

2.08 PATHWAYS HOROWHENUA

PGF Application – TE ARA MAHI		For: Approval	
Applicant:	Horowhenua New Zealand Trust	Pipedrive ID #	Commercial Information
Region	Manawatu-Wanganui	PGF Funding Sought:	\$ Commercial Information
Region detail:	Horowhenua	Total Project Value:	\$ Commercial Information
		Applicant co-funding:	\$ Comm
Entity Type:	Registered Charitable Trust	Funding Structure:	Grant
Entity Detail:	Horowhenua New Zealand Trust is a charitable trust and was established in May 2018 and has received PGF money to conduct a feasibility study. This application is as a result the studies finding.		

We recommend that the SROs:

- a) **Approve** \$806,277 from the Te Ara Mahi portion of the Provincial Growth Fund towards Pathways Horowhenua, subject to favourable due diligence
- b) **Note** that the funding request is a grant
- c) **Note** that the funding request covers a three-year period
- d) **Note** that this initiative focuses on creating employment pathways and outcomes, and they have already achieved ^{Comm} placements in 2017 demonstrating this concept has merit
- e) **Note** that the initiative will provide work readiness and pastoral care
- f) **Note** that this trust received PGF funding of \$50,000 to undertake a feasibility study (study report completed by **Commercial Information**)
- g) **Note** that this initiative links to a wider regional programme of delivering work ready passports (WRP) for the Manawatu/Whanganui region
- h) **Note** that this initiative will have the following employment outcome:
 - ^{Comm} placements 2020
 - ^{Comm} placements 2021
 - ^{Comm} placements 2022
 - ^{Comm} placements 2023
- i) **Note** that this initiative is supported by the Horowhenua District Council, Mayors Taskforce for Jobs, UCOL and a number of large Horowhenua businesses
- j) **Note** that is initiative will also piggy back off the well-established Horowhenua Taste Trail, adding an additional day, targeting employment opportunities and exposure to the horticultural sector for all the community to participate
- k) **Note** that this initiative well use existing digital tools, add-ons to provide services and obtain analytics

Proposal:

This initiative focus on removing known barriers and pathway people into employment, creating a one stop shop for skills and talent in Horowhenua enabling connectivity for Horowhenua and the wider region.

The target group, while primarily focusing on primary and secondary school students also includes NEETS, and any person in the Horowhenua community that is unemployed, under employed or in employment looking to upskill, all age groups, genders and ethnicities can participate.

The PGF funding will allow Pathways Horowhenua to facilitate student’s/job seekers to have “Pathway Exposure”, having access to real world work experiences in various industries as tasters, to see if the chosen pathway is suitable. As well as this they will create videos “360 Degree Workplaces” of local industries and employers that will be viewable via their website for job seekers to get a sense of what happens in each industry and help with choosing career pathways. They are intending in later years to have digital hub component that will be created from existing applications that will become add-ons to their website.

This initiative will also be working with the Horowhenua Taste Trail and providing an opportunity for ^{Commercial} students/job seekers to obtain industry exposure over three to four-year period. The Taste trail will now include an additional day before the normal opening day to cater for student’s/job seekers seeing what happens in these food producing businesses behind the scenes, and generate a passion in people, to want to work in the industry and remain in the district.

This funding will also allow Pathways Horowhenua to partner with Talent Central to deliver their Work Readiness Portfolio (WRP), that is being implemented throughout the Manawatu/Whanganui region. Te Ara Mahi funding has been provided to 100% Sweet in Whanganui **Commercial Information**

^{Commercial} This application seeks funding to be able to facilitate this in the three Secondary schools in Horowhenua and for NEETS.

The feasibility study (PGF Funded) highlighted that employers in the Horowhenua were experiencing difficulty finding suitable skilled employees, this has also been backed up via the Accelerate 25 Growth study report and the Central economic development agency (CDEA).

The funds will also assist Pathways Horowhenua to establish a “Talent Marketplace” linking job seekers and employers via their service and website. Additionally, they will be working with employers to become “Employers of Choice” by assisting them becoming good employers, youth friendly, workforce capability planning, developing support systems connecting businesses together. There are no HR practitioners in Horowhenua outside of the large companies that employ their own.

The funding will allow Pathways Horowhenua to become established, employ an Operations Manager, Talent Champion and Employer Champion who will deliver on the following three outcome areas.

Employment attainment

- ^{Comm} placements 2020
- ^{Comm} placements 2021
- ^{Commerci} placements 2022
- ^{Commerci} placements 2023

They will be aiming to achieve a ^{Comm} % or better sustained employment of no less than ^{Commercial Information}. They will be targeting the trades to facilitate apprenticeships, linking in with the secondary schools, training providers,

Ministry of Social Development and social service providers such as MSD youth service provider for NEETS. These placements will also receive pastoral care from the

Commercial Information [Redacted]

Skills – Work Ready Portfolio

- Commercial Information [Redacted] users – 2020
- Commercial Information [Redacted] users – 2021
- Commercial Information [Redacted] users – 2022
- Commercial Information [Redacted] users – 2023

Training – Pathway exposure – Taste Trail

- Commercial Information [Redacted] Students/Job Seekers 2020
- Commercial Information [Redacted] Students/Job Seekers 2021
- Commercial Information [Redacted] Students/Job Seekers 2022
- Commercial Information [Redacted] Students/Job Seekers 2023

Wider public benefits:

- Students and Job Seekers are well informed in choosing a career pathway
- Improved financial wellbeing, strengthening families and communities
- Talent retained in the district and improved productivity due to talent retention

Funding details

Funding grant request represents Commercial Information [Redacted] % of the operational and establishment costs over a three-year period including \$ Commercial Information [Redacted] establishment costs, fixed costs of \$ Commercial Information [Redacted] for lease vehicles, phones, salaries. \$ Commercial Information [Redacted] for the Taste Trail delivery, \$ Commercial Information [Redacted] for the Work Readiness Portfolio. Employment placements costs of \$ Commercial Information [Redacted] and the Employer of Choice programme of \$ Commercial Information [Redacted]. Total project costs of \$ Commercial Information [Redacted] with the grant request being \$806,277 spread over three years.

- 2020 - \$ Commercial Information [Redacted]
- 2021 - \$ Commercial Information [Redacted]
- 2022 - \$ Commercial Information [Redacted]

Annual Outcomes

	Response	PDU (TAM) Statement regarding achievability of target
Number of people expected to be targeted by the project/activity annually (on average):	Commercial on average over 3 years for WRP. Commercial Pathway exposure.	Having Commercial FTE working in the trust this would be achievable.
Number of people expected to attain employment as a result of the project/activity annually (on average):	Commercial employment outcomes on average over 3 years.	Having Commercial FTE working in the trust this would be achievable

Assessment against the PGF criteria:

Eligibility Criteria

This application is eligible for PGF funding

Productivity Potential

The project will improve productivity in Horowhenua by; increasing the pool of local people who meet the requirements to fill vacant local positions; improving the communities 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

- 1) It focusses 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.
- 2) It ensures additionality by filling a gap in service provision which existing cross-government departmental funding does not cover.
- 3) It fits within mechanisms for coordination of employers, workers and government that will endure past the lifetime of the PGF.
- 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

PGF Criteria	Assessment Commentary	Rating (0✓ to 5✓)
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Link with fund and government outcomes

Aligns with relevant regional economic and employment plans and priorities, including any Māori development plans	<ul style="list-style-type: none"> • The project aligns with the Manawatu Labour Market Strategy, specifically “strong employer-provider” partnerships and aligns with Accelerate 25 and Te Pae Tawhiti Economic action plans. 	Yes
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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"> • Will meet immediate needs of local businesses • Workforce capability planning will assist with understanding future labour market needs. 	Yes
Reduces the rates of people not in employment, education and training, with an emphasis on Māori	<ul style="list-style-type: none"> • It is reasonable to expect that a portion of people targeted will fit into this category • This project includes NEET with Maori being approximately 25% of this cohort in Horowhenua 	Yes
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"> • The project will improve earning potential by upskilling the participants. • The project will support local students/Job Seekers into sustained employment and provide pastoral care to both participant and employer. 	Yes
Additionality – adds value by building on what is already there		
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)	<ul style="list-style-type: none"> • This contributes to the development of a more highly skilled workforce in an area that has portions of it with high social and economic deprivation. • This funding addresses a gap in service for pastoral care in this area as no-one delivers tailored pastoral care in Horowhenua. • The project will support Students and Job Seekers into sustained employment • This programme is unique in that it has support from significant local employers. • It has been operating at a very low level and with this funding, activities can be scaled up and make a significant contribution to the region. 	Yes
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"> • The Ministry of Education has confirmed that they are not in a position to fund this activity, however recognise that this activity is something MOE is attempting to address as part of their current review. • Beyond the remit of MSD as not all participants will be beneficiaries, however those that are who are placed into employment maybe supported via their Flexi wage and Mana in Mahi wage subsidies. 	Yes
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> • The project aligns with the Manawatu Labour Market Strategy, specifically “strong employer-provider” partnerships and aligns with Accelerate 25 and Te Pae Tawhiti Economic action plans. 	Yes

Support from local employers, central and local government, and governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> Evidence of support has been provided in the region across a broad range of stakeholders. These include local significant large employers, with letters of support Letters from MOE & MSD supporting the establishment of this service. 	Yes
Governance, risk management and project execution		
Robust project management and governance systems	<ul style="list-style-type: none"> The application includes funding for an Operations Manager to maintain the quality of programme delivery and ensure success of programme, employment placement and pastoral care The Charitable Trust is the sole shareholder of the Horowhenua Company Limited that has two directors Cameron Wesley Lewis who is a successful Farming operator and Philip Brent Wheeler who has extensive Governance, Economic and Corporate finance experience. 	Yes
Demonstrates the capacity and technical capabilities to effectively implement the initiative	<ul style="list-style-type: none"> The applicant intends to employ the appropriate people who will have the relevant skills and have already had some successes in supporting people into employment. 	
Risk management approach	<ul style="list-style-type: none"> Outlined in their application (see p.26 of application) 	Yes Application Will Be Proactively Released Separately
Future ownership / operational management	<ul style="list-style-type: none"> The HNZT will fund this activity in the future from revenue from, workplace capacity building and talent selection 	Yes
Funding Arrangements		
The funds will most likely be distributed via a milestone plan, which is likely to include an upfront cost for set up. This will be sorted during the contracting stage.		
Due Diligence and Ownership		
The due diligence process found nothing of concern.		
The Horowhenua New Zealand Trust is a charitable trust		
Shareholders:		
Shareholder		%
Horowhenua Company Limited – Horowhenua New Zealand Trust		Commercial
[describe any areas of interest]		
Directors:		
<ul style="list-style-type: none"> Cameron Wesley Lewis Philip Brent Wheeler 		

Trustees:

- Cameron Wesley Lewis
- Antony Michael Young
- Privacy of natural persons
- Ronald Adrianus Turk
- Evan Douglas Kroll
- Larry Stewart Ellison

Key Management Personnel:

- Liam McLeavey
- Shanon Grainger

Risk Assessment

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
Cost Risk	If our cost estimates are inaccurate, then the applicant may be unable to complete the project in the agreed manner	<ul style="list-style-type: none"> • A number of the costings are flexible with suitable provisions in place, if approved 	Low
Recruitment	This initiative fails to achieve outcomes due to reasons such as low participation/recruitment rates and/or completion rates, causing a flow on reputational risk to the PDU	<ul style="list-style-type: none"> • Ensure application has clear and feasible mitigations in place to address these risks and ensure outcomes are achieved 	low

Consultation undertaken or implications:

Ministry of Education – The idea of the creation of a role acting as an intermediary between the stakeholders across education and employment is consistent with other regional responses we have seen across the country
 TPK – Awaiting feedback
 MSD - We agree and are supportive of the 6 key areas for action to improve outcomes for the target youth cohorts.

Supporting proposal:	Yes	Application Will Be Proactively Released Separately
Appendices:	Yes – Applications and supporting letters are as annexes	Letters of Support Are Withheld in Full Due to Commercial Sensitivity
Author of paper:	Te Ara Mahi/He Pou	