



# Cabinet Social Wellbeing Committee

## Minute of Decision

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### Implementing the Reset and Redesign of the Emergency Housing System

Portfolio                      Housing / Social Development and Employment

On 7 December 2022, the Cabinet Social Wellbeing Committee:

- 1        **noted** that in July 2022, SWC agreed to a long-term vision that emergency accommodation is rarely needed, and when it is used, stays are brief and non-recurring, and invited the Minister of Housing and Minister for Social Development and Employment to report back to seek agreement to key shifts in the emergency housing system in time to inform Budget 2023 decisions [SWC-22-MIN- 0134];
- 2        **noted** that achieving the long-term vision for emergency accommodation relies on completion of the Supported Housing Review, significant sustained investment in a range of affordable housing and supported housing options (e.g. public housing, Māori-led housing, community affordable rental housing) and progressing actions through the Aotearoa New Zealand Homelessness Action Plan (HAP);

### Resetting the Emergency Housing Special Needs Grant (EH SNG), including entry pathways

- 3        **noted** that a recent review found that there is a heavy reliance on the EH SNG, which as an income support mechanism is not suitable for delivering emergency housing at scale nor for supporting clients with complex and multiple needs;
- 4        **agreed to:**
  - 4.1      Action 1: Implement a new assessment and referral pathway for emergency accommodation and support from late 2022, to ensure people are housed appropriately (EH SNG is not the default option) and given support that best matches their needs, and collect information to inform reporting and analysis processes;
  - 4.2      Action 2: Maintain the current policy settings for the EH SNG, with the Ministry of Social Development (MSD) making some changes to update guidance for frontline staff and others to ensure that all alternative options are explored before granting;
  - 4.3      Action 3: Mutual Obligations – MSD providing better information to EH SNG clients about their rights, obligations and what they can expect from MSD, by March 2023;

- 4.4 Action 4: Mutual Obligations – Developing a resolution framework for poor behaviour while receiving an EH SNG, so that the mutual accountabilities of the client, supplier and MSD are clearly expressed;
- 5 **directed** officials to report back to SWC with further advice on the usefulness of the information being collected in paragraph 4.1, and its effectiveness in helping better understand the wider needs of those seeking emergency housing;

### Delivering fit-for-purpose accommodation

- 6 **noted** that the review found that there are safety, security, and quality challenges with emergency housing accommodation;
- 7 **noted** that there have been challenges associated with the approach used in Rotorua and learnings from this pilot, and the proposed contracting and purchasing framework, will enable better identification and management of effective approaches to improving emergency housing in Hamilton City and the Wellington metropolitan area;
- 8 **agreed** to:
- 8.1 Action 5: Mutual Obligations – Setting standards for EH SNG suppliers, so that they are required to treat EH SNG clients like other paying clients, deliver the level of service paid for, and meet some minimum expectations about safety and suitability;
- 8.2 Action 6: Developing and rolling-out a place-based approach to improving emergency housing in Hamilton City and Wellington metropolitan areas, both of which have high ongoing use of EH SNGs, with contracting to begin by June 2023 (subject to work proceeding immediately following Cabinet agreement) and to continue on a rolling basis thereafter;
- 9 **agreed** to make changes to the Special Needs Grants Welfare Programme to implement Action 5 above, to limit MSD’s ability to make EH SNGs in respect of suppliers unless MSD is satisfied that the supplier meets the standards (except in exceptional circumstances);
- 10 **authorised** the Minister of Housing and Minister for Social Development and Employment, in consultation with other Ministers as appropriate, to make minor policy or technical decisions needed to implement EH SNG supplier standards in line with the aims set out in the paper under SWC-22-SUB-0235;

### Responding to the emergency housing needs of Māori

- 11 **agreed** to invest \$58.118 million in the following initiatives that will reduce the demand on, or provide alternatives to, emergency housing for Māori (Action 7):
- 11.1 \$52.018 million for MAIHI/Whai Kāinga Whai Oranga (WKWO) (Ministry of Housing and Urban Development (HUD));

s 9(2)(j)

s 9(2)(f)(iv)

**Resetting social support services and cross-agency actions**

13 **agreed to:**

- 13.1 Action 8: Direct officials to design a new model of housing support services for those across the emergency housing system, to ensure emergency housing support is suitable for the level of client needs;
- 13.2 Action 9: Increasing existing supports for EH SNG clients, including intensive support services, housing brokers, ready to rent programmes and flexible funding through to 30 June 2024;
- 13.3 Action 10: Exploring further cross-government prevention and support actions for the emergency housing system so that clients with an urgent housing need are well supported when they transition from the health, justice, and child protection systems;

**Reporting progress**

14 **invited** the Minister of Housing and Minister for Social Development and Employment to report back to Cabinet **s 9(2)(f)(iv)** on progress implementing the agreed actions from the emergency housing system review;

**Financial implications: Use of Budget 2022 funding**

- 15 **noted** that in Budget 2022, Cabinet approved a \$355.000 million Emergency Housing – progressing work on system changes Tagged Operating Contingency [CAB-22-MIN-0129];
- 16 **noted** that \$0.500 million of the above tagged contingency has already been approved for drawdown in 2022/23 by Joint Ministers in November 2022, leaving \$354.500 million remaining;
- 17 **agreed** to draw down \$107.176 million from the remaining tagged contingency, allocated as follows:
  - 17.1 \$6.000 million to fund MSD for an assessment and referral tool that guides frontline practice (paragraph 4.1 above);
  - 17.2 \$0.950 million to fund MSD for the introduction of standards for EH SNG suppliers (paragraph 8.1 above);
  - 17.3 \$38.608 million to fund MSD for the continuation and expansion of existing support services (paragraph 13.2 above);
  - 17.4 \$52.018 million to fund HUD for initiatives that will reduce the demand on, or provide alternatives to, emergency housing for Māori (paragraph 11.1 above);
  - 17.5 **s 9(2)(j)**
  - 17.6 \$3.500 million to fund HUD for resources to develop placed-based plans;

18 **s 9(2)(f)(iv)**

19 approved the following changes to appropriations to give effect to the decisions in paragraph 17 above, with a corresponding impact on the operating balance and net debt:

	\$m – increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
<b>Vote Social Development</b>					
<b>Minister of Housing</b>					
<b>Departmental Output Expense:</b>					
Services to Support People to Access Accommodation (funded by revenue Crown)	0.690	40.368	-	-	-
<b>Non-Departmental Other Expense:</b>					
Emergency Housing Support Package	-	3.000	-	-	-
<b>Multi-category Expenses and Capital Expenditure:</b>					
Housing Support Assistances MCA					
<b>Non-Departmental Output Expense:</b>					
Provision to better prepare people to access and sustain private rentals	-	1.500	-	-	-
<b>Vote Corrections</b>					
<b>Minister of Corrections</b>					
<b>Departmental Output Expense:</b> Re-offending is Reduced	s 9(2)(j)		-	-	-
<b>Vote Housing and Urban Development</b>					
<b>Minister of Housing</b>					
<b>Multi-category Expenses and Capital Expenditure:</b>					
<b>Managing the Housing and Urban Development Portfolio MCA</b>					
<b>Departmental Output Expense:</b>					
Management of Housing Provision and Services (funded by revenue Crown)	1.800	1.300	0.400	-	-
<b>Upfront Payments MCA</b>					
<b>Non- Departmental Capital Expenditure:</b>					
Transitional Housing Providers - Prepayment of Upfront Funds	6.066	1.866			
<b>Total Operating</b>	<b>2.490</b>	<b>46.168</b>	<b>0.400</b>		
<b>Total Capital Expenditure</b>	<b>6.066</b>	<b>1.866</b>	<b>-</b>		

- 20 **approved** the following change to appropriations to give effect to the decision in paragraph 17.4 above, with a corresponding impact on the operating balance and net debt:

	\$m – increase/ (decrease)	
<b>Vote Housing and Urban Development</b>	<b>2022/2 to 2025/26</b>	<b>2026/27 &amp; Outyears</b>
Minister of Housing		
Non-Departmental Output Expense:		
He Kūku Ki te Kāinga - Increasing Māori Housing Supply MYA	44.087	-

- 21 **noted** that the indicative spending profile for the increase in the multi-year appropriation above is as follows:

	\$m – increase/(decrease)				
Indicative annual spending profile	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
He Kūku Ki te Kāinga - Increasing Māori Housing Supply MYA	14.695	14.696	14.696	-	-

- 22 **agreed** that the expenses incurred under paragraph 18 above be charged against the Emergency Housing – progressing work on system changes Tagged Operating Contingency established in Budget 2022 [CAB-22- MIN-0129];
- 23 **agreed** to a fiscally neutral operating to capital swap to provide for an assessment referral tool and to fund the introduction of standards for EH SNG suppliers, with the following impacts on the operating balance and net debt:

	\$m – increase/(decrease)				
<b>Vote Social Development</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27 &amp; Outyears</b>
Operating Balance and Net Debt Impact	(0.690)	(6.260)	-	-	-
Operating Balance Only Impact	-	-	-	-	-
Net Debt Only Impact	0.690	6.260	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 24 **approved** the following changes to appropriations and departmental capital injections to give effect to the swap in paragraph 23 above:

	\$m – increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Vote Social Development Minister of Housing Departmental Output Expense: Services to Support People to Access Accommodation (funded by revenue Crown)	(0.690)	(6.260)	-	-	-
Ministry of Social Development: Capital Injection	0.690	6.260	-	-	-
<b>Total Operating</b>	<b>(0.690)</b>	<b>(6.260)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital</b>	<b>0.690</b>	<b>6.260</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 25 **agreed** that the change to appropriations for 2022/23 above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

Rachel Clarke  
Committee Secretary

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**Present:**

Rt Hon Jacinda Ardern  
Hon Grant Robertson  
Hon Kelvin Davis  
Hon Dr Megan Woods  
Hon Chris Hipkins  
Hon Carmel Sepuloni (Chair)  
Hon Andrew Little  
Hon Poto Williams  
Hon Damien O'Connor  
Hon Peeni Henare  
Hon Jan Tinetti  
Hon Michael Wood  
Hon Kiri Allan  
Hon Dr David Clark  
Hon Dr Ayesha Verrall  
Hon Priyanca Radhakrishnan  
Hon Meka Whaitiri

**Officials present from:**

Office of the Prime Minister  
Office of the Chair  
Officials Committee for SWC