

Te Whare Okioki – a supported accommodation model for homeless people

The Proposal

In the 2007 Annual Plan the Council agreed to support the establishment of a wet hostel (supported accommodation for homeless people) in Wellington. The financial commitment was for \$500,000 payable over two years at \$250,000 per annum. A number of conditions were attached to the grant. They were:

- (i) Contribution of the same amount of financial assistance from Capital Coast District Health Board.
- (ii) Contribution from other key government departments especially Housing New Zealand Corporation and Ministry of Social Development
- (iii) No further funding beyond the 2 year period
- (iv) No funding to be advanced until the total funding package was assured and the project establishment and operation was guaranteed for the two year start-up period.

The project has been unable to find suitable space in the inner city in the last two years. No funding has been released by the Council and an under spend will be recorded against the project in 2008/09. Staff have continued to offer support to the project group. Capital Coast District Health Board has recently re-assessed their early support for the project and scaled back their assistance to one year. If the Council wishes to retain its commitment to this project it needs to re-consider the issue and budget accordingly. No provision has been made in the draft Long Term Council Community Plan.

Proposal Costs

Project Component	Operating expenses \$000									
	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
<i>Wet hostel</i>	250	250	-	-	-	-	-	-	-	-
<i>Total</i>	250	250	-	-	-	-	-	-	-	-

Background

The original proposal was developed in recognition of the inability of Council's social housing stock to provide suitable accommodation for homeless people. Sustaining a Council tenancy typically requires a level of independence not always exhibited by people who have been sleeping rough for a period of time. There is no supported accommodation model providing alternative housing particularly for homeless people who have a drink or addiction problem. The Night Shelter provides emergency accommodation but stipulates that people have not been drinking if they utilise the service. This is appropriate and protects the users of the service but means there is still an accommodation gap. Wet hostel models have been successfully operated in North America and Europe. They are an alternative therapeutic model, not a license to drink. The objectives of the project are:

1. the provision of housing, care and support to people who have a history of heavy drinking/addictions and homelessness, and who are unable to sustain tenancies in any other form of accommodation

2. to reduce instances of anti-social and aggressive behaviour and their negative effects on communities, businesses and civil society
3. to reduce the number of rough sleepers
4. to enable hostel residents to sustain their accommodation over the long term in a supportive environment
5. to assist hostel residents to overcome some of the debilitating consequences of alcohol/drug dependence
6. to reduce the public cost of providing services to this population, including costs related to health, policing time and effort from coordinating agencies.

Support from other agencies

Capital Coast District Health Board

After an original commitment to match the Council's contribution, Capital Coast District Health Board reconsidered the project at their 3 June board meeting and approved a total of \$180,000 to the project prior to 30 June 2010 (recognises the \$70,000 project management costs already spent) on the following conditions:

- (i) the project has an appropriate governance structure (preferably a trust)
- (ii) funding in the first year dependent on Wellington City providing a \$1 for \$1 contribution to the CCDHB's assumed \$250,000 contribution
- (iii) that Housing New Zealand provide the accommodation facilities to the trust
- (iv) that the Ministry of Social Development provide support commensurate with other parties.

At the end of the first year of operations the CCDHB will review the establishment of the Wet Hostel and its operations. Its review will look at whether the project achieved positive health outcomes, require the completion of a strategic and operational plan outlining the sustainability of the project, examine the ongoing funding commitment of the other agencies (including Wellington City Council)

Housing New Zealand Corporation

HNZC have identified a suitable property but require the project to demonstrate a government contract for the service they are providing and registration as an incorporated society or charitable trust. They generally require payment of market rental.

Ministry of Health

While there has been no funding allocated directly to the project, \$220,000 was allocated through the MOH Innovations fund to support outreach services to the Wet Hostel residents.

Ministry of Social Development

MSD have made no commitment to the project other than WINZ assisting with some furniture

Matters to consider

It is difficult to determine the first year costs of establishing the project however the estimated expenditure for the design trial (18 months for 6-8 people) and evaluation will be approximately \$900,000 to \$950,000. This includes rent, salaries, utilities, repairs, food etc. Residents will be eligible for the maximum benefit and would be expected to pay rent/board.

This project has faced a number of impediments. It has attempted to develop an interagency operating model led by the non-government sector. It has been difficult to get the government agencies to align funding criteria for a concept previously untried in New Zealand. There have also been difficulties finding suitable inner city accommodation. In addition there is no one agency who has the experience and capacity to provide the appropriate infrastructure and operational support. A combination of these factors has meant that project milestones have not been met.

Options facing Council

Option 1. Commit to \$500,000 over two years (previous commitment)

Given the CCDHB lack of commitment for the second year's funding this is not recommended. It would require additional funding in the Council's Long Term Council Community Plan

Option 2. Commit one year's funding at \$250,000 in 2009/10

This option has the advantage of reinforcing the commitment made by the Capital Coast District Health Board. It has the disadvantage of having a very short timeframe in which it can demonstrate success. Given the highly complex nature of the issue and the inter-agency cooperation required this has some potential project risks. This funding is currently not provided in the draft Long Term Council Community Plan

Option 3. Release the \$250,000 funding available in this financial year (2008/09) to Downtown Community Ministry in trust for the wet hostel project

This option has the advantage of not requiring further financial provision and could still be aligned with the CCDHB commitment. It carries project risks if other funders do not come on board or if other project issues arise. Conditions could be placed on the money and the circumstances in which it could be expended. Typically Council does not release money unless all its conditions are met. The evaluation would still be required before any further Council funding was released.

Option 4. Decline further support

This option has the disadvantage of not progressing the issues that have been identified around homeless accommodation.

Officer recommendation

It is recommended that funding be made available for one year only in 2009/10 conditional on:

- (i) the project has an appropriate governance structure (preferably a trust)
- (ii) that Housing New Zealand provide the accommodation facilities to the trust
- (iii) that the Ministry of Social Development provide support commensurate with other parties
- (iv) Contribution of the same amount of financial assistance from Capital Coast District Health Board.
- (v) No funding to be advanced until the total funding package is assured.

Any further funding must be considered in line with the evaluation processes undertaken by CCDHB.

Contact officer:

Wendy Walker, Director Citizen Engagement