

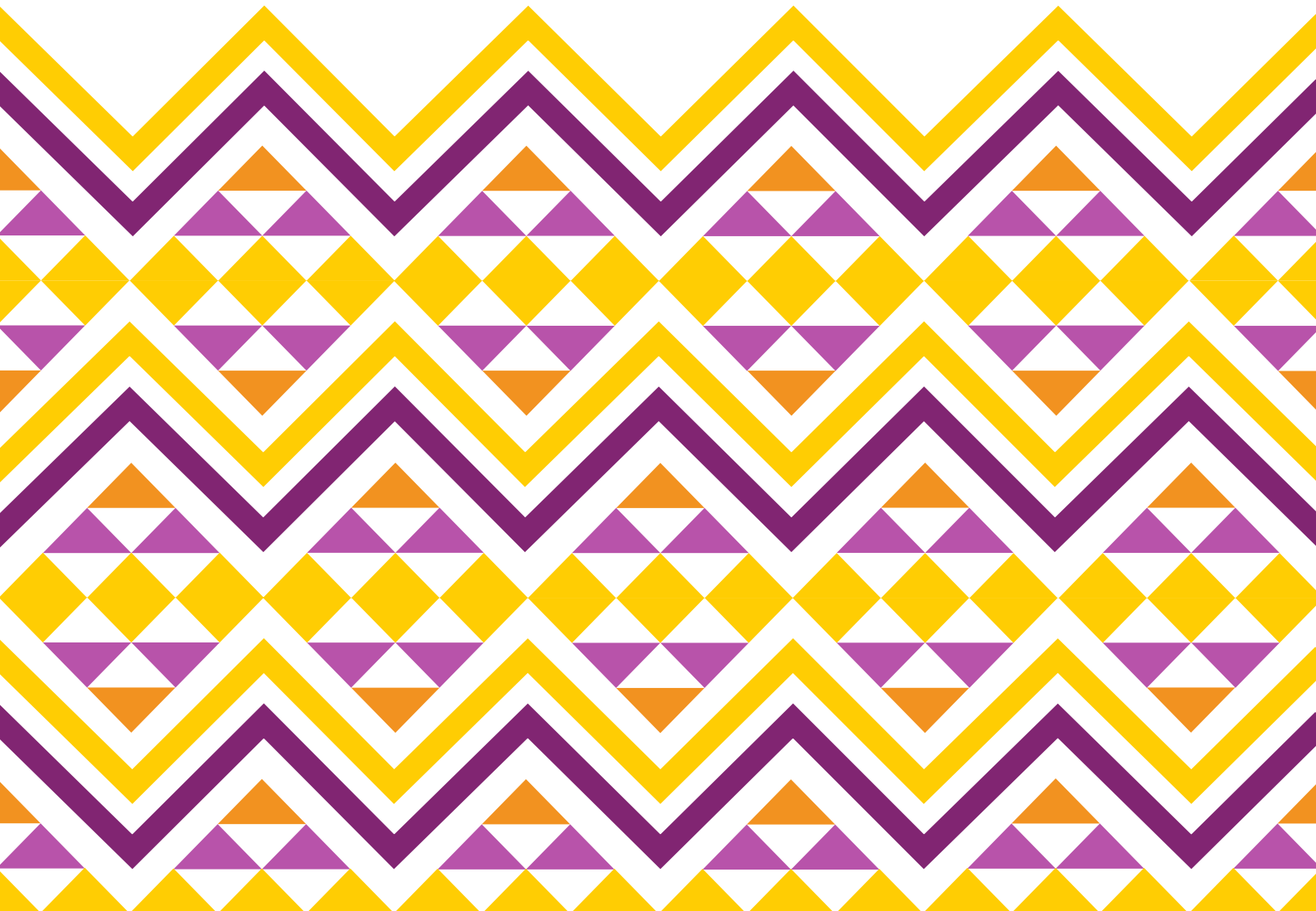


**ORANGA
TAMARIKI**
Ministry for Children

New Zealand Government

Funding Policy and Guidance for Shared Care

October 2023



Publication details

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We thank all the care partners for sharing their expertise throughout the consultation rounds of creating the Shared Care materials, 2019–2021.

Publication status

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This funding guidance, the Shared Care Service Specification and other key documents for Partnered Care are on the Oranga Tamariki website under [Service providers/Information for providers and partners/Partnered Care](#).

Changes in October 2023 version

- The “all-in” rate, and the costs from which this is created, have been adjusted.
- Some layout and editorial changes have been made throughout.

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Introduction

The National Care Standards set out the standard of care every child and young person needs to do well and be well, and the support all caregivers should expect to receive when they open their hearts and homes to tamariki. The standards came into effect on 1 July 2019.

Oranga Tamariki funds and works with around 60 NGOs/care partners to provide safe homes and places to live for less than 500 tamariki in State care. These partners provide a variety of care options including whānau care, non-kin care, and specialist care arrangements like small family homes.

Our funding approach aims to enable care partners to provide the quality of support that children in care and their caregivers need.

Oranga Tamariki is committed to ensuring that:

- care funding rates cover the cost of high-quality care and support
- we have the right care options available for tamariki and rangatahi
- care partners are not compromised financially as a result of decisions or actions taken by Oranga Tamariki (eg, because of lack of referrals from Oranga Tamariki)
- we meet our accountabilities as a Crown Agency

Document purpose

This document is intended to provide guidance around funding for partnered care. It includes an overview of:

- the three funding models, and how to decide which model is most appropriate
- the types of costs that will typically be included in any contracted funding
- what to do if you require additional funding to meet the needs of tamariki
- the reconciliation approaches for each funding model
- what to do if the care partner and Oranga Tamariki regional site cannot agree on a funding decision (escalation)

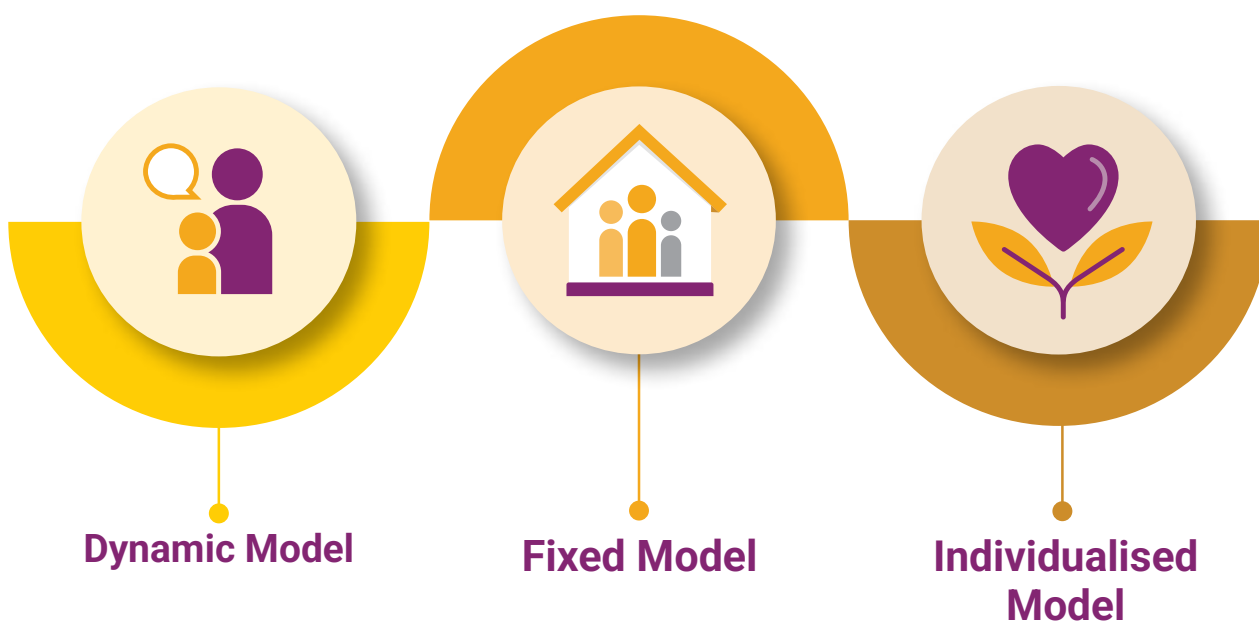
There is high-level information about the overall funding and contracting process in [Appendix A](#).

This guidance aligns as much as possible to internal Oranga Tamariki policies and processes. Wherever relevant, this document references these and links to the Oranga Tamariki [Practice Centre](#).

Funding models

It is important that our partners have the resources they need to provide great quality care and support for children, caregivers, and other people involved in looking after children in care. This means recognising that some tamariki need more support to stay safe and well, and achieve their goals, and that different care responses can mean different levels of resourcing.

There are three different funding models available for partnered care responses:



All three models provide **'all-in'** funding. This means that the rates for **all models should provide enough funding to cover the majority of costs for supporting tamariki needs.** This 'all-in' approach has been designed to reduce administrative burden on partners and Oranga Tamariki by removing the need to submit small transactional invoices for ad-hoc top ups to cover basic items. This approach provides more autonomy for partners to quickly meet the needs of children.

Overview of the three funding models



Fixed Model

Fixed Funding Model – best suits care options with **significant fixed or pre-configured costs**. Examples include accommodation-based care for multiple tamariki and rangatahi with ‘greater’ or ‘high’ support needs, which typically involve staffing and rental/accommodation costs. Or specialist caregiving options that have fixed costs associated with specialised training and additional staff support. The amount of funding provided within the fixed rate will be negotiated to reflect the level of support that the care option is designed to provide.



Individualised Model

Individualised Funding Model – partners and Oranga Tamariki agree a **separate funding rate for an individual young person**. This model is only be used if the tamaiti needs significant support to stay safe and well that cannot be provided by other care options (eg high levels of supervision, or multiple staff-to-child ratios). These tamariki will be assessed as having very ‘high’ support needs, and usually require input from High Needs Services. Care options are highly individualised, with significant fixed and relatively predictable costs.



Dynamic Model

Dynamic Funding Model – well suited to caregiver-based care options, where **costs to the partner largely depend on the support needs of the child and caregiver**. This model usually supports tamariki with ‘general’ or ‘additional’ support needs. It sets a ‘general support rate’ for each child per 24-hour period, which has been designed to account for the costs required to support **most children, most of the time**. It includes everything a partner might need to care for a child: one-off set up costs, caregiver assistance to meet the needs of the child, caregiver support and compliance, and meeting the child’s needs.

Choosing an appropriate funding model

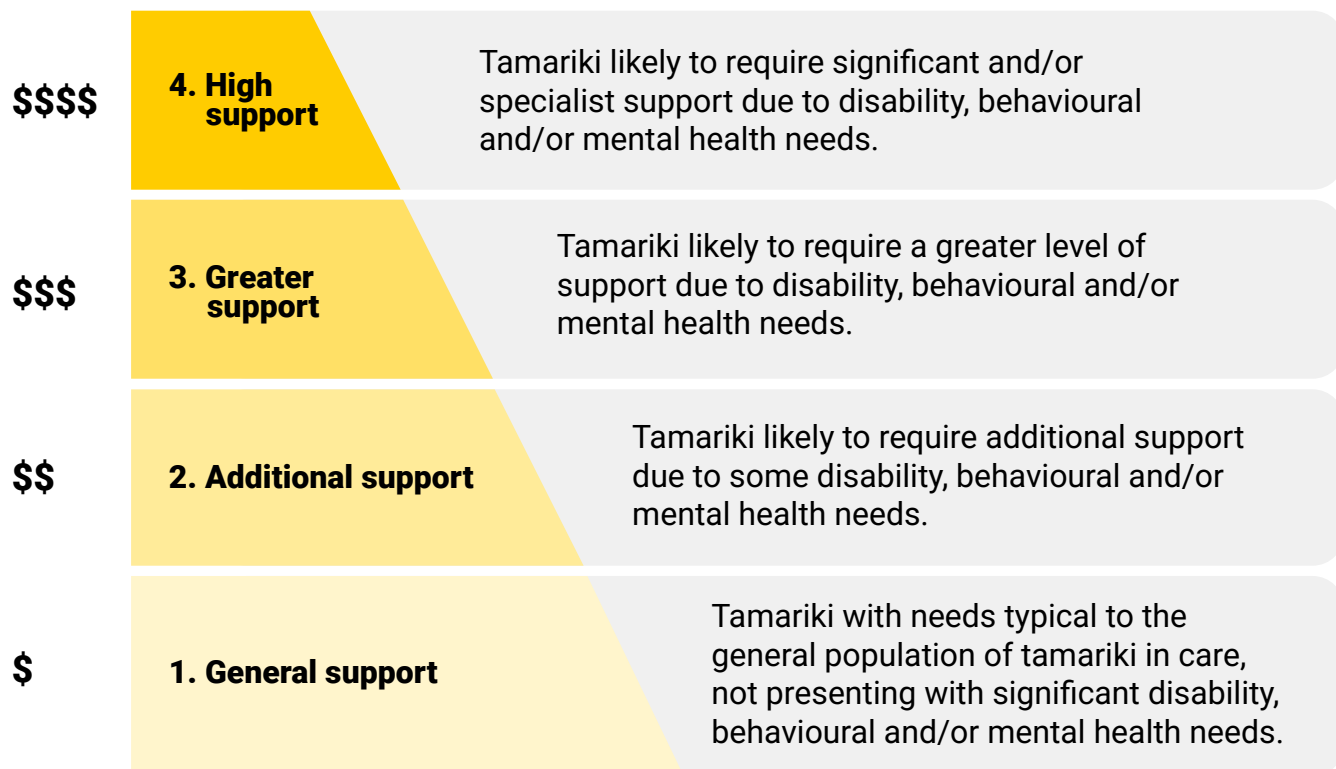
The most appropriate funding model for a partnered care option will be agreed by the care partner and Māori, Partnerships and Communities (MPC) Advisor from Oranga Tamariki (with guidance from the MPC Funding and Planning team as required), based on:

- the level of funding required to support tamariki and those caring for them, and
- the model of care and the types of costs incurred by the partner to provide that response

Levels of funding support

It is important that the level of funding provided to support tamariki in partnered care reflects their individual needs assessments and the support outlined in their plans. The 'Support level pyramid' below can be used as a reference point to help care partners and Oranga Tamariki estimate the level of support that a care option has been designed to provide. These funding support levels are referred to throughout the document. There are more details in [Appendix B](#).

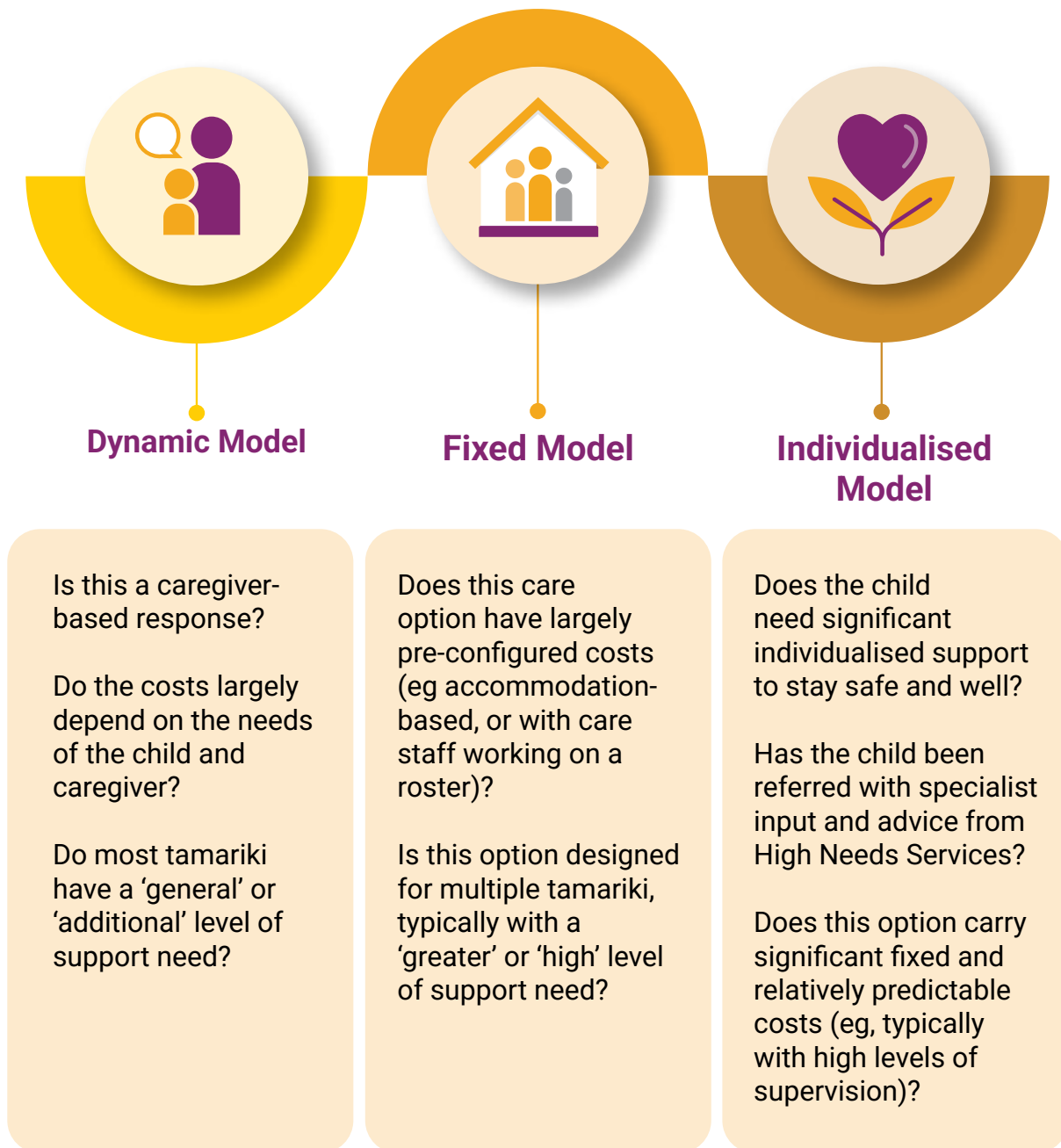
Figure 1: Support level pyramid



Types of costs

Partners all operate under different care models and look after tamariki with different support needs. This means that the types of costs they incur also differ. For example, some care partners provide responses that are largely caregiver-based, meaning support can be adapted to the individual child (or caregiver), whereas other partners provide care responses with higher fixed costs relating to accommodation or staffing.

Figure 2: Sample questions to consider



The Dynamic Funding Model

Overview



The Dynamic Funding Model is well suited to caregiver-based care options, where **costs to the partner largely depend on the support needs of the child and caregiver**. Typically, this model is used to support tamariki with 'general' or 'additional' support needs.

The Dynamic Funding Model has been designed to account for the costs required to support **most tamariki, most of the time**¹. Under this model, funding is agreed using the **'general support rate' of \$149.97² per 24-hour period of care provided to tamariki and rangatahi**. The partner can use the overall pool of funding (across multiple care options) to dynamically respond and adapt to meet the needs and aspirations of tamariki on a daily basis.

The partner and Oranga Tamariki (MPC Advisor and relevant budget manager) will agree a forecasted capacity, (ie, a forecasted number of 24-hour periods of care to be provided), which will be recorded in the Outcome Agreement (contract document) and used to determine the contracted amount of funding. A percentage of the funding will be paid in advance, to ensure partners have the resources to deliver their care responses. The payment schedule will be in the Outcome Agreement.

During the year, conversations will be held with the MPC Advisor and relevant budget manager at least quarterly (with practice experts as required), to understand usage and occupancy compared to the contracted forecast (see Reconciliation for the Dynamic Funding Model on page [14](#)).

¹ We recognise that some tamariki need more support to stay safe and well and achieve their goals, and that this extra support can mean partners need greater levels of resourcing beyond the general support rate. There is an option to negotiate a higher daily rate for any tamariki and/or caregivers with 'additional' support needs that cannot be met by the general support rate (see Agreeing an additional support rate under the Dynamic Funding Model on page [13](#)).

² This rate is subject to the annual care allowance adjustment increase.

Understanding the general support rate

With our 'all in' approach, we want to ensure that partners have the flexibility around funding to make decisions in a way that best suits the needs of the tamariki they are caring for. We acknowledge that the support (and associated costs) for each child will differ week to week, so we used a mathematical costing model to help us determine an appropriate general support rate that should be able to cover the costs associated with the level of support required for **most tamariki, most of the time**.

The costing model used to create the general support rate includes the following provisions.

One-off initial costs

Examples include:

- Caregiver / staff recruitment and approval
- Caregiver / staff initial induction training

Assistance to meet the needs of the child

Examples include:

- Child's living expenses
- Birthday and Christmas
- Clothing and nappy allowances
- Costs of establishing new care options (set up)
- Costs for caregivers or other people to meet the needs of child

Caregiver and staff support

Examples include:

- Allow partners to complete caregiver needs assessments and planning
- Support for care staff
- Access to learning and development
- Providing access to short breaks
- Access to a support person
- Costs for monitoring and organisational compliance

Individual child needs

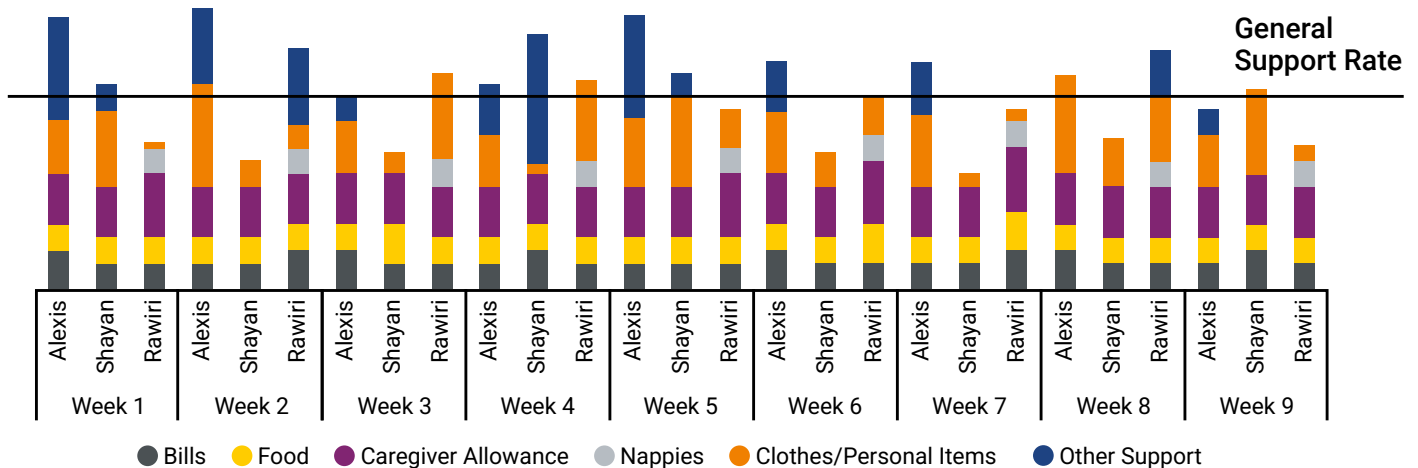
Examples of the child's 'material' needs include:

- Maintaining whānau connection
- Play, recreation/sport, hobbies, activity and community needs
- Bedding, furniture, bags, storage, etc
- School fees, uniform, camps, stationery
- Educational or training needs – learning support and coaching

The full costing detail for this general support rate is in [Appendix C](#). This table details the types of costs and assumptions we accounted for when developing the general support rate. However, it is important to remember that any costing model is based on a set of assumptions that can never be correct for every (or any) individual child all the time. As such, this costing detail is not intended to be a 'one size fits all' line-by-line costing recommendation, because the needs and strengths of two tamariki will never be the same.

Instead, the Dynamic Funding Model allows partners to manage the 'unders and overs' within their overall pool of funding to flex and adapt their response according to the specific needs of tamariki and caregivers. The way this works in practice is illustrated in the graph below, which shows some examples of weekly needs for three different tamariki over a period of time.

Figure 3: Illustration of differing weekly need



Each child's needs are different and change week to week (eg, in the graph above, Alexis requires significant additional support most weeks, Rawiri requires nappies, Shayan mostly just needs the basics), but on average over time, the general support rate is enough to cover most costs for all three tamariki most of the time.

The Dynamic Funding Model provides partners with the autonomy and flexibility to manage resources and adapt their care responses in a timely manner, to best suit the tamariki in their care.



For example, one partner might choose to provide some in-home support for the caregiver to meet the tamariki needs, whereas another partner may choose to fund a few hours of additional support to help with childcare after school while the caregiver continues to work.

Agreeing an additional support rate under the Dynamic Funding Model

We have done a range of scenario testing to ensure that the general support rate of \$149.97 is sufficient to meet the needs and cover the costs of supporting most children, most of the time. However, we understand that some tamariki may have 'additional' support needs that require ongoing support or resources that cannot be adequately provided for under the general support rate.

Examples could include:

- A higher foster care allowance to support a caregiver to spend more time at home with a child who needs additional support
- Professional support to address ongoing, low-intensity mental health or behavioural concerns (eg, counselling, art or play therapy, etc.)
- Several hours of in-home support to help a caregiver

The additional support rate process is intended to allow partners to agree a higher rate for any tamariki with additional support needs as required, to ensure partners have access to the resources required to meet the support needs of these tamariki and those caring for them.

Any additional funding agreed through this process will be added to the general support rate for the child **as a variation in your contract**.

Please note: There is also an option to apply for **one-off** funding top-ups to cover **extraordinary costs or exceptional circumstances**. See the Additional Funding section on page 21 for more information.

Additional support rate process

1. The care partner re-assesses the child's needs, strengths and goals, supported by the Oranga Tamariki social worker as required.
2. It is identified that the support needs identified require some additional funding.
3. The care partner determines whether they can deliver the additional support within the general support rate.

If additional funding is required...

4. The care partner brings the request to the Oranga Tamariki Site.
5. The Site notifies the relevant Oranga Tamariki MPC Advisor, to support conversations as required.
6. A mutual negotiation sets the rate, based on the child's or caregiver's assessed needs.

7. The Site Manager and/or Budget Manager with financial delegation approves the decision.
8. The Site Manager notifies the MPC Advisor about the additional support rate.
9. The MPC Advisor ensures that the variation is added to the contract, based on the agreed additional costs.
10. The Orange Tamariki social worker informs the child, family and caregiver of the decision.

Reconciliation for the Dynamic Funding Model

The Dynamic Funding Model is 'all in' and we want to make sure that partners have the resources they need to deliver high-quality care. This includes ensuring that partners have some sense of certainty around funding regardless of usage, to support business planning and service viability.

Initial contracting conversations for the Dynamic Funding Model are based on a forecasted number of **24-hour periods of care** to be provided to children and young people. This agreed capacity is recorded in the Outcome Agreement, and Oranga Tamariki will fund the number of 24-hour periods of care actually provided to children and young people (with a few exceptions as outlined below).

It is important to note that the general support rate for the Dynamic Funding Model **assumes an occupancy rate of 88%** (see the costing detail in [Appendix C](#)). This means that the funding for 321 days of care should cover the cost of that care option for the full year (365 days). This occupancy factor acknowledges that a care option might only be used for a percentage of the year, but partners still have fixed yearly overhead costs that need to be accounted for (eg, approving and retaining caregivers). This occupancy factor provides assurance for partners to be able to cover their fixed overhead costs even if their care options are not used to full capacity.

Oranga Tamariki will fund the number of 24-hour periods of care **actually provided** to children and young people. If the number of 24-hour periods falls below 85% of the agreed amount **because** partners are unable to provide the agreed amount of care, Oranga Tamariki will open discussions to adjust the amount of care and funding in the Outcome Agreement (with appropriate lead-in times and notice).

What does this mean in practice?

The care partner and MPC Advisor will discuss at least quarterly (with practice experts as required), to understand usage and occupancy compared to the contracted forecast. Oranga Tamariki will fund the partner for the number of 24-hour periods of care actually provided to children and young people, so:

- if the number of 24-hour periods exceeds 85% of the agreed forecasted amount, the partner will be paid per 24-hour period actually provided.
- if the number of 24-hour periods falls below 85% of the agreed forecasted amount because **Oranga Tamariki** has not made referrals to that care option, partners will be paid for 85% of the agreed forecast, to ensure that partners have certainty around a minimum amount of capacity funding to support business planning and service viability.
- If the number of 24-hour periods falls below 85% of the agreed forecasted amount because **partners** are unable to provide the agreed amount of care, Oranga Tamariki will open discussions to adjust the amount of care and funding in the Outcome Agreement (with appropriate lead-in times and notice in relation to any changes).



For example, let us assume we have agreed that a care partner will have four care options available at any one time, that is, \$218,956.20 (4 x 365 days x \$149.97). However, only three tamariki are cared for during this period (or only 1,095 of 1,460 24-hour periods are provided).

- *If this occupancy rate is because Oranga Tamariki only made three referrals to this partner (but the partner had other caregivers available), the partner will be paid for 85% occupancy (that is, \$186,112.77 as opposed to actual usage of \$164,217.15).*
- *However, if the partner only looks after three tamariki because the partner is unable to provide the care for a fourth child (eg, no caregiver available), then Oranga Tamariki will open a conversation about what support the partner needs to be able to provide the agreed care options, and/or whether the Outcome Agreement needs to be adjusted on an ongoing basis.*

The Fixed Funding Model

Overview



The Fixed Funding Model best suits care options with **significant fixed or pre-configured costs to the partner**. It is typically used for multiple tamariki and rangatahi with 'greater' or 'high' support needs.

The Fixed Funding Model has been designed for care options with significant fixed or pre-configured costs to the partner. For example, this model may be well-suited to an accommodation-based response, with significant fixed accommodation costs or staff working on a roster. Another example may be specialist caregiving options that have fixed costs associated with specialised training and support.

The amount of funding provided under the Fixed Funding Model will reflect the needs of children that the care option is designed to meet (eg, funding rates would be relatively high for a rented group home with considerable safety modifications and a permanent roster of highly trained staff). Funding rates under the Fixed Funding Model will also take into account the expected occupancy rate of the care response, and the minimum amount of funding required to cover the partner's fixed costs and maintain service viability.

As part of contracting discussions, the care partner and Oranga Tamariki should collectively agree the model of care and any key requirements to provide appropriate support for tamariki (eg, the level of staff to child ratios or particular skills required by caregivers and/or support). The care partner and Oranga Tamariki should also collectively form an understanding of the expected occupancy of the care option, based on data from previous years and current forecasted need. This information should be recorded in the Care Model Summary. The MPC Funding Team can provide support and data as required.

Partners will then be asked to submit a budget proposal. The budget proposal should not be developed before the level of support and specific care response are agreed between the partner and Oranga Tamariki (MPC, relevant budget manager and Finance). We encourage partners to submit their budgets in a format that works for them. All funding models are designed to be 'all in', so this budget should include provision for all costs associated with providing care (eg, set-up costs, direct support and care costs, property related costs, overheads, etc). See [Appendix D](#) for more examples of what these costs may include.

Once partners have submitted their budget, the MPC Funding Team will review it to ensure that all costs have been accounted for, and check for consistency with other care options and industry norms. The Funding Team may request further information at this stage. This check will usually happen prior to final approval from the budget manager and Finance. The agreed funding rates, specifics of the care response, and reconciliation approach will be recorded in the Outcome Agreement.

Requesting additional funding under the Fixed Funding Model

This model is intended to be used for care responses with significant fixed or pre-configured costs. Therefore, if there is a significant and ongoing change in the costs associated with the care response for any reason, the partner should discuss it with the MPC Advisor, as a new rate may need to be negotiated.

There is also an option to apply for **one-off** funding top-ups to cover **extraordinary costs** or **exceptional circumstances**. See the Additional Funding section on page [21](#) for more information.

Reconciliation for the Fixed Funding Model

The Fixed Funding Model is 'all in' and we want to make sure that partners have the resources they need to deliver high-quality care. This includes ensuring that partners have some sense of certainty around funding to support business planning and service viability. Please see the Reconciliation section on page [24](#) for more information about our reconciliation principles.

Expected occupancy rates will be discussed and negotiated as part of the contracting discussions for care options using a Fixed Funding Model. This expected occupancy rate will vary depending on the nature of the care being provided (eg, a group home providing temporary accommodation may be expected to have a lower occupancy rate than one providing full time care). The expected occupancy rate should be considered on a case-by-case basis for each partner and care response.

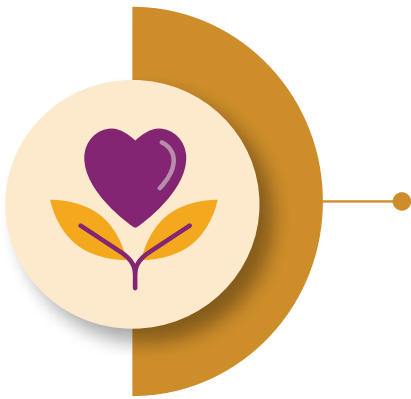


For example, as a rough guide, we might expect an average occupancy factor of 75% depending on the level of support required for the tamariki who the care option is designed to support and how the care option is used (eg, allowing for transitions in and out, temporary stays, and fluctuating demand). However, this is a rough guide, and will depend on the care response. The occupancy factor should be based on data from previous years and current forecasted need. The MPC Funding Team can help provide support and data as required.

Regular information gathering and sharing (eg, through the Data Exchange and Partnership Touchpoints) will help track actual occupancy, and regular conversations will occur between the partner and the MPC Advisor at least quarterly. Oranga Tamariki will pay the agreed amount if occupancy is generally tracking to the expected occupancy rate. If occupancy falls below the expected rate for an extended period (eg, more than three months), Oranga Tamariki will open discussions with the care partner to understand why occupancy is low and agree how to respond in the circumstances. For example, this may include discussions to reduce capacity, redirect capacity or re-evaluate the scope/parameters of the care response. This may be a short term or one-off agreement, or we may need to renegotiate the Outcome Agreement to reflect longer term changes.

The Individualised Funding Model

Overview



The Individualised Funding Model enables partners and Oranga Tamariki to agree a separate funding rate for an individual young person. This should only be used if **the child or young person needs significant support** to stay safe and well, that cannot be provided through other care options (eg, high levels of supervision, or multiple staff-to-child ratios). These tamariki will be assessed as requiring a very 'high' level of support, and **usually require specialist input and advice from High Needs Services**. Care options are highly individualised, with significant fixed and relatively predictable costs.

The rates for the Individualised Funding Model are based on an agreed budget for all costs associated with care for a child or young person with high and complex support needs. Once the care partner and Oranga Tamariki have agreed the model of care and parameters around it, partners will be asked to submit a budget proposal. The budget proposal should not be developed before the level of support and specific care response is agreed between the partner and Oranga Tamariki (MPC, relevant budget manager and Finance).

We encourage partners to submit their budgets in a format that works for them. All funding models are designed to be 'all in', so this budget should include provision for all costs associated with providing care (eg, set up costs, direct support and care costs, property-related costs, overheads, etc). See [Appendix D](#) for more examples of what these costs may include.

Once partners have submitted their budget, the MPC Funding Team will review it to ensure that all costs have been accounted for and check for consistency with other care options and industry norms. The Funding Team may request further information. This check will usually happen before approval from the budget manager and Finance.

As part of contracting discussions, the care partner and Oranga Tamariki (including MPC Advisor, High Needs Services, local Site, and the MPC Funding Team) should collectively consider the implications of entering into this funding agreement,

including any decommissioning costs and timeframes (see Reconciliation for the Individualised Funding Model on page [20](#) for more information).

This discussion is to ensure that partners are not unfairly penalised or taking on inequitable risk in the establishment of a specific care response. Decommissioning considerations should recognise that there are reasonable stand down or closure costs for the partner. These could include step down periods or exit provisions relating to leases, timeframes around redirecting support staff, and other costs for material items funded when the care option was established.

The care partner and Oranga Tamariki will negotiate these arrangements according to the circumstances of each case. Oranga Tamariki will record the decisions in the Outcome Agreement.

Requesting additional funding under the Individualised Funding Model

Funding rates in this model are agreed according to the specific, individual needs of a child or young person with high and complex support needs. So, if there is a significant and ongoing change in the child's needs and/or circumstances, the partner should discuss it with the MPC Advisor, as a new rate may need to be negotiated.

There is also an option to apply for **one-off** funding top-ups to cover **extraordinary costs** or **exceptional circumstances**. Please see the Additional Funding section on page [21](#) for more information.

Reconciliation for the Individualised Funding Model

Funding rates in this model are agreed according to the individual needs of a specific child and should therefore be renegotiated when their needs and/or circumstances change and their level of support required decreases. If it is a staffed accommodation-based option, set up and de-commissioning costs and timeframes should be agreed as part of contract negotiations. If an option is no longer needed for a specific individual, we should carefully consider with partners how those resources can be redeployed to support other tamariki in partners' care (a planned approach).

Additional funding

All three models provide 'all in' funding. This means that the rates for all models should provide enough funding to cover the majority of costs for supporting tamariki needs.

This 'all-in' approach has been designed to reduce the administrative burden on partners by removing the need to submit small-scale invoices for additional funding. This gives more autonomy for partners to meet tamariki needs in a timely manner.

However, we recognise that **extraordinary costs** and **exceptional circumstances** cannot be reasonably accommodated within a funding model, so additional funding will sometimes be needed. The processes for obtaining additional funding are outlined below.

Understanding which process to use

- If the exceptional circumstance has caused a **significant** and **ongoing** change in a child's level of support need, talk to your MPC Advisor because **the type of funding model or contract may need to be reviewed**.
- If the exceptional circumstance can be addressed through a **one-off cost/purchase**, please use the **Ad-Hoc Funding Process** (page [22](#)). Note:
 - If this cost is less than \$500, you may be expected to cover this within your usual funding (refer to your Fixed / Individualised budget, or the Dynamic Funding Model full costing detail on page [31](#)). However, talk to your MPC Advisor if you still believe you need additional support.
 - If this cost is related to property maintenance or damages, please refer to the Guidance for property-related costs and costs associated with intentional or deliberate damage in [Appendix E](#).
- If you are on the **Dynamic Funding Model** and you have identified that a child in your care requires additional and ongoing support that cannot be covered by the general support rate, there is an option to negotiate a higher daily rate. See Agreeing an additional support rate under the Dynamic Funding Model section (page [13](#)) for more detail.

Ad-hoc funding

The Ad-hoc funding process allows **all** care partners to request additional resources when required to meet any unforeseen or exceptional support needs for tamariki, through **one-off costs or purchases**.



For example, this could include things like overseas or high-cost school trips (eg, Spirit of Adventure), supervised access, orthodontics, or a short period of therapy to support a child through a difficult time.

Typically, ad-hoc funding will be **paid directly by Oranga Tamariki** or **reimbursed to the care partner on receipt of an invoice**.

Ad-hoc funding process

1. The care partner identifies that the child has an additional support need due to exceptional or unforeseen circumstances.
2. It is identified that the support need requires some one-off funding.
3. The care partner determines whether they can deliver the support within the general support rate. (For example, is this cost under \$500?)

If additional funding is required...

4. The care partner brings the request to the Oranga Tamariki Site.
5. A mutual negotiation agrees the additional costs and how these will be paid. Support is available from the MPC Advisor as required.
6. The Site Manager and/or Budget Manager with financial delegation approves the decision.
7. The ad-hoc request is paid directly by Oranga Tamariki or reimbursed to the partner on receipt of an invoice.
8. The Site Manager notifies the MPC Advisor about the request and payment.

Reconciliation

All three funding models for partnered care are designed to be 'all in' and we want to make sure that partners have the resources they need to deliver high-quality care. This includes ensuring that partners have some sense of certainty around funding to support business planning and service viability.

Our reconciliation approaches are based on the following principles:

- Care funding rates cover the cost of high-quality care and support
- We have the right care options available for children and young people
- Care partners are not compromised financially as a result of decisions or actions taken by Oranga Tamariki (eg, because of lack of referrals from Oranga Tamariki)
- We meet our accountabilities as a Crown Agency

Usage and occupancy will be regularly observed (at least quarterly) through conversations with your MPC Advisor, and other Oranga Tamariki staff (eg, High Needs Services, local Site), based on the information shared about the number of tamariki in your care and their support needs.

The purpose of reconciliation is to:

- ensure funding is aligned to demand and usage
- work through any potential referral or other issues
- identify alternative options if the care responses are no longer fit to meet the needs of children and young people in care

The reconciliation approach **depends on the type of funding model** used. The approach for each is detailed under the relevant funding model section.

Escalation

We want to work together in partnership to ensure that tamariki receive the quality of care they need. It is important that discussions and decisions happen in a timely manner to ensure that the needs of tamariki can be met without delay. As outlined in the Shared Care Service Specification, our principles for working together are:

- acting honestly and in good faith
- communicating openly and in a timely manner
- working in a collaborative and constructive manner

Escalation may be needed if either the care partner or Oranga Tamariki has questions or concerns relating to the level of support being provided to a child to meet their needs, or cannot agree about a funding decision.

Timeframes for when to escalate will vary depending on the individual circumstances of the situation. Quality Assurance discussions are a good opportunity to raise less urgent matters for continuous improvement by either party. However, a decision that affects being able to provide the level of support required to meet a child's immediate needs may need to be escalated sooner than others.

If the care partner or Oranga Tamariki has a question or concern about the safety of anyone involved in care, this should be raised and handled immediately.

Escalation and resolution process (high level)

1. Ideally, matters are handled promptly at a local level by discussing directly with the people you are working with, applying the above principles.
2. If needed, either party can escalate the discussion to their supervisor.
3. If agreement still cannot be reached, the care partner will discuss/negotiate with the Site Manager (or other relevant budget manager) to resolve.
4. If the MPC Advisor was not involved in the resolution, tell them about any agreement or revision.

Appendices

Appendix A: Funding and contracting process

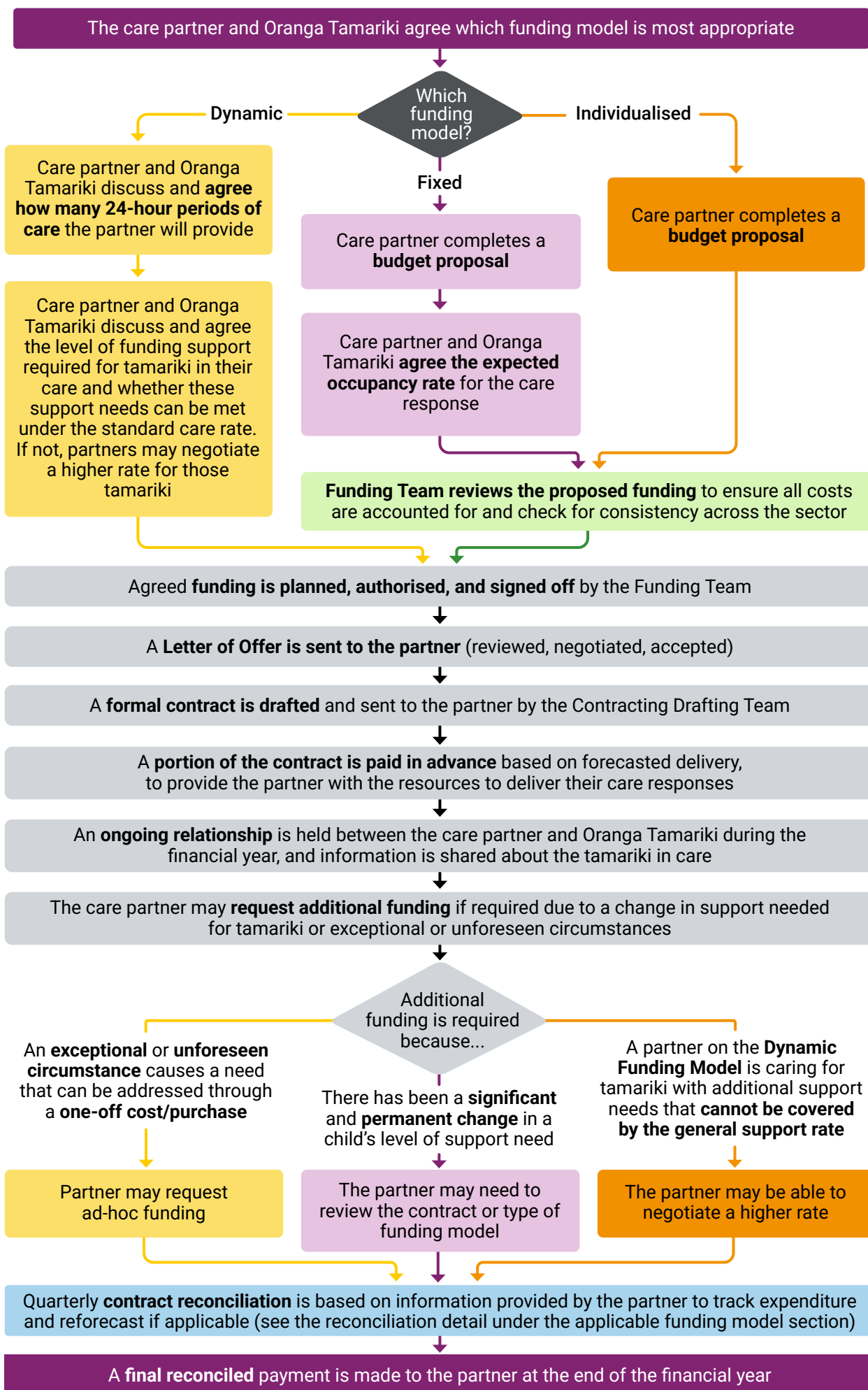
Once you have decided on a funding model with your MPC Advisor, you will discuss and agree any other pre-contracting information relevant to the type of service you are offering and your funding model.

This type of information and discussion might include the following actions:

- The MPC Funding Team reviews budgets and funding models to ensure that all costs are accounted for and check for consistency across the sector.
- The Contracting Team will draft a formal contract, and a portion of the contract will be paid in advance based on the forecasted delivery, to make sure that partners have the resources to deliver their care responses.
- Any funding queries raised as part of the ongoing relationship between the care partner and Oranga Tamariki during the year. The MPC Advisor is your first point of contact.
- During the financial year, partners may request additional funding if required due to a change in the support needs of a child, or due to exceptional or unforeseen circumstances.
- Together we will observe usage, quarterly, to understand usage and occupancy compared to the original forecasts and whether we need to address any large variances (see the detail on each funding model for specific reconciliation information).

A high-level overview of the funding process is provided below, with more detailed information for each funding model in the relevant funding model section.

Figure 4: Funding and contracting process – flowchart



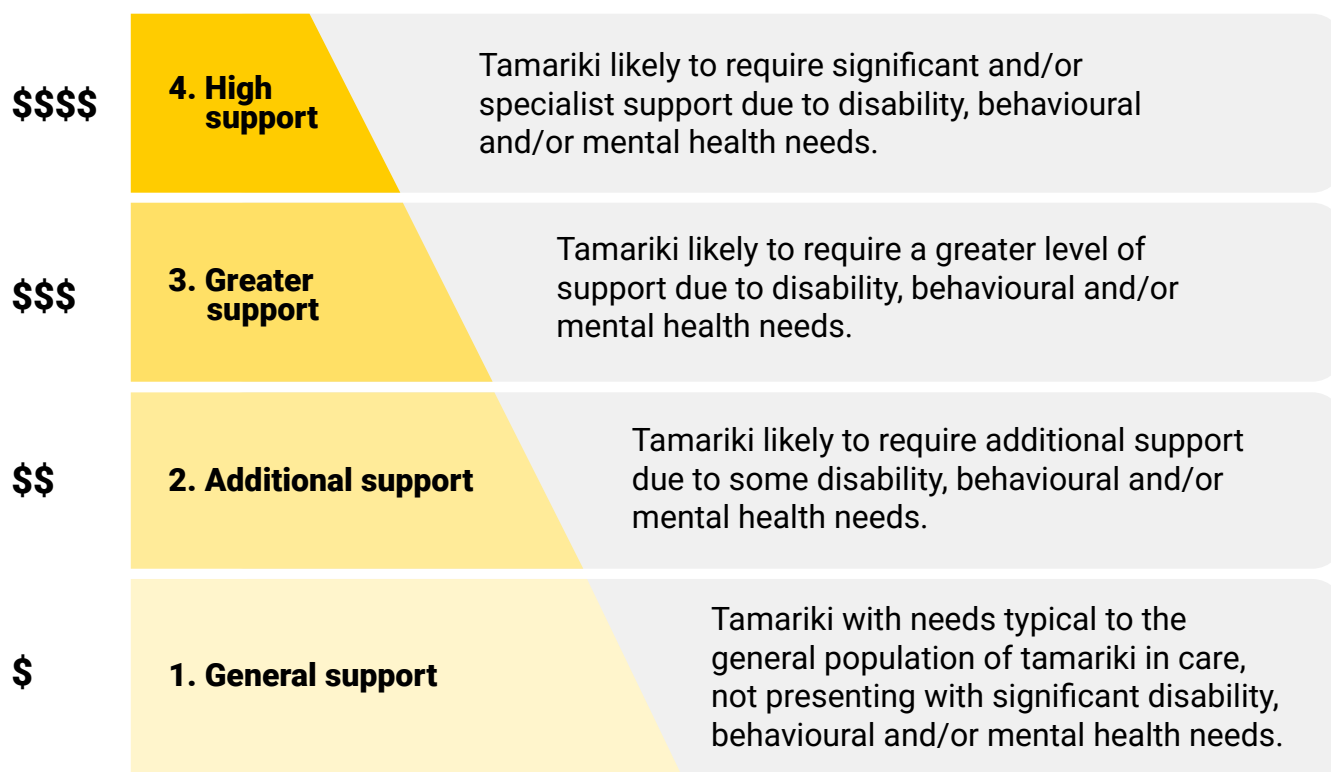
Appendix B: Understanding the levels of funding support

Please note: We are currently reviewing the funding support levels and descriptors. The intention of the review is to ensure that the support level descriptors for each level clearly reflects mana tamaiti, whakapapa and whanaungatanga, and the National Care Standards. Review of the wording and terminology for each support level will also ensure that the different levels of support required by tamariki are clearly defined and easy to understand and ensure they are aligned to the core elements of therapeutic care.

Oranga Tamariki is committed to ensuring that care partners have sufficient resources to provide high-quality care that meets the needs, strengths and goals of tamariki. As such, the level of funding support provided for tamariki in partnered care should reflect the child's needs assessment and the types of support outlined in their plans.

The illustrative funding support framework below should be used to help understand the approximate 'level of support' that a care option has been designed to meet.

Figure 1 (repeated): Support level pyramid



Based on analysis of children in partnered care, we anticipate around half of children would require a general level of support and around a third would require an additional level of support.

Please note: The descriptions below are based on data and information about children and young people in the care of Oranga Tamariki. The descriptions are highly illustrative and are not intended to be a substitute for getting to know a child, understanding who they are and where they are from, and their strengths and goals. The purpose of these descriptors is to help gauge the level of support a child is likely to need so that an indicative level of resources can be allocated to their support plan.

General support level

Tamariki with needs typical to the general population of tamariki in care, not presenting with significant disability, behavioural or mental health needs.

Age	Usually younger but can be all age groups
Care history	Limited care history – often cared for by wider family or whānau
Behaviour	No (or low) presentation of behavioural or mental health related issues. Able to form positive attachments.
Education/Health	Tamaiti attending mainstream education/health services
Safety	None in particular
Caregiver	Standard caregiver training (optional)
Caregiver support	Limited need for support from caregiver support/social worker
Monitoring	Visits to child/caregiver every month or so

Additional support level

Tamariki likely to require additional support due to some disability, behavioural and/or mental health needs.

Age	Usually younger but can be all age groups
Care history	Have often been in more than 3 care options ('placements')
Behaviour	Low-level intensity behavioural issues, with low risk to self or others. Possibly undiagnosed attachment disorder, anxiety, or depression. Behaviour is generally stable. Able to form positive attachments.
Education/Health	Attending mainstream services, but with some truancy/exclusion or issues of self-regulation
Safety	Will need closer supervision/observation, including private areas (when required)
Caregiver	Caregiver training required

Caregiver support	Additional support needed from caregiver support/social worker (with relatively low caseloads)
Monitoring	Visits to child/caregiver likely to be at least monthly
Therapeutic care	Little or no prior use

Greater support level

Tamariki likely to require greater support due to disability, behavioural and/or mental health needs.

Age	Can be all age groups but usually pre-adolescent/adolescent (>10 yrs)
Care history	Likely to have several unplanned changes in care option ('breakdowns') and intermittent stays in formal care settings (eg residences)
Behaviour	Medium-level intensity behavioural issues, with medium risk to self or others, and occasional high-risk incidents. Mental health and behaviour disorders likely to be diagnosed (but not necessarily). Includes low-level intellectual disabilities (ID) with cognitive functioning, violence/aggression (including toward caregivers/staff), absconding with high risk behaviour, substance abuse, self-harm (but not to the extent to be hospitalised), suicidal ideation, inappropriate sexual behaviour. Behaviours escalating.
Education/Health	Permanent or temporary exclusion from mainstream education. Education and recreational day programmes likely to be organised by Oranga Tamariki or the care partner. Day programme includes therapeutic intervention.
Safety	Designed to allow staff observation and interaction at all times (if required)
Caregiver	Specialist caregiver training mandatory, including MAPA. 1:1 specialist caregiver and/or staffed support, eg specialist group homes, therapeutic care models.
Caregiver support	Considerable therapeutic support from skilled staff (eg, social worker and/or youth worker/mentor)
Monitoring	Visits to child/caregiver likely to be weekly or more frequent, with intensive support when necessary
Therapeutic care	High and complex needs plan, includes Safety Plan.

High support level

Tamariki likely to require significant and/or specialist support due to disability, behavioural and/or mental health needs.

Age	Can be all age groups but usually pre-adolescent/adolescent (>14 yrs)
Care history	Often have long care histories and multiple unplanned changes in care options, including with therapeutic or “professional”/salaried caregivers.
Behaviour	High-level intensity behavioural issues, with high risk to self or others, and repeated high-risk incidents. Presenting behaviours (chronic risk): high level risk to self, attempted suicide, hospitalisations; high level risk to others, assaults on caregivers, staff, other adults or children; frequent absconding putting self and community at risk, incidents of harmful sexual behaviour with other children.
Education/Health	Exclusion from mainstream education. Education and recreational day programmes likely to be organised by Oranga Tamariki or the care partner. Day programme includes intensive therapeutic intervention, may include occupational therapy to stabilise and regulate behaviour.
Safety	Designed to allow staff observation and interaction at all times if required. Possibility of putting a child in a safe place and have two people to support when required.
Caregiver	Specialist caregiver training mandatory, including MAPA. Rostered staff services: 2+:1 caregiver individualised services, specialist group homes.
Caregiver support	Intensive support from skilled staff (eg, social worker) with low caseloads (eg, 5)
Monitoring	24–7 Intensive support, including in-home mobile support (available as required)
Therapeutic care	High and complex needs plan, 24hr supervision, including professional therapeutic and social work staff

Appendix C: Costing model detail for the general support rate

As outlined in the Dynamic Funding Model section, the 'all-in' general support rate for partnered care is \$149.97 per 24-hour period of care provided for tamariki and rangatahi.

The tables below explain the types of costs and assumptions considered in the costing model used to calculate this general rate. However, it is important to remember that the costing detail provided below is simply a **mathematical model**, to help us determine how much funding should be included in the general support rate to cover the costs for **most tamariki, most of the time**. As such, these costing detail tables are not intended to be a 'one size fits all' line-by-line costing recommendation because the needs and strengths of tamariki will never be the same.

Any costing model is based on a set of assumptions that can never be correct for every (or any) individual tamariki all the time. The support needs of tamariki are highly variable and fluctuate constantly.



For example, some support needs will:

- remain relatively stable every week (eg, food, electricity, weekly extracurricular activities)*
- only need to be purchased sometimes (eg, new clothes, furniture)*
- vary week-to-week depending on the individual child and/or caregiver's situation (eg, health, family situation)*
- be required for some tamariki but not others (eg, teacher aide support)*
- vary based on the age of the child (eg, nappies, school uniform)*

The intent of the Dynamic Funding Model (and the general support rate of \$149.97 per 24-hour period) is to provide partners with the autonomy and flexibility to manage the 'unders and overs' in their total funding pool to flex and adapt their response to suit the needs of individual tamariki in a timely manner.

Costing detail

The following tables outline the costing model for the general support rate, including detail about the costs allocated for each aspect of care, and the calculations and associated assumptions that underpin the model. All figures are rounded to the nearest dollar. **Remember, this is not a line-by-line costing recommendation.** It is a **model** outlining the types of costs we might expect to incur when delivering high-quality care for most tamariki, most of the time. Partners can manage the 'unders and overs' to suit the needs of individual tamariki in a timely manner.

Wherever relevant, this costing detail is linked to internal Oranga Tamariki policy and guidance. See more detail about the various allowances in the Guidance about specific allowances section on page [35](#).

Table A: One-off initial costs – caregiver

Initial costs – caregiver	A	Calculation assumptions
Recruitment costs (up to assessment)	5,000	Estimated average recruitment cost for a caregiver
Assessment social work time	1,923	All in social worker FTE annual cost – \$150k divided by 52 weeks, divided by average number of assessments per week: 1.5
Induction (initial training)	1,100	Initial training – 10hrs per caregiver multiplied by the hourly training cost: \$110
Initial costs annualised	2,292	Total annual one-off initial costs (\$8,023) divided by average length of caregiver tenure: 3.5 years

Table B: Assistance to meet the needs of the child

Needs of the child	B	Calculation assumptions
Caregiver ‘child’s living expenses’ – foster care allowance	15,423	Official annual Oranga Tamariki published allowances for 10–13yr olds
Birthday allowance	148	Official annual Oranga Tamariki published allowances for 10–13yr olds
Christmas allowance	148	Official annual Oranga Tamariki published allowances for 10–13yr olds
Clothing allowance	1,742	Official annual Oranga Tamariki published allowances for 10–13yr olds
New caregiver set-up grant	100	New caregiver set-up grant – \$350 divided by average duration of 3.5 years
Subtotal: total allowances (per child)	17,561	

Caregiver assistance and support, to meet the needs of the child or young person in their care (per caregiver)	19,369	Estimated workable hours multiplied by \$23.28 (Level 1–2 support worker rate), multiplied by 52 weeks. Based on the assumption that caregiver can work 16 hours per week while still meeting the assessed needs of the child
Total assistance to meet the needs of the child	36,930	Annual cost (17,561 + 19,369)

Table C: Caregiver support costs

Caregiver support	C	Calculation assumptions
Social work time for caregiver support plan	1,923	All in social worker FTE annual cost – \$150k divided by 52 weeks, divided by average number of plans per week: 1.5
Social work time for caregiver needs assessment	1,923	All in social worker FTE annual cost – \$150k divided by 52 weeks, divided by average number of weekly assessments: 1.5
Caregiver learning to maintain or develop the caregiver’s capability in meeting child’s needs	1,100	Learning hours –10 hours multiplied by cost per hour \$110
Provision of access to short breaks for caregivers	1,860	Sufficient provision for at least 20 days short breaks based on a higher Foster Care Allowance daily rate
Support person for the caregiver	3,162	All in support person FTE hourly rate \$38 multiplied by average 1.6 hours per week per child
Monitoring, reporting & organisational compliance costs	1,248	All in FTE hourly rate – \$104 multiplied by average monitoring and reporting of 1 hour per month per child
Total caregiver support costs	11,216	Annual cost

Table D: Individual child needs costs

Individual child needs	D	Calculation assumptions
Need to maintain connections with their family, whānau, hapū, iwi, and family group	2,500	Average travel costs (incl. accommodation) – for two 3-day trips back to rohe / whenua / whānau / community
Play, recreation/sport, hobbies, activity and community needs	2,352	Average \$280 per month multiplied by average uptake 70%
Personal gear/storage needs	500	Average cost for storage tubs/suit case, bedding, and furniture
School fees, uniform, camp, stationery (see Clothing allowance)	331	Percentage of school age children – 57% multiplied by average school costs \$580
Educational or training needs – student aide support	234	Average 1hr per week for 3 weeks of support at \$78 per hour
Educational or training needs – engagement support	329	Average of 1hr per week for 4.5 weeks at \$73 per hour
Educational or training needs – learning support and coaching	880	Average of 1hr per week for 8 weeks at \$110 per session
Total individual child needs costs	7,125	Annual cost

Table E: Shared Care total

Shared Care total	E	Calculation assumptions
Annual total child costs	24,686	17,561 (excerpt from Table B: Assistance to meet needs) + 7,125 (Table D: Individual child needs)
Annual total caregiver costs	32,877	2,292 (Table A: One-off initial costs annualised) + 19,369 (excerpt from Table B: Assistance to meet needs) + 11,216 (Table C: Caregiver support)
Average caregiver:child ratio	1.4	
Total costs per child per day	132	$(24,686 + (32,877 / 1.4)) / 365$
Total Shared Care costs per child per day (factoring in occupancy)	149.97	Assumes that 321 days (88%) per year of a care option are used and funded, and that this needs to cover cost of full year.

Assumptions

The costings above have been built up using a range of assumptions, for example:

- All staffing costs include all overheads associated with employment (eg, salary costs, cost of management and supervision, training, travel, organisational overheads etc.)
- Frontline social worker FTE costs are assumed to be \$150,000 per annum
- Social work FTE resource hours have been calculated using estimated staffing ratios for general support
- Caregiver duration/length has been assumed as 3.5 years, based on average duration data held by Oranga Tamariki
- All internal monitoring and quality assurance activity has been calculated using Oranga Tamariki costings
- Proportion and percentage estimates of tamariki in care (eg, age ranges), is based on CYRAS data (2019)
- Rates also factor in an occupancy levels – recognising that care partners still have costs when care options are not being used

Guidance about specific allowances

Wherever relevant, the costing detail above reflects internal Oranga Tamariki policy and guidance. More information about current Oranga Tamariki allowance amounts can be found on the [website](#), and more detailed guidance to supplement the summaries below can be found on the Oranga Tamariki Practice Centre.

Provision for each of the allowances described below has been included in the general support rate (see costing detail tables above).

Caregiver allowance

The caregiver allowance is paid to caregivers of tamariki in the care or custody of the chief executive of Oranga Tamariki, including whānau caregivers. It contributes to the cost of food, general household items, heating and power, transport, phone, bedroom furnishings and linen, general household goods, miscellaneous expenditure such as haircuts, personal hygiene items and toiletries and pocket money for tamariki and rangatahi.

Pocket money

All tamariki and rangatahi in care or custody of the chief executive are entitled to pocket money, including those living with caregivers or in residential settings, including remand homes and group homes. Pocket money is included in the weekly care allowance rate.

The amount of pocket money is calculated based on the age of te tamaiti or rangatahi. The age rates have been set by Oranga Tamariki but individual circumstances may affect how the pocket money is paid.

Birthday and Christmas allowances

A birthday and Christmas allowance is provided, to be used for celebrations and presents for the child. The rate of this payment is equivalent to half of the caregiver allowance.

Standard small cost payment

A standard payment is made available to the caregiver to pay for additional small items te tamaiti or rangatahi needs. Small cost items could include things like a prescription charge, additional school stationery, a school outing, a birthday present for the child's friend, something special to celebrate a child's particular achievement, a regular cellphone top up, a hobby or a gold coin donation/koha. This is included in the fortnightly board allowance.

Clothing allowance

All tamariki and rangatahi who are in a care arrangement that is intended to be ongoing are entitled to a 4-weekly clothing allowance. However, how this is paid or made available to them may be different depending on the care arrangement type.

The clothing allowance covers a reasonable range of appropriate clothing, a travel bag and replacement of school uniform items.

Funding for new school uniforms when tamariki in the custody of the chief executive start at school and require a uniform, or changes uniform within a school, eg between junior and senior school, is included separately in the costing model. This is in addition to the clothing allowance. Replacement of uniform items is expected to come from the clothing allowance.

Set-up grant

On top of the standard care allowances, there are also allowances for new caregivers, who qualify for a \$350 set-up grant. This money helps a caregiver to prepare to care for a child.

Nappy allowance

Caregivers caring for children who are in nappies are entitled to a nappy allowance, which is added to their weekly allowance payment.

Appendix D: Budget proposals for the Fixed and Individualised funding models

To agree a rate for the Fixed and Individualised funding models, care partners are asked to provide a proposed budget outlining all anticipated costs associated with providing high-quality care. Partners are encouraged to develop their budgets in a format that works for them. If any partners would like additional support with developing this budget they are welcome to contact the MPC Funding Team.

This budget should include provision for all costs associated with providing care, including the following.

Set-up costs

These are one-off costs either during establishment of a new service or transitioning funding to a new service or provider. Set-up costs may include staff recruitment and training to build capability or specific service training, infrastructure such as IT and security, equipment, home-related costs, licensing, etc. Any furniture and equipment used in the home should be listed in the Care Partner and Oranga Tamariki Property Operating Agreement to ensure it is clear who owns the item, and who is responsible for maintenance and disposal costs.

Direct support and care costs

Direct support staff are all staff directly involved in delivering care. This includes all practitioners and might also include Team Leaders or direct management support who are essential to the delivery of the service. General management and administration costs should be included in overhead costs (see below). Other direct costs have been broken into the different categories to reflect care settings, including costs relating to running and occupying the home and to care for the tamaiti or rangatahi.

Other direct costs

This includes equipment, resources and other related expenditure incurred in the direct delivery of the service. For example, staff development and external supervision, cellphones for practitioners, travel if required as part of the service, materials and training resource, accommodation and utilities related to travel. These costs can sometimes be shared across multiple services. For accommodation-based responses, property-related costs should also be considered (see [Appendix E](#)).

Overhead costs

This includes all indirect service costs, or costs incurred as part of running the organisation that will contribute to the effective delivery of the service but not actually part of delivering the service. For example, this would typically include a proportion of management and administration costs, HR, IT, office utilities, organisational and professional training.

Appendix E: Guidance for property-related costs and costs associated with intentional or deliberate damage

Any costs related to property (eg, operating costs or maintenance and repairs, including intentional or deliberate damage) are agreed case-by-case, given the nuance in different arrangements depending on who holds the lease and/or owns the property. The different arrangements, and associated insurance matters, are outlined below.

Oranga Tamariki owned or leased properties

If your service is delivered in an Oranga Tamariki owned or leased property, your “Care partner and Oranga Tamariki Property Operating Agreement” will outline who is responsible for any property costs, including building and contents insurance, operating costs, repairs or maintenance, and deliberate damages. The agreement also documents all furniture and equipment, including who owns, maintains, and disposes of the items.

There are two versions of this operating agreement – one for rented and leased homes, and one for owned homes. Both forms are online here: [Funding | Oranga Tamariki – Ministry for Children](#)

Please refer to your operating agreement and report any relevant property damage to your Property and Facilities Manager and Contract Manager.

Insurance

Oranga Tamariki will cover the cost of insurance premiums related to any insurance that the care partner is required to take out, usually within the contracted rate. The operating agreement described above will outline who is responsible for building and contents insurance and how the cost is covered.

If there is any change in circumstance, or if the young person/people living in the home present needs or behaviours that might impact on insurance cover (eg, a tendency to light fires), the care partner should let their Oranga Tamariki Property and Facilities Manager know immediately, to ensure there is appropriate ongoing cover in place.

Care partner owned or leased properties

Our funding models have been designed to be ‘all in’, so when a partner operates within an accommodation-based response, the contract should factor in enough money to cover property costs, including operating costs, building and contents insurance, general repairs and maintenance, and small intentional damages (eg, broken doorhandles, a hole in the wall, broken crockery, etc).

For any larger deliberate damage costs to property (eg, those that exceed \$2000), please follow the Ad-hoc Funding Process (page [23](#)).

Insurance

As outlined above, in circumstances where care is delivered outside a caregiver's own home, building insurance is generally taken out by the person who owns the property – the landlord. Contents insurance is generally taken out by the party occupying the home – the care partner. Oranga Tamariki will cover the cost of insurance premiums related to any insurance that the care partner is required to take out, usually within the contracted rate.

If there is any change in circumstance, or if the young person/people living in the home present needs and behaviours that might impact on insurance cover (eg a tendency to light fires), the care partner should let their insurers and/or landlord know immediately to ensure there is appropriate ongoing cover in place.

If this results in a situation where existing insurance cover is no longer going to provide the appropriate coverage, Oranga Tamariki will work with the care partner to find an appropriate solution. This may include, for example:

- working with the partner to cover a higher insurance premium
- providing support to find an alternative insurer who will provide the appropriate coverage needed
- taking on insurance cover in lieu of the partner

Oranga Tamariki will work with the care partner to document any furniture or equipment funded through a set-up grant or provided by Oranga Tamariki, including who owns, maintains, and disposes of the items.

Caregiver-related property claims

Care responses on a Dynamic Funding Model are likely to be responses centered around caregiving within a family or whānau home and will not include specific property-related costs in the general support rate. All caregivers are expected to have adequate insurance to cover their house, contents, car and any other items of value or importance.

Oranga Tamariki has no legal liability for damage caused by tamariki in the custody of the chief executive. However, we consider all claims by caregivers for uninsurable deliberate property damage or loss that happen because of tamariki placed in their care. Submit these claims through the Ad-hoc Funding Process (page [22](#)).

Please note however, as per the internal [Caregiver Claims](#) policy, Oranga Tamariki do not consider claims:

- for damage caused by normal wear and tear of property
- for any act of omission in response to, or related to, the commission of a crime or abusive act by the caregiver
- of liability assumed by a caregiver under any agreement, written or verbal, unless expressly approved by Oranga Tamariki
- for credit cards and their misuse unless proof is provided (limited to \$200)
- that are not directly related to the actions of the child or young person in care (eg the child has a pet which destroys or damages property, or a friend who causes damage)
- that reflect a lack of supervision of the child or young person at a level that could reasonably be expected of the caregiver
- over firearms, cash, coin collections, collectibles, works of art, antiques, furs and jewellery, motor vehicles, boats or trailers
- for loss as a result of theft

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