



# Report

**Date:** 14 June 2021

**Security Level:** IN CONFIDENCE

**To:** Hon Carmel Sepuloni, Minister for Social Development and Employment

## **Emergency Housing: Progress on implementing improvements and reporting**

### **Purpose of the report**

- 1 This report provides an update on progress in the following areas to improve the Ministry of Social Development's (MSD) processes for emergency housing (EH):
  - implementing a new approach to EH in Rotorua
  - support provided to clients in EH
  - ensuring motels being used for EH are suitable
  - the complaints process for both clients and providers
  - reporting on security deposit payments for damage caused to EH
  - information on MSD's approach to antisocial behaviour of clients in EH.

### **Executive summary**

#### *Implementing a new approach to emergency housing in Rotorua*

- 2 On 14 June 2021 the Cabinet Business Committee considered and agreed to a paper on improving the provision of EH in Rotorua. The paper sought agreement to a new approach of contracting motels and providing support for around 200 families with children. We have been working alongside the Ministry of Housing and Urban Development (HUD) to develop the proposal.
- 3 The Rotorua Housing Taskforce was established in March 2021. Work undertaken by the taskforce includes identifying motels that meet regulations, progressing the implementation of a Rotorua Housing Hub, and ensuring EH providers and support services are in place. Motels and support services have been identified throughout Rotorua that will be contracted to provide wrap-around support services to clients.
- 4 Work is also underway in Rotorua to develop a housing HUB. This HUB will serve as a place to co-locate central government, Iwi and NGOs which will allow for streamlining of placement processes across the housing continuum.

#### *Support provided to clients in emergency housing*

- 5 Clients staying in EH are being connected with a dedicated case manager, ensuring they know what other services and supports are available to them. This integrated case management will address housing, income, and employment needs for clients and make sure they feel safe where they are staying. We expect that all clients in EH will be assigned a case manager by 18 June 2021. Each region has a dedicated staff member in place who clients will be able to contact when they first go into EH, prior to being connected with their case manager. This person will be available to answer any questions or address any concerns.

### *Ensuring motels being used for emergency housing are suitable*

- 6 Each of our regions has carried out a check on the suitability of the motels they are using for EH. Our regional teams have put in place processes for ensuring that the suitability of EH motels is continually monitored.

### *Complaints process for both clients and providers*

- 7 A client complaints process has been implemented to record complaints from clients about their EH. The system records a range of concerns including whether they feel safe in the accommodation, any issues with the accommodation itself, or issues with other EH clients.
- 8 A complaints process and system has also been developed to record complaints from EH providers. As of 9 June 2021, six complaints have been received with three of these being resolved and three currently under investigation.

### *Reporting on security deposits payment for damage caused to emergency housing*

- 9 An interim process has been developed to allow for better estimation of which Emergency Housing Special Needs Grants (EHSNGs) relate to damages in emergency and transitional housing and will be used in the system from 21 June 2021. A more robust longer-term option which will allow for accurate reporting will be developed and implemented within the next 6 months.

### *Advice on mitigating antisocial behaviour of clients in emergency housing*

- 10 MSD currently has two key levers to deter antisocial behaviour of clients in EH. If the client, through their own actions, unreasonably contributes to their immediate housing need while in EH, MSD may:
  - decline a further grant or
  - make the current grant recoverable.
- 11 MSD may decline grants to clients living in EH. More commonly, where a client has not met the conditions MSD will make their current grant recoverable. In addition to declining assistance or making a grant recoverable, where a client has caused damage to the provider's accommodation or contents, they are liable for the cost of the damage.
- 12 MSD's current approach allows case managers to take clients' circumstances into account before taking action. For clients who continuously breach their obligations in EH, MSD will take action and make further grants recoverable or decline any further financial assistance for EH. If a grant is declined, the client will be responsible for meeting their own ongoing costs for housing.
- 13 When clients apply for an EH grant, they are advised of their obligations and the consequences for breaching the conditions of the grant. To ensure EH clients are aware and clearly understand their obligations, MSD will strengthen messaging to clients about the consequences for behaving unreasonably while in EH at key contact points (such as at application and at renewal of their EHSNG).

## **Recommended actions**

It is recommended that you:

- 1 **note** that the Ministry of Social Development and the Ministry of Housing and Urban Development officials have prepared a Cabinet paper which was considered and agreed to at Cabinet Business Committee on 14 June 2021, which outlines steps being taken to meet urgent housing need in Rotorua
- 2 **note** that the Ministry of Social Development is working to connect all clients receiving an Emergency Housing Special Needs Grant with a dedicated case manager by 18 June 2021

- 3 **note** that our regional teams have carried out checks of accommodation used for emergency housing and have put in place processes in all regions across the country to ensure the suitability of emergency housing is continually monitored
- 4 **note** the Ministry of Social Development has implemented a centralised process for recording complaints from clients about their emergency housing (from 28 April 2021) and from emergency housing providers (from 21 May 2021)
- 5 **note** the levers currently in place to manage antisocial behaviour in emergency housing are adequate in providing a disincentive but there is opportunity to make these levers more effective through clearer messaging and additional support to clients
- 6 **note** if a client, through their own actions or behaviour, unreasonably contributes to their immediate EH need while in EH, MSD may make the current grant recoverable or decline a further grant
- 7 **note** if a grant is declined, the client will be responsible for meeting their own ongoing costs for housing
- 8 **note** work is underway to reinforce client obligations at key contact points and to develop an information sheet for clients setting out their obligations and consequences for breaching these while in emergency housing.



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Liz Jones  
Acting Deputy Chief Executive  
Service Delivery

15/6/21

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Date



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Hon Carmel Sepuloni  
Minister for Social Development and Employment

20/6/21

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Date

## **Background**

- 14 This report is an update on progress made to improve existing processes for placing clients in EH accommodation, supporting them to ensure their ongoing wellbeing, providing case management, and reporting on any issues that occur in EH. This includes complaints from clients as well as moteliers and reporting on damage caused in motels. It also responds to your request for advice on the approach taken by MSD when clients do not meet their obligations when receiving financial assistance for EH.

## **Progress on the new approach in Rotorua**

- 15 As at 4 June 2021, there were 399 households in EH in Rotorua, made up of 448 adults and 375 children. Of the households, 198 were families with children who have been in EH for an average of 23 weeks. Of the total clients 83.5% are Māori.
- 16 As previously advised, the Rotorua Housing Taskforce was established in March 2021 comprising the Rotorua Lakes Council, Te Arawa Iwi and officials from MSD, HUD, Kāinga Ora and Te Puni Kōkiri. The New Zealand Police and the Lakes District Health Board are also participating. The Taskforce is focusing on identifying motels that meet Council regulations, progressing the implementation of a Rotorua Housing HUB and ensuring providers and support services are in place.
- 17 A cabinet paper prepared by HUD and MSD was considered and approved at Cabinet Business Committee (lodged on 10 June 2021). This paper outlined steps being taken to meet urgent housing need in Rotorua and sought Cabinet's agreement to an approach to fund the contracting motels and provide wrap-around supports for around 200 families and whānau with children currently receiving EHSNGs in motels in Rotorua.
- 18 A Governance Structure has been established to oversee the work of the Taskforce. The work is set out in a multi-organisation programme plan. This plan ensures all the of the agencies' activities are aligned to support the task force objectives. MSD has established a dedicated task force team reporting to the Regional Commissioner and supported by the General Manager Housing.

### *Motel identification for contracting model*

- 19 HUD has advised they will need 10-12 facilities to accommodate the 200 places for whānau with children. They will contract these motels and full wrap-around support services. The motels have been identified through HUD transitional housing contracting and Council criteria, supported by the Rotorua Housing Taskforce. MSD staff have accompanied HUD and providers on visits to approximately 30 motels in Rotorua.
- 20 HUD has indicated they intend to use the following support services: Visions of Helping Hand, WERA Aotearoa, Emerge Aotearoa and Lifewise. Each provider will be supporting a cohort of clients.
- 21 MSD, with the support of council and HUD, will then identify other motels and seek agreement from moteliers to apply to be used for EH. These motels will not have contracts and it will be expected that moteliers make these available exclusively for EH. The Cabinet paper includes a request for funding for on-site support for these non-contracted EH motels.
- 22 All motels used for any form of emergency accommodation will be required to apply to the Council for use under a new permitted use category. Council is working with the Taskforce to ensure only those motels suitable to provide EH apply.

### *The Rotorua Housing Hub*

- 23 Further work is underway in Rotorua to establish a Housing HUB as a place to co-locate central government, Iwi and NGOs to streamline placement processes across the housing continuum, with timing to be confirmed in two weeks after ongoing discussions with Iwi.

in the week of 14 June 2021. The HUD Cabinet paper is seeking funding for the establishment and operation of the HUB, including the physical site cost for the HUB, FTE and resourcing required for the HUB to operate. MSD will have three staff in the HUB (funded from within baseline) and will be engaging with other agencies as part of the task force process. The Cabinet paper also includes costs for the implementation of a database to be used in the HUB.

- 25 The database will inform a holistic assessment tool which looks at the whole whānau and their needs. It takes a Kaupapa Māori approach – Ngā Pou e rima – WERA’s cultural framework. The information will support agencies located in the HUB with appropriate placement and assessment information, including the development of a whānau centric journey map to ensure sustainable outcomes across housing, income, and employment. The database will also assist in referrals to the correct support agencies in those areas. This maintains a whānau led approach under a Kaupapa Māori framework.

## **Support for clients in emergency housing**

- 26 As described above, all clients staying in EH are being connected with a dedicated case manager to support the client while they are in EH, ensuring they know what other services and supports are available to them and addressing any concerns they have. This integrated case management will address housing, income, and employment needs for clients and make sure they feel safe where they are staying. Each new client coming into EH will be assigned a case manager for their next face to face appointment, which is required to be within 14 days of their first contact.
- 27 As at 4 June 2021, 2,322 clients out of 4,305 households in EH have been moved into our proactive case management service. We expect that all clients in EH will be assigned a case manager by 18 June 2021.

## **Ensuring the use of suitable emergency housing accommodation**

- 28 MSD is committed to ensuring that clients staying in EH feel safe and have the support they need. Each of our regions has carried out a check on the suitability of the motels they are using for EH and has stopped using motels that are not preferred, has a plan in place to stop using these motels or will provide additional support to clients where there are no other accommodation options.
- 29 Being non-preferred for use of EH does not necessarily imply there are quality or safety issues. There could be other broader reasons such as location, costs and facilities required by our clients that mean we consider suppliers no preferred.
- 30 We advised you that we would create a nationwide process for ensuring motels MSD uses for the purposes of emergency housing are suitable (in consultation with key stakeholders). In response to this, all MSD regional teams have put in place processes for ensuring that the suitability of EH is continually monitored, through checking in with clients during case management engagement, visiting motels regularly to ensure that they are maintaining standards and addressing any client or motelier concerns. MSD regional teams are also working with regional stakeholders such as Kāinga Ora, local government, and accommodation providers.

## **An update on the complaints process for clients and providers**

### *Complaints from clients in emergency housing*

- 31 The Ministry implemented a centralised process for recording complaints from clients about their EH, from 28 April 2021 (this can include a range of concerns, including whether clients feel safe in their accommodation, issues with the accommodation itself or issues with other occupants). Since 28 April, there have been 93 client complaints.
- 32 In addition to the new complaints process, we are developing an information sheet for clients going into EH, to let them know what their rights are in EH and how they can raise concerns, either with the motelier, with the regulator (council, fire service etc.), or through MSD. This information sheet will also include information about the

expectations of client staying in EH. We plan to develop this information with input from our clients.

- 33 Currently, the EHSNG application form provides information to clients about their obligations when staying in emergency accommodation. It is unclear whether clients applying for this assistance absorb this information at the time they are applying. Testing different formats for the information and ways to provide it with EH clients will give assurance that the information is accessible and easy to understand.

#### *Complaints from emergency housing providers*

- 34 From 21 May 2021, MSD implemented a new process to record complaints from EH suppliers about activity or behaviour of people being supported in EH at their motel. Since this date, we have received six complaints from suppliers. Three of these complaints have been resolved with the motelier, with three still being investigated.

### **Reporting on security deposit payments for damages to emergency housing**

- 35 MSD makes the security deposit payment for EH through the client management system, which offers limited categories for coding payments. EH security deposit payments are made under the broad code, 'Other Emergency Grants'. These EH payments are not distinguishable from other payments in the data reported.
- 36 MSD will implement an interim structured note type in the system from 21 June 2021. This will enable us to better estimate which EHSNGs relate to the payment of costs for damage in emergency and transitional housing. Data will be collected from 21 June 2021 and we will provide you with regular reporting, beginning in early July.
- 37 In addition, a more robust longer-term option, which involves creating specific reason codes within the MSD client management system will be implemented within the next six months. This will provide a more accurate reporting option. We will update you on progress with the implementation of this solution, alongside the regular reporting we will be providing to you regarding EH.

### **Expectations of people receiving financial assistance for emergency housing**

- 38 When a client is granted an EHSNG, they are advised of their responsibilities, conditions of payment, and the consequences for not following these conditions. If the client, through their own actions, unreasonably contributes to their immediate EH need while in EH, MSD may:
- decline a further grant or
  - make the current grant recoverable.
- 39 MSD may decline grants to clients living in EH, but this may worsen the client's position (and that of their family) by putting their welfare at risk, as they are already homeless. More commonly, where a client has not met the conditions, MSD will make their current grant recoverable. The grant is recovered at a rate the client can afford, based on MSD's debt recovery guidelines.
- 40 Issues involving antisocial behaviour are often managed between the client, case manager, EH supplier, and Regional Housing Manager. MSD can take measures such as setting clear expectations for clients in the future and advise clients what may happen if they continue to behave unreasonably. If the client's behaviour remains unchanged, that will amount to them unreasonably contributing to their EH need and their grant will be made recoverable or financial assistance may be declined. If a grant is declined, the client will be responsible for meeting their own ongoing costs for housing.
- 41 In addition to declining or making a grant recoverable, where a client has caused damage to the supplier's accommodation or contents, they are liable for the cost of the damage. Any damages will be covered by this security deposit which is fully recoverable from the client. If there are additional costs not covered by the security

deposit, it is the responsibility of the provider to seek reimbursement with the client directly.

### *Ensuring clearer messaging of responsibilities and conditions of payment*

- 42 Some clients may be unaware of their obligations and the consequences for breaching the conditions of the EH grant. MSD advises the client of these conditions at the time of application, but when a client presents to MSD with a need for EH, they are likely to be focused on the immediate need to secure a place to stay. They may not retain information about what they can expect in emergency housing and the conditions they are required to meet.
- 43 To ensure EH clients clearly understand their obligations MSD will strengthen messaging to clients of the consequences for behaving unreasonably while in EH at key contact points (such as at application and at renewal of their EHSNG).
- 44 As part of this process to strengthen messaging, MSD will provide EH clients with an information sheet covering their responsibilities, conditions, and consequences, as well as examples of what might be considered as unreasonable behaviour (this information sheet will also set out what clients can expect while staying in EH and how they can raise concerns about their safety or the quality of their accommodation).
- 45 The additional case management support will also provide an opportunity for case managers to identify issues and for clients to raise issues they are having while in EH. By identifying issues and possible causes of antisocial behaviour, MSD can link clients to external providers to address and prevent potential instances of antisocial behaviour.

### **Next steps**

- 46 We will continue to progress the development of the Housing Hub in Rotorua, the process for contracting motels and providing appropriate support services.

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