



PALMERSTON NORTH CITY COUNCIL

AGENDA

COMMUNITY DEVELOPMENT

COMMITTEE

9AM, MONDAY 12 JUNE 2017

COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH



MEMBERSHIP

Aleisha Rutherford (Chairperson)
Rachel Bowen (Deputy Chairperson)
Grant Smith (The Mayor)

Brent Barrett
Susan Baty
Adrian Broad
Gabrielle Bundy-Cooke
Vaughan Dennison
Lew Findlay QSM
Leonie Hapeta

Jim Jefferies
Lorna Johnson
Duncan McCann
Karen Naylor
Bruno Petrenas
Tangi Utikere

Agenda items, if not attached, can be viewed at:

pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library

David Wright
Acting Chief Executive, Palmerston North City Council

Palmerston North City Council

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Private Bag 11034, 32 The Square, Palmerston North



COMMUNITY DEVELOPMENT COMMITTEE MEETING

12 June 2017

ORDER OF BUSINESS

(NOTE: The commencement time for this meeting coincides with the commencement time for the Economic Development Committee and the Extraordinary Council meetings. The format for the meeting will be that the Economic Development and Community Development Committee meetings will open, take apologies and adjourn immediately to allow the Extraordinary Council meeting to consider its business. At the conclusion of the Council meeting the Economic Development Committee meeting and then the Community Development meeting will resume to consider their business.)

1. Apologies

2. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

3. Public Comment

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

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Memorandum, dated 19 May 2017 from the Manager - Community Engagement, Ian Littleworth. | Page 19 |
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Memorandum, dated 19 May 2017 from the Strategy & Policy Manager, Julie Macdonald. | Page 23 |
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To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

Acting Chief Executive (David Wright), Chief Financial Officer (Grant Elliott), General Manager, City Enterprises (Ray McIndoe), General Manager, City Future (Sheryl Bryant), General Manager, City Networks (Ray Swadel), General Manager, Customer Services (Peter Eathorne), General Manager, Libraries and Community Services (Debbie Duncan), Human Resources Manager (Wayne Wilson) and Strategic Communications Manager (Mark Torley) because of their knowledge and ability to provide the meeting with advice on matters both from an organisation-wide context (being members of the Council’s Management Team) and also from their specific role within the Council.

Legal Counsel (John Annabell), because of his knowledge and ability to provide the meeting with legal and procedural advice.

Governance and Support Team Leader (Kyle Whitfield) and Committee Administrators (Penny Odell, Carly Chang and Rachel Corser), because of their knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

[Add Council Officers], because of their knowledge and ability to assist the meeting in speaking to their report and answering questions, noting that such officer will be present at the meeting only for the item that relate to their respective report.

[Add Third Parties], because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

DEPUTATION

TO: Community Development Committee

MEETING DATE: 12 June 2017

TITLE: Deputation - MUSA

RECOMMENDATION(S) TO COMMUNITY DEVELOPMENT COMMITTEE

1. That the Community Development Committee receive the deputation for information.
-

SUMMARY

Members of MUSA would like a formal opportunity to introduce themselves and represent their many thousands of constituents to the governance body of the city.

ATTACHMENTS

Nil

PALMERSTON NORTH CITY COUNCIL

Minutes of the Community Development Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 13 March 2017, commencing at 9.00am

Members Present: Councillor Aleisha Rutherford (in the Chair), The Mayor (Grant Smith) and Councillors Brent Barrett, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

Apologies: The Mayor (Grant Smith) (early departure) and Councillors Susan Baty and Duncan McCann (early departure).

The Mayor (Grant Smith) left the during the adjournment. He entered the meeting again at 11.31am during consideration of clause 3. He was not present for clause 2.

Councillor Duncan McCann during the adjournment. He entered the meeting again at 11.38am during consideration of clause 3. He was not present for clause 2.

1-17 Apologies

Moved Aleisha Rutherford, seconded Vaughan Dennison.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

The meeting adjourned at 9.01am

The meeting resumed at 10.20am

When the meeting resumed The Mayor (Grant Smith) and Councillor Duncan McCann were not present.

2-17 Deputation - Environment Network Manawatu

Representing Environment Network Manawatu (ENM) Ms Heike Schiele, Ms Sally Pearce and Mr Alastair Cole made a deputation outlining the role of the organisation.

The organisation was formed in 2000 by environment groups with the aim of improving communication, co-ordination and co-operation. ENM has 50 member groups and three part time staff. The organisation is governed by eight dedicated Board members. There had been a 40% increase in membership in the last 12 months which showed the number of people

wanting to work in the environment area.

One of the emerging opportunities for ENM is the prospect of a Manawatu River Ecology Park, connecting communities along the Manawatu River from the Source to the Sea.

Moved Aleisha Rutherford, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

1. That the Community Development Committee receive the deputation for information.

3-17

Deputation - Palmerston North Methodist Goodwill Ltd

Representing Palmerston North Methodist Goodwill Ltd, Mr Lyal Brenton made a deputation highlighting the issue of rubbish being dumped at Charity Shops.

Methodist Goodwill have five collection bins in the city that are cleared on a daily basis but not all that goes in the bins can be donated. On average seven skip bins per month are filled up at a cost of \$700 per month.

A lot of bigger items such as lounge suites, televisions and beds. that were not suitable for use, had to be taken to the refuse transfer station, paying public rates adding up to in excess of \$10,000 per year. Council was providing assistance with CCTV cameras, however no-one reviewed the footage.

As the premises were classed as a second-hand shop they were responsible for the removal of rubbish outside their shop and bins, however if items were dumped at a shop next door the Council dealt with the rubbish.

Elected members agreed that fly tipping was a concern for the city and requested a report from officers regarding options to deal with the issue for charity shops and also the city as a whole.

The meeting adjourned at 11.13am

The meeting resumed at 11.31am

The Mayor (Grant Smith) entered the meeting at 11.31am

Duncan McCann entered the meeting at 11.38am

Moved Aleisha Rutherford, seconded Leonie Hapeta.

The **COMMITTEE RECOMMENDS**

1. That the Community Development Committee receive the deputation for information.
2. That the Chief Executive be instructed to report back to the April 2017

Finance and Performance Committee meeting on the issue of illegal dumping at or around charity collection points and options to address this, including the costs of an amnesty of some form.

4-17

Deputation - Palmerston North Community Services Council

Representing Palmerston North Community Services Council, Ms Michelle Thompson and Mr Fraser Greig made a presenting the Community Manawatu report that was completed by Teri Ross.

The desire for Community Manawatu was unanimous from those that had taken part in the research project and the need to highlight and “get right” the relationship with mana whenua and multicultural communities was imperative.

Whilst some communities may feel overlooked, given that the report was limited in scope, the steering group will investigate Department Internal Affairs community research funding for a phase two independent exploration focusing on the collective communities prioritisation of the collated ideas to date and the feasibility of a new organisation to tackle.

The project has acquired great momentum, with widespread support across the sector, Councils and Government departments. As subsequent activities will have implications on the Long Term Plan proposals bearing in mind a Regional Community Development Agency is coming.

Moved Leonie Hapeta, seconded Rachel Bowen.

The COMMITTEE RESOLVED

1. That the Community Development Committee receive the deputation for information.

5-17

Deputation - Future Leaders

Representing Future Leaders, Messrs Thomas Maharaj (Business Development Manager, Jonathan Brandon (Supporter), Stanley Fraser (supporter) and Miss Taryn Hudepohl (participant) made a deputation presenting the Future Leaders programme.

The programme highlighted the need for young people to be empowered to have a say in their community. It also taught the participants how to manage failure, teamwork and how to deal with change.

Approximately 900 young people attended the Festival for the Future conference in Auckland which all had found to be an amazing experience that enabled them to hear from inspiring speakers and connect with other young people. The 2017 event was scheduled to be held 4-6 August and was open to

anyone to attend.

It was highlighted that the Festival for the Future event created many opportunities, consideration of how to support the Future Leaders once they returned needed to be investigated.

Moved Aleisha Rutherford, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

1. That the Community Development Committee receive the deputation for information.

6-17 Deputation - Volunteer Resource Centre

Representing Volunteer Resource Centre, Ms Norelle Ward made a deputation outlining the role of the organisation.

The organisation works similarly to a recruitment agency, but for volunteers and not for profit organisations. In the past 18 months the service had seen a significant increase, with the biggest group of volunteers being in the 20-29 age range.

Volunteer Resource Centre offers support to its volunteers including assisting migrant volunteers with any language issues. The organisation attends many events, Sort It Expo, Festival of Cultures, Esplanade to promote itself and has articles in the free newspapers.

Nominations were now open for the 4th Annual Recognition Event with closing date being 7 April 2017.

Moved Aleisha Rutherford, seconded Lorna Johnson.

The **COMMITTEE RESOLVED**

1. That the Community Development Committee receive the deputation for information.

7-17 Confirmation of Minutes

Moved Aleisha Rutherford, seconded Rachel Bowen.

The **COMMITTEE RESOLVED**

1. That the minutes of the Community Development Committee meeting of 12 December 2016 Part I Public be confirmed as a true and correct record.

8-17 Class 4 Gambling Venues Policy and Racing Board Venue Policy Reviews - Deliberations on Submissions

Memorandum, dated 16 February 2017 from the Policy Analyst, Peter Ridge.

In discussion elected members suggested that more consideration be given to those venues that may be affected by events out of their control, such as fire and earthquake. It was noted that if a sinking lid policy was to be applied further consultation would be required.

Moved Leonie Hapeta, seconded Rachel Bowen.

The **COMMITTEE RECOMMENDS**

1. That the Council adopts the Palmerston North Class 4 Gambling Venue Policy 2017, as shown in Appendix 1 to this report, to come into effect on 28 March 2017, replacing the Palmerston North Class 4 Gambling Venue Policy 2012 on the same date.
2. That the Council adopts the Palmerston North Racing Board Venue Policy 2017, as shown in Appendix 2 to this report, to come into effect on 28 March 2017, replacing the Palmerston North Racing Board Venue Policy 2012 on the same date.
3. That the Chairperson and Deputy Chairperson of the Community Development Committee be given delegated authority to approve minor amendments to the Palmerston North Class 4 Gambling Venue Policy 2017 and Racing Board Venue Policy 2017 prior to publication.

Moved Cr Jim Jefferies, seconded Cr Leonie Hapeta.

4. That a clause be inserted to allow relocation of a venue where the reason for the relocation is beyond the control of the venue (for example fire or earthquake).

9-17

Begging in the CBD

Report, dated 3 March 2017 from the Manager - Community Engagement, Ian Littleworth.

In discussion Elected Members noted that whilst the MASH Trust trial had been successful in helping those that required or wanted assistance, however there remained a group on individuals that continued to beg and believed that the development of a Begging Bylaw would provide more power to deal with the issue.

Moved Aleisha Rutherford, seconded Lorna Johnson.

The **COMMITTEE RECOMMENDS**

1. That the report Begging in the CBD be received.
2. That Council does not extend the MASH Trust contract to provide targeted services supporting the social needs of beggars in the CBD.

PALMERSTON NORTH CITY COUNCIL

Moved Leonie Hapeta, seconded Adrian Broad.

3. That Council carry out option 5 outlined in the report dated 3 March 2017, entitled “Begging in the CBD”, Development of a Begging Bylaw.

Moved Aleisha Rutherford, seconded Lorna Johnson.

4. That the Council decision at its September 2016 meeting, adopting recommendation 44.3 of the September 2016 Community Development meeting (That Officers present plans for a 3 month educational campaign to Council at the next available opportunity), be revoked.

Moved Rachel Bowen, seconded Lorna Johnson.

5. That the Chief Executive be instructed to trial option 4, Place Activation options, as outlined in the report dated 3 March 2017, entitled “Begging in the CBD”, within existing budgets and report back by June 2017.

NOTE: Councillor Tangi Utikere abstained from voting on clauses 71.2 to 71.5 inclusive.

At the September 2016 Community Development Meeting the Committee recommended that an educational campaign be trialled to see what impact it would have on reducing beggars. Since that time further information had been received related to previous campaigns, such as the Give Wisely, and the limited impact it had on reducing the number of beggars.

The Committee has therefore agreed that an educational campaign would have little effect on the begging issue and therefore is recommending that Recommendation 44.3 of the Community Development’s September 2016 meeting be revoked. This procedure is permitted under standing order 3.9.18.

10-17

Conference Opportunity - NZPI Conference April 2017.

Memorandum, dated 6 March 2017 from the Committee Administrator, Rachel Corser.

Moved Tangi Utikere, seconded Aleisha Rutherford.

The COMMITTEE RESOLVED

1. That the Committee approve the attendance of up to three elected members to attend, with expenses paid, to the NZPI Conference 2017 being held in Wellington on Tuesday 4 April to Friday 7 April 2017.
2. That registrations of interest be invited from elected members wishing to attend, with expenses paid, and advise the Committee Administrator, Rachel Corser, by 12 noon Friday 17 March 2017.

11-17

Committee Work Schedule - March 2017

Work Schedule dated March 2017.

Moved Aleisha Rutherford, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

1. That the Community Development Committee receive its Work Schedule dated March 2017.

The meeting finished at 3.49pm

Confirmed 12 June 2017

Chairperson

NOTICE OF MOTION

TO: Community Development Committee

MEETING DATE: 12 June 2017

TITLE: Disability Reference Group

FROM: Karen Naylor, Councillor, -

THAT THE COMMUNITY DEVELOPMENT COMMITTEE RECOMMENDS:

1. That Council supports the formation of a Disability Reference Group to advise Council on disability issues.

NOTICE OF MOTION

I, Councillor Karen Naylor, in accordance with Standing Orders 3.10.1, hereby GIVE NOTICE OF MOTION that I will move at the next Community Development Committee meeting on 12 June 2017 the following motion:

1. That Council supports the formation of a Disability Reference Group to advise Council on disability issues."

AND I further give notice that in compliance with Standing Order 3.10.2 the reasons for the Notice of Motion include:

That through my engagement with the Disability sector, it has become apparent that there would be value in establishing a group who can represent the disability sector, to help inform planning and decisions of council to contribute towards Palmerston North being the most inclusive, disability friendly city in New Zealand.

Cr Karen Naylor

ATTACHMENTS

Nil

MEMORANDUM

TO: Community Development Committee

MEETING DATE: 12 June 2017

TITLE: Begging in the CBD - Place Activations Update

DATE: 19 May 2017

AUTHOR/S: Ian Littleworth, Manager - Community Engagement, Libraries and Community Services

RECOMMENDATION(S) TO COUNCIL

1. That the Memorandum Begging in the CBD – Place Activations Update be received
-

1. ISSUE

This memorandum is to provide Councillors with an update on a trial of place activations as a response to begging in the CBD.

2. BACKGROUND

The following resolution was passed at the 13 March 2017 Community Development Committee meeting:


That the Chief Executive be instructed to trial option 4, Place Activation options, as outlined in the report dated 3 March 2017, entitled “Begging in the CBD”, within existing budgets and report back by June 2017.

A summary of progress to date and the activation that is currently being trialled is included as an attachment.

3. NEXT STEPS

Work will continue on this trial until the end of June and the results will be reported back to Council in August 2017.

ATTACHMENTS

1. Begging in the CBD - Place Activation Update [↓](#) 

Ian Littleworth
**Manager - Community
Engagement**

ITEM 7

Street Activation – Response to addressing begging in Palmerston North

Aim:

Explore street activation opportunities that make city centre footpaths inaccessible or unattractive to beggars.

Criteria for assessing street activation ideas:

- Must be cost effective
- Must be able to be delivered mid to long term (at least 12-24 months)
- Should require minimal ongoing management from PNCC staff once implemented
- Must not put staff or contractors involved at risk

Concepts considered for implementation:

- Brightly coloured collection boxes attached to brightly painted street lamps. Include positive messaging about giving to charities that help beggars rather than directly to beggars, and give people the immediate opportunity to do so (Concerns: Not considered feasible due to cost and security issues).
- Temporary artwork on the footpath (chalk, washable materials).
(Concerns: Would be easy for beggars to remove at night. Might put artists at risk of regular abuse from beggars. Costly in the long term)
- Temporary sculptures or physical artworks placed in usual beggar areas
(Concerns: Likely to receive criticism, has no subtlety. Would likely be subject to vandalism, ongoing cost implication)
- Provide incentive for talented buskers and encourage them to operate in areas where begging is common
(Concerns: Staff hours required to fulfil long term, ongoing cost implication)

Activation selected for implementation:

Encourage and support the most affected retailers to extend dining or display areas out onto the footpath in front of restaurants and shops.

Reason: This option is cost effective, long term, and also helps contribute the vibrancy of the city centre.

Implementation:

We have engaged The Lab restaurant as the initial trial business. If this test is successful, we will approach other regularly affected businesses. We'll also share the results with less affected retailers, in the hope that they can be persuaded to take pro-active steps to avoid becoming a new location for beggars.

Offer:

- The trial with The Lab will run throughout the end of May and June.
- PNCC (through the Palmy Unleashed programme) will purchase up to 3 tables and 12 chairs (depending on what is suitable for the space) for use by The Lab during a 4 week trial period. At the end of this trial period, the furniture will be available for The Lab to purchase from PNCC at cost price, if they chose to. If they do not, PNCC will collect the furniture and it will become part of the Palmy Unleashed event equipment set.

- PNCC will visit The Lab once a week during the trial period to discuss how the trial is progressing.

Anticipated results:

- Creating a physical barrier in front of shops will make these areas uncomfortable/undesirable for beggars.
- Activating the street-front will increase the number of people going into shops in the trial programme.
- Activating the street-front will improve the perceived vibrancy of these areas.

Measures:

- We will have a face-to-face catch up with each retailer once a fortnight. They will be asked the same set of questions, including:
 - Do you think this trial has brought an increased number of people into your shop?
 - Has this trial had any effect on the number of beggars outside your shop?
- PNCC staff will observe and record beggar numbers and behaviour.

MEMORANDUM

TO: Community Development Committee

MEETING DATE: 12 June 2017

TITLE: Implications of the proposed review of the Social Housing Strategy

DATE: 19 May 2017

AUTHOR/S: Julie Macdonald, Strategy & Policy Manager, City Future

RECOMMENDATION(S) TO COUNCIL

1. That the report attached as Appendix One entitled 'Implications of the proposed review of the Social Housing Strategy' be received.

1. ISSUE

In December 2016 the Council resolved:

"62.2 That the Social Housing Strategy be reviewed to:

- a. Set rents up to market value dependent on tenants' ability to pay;
- b. Apply changes to rentals to new tenants only;
- c. Benchmark to the government standard for rental housing as described in the Residential Tenancies Act, instead of the Otago Medical School Warrant of Fitness Programme;
- d. Undertake the phasing out of bedsits over a longer time period to enable priority to be placed on increasing new housing;
- e. Deliver social housing in a financially sustainable manner with a view to achieving cost neutrality."

And

"62.3 That the Chief Executive be instructed to report on the implications of the proposed new direction for Social Housing as directed by the Council before the Strategy is re-drafted by June 2017."



ITEM 8

The report in response to resolution 62.3 is attached as Appendix A: Implications of the proposed review of the Social Housing Strategy. This information was shared with Councillors in a workshop on 29 May 2017.

2. NEXT STEPS

Any decisions made by the Council to change the provisions of the current Social Housing Strategy will need to be included in the 10 year Plan process for public consultation.

ATTACHMENTS

1. Appendix A: Implications of the proposed review of the Social Housing Strategy  

Julie Macdonald
Strategy & Policy Manager

Appendix A:

**Implications of the proposed review of the
Social Housing Strategy**

June 2017

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A. Introduction

This report is the response to the Council (December 2016) resolution:

“62.2 That the Social Housing Strategy be reviewed to:

- a. Set rents up to market value dependent on tenants’ ability to pay;
- b. Apply changes to rentals to new tenants only;
- c. Benchmark to the government standard for rental housing as described in the Residential Tenancies Act, instead of the Otago Medical School Warrant of Fitness Programme;
- d. Undertake the phasing out of bedsits over a longer time period to enable priority to be placed on increasing new housing;
- e. Deliver social housing in a financially sustainable manner with a view to achieving cost neutrality.”

and

“62.3 That the Chief Executive be instructed to report on the implications of the proposed new direction for Social Housing as directed by the Council before the Strategy is re-drafted by June 2017.”

B. Scope

The scope of the working group report is confined to resolution 62.3 (above) to explore the potential implications for each of the aspects of the broader resolution. While the report addresses various potential changes to the Social Housing Strategy, it is assumed that all other aspects of the Social Housing Strategy remain unchanged. For example, it is outside of the scope of this report to consider the merits of different ownership models.

The report is the responsibility of the City Future Unit. Staff from Library and Community Services, City Corporate and City Networks have all contributed to this work.

C. Assumptions

This report is based on the following assumptions drawn from the Council resolution, the discussions of Councillors, and the Social Housing Strategy:

- That Councillors want the current social housing to continue, and to continue to be targeted to the groups of tenants described in Drivers 1-3 of the Strategy. (See Appendix One).
- The definition of ‘affordability’ is established by the Social Housing Strategy, and is affirmed in the *Social Housing Working Group Report October 2015* (reported in November 2015 and uplifted from the table by the Council in December 2016). The *Social Housing Strategy*

adopts the affordability standard for social housing of less than 30% of the tenant's net income.¹

- That any new rental system will be 'reasonably' implemented, and would not result in a constant review of tenants' circumstances.

¹ The Ministry of Social Development, Statistics New Zealand, and the Otago University Department of Public Health (*He Kainga Oranga*/Housing and Health Research Programme) define affordable housing as "[t]he proportion of households and the proportion of people within households spending more than 30 percent of their disposable income on housing." (Sources: <http://socialreport.msd.govt.nz/economic-standard-living/housing-affordability.html>; Submission to the New Zealand Productivity Commission's Inquiry on Housing Affordability by He Kainga Oranga/Housing and Health Research Programme, in the Department of Public Health at the University of Otago, Wellington; http://www.stats.govt.nz/browse_for_stats/snapshots-of-nz/nz-social-indicators/Home/Standard%20of%20living/housing-affordability.aspx). The Social Housing Strategy therefore uses up to 30% of disposable (net) income as a measure of housing affordability.

D. Implications of proposed changes to the Social Housing Strategy

This section addresses each of the resolutions of Council in turn.

1. “a. Market rent dependent on tenants’ ability to pay, and b. Apply changes to rentals to new tenants only”

1.1 Current situation

At present rents are set at an affordable rate for tenants who are *ineligible* to receive an Accommodation Supplement, and are charged at this rate for all tenants. This means that tenants who do qualify for an Accommodation Supplement have more affordable housing costs than ineligible tenants, because they are reimbursed up to \$65 towards rent. Council housing (around the country) has traditionally been available to tenants with more assets than would enable them to access the Accommodation Supplement, and so it is not currently assumed that all tenants can do so.

1.2 Proposed policy

The proposed change is to charge market rents, dependent on tenants’ ability to pay. There are various ways to interpret the intent of this resolution, and so four options (1A-1D) are put forward for discussion. These options are explored more fully in the next pages, including identification of consequential changes to the Social Housing Strategy.

[Note: Proposed new text required in the Social Housing Strategy to make changes for any option chosen are in red.]

1.3 Option 1A

The ability to access an Accommodation Supplement would be taken into account by the Council when assessing a tenants’ application, and for eligible tenants the rent would be set **as though this payment formed part of the tenant’s income** (along with an assessment of any other income they may have). **Rents would be affordable for all tenants.** This option would decrease the per tenant subsidy paid by the Council to social housing.

1.3.1 Strategy changes required: Option 1A

Driver 1: To provide warm, stable and affordable rental housing for older people (aged 65+) on low incomes

Change we want to achieve	Actions	What success looks like
Council housing is affordable.	Rents are set at no more than 30% of Superannuation. Rents are set up to market rates	Tenants pay less than 30% of their income on rent.

	<p>for new tenants, but so that tenants pay no more than 30% of their net income, taking into account their access to the Accommodation Supplement where applicable.</p> <p>Rents are set for individual tenants at the beginning of their tenancy, and reviewed no more than annually.</p>	
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Driver 2: To provide warm, stable and affordable rental housing people on low incomes with long term disabilities.

Change we want to achieve	Actions	What success looks like
Council housing is affordable.	<p>Rents are set at no more than 30% of the Supported Living Payment.</p> <p>Rents are set up to market rates for new tenants, but so that tenants pay no more than 30% of their net income, taking into account their access to the Accommodation Supplement where applicable.</p> <p>Rents are set for individual tenants at the beginning of their tenancy, and reviewed no more than annually.</p>	Tenants pay less than 30% of their income on rent.

Driver 3: To provide warm, stable and affordable rental housing for people on low incomes who experience barriers to meeting their housing needs in the private market.

Change we want to achieve	Actions	What success looks like
Council housing is affordable for people on very low incomes.	<p>Rents are set at no more than 30% of the Jobseeker Support, or other relevant benefit, for up to 20 units.</p> <p>Rents are set up to market rates for new tenants, but so that tenants pay no more than 30% of their net income, taking into account their access to the Accommodation Supplement.</p> <p>Rents are set for individual tenants</p>	Tenants pay less than 30% of their income on rent.

	at the beginning of their tenancy, and reviewed no more than annually.	
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1.3.2 Implications of option 1A

Council would factor in the availability of the (anticipated) Accommodation Supplement as 'income' when calculating the rent to set for each new tenant. This would create some difficulty, as the Accommodation Supplement is a payment made by MSD in response to a particular rental. It is not paid to the tenant in advance. There could potentially be an increased administrative load on Council staff in sorting out circumstances where an Accommodation Supplement is either not forthcoming as expected, or not paid at the rate anticipated. Tenants could reasonably expect that their rent would be reassessed more frequently than annually if their access to the Accommodation Supplement (or other income) changes. Further:

- Rent would be calculated for each individual tenant. A large number of different rents could be set, depending on the variable incomes of tenants.
- Some new tenants could be ineligible for an Accommodation Supplement but market rents would be above the 30% income affordability threshold. The rents of these tenants would need to be set at a lesser rate than the market rent in order to meet the requirements of the resolution.
- Tenants with fewer material assets (as assessed against asset thresholds) could have lower rents set than new tenants who have assets above the threshold. For example, in a \$160 market rental, a Superannuitant who receives an Accommodation Supplement would have a Council rent of \$160, but a Superannuitant who does not receive an Accommodation Supplement (because they are better off) could have a council rent of \$115.
- An annual review would allow a new system to be implemented within current staffing levels. If, however, a closer assessment of individual of tenants' incomes changes is required then this will have further implications for resourcing. It is estimated that an additional .5 FTE would be required to administer this option.
- The proposed strategy would potentially result in a greater range of rents being charged for the same kind of housing than at present.
- There do not appear to be legal barriers to applying the new rental policy to new tenants only.

1.3.3 Summary and conclusion option 1A

Option A is potentially a very complex option, administratively. Individual assessments would need to be made for each tenant, depending on their circumstances, in order to decide on the rent charged. Because the level of Accommodation Supplement available to Palmerston North tenants does not fully compensate for market rents for people on low incomes, the Council would still be required to subsidise rentals for some tenants if the affordability criteria is to be retained. Depending on the mix of tenants that is gradually reached over time, there would be a relatively small financial gain to the Council of implementing this option. (See Table 1, p. 17).

1.4 Option 1B

All rents would be set at a level that is affordable for people who receive the Accommodation Supplement (rather than those who do not, as under the current strategy). **Tenants who are otherwise eligible for council housing, but who are not able to access the Accommodation Supplement, could have rental costs of more than 30% of their net income.** This option would decrease the per tenant subsidy paid by the Council to social housing to a greater extent than Option 1A.

1.4.1 Strategy changes required: Option 1B

Driver 1: To provide warm and stable rental housing for older people (aged 65+) on low incomes, **which is affordable for those in greatest need.**

Eligibility note:

¹³ To be eligible for social housing tenants must be Superannuitants with a Community Services Card who have assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements). **Rent-setting assumes that tenants are eligible to receive an Accommodation Supplement.**

Change we want to achieve	Actions	What success looks like
Council housing is affordable for those in the greatest need.	<p>Rents are set at no more than 30% of Superannuation.</p> <p>Rents are set up to market rates for new tenants, but so that tenants who are eligible for an Accommodation Supplement pay no more than 30% of their net income.</p> <p>Rents are set for individual tenants at the beginning of their tenancy, and reviewed no more than annually.</p>	<p>Tenants pay less than 30% of their income on rent.</p> <p>Tenants who are eligible for the Accommodation Supplement pay no more than 30% of their income in rent.</p>

Driver 2: To provide warm and stable rental housing for people on low incomes with long term disabilities, **which is affordable for those in greatest need.**

Eligibility note

¹³. To be eligible for social housing tenants' income must be the Supported Living Payment (or equivalent) and assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements). Rent-setting assumes that tenants are eligible to receive an Accommodation Supplement.

Change we want to achieve	Actions	What success looks like
Council housing is affordable for those in the greatest need.	<p>Rents are set at no more than 30% of the Supported Living Payment.</p> <p>Rents are set up to market rates for new tenants, but so that tenants who are eligible for an Accommodation Supplement pay no more than 30% of their net income.</p> <p>Rents are set for individual tenants at the beginning of their tenancy, and reviewed no more than annually.</p>	<p>Tenants pay less than 30% of their income on rent.</p> <p>Tenants who are eligible for the Accommodation Supplement pay no more than 30% of their income in rent.</p>

Driver 3: To provide warm and stable rental housing for people on low incomes who experience barriers to meeting their housing needs in the private market, which is affordable for those in the greatest need.

Eligibility note

¹³. To be eligible for social housing tenants must have a Community Services Card OR be an international student family from a developing country (confirmed by a tertiary institution) and have assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements). Rent-setting assumes that tenants are eligible to receive an Accommodation Supplement.

Change we want to achieve	Actions	What success looks like
Council housing is affordable for people on very low incomes.	<p>Rents are set at no more than 30% of the Jobseeker Support, or other relevant benefit, for up to 20 units.</p> <p>Rents are set up to market rates for new tenants, but so that tenants who are eligible for an Accommodation Supplement pay no more than 30% of their net income.</p> <p>Rents are set for individual tenants at the beginning of their tenancy,</p>	<p>Tenants pay less than 30% of their income on rent.</p> <p>Tenants who are eligible for the Accommodation Supplement pay no more than 30% of their income in rent.</p>

	and reviewed no more than annually.	
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1.4.2 Implications of option 1B

- The council's social housing rents would be affordable ($\leq 30\%$ of net income) for tenants who are eligible for the Accommodation Supplement, but not for other tenants.
- The calculation of rent would need to be made for each individual tenant. A large number of different rents could be set, depending on the variable incomes of tenants.
- Some new tenants could be ineligible for an Accommodation Supplement but market rents would be above the 30% income affordability threshold.
- The provision for an annual review is to allow a new system to be implemented within current staffing levels. If, however, Councillors require a closer assessment of individual changes to tenants' income then this will have further implications for resourcing. It is estimated that an additional .5 FTE would be required to administer this option.
- The current Strategy already results in different rents being charged to different tenants, albeit in broad bands depending on their source of income. The proposed policy would result in a potentially greater range of rents being charged for the same kind of housing. There do not appear to be legal barriers to applying the new rental policy to new tenants only.

1.4.3 Summary and conclusion option 1B

Option B is a fairly complex option, but would be less complicated to administer than Option A because it disregards tenants' individual eligibility for the Accommodation Supplement. Individual assessments would still need to be made for each tenant, in order to decide on the rent charged. Because the level of Accommodation Supplement available to Palmerston North tenants does not fully compensate for market rents for people on low incomes, the Council would still be required to subsidise rentals for some tenants if the affordability criteria is to be retained. Depending on the mix of tenants that was gradually reached over time, there would be a relatively small financial gain to the Council of implementing this option (slightly greater than for Option 1A). (See Table 1, p. 17).

1.5 Option 1C

Option 1C would change the eligibility criteria for the Council's social housing overall, and aligns the asset thresholds with those of MSD for the Accommodation Supplement. **Tenants who not able to access the Accommodation Supplement would not be eligible for Council housing.** This option would result in a greater decrease in the Council subsidy per tenant than Option 1A or 1B.

1.5.1 Strategy changes required: option 1C

Driver 1: To provide warm, stable and affordable rental housing for older people (aged 65+) on low incomes.

Eligibility note:

¹³ To be eligible for social housing tenants must be Superannuitants with a Community Services Card ~~who have assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements).~~ **who meet the asset criteria of MSD for the Accommodation Supplement (or equivalent).**

Change we want to achieve	Actions	What success looks like
Council housing is affordable for those in the greatest need.	<p>Rents are set at no more than 30% of Superannuation.</p> <p>Rents are set up to market rates for new tenants, so that tenants pay no more than 30% of their net income.</p> <p>Rents are set for individual tenants at the beginning of their tenancy, and reviewed no more than annually.</p>	Tenants pay no more than 30% of their income on rent.

Driver 2: To provide warm, stable and affordable rental housing people on low incomes with long term disabilities.

Eligibility note:

¹³ To be eligible for social housing tenants' income must be the Supported Living Payment (or equivalent) ~~and assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements).~~ **who meet the asset criteria of MSD for the Accommodation Supplement (or equivalent).**

Change we want to achieve	Actions	What success looks like
Council housing is affordable for those in the greatest need.	<p>Rents are set at no more than 30% of the Supported Living Payment.</p> <p>Rents are set up to market rates for new tenants, so that tenants pay no more than 30% of their net income.</p> <p>Rents are set for individual tenants at the beginning of their tenancy, and reviewed no more than annually.</p>	Tenants pay no more than 30% of their income on rent.

Driver 3: To provide warm, stable and affordable rental housing for people on low incomes who experience barriers to meeting their housing needs in the private market.

Eligibility note:

¹³. To be eligible for social housing tenants must have a Community Services Card OR be an international student family from a developing country (confirmed by a tertiary institution) ~~and have assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements).~~ AND meet the asset criteria of MSD for the Accommodation Supplement (or equivalent).

Change we want to achieve	Actions	What success looks like
Council housing is affordable for people on very low incomes.	<p>Rents are set at no more than 30% of the Jobseeker Support, or other relevant benefit, for up to 20 units.</p> <p>Rents are set up to market rates for new tenants, so that tenants pay no more than 30% of their net income.</p> <p>Rents are set for individual tenants at the beginning of their tenancy, and reviewed no more than annually.</p>	Tenants pay no more than 30% of their income on rent.

1.5.2 Implications of option 1C

- Option C would signal a significant change to the council's social housing. It would focus delivery on new tenants with greatest financial need. The current PNCC asset thresholds are typical of those set by councils involved in social housing. However, if the Council wants to more

effectively target tenants with the greatest need, as well as maximise the ability of tenants to be able to access government subsidies, then this option is a way to achieve this.

- The calculation of rent would need to be made for each individual tenant. A large number of different rents could be set, depending on the variable incomes of tenants.
- All new tenants would meet the criteria for the Accommodation Supplement.
- The provision for an annual review is to allow a new system to be implemented within current staffing levels. If, however, Councillors require a closer assessment of individual changes to tenants' income then this will have further implications for resourcing. It is estimated that an additional .5 FTE would be required to administer this option.
- The current Strategy already results in different rents being charged to different tenants, albeit in broad bands depending on their source of income. Option 1C would still result in a range of rents being charged for the same kind of housing.

1.5.3 Summary and conclusion option 1C

Option 1C is a simpler option than 1A or 1B. However, it does signal a much more significant shift in council's social housing strategy. The main implication of this interpretation of the resolution is the change to eligibility. While the application process would be simpler than for Option 1A or 1B, individual assessments would need to be made for each tenant in order to reach the rent charged. Because the level of Accommodation Supplement available to Palmerston North tenants does not fully compensate for market rents for people on low incomes, the Council would still be required to subsidise rentals for some tenants if the affordability criteria is to be retained. Depending on the mix of tenants that developed over time, the per tenant subsidy required from the Council would be less than that currently required. (See Table 1, p. 17).

1.6 Option 1D

Option 1D would set the rents at market value. Affordability of rents would be determined by tenants' ability to access the Accommodation Supplement. As with option 1C, **tenants who are not able to access the Accommodation Supplement would not be eligible for Council housing.** This option would mean the affordability provision in the Social Housing Strategy would be removed.

1.6.1 Strategy changes required: Option 1D

Driver 1:

To provide warm **and** stable ~~and affordable~~ rental housing for older people (aged 65+) on low incomes.

Eligibility note

¹³ To be eligible for social housing tenants must be Superannuitants with a Community Services Card ~~who have assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements).~~ **who meet the asset criteria of MSD for the Accommodation Supplement (or equivalent).**

Change we want to achieve	Actions	What success looks like
Council housing is affordable.	<p>Rents are set at no more than 30% of Superannuation.</p> <p>Rents are set at market rates for new tenants.</p> <p>Rents are set for individual tenants at the beginning of their tenancy, and reviewed no more than annually.</p>	<p>Tenants pay less than 30% of their income on rent.</p>

Driver 2:

To provide warm **and** stable ~~and affordable~~ rental housing people on low incomes with long term disabilities.

Eligibility note:

¹³ To be eligible for social housing tenants' income must be the Supported Living Payment (or equivalent) ~~and assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements)~~ **and meet the asset criteria of MSD for the Accommodation Supplement (or equivalent).**

Change we want to achieve	Actions	What success looks like
Council housing is affordable.	<p>Rents are set at no more than 30% of the Supported Living Payment.</p> <p>Rents are set at market rates for new tenants.</p> <p>Rents are set for individual tenants at the beginning of their tenancy, and reviewed no more than annually.</p>	Tenants pay less than 30% of their income on rent.

Driver 3:

To provide warm **and** stable ~~and affordable~~ rental housing for people on low incomes who experience barriers to meeting their housing needs in the private market.

Eligibility note:

¹³. To be eligible for social housing tenants must have a Community Services Card OR be an international student family from a developing country (confirmed by a tertiary institution) ~~and have assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements).~~ **and meet the asset criteria of MSD for the Accommodation Supplement (or equivalent).**

Change we want to achieve	Actions	What success looks like
Council housing is affordable for people on very low incomes.	<p>Rents are set at no more than 30% of the Jobseeker Support, or other relevant benefit, for up to 20 units.</p> <p>Rents are set at market rates for new tenants.</p> <p>Rents are set for individual tenants at the beginning of their tenancy, and reviewed no more than annually.</p>	Tenants pay less than 30% of their income on rent.

1.6.2 Implications of option 1D

- The affordability of rentals for individual tenants would not be relevant to rent setting. Rents would be set at the market rate.
- Option 1D would signal a significant change to the council's social housing. It would mean a major shift away from providing affordable accommodation, to providing stable and supported accommodation at market rates. The proportion of income paid in rent (in real terms, once the Accommodation Supplement is factored in) could be significantly higher than the affordability threshold currently set in the Social Housing Strategy.
- All new tenants would need to meet the criteria for the Accommodation Supplement.
- The provision for an annual review is to allow a new system to be implemented within current staffing levels. If, however, Councillors require a closer assessment of individual changes to tenants' income then this will have further implications for resourcing. It is estimated that an additional .5 FTE would be required to administer this option.
- Over time, as tenants move on, social housing rentals would eventually all be set at market rates.
- By the time Option 1D was fully implemented, the revenue from social housing could be approximately 50% higher than it is at present.

1.6.3 Summary and conclusion option 1D

Option 1D would signal the greatest shift in council's social housing strategy. The main implication for the strategy of this interpretation of the resolution is the change to eligibility. Because the level of Accommodation Supplement available to Palmerston North tenants does not fully compensate for the cost of market rents for people on low incomes, the rents set would be no more affordable than other rental accommodation in the city.

This option does not meet the resolution that rents "are up to market value dependent on tenants' ability to pay", except in the sense that access to the Accommodation Supplement would make rents more affordable than the market rate.

Once Option 1D was implemented fully, there would be no council subsidy of the market rental required. How quickly this was achieved would depend on the rate at which new tenants moved into council's social housing. (See Table 1, p. 17). It is possible that there could be a low level of uptake of Council housing if market demand for one and two bedroom rentals changed in future.

1.7 Summary and conclusions

Options 1A to 1D provide four possible ways of interpreting and implementing the first two elements of the Council resolution. They each have different implications, and these have been broadly explored above. As any options would apply to new tenants, the rate at which tenants are replaced would influence the speed with which changes are implemented. A comparison of the per

tenant subsidy on market rentals is included in Table 1 (below) (on a \$160 market rental), but this should be taken as a guide only.

Table 1: Example of the level of subsidy required per unit per week under various proposed options (based on a \$160 market rent)

Tenant	Current strategy	Option 1A	Option 1B	Option 1C	Option 1D
Single superannuitant (with assets >\$8,100)	\$45	\$45	0	n/a	n/a
Single superannuitant (with assets <\$8,100)	\$45	0	0	0	0
Single person on SLP (25+) (with assets >\$8,100)	\$81	\$81	\$47	n/a	n/a
Single person on SLP (25+) (with assets <\$8,100)	\$81	\$47	\$47	\$47	0
Job seeker (25+) (with assets >\$8,100)	\$97	\$97	\$71	0	-
Job seeker (25+) (with assets <\$8,100)	\$97	\$71	\$71	\$71	0

SLP = Supported Living Payment

MSD = Ministry of Social Development

2. “c) Benchmark to the government standard for rental housing as described in the Residential Tenancies Act, instead of the Otago Medical School Warrant of Fitness Programme”

2.1 Current situation

The standard of housing currently agreed in the Social Housing Strategy is the Otago Medical School-supported Warrant of Fitness Scheme (the RWoF). The RWoF establishes requirements for, among other things, a form of fixed heating, double glazed windows or adequate curtains/ blinds. All of Council’s housing has now been assessed against this standard and meets it, with the exception of the Papaioea complex. The RWoF is considered by health experts to be a minimum standard, rather than an optimal one for health.

2.2 Strategy changes required

Driver 1:

To provide warm, stable and affordable rental housing for older people (aged 65+) on low incomes.

Change we want to achieve	Actions	What success looks like
All properties have been subject to the Otago Medical School-supported Warrant of Fitness Scheme. Tenants understand the measures that can improve the health and energy efficiency of their homes.	The Otago Medical School-supported Warrant of Fitness Scheme is implemented. The requirements of the Residential Tenancies Act are met. Tenants are provided with information and advice about how to maximise the health of their living environment.	All properties are compliant with the Warrant Fitness by June 2016. Tenants live in warm, energy efficient homes.

Driver 2:

To provide warm, stable and affordable rental housing for people on low incomes with long term disabilities.

Change we want to achieve	Actions	What success looks like
All properties have been subject to the Otago Medical School-supported Warrant of Fitness Scheme. Tenants understand the measures that can improve the health and energy efficiency of their homes.	The Otago Medical School-supported Warrant of Fitness Scheme is implemented. The requirements of the Residential Tenancies Act are met. Tenants are provided with information and advice about how	All properties are compliant with the Warrant Fitness by June 2016. Tenants live in warm, energy efficient homes.

	to maximise the health of their living environment.	
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Driver 3:

To provide warm, stable and affordable rental housing for people on low incomes who experience barriers to meeting their housing needs in the private market.

Change we want to achieve	Actions	What success looks like
<p>All properties have been subject to the Otago Medical School-supported Warrant of Fitness Scheme.</p> <p>Tenants understand the measures that can improve the health and energy efficiency of their homes.</p>	<p>The Otago Medical School-supported Warrant of Fitness Scheme is implemented.</p> <p>The requirements of the Residential Tenancies Act are met.</p> <p>Tenants are provided with information and advice about how to maximise the health of their living environment.</p>	<p>All properties are compliant with the Warrant Fitness by June 2016.</p> <p>Tenants live in warm, energy efficient homes.</p>

2.3 Implications

The Residential Tenancies Act (Residential Tenancies (Smoke Alarms and Insulation) Regulations 2016) provides for the compulsory provision of ceiling and underfloor insulation in all rental homes from 1 July 2019. The proposed change would bring forward this requirement for the Council's housing. The noted change would be redundant in the Strategy after 1 July 2019 and could be removed (just as other legislative requirements are not included in the Strategy - such as the requirements of the Building Act 2004).

Some more detailed analysis would be required to ascertain exactly what the financial implications of the removal of the Warrant of Fitness requirements would be. In general, the following would apply:

- There would be no requirement for curtains/ blinds/ double glazing to be provided
- While a source of heating would be required, it would not need to meet the current building code
- The ceiling insulation requirements would be less than the minimum standards currently required for new buildings
- The underfloor insulation ceiling insulation requirements would be less than the minimum standards currently required for new buildings.

2.4 Summary and Conclusions

The removal of the Warrant of Fitness requirement would signal that the Council is reversing its previous commitment to a higher standard of housing than is minimally required through legislation. The commitment to the Warrant of Fitness received strong support through the consultation process on the Social Housing Strategy. Practically speaking, it would mean that renewals would be completed to a lower standard than at present. For example, drapes/ blinds would not need to be provided or replaced. The warmth and comfort of Council housing would be at a lesser standard than is provided at present.

3 “c. Undertake the phasing out of bedsits over a longer time period to enable priority to be placed on increasing new housing”

3.1 Current situation

The phasing out of bedsits was agreed following extensive consultation on the Draft Strategy. Most of the submitters who made comment on this issue were of the view that having a bedroom ‘provides a proper home’.

There are currently two Capital Renewal Programmes within the Community Support-Housing Activity in the Long Term Plan relating to bedsits:

180-City-wide – Community Housing Refurbishments

1208-City-wide – Community Housing – Completion of Bedsit Conversions

The second of these programmes was set up to ensure that bedsits are phased out and that council housing comprises one and two bedroom units by 2025 as part of the goal to achieve Drivers 1 and 2 of the Strategy.

3.2 Strategy changes required

Driver 1:

To provide warm, stable and affordable rental housing for older people (aged 65+) on low incomes.

Change we want to achieve	Actions	What success looks like
Bedsits are phased out and Council housing comprises one and two bedroom units.	All bedsits are converted to one bedroom apartments by 2025 2035.	Tenants are housed in one and two bedroom units and not bedsits.

Driver 2:

To provide warm, stable and affordable rental housing for people on low incomes with long term disabilities.

Change we want to achieve	Actions	What success looks like
Bedsits are phased out and Council housing comprises one and two bedroom units.	All bedsits are converted to one bedroom units by 2025 2035.	Tenants are housed in one and two bedroom units and not bedsits.

3.3 Implications

The implication of this policy change is that Council would achieve its goal of phasing out bedsits over a longer period by not implementing programme 1208, and could instead use this fund to build new housing. This intention would be reflected in the property asset management plan. The present

value of programme 1208 is \$3.8m. If the Council allocated this capital to new housing (as per the commitment in Driver 5 of the Social Housing Strategy) then this capital would change from renewals to new, which would be funded from debt rather than rates. This would mean:

1. In the short-term there would be a reduction in rates requirement by the difference between the rates and the loan repayments, and
2. The loan repayments would be an ongoing payment for 30 years as part of the rates requirement.

Further financial analysis would need to be undertaken to ascertain the net operating cost generated by this new housing. Other decisions about the quality and type of housing, as well as the delivery model, would also influence the amount of housing able to be built as a result of the changes.

3.4 Summary and conclusions

The implementation of the option to delay the phasing out of bedsits would enable the development of new housing. The extent of this new investment would depend on a number of factors, including the rental model implemented (see Part 1, above), the standard of this housing, and whether the land had to be purchased or was already in Council ownership.

4. “e. Deliver social housing in a financially sustainable manner with a view to achieving cost neutrality”

4.1. Current situation

Appendix Five of ‘Social housing strategy options for delivery’ (written October 2015 and received by Council in December 2016) sets out the detailed financial position of the Council in relation to social housing. The cost to ratepayers of operating social housing is projected to be approximately \$160,000 in the 2017/2018 annual budget.

4.2. Proposed policy and implications

This resolution does not offer any specific policy proposals. This section, therefore, will summarise the ‘levers’ available to the Council to affect the financial sustainability of its social housing. Five ‘levers’ are identified, as determined by the Strategy.

These are:

4.2.1 Tenant policy – who is housed

The Social Housing Strategy identifies three ‘groups’ of tenants to be housed by the Council. These are:

- older people (aged 65+) on low incomes – tenants must be Superannuitants with a Community Services Card who have assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements).
- people on low incomes with long term disabilities – tenants’ income must be the Supported Living Payment (or equivalent) and have assets of less of than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements).
- people on low incomes who experience barriers to meeting their housing needs in the private market – tenants must have a Community Services Car OR be an international student family from a developing country (confirmed by a tertiary institution), and have assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements). Within this tenant category, there are up to 20 units available for people on very low incomes to tenants on Jobseeker Support, or other relevant benefit.

The Council could change the Strategy to remove or amend one or more of the tenant eligibility criteria. The affordability policy in the Strategy means that the housing of Superannuitant tenants is less costly to the Council than is the housing of the other two groups. The housing requiring the greatest subsidy is the tenants who are on the Jobseeker Support, as these are the tenants with the lowest incomes.

4.2.2 Rent setting policy – (see Part 1 of this report)

The Social Housing Strategy sets affordability criteria (30% of net income). Part 1 of this report sets out the various ways in which the Council could change its approach to setting rents. For example, it could count access to the Accommodation Supplement as income, or it could remove the affordability criterion altogether. Options 1A – 1D describe the options for decreasing the cost to the Council of its housing by changing the rental policy, and also discusses the implications of each of these options.

4.2.3 Quality of housing (see Part 2 of this report)

The Social Housing Strategy adopts the Otago Medical School-supported rental housing Warrant of Fitness scheme (RWoF) housing quality checklist. This scheme was developed and trialled in conjunction with Auckland, Christchurch, Wellington, Tauranga and Dunedin city councils. There are 29 criteria, covering aspects of housing including ventilation, heating, safety and hygiene. These are considered to be minimum requirements for the health and safety of occupants.

The Council currently uses the RWoF as the basis for housing quality assessments, and for future asset maintenance and development. While the RWoF is not a particularly high standard, there are elements in it which are higher than would be required for the renewal of older housing. This means that the Council could decide not to provide housing to the standard required by the RWoF and potentially make some cost savings. Cost savings made by the Council on elements such as insulation could result in higher ongoing costs for tenants, and potentially poorer health outcomes.

4.2.4 Support for housing

The Social Housing Strategy includes a principle of 'supported social housing', and specifies that 'the Council will provide social support for all of its social housing tenants through another agency'. At present, this support is delivered through the Housing officer and the Residential Property officer. This support involves liaising with tenants through visits, as well as being available for phone queries. Examples of this support include putting tenants in touch with support agencies and assisting with difficulties between tenants.

While the social support provided to tenants is not intensive, it is provided at a higher level than that available from a commercial landlord. The Council could consider reducing the Strategy requirement for social support.

4.2.5 Delivery mode

In December 2016 Council resolved that the Chief Executive be instructed to investigate a mixed model of delivery that retains social housing under Council control together with partnerships with other agencies/ investors to increase Council's social housing stock, and report back to Council as a matter of urgency.' This work has been undertaken by Library and Community Services and is being provided to the Council at this meeting.

4.3. Summary and conclusions

This section of the report lists the variables that are involved in the current delivery of social housing, and that are therefore able to be manipulated. There is a large range of potential changes that the Council could make to move closer to its stated goal of cost neutrality. Some of these changes (see above) would have consequences for the fundamental purpose and function of the Council's current housing delivery. It is also noted that the rate of implementation of any changes would depend on the rate of new tenancies.

5. Conclusions

This report discusses the potential implications of each of the policy proposals made by the Council resolution 62.3. As Part 4 of this report shows, there are a variety of 'levers' which could be used to influence the delivery of social housing by the Council. It is to be expected that implementing a variety of the measures discussed here will result in some complex effects on tenants, and on the financial outcomes for the Council.

Any changes proposed by the Council to the strategy direction or detail would be required to be publicly consulted on through the 10 year Plan process next year.

Appendix One: Description of the current strategy and delivery

Rent setting procedure

The Social Housing Strategy states:

1. Council will provide affordable housing for older people whose main source of income is Superannuation and who have limited assets. Rents are set at no more than 30% of Superannuation.
2. Council will provide affordable housing for people on low incomes whose main source of income is the Supported Living Payment and who have limited assets. Rents are set at no more than 30% of the Supported Living Payment.
3. Council housing is affordable for people on very low incomes. Rents are set at no more than 30% of the Jobseeker Support, or other relevant benefit, for up to 20 of the unsubsidised units.

Subsidised Housing

Rents are reviewed each year when Work and Income releases the new Superannuation and Supported Living Payment rates (around the 1st of April) and are calculated based on the net weekly rates as follows:

Unit Type	Rate
Bedsit	25% of single Super rate less \$5
Single bedroom	25% of single Super rate
Double	30% of single Super rate
Double (couple)	25% of couple Super rate
Supported Living Payment tenants	30% of Supported Living Payment

Unsubsidised Housing

The rents for Unsubsidised Housing are set at market rates and are reviewed each year in October. Council engages Morgans Property Advisors to assess the properties and suggest market rents for the coming year based on rentals for comparable properties in a similar location.

Tenant Assessment

To be eligible for subsidised housing tenants must be Superannuitants with a Community Services Card OR receiving the Supported Living Payment, and have assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements.)

To be eligible for unsubsidised housing tenants must have a Community Services Card OR be an international student family from a developing country (confirmed by a tertiary institution), and have assets of less than \$40,000 (excluding a vehicle, household and personal effects, and prepaid funeral arrangements.)

Anyone wishing to apply for Council housing is required to meet with one of the housing officers and complete an application form. Applicants are welcome to collect an application form and take it away, but we would not generally allocate housing without meeting the person first.

Application forms ask for information such as previous rental history, employment details, health issues, any support agency involvement, disability factors, and what they require in terms of housing. Staff also try to establish why they are seeking Council housing and suggest other options they can try.

Staff check the Tenancy Tribunal website for any orders, check landlord references, and confirm that applicants have a Community Services Card or are receiving the correct benefit. Staff may request a letter from their GP stating that they are capable of living independently, or documentation from support agencies outlining any support (i.e. counselling, budget advice, assistance with medication) the applicant may be receiving.

MEMORANDUM

TO: Community Development Committee

MEETING DATE: 12 June 2017

TITLE: Community Centres Review

DATE: 25 May 2017

AUTHOR/S: Debbie Duncan, General Manager - Libraries and Community Services, Libraries and Community Services

RECOMMENDATION(S) TO COUNCIL

1. That Council reviews and approves the Action Points highlighted within this Memorandum in relation to the Community Centres workshop held 15 May 2017.
 - Organise a meeting with all lease holders / management committees with the Mayor and relevant Councillors to outline Council goals and expectations.
 - Review and update agreements, policies and charges to clearly outline responsibilities and expectations of both Council and the individual management committee on a Centre by Centre basis.
 - Asset Management Plans to be reviewed for inclusion within the 10 Year plan considerations.
 - Support individual management committees with their capacity and capability building.
 - Develop an annual satisfaction survey of users to be included as a KPI for each centre.
 - Investigate a centralised digital booking and information solution.

1. ISSUE

A review of Community Centres has been completed as instructed through the Community Development Committee's approved work schedule.

The review also fulfils Council's requirements under section 17A of the Local Government Act.

2. BACKGROUND

The Palmerston North Social Strategy 2012 states, “The purpose of the Community Centres is to help build social connections”. This facilitates increased connectedness in neighbourhoods”.

Council has eight commonly designated Community Centres, with most built around twenty years ago. They provide space for various groups of people to come together for activities of common interest. Excluding the social services delivered through the Whanau Centre, all of the Community Centres are facilities for hire.

They differ from Community Hubs which provide a number of services within the same facility, rather than simply being facilities that groups can book. Hubs generally have Public Libraries as an anchor and incorporate other community agencies and services that respond to local needs – offering a very concrete way that families and individuals can easily access a range of services.

3. CENTRE MANAGEMENT

With the exception of Ashurst Village Valley Centre, the facilities are managed by volunteer committees through either a management agreement or lease agreement with Council. Bookings for the Village Valley Centre are handled through the Ashurst Branch Library.

Management Agreement

Management agreements are between Council and a management committee made up of users. The committee is responsible for the day to day operation of the Community Centre. It can set usage rates, but the expectation is that any revenue will be utilized for improvements to the facility beyond general maintenance, which is carried out by Council.

The existing management agreements were all signed in 1997 and although the agreements have not been renewed since, the Centre’s have generally continued to operate in a similar manner.

Lease Agreement

The lease agreements are between Council and a community organisation acting as tenant. This organisation is responsible for the day to day operation of the Community Centre. They may also use the Centre as a base to deliver other community services, such as those provided at Highbury Whanau Centre and the future plans of the Pasifika Centre.

The community organisations managing the Community Centres, all pay a peppercorn rental based on the 1995 Recreation and Community Assets Rental Policy.

Financial

The total cost to Council for the Community Centres in 2015/16 was \$531,000, with most expenses relating to physical maintenance, both planned and reactive.

Useage

All of the centres are well used by a variety of clubs, recreation and community groups on a regular basis with the exception of Milson, which currently only has a committee of three, no Chairperson and infrequent meetings.

Community Centre - Users 2016 (Regular Bookings)

Community Centre:	Suburb or Village:	Number of regular users	Groups using the Community Centre's on a regular basis:		Net Cost to Council
		128 user groups – approx.			
Kelvin Grove (Management Agreement)	Kelvin Grove	10 user groups	Clubs & Societies: Recreation & Sport: Community & Multi-Cultural Groups: Education:	None 5 4 1	(\$16,144)
Rangiora (Management Agreement)	Roslyn	17 user groups	Clubs & Societies: Recreation & Sport: Community & Multi-Cultural Groups:	4 8 5	(\$11,350)
Milson (Management Agreement)	Milson	9 user groups	Clubs & Societies: Recreation & Sport: Community & Multi-Cultural Groups:	4 0 5	(\$10,419)
Awapuni (Management Agreement)	Awapuni	22 user groups	Clubs & Societies: Recreation & Sport: Community &	9 4 9	(\$9,836)

ITEM 9

			Multi-Cultural Groups:		
Village Valley (Council Staff)	Ashhurst	14 user groups	Clubs & Societies: Recreation & Sport: Community & Multi-Cultural Groups:	2 10 2	(\$19,749)
PN Leisure Centre (Lease)	Hokowhitu East	46 user groups	Clubs & Societies: Recreation & Sport: Community & Multi-Cultural Groups:	23 5 18	(\$1,899)
Pasifika Centre (Lease)	Westbrook	Facility has been closed for renovation since November 2016.	Clubs & Societies: Recreation & Sport: Community & Multi-Cultural Groups:		(\$9,836)
Highbury Whanau Centre (Lease)	Highbury	10 user groups	Clubs & Societies: Recreation & Sport: Community & Multi-Cultural Groups: Alternative Education:	0 6 3 1	(\$11,571)

Information on the activities, management arrangements, and costs of each Centre was provided to Councillors prior to their 15 May workshop.

Key points from the workshop:

- Each centre is unique in its structure and activities, so “a one size fits all” model is not appropriate.
- There is an urgent need to update documentation in relation to the management of the Centres.
- Having a community based management committee is preferred and committee membership should reflect a cross section of the local area.
- Facility maintenance and renewals need to ensure that facilities are fit for purpose.

- Management committees to be encouraged to utilise their surplus income to improve their facilities for its intended community use.
- Need to have a better measure of usage and satisfaction from users.

Action Points:

- Organise a meeting with all lease holders / management committees with the Mayor and relevant Councillors to outline Council goals and expectations.
- Review and update agreements, policies and charges to clearly outline responsibilities and expectations of both Council and the individual management committee on a Centre by Centre basis.
- Asset Management Plans to be reviewed for inclusion within the 10 Year plan considerations.
- Support individual management committees with their capacity and capability building.
- Develop an annual satisfaction survey of users to be included as a KPI for each centre.
- Investigate a centralised digital booking and information solution.

ATTACHMENTS

Nil

Debbie Duncan
**General Manager - Libraries
and Community Services**

COMMITTEE WORK SCHEDULE

TO: Community Development Committee

MEETING DATE: 12 June 2017

TITLE: Committee Work Schedule

RECOMMENDATION(S) TO COMMUNITY DEVELOPMENT COMMITTEE

1. That the Community Development Committee receive its Work Schedule dated June 2017.

ATTACHMENTS

1. Committee Work Schedule  

COMMUNITY DEVELOPMENT COMMITTEE

COMMITTEE WORK SCHEDULE – JUNE 2017

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1	April-2016 TBA	Rates Remissions for housing accommodation providers	Chief Financial Officer		11 May 2015 Clause 21-15
2	June-2017	Local Alcohol Policy (Draft)	General Manager, City Future	Councillor workshop held	5 June 2013 Clause 41-13
3	June-2017-TBA	Social Housing – Mixed model, initial scoping exercise	General Manager Libraries and Community Services	Subject to Councillor workshop 7 April-2017 Further Councillor workshop to be scheduled	12 December 2016 Clause 62.-16?
4	June-2017 TBA	Bunynthorpe/Kelvin Grove Community Facilities Feasibility Studies	General Manager Libraries and Community Services	Councillor workshop to be held 28 August 2017 for consideration in the 10YP	
5	June 2017	Social Housing Strategy - Supplementary information – Notice of Motion	General Manager, City Future		12 December 2016 Clause 62-16
6	June August 2017	Ban Sale of Sugar Sweetened drinks from Council Venues and Community Events Policy	General Manager, City Future	Councillor workshop held	9 November 2015 Clause 52-15
7	June 2017	Begging – Place Activation Options	General Manager, City Future Libraries and Community Services		13 March 2017 Clause 9-17
8	TBA	Safe City Strategy Review – on hold	General Managers City Future	Subject to a review of the strategy framework in line with Council's newly developed vision and goals	
9	TBA	Social Strategy Review – on hold	General Manager, City Future	Subject to a review of the strategy framework in line with Council's newly developed vision and goals	
10	Sept June 2017	Community Centres	General Manager Libraries and Community Services	Subject to Councillor workshop 15 May 2017	

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
11	Dec-2017 TBA	Cere Events Review	General Manager Libraries and Community Services	Subject to Councillor workshop-8 May 2017 Councillor workshop to be held 28 August 2017 for consideration in the 10YP	
12	TBA	Begging Bylaw	General Manager, City Future		13 March 2017 Clause 9-17