.
- Needs Assessment Service Coordination Centres (NASC)
 - For the impact of CPI on service cost faced by the NASCs.
- Other Services (including Day Programmes, Information & Advisory, Rehabilitation etc.)
 - For the impact of CPI on service cost faced by providers.
- Residential Care services

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	<ul style="list-style-type: none"> ○ To meet the impact of a minimum wage increase from 1 April 2018 directly linked to sleepover funding rates ○ To meet volume driven pressures arising from increasing behavioural complexity which is leading to more staffing hours per client under health and safety requirements. ● Respite Services <ul style="list-style-type: none"> ○ To meet an increase in demand for respite services which provide families with break from their caring responsibilities and hence more resilience to provide unfunded care ● Supported Living Services <ul style="list-style-type: none"> ○ To meet an increase in Supported Living services promoted in place of costly Residential Care placement <p>This initiative aligns with Government's focus on peoples' wellbeing, specifically that of the disabled sector.</p>
<p>Why is it required?</p>	<p>This investment will enable DSS to maintain current delivery of services without creating an unmanageable deficit and continue to:</p> <ul style="list-style-type: none"> - Ensure that government spending is more transparent and equitable and achieves better outcomes for people - Provide people eligible for DSS with choice, control and flexibility with their disability supports - Maximise people's independence and reduce their reliance on government funded supports in the future. <p>We value disabled peoples' well-being so seek investment to maintain services.</p> <p>The Ministry, recognising the significance of Disability in terms of operational delivery, invested both internal and contracted resource for financial modelling to be undertaken. The analysis and modelling was focused on six specific cost service areas: community, residential, environmental, IBT, Pay Equity and other services</p> <p>The residential analysis revealed a clear transition of users from standardised rates to individual rates with an associated cost.</p> <p>If this funding is not approved or deferred then DSS would need to consider some other actions if it is to remain within its appropriation for 2018-19. Brief mention of these is made in the section below.</p>
<p>2.2 Options analysis and fit with existing activity</p>	
<p>What other options were considered in addressing the problem or opportunity?</p>	<p>As this budget bid is for increased funding to meet cost pressures within existing service delivery, there are no options or alternatives as the expenditure is essentially non-discretionary and required under our obligations to provide supports for eligible people with a disability.</p> <p>Work is currently underway to try and reduce the level of future annual baseline expenditure.</p> <p>Without further funding, DSS will need to make real cuts in contractual rates which may then flow on to the users of services. Some users such as those on IF may well experience real reductions in services purchased.</p> <p>Any changes to reduce or manage service delivery will have a lead time of at least 6-12 months as contracts and allocations are worked through.</p>

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<p>What other similar initiatives or services are currently being delivered?</p>	<p>Not applicable – the funding being sought is to continue the delivery of existing services.</p>
<p>What other, non-spending arrangements in pursuit of the same objective are also in place, or have been proposed?</p>	<p>Government has provided separate ring fenced funding for the trial of a new disability service delivery prototype in the MidCentral region. This commenced on 1 October 2018 and will run until 30 June 2020.</p> <p>Funding was secured for the prototype through Cabinet Social Wellbeing Committee approval, reference {SWC-18-MIN-0030}.d</p>
<p>Strategic alignment and Government’s priorities/direction</p>	<p>This initiative supports the following strategic priorities and has a high level of strategic fit:</p> <p>Firstly, the Ministry’s commitments under the New Zealand Public Health and Disability Services Act 2003.</p> <p>Secondly, the revised New Zealand Disability Strategy which takes a whole of life and long-term investment approach, and a ‘twin track’ approach to establishing an integrated system with access to both mainstream and tailored disability specific supports and services.</p> <p>Thirdly, the continued investment in the provision of disability services is consistent with the Ministry’s 4YPs and SOI.</p> <p>Lastly, this initiative underscores Government’s support of the United Nations Convention on the Rights of Persons with Disabilities 2008, the New Zealand Bill of Rights Act 1990 and the New Zealand Human Rights Commission. It also directly relates to the implementation of:</p>

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	<ul style="list-style-type: none"> • Whāia Te Ao Mārama 2018 to 2022: The Māori Disability Action Plan • Faiva Ora 2016-2021: National Pasifika Disability Plan.
2.3 Outcomes	
Overall outcomes expected from this initiative	<p>Appendix 1 summarises the expected well-being outcomes for disabled people in New Zealand to be realised from continuing to invest and deliver disability services from the national DSS appropriation.</p> <p>The outcomes sought are:</p> <ul style="list-style-type: none"> • Respect – increased respect for disabled person demonstrated by assessors and service providers • Wider choice of disability service support • Person centric – services provided and accessible from placing the person in the centre • Improved choice outcomes - • Early intervention – targeting behavioural, child support and intensive wrap around services • Participation by disabled people – greater and more widespread community participation • Commitment to the NZ Public Finance Act to live within the DSS appropriation.
2.4 Implementation, Monitoring and Evaluation³	
How will the initiative be delivered?	<p>The budget bid is for additional investment to continue to fund and sustain operational delivery so therefore all the implementation structure and operational delivery is in place. It will be implemented through the existing MOH/DSS resource framework and operational services. No specific or new project management is required as the expenditure reflects another year of business as usual operational activity for DSS.</p> <p>As referred to earlier there are approximately 34,000 people receiving Ministry of Health funded supports through the Needs Assessment Service Coordination (NASC) organisations, around 7,500 of whom are in residential care. Implementation will continue to occur through this assessment process and network.</p> <p>The vast majority of DSS annual operating expenditure has already been procured through the standard channels. Consequently, future expenditure is mainly in the form of (existing) contract renewals and or alteration. Where a new service is needed to be delivered or a change of provider sought or contested, then the DSS follows Ministry standard procurement process.</p> <p>The DSS approach to procuring services is:</p> <ol style="list-style-type: none"> a. approach the market and advertise b. receive tenders/offers c. evaluate offers using a matrix of criteria d. select and short list possible suppliers e. interview chosen tenderers f. evaluate based on chosen criteria g. advise bidders of outcome h. undertake due diligence and contract negotiation as required with preferred supplier i. contract to contain:

³ This doesn't necessarily have to include a full implementation and evaluation plan, however the information provided must provide confidence that the proposal will be successfully delivered and there is a plan to ensure that the outcomes described are actually achieved.

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	<ul style="list-style-type: none"> i. quality attributes of the services and outcomes required; and ii. performance measures against which services and outcomes will be assessed (RBA). <p>Each potential supplier must meet any selected pre-conditions before a bid will be considered for evaluation on its merits.</p> <p>All key implementation risks or uncertainties and how these will be mitigated are shown in Appendix 2. Key risk headings are:</p> <ul style="list-style-type: none"> • No financial contingency • Implementing Pay Equity Settlement with increasing cost pressures • Exceeding 2018-19 appropriation • High and complex hospital capacity being exceeded • Placing children with complex behaviours in a safe environment • Funding costs of In Between Travel Parts A and B • Increased sector service support expectations • Reduced levels of early intervention • Eligibility criteria changes • Aligning service realignment with MidCentral Prototype <p>As part of the Evaluation specific focus will be placed on improved outcomes for Pacific and Māori persons through the Faiva Ora and Whāia Te Ao Mārama implementation plans.</p>
<p>How will the implementation of the initiative be monitored?</p>	<p>All DSS contracts are to contain Results Based Accountability (RBA) through:</p> <ul style="list-style-type: none"> • quality attributes of the services and outcomes required; and • performance measures against which services and outcomes will be assessed. <p>For DSS in aggregate its performance is measured by its ability to deliver a range of appropriate services to eligible people with a disability that offer choice, control and flexibility. DSS takes its financial responsibilities seriously and works hard to manage demand growth within its appropriation.</p> <p>In addition, Finance will monitor closely the ability of DSS to remain within its annual financial appropriation. As a subset of this, DSS manages its monthly actual financial performance against budget through reference to 12 service line groups, consistent with those used to report internally.</p> <p>For residential service and high and complex supports, DSS has a legislative obligation to ensure that all eligible individuals requiring placement are accommodated.</p> <p>For some service supports, such as behaviour support or child development, DSS monitors and works to influence the waiting lists and prioritisation process. It is controlled through a contractual arrangement.</p> <p>For the range of community supports including Funded Family Care and Day Programmes, monthly monitoring is undertaken on dollars spent, and movement in the number of clients accessing these supports.</p> <p>NASC management, Assessment Treatment and Rehabilitation and information and advisory contracts are managed to a fixed annual price.</p>

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ESS expenditure for the most part is demand driven so performance is largely managed through sector feedback and close monitoring of periodic reporting. A prioritisation tool has also been introduced to ensure consistency of access nationally to non-standard equipment.

All NDE for DSS will be delivered through its existing national operational framework of contracted providers.

DSS SMT will receive a business case for each proposed contractual expenditure for approval. Approval will be made on the basis that the dollar expenditure and contract was included in the 2018-19 DSS Annual Purchase Plan and that it is agreed and evidenced that the contract continues to deliver value for money.

For each contract renewal, the DSS SMT will consider the following:

- What evidence is available that indicates the service delivers value for money?
- Does the intent of the contract renewal meet the principles of system transformation?
- What are the outcomes the contract delivers for the disabled people it supports?
- What other options at lower cost have been considered?
- Is there potential for this expenditure to be re-invested elsewhere?

Financial and performance oversight

All Disability Directorate purchasing and disinvestment decisions are subject to oversight and approval of the MOH Funding Board via the Funding and Commissioning ELT sub-committee. The significance of the expenditure level in the Disability Directorate and the pressure it could exert on the Ministry's overall funding position means that this oversight will continue throughout 2019/20.

Key stakeholders

DSS manages its operations through having identified staff (Contract Relationship Managers/teams) responsible for identified key stakeholders, relationships and operational parts of the service delivery.

DSS has identified and tested systems and procedures in place to deal with a range of operational issues as they arise.

- Quality Evaluation
- Quality Management will be conducted in accordance with Ministry of Health's Quality Assurance Framework. For DSS, the Quality team's annual activity is based on the agreed Audit and Evaluation Plan.

The 2019/20 and future years' Audit and Evaluation Plan is funded from NDE.

Describe how the initiative will be evaluated

The following list are key stakeholders identified by DSS in its delivery of the DSS appropriation:

- People with a disability
- Service providers
- DHBs
- Representative bodies – both provider and disabled persons' representative organisations
- NGOs
- Carers & care organisations
- Office for Disability Issues
- Human Rights & Disability Commissioners
- Minister and Associate Minister of Health
- Treasury
- Government agencies, including: MSD, MOE, MVCOT, ACC, HNZ, MOJ, IRD

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- Other business units within MOH, e.g. Mental Health, Health of Older People
- Professional bodies
- Research organisations and researchers
- Workforce and training organisations
- Trade unions.

Business as usual includes not only service delivery but active monitoring of contract provision, analysis and evaluation of performance management reporting, quality audits and resolution of any incidents or complaints recorded.

3. Wellbeing Impacts and Analysis

This section builds on the information provided in section 2 above and goes into further detail on the impacts, evidence and assumptions underpinning the intervention logic. It also asks that you demonstrate how your initiative will impact on wellbeing domains, the four capitals and risk and resilience.

The focus is on showing a strong narrative underpinned by evidence rather than monetisation of benefits and showing a positive return on investment. However, the use of the CBAX tool and monetisation is encouraged for key impacts with good evidence where it will strengthen the case for intervention.

Completion of this section is strictly limited to a maximum of three pages. This section helps the Treasury to assess and advise how the proposed initiative will impact the wellbeing of New Zealanders relative to the counterfactual. It may be provided to Ministers to support Budget prioritisation.

Impact summaries need to be framed against the three components of the Living Standards Framework, with supporting evidence where available:

- **Wellbeing domains** – identify the value to New Zealand, magnitude and timeframe (up to 50 years) for impacts on the primary and (up to three) secondary domains targeted.
- **Four capitals** – identify the draw-downs, build-ups and/or transfers across the four capitals (physical, social, natural, human) resulting from funding the initiative.
- **Risk and resilience** – linking to the counterfactual and intervention logic, explain how the initiative adapts to or absorbs risk and/or how it maintains or builds resilience







Please be aware that impacts or evidence are not mutually exclusive between wellbeing domains, capitals, and risk and resilience. They are interrelated cuts of the same information, we would expect that some answers may be duplicated.

3.1 Wellbeing domains – People’s experience of wellbeing over time







Identify and quantify how the initiative impacts on wellbeing domains

Please fill in Table 3.1 below. Impacts need to be grouped under the relevant domains, as provided in the key below. Use the relevant domains, ordering them from top to bottom according to which domain your initiative achieves the greatest impact in. This analysis must also capture any negative impacts.

The wellbeing domains are outlined here for you to use in your table:






Civic engagement and governance 	Jobs and earnings 
Cultural identity 	Knowledge and skills 
Environment 	Safety 

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Health 	Social connections 
Housing 	Subjective wellbeing 
Income and consumption 	Time-use 
	Other

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3.1 Wellbeing domains – People’s experience of wellbeing over time

Domains	Impact(s) description	Who are affected?	Magnitude of impact	How big?	Realised in	Evidence base	Evidence quality
List domains, using the key above, where there is an impact. Order domains by magnitude of impact, i.e. largest impact domain first ⁴ .	Identify the impacts, with a separate line for each impact relating to a specific domain <i>Note you can identify multiple impacts for a particular domain. Delete/add rows as needed.</i>	Individuals/families/government/other? Be as specific as possible. Are there distributional differences?	Relative to the counterfactual key assumptions, quantified to extent possible, and where possible monetised	High/ Moderate/ Low, or where possible present value	<5 / 5-10 / 10+ years	Nature of evidence and key references	High/ Medium/ Low
Health 	QALY gains	Disabled persons aged 6+ Also family members	Reflection of improvement for persons and family	Moderate NPV █████	<5	Anecdotal and measured overseas	Low
Health 	Improvement in general physical health	Disabled persons – all ages	Less doctors’ appointments and hospital visits	High NPV █████	<5	Observation and feedback from providers	Low
Subjective wellbeing 	Impact of seclusion from not being part of the labour force	Disabled persons age 18-64	Generates increased feeling of wellbeing	High NPV █████	5-10	Feedback from working groups used in the MidCentral prototype co-design	Low
Safety  Other	More in control so less supervised residential care for those with complex behaviours	Disabled persons with high and acute needs	Less ‘out of control’ episodes and increased sense of safety for all	High NPV █████	<5	IDCCR Act implementation	Low
Social connections 	Increased community connectivity and acceptance so therefore less lonely	Disabled persons aged 5+	Positive impact on sense of worth	Moderate NPV █████	<5	EGL Christchurch participants’ feedback	Low
	Increased community connectivity – contact with neighbours	Disabled persons aged 5+	Aids social interaction and acceptance	Moderate NPV █████	<5	EGL Waikato participants’ feedback	Low


⁴ Please note that in CFISnet, you will need to include the primary domain impacted, and up to two secondary domains impacted by the initiative. You can include as many domains as relevant in this table.

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3.2 Wellbeing capitals – Sustainability for future wellbeing

Wellbeing capitals

Please fill out the table below to demonstrate how your initiative may contribute positively, negatively or neutrally to the four capitals.

 Capitals	Describe the impact and its magnitude	Realised in <5 / 5-10 / 10+ years
Financial/Physical	Decrease. This initiative draws down financial capital to fund the cost of the price and volume cost pressures.	<5 years as the cost is immediate
Human	Increase This initiative is focussed on improving individual health by both enabling disabled persons to be made aware of health services available and to facilitate their access more frequently. This helps to build the stock of human capital by increasing the quality of life for an individual, reducing hospital visits and related sickness.	10 + years as the impact of remaining healthier for more of the time is measured over the long haul.
Natural	Maintain This initiative has no impact on natural capital.	N/A, as no impact
Social	Increase This initiative will increase social capital over time as community cognisance, acceptance and integration occurs.	5-10 years to allow for acceptance

3.3 Risk and resilience narrative

Does the initiative respond to or build resilience?

The funding of this initiative is a direct response to maintaining and improving the level of wellbeing among disabled persons through continuing with disability support service delivery such as Child Development and Behaviour Support.

This initiative provides support to the disabled community to build resilience through initiatives that support people with their independence and connectivity to their community, thereby improving their overall well-being. This will further build resilience through creating partnerships with agencies, people and providers to address the Directorate's performance issues and manage unaffordable expectations.

In addition, by providing support by way of Respite and Funded Family Care, this will directly enhance the lives of disabled persons' families and so increase wellbeing and family resilience.

4. Costing understanding and options

This section will provide further information on the costs of delivering the initiative and options for scaling and phasing to support assessment, prioritisation and decision-making.

4.1 Detailed funding breakdown

Please provide a breakdown of the costs of this initiative

The table below summarises the breakdown of cost pressure by service line group over the four year time line under consideration. It clearly illustrates the magnitude of the cost pressure issue that disability faces with year on year growth. The bid made has been for the net amount after allowing for anticipated efficiencies being made.

Although not yet reflected in the table below, at some future point there is an expectation that the year on year total baseline expenditure will be begin to decrease, or at least not continue to grow as quickly, as efficiencies and cost savings arising from the success of the MidCentral pilot.

DSS Cost Pressures	2019/20	2020/21	2021/22	2022/23	Total
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Total Gross Cost Pressure	s 9(2)(f)(iv)				
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Efficiencies	s 9(2)(f)(iv)				
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B18b prioritisation	s 9(2)(f)(iv)				
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Total Net Cost Pressure	s 9(2)(f)(iv)				
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Community Support	s 9(2)(f)(iv)				
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Residential Care	s 9(2)(f)(iv)				
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Environmental	s 9(2)(f)(iv)				
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Other	s 9(2)(f)(iv)				
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Sleepover min wage	s 9(2)(f)(iv)				
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Total Net Cost Pressure	s 9(2)(f)(iv)				
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In addition the Disability Directorate is implementing a financial sustainability plan to assist with reducing the current rate of financial growth.

Appendix 3 shows the table of actions.

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All of the costs above are for the delivery of services by providers and represent operational costs. All costs relate to volume pressures, CPI and historic rates of growth. There is no component included for any of the following:

- Capital
- FTEs
- Training
- Evaluation.

DSS Cost Pressures	2019/20	2020/21	2021/22	2022/23	
Community Support	s 9(2)(f)(iv)				Price
Community Support					Volume
Residential Care					Price
Residential Care					Volume
Environmental					Price
Other					Price
Sleepover min wage					
Total Cost Pressure					

The table above details the volume and price pressure splits. The cost pressures were derived through modelling extrapolating past years into the future. There is uncertainty with any modelling but it is believed the cost pressures stated are conservative.

4.2 Options for scaling and phasing

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The quantum of the investment sought in the table in the previous section has already been scaled back. s 9(2)(g)(i)

The net bid funding sought can be scaled back to s 9(2)(f)(iv) either as a permanent reduction or as a deferment with the intent the funding will be increased again in a later period.

Whatever approach is taken will have the following consequences commencing in 2019/20:

- [REDACTED]
- Increases the possibility of service providers becoming financially unsustainable.
- Deferring early intervention expenditure will increase future costs by even more as difficult behaviours become more complex and ingrained when left.
- Increase the magnitude of the realignment work under the financial sustainability plan.

Another option for scaling is to increase the level of savings to be secured from implementing the financial sustainability plan as detailed in Appendix 3. The risks around this approach is the certainty and timing over realising the proposed cost savings.

5. Collaboration

This section provides information on how agencies have engaged both within and outside of their own departments in the development of this initiative. Cross-agency and cross-portfolio collaboration are both important in this context. Please ensure this section is clear and succinct, and no longer than one page.

5.1 Collaboration and evidence	
What type of cross-agency and/or cross-portfolio initiative is this?	<p>This funding initiative not a cross-agency and/or cross-portfolio bid where there is collective responsibility, but there are cross-agency relationships and implications.</p> <p>This initiative only involves cost pressures relating to DSS support service delivery. However, the Ministry works closely and collaboratively (in some cases through joint funding arrangements) with the following organisations in delivering these disability support services:</p> <ul style="list-style-type: none"> • MSD • MoE • ACC • OT • MoJ.
Agencies and Ministers that have been engaged in initiative development	<p>Ministers Clark and Genter and Treasury have been engaged over the development of this funding initiative. Ministers Sepuloni, Salesa and Shaw have been made aware of this bid.</p> <p>There has been no requirement to engage with other agencies and or portfolio ministers.</p>
Impact of cross-agency collaboration	Cross-agency collaboration has not occurred.
Risks and challenges	<p>From the engagement undertaken the Ministry has received no pushback and believes that no significant risks exist other than the continual balance to find sufficient funding to meet initiatives and Government priorities.</p> <p>There is no risk of duplication of cost pressure funding being sought.</p>

Appendix 1: Outcome assessment

Outcome	Monetary benefit to outcome? (Y/N)	Outcome description	Confidence in realising outcomes (H/M/L)
Respect	N	All treated equitably and with dignity and respect	H
Choice	N	Exercise choice, control and flexibility over supports in their lives in order to deliver value for money in terms of outcomes	M And will be further enhanced through the redesign of the system of delivering supports
Person centric	N	Purchase of accessible, innovative, culturally	M

BUDGET SENSITIVE

Outcome	Monetary benefit to outcome? (Y/N)	Outcome description	Confidence in realising outcomes (H/M/L)
		responsive and person directed supports	And will be further enhanced through the redesign of the system of delivering supports
Improved life choice outcomes	N	Gain improved outcomes as a result of collaborative relationships with the sector	M And will be further enhanced through the redesign of the system of delivering supports
Early intervention	Y Realised through future cost savings	Fund early intervention for disabled children and whānau/families to increase independence and reduce future costs	H Currently only small numbers in EI programmes currently due to budget pressures
Participation by disabled people	N	Participate in decision making that affects their funded services and supports	M And will be further enhanced through the redesign of the system of delivering supports

Appendix 2: Risks and Mitigation

s 9(2)(g)(i), s 9(2)(f)(iv)

