

1.1 TE HAUTŪ PROJECT

PGF Application – Social Capital Investment		For: Approval	
Applicant:	Downie Stewart Foundation t/a Moana House	Pipedrive ID #	Commercial Information
Region	Otago	PGF Funding Sought:	\$1,036,507.00
Region detail:	Dunedin	Total Project Value:	\$ Commercial Information
		Applicant co-funding:	N/A
Entity Type:	Registered Charitable Trust	Funding Structure:	Grant
Entity Detail:	Moana House is a well-established residential therapeutic community based in Dunedin, which caters for adult male offenders and those who have a history of alcohol or drug abuse. It is run by the Downie Stewart Foundation, a registered charitable trust originally established in 1987. It operates from an ordinary house in the suburbs of Dunedin, and currently can accommodate up to 17 people at a time.		

We recommend that the SROs:

- a) **Recommend** to RED Ministers to approve **\$1,036,507.00** from the Social Capital Investment portion of the Provincial Growth Fund (PGF) towards the Te Hautū Project.
- b) **Note** that the project aligns with the Social Capital Investment objectives of strengthening labour supply and building community resilience, by:
 - assisting people to overcome substance addiction and related issues, and
 - preparing them to re-join the workforce.
- c) **Note** that PGF funding is required to fund upgrade of premises, work and study support programmes, improvement of resources, and increased after care services. Commercial Information
- d) **Note** the funding requested is a grant for Commercial Information
- e) **Note** Moana house is a well-established organisation, with proven expertise and experience in delivering treatment and support programmes to reduce the harm of substance abuse to individuals and whanau.
- f) Commercial Information
- g) **Note** the applicant is the main provider of this service not just in the South Island, but the whole country and has demonstrated wide support within the region and community.
- h) **Note** the proposal is “shovel ready” and can start immediately, with all the consents (resource and building consents), new staff resources readily available and insurance required already in place.
- i) **Note** all people joining the residential programme usually start engaging in 2 days of work per week within 2 weeks of the programme, unless in case of medical issues or significant risk perceived
- j) **Note** that Due Diligence needs to be conducted for the applicant

Background:

Moana House is a well-established residential therapeutic community that provides a national long-term treatment and rehabilitation service catered for a specialty whaiora (client) group. Those who come to the Moana House have multiple addiction and co-existing difficulties such as: substance abuse, poor relationships, are victims or perpetrators of violence, have poor work skills, significant histories of recidivist offending, gang connections, wide range of whanau difficulties (including domestic violence), ongoing health problems including some mental health issues and difficulties in setting and achieving goals.

Moana House provides a supportive family environment and a safe place to change, and has a reputation for delivery of these services to a very high standard. A vital aspect of the wraparound service provided is the lack of time limits on support, as this can be an additional stumbling block for many who find it difficult to survive on their own.

Target Group

The rehabilitation and reintegration programme run by Moana House is specially designed for adult males who present a high risk of recidivist offending and/or have significant history and issues involving substance abuse.

Proposal and Funding Detail

Moana House plans to continue providing a comprehensive wraparound service which includes ongoing training, study and work opportunities. PGF funding is required for 3 key elements not currently covered by other sources and that are linked into supporting the wider Moana House programme. These include:

1) Upgrade of premises:

Funds are needed to upgrade their current premises to ensure they have the appropriate infrastructure to increase capacity, provide more and enhanced services and to live and work in an ordinary community in High Street, Dunedin, where the men get the chance to live in an “ordinary where” as opposed to other institutional-like settings. Two of the three spaces are already funded by other sources.

Consents are already in place, and local businesses have been engaged for the renovations, which can start immediately and would be completed within ^{Commercial Information} [redacted].

2) Work and study support upgrade and improve resources:

Academic Support:

^{Com} [redacted] staff have already been identified and are local programme graduates of Moana House in Peer roles. The roles have been developed so work can be combined with study and ^{Commercial Information} [redacted] part time men who will all get a chance to step up in this line of work while combining it with their retraining at Otago Polytech.

Funding is sought to also cover ^{Commercial Information} [redacted] to assist two of the men getting the support they need for their Level 4 Health bridging programme; hiring ^{Commercial Information} [redacted] and purchase the required Driving Instructor hours to ensure the men get their licences which is seen as a major barrier in getting employment

Truck and trailer upgrade:

A key component of the programme greatly in need of upgrading to ensure they can continue their work programme operates effectively and efficiently adhering to health and safety requirements. The truck and trailer is used to transport the equipment used by residents to sites and to take green waste to the dump and additional workday support.

3) Increased After Care Services:

Study support and work brokering:

A temporary premises will be acquired for rental. This new premises will allow the continuity of the Study support and Work brokering services provided during the final stages of construction. It is envisaged that this will only be for ^{Commercial Information} [redacted] maximum or until the new venue is completely fitted out to an appropriate

standard.

The fit out will allow more residents to participate in the program as well as be able to receive the 1:1 support or training as required.

COVID-19 response

- Systems are in place once the new build opens providing much more space.
- Sign in systems are in place for contact tracing as well as gloves and masks at the door on way in.

Wider outcomes and social benefits

- Reduce recidivist offending by providing long term support, in-depth therapy and constructive skills that can translate into real life.
- Provide positive opportunities for those in the justice and corrections systems to consider change as a real possibility, as often the people who go through the programme have already been declined support elsewhere.
- Develop positive sense of identity and belonging via targeted cultural interventions.
- Reduce reliance on the welfare system, by encouraging and building confidence to break “benefit dependence” intergenerational cycles.
- Build and improve resilience of families and communities, often facilitating family reconnections.
- Promote active participation in the labour market, and prepare participants to re-enter the workforce by delivering skills training (e.g. first aid, licenses, chainsaw certificates, catering and kitchen experience).
- Facilitate transition into employment through specialised employment brokerage and by developing relationships with employers and recruitment agencies.

Expected outcome details are as follows:

	Response	PDU (TAM) Statement regarding achievability of target
Number of people expected to be engaged in the rehabilitation programme annually (on average):	35-43	The number of people able to engage in the programme will depend on length of stay of individuals and/or their sentences. Moana House previously had 17 individuals on the programme.
Number of people expected to gain driving licences as annually	10-18	Approximate numbers depending on individual circumstances, as some participants can be indefinitely disqualified for driving and would not be able to undertake driving training.
Number people expected to be engaged in further study annually	8-12	Numbers appear realistic and achievable considering total number of people expected to go through the rehabilitation and reintegration programme.
Number of people expected to be engaged in training	15	As above.
Number of people expected to be placed into work annual as a result of the project	0-10	Approximate numbers depending on individual circumstances, such as type of sentence and pace of recovery and rehabilitation progress.

Assessment against the PGF criteria:		
Eligibility Criteria		
This application is eligible for PGF Social Capital Investment funding.		
Productivity Potential		
Not required under the Social Capital Investment funding criteria. However, The project may improve productivity in the regions by increasing and strengthening the labour supply.		
Policy objectives		
This application aligns with the Social Capital Investment principles and objectives as follows: <ol style="list-style-type: none"> 1. It consists of a tailored programme and service to assist people with substance abuse history to live healthier lives and to prepare to re-join the workforce. 2. It focusses on reducing the harm of substance abuse to individuals and whanau in the regions. 3. It aims at building community resilience, and strengthening the labour capability and supply. 4. It addresses issues to strengthen the social capital of small communities. 		
PGF Criteria	Assessment Commentary	Rating (0✓ to 5✓)
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 Social Capital Investment criteria as outlined above. 	Yes
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"> • The project aligns with the Social Capital Investment criteria as outlined above. 	Yes
Reduces the rates of people not in employment, education and training, with an emphasis on Māori	<ul style="list-style-type: none"> • The project aligns with the Social Capital Investment criteria as outlined above. • During their rehabilitation and reintegration process, people joining the residential programme are engaged in work and training activities and programmes as deemed appropriate for individual circumstances. • A core aspect of the project is re-engagement and reintegration of people who face severe barriers to employment. 	Yes
Increases local employment and earning potential, by supporting local people into local jobs, with an emphasis on sustainable	<ul style="list-style-type: none"> • This application fits with the Social Capital Investment criteria • During their rehabilitation and reintegration process, people joining the residential programme are 	Yes

employment outcomes	<p>engaged in work and training activities and programmes as deemed appropriate for individual circumstances.</p> <ul style="list-style-type: none"> The project addresses significant barriers to employment and help participants prepare to eventually re-join the workforce. 	
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"> Moana House run a national long-term treatment and rehabilitation service which is partially funded by other streams of funding Commercial Information The PGF funding will allow them to fill in the gaps for the proposed services not currently funded nor currently available 	
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"> Not required under the Social Capital Investment stream of funding. 	
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	<ul style="list-style-type: none"> The project aligns with the Social Capital Investment criteria as outlined above. 	
Support from local employers, central and local government, and governance groups (inc. Councils, Iwi/Hapu)	<ul style="list-style-type: none"> The applicant has a history of collaborative work with and has received continued support from other government agencies, Commercial Information. It also has close relationships with Oranga Tamariki, Te Rūnanga o Ōtākou, TPK, MPP, Iwi, Whanau Ora services and Te Putahitanga, Southern District Health Board, Maori Mental Health and Well South. 	Yes
Governance, risk management and project execution		
Robust project management and governance systems	<ul style="list-style-type: none"> Moana House is a well-established charitable trust who has partnered with other government agencies Commercial Information over their years. The programme will use the existing governance structure of Moana House to monitor and address any issues regarding project implementation. 	Yes
Demonstrates the capacity and technical capabilities to effectively implement the initiative	<ul style="list-style-type: none"> The applicant is a capable provider with over 30 years of proven experience and expertise working in rehabilitating and supporting high risk male offenders and/or with history of substance abuse to 	Yes

	transition into healthier lives.	
Risk management approach	<ul style="list-style-type: none"> Risks and mitigations are outlined in the application. 	Yes
Future ownership / operational management	<ul style="list-style-type: none"> Moana House will continue seeking other funding streams to ensure that the project is sustainable after the PGF funding cycle is finished. 	No

Funding Arrangements

The funds will likely be distributed via a milestone plan, which is likely to include an upfront cost for completing renovations and upgrade of resources. This will be determined further during the contracting stage.

Due Diligence and Ownership

Due Diligence has been requested on the registered charitable trust and key members involved in the project, however is still pending completion.

If approved, the funding will be conditional on due diligence being completed to the Ministry's satisfaction.

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	Project budget is inaccurate.	<ul style="list-style-type: none"> Overestimation of costs will be immediately reported to the Ministry so remaining monies can be either reallocated or returned as appropriate. In case of overestimation of costs, the applicant will seek further funding (e.g. loan) to cover the additional costs. Applicant has equity in their buildings, which may facilitate future loans if required. 	Medium
Health and Safety	Health and safety risks to staff and programme participants.	<ul style="list-style-type: none"> External specialist has been engaged to assist with safety planning, competency training and an annual health and safety update to management and Board of Trustees. Management team undertakes the day to day work to ensure a healthy and safe work environment, and are prepared to reach out for advice if issues arise. 	Medium

Consultation undertaken or implications:	
<p>No feedback was sought from central and regional government agencies. Significant regional support is demonstrated, including by support letter supplied with the application from Te Rūnanga o Ōtākou. Moana House has also been funded by [REDACTED] Commercial Information [REDACTED]</p>	
Supporting proposal:	Yes
Appendices:	Yes – Applications and supporting documentation are as annexes Supporting documents withheld - Commercial Information
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