Working Paper no.19:
The role of local strategies in reducing child poverty

August 2012

Purpose

1. This paper was prepared to provide the EAG with an overview of the role of local communities in the reduction of child poverty. We acknowledge the extensive literature on the topic of community development. While we draw from it, we do not attempt to present a comprehensive review of that literature here.

2. This paper has informed the direction and recommendations of the EAG's *Solutions to Child Poverty in New Zealand: Issues and Options Paper for Consultation*. These are preliminary findings, and a final report will be published in December 2012. The findings in this paper do not necessarily represent the individual views of all EAG members.

3. The EAG wish to acknowledge John Hancock, Office of the Children's Commissioner, for his work on this report.

Introduction

4. The poor social outcomes associated with child poverty are most sharply felt at the family and community levels - in homes, streets and neighbourhoods. It follows that local strategies are a vital element in any policy framework designed to combat and reduce child poverty.

5. This Background Paper examines the role that communities, non-government organisations and local government authorities can play in developing local strategies that seek to reduce child poverty and alleviate its effects on child, family and community well-being. The Paper will also make a number of recommendations concerning actions that could be taken to strengthen the impact, capacity and sustainability of local strategies to reduce child poverty.

Disadvantaged communities – the context

6. The last three decades, an era of significant economic growth, has seen a rise in economic inequality in New Zealand. In 1985, New Zealand ranked near the top of the OECD for income equality. However, by 2010 New Zealand ranked 23rd out of 30 OECD countries,

due to an income gap between rich and poor that has grown faster than any other developed nation during that period (OECD, 2010).

7. The period between 1988 and 2004 (prior to the introduction of Working for Families) saw the top 20 percent income bracket enjoy a considerable rise in income by approximately 25 percent, adjusted for inflation. By contrast, the bottom 20 percent income bracket experienced a small decrease in income levels during that period (MSD, 2010).

8. The widening disparity in the income levels between those at the opposite ends of the income scale has inevitably resulted in an increasing contrast in the social conditions that exist across regions, communities and neighbourhoods across New Zealand.

9. Increased spatial polarisation and urban clustering of poverty has been a feature in developed nations over the past three decades (Taylor, 2008). This is largely the result of economic restructuring that has led to significant differences in the distribution of earned incomes and has occurred despite large increases in levels of government spending on family benefits and social protection as a proportion of Gross Domestic Product over this period (UNICEF, 2010).

10. It has been suggested that a reason for this seemingly paradoxical outcome is that "government efforts have been rowing upstream against powerful currents in the wider economy" (UNICEF, 2010) a metaphor with particular resonance in the turbulent, post-Global Financial Crisis economic landscape where the capacity of governments to meet the aspirations of their citizens is ever-increasingly subject to priorities demanded by global market forces.

11. This context underlines the degree of the challenge faced by communities which experience high levels of socio-economic deprivation and child poverty. However, it also highlights the opportunities inherent in community strategies that harness the personal goodwill and mutual reliance that exists at the local level. This type of ground-up development, if sustained and supported by the mechanisms of both local and central government, can lead to innovation solutions, greater community resilience and improved social conditions for children.

The role of social networks

12. Social networks - the ties that exist between individuals or groups – are an inherent aspect of any community, from the 'strong ties' that exist between family members and whānau through to the 'weak ties' between acquaintances, neighbours, colleagues and so forth (Afridi, 2010).

13. It follows that social networks are a central component of any community development initiative or framework, as reflected by the New Zealand Inspiring Communities framework for Community-led Development which lists, among other things, the

following objectives:

- Interconnection of people and local environments recognized, along with commitments to plan holistically for current and future communities.

- Encouraging connections between diverse people, organisations and sectors to develop creative solutions and harness additional resources.

- Identifying existing local, physical, cultural, environmental and 'people' assets and strengths and leveraging off what each community does well.

14. In addition, the context of economic austerity has resulted in social networks becoming increasingly identified in public policy discourse as a means to effect positive change without necessitating much central government investment. This has most notably been the case in the UK, where in 2010, the Coalition Government launched its "Big Society" policy platform which aims to *"not only create the largest co-operative or mutual in Britain, but to create a mutual that is Britain".*

15. In 2011 a paper published by the Joseph Roundtree Foundation in the United Kingdom entitled *Social Networks: their role in addressing poverty*, identifies three main means in which social networks can address poverty:

- They can enable the sharing of resources (time, expertise, support) and information (job opportunities, benefits advice and influence)

- They can provide mutual support and opportunities to learn or develop skills

- They can create strength in numbers and enable collective action or voluntary effort (improving a local area or ensuring a voice in local affairs).

16. It follows that strategies that work to develop or enhance social networks in the community can enhance the productive capacity of communities to take action to address the impacts of a complex problem such as child poverty.

17. Social networks also are clearly integral to personal and collective well-being and as a result play an important role in fostering reliance within deprived neighbourhoods. They also contribute to good mental health by preventing social isolation, a form of impoverishment in itself (Taylor, 2008, Afridi, 2010).

18. Social networks also can work in problematic ways. They have the potential to normalise low expectations and can reinforce negative or social damaging behaviours. Social networks can also be exclusive, rather than inclusive, and benefit those who are already well-equipped to help themselves (Afridi, 2010). Strategies that develop or enhance social networks in the community therefore need to be designed in such a way that mitigates these risks.

19. In addition, there are also risks associated with government policy interventions

concerning social networks. These include:

- Government 'branding' of social networking initiatives, which can have the untended consequence of creating artificial barriers between those community groups and individuals aligned to such an initiative and those who are not

- Requiring networks to deliver outcomes and targets closely linked with central government public policy, which can hamper community-led development and community identity.

20. In addition, it is difficult for governments to credibly promote mutuality whilst at the same time making spending cuts that bite into services that benefit communities. For example, it has been estimated that over the past year, the voluntary and community sector in the UK has lost sources of income totaling over 4 billion pounds, eroding civil society capacity to unlock the potential of social networks to deliver social change (Afridi, 2010).

21. This perhaps reflects an inherent disconnect that exists within the current political frame of 'austerity'. In tough economic times, government policies that promote mutual reliance between people and amongst communities make sense. However, such policies are undermined somewhat by parallel government policies which significantly reduce funding and support to the community sector. Such a dichotomy will inevitably result in significant community disillusionment and distrust regarding government motives around such initiatives and damage the prospects for community development initiatives in the future.

22. Despite the problematic factors outlined above, there remains a strong case for developing policies, both at the central and local government levels, designed to unlock and support the potential of social networks to address child poverty issues.

23. As an initial measure, a scoping exercise aimed at identifying the networks of community organisations, groups and individuals that work, directly or indirectly, towards alleviation or reduction of child poverty, would provide the initial information required to develop community-level child poverty strategies and mechanisms for their implementation and monitoring.

24. Such a project could initially target those areas with the highest deprivation levels as indicated by the New Zealand Deprivation Index. It could be undertaken by a lead community-based agency, with funding support from central government and the local government authority operating in the target area.

Recommendation 1:

In order to measure the current capacity and capability of the community sector in addressing child poverty, we recommend that a scoping exercise is undertaken that:

- *Identifies and evaluates the impact of small, localised community interventions (including health and social services targeting high deprivation communities) that have the effect of directly or indirectly reducing or mitigating the effects of child poverty; and*

- *Identifies the networks of community organisations, groups and individuals that work, directly or indirectly, with child poverty issues in high deprivation areas.*

Community development strategies in New Zealand

25. Perhaps in reflection of the relatively recent political and social focus on child poverty in New Zealand, there are yet to be any concrete examples of New Zealand community strategies taking hold which have the specific purpose of reducing child poverty in a local area.

26. However, community development initiatives are gaining traction in New Zealand as a means for transforming communities from the street level up (see Mumford et al 2012) and those concerned with local area social development are likely to have an indirect poverty mitigation effect. Accordingly, community development strategies have significant potential for reducing child poverty.

27. In New Zealand, the leading promoter of this approach is Inspiring Communities, a non-government organisation whose central purpose is to foster community-led development ways of working.

28. Inspiring Communities has developed an extensive framework for community-led development at the heart of which are seven core principles. These can be summarised as follows:

- A focus on 'place'

- Local voice, vision and leadership is valued and empowered

- Collaboration across sectors and boundaries is essential in order to tackle complex community issues

- A strengths and asset based planning and development approach to leverage off existing community capabilities

- Developing collaborative community leadership from all corners of the community

- Being intentional (having clarity of focus on future visions and goals), adaptable and demonstrating progress

- Whole systems change – a focus on long-term, sustainable change which influences policy, legislation, commercial and organisational practice, personal, cultural and institutional relationships.

29. Inspiring Communities has documented a 'Core Learning Cluster' of New Zealand Community-Led Development Initiatives as examples of localised community development initiatives that provide precedents of how this approach works in practice. These include a number of initiatives in disadvantaged communities which were aimed at revitalization, social development and increasing connectivity amongst residents. These objectives all serve to indirectly mitigate the effects of child poverty.

30. Great Start Taita is one such initiative. It was set up in Taita, Lower Hutt with the aims of "connecting people, doing things differently and supporting parents". It was initiated as a result of an extensive door-to-door survey of Taita residents carried out by Barnardos to help determine what kinds of services it should offer in that community. The feedback from the community was that they did not need any more services, instead what they want is a stronger community (Inspiring Communities, 2010).

31. This led to Barnardos establishing a community hub for community and families, including developing a food garden and parent groups. It also formed "working groups" consisting of representation from service providers, community groups, the Hutt City Council, schools and ECE centres and residents who collaborate to take action on priorities identified by the community. An outcome of this process has included a partnership between the city council and local children to develop a new playground (Inspiring Communities, 2010).

32. Community-led development initiatives have also been introduced in struggling provincial towns such as Opotiki and Waitara to improve community connectedness, foster sustainable economic development and employment through maximising the utility of community assets, support young people and address social problems such as crime (Inspiring Communities, 2010).

33. To date, the above initiatives have received financial support from government agencies such as FACS and the Office for the Community and Voluntary Sector, local authorities and private philanthropic funds. Their success in delivering transformative change will be best measured in the coming years. This reflects that local area development with broad social change objectives (as differentiated from community-led projects with a specific singular objective, such as the development of a specific community asset) is an ongoing process which requires sustained commitment and adaptability.

34. It follows that community-led development initiatives require different frameworks for evaluation. This has been described as 'developmental evaluation' which is intended to

help the people and organisations involved *"create and continually adapt interventions"* (Inspiring Communities, 2010).

35. This suggests that evaluation processes are an integrated, ongoing aspect of a community development project or strategy. In this respect, the approach differs markedly from the traditional 'summative' evaluation models, which judge the success of a programme or strategy against a set of external criteria in order to assess its worth (Inspiring Communities, 2010).

36. It would appear that from a funder's perspective, this type of evaluative model is less straightforward for assessing the effectiveness and accountability of a project against the terms of investment. This poses a challenge in the current targets-driven policy environment. It also suggests that long-term commitments are required.

Community development strategies internationally

United Kingdom – frameworks for local-area strategies

37. In the United Kingdom, the reduction of child poverty has been accorded legislative status through statutes such as the Child Poverty Act 2010 and the Children and Families (Wales) Measure 2010. A summary of these statutes is set out in EAG *Background Paper: Legal Instruments*.

38. The existence of a legal framework to reduce child poverty obviously has a direct influence over the shape and extent of community level strategies. This is something for the EAG to take into account when considering whether to recommend the enactment of specific child poverty legislation.

39. Both the Child Poverty Act 2010 and the Children and Families (Wales) Measure 2010 vest local authorities with the primary responsibility of establishing local-area poverty reduction strategies. In the case of the Child Poverty Act 2010, this required local authorities to undertake a "local child poverty needs assessment" and prepare a "joint child poverty strategy" that sets out measures the local authority will take to reduce and mitigate child poverty, based on the needs assessment and in consultation with children and their families, and relevant service organisations.

40. A 2010 UK study, *Tackling child poverty through whole-area strategies*, undertook a review of what works in tackling child poverty through community level strategies in the context of the (then) upcoming legislative framework (Nelson et al, 2010). Its findings centred on two key outcomes and five components needed to achieve those outcomes.

41. The two key outcomes identified were:

  - **Maximisation of family income** – specifically a "mixed economy of provision" is required in order to assist the jobless into employment, help those in work progress their incomes and financially support those into work. This should be

coupled with non-judgemental official and public attitudes to those living in poverty.

- **A focus on narrowing outcome gaps for children and young people living in poverty** – Reducing health and education inequalities by developing parenting skills early, targeted support for schools in deprived areas, collaborative approaches to meeting needs and greater provision of services in community bases frequented by poor families.

42. The components identified to achieve this were:

- **Effective multi-agency partnerships** – it is noted that the requirements set by the UK Child Poverty Act will only be met where providers successfully draw upon all experience, resource and expertise across a whole area.

- **Sufficient resources** – sufficient, long-term funding commitments are crucial. Funding must also take into account development and implementation phases of a strategy (including collaborative funding pools).

- **Active participation of children, young people, families and communities** – these groups must be centrally involved in the development of a community vision and strategy for child poverty reduction.

- **Differentiation** – care should be taken to ensure that vulnerable groups (such as young parents, young people leaving care and children with disabilities and their families) are accorded specific attention.

- **Monitoring and evaluation** – outcomes should be prioritised above processes. Local and national indicators can be used to monitor progress and evaluation is most effective when it forms part of a development cycle.

43. This approach is obviously more rigid than a purely community-led strategy as development occurs in concert with central and local government agencies and service providers. However, such a systematic approach is essential given the mandated regulatory responsibilities of those agencies and service providers. It is compatible in many respects with a community-led development framework, namely the central role local children and people have in creating a strategy and vision, a long-term sustainable resource commitment and evaluation processes that are built in to a strategy's development cycle.

44. The study also examined a number of localised child poverty reduction (or related) initiatives in the UK in operation prior to the introduction of the Child Poverty Act. These included:

- **The Local Area Agreement in the London Borough of Enfield** - This involved the development of a child-focused local area agreement (LAA) which acts as a

mechanism to develop an intervention (known as 'One Large Intervention' (OLI)) in the form of a wraparound service for children aged 0-19 and intensive family support services through two specialist centres. The LAA provided the mechanism to enable joint funding from the partnership organisations and enabled bulk allocation of central government Neighbourhood Renewal Funding (NRF) to the OLI fund.

- **The Real Choice child poverty strategy (Cornwall)** – this initiative was designed to reduce child poverty in the Cornwall region through establishment of a multi-agency steering group, pooled funding delegated to the community and voluntary sector, the establishment of 'virtual wards' of families grouped by common parameters based on need, rather than geography, and an agreement with a lead partner organization to assist families access services and resources.

- **NEET Reduction Strategy (Newcastle-on-Tyne)** – this strategy was designed to reduce the numbers of 16 to 18 year old not in employment, education or training (known as NEETs) in Newcastle, an urban area that experiences high levels of poverty, unemployment and deprivation. Prior to its introduction, agencies worked in isolation to reduce NEET numbers with no clear overarching prevention strategy in place. The NEET reduction strategy involved the development of a joined-up "Outcomes Based Accountability" methodology developed by partners across the government services. This led to a significant fall in the proportion of NEET numbers in the local area between 2003 and 2007.

45. The above initiatives all share a number of common elements – pooled funding or shared resources, oversight and implementation via a multi-sector entity and specific targets or objectives. These all appeal as essential elements of any community-level poverty reduction strategy, whether initiated from the community-level up or as a result of overarching government policy priorities.

Canada – the Hamilton Roundtable for Poverty Reduction

46. In Canada, the Hamilton Roundtable for Poverty Reduction provides an example of a community-led poverty reduction initiative that drew in support from across the community, business, government and funding sectors.

47. The process for the Roundtable's development was very much initiated from the community level up. It also linked in with the "Vibrant Communities" movement to reduce poverty in 14 communities across Canada. This allowed best practice models developed in other communities to be considered by the Roundtable and imported. This has a clear parallel with the Inspiring Communities Core Learning Cluster initiative.

48. The Roundtable itself was established in 2005. It consists of members from across the community, public sector, business and funding agencies. Notably, the editor-in-chief of the local newspaper, the Hamilton Spectator, also was a member of the Roundtable, and

through this role committed to make a poverty a priority area in news coverage and commentary, a position unprecedented in the newspaper's history and the first time it had identified a public policy focus.

49. The Roundtable's poverty reduction strategy is focused directly on the well-being of children – the stated vision of the strategy is to *"Make Hamilton the best place to raise a child."* It took time for the Roundtable to develop its "Starting Point Strategies", which were issued in February 2007, almost two years after the Rountable had first convened. Over this time, documents were produced towards the development of strategies, including a Hamilton Poverty Matrix detailing Hamilton's poverty demographics and a Change Framework, a strategic vision for the community which identifies five critical investment priorities for the benefit of children and young people and reducing inequality.

50. This considered, stepped approach reflects an important aspect of community-led development – it is vital to be clear about the questions that lie behind an issue before embarking on solutions (Inspiring Communities, 2010). This requires adequate time for consideration, consultation and planning.

51. In this case, this resulted in the Roundtable initiating strategies across three levels:

- **A "Macro" Strategy** – a broad community-level framework focused at the foundation community supports and services, policy development and "systems level change" required for poverty reduction.

- **Five Critical Points of Investment** – namely, quality ECE and parenting support; education, activity and recreation; targeted skill development through tertiary providers; employment; asset building/wealth creation – all driven by strategic outcomes.

- **Assessment of local strategies and community solutions** - to build community knowledge and best practice models.

52. Again, common themes emerge when compared with the UK examples – the importance of multi-sector leadership, specific strategic outcomes and so on. The main differentiating feature is that there is less formalised institutional input or integration. This reflects its alignment and inclusion within a community-led development network aimed at poverty reduction– that of Vibrant Communities – as opposed to a set of directives or objectives set by government.

53. This perhaps reflects the differences that exist between the geographic conditions and governmental structures that exist in Canada and the UK. Given the huge distances that separate the provinces of Canada, together with a federalised government system, a community-based framework for poverty reduction may have more potential to take seed in various diverse communities and locales across the country. A more institutionally

integrated approach may conversely be more suited to countries with smaller land area and a more centralised degree of government power, such as the UK (and New Zealand).

United States – the Harlem Children's Zone

54. The Harlem Children's Zone (HCZ) is a very large scale community development initiative which operates across 100 city blocks in Harlem, New York City. HCZ has been lauded within the United States and internationally for its impact on addressing child poverty and increasing educational attainment in the Harlem area.

55. The scale of HCZ is huge by New Zealand standards of community development, having invested approximately USD300 million over the past 10 years, a significant proportion of which has been sourced from private philanthropic funds.

56. The HCZ is based around a 'pipeline program' model. This works to ensure that Harlem children move through a 'pipeline' of educational programmes, from ECE through to university, underpinned by a front-line layer of family, social services and health programmes and a secondary layer of community development initiatives. This approach reflects a life-cycle approach to child development, from the very early years (0-4) through to tertiary education (18 plus).

57. The primary focus of the HCZ is therefore on educational institutions, however its service scope reaches out beyond this. In essence, it is probably the most developed and sophisticated example there is of the "school as a community hub" concept.

58. In addition to ECE units and public charter schools, the HCZ runs after school care programmes and academic advisors and support services for students in regular public school or at university. It also runs a range of health services (including a nutritional programme), tenancy support services, foster care support services, family counselling and an employment and technology centre.

59. The HCZ model has been influential in the development of the US Federal Government "Promise Neighbourhood" Initiatives which have been rolled out to deprived neighbourhoods located in other US urban centres.

60. The HCZ provides a compelling example of the potential for community development initiatives to result in institutional change. In this respect it has positioned itself as the "premier laboratory" for poverty reduction initiatives in the US, as indispensable to poverty policy development in the US as it is indispensible to the children of Harlem.

61. When comparing the HCZ model with the other frameworks outlined above, there are clear differences of scale and context – the role of (and reliance upon) massive private philanthropic funding stands out in particular. However, common elements with the other community strategy models outlined above are easily identifiable - the collaborative, holistic basis for service provision, clear strategic objectives and developmental evaluation mechanisms to track progress.

Local and central government mechanisms and objectives

62. It is evident that for community strategies to have a sustained, long term impact, partnerships with local government and central government agencies are essential.

63. This is particularly the case for a multi-systemic problem such as child poverty, which requires strategies that reach across the public and community sectors. A localised strategy is invariably going to require co-ordination of core social sector services, which in New Zealand are almost entirely funded and delivered by central government agencies.

64. Local government authorities also have a central role to play, and are particularly well-placed to enable community development at the local level given their proximity to the communities they serve. Local government authorities have a strong interest in assisting with the development of healthy, resilient communities that enable children to reach their potential.

Local government strategies – the Southern Initiative (Auckland Council)

65. The restructuring of the Auckland local government environment that merged seven city and regional authorities into one unitary Auckland Council was the most significant local government reform process in recent history.

66. It also presented an opportunity for the new Auckland Council to determine the extent of its role in providing better social outcomes for the communities it serves. As part of its scoping and consultation process leading to the development of its 30 year spatial plan, the Auckland Council identified a need to put children and young people first as a strategic priority.

67. "Putting children and young people first" has accordingly become Priority One in the Auckland Spatial Plan. This is a significant commitment to make and highlights the broad social development ambitions of the new Council. It also signals a strong degree of commitment to supporting local initiatives aimed at improving child and family well-being.

68. In addition, as part of the Auckland Plan, the Auckland Council has included a region-wide community development framework for the Manukau region, entitled the Southern Initiative. The Southern Initiative signals long-term Council commitment to developing the South Auckland region, with the stated goal of "*Strengthening Children and Families in Stable Homes and Employment.*"

69. This has considerable implications regarding the potential involvement of the Council in community-based child poverty reduction strategies in that area. The South Auckland region faces considerable challenges:

   - High levels of deprivation – 89 percent of Mangere/Otahuhu residents, 80 percent of Otara/Papatoetoe residents, 67 percent of Manurewa residents and 53 percent

of Papakura residents live in areas of high deprivation.

- Low educational achievement – only 60 percent of school leavers gain NCEA Level 2, compared to 74 percent across the rest of the Auckland region

- High youth unemployment – 36 percent in 2011

- Housing pressures – one third of residents are Housing New Zealand tenants and 20 percent live in over-crowded homes, the highest rate in New Zealand.

70. The Southern Initiative has set the Auckland Council following short and long term priorities:

Within 5 years

- Support early family attachment and learning opportunities

- Enable clear pathway support for further education, training or employment for all school-leavers

- Develop the region as an 'international gateway" and destination area

- Enable economic development and jobs for local people

- Housing development in Mangere and Manurewa

- Increased services and use of public transport

Within 10 years

- Raised education achievement

- Dramatically improved health outcomes

Within 20 years

- Safe, stable healthy homes and communities

Within 30 years

- Creation of outstanding natural and built environment.

71. These priorities are accompanied by Directives, or actions, that will be taken to realise them. These include:

- Development and deliver a multi-sector programme of actions and effective early intervention models with priority to vulnerable children

- Provision of a transition and pathway programme for all children from year 7 to leaving school

- Working with business leaders and employers to enhance job opportunities and connect work-ready youth with local employment

- Within 5 years have a programme of housing redevelopment underway in Mangere and Manurewa, supported by financial literacy programmes

- Production of an agreed multi-sector action plan by 8 December 2012.

72. All of these intended actions will require significant collaboration from central government agencies, the business community, schools, service providers and community and voluntary sector groups if they are to succeed. Accordingly, it is no surprise that the Auckland Council itself has described its mission using a community development framework:

What is required for transformational change is a community-driven, multi-sector, concentrated, long-term focus on the area that both significantly increases the effectiveness of existing investment, and delivers new ways of thinking to unlock the potential of the area and tackle chronic problems (The Auckland Plan, 2012, page 97).

73. Many of these objectives are in alignment with central government policy priorities signaled by the Green Paper on Vulnerable Children and can be framed against a common set of obligations to realise the economic, social and cultural rights of children under the UN Convention on the Rights of the Child. It follows that this provides an unprecedented opportunity for central government and local government to collaborate with civil society on a whole-area community development strategy in order to address the 'chronic problems', such as child poverty, that afflict the South Auckland region.

74. There are, however, looming barriers to this opportunity in the form of a Local Government Act 2002 Amendment Bill, which seek to remove the current statutory role of local authorities to promote *"the social, economic, environmental and cultural well-being of their communities"* as currently expressed in section 3(d) of the Local Government Act 2002.

75. The Amendment Bill proposes to replace this with a focus on "*meeting the current and future needs of their communities for good-quality local infrastructure, local public services, and performance of regulatory functions."* This is potentially problematic when considering the potential for aligning local government functions with community development objectives. It is possible that a broad interpretation of the role of local government in meeting the "local public services" could extend to including community development, but arguably not on the scale envisaged by the Auckland Council through its Southern Initiative.

76. It is also important to note that the role of local government in meeting the social and environmental needs of the community was recognised by the Royal Commission on Auckland Governance as an integral aspect of economic development strategy in that

region:

"Environmental and social goals can no longer be seen as being in competition with economic goals, but must all be viewed as part of an integrated strategy essential to Auckland's prosperity. The four strands of well-being identified in the Local Government Act 2002 – social, environmental, cultural, and economic well-being – are inextricably linked and highly interdependent"

77. This view was shared by the Minister of Social Development in a 2010 Cabinet Paper *Royal Commission on Auckland Governance: Social Issues*:

"Communities, as well as central and local government have a major role in addressing social issues and improving social well-being….

However, the Royal Commission considered that both the social well-being spend and the other activities with social impacts are poorly co-ordinated without a coherent strategy…I broadly agree with the Royal Commission's diagnosis…The opportunity lies in establishing better co-ordination at community level, between central and local government, within local government and between central government agencies."

78. Whilst the Local Government Act 2002 Amendment Bill does not explicitly prevent local government authorities from initiating community development strategies, it would be concerning if its effect was to create a legislative barrier to local government authorities supporting or initiating strategies that aim to enhance the well-being of the children and young people.

79. To the contrary, the need to improve co-ordination, identified by the Royal Commission and at the Ministerial level, should be reflected in policy settings that enable central government support of (and potentially partnership with) local strategies that seek to reduce or mitigate the effects of child poverty and improve child well-being.

Recommendation 2:

We recommend that the government commit to supporting local community development strategies that aim to increase child well-being in deprived communities – this includes the Auckland Council's Southern Initiative and its multi-sector action plan.

Recommendation 3:

We recommend that steps are taken to enable the establishment of cross-sector partnerships between central government agencies, local government authorities, service providers and community sector representatives charged with:

- *developing collaborative local-area child poverty reduction strategies in high deprivation areas; and*

- *implementing service plans and processes for evaluation.*

Central government policies and mechanisms

Social Sector Trials

80. The Social Sector Trials model (SST) facilitated by MSD provides a mechanism for enabling community level initiatives aimed at improving outcomes for young people.

81. Since their establishment in March 2011, SSTs have been in place in six locations – Te Kuiti, Kawarau, Gore, Levin, Tokoroa and Taumaranui. The overarching goal of the SSTs are to improve outcomes for 12 to 18 year olds by:

    - reducing offending by young people

    - reducing truancy by young people

    - reducing the levels of alcohol and drug use by young people

    - increasing the numbers of young people engaged in education, employment and training.

82. The SST model is predicated on mandating a community-based NGO or individual or an NGO mandate to coordinate youth activities and, in doing so, aims to support decision making at the local level, build on existing networks and strengthen coordination at every level of government and within the community.

83. The current SSTs are operating over a two year period and are due to expire on 28 February 2013. The trials seek to test:

    - the effects of transferring the control of resources, decision-making authority and accountability for results from government agencies to an employed individual or NGO based at the local level

    - the barriers that exist to cross-agency service delivery at the local level and ways to overcome this within current system parameters

    - a Joint Venture Board as an innovative model of cross-agency governance for collaborative initiatives with shared outcomes.

84. A feature of the SST model is a high-level, co-ordinated oversight by central government. Ultimate responsibility for the trials rests with the Chair of the Cabinet Social Policy Committee, Hon Tony Ryall. A Ministerial Sub-Group provides oversight and decision-making for the Social Sector Trials, in consultation with relevant Vote Ministers. At the departmental level, the Chief Executive Social Sector provides strategic oversight for the Social Sector Trials at departmental level.

85. A second feature is the pooled funding model, where resources are drawn from sources across the government sector going into these communities for youth issues.

86. A Joint Venture Board has direct governance responsibilities for the Social Sector Trials and reports to the Ministerial Sub-Group. The Joint Venture Board is currently the Chief Executives of Social Development, Health, Education, Justice and the New Zealand Police. A Joint Venture Director, based within MSD, is responsible for the day-to-day operation of the Social Sector Trials including managing contracts with NGOs and employing committed individuals.

87. Whilst the SST model is yet to be evaluated, outcomes reported by MSD indicate that the model holds potential. Such outcomes include:

   • employment of a full time truancy officer in Kawerau

   • creation of a youth wellness centre at Kawerau College – with all resources provided by the Kawerau Community

   • creation of a youth mentoring programme in Te Kuiti for 30 young people with high needs

   • development of a parent portal at Te Kuiti High School to enable caregivers to monitor young people's attendance and achievement.

88. MSD has also reported that feedback suggests that the SSTs have led to a stocktake of youth services in those communities, collaborative forums for planning and discussion and community-level accountability mechanisms that have not previously been in place.

89. The SST model appeals as one that merges community-level planning and development of local services with the support of high-level, co-ordinating government mechanisms. Its current focus on increasing youth participation in education and reducing offending and drug and alcohol-related harm is also likely to have an indirect impact on alleviating social outcomes associated with child poverty.

90. The SST model has similarities to the approach in the UK Child Poverty Act 2010, enabling local authorities and partner organisations to establish and maintain 'pooled funds' for the purposes of meeting their legislative obligations to implement and deliver co-operative child poverty reduction arrangements in local areas.

91. There is potential, pending evaluation, for the SST model to be developed to incorporate an additional focus on child poverty reduction in local areas. The model could also be expanded to enable partnerships with philanthropic organisations and local businesses in order to increase the potential scope and capacity of SST initiatives.

Recommendation 4:

Pending the results of its evaluation, we recommend expanding the Social Sector Trial model (SST) to enable:

- *an additional focus on child poverty reduction in local areas;*

- *the development of partnerships with philanthropic organisations and local businesses in order to increase the scope and capacity of SST child poverty reduction initiatives.*

Whānau Ora

92. Whānau Ora is another government initiative that presents a significant opportunity to increase the capacity of communities to address child poverty. As co-ordinators of wrap-around health social services for whānau, Whānau Ora providers are well-placed to co-ordinate initiatives designed to reduce child poverty, particularly in Māori communities that have traditionally faced barriers in accessing services.

93. Whānau ora focuses on strengthening the capabilities of whānau. It provides a platform for enhancing intergenerational and future whānau well-being, a factor recognized by the Taskforce for Whānau Centred Initiatives in their April 2010 report for the Minister for Community and Voluntary Sector on a policy and administrative framework for Whānau Ora:

"Because they have intergenerational reach, whānau can act as conduits between the past and the future. The Taskforce is swayed by hui participants' views that Whānau Ora has the potential to provide a sound platform for future generations, not only through the endeavours of whānau themselves but also through the types of relationships that whānau can construct with key societal institutions such as schools. In building those relationships there is room for active advocacy by and on behalf of whānau, and for greater accountabilities to whānau".

94. In addition to service co-ordination and integration, the Whānau Ora framework provides a mechanism for whānau and Whānau Ora service providers to initiate activities designed to enhance whānau capabilities, via the Whānau Integration, Innovation and Engagement Fund (WIIE Fund). The WIIE Fund is a funding stream which enables whānau to access grants of up to $5,000 to develop a whānau plan and up to $20,000 for activities arising from such a plan. Applicants must be supported by a family/whānau trust, an entity established under the Te Ture Whenua Māori Act 1993, or by a registered charitable entity, such as a charitable trust or an incorporated society.

95. The WIIE Fund is focused on the wider goal of strengthening whānau capability and enhancing connectivity within whānau themselves and between whānau and the wider community. However, whānau initiatives designed to improve child well-being and reduce child poverty would clearly be consistent with the WIIE Fund's broader objectives.

COGS and FACS

96. Community Organisation Grants Scheme (COGS), administered via the Department of Internal Affairs, is a current enabler of funding to the community sector. COGS provides funding to non-profit community organisations that deliver community-based social services, either in respect of operational costs (such as personnel), or services or projects that:

- encourage participation in communities

- promote community leadership

- promote social, economic and cultural equity.

97. The COGS grant amounts are small (between $3,000 and $10,000), the recipients of which are determined by 37 Local Distribution Committees (LDCs) which are located in various regions across the country. In making funding decisions, each LDC applies a set of locally identified priorities established at annual public meetings. It is notable that none of the LDCs identified 'child poverty' specifically as an issue of priority, although issues relating to child poverty were identified (such as unemployment, housing and so on). Also, some LDCs listed organisational matters (such as staffing, overhead costs etc) as priorities, whereas others listed social issues.

98. The Family and Community Services (FACS) arm of the Ministry of Social Development is also involved in funding community-based services. FACS criteria includes services for families at vulnerable times, early intervention and prevention and intervention for youth. Child poverty is not included as a specific funding priority.

99. FACS also co-ordinates the localised Community Response Model (CRM) which facilitates and determines funding to community providers through 14 local-area Community Response Forums (CRF). Some CRFs, such as the Northland Forum, have identified child or family well-being as a priority issue. However, child poverty reduction is yet to be identified as a specific priority under the CRM model. In addition, FACS have recently announced a new social services funding model 'Investing in Services for Outcomes' which envisages a more co-ordinated, streamlined funding and service provision approach, due to be fully implemented by December 2013.

100. While the Whānau Ora WIIE Fund, COGS and FACS funding streams provide sources of government funding that can be utilised to support community or whānau-level child poverty reduction strategies, it is notable that in each case 'child poverty' is absent as an identified concern. Furthermore, it is notable that, to date, none of these funding streams appear to have resulted in the development of such strategies.

101. This raises a couple of potential options. The first option would be to include 'child poverty reduction' as an explicit objective of each fund or funding policy, thus incentivising the development of child poverty reduction initiatives at local and whānau

levels. Both COGS and the WIIE Fund can enable provision of small grants to enable small local or whānau projects aimed at reducing child poverty. Conversely, FACS is placed to fund broader child poverty reduction strategies and services.

Recommendation 5:

We recommend that the WIIE Fund criteria is expanded to include provision of small grants for whānau plans aimed at strengthening family capabilities that include the alleviation of child poverty as a direct or indirect objective.

Recommendation 6:

We recommend that child poverty is included as a priority for existing COGS and FACS funding schemes.

Concluding Observations

102.   Community level strategies clearly can play a vital role in alleviating child poverty in New Zealand. However, the scale of the task and multi-systemic nature will eventually require a collaborative, multi-sector approach that reaches across the public sector and community spheres. In addition, unlike the UK or Canada, child poverty strategies are yet to emerge from the New Zealand social sector landscape.

103.   Given this context, in the short term some adjustments can be made to current initiatives and funding strategies in order to enable greater community sector targeting of child poverty as a specific issue. Following this, it will be important to both identify what is currently working at the community level in reducing or alleviating child poverty, and the gaps where capacity and capability can be built.

104.   Next steps could include the development of cross-sector partnerships designed to develop, implement and sustain local-area child poverty reduction strategies. The overseas child poverty strategies set out in this paper are all examples of this type of approach. Ultimately, the enactment of legislative mechanisms under a Child Poverty Act or Children's Act could enable and sustain the development and implementation of local strategies and cross-sector partnerships to reduce child poverty.

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