

## 2.11 TE ARA MATIHIKO – DIGITAL PATHWAY

<b>PGF Application – HE POUTAMA RANGATAHI</b>		<b>For: Approval</b>	
<b>Applicant:</b>	PurSuit Ltd	<b>Pipedrive ID #</b>	n/a
<b>Region</b>	<b>Hawkes Bay</b>	<b>PGF Funding Sought:</b>	\$ <small>Commercial Informa</small>
<b>Region detail:</b>	Hawkes Bay with an initial focus on Flaxmere	<b>Total Project Value:</b>	\$ <small>Commercial Informa</small>
		<b>Applicant co-funding:</b>	<small>Comme</small>
<b>Entity Type:</b>	Company	<b>Funding Structure:</b>	Grant
<b>Entity Detail:</b>	PurSuit Ltd is a limited liability company formed in October 2017. They are an established provider in Hawkes Bay with a particular strength in providing professional attire and development tools for job-seekers, including specialised workshops and programmes which build confidence and eliminate obstacles that may arise for rangatahi in particular during their search for employment.		

### We recommend that the SROs:

- a) **Approve** \$454,400 from the He Poutama Rangatahi Fund towards the Te Ara Matihiko project, an employment pathway programme with a digital training focus;
- b) **Note** that over a two year period at least Comme rangatahi will be enrolled in the programme and Comme employment outcomes are expected for the same period;
- c) **Note** that if approved, this project will be the first based in Flaxmere, a community within Hawkes Bay with a number of significant social-economic challenges;
- d) **Note** that the applicant, PurSuit Ltd, has established itself as a credible provider within Hawkes Bay and has working relationships with other funders such as MSD and Te Puni Kokiri;
- e) **Note** that this funding is coming from an MBIE appropriation but the funding criteria aligns with PGF outcomes;
- f) **Note** that the proposal is supported by the Hawkes Bay Regional governance group as well as the Flaxmere community; and
- g) **Note** that the programme includes a digital training component and direct links to digital work experience. The digital industry has been highlighted as a priority sector for skills development within the Hawkes Bay.

### Background:

Pursuit Ltd was established in October 2017. Pursuit prepares job seekers for employment and are an established service provider in Hastings. Their programmes include:

1. A dress for success service: offers access to quality donated clothing to increase confidence
2. Pre-employment support: CV preparation; interview skills; and job-search techniques
3. Confidence workshops: including strategies to gain and retain employment and career development

**Proposal:**

The Te Ara Matihiko programme builds upon Pursuit's existing strengths by offering the additional programme offerings:

- A 3 month digital training programme incorporating:
  - Enrolment and completion of EIT's Level 2 computing programme
  - Delivery of digital workshops targeting key areas of digital literacy and marketing
  - Work experience placement with small businesses to assist in developing digital options
- Pre-employment skills, drawing upon Pursuit's core strengths (e.g professional dressing service, CV preparation, confidence building workshops)
- Tikanga workshops designed to build confidence and self-esteem
- Pastoral support which will be provided throughout the 3 month training programme and for up to 12 months in total

Pursuit have successfully completed contracts with Te Puni Kokiri and MSD, as well as providing services for Te Taiwhenua o Heretaunga and the Hastings District Council. Based in the heart of Flaxmere with rooms above the central Library and community gym where young people gather regularly, Pursuit are ideally located to serve the needs of the almost <sup>Commercial</sup> rangatahi in Flaxmere in receipt of a main benefit. **Commercial Information**

As an established, credible provider of employment preparation services Pursuit have secured staff with relevant IT backgrounds to support the delivery of the digital workshops and on-line learning.

**Funding Detail:**

The funding will be used for:

- HR costs associated with delivering the programme (<sup>Com</sup> staff covering pastoral care; digital tutor/support; administration; employer engagement)
- Programme delivery costs
- Administration
- Capital expenditure

**The Programme**

Pursuit will work with <sup>Commercial Info</sup> rangatahi over a 24 month period. Each rangatahi will participate in an intensive 3 month programme inclusive of: Tikanga Māori, Pre-employment skills, digital workshops covering web design, videography, social media marketing amongst other things, and a supervised 6 week work experience placement within a small business focussing on building the digital capability of the business they are placed within.

All rangatahi will be supported with building their on-line profile through registration with MyMSD, MyIR and other necessary registrations to ensure access to on-line services.

While engaging in the programme all rangatahi will be enrolled in and supported to complete the EIT Level 2 computing programme and pastoral care will be provided for at least 12 months.

*Pursuit and its links to potential employers*

Pursuit are well-established within the Hawkes Bay context and have working relationships across a number of providers and businesses through their current networks. In this regard, Pursuit have identified employers where they will place their rangatahi for work experience, as well as employment placements post-programme.

**Outcomes sought**

Outcomes from the funding will result in

- [Redacted] rangatahi completing the 3-month programme after 24 months ([Redacted] per annum):
  - 6 weeks of work experience placement
  - Tikanga and pre-employment skills
  - Digital workshops focussed on digital literacy and marketing
  - Enrolment and completion of EIT Level 2 Certificate in Computing
- At least [Redacted] rangatahi placed into sustainable employment after 24 months

	Response	PDU (TAM) Statement regarding achievability of target
Number of people expected to be targeted by the project/activity annually (on average):	[Redacted]	There are 1,312 young people in receipt of a main benefit across Hawkes Bay and 188 in Flaxmere alone. There is also an additional 200 rangatahi attached to youth services. PurSuit have enough connections with sources of participants to achieve this uptake.
Number of people expected to attain employment as a result of the project/activity annually (on average):	[Redacted]	PurSuit are aiming for a [Redacted] % sustainable employment outcome for rangatahi going through their programme based on previous experience with the remaining participants progressing towards this.

**Wider Benefits**

This proposal seeks to establish a front-line programme based within the Flaxmere community. Having this programme as an option for rangatahi facing multiple challenges and complex needs will provide opportunities for further education and training or employment.

It will also support local SMEs with developing their on-line presence and digital footprint through the work that the rangatahi can contribute to while on work experience placement.

**Assessment against the PGF criteria:**

**Eligibility Criteria**

This application is eligible for MBIE funding.

**Productivity Potential**

The project will:

- Upskill rangatahi in the Hawkes Bay and increase their employability;
- Assist SMEs with their digital platforms through work experience placement of the rangatahi: and
- Address some of the barriers that rangatahi face in the region that currently limits economic growth.

**Policy objectives and regional priorities**

This project aligns with He Poutama Rangatahi principles by supporting people that are most at-risk of long-term

<p>unemployment and who are not in education, employment or training. The programme is focussed in the community of Flaxmere where there are a number of disengaged rangatahi that would benefit from a programme such as this.</p>		
PGF Criteria	Assessment Commentary	Rating (Y/N/Partial)
<p><b>Link with fund and government outcomes</b></p>		
<p>Aligns with relevant regional economic and employment plans and priorities, including any Māori development plans</p>	<ul style="list-style-type: none"> <li>• “Improving pathways to and through employment” is a key pillar of the Matariki Hawkes Bay REDS – and this programme would contribute to this namely by: <ul style="list-style-type: none"> <li>○ Building skills and capability in Hawkes Bay</li> <li>○ Reducing the proportion of NEETs</li> </ul> </li> <li>• Reducing Maori unemployment.</li> </ul>	<p><b>YES</b></p>
<p>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</p>	<ul style="list-style-type: none"> <li>• This application will help to build a supply of well-equipped and capable rangatahi who are ready to move into employment.</li> <li>• It also seeks to deliver specific skills relevant to emerging workforce demands, in particular digital literacy which is relevant to all sectors.</li> </ul>	<p><b>YES</b></p>
<p>Reduces the rates of people not in employment, education and training, with an emphasis on Māori</p>	<ul style="list-style-type: none"> <li>• The target group of the programme are all currently not in employment, education or training – and will include non-beneficiaries.</li> <li>• The provider has a history of working with Māori and is able to link in Māori kaupapa in the digital context.</li> </ul>	<p><b>YES</b></p>
<p>Increases local employment and earning potential, by supporting local people into local jobs, with an emphasis on sustainable employment outcomes</p>	<ul style="list-style-type: none"> <li>• This programme seeks to link in local rangatahi with local employment opportunities through work experience and employment placement.</li> <li>• Will support people in employment.</li> </ul>	<p><b>YES</b></p>
<p><b>Additionality – adds value by building on what is already there</b></p>		
<p>Addresses a gap in current service provision e.g. does not cover activities that are already funded for (unless funding is to up-scale or re-start, existing projects)</p>	<ul style="list-style-type: none"> <li>• The programme is specifically focussed on improving the digital skills of rangatahi in an employment context through digital workshops and enrolment in EIT’s Level 2 Certificate in Computing.</li> <li>• In this way it will provide participants with not only the qualifications relevant to digital upskilling – but also the practical tools and experience.</li> </ul>	<p><b>YES</b></p>
<p>Demonstrates why third party funding, including other government agencies, cannot be</p>	<ul style="list-style-type: none"> <li>• Access to commercial funding is not an option for this kind of training programme.</li> <li>• The programme is beyond the remit of MSD both in</li> </ul>	<p><b>YES</b></p>

used to address the current gap in service provision	terms of services offered and potential participation of non-beneficiaries		
<b>Connected to regional stakeholders and frameworks</b>			
Alignment with regional priorities	<ul style="list-style-type: none"> <li>The applicant's project aligns well to the objectives of the region's economic action plan (Matariki), specifically the objective of improving pathways to and through employment.</li> </ul>	<b>YES</b>	
Support from local employers, central and local government, and governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> <li>The applicant has support from local businesses who have confirmed they wish to be a part of the work experience element of the programme by providing placements (e.g. Workforce Development).</li> <li>There is also support from the local community and the applicant has built up solid networks in the Hawkes Bay region.</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>Robust project management and governance systems demonstrated.</li> </ul>	<b>YES</b>	
Demonstrates the capacity and technical capabilities to effectively implement the initiative	<ul style="list-style-type: none"> <li>The applicant has successfully delivered contracts for both MSD and TPK, demonstrating it has the capability.</li> </ul>		
Risk management approach	<ul style="list-style-type: none"> <li>An appropriate risk management approach for this proposal has been identified.</li> </ul>	<b>YES</b>	
Future ownership / operational management	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>	<b>YES</b>	
<b>Funding Arrangements</b>			
Appropriate milestones and deliverables will be put in place with regular monitoring with payments made at appropriate time frames. It is expected that the initial payment will be for project initiation costs.			
<b>Due Diligence and Ownership</b>			
Due diligence has been completed and nothing of note has been identified.			
<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>Reputation</b>	The initiative fails to achieve outcomes due to reasons such as low participation rates and/or completion rates, causing a flow on reputational risk to the PDU	<ul style="list-style-type: none"> <li>Ensure applicant has clear and feasible mitigations in place to address this and ensure outcomes are achieved</li> </ul>	Low

<b>Consultation undertaken or implications:</b>	
The application has been to the Matariki Skills and Employment sub-group who at the time, provisionally endorsed the proposal, noting that the applicant should develop further solid networks with employers to support the link of rangatahi into employment post-programme. This has been done, including with an FTE allocated to nurturing and supporting the employer relationship.	
<b>Supporting proposal:</b>	Yes
<b>Appendices:</b>	Yes – Application <b>Document Will Be Proactively Released Separately</b>
<b>Author of paper:</b>	Brendan Quinlivan