

## 2.6 THE SOUTH ISLAND REGIONAL DRIVER HUB (THE DRIVER HUB)

PGF Application – <b>TE ARA MAHI</b>		For: Approval	
<b>Applicant:</b>	The Salvation Army New Zealand Trust	<b>Pipedrive ID #</b>	Commer
<b>Region</b>	<b>Multi-region</b>	<b>PGF Funding Sought:</b>	\$2,172,188
<b>Region detail:</b>	West Coast - Greymouth - Hokitika - Westport Canterbury - Timaru - Ashburton - Rangiora	<b>Total Project Value:</b>	\$Commercial Information
		<b>Applicant co-funding:</b>	\$Com
<b>Entity Type:</b>	Registered Charitable Trust	<b>Funding Structure:</b>	Grant
<b>Entity Detail:</b>	The Salvation Army New Zealand Trust has been delivering social services in New Zealand for the past 120 years		
<p><b>We recommend that the SROs:</b></p> <ul style="list-style-type: none"> <li>a) <b>Support</b> \$2,172,188 from the Te Ara Mahi portion of the Provincial Growth Fund towards The South Island Regional Driver Hub</li> <li>b) <b>Note</b> that the funding requested is a grant</li> <li>c) <b>Note</b> the funding requested covers a three year period</li> <li>d) <b>Note</b> that this initiative does not solely focus on Driver License attainment. It also seeks to achieve sustainable employment outcomes for participants through a mentorship model, equating to placements into employment a year</li> <li>e) <b>Note</b> the specific need for Driver License training support in the locations identified, driven by the geographic profile of the West Coast and Canterbury regions</li> <li>f) <b>Note</b> that the applicant is aware of other Driver License funding pools and has measures in place to prevent duplication of services. This includes the \$5 million of driver licensing funding for young people (distributed via MSD) announced by the government in early 2019 and the PGF funded Driver License programme delivered by the Howard League, targeting people with criminal convictions</li> <li>g) <b>Note</b> the favourable reputation of the applicant regarding their successful delivery of this initiative in Christchurch over the past 5 years</li> <li>h) <b>Note</b> the endorsement of this application by NZTA</li> <li>i) <b>Note</b> that the initiative was initially intended to be delivered out of the Salvation Army’s Education and Employment arm; however the Salvation Army announced closure of this arm in June 2019. This initiative will now be delivered out of the Salvation Army’s ‘Addictions, Supportive Accommodation and Reintegration Services’ arm</li> </ul>			

**Proposal**

This initiative focuses on removing a known barrier for people on their pathway to employment – having a valid Driver License – with a secondary but significant focus on sustainable employment outcomes once Driver Licenses are attained.

The main target group for the initiative is young parents, youth without parental support, sole parents, at risk young people, migrants and migrant partners; however it is not limited to people who fall into these categories, and the applicant will consider supporting other local people who are facing barriers to attaining their restricted and full licenses.

The funding requested from the PGF will enable the applicant to expand its currently successful Driver License hub model delivered out of Christchurch since 2014. The applicant intends to implement 72 driver licensing programmes moving people from either their learners to restricted license (12 week programme) or restricted to full license (8 week programme) over 36 months, across the Canterbury and West Coast regions. This will result in the following outcomes:

- 1,584 people assisted to attain their restricted or full license over three years (360 their full and 1,224 their restricted)
- [Comm] of those people ([Comm]%) supported into employment at the end of their programme by a mentor; with an expected [Comm] % of those people sustaining that employment beyond 6 months

Outcomes are achieved via delivery of two programmes:

- *Community Driver Mentor Programme – CDMP* – a 12 week programme which pairs disadvantaged learner drivers with volunteer mentors who support and coach them to learn safe driving practices and teach them the skills to pass their restricted driver test.
- *Fast Track Full – FTF* – an 8 week programme which supports people to gain their full license

Both programmes consist of an interview, workshops, assessment and practice. Ongoing support is then provided beyond both programmes, based on the needs of the individual (approximately [Comm] % of participants), to assist them into sustainable employment. This is achieved through the mentor relationship and via the utilisation of Salvation Army’s already established network of employers within in each region.

The South Island Regional Driver HUB management team works cooperatively and collaboratively with District Councils, Trusts, community and commercial organisations, schools and employers to deliver each programme.

**Ability to achieve outcomes**

The Salvation Army has been operating the CDMP and FTF programmes in Christchurch since 2014 and 2016 respectively. Success statistics from previous programme delivery include:

- 80% completion rate resulting in the attainment of restricted licenses for the CDMP programme
- 88% completion rate resulting in the attainment of full licenses for the FTF programme
- Cold calling was completed for the first cohort of CDMP participants to determine subsequent outcomes after attaining licenses and receiving support from a mentor, finding that [Comm] % went on to find employment, 30.5% enrolled in tertiary programmes and only 8% remained in the same situation.

The applicant has worked with regional stakeholders to identify the need for this service in the locations identified. This is supported by NZTA 2018 driver pass rate statistics which show that the West Coast and Canterbury driver licence pass rates are below national averages. An additional factor is the geographic profile of the West Coast and Canterbury regions; in particular for the West Coast where a large proportion of people live away from the testing areas of Greymouth and Westport, making the ability to practice in a testing setting difficult.

**Wider public benefits:**

- Reduction in isolated living in rural areas
- Effective intervention that reduces an individual's re-offending relating to driving related offences
- Improved road safety
- Compliant drivers reducing crime and improving related social outcomes
- Improved financial wellbeing, strengthening families and communities

**Funding detail**

- The funding requested is for [redacted] % operational costs ranging from materials to vehicle hire to staff salary
- The funding requested includes \$ [redacted] contingency over 3 years (\$ [redacted] annually) which has been calculated at [redacted] % of the total cost of the project. Contingency is intended to cover regional coordinator remuneration which currently sits at the lower market rate and uncertainty regarding fuel costs, car usage and travel costs relating to rural service delivery
- The average cost per participant is \$ [redacted]
- The applicant has secured \$ [redacted] in funding from other sponsors/partners/other income as follows:
  - Commercial Information \$ [redacted] over three years
  - Commercial Information \$ [redacted] up front
  - Salvation Army Instructor fees: \$ [redacted] over three years

**Annual outcome breakdown**

	Response	PDU (TAM) Statement regarding achievability of target
Number of people expected to be targeted by the project/activity annually (on average):	528 people assisted to attain their restricted or full license annually	<ul style="list-style-type: none"> <li>• Across 6 locations this would be achievable</li> </ul>
Number of people expected to attain employment as a result of the project/activity annually (on average):	[redacted] % of people participating in the programme)	<ul style="list-style-type: none"> <li>• Across 6 locations this would be achievable</li> <li>• The model has been tested and refined over 5 years of delivery</li> <li>• Sample of CDMP (learners to restricted) programme in 2014 resulted in [redacted] % of participants attaining employment as a result of the service</li> </ul>

**Assessment against the PGF criteria:**

**Eligibility Criteria**

This application is eligible for PGF funding

**Productivity Potential**

The project will improve productivity in the identified regions by; increasing the pool of local people who meet the requirements to fill vacant local positions; increasing mobility of people in isolated areas thus improving their access to local services, supports, and employment opportunities; and increasing the productivity of businesses by ensuring vacancies are filled by people who remain in those positions over the long term.

**Policy objectives**

Applications alignment with the principles of Te Ara Mahi:

<ol style="list-style-type: none"> <li>1) It focus on supporting local people into local employment opportunities by addressing the specific needs of those who need more help than can be currently provided in order to achieve sustainable employment.</li> <li>2) It ensures additionality by filling a gap in service provision which existing cross-government departmental funding does not cover.</li> <li>3) It fits within mechanisms for coordination of employers, workers and government that will endure past the lifetime of the PGF.</li> <li>4) It indirectly reinforces investment in PGF Tier 2 (Sector Investment) and PGF Tier 3 (Enabling Infrastructure) projects; through the improvement in work readiness of potential workers required to support Tier 2 and 3 investments in the regions identified.</li> </ol>		
PGF Criteria	Assessment Commentary	Rating Yes/No/Partial
<b>Link with fund and government outcomes</b>		
Aligns with relevant regional economic and employment plans and priorities, including any Māori development plans	<ul style="list-style-type: none"> <li>• The project does not explicitly align with economic and employment plans in the regions, however this is implicit in that the industries targeted by the initiative are not limited, and the application clearly demonstrates an understanding of the economic development interests of each region</li> </ul>	<b>Partial</b>
Demonstrates potential to meet the current or future labour market skill needs of the region, including those resulting from PGF Tier 2 and 3 investments	<ul style="list-style-type: none"> <li>• This application focuses specifically on upskilling local people – ability to drive legally being a key skill sought by many employers</li> <li>• The Salvation Army has demonstrated an understanding of the labour market needs of identified regions, and has a plan for ensuring the service in each region aligns with these needs</li> </ul>	<b>Yes</b>
Reduces the rates of people not in employment, education and training, with an emphasis on Māori	<ul style="list-style-type: none"> <li>• This is not the core purpose of this project as people who are not in education, employment or training already are not the key target group for the initiative, however it is reasonable to expect that a portion of people targeted will fit into this category</li> <li>• This project does not have an emphasis on Māori</li> </ul>	<b>Partial</b>
Increases local employment and earning potential, by supporting local people into local jobs, with an emphasis on sustainable employment outcomes	<ul style="list-style-type: none"> <li>• The project will improve earning potential by removing a known barrier to employment – not having a Driver License</li> <li>• The project will support approximately <span style="border: 1px solid black; padding: 0 2px;">Comm</span> of its participants into sustained employment</li> <li>• The service has proven success in delivering on driver licensing and employment outcomes</li> </ul>	<b>Yes</b>
<b>Additionality – adds value by building on what is already there</b>		
Addresses a gap in current service provision e.g. does not cover activities that are already funded for (unless funding is to up-scale	<ul style="list-style-type: none"> <li>• This funding addresses a gap in service for people requiring support to attain their restricted or full Driver License</li> <li>• This funding seeks to upscale an existing project into</li> </ul>	<b>Yes</b>

or re-start, existing projects)	<p>provincial growth areas based on need</p> <ul style="list-style-type: none"> <li>• This need is supported by statistical evidence and learnings from the already existing project</li> </ul>	
Demonstrates why third party funding, including other government agencies, cannot be used to address the current gap in service provision	<ul style="list-style-type: none"> <li>• Although NZTA, Ministry of Social Development, Ministry of Justice and the New Zealand Police, all have some cross over stake in outcomes related to driver licensing, no funding is currently available within each of these organisations to provide the service delivered through this initiative</li> <li>• Funding which <i>is</i> currently available for driver licensing only covers a small portion of the target group identified. Where overlap could occur with other funding – for example the \$5 million of driver licensing funding for young people (distributed via MSD) announced by the government in early 2019 – the applicant will ensure their registration process, which includes forms and interviews, has measures in place to prevent duplication.</li> </ul>	<b>Yes</b>
<b>Connected to regional stakeholders and frameworks</b>		
Support from local employers, central and local government, and governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> <li>• Evidence of support has been provided in each region across a broad range of stakeholders, which include district councils, economic development agencies, NZ Police, NZTA, MSD and local iwi</li> <li>• The applicant has also demonstrated evidence of relationships with employers and employer support for the service</li> </ul>	<b>Yes</b>
<b>Governance, risk management and project execution</b>		
Robust project management and governance systems	<ul style="list-style-type: none"> <li>• The operation of their current service demonstrates robust project management and governance</li> <li>• The applicant has a clear plan for developing these mechanisms to support the expansion of the service</li> </ul>	<b>Yes</b>
Demonstrates the capacity and technical capabilities to effectively implement the initiative	<ul style="list-style-type: none"> <li>• This is evidenced by their operation of the current service</li> </ul>	<b>Yes</b>
Risk management approach	<ul style="list-style-type: none"> <li>• This is outlined in their application</li> </ul>	<b>Yes</b>
Future ownership / operational management	<ul style="list-style-type: none"> <li>• Over the next three years the Salvation Army will build and source funding for the continuation of the service in each district beyond the life of the PGF. They have suggested that this funding could come from annual Salvation Army Appeals, philanthropic (private and commercial) funders or through The Salvation Army's PR department.</li> </ul>	<b>Partial</b>

<b>Funding Arrangements</b>			
Funds will be distributed via a milestone plan, which is likely to include an upfront cost for set up.			
<b>Due Diligence and Ownership</b>			
<p>The Salvation Army New Zealand Trust (The Trust) is a member of The Salvation Army New Zealand Group. The other charities in this group are The Booth College of Mission Foundation Fund, The Edmund and Maud Sanderson Jeff Charitable Trust and The Salvation Army New Zealand.</p> <p><b>Trustees:</b></p> <ul style="list-style-type: none"> <li>• Allan CLARK</li> <li>• Stephen JARVIS</li> <li>• Sheryl JARVIS</li> <li>• Melvin FINCHAM</li> <li>• Suzanne FINCHAM</li> <li>• Andrew WESTRUPP</li> </ul> <p><b>Key Management Personnel:</b></p> <ul style="list-style-type: none"> <li>• Glen Buckner, National Operations Manager Reintegration Services, management oversight of project</li> <li>• Lieutenant Colonel Lynette Hutson, National Director of Addictions, Supportive Accommodation and Reintegration Services, management oversight of project</li> </ul> <p><i>Due diligence still to be completed on the above two individuals</i></p> <p><b>Summary of Due Diligence Findings:</b></p> <ul style="list-style-type: none"> <li>• Note recent announcement regarding closure of Education and Employment (and transition of certain services to other providers) from 30 June 2019.</li> <li>• Manner of execution of Deeds by the Trust amended in December 2016. Ensure that contracting documents (if Deeds) are executed in accordance (being the common seal and attested by three trustees).</li> <li>• Trustees are six specified officers of the Salvation Army and they can only be trustees while they hold these offices. Consider whether confirmation is required that the current Trustees are the holders of these six specified offices, notwithstanding the "No Inquiry" clause in the Trust Deed</li> <li>• No due diligence has been conducted on the other involved entities, in accordance with due diligence policy</li> <li>• <i>Limitations:</i> <ul style="list-style-type: none"> <li>○ Google searches only conducted on Proactive Drive, Canterbury Neighbourhood Support and Oxford Community charitable trusts. Consider whether level of involvement of these trusts justifies full due diligence to be undertaken.</li> <li>○ <b>Commercial Information</b> [REDACTED]</li> </ul> </li> </ul>			
<b>Risk Assessment</b>			
The key risks to the PDU and proposed mitigations of this investment are as follows:			
Type of risk	Risk description	Mitigations	Risk Rating L/M/H
<b>Applicant Stability</b>	<b>Commercial Information</b> [REDACTED]	Ensure a contingency plan is in place should something similar occur to the Addictions, Supportive Accommodation and Reintegration Services arm	Low

<b>Consultation undertaken or implications:</b>	
<p>The following consultation has occurred:</p> <p>Internal PDU teams – feedback on application received, more information sought from applicant, new information incorporated into application.</p> <p>Other agencies – A wide range of agencies have been consulted on this initiative with the majority of agencies responding with no substantive feedback. Detailed cross agency feedback was received from TEC, NZTA and MSD, all of which have indicated support for the application.</p> <p><b>Verbatim comments provided by NZTA on application:</b> “The introduction of the South Island Regional Driver HUB (The Driver HUB) connects and directs leading organisations and experts working in the field of driver licencing qualifications, to operate and expand driver licence solutions and programmes for the rural areas. The Driver HUB provides community integrated practical driving licence programmes, compliance solutions for police breach of licence referrals, recruitment and training of mentors, and connect newly licenced drivers to re-education and employment opportunities across the West Coast and Canterbury region.</p> <ul style="list-style-type: none"> <li>• Funding to support passenger vehicle (car) driver licence training is made available through the National Land Transport Programme’s (NLTP) Road Safety and Demand Management (RSDM) funding. However, this applicant would not be eligible for NLTP funding as they are not an Approved Organisation.</li> <li>• The Salvation Army is well placed to undertake this project as they have the organisational infrastructure to support it, and have gained sound experience over the last 4-5 years in implementing community based drivers licence programmes. This includes their understanding of risks and issues, and how to effectively engage community support to achieve successful delivery.</li> <li>• The Transport Agency has worked closely with the Salvation Army on the implementation of the Community Driver Mentor Programme (CDMP) in Christchurch. Over this time the Salvation Army has developed a highly successful programme, grown the number of mentors involved to support learners drivers, and successfully engaged with other organisations such as the Police, Courts and private sector organisations who have all made a contribution to support the programme.</li> <li>• Due to this success, the Transport Agency expanded the agreement with the Salvation Army by contracting them to provide training support for new CDMPs established by the Transport Agency in other parts of the country. This included the driver licencing programmes at Manfeild and Opotiki, plus advice and support for the Huntly programme and Refugee Community driver licence programmes.</li> <li>• The costs quoted in the application appear to be robust and are close to the Transport Agency’s calculations for what the costs are per person to gain a restricted or full driver licence and progress through the Graduated Driver licence system. The costs also match the existing investment the Transport Agency is making per person in other driver licence initiatives.</li> <li>• There is merit in progressing this project as the demand for driver licence needs in economically challenged communities is higher than the supply of organisations are able to deliver. The model proposed by the Salvation Army is based on their successful delivery over a number of years. In addition the model addresses the bespoke needs of learners drivers and the challenges they face”</li> </ul>	
<b>Commercial Information</b>	
<b>Supporting proposal:</b>	Yes
<b>Appendices:</b>	Yes <b>Commercial Information</b>
<b>Author of paper:</b>	AM, Te Ara Mahi/He Poutama Rangatahi Team