



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

19 December 2023

Tēnā koe

On 20 October 2023, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *briefings, reports, memos, presentations, aide memoires, weekly report items, correspondence, or other documents provided to ministers in 2023 on the state of the emergency housing system, including progress in the implementation of the Emergency Housing System Review;*
- *briefings, reports, memos, presentations, aide memoires, weekly report items, correspondence, or other documents provided to ministers in 2023 that related to the Aotearoa Homelessness Action Plan.*
- *an unredacted copy of the 23 February 2023 briefing to the associate minister for social development on housing responsibilities.*

Briefings, reports, memos, presentations, aide memoires, weekly report items, correspondence, or other documents provided to ministers in 2023 on the state of the emergency housing system, including progress in the implementation of the Emergency Housing System Review.

We have found the following documents in the scope of your request, and are attached:

- REP/23/5/437 – Report - *Emergency Housing System – Policy Clarifications and SNG Amendments*, dated 15 June 2023
- REP/23/5/437 – Appendix One - *Emergency Housing System – Policy Clarifications and SNG Amendments*, dated 15 June 2023
- REP/23/7/708 – Briefing - *Updated Draft Cabinet Paper: Delivering the Emergency Housing Reset and Redesign: Place-based Plans for Wellington and Hamilton and Programme Update*, dated 25 July 2023
- REP/23/7/725 - Aide-mémoire - *Talking Points for Cabinet Social Wellbeing Committee Delivery the Emergency Housing Reset and*

- Redesign Place-Based Plans for Wellington and Hamilton and Programme Updates*, dated 1 August 2023
- REP/23/6/543 – Report - *Emergency Housing System Review: Welfare programme amendments relating to supplier standards, and minor amendments*, dated 13 July 2023
 - Email Thread – Responses to questions regarding EHSR Report, dated 19 July 2023
 - REP/23/04/270 - Aide-mémoire - *Cabinet Social Wellbeing Committee Update on progress with implementing the reset and redesign of the Emergency Housing system*, dated 4 April 2023
 - Memo – *Consideration for changes to the Emergency Housing Supplier Standards delivery timeline*, dated 6 June 2023
 - Email Thread – Responses to questions regarding Supplier Standards Memo to ASDE, dated 13 June 2023.

You will note that some information is redacted. The following grounds have been applied to a number of these documents:

Section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

Section 9(2)(f)(iv) of the Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

Section 9(2)(h) of the Act in order to maintain legal professional privilege. The greater public interest is in ensuring that government agencies can continue to obtain confidential legal advice.

The following documents have been released publicly online:

- Annex A: HUD Cabinet Paper: Delivering the Emergency Housing Reset and Redesign: Place-based Plans for Wellington and Hamilton and Programme Update

www.hud.govt.nz/assets/Uploads/Documents/Cabinet-papers/Cabinet-Paper-Delivering-the-Emergency-Housing-Reset-and-Redesign-Place-based-Plans-for-Wellington-and-Hamilton-and-Programme-Update-REDACTED.pdf

- Cabinet Paper: Update on progress with implementing the Reset and Redesign of the Emergency Housing System

www.hud.govt.nz/assets/Uploads/Documents/Cabinet-papers/Cabinet-Paper-Update-on-progress-with-Implementing-the-Reset-and-Redesign-of-the-Emergency-Housing-System-REDACTED.pdf

The following documents were found in scope of your request but are withheld in full under section 9(2)(f)(iv) of the Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

- REP/23/4/275 – Report – *Progressing phase two of the Budget 2022 changes to Housing Support Products*, dated 26 May 2023
- REP/23/7/723 – Report - *Social Support Services for Emergency Housing Clients*, dated 3 August 2023
- REP/23/7/723 – Appendix One - *Social Support Services for Emergency Housing Clients*, dated 3 August 2023
- REP/23/7/723 – Appendix Two - *Social Support Services for Emergency Housing Clients*, dated 3 August 2023

Briefings, reports, memos, presentations, aide memoires, weekly report items, correspondence, or other documents provided to ministers in 2023 that related to the Aotearoa Homelessness Action Plan.

- REP/23/5/459 – Report – *Progressing the longer-term action to prevent homelessness for specific at-risk groups*, dated 26 May 2023
- REP/23/5/459 – Annex One – *Progressing the longer-term action to prevent homelessness for specific at-risk groups*, dated 26 May 2023
- Email thread – Responses to questions regarding REP/23/5/459, dated 14 Jun 23

Some information is redacted under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

An unredacted copy of the 23 February 2023 briefing to the associate minister for social development on housing responsibilities.

- Briefing to the Associate Minister for Social Development and Employment, dated 23 February 2023

Some information is redacted under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

Some information is redacted under section 9(2)(f)(iv) of the Act to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials. The release of this information is likely to prejudice the ability of government to consider advice and the wider public interest of effective government would not be served.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by publishing this letter and attachments on the Ministry's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

A handwritten signature in blue ink, appearing to read 'Magnus O'Neill', with a stylized flourish at the end.

pp.
Magnus O'Neill
General Manager
Ministerial and Executive Services

Report



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Date: 15 June 2023

**Security
Level:**

IN CONFIDENCE

To:	Hon Priyanca Radhakrishnan, Associate Minister for Social Development and Employment
Cc:	Hon Carmel Sepuloni, Minister for Social Development and Employment

This report includes legal advice that is legally privileged. It should not be disclosed without further legal advice.

Emergency Housing System: Policy clarifications and amendments to the Special Needs Grants Programme

Purpose

- 1 This report provides advice on clarifying the policy position and legal settings for security deposit payments for people accessing transitional housing and contracted emergency housing.

Executive Summary

- 2 MSD's operational practice is to administer security deposit payments which support people to access emergency housing. This includes people receiving an Emergency Housing Special Needs Grant (EH SNG) and those who are in transitional housing or contracted emergency housing. If a supplier/provider has costs for damage or loss during the client's stay and the client accepts responsibility, MSD may reimburse suppliers/providers up to a specified amount approved at the start of the stay. This amount is then recovered from the client.
- 3 We have, however, identified that there is a lack of express legal basis for security deposit payments for transitional housing and contracted emergency housing to support current operational practice.
- 4 Policy clarification and amendments to the Special Needs Grants Programme (SNG Programme) are required to ensure a clear policy and express legal basis for the administration of security deposits.

- 5 Security deposit payments for EH SNG accommodation are also granted under a different provision of the SNG Programme from security deposit payments for transitional housing and contracted emergency housing, and in turn, impose different income limits and rules.
- 6 We recommend continuing current operational practice and providing clear policy and express legal authority for security deposit payments for people accessing transitional housing and contracted emergency housing funded by Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD).
- 7 We also recommend that the same income limits (income limits for an EH SNG) apply to people accessing security deposits for accommodation funded by an EH SNG, and for temporary accommodation contracted by HUD.¹
- 8 It is important that MSD's secondary legislation captures different types of temporary accommodation contracted by HUD to ensure clients are able to access their entitlements and treated equitably. We will work with officials at HUD to develop agreed definitions for contractual forms of temporary accommodation to future-proof MSD's secondary legislation.
- 9 Subject to your agreement, we will give effect to the changes to security deposit payments by seeking approval from the Minister for Social Development to amend the SNG Programme.

Recommended actions

It is recommended that you:

- 1 **Note** that you are responsible for client-facing emergency housing-related services, and that the Minister for Social Development and Employment has responsibility for approving amendments to the Special Needs Grants Programme to give effect to the change proposed
- 2 **Agree** that MSD continues the operational practice of making security deposit payments available to clients in accommodation funded by an Emergency Housing Special Needs Grant, transitional housing and contracted emergency housing

Agree / Not Agree

¹ Note that 'temporary accommodation contracted by HUD' includes contracted emergency housing and transitional housing.

3 **Agree** to seek approval from the Minister for Social Development and Employment to amend the Special Needs Grants Programme to:

- 3.1 Provide specific legal authority to pay security deposits for eligible clients in transitional housing and contracted emergency housing
- 3.2 Give effect to the policy of ensuring that the same income limits, including an ability to exceed income and cash asset limits in exceptional circumstances, apply to eligible people accessing a security deposit regardless of whether they receive an Emergency Housing Special Needs Grant or are in temporary accommodation contracted by Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

Agree / Not Agree

s9(2)(f)(iv)

5 **Agree** to forward this paper to the Minister of Housing and Associate Minister of Housing (Homelessness) for their information.

Agree / Not Agree



Alex McKenzie
Manager
Housing Policy

15 June 2023

Hon Priyanca Radhakrishnan
Associate Minister for Social Development
and Employment

Date

Background

- 10 In August 2022, the Minister for Social Development and Employment agreed to receive further advice on the issue of **the uncertain provision of security deposit payments for clients across the Emergency Housing System** [REP/22/7/642].
- 11 You have been delegated responsibility for operational policy and delivery of key housing assistance, specifically in relation to MSD's administration of client-facing emergency housing-related services. This includes security deposit payments made by MSD which ensure people can access emergency and transitional housing, as well as the administration of a debt recovery process for security deposit payments.
- 12 This paper sets out proposed clarifications to policy and changes to secondary legislation relating to security deposit payments for clients in accommodation funded by an EH SNG, contracted emergency housing, and transitional housing.
- 13 While you are responsible for policy approvals for client-facing emergency housing-related services, the Minister for Social Development and Employment has authority under section 101 of the Social Security Act 2018 to approve legislative changes to the Special Needs Grants Programme. More information about MSD's client-facing housing-related responsibilities are included in **Appendix 1**.

Proposed policy clarifications and legislative changes will help improve the Emergency Housing System

- 14 Since the introduction of EH SNG in 2016, the emergency housing system has evolved in an ad hoc way in response to higher-than-expected demand. This has resulted in issues where policy is unclear, settings are inconsistent, and some services do not have an express legal basis.
- 15 Fragmentation within the housing system and a lack of coordination between housing-related agencies were also highlighted in the recent WAI 2750 Kāinga Kore: Stage One Report on Māori Homelessness in May 2023.² The proposed changes relating to security deposits will help to address some issues raised during Stage One of WAI 2750. We have taken a system-wide approach to ensure consistent provision of emergency housing-related services.

² The Waitangi Tribunal established the WAI 2750 – Housing Policy and Services Kaupapa Inquiry to hear claims concerning the Crown's housing policy and services that affect Māori.

- 17 We seek your agreement to clarify the policy position and have an express legal basis for making security deposit payments for clients in transitional housing and contracted emergency housing. The key benefits of the proposed changes are:
- 17.1 a clearer policy and legal basis for operational practice
 - 17.2 facilitating consistent provision of housing-related services
 - 17.3 equity between clients across the emergency housing system.

A clearer policy and legal basis to support the operational practice of administering security deposit payments is needed

- 18 MSD's current operational practice is to make security deposit payments on behalf of eligible clients in accommodation funded by an EH SNG, contracted emergency housing and transitional housing.
- 19 Making security deposit payments on behalf of clients is a key MSD client-facing emergency housing-related function. Security deposits are pre-approved between the client and emergency housing supplier/provider. If the client causes any loss or damage during their stay, and agrees they are responsible, the EH SNG supplier can claim for actual costs incurred for loss or damage up to the amount originally approved. This amount can then be recovered from the client using MSD's debt recovery processes.
- 20 There is a lack of clear policy and express legal authority for MSD to make security deposit payments for eligible clients in contracted and transitional housing. Additionally, current legislative settings for security deposit payments are fragmented. To provide for a specific legal basis, it is important to first clarify MSD's role in administering payment for security deposits across the emergency housing system.
- 21 We recommend that MSD continues making security deposit payments for clients currently in contracted emergency housing and transitional housing.

³ Such definitions may cover transitional housing, contracted emergency housing, and COVID-19 motels.

MSD should remain responsible for administering security deposit payments to ensure people can access different forms of accommodation across the emergency housing system. This is because MSD has systems and processes in place to administer and recover the security deposit payment from the client.

Security deposits for transitional housing and contracted emergency housing should be paid under the same provisions as security deposits for Emergency Housing Special Needs Grant

- 22 While the policy and legal bases are clear for MSD making security deposit payments for accommodation funded by an EH SNG, there is a lack of specific policy and express legal authority for security deposit payments for transitional housing and contracted emergency housing.
- 23 MSD pays security deposits as a recoverable grant (recoverable from the client) to EH SNG suppliers on behalf of the client under cl 14A.7 of the Special Needs Grants (SNG) Programme. However, MSD pays security deposits as a recoverable grant to transitional and contracted emergency housing providers on behalf of the client under clause 14 of the SNG Programme (Other Emergency Grants), a different provision from EH SNG security deposits.
- 24 We seek your agreement to amend the SNG Programme to provide specific legal authority for MSD to make security deposit payments for transitional and contracted emergency housing. This change will help clarify MSD's role in administering security deposits for transitional and contracted emergency housing. There are no additional costs associated with giving effect to this change.
- 25 Subject to your agreement, we will seek approval from the Minister for Social Development and Employment to make the required changes to the SNG Programme.

s9(2)(h)



Income limits and rules should be applied consistently to security deposits across the emergency housing system

- 28 The original policy of income limits for security deposit payments was intended to apply to all forms of emergency/temporary accommodation. This is because eligibility for EH SNG, contracted emergency housing and transitional housing is based on income limits for an EH SNG.
- 29 However, payments for security deposit payments for clients in temporary accommodation contracted by HUD have been made under a different legal provision from EH SNGs, and as a result, different income limits and rules apply.⁴ For instance, people in EH SNG accommodation can exceed income/cash asset limits in exceptional circumstances such as in cases of family violence whereas this exception does not apply to people in temporary accommodation contracted by HUD.
- 30 In addition to the issue of fragmented provisions for security deposit payments, in November 2021, income limits for SNGs were temporarily increased to help manage negative impacts of COVID-19 restrictions by allowing a larger cohort of people to be eligible for hardship assistance [REP/21/11/1285 refers]. In December 2021, a decision was made to exclude EH SNGs from the increased income limits [REP-21-12-1237].⁵ The increased income limits for SNGs were made permanent through Budget 2022.
- 31 This means that the income limits for people accessing security deposit payments for temporary accommodation contracted by HUD are **higher** than the income limits for people accessing security deposits for EH SNG funded emergency accommodation. However, people accessing contracted or transitional housing are not able to exceed income/asset limits like people in EH SNG accommodation.
- 32 For example, an applicant has an emergency housing need as they have left a violent situation, however MSD is unable to pre-approve a security deposit payment for transitional housing as the applicant's income exceeds the limits. This means that the applicant can only access EH SNG accommodation as the exceptional circumstances rule applies to EH SNG but not transitional housing applicants.
- 33 We seek your agreement that the income limits and rules for EH SNG, including the ability to exceed income and cash asset limits in exceptional circumstances, apply to people who require a security deposit for EH SNG and

⁴ Note that both provisions impose the same cash asset limits. The only difference is in respect to income limits.

⁵ EH SNGs, Transitions to Work Grants, and the Course Participation Allowance were excluded from this permanent change.

temporary accommodation contracted by HUD. This will ensure people across the emergency housing system have equitable access to security deposits regardless of the type of accommodation they reside in.

- 34 The proposed change includes reduced income limits for people requiring security deposits to access temporary accommodation contracted by HUD. These shifts are demonstrated in the table below.

Proposed changes to income limits for people requiring a security deposit in temporary accommodation contracted by HUD (as at 1 April 2023)

Family circumstances	Current Income limits for people in temporary accommodation contracted by HUD	Proposed changes to income limits for people in temporary accommodation contracted by HUD (same as EH SNG)	Change in amount
Single, 16 - 17 years	\$783.91	\$584.36	-\$199.55
Single, 18+ years	\$900.93	\$671.59	-\$229.34
Married, civil union or de facto couple (with or without children)	\$1,308.60	\$975.49	-\$333.11
Sole parent, 1 child	\$1,093.25	\$814.95	-\$278.30
Sole parent, 2+ children	\$1,151.80	\$858.59	-\$293.21

- 35 We advise that there will be no negative impacts on clients from this change as eligibility for contracted emergency housing and transitional housing is based on EH SNG income limits.⁶ This means that clients in contracted emergency housing and transitional housing must meet the income limits set out for an EH SNG in the first instance (unless there are exceptional circumstances) before accessing financial assistance for security deposits.
- 36 To give effect to the above policy intent in paragraph 33, we propose to amend the SNG Programme by applying existing income limits for EH SNG to people in temporary accommodation contracted by HUD for consistency. This change will mean that people in temporary accommodation contracted by HUD will also be able to exceed the income limits in exceptional circumstances like people in EH SNG accommodation.

Risks and mitigations

- 37 There are risks associated with the proposed change as it might cause frontline staff and stakeholder confusion about which income limits should apply for different client scenarios. To mitigate this, MSD will provide guidance to frontline staff about the changes to ensure a smooth


⁶ Aligning eligibility for contracted emergency housing and transitional housing with eligibility criteria for an EH SNG is stated in operational guidance for providers contracted by HUD.

implementation and consistent practice across the emergency housing system.

Next steps

- 38 Subject to your agreement, we will seek approval from the Minister for Social Development and Employment to make the required changes to the SNG Programme in due course.

s9(2)(f)(iv)



Appendices

Appendix 1: MSD's client-facing housing-related functions

File ref: REP/23/5/437

Author: Malisha Frawley, Senior Policy Analyst, Housing Policy

Responsible manager: Alex McKenzie, Manager, Housing Policy

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Appendix 1

MSD's client-facing housing-related functions

- MSD has responsibility for a range of client-facing housing-related functions. Key emergency housing-related functions include:
 - assessing eligibility for financial assistance with the cost of emergency housing
 - making security deposit payments to ensure people access emergency and transitional housing and administering a debt recovery process
 - calculating and collecting the emergency housing contribution (25 percent of income).
- MSD's client-facing housing-related functions are distinct from HUD's responsibility as a provider-facing housing agency. While the Minister of Housing has policy and delivery responsibility of contracted emergency and transitional housing, MSD is responsible for the service delivery function of understanding a person's immediate emergency housing need and making referrals to contracted/transitional housing.
- MSD is also responsible for administering security deposit payments to support access to EH SNG accommodation, contracted emergency housing and transitional housing.
- The Minister for Social Development and Employment has retained policy responsibility of housing-related financial assistance, for example the Accommodation Supplement.

Updated Draft Cabinet Paper: Delivering the Emergency Housing Reset and Redesign: Place-based Plans for Wellington and Hamilton and Programme Update

Updated Draft Cabinet Paper and Talking Points: Delivering the Emergency Housing Reset and Redesign: Place-based Plans for Wellington and Hamilton and Programme Update			
Date	25 July 2023	Priority	Urgent
Tracking number	HUD2023-002609 (HUD) REP/23/7/708 (MSD)		

ACTION SOUGHT FROM MINISTERS		
Minister	Action sought	Deadline
Hon Dr Megan Woods Minister of Housing	Agree to lodge the Cabinet paper by 10.00am, Thursday 27 July, for SWC consideration on 2 August 2023	26 July 2023
Hon Priyanca Radhakrishnan Associate Minister for Social Development and Employment	Agree to lodge the Cabinet paper by 10.00am, Thursday 27 July, for SWC consideration on 2 August 2023	26 July 2023

CONTACT FOR DISCUSSION			
Name	Position	Telephone	1st contact
Anne Shaw	Deputy Chief Executive, Solutions Design, and Implementation	s9(2)(a)	
Bronwyn Hollingsworth	General Manager, Service Design and Operational Policy	s9(2)(a)	✓
Alex McKenzie	Manager Housing Policy, MSD	s9(2)(a)	



OTHER AGENCIES CONSULTED

Manatū Hauora – Ministry of Health, Te Whatu Ora – Health New Zealand, Ministry for Pacific Peoples, Oranga Tamariki – Ministry for Children, Kāinga Ora – Homes and Communities, Te Puni Kōkiri – Ministry of Māori Development (TPK), New Zealand Police, the Department of Prime Minister and Cabinet (Child and Youth Wellbeing Unit and the Implementation Unit), Whaikaha – Ministry of Disabled People, Ministry of Education, Ara Poutama Aotearoa – Corrections (Corrections) and The Treasury.

DATE RETURNED TO HUD: [Click here to enter a date.](#)

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Briefing

0BUPDATED DRAFT CABINET PAPER AND TALKING POINTS: DELIVERING THE EMERGENCY HOUSING RESET AND REDESIGN: PLACE-BASED PLANS FOR WELLINGTON AND HAMILTON AND PROGRAMME UPDATE			
Ministers receiving		Hon Dr Megan Woods, Minister of Housing; Hon Priyanca Radhakrishnan, Associate Minister for Social Development and Employment	
Date	25 July 2023	Priority	High
Tracking number	HUD2023-002609 (HUD) REP/23/7/708 (MSD)		

Purpose

1. This briefing provides you with an updated draft Cabinet paper: *Delivering the Emergency Housing Reset and Redesign: Place-based Plans for Wellington and Hamilton and programme update* (attached at Appendix 1) based on changes made as a result of operational updates and agency and ministerial feedback (set out at Appendix 2).



RECOMMENDED ACTIONS

2. It is recommended that you:
1. **Note** key operational updates on Emergency Housing actions *Noted*
 2. **Note** feedback from Ministerial and agency consultation and the subsequent changes made to the Cabinet paper *Noted*
 3. **Agree** to lodge the Cabinet paper by 10.00am, Thursday 27 July *Agree/Disagree*

Bronwyn Hollingsworth
**General Manager, Service
Design and Operational Policy**
25 / 07 / 2023

Hon Dr Megan
Woods
Minister of Housing
..... / /

Alex McKenzie
Manager, Housing Policy
Ministry of Social Development
25 / 07 / 2023

Background

3. On 12 July 2023, we provided you with the draft Cabinet paper: *Delivering the Emergency Housing Reset and Redesign: Place-based Plans for Wellington and Hamilton and Programme Update*. We indicated to you that we had undertaken initial consultation with agencies and that we would make subsequent amendments to the Cabinet paper as a result of agency feedback.
4. On 12 July 2023 you agreed to commence concurrent Ministerial and (further) agency consultation on the draft Cabinet paper: *Delivering the Emergency Housing Reset and Redesign: Place-based Plans for Wellington and Hamilton and Programme Update*, from 3 – 12 July 2023. This consultation has now concluded.
5. During consultation, we received the following requests from the Prime Minister's Office and the Office of the Minister of Finance:
 - a. Prime Minister's Office:
 - i. Request that the information related to Action 6 can be upfront in the paper and the progress to date thereafter
 - ii. Further information about how the funding was allocated, for example, were some figures arrived at through consultation with local stakeholders, or based on what was spent in other circumstances
 - iii. Further detail on the reasoning for taking a place based approach here following the complexity with this approach in Rotorua.
 - b. Office of the Minister of Finance:
 - i. Provision of the original phasing for the tagged contingency noting the difference between this and the current phasing
 - ii. HUD feedback on whether it would be possible to bring forward funding to 23/24 and 24/25, and what the implications are
 - iii. Information on whether spending beyond 27/28 is likely
 - iv. Clarity on the form additional Transitional Housing will take (i.e. contracted motels or longer term leased properties)
 - v. More detailed information about potential risks or difficulties associated with procuring further Transitional Housing Places in these regions
 - vi. Further information where FTEs are needed as part of an intervention, including the numbers required and whether there is sector capacity.
6. Responses were provided on each of these points and as required, the Cabinet paper was updated, accordingly.
7. We received a range of feedback from agencies on the draft Cabinet paper. This feedback has been incorporated into an updated version of the draft Cabinet paper

provided to you at Appendix 1. Agency feedback and subsequent changes are set out at Appendix 2. Note that not all agencies consulted provided feedback.

ADVICE

Key updates to draft Cabinet paper

8. The draft Cabinet paper has been updated to reflect key operational updates and agency feedback. A summary of changes made to the draft Cabinet paper is set out below.

MSD operational updates on Emergency Housing Actions

9. For Action 1, we previously advised that the pilot approach for the Needs Assessment Tool will be rolled out to other regions in August 2023, following delivery of the pilot in Waikato. An operational decision has been made to bring forward the timelines for Phase 2 of the work, which is to design system solutions and integrate the Needs Assessment Tool in the system, rather than extending the pilot approach to other regions. The revised approach brings forward the timeline of implementing system solutions to support a national rollout of the Needs Assessment Tool in mid-2024.
10. We have also updated advice on Action 5 – setting the Emergency Housing supplier standards – with more specific timeframes as a result of finalising the new service design and obtaining approval for policy changes to give effect to the supplier standards. The supplier standards will be fully implemented by 6 November 2023, following a 3-month transitional period.

Transitional housing and pipeline

11. Several agencies (including DPMC and Treasury) requested further information about the transitional housing to be contracted under Action 6. This included what form it would take (i.e. contracted motels or other) and the process for progressing supply opportunities. The relevant sections in the paper have been strengthened in response and the position that motels will not be contracted has been clarified. Our aim is to contract transitional housing that is of a standard that it can be used for public housing in the future.

Strengthening accountability

12. DPMC requested the strengthening of accountability for the implementation of the regional delivery plans, so a recommendation noting that HUD will update joint Ministers on progress in December 2023 has been added.

Ensuring the regional delivery plans meet the needs of specific cohorts

13. Several agencies provided feedback on ensuring the work of Action 6 meets the needs of specific groups. The paper has been updated to respond to these requests.



Evaluation and impacts

14. DPMC requested further information about the evaluation approach to Action 6 and Manatū Hauora wanted to see the inclusion of an impact relating to the provision of support as people transition into public housing. The paper was updated accordingly.

Next steps

15. If you are comfortable with the changes made to the draft Cabinet paper as a result of Ministerial and agency feedback, we will work with your offices to lodge the paper by 10.00am, 27 July 2023, for SWC consideration on 2 August 2023.

Annexes

Annex A: Updated Draft Cabinet Paper

Annex B: Agency feedback and amendments made to draft Cabinet paper

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Annex A: Draft Cabinet Paper

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Annex B: Agency feedback and amendments made to draft Cabinet paper

THEME	RESPONSE
Clarity on transitional housing and supply pipeline	
<p><i>DPMC:</i> While there is more information on scale and cost of TH places than in prior paper the robustness of the TH supply pipeline and a clear plan to acquire and/or build TH places is still opaque in the paper and Appendix, especially for Hamilton. Wellington appears to have a more robust pipeline ... although are these in the right locations where the single cohort is willing to live? Is there a mechanism where Cabinet, or delegated to the Minister of Housing, can review and assess the TH supply pipeline, including clear sequencing, prioritisation and phasing of TH places over the 18 month period. It would also be helpful to know the predicted mix of acquired (existing stock) and new TH (to be built) as that will significantly influence delivery timeframes.</p> <p><i>The Treasury:</i> What's the current pipeline? Do you expect any difficulties/delays in contracting these places? If not, why not? If yes, what's the risk management plan for this?</p> <p>What's the type of transitional housing that HUD is aiming to contract? Would be good to call out that you're specifically not looking at contracting motels or shared facilities.</p>	<p>TH places will be a mix of existing and new builds, with our preference being for new builds where we are able to secure them. Note that both new and existing builds will need to be Healthy Homes compliant, as well as compliant with the Code of Practice. We have phased the TH supply for Hamilton City in two tranches as a means of accommodating both this supply pipeline and to ensure providers can scale up appropriately.</p> <p>HUD confirms that there are already established mechanisms in place for reporting to the Minister of Housing to support the monitoring of delivery of transitional and public housing. Transitional housing for Action 6 will be reported on via this mechanism with work underway to ensure this is in place for post-Cabinet.</p> <p>Cabinet paper updates</p> <p>The paper has been updated to reflect that transitional housing opportunities will be brought on through well-established practices and processes and through working closely with longstanding partners. The paper has been updated to highlight the two-tranche approach to be taken in Hamilton.</p>
Strengthening accountability	
<p><i>DPMC:</i> There is a significant amount of activity, scoping, phasing, sequencing with clear accountabilities that are needed to deliver on the respective place based approaches (TH supply, support services, referral, triage, hubs etc). In addition, there are real risks in delivering on the TH pipeline and mental health workforce, and it would be helpful to consider mitigation, contingency and 'off-ramps' if the TH supply and mental health workforce does not come online within intended timeframes. I acknowledge the regional plans will change over time, but you need to create a clear baseline and set clear milestones and markers at the 6, 12, 8 month points (as a minimum) for this level of investment. Recommend: Indicate when the respective regional delivery plans will be finalised (as its unclear when they'll be ready), and available for Cabinet or the Minister of Housing to review/approve, and reporting back to Cabinet on progress.</p>	<p>The regional delivery plans and implementation plan for Action 6 are designed to be internal facing documents to support the standing up and implementation of initiatives. Accordingly, they have been designed for an internal audience (e.g. to support procurement and delivery teams).</p> <p>This action is focused on short term solutions and, as such as the funding is for a finite period with any initiatives being established here only being for a four-year period. We will work closely with partners to ensure that what is designed and developed is able to be brought on in a timely manner and work within available parameters, and will look to incorporate 'off-ramping' (e.g. relacing other stock from other programmes, exiting facilities).</p> <p>Cabinet paper updates</p> <p>A recommendation has been added to note that HUD will report back to joint ministers on progress with Action 6 in December 2023. This report back would include providing an update on any changes in costing amounts etc.</p>
Funding	
<p><i>The Treasury:</i> What happens at the end of FY 27/28 and will additional funding need to be appropriated for the continued provision of these places? Is HUD signing long-term contracts without certainty of funding for the full contract term?</p>	<p>Contracts relating to Action 6 will be for a four-year funding term. Any ongoing liability, fiscal risks, and cliff edges will be managed as part of an ongoing portfolio view. Noting also that any underspends will be managed as part of ongoing financial monitoring of the broader EH review programme.</p>
Evaluation and impacts	
<p><i>DPMC:</i> Clarify evaluation approach, and include impacts for TH given it is the primary delivery model: Good to see the inclusion of proposed impacts and outputs (para 21), and the investment in evaluation. I presume TH has already been evaluated? Accordingly, will the added value of this evaluation be less about the model of TH but about the place based approach,</p>	<p>Given the focus on this action is EH SNG usage and increasing alternative supply, we have focused our impacts on EH SNGs and the impact on the emergency housing system (and those within it).</p>

<p>achievement of the regional delivery plan outputs and outcomes (and the effectiveness of the different interventions), and comparative assessment and impact with EH? It would be helpful to clarify the intended evaluation approach given \$2m is a significant investment in evaluation.</p> <p><i>Ministry of Health/Te Whatu Ora:</i> We are keen to see an impact around people being supported into permanent housing. Permanent, safe and stable housing will have the biggest impact on people's housing, health and wellbeing outcomes and should be an overall aim for this work.</p>	<p>Cabinet paper updates</p> <p>The paper has been updated to note that a place based evaluation will be undertaken rather than one that looks at each initiative separately. Evaluation costings have been revised and what this funding will purchase have been included.</p> <p>To align with what is currently in the paper, an impact outlined in the paper has been updated to reflect we anticipate that this work will increase service provision and support for those transitioning into permanent, safe, and stable housing.</p>
<p>The interaction of transitional housing with priority ratings</p>	
<p><i>DPMC:</i> The IU's recent Public Housing Register Stocktake (PHR Stocktake) found that while the supply of PH is increasing, the number of households housed in PH is relatively stable and not increasing due to Business Initiated Transfers associated with the build programme. In addition, the Stocktake found that applicants PHR priority rating can decrease when an applicant's assessment is updated upon entering TH (as they are now considered housed), acknowledging there may also be other factors at play. The point of mentioning these two findings is that we should not assume that an increase in PH supply, will mean in the near future an increased pipeline for those in TH. This will change but unclear when that tipping point is. <u>Recommend:</u> in Appendix A it may be helpful to identify, over past 3 years, the number of households in Wellington and Hamilton in TH that have transitioned into PH (Update Appendix A).</p>	<p>This action does not seek to – and cannot – address wider issues within the housing continuum. It is worth noting that there will be individuals and whānau who will need more supports as they find themselves in transitional housing, which may result in a longer period of time in TH to enable them to better move through the housing continuum. There is the assumption that individuals and whānau will ultimately be able to access more permanent accommodation – be it public housing or through the private market.</p>
<p>Ensuring the regional delivery plans meet the needs of specific cohorts</p>	
<p><i>Oranga Tamariki</i> felt it difficult to see if the provision of supply for whānau includes places for parents and children ie: a house or are the places boarding/room arrangements more suitable to one person. Does one place mean one person or perhaps one family and how many people in a family might it include? There is limited analysis on the specific needs of families and how the Wellington Regional Development plan will address their specific needs.</p> <p><i>Oranga Tamariki</i> thought it would be beneficial to be more specific about each ethnic group as ethnic communities are not a homogenous group and have a variety of needs.</p> <p><i>Ministry of Health/Te Whatu Ora</i> questioned whether there was there any by Pacific for Pacific engagement and actions.</p> <p><i>Corrections</i> sought inclusion of demographic information for people leaving prison to the paper.</p> <p><i>Whaikaha</i> felt this current draft does not adequately deal with <u>how</u> various issues experienced by disabled people will be progressed beyond consultation with stakeholders.</p> <p><i>Te Puni Kokiri</i> wanted to see reference the actual % of Māori in the EH system – to demonstrate it's not secondary consideration, Māori are the <u>majority</u> of EH SNG recipients for example.</p>	<p>For the housing supply responses, it has been noted that both whānau and singles will be supported through this initiative. A range of typologies are being looked at, given the diverse sizing of different households. For other initiatives, the design work yet to be undertaken will look to specific needs of those we are seeking to support.</p> <p>In terms of Pacific people, we did not have any engagement with Pacific providers as part of initial conversations as the focus was on housing service providers – neither HUD nor MSD have Pacific specific providers in Hamilton or Wellington. We will look at ways to work with more Pacific organisations as this work progresses. We acknowledge that there are Pacifica populations in both places and providers are experienced in meeting the needs of this group, particularly in relation to Wellington providers, including those working in Porirua.</p> <p>On Disabled People, as signalled in the paper, we will endeavour to ensure appropriate stakeholders are engaged as design and implementation work is undertaken, noting that it remains to be seen whether the outlined outcomes are realised is through this work or via accessibility work through other delivery channels. We would anticipate that it is through this consultation that the detail of how to support the needs of disabled people may be met through this work.</p> <p>Cabinet paper updates</p> <p>The Cabinet paper has been updated to:</p> <ul style="list-style-type: none"> • Ensure the population implications section lists specific ethnic groups as per those identified by the Ministry for Ethnic Communities • Include 'people in the justice system, including those leaving prison' in the population implications • Include the total number of distinct Māori granted EH SNGs across the country during the quarter ending March 2023 with the percentage of the total number of distinct people also noted (59%).