

Mental Health and Addiction Community Sector

Innovation Fund: Frequently Asked Questions

15 July 2024

What is the purpose of the Mental Health and Addiction Community Sector Innovation Fund?

The Innovation Fund will offer an opportunity for non-government organisations (NGOs) and community mental health and addiction providers (including iwi-based and other kaupapa Māori providers) across New Zealand to access time-limited Government funding for innovative projects and initiatives that will improve mental health outcomes in New Zealand.

This supports the Government's priorities of increasing access to mental health and addiction support, growing the mental health and addiction workforce, and improving the effectiveness of services.

Who will be eligible for funding through the Innovation Fund?

Applications to the Innovation Fund will be open to all NGOs and community mental health and addiction providers, including iwi-based and other kaupapa Māori providers.

To be eligible for funding through the Innovation Fund, providers will need to demonstrate how their initiative will achieve the requirements below through a time-limited initiative:

- increases access to mental health and addiction support
- protects public specialist mental health and addiction services by reducing demand
- develops capacity in the mental health and addiction workforce
- uses technology to drive productivity
- delivers scalable solutions for unmet need
- returns positive social return on investment (with evidence)
- achieves positive outcomes for target population groups that have evidence of poorer mental health outcomes than other groups
- will be co-funded on a dollar-for-dollar matched funding basis (noting the matched funding allocated through the Innovation Fund cannot be used for overheads or administration costs).

How can providers apply for this funding?

There is \$10 million available over the next two financial years which means a maximum of \$5 million can be released in 2024/25 and \$5 million in 2025/26.

The Innovation Fund will be advertised on the Government Electronic Tender Service (GETS) before the end of July and providers can submit proposals as part of a contestable procurement process. We expect contracts to be in place by early November.

Depending on the amount of funding allocated through the initial round in July, a second funding round may be announced later this year.

What does this criterion ‘protects public specialist mental health and addiction services by reducing demand’ mean?

The Innovation Fund seeks to co-fund initiatives that will increase capacity across the mental health and addiction system and reduce demand and pressure on specialist mental health and addiction services. This includes initiatives that will support a shift in demand to services delivered by the NGO sector.

What does the criterion ‘delivers scalable solutions for unmet need’ mean?

The Innovation Fund seeks to co-fund initiatives that will support providers to scale up and deliver higher volumes of mental health and addiction support to reduce the number of people who cannot access support when they need it.

What does time-limited funding mean?

There is a total of \$10 million in funding available over the next two financial years, which means a maximum of \$5 million can be released in 2024/25 and \$5 million in 2025/26.

At this stage, there is no additional funding available, which means any projects or initiatives funded through the Innovation Fund will need to come to an end once the contract finishes.

How much funding can be allocated through the Innovation Fund? Is there a minimum and maximum limit for funding allocations?

The intent of the Innovation Fund is to support innovative projects and initiatives that will improve mental health and addiction outcomes across New Zealand.

It is anticipated that larger scale initiatives are potentially likely to have a greater impact on outcomes and support the Government’s priority focus. The priority areas are:

- increased access to a greater range of mental health and addiction support,
- growing the mental health and addiction workforce,
- strengthening the focus on prevention and early intervention,
- and improving the effectiveness of mental health and addiction support.

The Innovation Fund will operate on a matched funding basis, with existing investment from NGOs and community organisations matched by the Innovation Fund up to a maximum amount of \$1 million per annum per initiative.

This will mean that the maximum funding amount for any one initiative would be \$2 million per annum. For example, if a successful organisation has existing investment of \$1 million to contribute, they will receive an additional \$1 million through the Innovation Fund.

Providers may wish to explore opportunities for collaborations with other organisations to support their proposal.

What are the requirements for matched funding?

The intent of the Innovation Fund is to support providers and projects that have been able to source existing investment from community, charity or other philanthropic sources. This means that the funding contributions from providers cannot be Government funding, including underspend from current or previous Government contracts.

Details or what will be expected in terms of evidence of existing funding will be included in the Request for Proposal (RFP) documentation.

What is social investment?

Social investment involves improving the lives of New Zealanders by applying rigorous and evidence-based investment practices to social services, implemented with:

- a particular focus on vulnerable or high-risk groups
- investing up-front to support people most at risk of poor outcomes later on in life
- greater input from outside the public sector in analysis, innovation, and service provision
- working with local organisations to commission services within communities

The Social Investment Agency is responsible for setting the standards for social investment practice to ensure there is consistency across Government agencies. It is developing standards for value and impact measurement, and Health New Zealand | Te Whatu Ora will be guided by this work, which is due for completion shortly.

The establishment of this Innovation Fund will further the Government's social investment approach. Projects and initiatives supported through the Innovation Fund will demonstrate impact by identifying outcomes in advance that can be demonstrably influenced by their interventions, and can be measured in order to show benefit for whānau and for New Zealand.

How will Health NZ measure the success of initiatives funded through the Innovation Fund?

Clear performance criteria will be set for each initiative, including outcome measurement, close monitoring and review of performance, and reviews and evaluations of key programmes/initiatives.

Who decides who's successful?

Health NZ will be responsible for establishing and administering the fund, including leading procurement and contracting processes.

When will the recipients get the money?

The Innovation Fund will go live on GETs before the end of July 2024, with contracts expected to be in place by early November 2024.

What will happen at the end of the funding, what is time-limited funding and will the Innovation Fund sustainably-resource successful ideas?

At this stage, there is \$10 million in funding available over the next two financial years, which means a maximum of \$5 million can be released in 2024/25 and \$5 million in 2025/26.

Further decisions will need to be made towards the end of the two-year period on the success of the Innovation Fund and the return on social investment. The outcomes of the Innovation Fund will be assessed to inform future funding decisions.