
ORDINARY MEETING

OF

COMMUNITY, SPORT AND RECREATION COMMITTEE

AGENDA

Time: 12.30pm
Date: Tuesday, 9 June 2015
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

MEMBERSHIP

Mayor Wade-Brown

Councillor Eagle (Chair)
Councillor Free
Councillor Marsh
Councillor Peck
Councillor Ritchie
Councillor Sparrow
Councillor Woolf

Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 803-8334, emailing public.participation@wcc.govt.nz or writing to Democratic Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number and the issue you would like to talk about.

AREA OF FOCUS

The focus of the Community, Sport and Recreation Committee is to build strong, safe, healthy communities for a better quality of life. It will be responsible for social infrastructure (including social housing), social cohesion, encourage healthy lifestyles, support local community events, protect public safety, and provide a wide range of recreation and sporting facilities for residents and visitors to use and enjoy.

Quorum: 4 members

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1 Meeting Conduct

1.1 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1.2 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

1.3 Confirmation of Minutes

The minutes of the meeting held on 22 April 2015 will be put to the Community, Sport and Recreation Committee for confirmation.

1.4 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 3.23.3 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of the Community, Sport and Recreation Committee.

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor Matters relating to the General Business of the Community, Sport and Recreation Committee.

No resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Community, Sport and Recreation Committee for further discussion.

2. General Business

THREE NEW LEASES AND A SUBLEASE UNDER RESERVES ACT 1977: NEW AND EXISTING TENANTS

Purpose

To recommend that the Committee approves the following:

1. New ground leases to:
 - North City Cricket Club Incorporated (existing tenant)
 - Poneke Football Club Incorporated (existing tenant)
 - Table Tennis Wellington Incorporated (existing tenant)
2. New sublease of the restaurant area at the Royal Port Nicholson Yacht Club to William's Pub Company Limited (proposed new subtenant).

Summary

3. A schedule summarising the proposed tenancies is included as attachment 1.
4. Maps showing the areas and locations are included as attachments 2 to 6.
5. The proposed leases to: North City Cricket Club Incorporated, Poneke Football Club Incorporated and Table Tennis Wellington Incorporated satisfy the assessment criteria laid out in the Section 7 of the *Leases Policy for Community Recreation Groups*.
6. The land occupied by Royal Port Nicholson Yacht Club (RPNYC) is not classified under the Reserves Act 1977 but is zoned Open Space A in the District Plan. It is currently managed as part of the marina and in a manner consistent with the Reserves Act 1977.
7. The proposed RPNYC sublease to William's Pub Company Limited satisfies the conditions described in Section 8.8 Commercial activities of the *Leases Policy for Community Recreation Groups*.

Recommendations

That the Community, Sport and Recreation Committee:

1. Receives the information.
2. Agrees to grant new leases under the Reserves Act 1977 to:
 - a. Poneke Football Incorporated
 - b. Table Tennis Wellington Incorporated
 - c. North City Cricket Club Incorporated
3. Notes that any approval to grant the leases (referred to above) is conditional on:
 - a. appropriate Iwi consultation
 - b. public notification under s119 and s120 Reserves Act 1977
 - c. no sustained objections resulting from the above consultation and notification
 - d. legal and advertising costs being met by the respective lessee (where applicable)
4. Agrees to grant a new sublease to William's Pub Company Limited for the purposes of

a commercial restaurant.

5. Notes that the Reserves Act 1977 does not apply to the proposed sublease (above). However, in the event that it did, public consultation would not be necessary as the land is not likely to be materially altered or permanently damaged and the rights of the public will not be affected.

Discussion

8. **New Ground Lease: North City Cricket Club Incorporated**

The North City Cricket Club Incorporated (North City) owns, and currently occupies, the first floor of the building known as Linden Park Pavilion at Linden Park, Tawa. The Council owns the ground floor. This is an historical arrangement inherited from the Tawa Borough Council. North City has occupied the first floor of the building since 1986.

There is a current lease in place to North City and Tawa Hockey Incorporated that has a final expiration date of 2052. However, this does not adequately reflect the current Council policies and prevailing legislation.

Previously North City and Tawa Hockey Incorporated jointly owned the first floor. However, Tawa Hockey Incorporated gifted its share of the building to North City. As a result a new lease is proposed in order to reflect the change in building ownership (see *attachment 2 for map*).

It is proposed that North City is granted a ground lease for a term of 10 + 10 years consistent with the *Leases Policy for Community and Recreation Groups*.

The Tawa Community Board gave its support for a new lease at its 9 April 2015 meeting (*minutes are included as attachment 7*).

9. **New Ground Lease: Poneke Football Club Incorporated**

Poneke Football Club Incorporated's (Poneke) leased area has been identified as a potential location for the amalgamation of sports clubs.

Poneke has occupied the proposed leased area since 1977 and is currently occupying the Kilbirnie Park premises on a month-to-month basis (on an expired lease). The expired lease includes a provision to permit the Council "to keep open control and maintain at Council's cost the staff room, first aid room, public dressing rooms and public conveniences".

It is proposed that Poneke is granted another ground lease for a term of 10 + 10 years consistent with the *Leases Policy for Community and Recreation Groups* conditional on:

- a. The execution of a sublease back to Council for the part of the premise containing the public dressing rooms, public conveniences and other areas that may be required by Council (*see attachments 3 & 4 for map of lease and sublease*), and
- b. Poneke being amenable to Council plans for potential amalgamation.

10. **New Ground Lease: Table Tennis Wellington Incorporated**

Table Tennis Wellington Incorporated has occupied the proposed leased area since 1972. It currently occupies the premises at Newtown Town Belt, Newtown on a month-to-month basis on a lease that expired 30 April 2015

The Club has been performing well and continues to satisfy the criteria required under the Section 7 of the *Leases Policy for Community and Recreation Groups* (see *attachment 5 for proposed lease area*).

It is proposed that the Club is granted another ground lease for a term of 10 years consistent with the *Leases Policy for Community and Recreation Groups*.

11. New Sublease: William's Pub Company Limited

Royal Port Nicholson Yacht Club Incorporated has leased the land from Council (originally from the Wellington Harbour Board) for the yacht club and boat sheds at the Clyde Quay Marina, Oriental Bay since 1987. It previously sublet the upstairs restaurant area to Martin Bosley's Food Limited.

The Bosley lease came to an end and William's Pub Company Limited has taken over the space - trading under the name "Coene's Provisions".

Although commercially focused, the proposed sublessee's activities seek to enhance the primary purpose of the land – that is, providing food and beverages to club members and the public.

The main purpose of the proposed sublease between Royal Port Nicholson Yacht Club Incorporated and Williams Pub Company Limited is to cater for the club members and the public enjoyment of the marina. In this way, the activities meet the conditions required under Section 8.8 Commercial activities of *Leases Policy for Community and Recreation Groups* (see *attachment 6 for the restaurant floor plan*).

Conclusion

12. Officers recommend that the Community, Sport and Recreation Committee approve the proposed new leases and sublease.

Attachments

Attachment 1.	Summary Schedule	Page 11
Attachment 2.	North City Cricket Club Leased Area	Page 12
Attachment 3.	Poneke Football Incorporated - Leased Area	Page 13
Attachment 4.	Poneke Football Incorporated - Sublease Area	Page 14
Attachment 5.	Table Tennis Wellington - Leased Area	Page 15
Attachment 6.	Restaurant Layout	Page 16
Attachment 7.	Unconfirmed Minutes of Tawa Board Community Meeting - 9 April 2015	Page 17

Author	Fel Go, Property Advisor
Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

Public consultation will be undertaken as required under the Reserves Act 1977

Treaty of Waitangi considerations

There are no Treaty of Waitangi considerations

Financial implications

There are no financial implications

Policy and legislative implications

The proposals will be broadly consistent with relevant Council policies

Risks / legal

The proposals will be subject to the provisions of the Reserves Act 1977

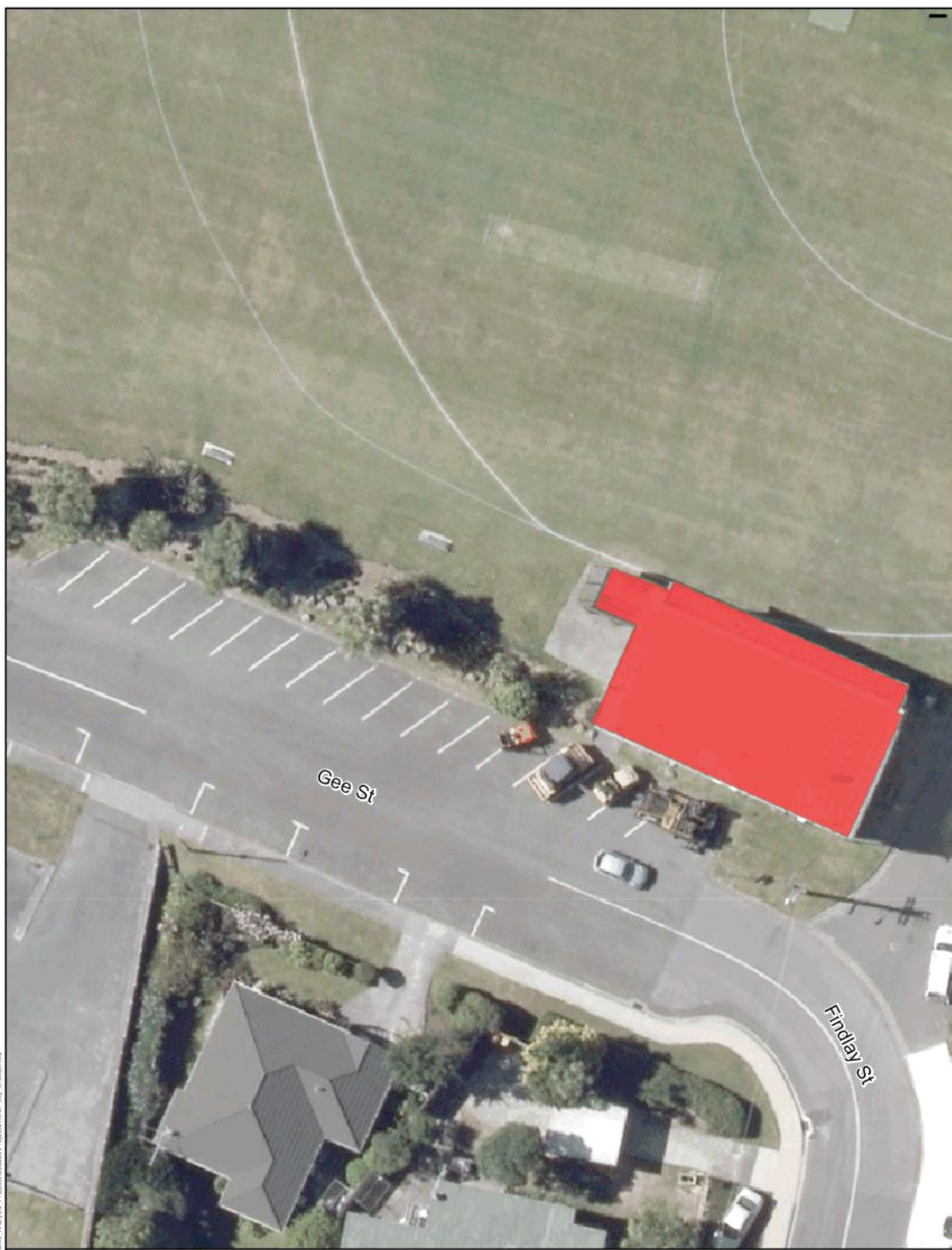
Climate Change impact and considerations

There are no climate change impacts and considerations

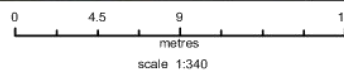
Communications Plan

Not Applicable

Group	Site	Location	Area (m ²)	Activity	Type	Legal Description	CFR	Term	Final Expiry	Rent (per annum, plus GST)	Reserve Type	Since
North City Cricket Club Incorporated	1797	Linden Park Pavillion, Linden Park, 1 Gee Street, Linden	218	Cricket	Ground Lease	Part of Lot 37 DP 18576	WN615/99	10 + 10	31 Aug 2035	\$350.08	Recreation	1986
Poneke Football Club Incorporated	2126	Kilbirnie Park, Kilbirnie	1,296	Football	Ground Lease	Lot 1 DP 49327	WN21C/33	10 + 10	31 Aug 2035	\$1,142.03	Recreation	1977
Table Tennis Wellington Incorporated	0381	Newtown Town Belt, Newtown	858	Table Tennis	Ground Lease	Lot 1 DP 47203 and part of Pt Lot 1 DP 34279	WN18D/1360	10 + 10	01 May 2025	\$914.80	Town Belt	1972
Williams Pub Company Limited	1748	RPNYC, Oriental Parade, Oriental Bay	199	Restaurant	Sub Lease	Part of Section 1 SO Plan 24076	WNC1/1427	<i>confidential (commercial)</i>	<i>confidential (commercial)</i>	<i>confidential (commercial)</i>	Nil	New



Leased area to North City Cricket Club Inc
218.8sq m



Property boundaries, 20m Contours, road names, rail line, address & title points sourced from Land Information NZ. Crown Copyright reserved. Property boundaries accuracy: +/-1m in urban areas, +/-30m in rural areas. Census data sourced from Statistics NZ. Postcodes sourced from NZ Post. Assets, contours, water and drainage information shown is approximate and must not be used for detailed engineering design. Other data has been compiled from a variety of sources and its accuracy may vary, but is generally +/- 1m.

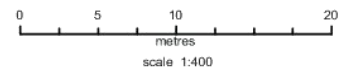
MAP PRODUCED BY:
Wellington City Council
101 Wakefield Street
WELLINGTON, NZ

ORIGINAL MAP SIZE: A4
AUTHOR: presto2j
DATE: 9/03/2015
REFERENCE:

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Poneke Football Club - New Building Layout
1295.9sq m



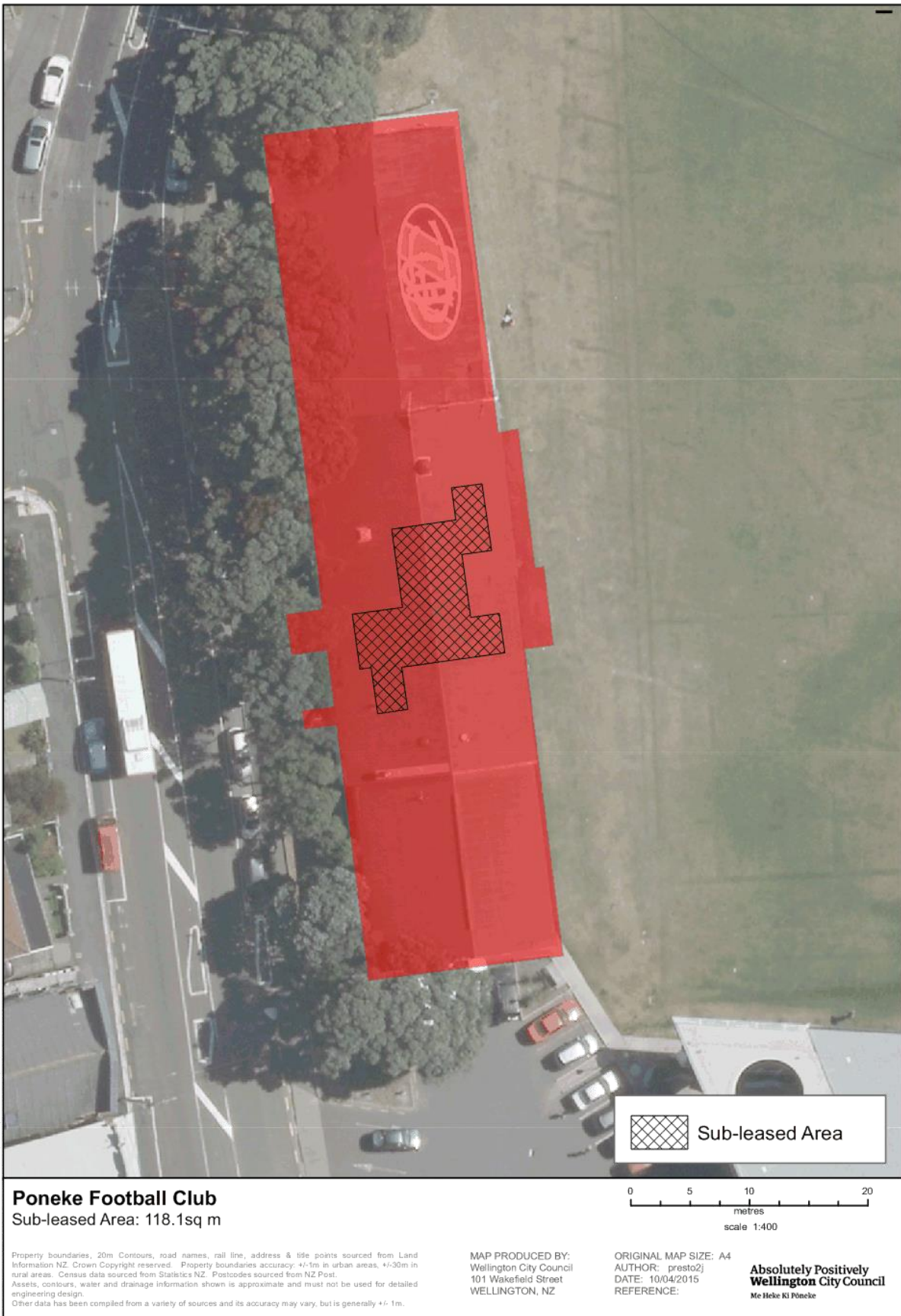
Property boundaries, 20m Contours, road names, rail line, address & title points sourced from Land Information NZ. Crown Copyright reserved. Property boundaries accuracy +/-1m in urban areas, +/-30m in rural areas. Census data sourced from Statistics NZ. Postcodes sourced from NZ Post. Assets, contours, water and drainage information shown is approximate and must not be used for detailed engineering design. Other data has been compiled from a variety of sources and its accuracy may vary, but is generally +/- 1m.

MAP PRODUCED BY:
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ORIGINAL MAP SIZE: A4
AUTHOR: presto2j
DATE: 10/04/2015
REFERENCE:

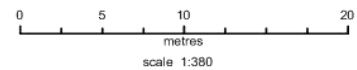
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Item 2.1 Attachment 4





Wellington Table Tennis Club Leased Area
858sq m



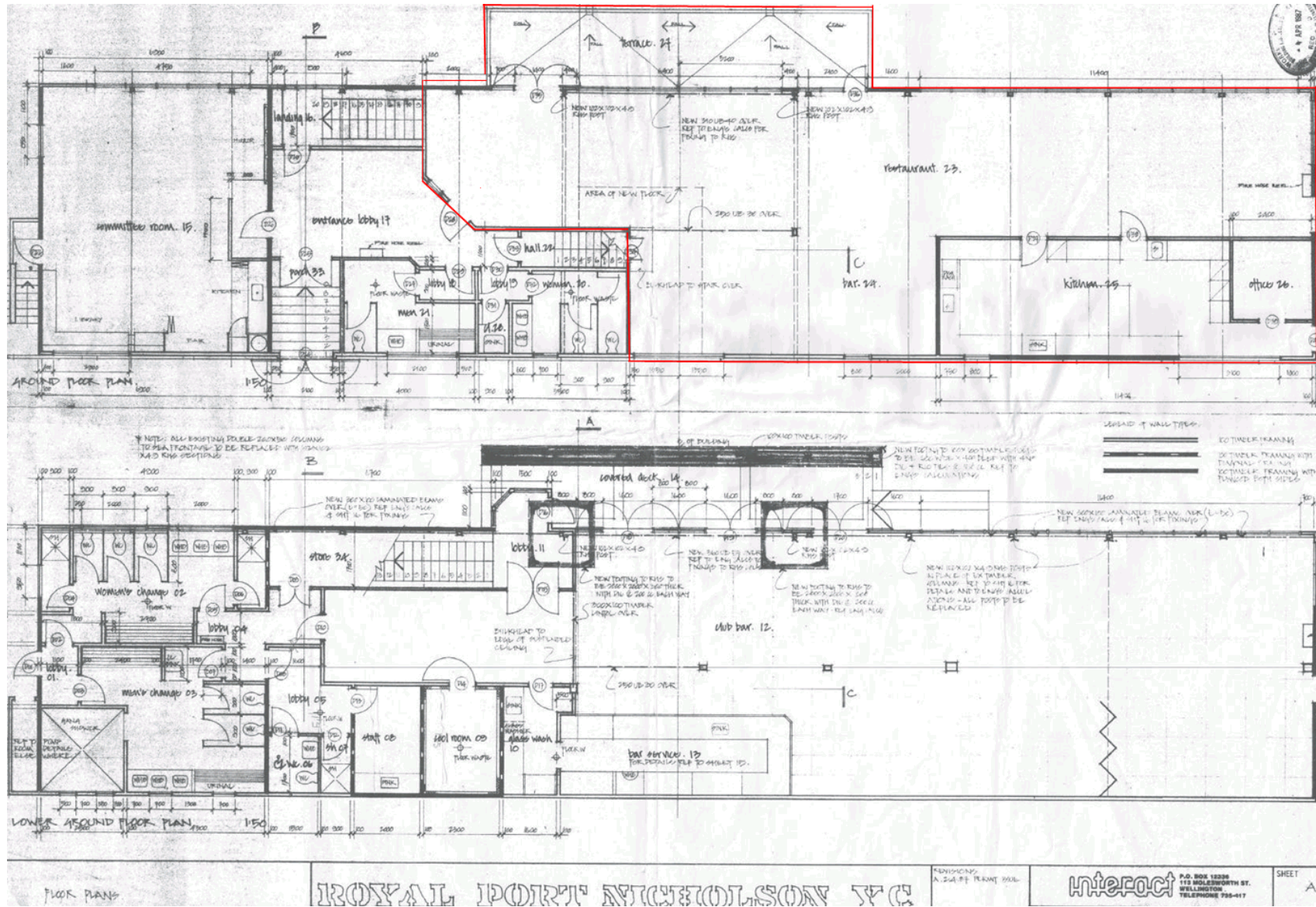
Property boundaries, 20m Contours, road names, rail line, address & title points sourced from Land Information NZ. Crown Copyright reserved. Property boundaries accuracy: +/-1m in urban areas, +/-30m in rural areas. Census data sourced from Statistics NZ. Postcodes sourced from NZ Post. Assets, contours, water and drainage information shown is approximate and must not be used for detailed engineering design. Other data has been compiled from a variety of sources and its accuracy may vary, but is generally +/- 1m.

MAP PRODUCED BY:
Wellington City Council
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AUTHOR: presto2j
DATE: 7/04/2015
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Item 2.1 Attachment 6



TAWA COMMUNITY BOARD
9 APRIL 2015

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ORDINARY MEETING

OF

TAWA COMMUNITY BOARD

UNCONFIRMED MINUTES

Time: 7.00pm
Date: Thursday, 9 April 2015
Venue: Tawa Community Centre
5 Cambridge Street
Tawa
Wellington

PRESENT

Graeme Hansen
Richard Herbert
Councillor Lester
Margaret Lucas (Deputy Chair)
Jack Marshall
Councillor Sparrow
Alistair Sutton
Robert Tredger (Chair)

Item 2.1 Attachment 7

TAWA COMMUNITY BOARD
9 APRIL 2015

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Questions

TAWA COMMUNITY BOARD
9 APRIL 2015

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1 Meeting Conduct

1.1 Apologies

There were no apologies.

1.2 Conflict of Interest Declarations

There were no conflict of interest declarations.

1.3 Confirmation of Minutes

Moved Robert Tredger, seconded Margaret Lucas

Resolved

That the Tawa Community Board:

Approve the minutes of the Tawa Community Board Meeting held on 12 March 2015, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried

1.4 Public Participation

There was no public participation.

1.5 Deputations

There were no deputations.

1.6 Items not on the Agenda

There were no items not on the agenda.

2 Oral Reports

2.1 Policing in Tawa

Sergeant Jonathan Westrupp and Senior Sergeant Penny Gifford provided the Board with an update on policing in Tawa.

2.2 Tawa Volunteers Fire Brigade

Michael Farrand provided the Board with an update on the activities of the Tawa Volunteers Fire Brigade.

2.4 Report back on the Grants Subcommittee meeting

Jenny Rains updated the Board on community patrol funding following a query that came out of the Grants Subcommittee meeting on 26 March.

Margaret Lucas provided the Board with an update on the Tawa Community Board Grants Subcommittee meeting.

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9 APRIL 2015

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2.3 Neighbours' Day

Councillor Sparrow provided the Board with an update on Neighbours' Day. 49 streets will be attending in total.

2.5 Feedback from LGC Hearings

The Board discussed the submission they had made at the Local Government Commission Hearings.

2.6 Members' Reports

Jack Marshall attended the Grants Subcommittee meeting and met with Charlie Inggs to discuss the Standing Orders project. He also requested locks on gates along the shared pathway.

Richard Herbert attended the LGC hearings, went to a meeting on the housing proposal in Tawa and has been organising the hanging baskets.

Councillor Sparrow attended a Takapu Valley site visit, Community Garden meetings, a Long Term Plan forum in Tawa and a meeting on the Tawa housing proposal.

Councillor Lester attended a Long Term Plan forum in Tawa, a meeting at Hampton Hill School and a United Nations conference in Japan.

Alistair Sutton attended the Grants Subcommittee meeting and has been requesting Council clean streets in Tawa.

Graeme Hansen attended the Grants Subcommittee meeting, a Takapu Valley discussion as well as watched the Council meeting online.

Margaret Lucas attended the Grants Subcommittee meeting and a meeting on the Tawa housing proposal.

The Chair, Robert Tredger has attended a street BBQ, a meeting with Democratic Services, the Tawa Grants Subcommittee meeting, a meeting with Anthony Wilson and the LGC hearings.

3. Reports

3.1 New Lease under Reserves Act 1977 (Existing Tenant): North City Cricket Club Incorporated

Moved Robert Tredger, seconded Councillor Sparrow

Resolved

That the Tawa Community Board:

1. Receive the information.

TAWA COMMUNITY BOARD
9 APRIL 2015

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2. Endorse the recommendation to grant new lease to North City Cricket Club Incorporated for the report to be considered by the Community, Sport, and Recreations Committee at their next meeting and provide feedback to be included in the report if necessary.

Carried

**3.2 Resource Consent Applications and Approvals for 27 February to 26
March 2015**

Moved Robert Tredger, seconded Councillor Lester

Resolved

That the Tawa Community Board:

1. Receive the information.

Carried

3.3 Tawa Community Board Discretionary Fund

Moved Margaret Lucas, seconded Jack Marshall

Resolved

That the Tawa Community Board:

1. Receive the information.
2. Agrees to confirm the allocation of \$7,100 from the Tawa Community Board Discretionary Fund for the financial year ending 30 June 2016, according to the following items:

Item Description	Estimated Cost
TCB Community Newsletters 2x in year at \$1000	\$2000
Spring into Tawa – TCB stall and advertising	\$300
Tawa Christmas Parade – TCB participation and advertising	\$300
Tawa Primary Schools' Citizenship Awards	\$1500
Tawa Community Civic Awards – bi annually (2016)	\$3000

3. Notes that the allocation of funds for the next financial year is conditional on the Discretionary Fund being approved through the Long Term Plan 2015-25, which is due to be considered by Council in June of this year.
4. Note there is currently \$10,631 unallocated funds remaining for this financial year and resolutions will need to be passed by 30 June 2015 to allocate the remaining funds.

Carried

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9 APRIL 2015

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3.4 Current and Upcoming Council Consultations Items

Moved Robert Tredger, seconded Jack Marshall

Resolved

That the Tawa Community Board:

1. Receive the information

Carried

3.5 Forward Programme

Moved Robert Tredger, seconded Jack Marshall

Resolved

That the Tawa Community Board:

1. Receive the information.
2. Amend the work programme if necessary.
 - Ratification of Standing Orders
 - Retrospective ratification of submission on the Long Term Plan and Tawa Housing.

Carried

The meeting concluded at 9.28pm.

Confirmed: _____
Chair

SUBMISSION TO THE PRODUCTIVITY COMMISSION

Purpose

1. The purpose of this report is for Committee to approve the attached paper to be submitted to the Productivity Commission with regard to its draft report *More Effective Social Services*.

Summary

2. The Productivity Commission released its draft report *More Effective Social Services*. The attached paper is the Council's submission to the draft report.
3. The key feedback to the Commission is that the important role local government plays with regard to social services is not acknowledged or defined, and that the Council requests that the development of an implementation plan is created collaboratively with local government.

Recommendation

That the Community, Sport and Recreation Committee:

1. Approve the attached paper for submission to the Productivity Commission.

Background

4. The draft report was released on 28 April 2015. The draft report followed the release of an issues paper in December 2014. The Council submitted a response to the issues paper, approved by the CEO, which requested further attention be given to the important role local government plays in social service delivery.

Discussion

5. The draft report states that the social services system is underperforming and provides 81 draft findings and 47 draft recommendations. The key recommendations focus on smarter and greater use of delegation and devolution, encouraging and incentivising innovation, better commissioning of services, leveraging data, integrating services, empowering clients, and better purchasing and contracting.
6. The main feedback to the Commission from the Council focuses on the lack of acknowledgment given to local government. The submission focuses on the following key points:
 - Local government experience and knowledge of communities and their needs is paramount to the effective delivery of social services.
 - The proposed approach in the report, which excludes local government from the design, planning and implementation of social service modelling and delivery, will compromise the delivery of the goals it aims to achieve.
 - Local government is distinctive in that it has strong relationships with providers, central government, communities and knowledge of the services provided. The Council takes a leadership role with its communities, which was reinforced recently during the Council's long term plan submission process.

Next Actions

7. The Committee is asked to approve the attached paper for submission to the Productivity Commission. Submissions are due by 24 June 2015.

Attachments

Attachment 1. Submission: More Effective Social Services

Page 28

Author	Macaela Flanagan, Snr Svc Dev Proj & Plan Offcr
Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

There are no consultation and engagement requirements emerging from this report.

Treaty of Waitangi considerations

There are no specific Treaty of Waitangi considerations emerging from this report.

Financial implications

There are no specific implications emerging from this report.

Policy and legislative implications

There are no policy or legislative implications emerging from this report.

Risks / legal

There are no legal risks emerging from this report.

Climate Change impact and considerations

There are no specific climate change impacts or considerations emerging from this report.

Communications Plan

There is no communications plan associated with this report.

Introduction

The Wellington City Council has a vested interest in the Productivity Commission's review of social service delivery given the Council's key role in the leadership of social and community services in our city. The Council plays a pivotal role in the relationship between social providers, local government services, central government, and the community. Given the breadth of the Commission's report, this submission focuses on local government's role with the social services, which is namely one of leadership, support, enablement and facilitation.

The main point the Council wishes to make is that it sees itself as having a particularly important role in changes made to the way in which New Zealand's social services are managed – referred to in the report as the 'institutional architecture'. In principle, the Council agrees with the Commission's view of what a well-functioning social service system would look like (page 10, summary report) as well as the identified weaknesses (page 11, summary report). However, the Council notes that the report does not provide a clear description of the role local government plays, despite its importance in the social service framework:

- Local government experience and knowledge of communities and their needs is paramount to the effective delivery of social services.
- The proposed approach, which excludes local government from the design, planning and implementation of social service modelling and delivery, will compromise the delivery of the goals it aims to achieve.
- Local government is distinctive in that it has strong relationships with providers, central government, communities and knowledge of the services provided. The Council takes a leadership role with its communities, which was reinforced recently during the Council's long term plan submission process.

Wellington City Council's role in social services

Local government is uniquely placed to understand the local concerns and priorities that should underpin effective and targeted social service delivery. In response to these concerns and priorities, the Council provides funding to the sector, where it is best placed to do so, as well as leads initiatives to foster greater coordination and collaboration amongst the parties.

The Council shows its commitment to its role in the social sector through a projected spend of over \$750M on social and recreational services over the next ten years, plus a further \$320M on cultural activities. The 2014/15 Annual plan includes expenditure of just under \$40M to deliver the Council's community support functions.

The 2014 Quality of Life Survey for Wellington City showed very high rates of community satisfaction with a number of areas that the Council's direct involvement in has helped to shape – safety, quality of life, and community, culture and social networks.

Our last submission focussed on describing the role of the Council with regard to social services in Wellington. The Council is key to effective delivery by facilitating and enabling services – which are vital to service success. The key points described in the Commission’s report – better commissioning, increased innovations from lessons, integration of services, data sharing, better purchasing and contracting – will require the assistance of local councils if they are to be fully successful. This is particularly apt with the Commission’s recommendation to empower clients – Wellington City Council prides itself on the relationships it has with its communities, and would be a crucial and invaluable resource when determining how to best reach its communities – in short, to foster clients’ ability to decide what, who, where, when and how services will be delivered.

The Council does not duplicate central government efforts, but fills where a larger scheme leaves gaps by understanding the nuances of its community and population, and should be recognised as a valued partner in social service delivery. As the priorities of central government sharpen and narrow, the gaps local government needs to fill are expanding. As this occurs, the role of local government in effective delivery of social services becomes increasingly important.

Council projects support partnerships and programmes within communities and neighbourhoods as a way of building local community resilience, and working with our partners to ensure the city’s social infrastructure supports vulnerable people in the city. The Council agrees with the Commission that strategic planning and proper evaluation with regard to social services needs to occur from a holistic viewpoint to work though the causes of the problem, and how to best use our resources to gain the greatest impact.

Discussion

This report focuses on the improvement of the social services in New Zealand, with a strong focus on central government as the responsible party for ushering change – the role of ‘system steward’. The report does not explore in detail the crucial role that local government, particularly councils within metropolitan areas, plays in the effective delivery of social services, and the Council would like see the role in the overall structure defined. This is particularly apt as the report discusses the shift from a top-down approach to one of decentralisation.

The report mentions the problem of top-down budget appropriations being made based on a departmental portfolio, single issue, population group, etc, and notes the difficulty this leads to when providing services for clients – ie that there is not a ‘one-fits-all’ solution. Councils, having intimate knowledge of the communities which they serve, can greatly assist in ensuring that the nuances of large government social service initiatives are addressed.

Chapter 5 – Institutional architecture

The Council has a particular interest in the framework for social services for New Zealand.

This chapter notes that it does not support the large-scale devolution of responsibilities of social services to local governments, as it would not solve the problems with the design of social service

delivery. The Council agrees with this, but does not agree with the lack of a clear description of what local government's role is – ie one of relationships, facilitation, and community advocacy.

So while the Council is supportive of the recommendation not to devolve the delivery of social services to local authorities, it notes that the delegation of responsibility to other entities can be best done through utilising the skills and knowledge that the Council possesses.

R5.3. Government has a unique role in the social services system. It is the major funder of social services, and has statutory and regulatory powers unavailable to other participants. Government needs to take responsibility for system stewardship, and for making considered decisions that shape the system. This includes the overarching responsibility for monitoring, planning and managing resources in such a way as to maintain and improve system performance.

The Council agrees with this recommendation, but again stresses the point that the role of steward is by no means delivered in a vacuum, and that all decisions and plans must be created with a wide net for input – from local government, providers, users, etc.

Question: Which communities of interest would like to be part of greater devolution of service commissioning?

There is a key role for local authorities to play in the devolution of social services. The report acknowledges that territorial authorities' stances on social services differ. The Council notes that this is particularly relevant given the location of the authority, and notes that while councils throughout the country may have different levels of involvement with the social services in their communities, the facilitation and support functions of councils are the same the nation-wide.

The report notes that, *'the Government should be open to councils choosing to take an expanded role in providing or coordinating social services for the populations they serve.'* The Council agrees with this statement, but requests that more certainty about the way in which this role is supported and acknowledged by central government is explained.

Seven themes for an implementation strategy

The Commission recommends the development of an Office of Social Services to lead the changes and implementation. Representation with experience in local government and with social services at a local level should be employed by the Office.

It should be recognised that local authorities each regard its role in social services differently, and therefore a 'one-size-fits-all' approach to interactions with local government should not be attempted, much the same way a 'one-size-fits-all' approach does not work for recipients of social services.

The Council sees itself as having an integral part in the planning and ownership of the themes outlined in the paper to lead toward a strategy – including commissioning, leveraging data and data sharing, and better contracting. Furthermore, the themes of client choice and empowerment and service integration are areas where a local viewpoint will greatly assist any decisions made at a national level. Perhaps

most important is the crucial role local government has in ensuring the achievement of a successful monitoring programme. Local authorities naturally sit closer to the programmes in action, and will be able to provide valuable monitoring information in terms of expenditure and outcomes. Information sharing between central and local government would prove invaluable resource in ensuring the programmes and projects were achieving the desired effect.

The next steps, including the creation of an implementation plan, are where the Council plays its most important role. It is imperative that central government work with local government, particularly in the country's main metropolitan areas where there is a larger role played with regard to social services, to best reach the communities it is setting out to help.

As the seven themes outlined in the report are developed into a framework for implementing change, the Council requests that local government representation, particularly from a metropolitan local authority, is present.

If the changes proposed in the report go forward, current models and provision will be greatly disrupted. As Wellington City Council plays a key role in ensuring its constituents receive the social services required, working with Councils to create a transition plan would be critical.

The recommendation to move away from a top-down approach is a significant one, and requires that service providers and ultimately the clients to step further into leadership and strategic-thinking roles. Local councils can provide key support to assist with this transition, to be the bridge between central government and the 'coal-face' – a characteristic that local councils specialise in.

Conclusion

Local government is unique in that it has strong relationships with providers, central government, communities and knowledge of the services provided. Any change to the delivery of social services must happen collaboratively. Wellington City Council plays a crucial role in achieving outcomes for our community, and excluding the Council from either the design of or from the implementation will compromise the achievements of any outcome suggested by this report.

SOCIAL HOUSING SERVICE POLICY REVIEW UPDATE

Purpose

1. This paper updates the Committee on the Government's social housing purchasing strategy and on the wider work programme involved in reviewing the Social Housing Service Policy for Wellington City.
2. The paper summaries the consultation that has been undertaken and describes a range of issues that arise from this and which should be considered in the review of the policy.
3. A separate briefing will be provided on an analysis of the future projections of social housing need in Wellington City and the region. This was directed to be provided by this Committee on 23 October 2014 as part of this review.

Summary

4. The consultation with tenants and other agencies raised a wide range of issues for the Council to consider.
 - In general it was considered that the Council is housing the right group of tenants. It was considered that homeless people should more explicitly be a priority identified in the policy. There were a range of questions regarding some of the current priority groups, such as refugees and migrants, and whether specific groups, like students who don't easily fit the student accommodation market, should also be considered. In most cases these additional groups would already fall within the existing eligibility criteria.
 - The level of rent paid (or subsidy received) was, in some cases, not considered to be equitable. There was a high level of support for income related rents or for those on higher incomes to pay a greater share of their rent if they are able to do so.
 - The process by which market rents are set was generally considered fair but it was raised that this should be more contestable and transparent.
 - The range of rental limits and caps that the Council sets were considered to be ineffective. In some cases rent reductions are almost completely offset by a loss in Accommodation Supplement or other assistance. Questions were raised about why the rent freeze for those over 80 years of age does not apply to others in similar financial circumstances. The fixed cap rent increase limits, e.g. \$20/week for a single person do not take into account the tenant's ability to pay.
 - The current asset limits were considered to be out of step with the intention for which they were established (to enable a deposit to be saved for a house). They are difficult to enforce and did not recognise the needs of tenants at different life stages. Tenants indicated that some choose not to disclose assets or choose to dispose of assets rather than lose access to their unit.
 - Tenants frequently expressed a willingness to consider alternative housing and felt the Council had a role in facilitating this.
5. There were similar and consistent views expressed by the social agencies that provided feedback on the existing policy. A number of the agencies, including the

Salvation Army, Victoria University and others, expressed a willingness to work with the Council in finding solutions.

6. The issues raised are inter-related and complex in how they apply within the policy and it is difficult to arrive at an easily administered and understood policy without accepting some trade-offs across the range of tenants that the Council houses.
7. The tenant groups that appeared to be under the greatest pressure were those who were either benefit dependent (eg Job Seeker, Supported Living Payments) or low income working family households.
8. The constraint of not having access to Income Related Rent makes it difficult to provide affordable rents for the lowest income tenants at the current (30%) discount levels. At the same time there are tenants with higher incomes who are likely to be able to afford to pay more and remain within affordable expectations.

Recommendations

That the Community, Sport and Recreation Committee:

1. Receive the information.
2. Note the issues raised in consultation and which will be included in the review of the Social Housing Service Policy and any future work programme.

Background

9. On 23 October 2014 the paper to this Committee noted that the Council policy settings are simple and do not provide the flexibility to provide different levels of service across our portfolio and to meet different types of housing demand in Wellington City. The Committee also noted that our rent setting policy does not easily align with Government policy nor does it recognise housing demand or the changing nature of tenant's circumstances or assist them to meet their aspirations.
10. Subsequently on 26 November 2014, this Committee agreed to consult on the Social Housing Service Policy and agreed to release the Discussion document to aid consultation.
11. The following consultation was undertaken during the first phase stage of this review. Consultation was open from 16 January 2015 to 27 March 2015. Information about the review was posted on social media and publicised on My Wellington.
12. Discussion documents were sent to around 50 community and/or social service agencies. A Discussion document was also sent with the quarterly newsletter to each City Housing tenant. Tenants were also invited to attend focus groups. Eight focus groups were held with tenants attending from a wide variety of backgrounds including:
 - Tenants aged 65 years and over
 - Welfare Dependent tenants
 - Migrants and refugees
 - New tenants
 - Maori tenants
 - Pacific Island tenants

- Tenants with a disability
 - Tenants aged 80 years and over (Prime-timers).
13. An open tenant forum was held on 12 March 2015. Officers also met with interested community housing providers, Newtown residents association, and Urban Vision.
14. Significant tenant feedback was recorded from the focus groups and tenant forum. A total of 60 written submissions were received, including 14 submissions from the following organisations:
- Community Housing Aotearoa
 - Salvation Army
 - CCS Disability Action (Wellington Branch) Incorporated
 - Dwell Housing Trust
 - Regional Public Health
 - Community Networks Wellington
 - The Architectural Centre
 - Wellington City Mission
 - Housing New Zealand
 - Massey University student's association
 - Victoria University
 - Public Health Association
 - Mana Newtown
 - Benefit Rights Service.

Letter to the Minister for Social Housing

15. On 23 October 2014 this Committee also agreed that the Council should meet and present to the Minister of Social Housing a strategy on how it could work collaboratively with the Government on meeting social housing needs in Wellington. The Committee also agreed to seek from Government a change to section 5 of the 'Housing Restructuring and Tenancy Matters (Community Housing Provider) Regulations 2014' to remove the exclusion of local authorities in order that the eligibility criteria for registration in "class 1: social landlord" includes local authorities by deleting clause 5 (b) 1.
16. A letter was sent to the Minister on 5 May 2015 having been signed by the Mayors of Auckland, Tauranga and Wellington. The Mayor of Christchurch also noted that she supported the letter. A copy of the letter is attached (see Attachment 1).

Local Government Collaboration

17. Officers from Dunedin, Christchurch, Wellington, Tauranga and Auckland have met three times since December to develop a more collective response to the government on social and affordable housing issues. Local Government New Zealand has also been included in these forums and a number of issues have been raised with them to take up with central government.

Different Council Approaches

18. Local authorities are continuing to take a range of approaches. At least Hamilton, Whakatane and Carterton are in the process of exiting providing housing services. Christchurch is endeavouring to establish a Community Housing Provider (CHP) which will lease housing from the Council. Auckland Council is consolidating its housing services which it inherited from the predecessor councils and it has consulted on a common policy in the Long Term Plan process.

Discussion

19. The Government continues to be very active in this area.
- The Government has agreed to transfer 2,800 Housing New Zealand houses in Tamaki to the Tāmaki Redevelopment Company (59% owned by the Crown).
 - It indicated that it is interested in expressions of interest in stock transfers/sales for 1-2,000 Housing New Zealand houses in Invercargill and Tauranga.
 - The Government has continued to consolidate the purchasing of social housing through the Ministry of Social Development (MSD). Its role is set out in Attachment 2.
 - It has a capped appropriation to acquire Income Related Rent Subsidy (IRRS) tenancies from CHPs
 - It is currently seeking an additional 300 IRRS tenancies in Auckland
 - It has released its first copy of MSD's Purchasing intentions. A copy of MSD's purchasing role is also attached.
 - They expect to increase total tenancies by 3,000 to 65,000 by 2017/18
 - There are different strategies in different locations. Demand for social housing is growing in some areas, such as Auckland. In others, demand is stable or decreasing.
 - Highest demand for one and two bedroom properties.
 - To date only a small number of tenants (approximately 200) have been housed with providers other than Housing New Zealand across New Zealand.
 - MSD is considering other contracting arrangements to allow providers more revenue certainty rather than having the IRRS subsidy attached to a tenant.

Wellington Region's Purchase Intentions

20. The following is MSD's information and excludes City Housing applicants.
21. There were 354 applicants on the MSD social housing register in the Wellington Region in March 2015 (241 of these are standard applicants on the housing register while 113 are on the transfer register). This makes up approximately 7% of the total social housing register across New Zealand.
- Wellington City had 180 applicants on the MSD social housing register in March 2015 (133 are standard applicants on the housing register and 47 are on the transfer register), making up approximately four percent of the total register across New Zealand. Wellington City has 51% of the regions applicants.

- Auckland had 2,537 and Christchurch 539 applicants respectively.
22. MSD's intentions for the Wellington Region are to purchase an estimated 150 additional places over the next two to three years, including to:
- Purchase more one-bedroom places (an estimated 110, of which 70 (64%) are within Wellington City) – some of these could be two-bedroom places where the cost is similar and supply is more readily available
 - Purchase slightly more two-bedroom places (an estimated 10)
 - Maintain current levels of purchasing of three-bedroom places
 - Purchase more four-bedroom and larger places (an estimated 30, 20 within Wellington City).
23. Note that these MSD purchasing intentions do not include City Housing information and data. City Housing currently has an additional 266 on its standard waiting list and 44 on the transfer list. It is not known what overlap exists between this and the MSD register. If there is little overlap, and if many of those on the City Housing waiting list were eligible for the MSD wait list then social housing demand is higher than that shown by MSD.
24. At this point, the Governments intentions are firmly focused on the social housing priority areas in Auckland and stock transfers in the areas that have been identified.

Social Housing Service Policy Consultation Feedback

25. A summary of the consultation feedback is attached with greater detail on the submissions provided (see Attachment 3).

Who should we house and who should be a priority?

26. Almost all respondents felt the Council is housing the right people with one main exception. It was felt that homeless people should be an explicit housing priority in the policy. However this group often has complex needs and housing is just one of a range of interventions which is needed. A holistic approach is required to address these issues.
27. It was expressed by some that refugees and migrants should not receive priority over other Wellingtonians in need. A number of respondents felt that refugees should be housed by the government as they arrive in New Zealand under a government quota and commitment.
28. Currently migrants are allocated priority points in the first years after arriving in New Zealand in recognition of their need for additional support in the housing market. It could be argued that migrants and refugees continue to be eligible where they demonstrate housing need or discrimination in the rental market rather than being prioritised as a result of their refugee or migrant status.
29. The current income threshold criteria are overly complex and allow tenants on higher incomes to receive rental assistance that they would not receive elsewhere. Officers consider that this should be reviewed.
30. Housing New Zealand did submit that "it may be useful to consider whether WCC rent setting and allocation policies could target provision to that group of applicants who may not quite qualify for state housing but still need subsidised housing support". Given that City Housing and HNZ have similar sized portfolios, this approach would raise a range of issues as the supply of state housing would be expected to increase to meet demand.

How should we set our rents and asset thresholds?

31. The majority of respondents felt that our current rent setting policy could be improved. Most people felt that it was unfair for people on different incomes to receive the same rental discount. In particular, it was felt that people on higher incomes should pay more than people on lower incomes.
32. Many of our tenants also felt that the 70 percent of market policy was too expensive. Tenants were particularly concerned about setting rents based on the market values of properties. While property values have continued to increase over the last ten years, benefits have not. Tenants are concerned that if properties values continue to rise that the Council's housing will no longer be affordable.
33. A number of tenants expressed a desire for rents to be set based on income.
34. Asset limits are problematic and difficult to verify. The current limits were set to enable tenants to save for a home deposit but are now out of step with the housing market.

Are any groups missing out on housing? What barriers to renting in the private market should we consider? And should we consider providing rental accommodation to key groups?

35. Most of the groups that have been suggested already fall within our existing entry criteria (income and housing need).
36. There appears to be more of an issue with a lack of awareness that City Housing is available for all people in need within Wellington or perhaps perceptions that City Housing is "pensioner" housing.
37. Some tenants expressed concerns regarding those with slow onset illnesses missing out on housing and felt the Council should review this with health agencies should be investigated with health agencies to see if there is a distinct housing issue for this group which isn't being addressed under existing policy.
38. Feedback from Victoria University and Massey University Student Association indicated that City Housing could support people that have difficulty fitting existing student accommodation and/or who are endeavouring to access tertiary education (for example refugees and migrants, post graduate students, disabled students etc.)

How should we structure our rent discount to reflect different tenants' situations?

39. At present approximately 25 percent of tenants receive superannuation, 40 percent of tenants are dependent on benefits, the balance of tenants in the portfolio receive the majority of their income from paid employment.
40. A comparison of City Housing rent increases over the last ten years against increases to benefits seems to support the perception of tenants that those on benefits are increasingly struggling financially. While Superannuation has kept pace with rent increases, other benefits such as Job Seeker have not. Over the last ten years City Housing rents have increased on average by approximately 40 percent; superannuation has increased by 40%; but benefits such supported living, job seeker and sole parent support increased by approximately 20 percent.
41. Officers consider that there is merit in exploring rental policy that better matches a tenant's personal circumstances. This is reflected in the submissions that state rent should be income based.

Affordable Rent Limits

42. Officers consider that the provision of the additional discount for tenants whose rental costs are more than 35 percent of their income should be reviewed. In most cases tenants that receive this discount have their Accommodation Supplement (and other benefits) reduced based on the reduced rental. The net effect is that this it is often of little benefit to the tenant with a reduction in rental income to the Council.
43. It was also noted in the submission from CHA that while we have a rent affordability upper limit, we do not have a lower limit i.e. we could have tenants who are paying less than 20 percent of their income in rent.

Over 80s Rent Freeze

44. Currently we do not increase the rent for any tenant over 80 years of age. Tenants felt that all over 65s were in the same circumstances as the over 80s and should be considered for a rent freeze.
45. The practical issues raised by elderly tenants in focus group discussions were issues such as assistance with shopping, mobility etc. An assistance package supporting these tenants may be more appropriate and could then be extended, depending on a tenant's circumstances, to those under 80 years of age. There would be a question of who should provide such a service and how this would be funded if this was to be explored.
46. Given that superannuation has generally kept pace with the rental increases, compared to other benefits, maintaining the rent freeze is difficult to justify from a policy position.

Rental Caps

47. This aspect of the policy also needs review as just because the rent has increased does not necessarily mean the tenant is unable to pay. It is administratively time consuming to administer and some tenants are on minimal rent reductions (less than \$5/week) due to the set value of the limits.

Self employed

48. The self-employed raise a unique issue. While the Council supports people getting ahead, it is difficult to assess the tenant's actual income levels and eligibility. The Council has also been unable to establish information sharing arrangements with agencies such as MSD or Inland Revenue.
49. While many are genuine, there is risk that some are taking advantage of this to access the lower rent in Council housing. Officers consider that this issue needs to be addressed in the policy review.

How should we review our rents?

50. Concerns about the scale and frequency of rent increases raised by tenants probably reflects the impact of benefit and wage increases not keeping pace with rent increases.
51. However if the Council was to move to less frequent reviews, this places greater risk on both the Council and tenants. Each rent review would potentially be larger and more difficult for many tenants to manage.
52. The valuation process could be independently reviewed to ensure the current process is robust and also verify that rental levels are set correctly. However based on the comparative information available our rental levels are close to those charged by Housing New Zealand and are within the expected maximum levels for social housing agreed by MSD. A formal review is therefore not recommended.

How should we help tenants move on?

- 53. There is a wide range of feedback in this space. There was general acceptance of the fact that the Council should not be housing, or at least providing significant rental discounts to, permanent tenants on higher incomes at the expense of housing those more vulnerable and with higher needs.
- 54. The question remains as to how to facilitate the process of tenants moving to independence. A clear business case would need to be made in order for the Council to be involved beyond facilitating access to information from other agencies and organisations so that tenants can make informed choices.
- 55. There was support from community housing providers to assist the Council in this area, and the Council has been supportive of these provider's efforts in providing affordable housing.
- 56. If the Council was to undertake a role in facilitating any form of affordable housing options for tenants beyond its current role as a landlord, then these would be a separate policy work programme beyond the scope of the current review process.

Next Actions

- 57. As noted previously the issues involved in this policy are complex. It is planned to provide a draft policy to the Community Sport and Recreation meeting on August 15. This timeframe will allow the policy review to progress but it is unlikely that all of the issues identified in the consultation will be able to be reviewed in that timeframe.
- 58. A further work programme will also be included for those areas which will need additional work to be completed before they can be considered in a policy position.
- 59. If it is agreed by the Committee, the draft policy would be available for consultation and a consultation plan will be included with the August paper.

Attachments

Attachment 1.	Mayoral Letter to the Minister for Social Housing	Page 42
Attachment 2.	MSD's Social Housing Purchasing Role	Page 45
Attachment 3.	Summary of Submissions	Page 46

Authors	Geoff Lawson, Principal Programme Adv,Policy, Peter Hunter, Business Services Manager
Authoriser	Greg Orchard, Chief Operating Officer

SUPPORTING INFORMATION

Consultation and Engagement

This paper summarises the consultation undertaken earlier in 2015 with tenants and other agencies on the Social Housing Service Policy.

Treaty of Waitangi considerations

The consultation documents were made available to local treaty partners

Financial implications

There are no financial implications resulting from this paper.

Policy and legislative implications

There are a wide range of policy issues raised in this paper which need to be addressed as part of the forward work programme.

Risks / legal

These need to be fully considered as part of any policy changes

Climate Change impact and considerations

Not applicable

Communications Plan

A communication plan will need to be developed as part of any changes that may subsequently be agreed as part of the policy review.

5 May 2015

Hon Paula Bennett
Minister of Social Housing
Parliament Buildings
Wellington 6160

Dear Minister,

Re: Social Housing Reform and Income Related Rent Subsidies

Local government, as you are aware, is a key provider of social housing in New Zealand currently providing more than 13,000 housing units. Auckland, Wellington, Christchurch and Tauranga City Councils are working collaboratively to improve social housing provision for their residents.

The Councils support the intent of the Government in endeavouring to grow social housing provision and to stimulate innovation in this sector. We also strongly support Government's intention to create a level playing field for both tenants and social housing providers. However, we consider that social housing tenants in the same circumstances should have equitable access to government assistance irrespective of their landlord. This is not the case for tenants with a local government landlord. Local government should not have to bear the risk and cost of ensuring that rents are affordable when this cost is met by central government for all other social housing tenants.

Under the Housing Restructuring and Tenancy Matters (Community Housing Provider) Regulations 2014, local government is excluded from registration as a community housing provider. Consequently, our tenants cannot access Income Related Rents Subsidies (IRRS) that are available to Housing New Zealand and any eligible Community Housing tenants. Our tenants are effectively excluded from the "level playing field" envisaged by Government's original legislation.

We ask that the Housing Restructuring and Tenancy Matters (Community Housing Provider) Regulations 2014 be amended to allow local government to apply for registration as a community housing provider so that any eligible tenants are no longer disadvantaged by this exclusion and can access to IRRS assistance. We would be happy to discuss any conditions that might be placed on local government housing providers to enable this to happen.

Wellington City Council

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We note in the recent Cabinet paper "Social Housing Reform Programme: initial step and future state for purchasing social housing placed for clients (Paper Two)" signalled that in the future state the Ministry of Social Development (MSD) may consider purchasing housing services from a "wider cohort of non-HNZC providers (e.g. local government)". We welcome this move and consider that MSD purchasing housing services from local government providers would be a major step forward in integrating housing for all social housing tenants.

Extending IRRS to local government

Extending IRRS would ensure that all social housing tenants and landlords would be required to work under the same set of rules and improve and streamline their services to tenants. We should be working together on an integrated approach where there is a common interest and where there are administrative efficiencies to ensure those in need receive the most appropriate housing.

We consider that the net cost to government of extending IRRS to local government is relatively low as the Crown would only incur the difference between the level of Accommodation Supplement currently paid and the full IRRS payment for any new tenants that are eligible for IRRS.

Councils can restructure their housing businesses and transfer ownership to a community housing provider to enable eligible tenants to access IRRS. A number of Councils are considering this option. However, the transaction cost involved with transferring ownership is high and is incurred upfront while the financial benefits are only realised over an indeterminate and extended period of time as IRRS is only available to new tenants. This places a very real constraint on Councils involvement in this new social housing framework under the current settings. As a result some Councils are pursuing options to exit their housing services. This appears to be a high cost strategy to achieve something that could be achieved more easily if it was negotiated with the local government social housing providers.

Central government needs to provide clear messages about the role of local government in social housing to reduce the potential for unintended consequences, and ensure the prudent use of public resources irrespective of the funding source by either the taxpayer or the ratepayer.

Accommodation Supplement

Without access to IRRS, one of the major issues we face in providing affordable rental housing for vulnerable tenants is how Accommodation Supplement is structured. For rent to be affordable for our lowest income tenants, we have to reduce our level of rents commonly by 20 – 40% of market rent or by charging rent as a percentage of the tenant's income. These tenants subsequently have their Accommodation Supplement payments reduced. In any circumstance where Councils assist tenants meet their rental payments, the Accommodation Supplement is further reduced. There is some inconsistency in the approach where support from IRRS is not recognised as a tenant's income but any assistance provided by local government to low income tenants is recognised as either income or a rent reduction and the tenant's eligibility for housing assistance is reduced.

The structure of Accommodation Supplement results in local government bearing the risk of affordability for these tenants where this cost is met by the Crown for other social housing tenants. This undermines the long term viability of delivering these services and our ability to provide suitable housing for these tenants.

There are also a number of opportunities to improve service effectiveness such as considering how we can improve the registration of our eligible tenants, improving access, streamlining process and providing a point of audit for MSD. We understand that some Councils have a good working relationship with MSD. It would be worthwhile considering a broader agreement across Councils that will assist in meeting both MSD's and Council objectives.

We are eager to work with Government

As outlined in our recent letter to you seeking your support to improve rental housing standards we are keen to work with Government to improve rental and social housing in New Zealand.

We are interested in meeting with you to discuss this issue in more detail at your earliest convenience and we look forward to your response.

The Mayor of Christchurch supports this approach but has not signed the letter as the Christchurch City Council has decided to establish a Community Housing Provider in which it will have a minority share.

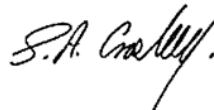
Yours Sincerely,



Celia Wade-Brown
Mayor of Wellington



Len Brown
Mayor of Auckland



Stuart Crosby
Mayor of Tauranga

ATTACHMENT 2: MSD SOCIAL HOUSING PURCHASING ROLE¹

	Description	Rationale
1. Information	<p>Provision of information about:</p> <ul style="list-style-type: none"> the register for social housing supply and demand projections expected funding. 	Information supports the growth and operation of the market by sending strong signals to housing providers.
2. Contracting arrangements	<p>Settings in contracts with housing providers: eg short term or long term, outcomes-based for specific segments.</p> <p>Availability of other funding, eg capital grants and the criteria to access these.</p>	The way that social housing is purchased and contracted strongly influences incentives on providers (eg to enter the market, to develop properties, and to offer places to MSD's clients).
3. Tenant referral and placement process	How people on the social housing register are allocated to social housing providers and places.	This process influences how good the match is between tenants' need and the place they are offered.
4. Policy	Fundamental policy that governs demand (the needs assessment criteria in the Social Allocation System), and rental subsidies (Accommodation Supplement and the Income Related Rent Subsidy).	<p>Policy provides the boundaries within which the purchaser role operates and set incentives for both tenants and housing providers.</p> <p>Policy is designed to support good housing outcomes for tenants.</p>
5. Tools to support independence	For example, tenancy reviews, financial incentives to encourage independence, and accessing alternative housing options.	Tenants face a number of disincentives to transition out of social housing, which can be shifted through the active use of tools. This frees up housing places for those most in need.

¹ <http://www.msd.govt.nz/about-msd-and-our-work/work-programmes/social-housing/purchasing-intentions/future-market-directions/social-housing-reform-programme-overview.html>

ATTACHMENT 3: SUMMARY OF CONSULTATION FEEDBACK

Respondents have provided feedback that indicates changes to the current policy should be considered. In particular, a number of key themes have been identified and these are summarised below under each question asked in the consultation.

1 WHO SHOULD WE HOUSE? HOW SHOULD WE SET THE ELIGIBILITY CRITERIA?

Current policy

To be eligible for Council housing an applicant must be:

- Over 18 years of age
- A New Zealand Citizen, a New Zealand resident or able to apply for New Zealand residency status
- In housing need. For example, the applicant cannot afford to rent in the private market, they are living in overcrowded accommodation or they are experiencing discrimination in the private market.

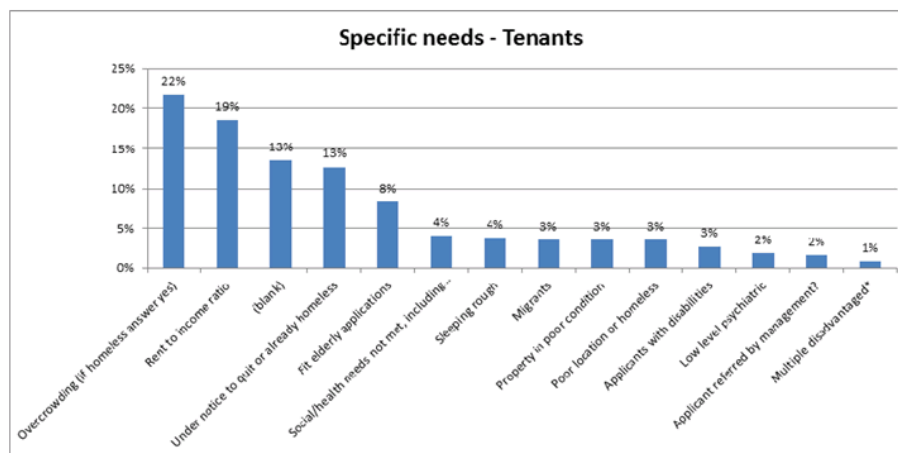
Applicants must also earn less than 60 percent of the median income in Wellington City. The median income for different household types is extrapolated from the medium income for a couple using the Lazear scale. There are 13 different income thresholds extrapolated from this to fit various household types. This is a level of complexity that is perhaps not required and it is not replicated by other agencies.

The median income in Wellington is high in comparison with other parts of New Zealand. Under the current policy a single person will be eligible for housing if they earn less than to \$45,188 per annum after tax and excluding Accommodation Supplement (i.e. this equates to income of approximately \$54,000 pre-tax). It should be noted that a single person earning \$54,000 per annum would not be eligible for rental housing support either as Income Related Rent or Accommodation Supplement and the majority of households at this level are housed in the private rental or home ownership markets.

If an applicant meets the above criteria they will be placed on City Housing's waiting list. Priority for housing is given to individuals that are classified as:

- fit elderly (Those able to maintain an independent lifestyle at the time of application)
- refugees and migrants (Recently arrived through the quota, asylum seekers accepted by the immigration service as refugees, and people entering the country under humanitarian or family reunification categories)
- people with low level psychiatric conditions (Those people able to maintain an independent lifestyle with minimum supervision and support)
- people with disabilities (People with specific accommodation needs as they have a disability)
- people with multiple disadvantages (Households with characteristics that make them vulnerable in the housing market. For example this includes people who are homeless, sole parents and ex-prisoners).

The data analysis of who we house includes the following for the year ending June 30 2014.



Our applications are primarily driven by issues of affordability, overcrowding or in need of housing. The priority applicants are a subset of applications with the fit elderly being the largest group of priority applications.

	Bedsit	1 bdrm	2 bdrm	3 bdrm	4 bdrm	6 bdrm	Total
Single person	69	21	1		1		92
Single person (X)	2	32					34
Single + others			9	1	1		11
Couple alone		21	1				22
Couple with children			21	9		1	31
Solo parent	1		21	4			26
Total	72	74	53	14	2	1	216

Those housed (67%) tend to be bedsits or 1 bedroom and are single households and 57% of those housed, are housed within 30 days of application. Most of those who wait for longer periods are waiting for an appropriate house (location, amenity and size) to become available.

1.1 Tenant and individuals feedback

Most respondents felt that the Council is housing the right people. However, a number of people felt that:

- the Council should not house refugees. It was felt that because central government agrees the refugee quota as part of its international agreements, refugees should be housed by Housing New Zealand (they then also have access to IRR).

- refugees and migrants should not receive priority for housing over other residents in housing need.
- homeless people should more explicitly be a priority identified in the policy
- the Council should not house gang members.
- people with psychiatric conditions should not be housed by the Council unless there is adequate support for their changing needs.
- the Council should differentiate between the types of ex-offenders they house. High risk offenders should not be housed by City Housing.
- the Council should consider peoples previous behaviour before allowing them to access housing. The Council needs to ensure the quiet enjoyment of other tenants as outlined in the Residential Tenancies Act.

Tenants' feedback with regard to the income thresholds was mixed. Some tenants felt the thresholds were too high "City Housing is for poor people, people earning around \$54,000 shouldn't be in the flats"; others considered the income thresholds were fair as they are still representative of a low income.

1.2 Feedback from community housing and social service providers

CHA/Architecture Centre/Dwell/Mana Newtown/Salvation Army/City Mission/Victoria University	<ul style="list-style-type: none"> • Current priorities are appropriate • Continued provision to high needs tenants • Preference should be given to those on low incomes, elderly and those with disabilities
CHA	<ul style="list-style-type: none"> • 60% of median income seems too high. Highest median income in NZ. A modest reduction to 55% with a review in 5 yrs is recommended.
Community Networks Wellington	<ul style="list-style-type: none"> • Want to ensure that the most vulnerable access WCC housing • Eligibility criteria should include asset testing
Regional Health	<p>The following should be priorities:</p> <ul style="list-style-type: none"> • Maori, Pacific and other ethnic minorities • Refugees newly settling in Wellington • People leaving prison • Single income families • Older people • People living with a disability or poor mental health • People with poorer health outcomes and higher rates of preventable illness due to poor housing conditions (e.g. rheumatic fever, skin infections, respiratory illness) • Recommends income criteria remain at 60% of the median

	income
CCS Disability Action	<ul style="list-style-type: none"> Broadly agree with current priorities but people with disabilities should be prioritised. Also need to take a broad view of impairment and disability rather than thinking just about physical impairment.
Massey Wellington Student's Association	<ul style="list-style-type: none"> Students and young people are often overlooked. Within the youth population there is a lot of homelessness (couch surfing, sleeping in cars etc). Referral to night shelters is not appropriate for younger people. Need to make homeless students a priority.
HNZC	<ul style="list-style-type: none"> Might be useful for WCC to consider targeting those housing applicants who don't quite qualify for state housing. Focus on applicants that need one bedroom properties where there is the greatest gap between supply and demand.

1.3 Officers' preliminary views

Refugees and Migrants

The table below shows the number of households housed that had the Mangere Centre as their application address.

Period	Refugee H'holds housed	Refugee H'holds still on Wait List	Total H'holds housed from the Standard Wait List
2015 (5 months)	12	3	172
2014 (12 months)	5	0	296
2013	23	0	240
2012	11	0	223

If the argument is followed that housing refugees is a central government responsibility therefore they should not remain a priority group, for Council housing this would free up more housing and increase the availability for other priority groups. It needs to be noted that if households with refugee status are housed with City Housing they are unable to access IRR which they would be eligible if they were housed elsewhere by MSD.

In terms of migrants, many applicants are born outside of New Zealand. The policy itself needs a clear definition for when someone is considered a migrant for Council housing purposes (i.e. how long does an individual or family need to be in New Zealand before they are no longer classified as a migrant). Of those housed in the year to 30 June 2014, 94 of 216 were migrants (born outside of New Zealand) however only 13 received priority points as they were recent migrants.

Given the feedback officers consider there is merit in further clarifying this definition. Immigration is a central government matter and the Council needs to consider clarifying this issue in our policy.

The homeless

Regarding the homeless, officers support homeless applicants receiving priority for housing. However it needs to be recognised that homeless people often have high and complex needs and these wider needs must be considered in any response. This needs to be done in conjunction with the appropriate support agencies for this cohort of applicants. MSD is currently undertaking a review of how it purchases services for the homeless and the results will be important in determining any outcome.

The Council has collected 'homelessness' data using the Statistics NZ definitions released in 2009. Since then we have received 4,151 standard applications which resulted in 1,689 new tenancies of which 14 percent were classified as being homeless. Of the current wait list of 297 standard tenancies, 27 percent are classified as homeless.

	Temporary Accommodation	Without Shelter	Uninhabitable Building	% homeless
1,689 new tenancies	194	51	0	14%
297 Standard wait list	68	12	0	27%

Other tenants

Officers also consider that concerns raised about housing people with psychiatric conditions and ex-offenders should be addressed within our tenant placement policy and by working with specialised support agencies and supported housing providers. Like other tenant groups with complex needs there is a bigger issue here of how the other support agencies (in the Health and Justice sectors) are meeting the needs of these groups.

Income Thresholds

Officers also consider that the income threshold for entry into a Council house should be reviewed in conjunction with a review of rental subsidies. The associated issue that needs to be considered is if the upper levels of income bands should be able to access Council housing and if so, at what level of rental discount.

Under the current policy the income thresholds are set based on 60 percent of the median income for a couple in Wellington. The level of 60% of the median income is an agreed international benchmark below which the incidence of poverty related factors in households is recognised to increase.

However, Wellington's median incomes, upon which the calculation used to determine the income thresholds for different household types is based, are high compared to the rest of New Zealand.

While the cost of living might be higher in Wellington, this issue results in:

- higher upper income limits than might be expected
- income limits that do not appear to accurately reflect different household types

- some people being eligible for Council housing (and discounted rent) when they would not be eligible for income or housing assistance from any other source.

For example, a single person applicant can earn well above the Wellington City median income and still be eligible for Council housing. In the 2013 Census, Statistics New Zealand, states that the median income for a single adult household living in Wellington City was \$44,800 (before tax). In this case, 60 percent of the median equates to \$17,920 (before tax). Using the Council's calculation to extrapolate the median income from data based on the median income for a couple, a single adult earning up to \$45,188 (after tax and before Accommodation Supplement) or approximately \$55,000 (before tax) is eligible for City Housing.

This means that:

- providing they are in housing need (affordability etc), the majority of single households in Wellington would be eligible to apply to City Housing. This is probably not the intended policy position.
- it is also unlikely that single households will leave City Housing unless their circumstances change as they will continue to be within the income limits.

The use of the Lazear equivalence scale to define income thresholds by household size needs to be reviewed. There are a number of issues here:

- we use a large number of household types when we generally house a limited number of these households so it could be significantly simplified.
- it introduces a level of complexity that is not required in practice.
- it uses the couples household income as the base which may not be the most appropriate reference point. Different results would be obtained, for instance if regional income data or the singles household income was used.
- it is a relatively unsophisticated measure and does not take into account numerous variables such as discrimination or fit for market tenancies (sole parents etc) who we might choose to house even at market rent.

This must be reviewed to ensure that the Council can have confidence its policy is meeting the expectations that have been set for the housing portfolio.

Self Employed Tenants

A particular issue has been identified with self-employed tenants. It is difficult to assess and verify household income levels for this group of tenants or applicants.

They have greater ability to manipulate their income information to fit within the criteria if required. This situation needs to be reviewed and a decision made on the eligibility of self-employed households applying for housing. If they remain eligible a decision then needs to be made on the level of rental discount that they can access.

It has been difficult to establish information sharing arrangements with central government agencies which might improve the level of information and levels of compliance for this group of tenants.

2 HOW SHOULD WE SET OUR ASSET THRESHOLDS?

Current policy

To be eligible for City Housing applicants and tenants must have less than:

- \$38,115 worth of for tenants aged 50 and younger
- \$54,450 worth of assets for tenants aged over 50.^{1 2}

These thresholds are adjusted for inflation.

The original premise of these criteria was to allow tenants to save for a house deposit within Wellington or for older tenants to generate some investment income. Minutes of the Housing and Community Development Committee on 27 July 1994, set these levels and it was commented “\$35,000 would provide a 25% deposit on an average home at \$130,000 (the average price for a unit in Wellington city is \$126,000 and the median house price is \$149,000). When an applicant has the resources to purchase a home they should not be eligible for Council accommodation”.

Under the current policy when tenants are earning above the threshold or have assets above the threshold, they will be given one year to find alternative accommodation. During this time, the tenant’s circumstances may well change again. In these cases where a change means a tenant is back below the income and asset thresholds, they will once again become eligible and will not be required to leave their home.

During this one year period rent is increased as follows:

- to 90 per cent of market value for those exceeding the income and/or asset thresholds by up to and including 20 per cent
- to 100 per cent of market value for those exceeding the income and/or asset thresholds by more than 20 per cent.

2.1 Tenant and individuals feedback

The tenant and individual feedback process uncovered a number of concerns with current asset limits:

¹ By comparison MSD’s eligibility for Income Related Rent has an asset limit of 10% of the national median house sales price. As at 1 April 2015 this is \$42,700. A client with this level of assets or more may be able to use the asset for a deposit for a house in the private market and therefore be able to address their own housing need. An applicable person (prospective tenant and their spouse or partner) must jointly have cash assets under this threshold.

² A client can receive Accommodation Supplement if they (and any partner) have cash assets that are less than the following. For a single person: \$8,100. For a married, civil union or de facto couple, or sole parent: \$16,200. If cash assets are greater than these amounts, the client cannot receive Accommodation Supplement. If cash assets are less than these amounts the rate of Accommodation Supplement payable is reduced.

- for many tenants the limits are irrelevant as they do not have the ability to save
- the limits for the under 50s are too low
- limits need to be future proofed. Perhaps linked to some indicator such as lower quartile house price deposit requirements
- limits should not include funds in KiwiSaver
- limits should be higher if proof of regular savings towards the purchase of a house is provided.

2.2 Feedback from community housing and social service providers

<i>CHA/Dwell</i>	<ul style="list-style-type: none"> • There should be an asset limit on entry and then a different limit applied after entry. • The current limits are inadequate to meet a 20 percent house deposit. • The limit for over 50s should be increased in line with increased costs of living.
<i>Public Health Association</i>	<ul style="list-style-type: none"> • The current asset limits may be set too high. This cash asset limit may need to be re-examined in consultation with the relevant social agencies.
<i>Regional Public Health</i>	<ul style="list-style-type: none"> • Asset limits should be reduced to \$5,000. The Council should focus on those with the lowest incomes and higher levels of need and this should be reduced in line with this focus. • The Council should work with other providers to set up alternative options for people with larger cash assets.

2.3 Officers' preliminary views

Asset limits are problematic because:

- they are difficult to validate
- they rely on the honesty of the individual to disclose what cash assets they own
- limits can result in perverse behavior when the choice is to either disclose cash assets or lose your housing unit. Faced with this choice some tenants might choose either to not disclose or to take steps to move the assets out of their name. Neither is a desirable outcome.

In principle the aim of allowing people to save for a deposit is good and examples were given where this has happened. The recommendation that there be a higher threshold for tenants who can demonstrate a savings plan is worth considering. These tenants could have higher limits where they are on this plan and this moves the limits to a more positive incentive.

Consideration should also be given to the role Council could play in assisting tenants who are able to save into home ownership with the assistance of central government schemes like Kiwisaver and Welcome Home Loans.

Some tenants receive windfall gains (inheritances etc) and consideration needs to be given as to the impact of this on tenancies or rental subsidies. .

When deciding cash asset limits the type of tenant (e.g. senior citizen, supported living beneficiary), their ability to save and move on to home ownership, and their particular situation should be the guiding factors not the age of the tenant (under 50 years versus over 50 years).

The Council's policy already accommodates change in financial circumstances to some extent by moving households to near/market rent when they exceed the asset thresholds. The question is whether this is sufficient particularly for those tenants with limited alternative housing options particularly where termination of tenancy is required.

3 ARE ANY GROUPS MISSING OUT ON HOUSING? WHAT ARE THE BARRIERS TO RENTING IN THE PRIVATE MARKET? SHOULD WE CONSIDER PROVIDING RENTAL ACCOMMODATION TO KEY GROUPS?

Current policy

Applicants must meet a set of eligibility criteria based on need, income and assets.

3.1 Tenant and individual's feedback

Most tenants felt that the most significant barrier to renting in the private sector was rental costs. Other barriers identified include prejudices based on race, culture, gender, sexual orientation, alternative lifestyles or life history (police records etc),

Overwhelmingly tenants felt that key workers like hospital staff and police are more likely to be able to access alternative housing options and should not be housed by the Council unless they meet the eligibility criteria outlined in the policy.

A number of tenants were also concerned that some people in need are missing out on housing. Almost all tenants said they found out about City Housing via a friend or colleague (i.e. word of mouth) therefore concern was raised that some people in need without networks may be unaware that such assistance is available.

Some tenants also felt that:

- those with slow onset illnesses such as arthritis or Parkinson's disease should also be a housing priority
- there are a growing number of single people in their 50s that are likely to need housing assistance in the future.

3.2 Feedback from community housing and social service providers

City Mission	<ul style="list-style-type: none"> • Affordability/ moving away from the city to suburbs can create a breakdown in support networks • Those discriminated against because of age, debt, health and disability, convictions, tenancy history, language barriers and family size are the most vulnerable in our communities. WCC should prioritise housing for these groups • WCC should consider providing housing to applicants in casual minimum wage employment (for example hospitality, cooks, cleaners and care givers). It is also important to consider those whose ability to work could be jeopardized by location of housing (e.g. lack of transportation)
Public health	<ul style="list-style-type: none"> • Race, family status, mental health issues, income status

	<p>and a lack of references are all barriers to housing. Large families on low incomes find it particularly difficult to find accommodation</p> <ul style="list-style-type: none"> Given current demand do not support extending eligibility to key groups. Housing should be for low income people. If demand changes (for example an earthquake rebuild requiring worker housing in the city) this may need to be re-examined. Supports provision of housing to low income or minimum wage earners and those on zero hour contracts with little financial security. Supports provision of housing to students who experience discrimination (need to work with tertiary institutions to plan provision of accommodation) Does not support provision to teachers, nurses or medical staff. Professional groups are financially able to access housing in the private market
CCS	<ul style="list-style-type: none"> Disabled people often find it difficult to find accommodation suitable to their needs Shortage of accommodation of all sizes Population is aging; there will be increased need for accessible properties Thinks the Council should reduce the waiting list to zero before extending eligibility to key workers.
Victoria University	<ul style="list-style-type: none"> Cost of private accommodation (incl bonds, set up costs, utilities). Access to cheaper rent in the suburbs results in increased transport costs offsetting any savings. Bus and train fares should be discounted which might facilitate access to cheaper housing in suburbs. Would like to see WCC continue to support refugees and social housing in central locations ensuring ease of access to the various tertiary learning environments based in Wellington. Students with disabilities require prioritised assistance to ensure there are no barriers to learning. There is potential to improve communication between the University and WCC staff tasked with managing these groups needs to ensure that they are supported holistically.
Massey University	<ul style="list-style-type: none"> Students are entitled to less accommodation supplement

<p>students association</p>	<p>than other recipients. Students are often looking for housing at peak times which means supply is limited. There is a common attitude that it is ok for students to be in damp and mouldy houses. Having accommodation for students would be helpful - somewhere that is warm, dry and healthy.</p> <ul style="list-style-type: none"> • Most accommodation is in a shared flat. For some students this is not appropriate or financially achievable.
<p>Dwell/CHA/Community Networks Wellington</p>	<ul style="list-style-type: none"> • We do not think extending eligibility to key workers is an issue at this time. Issue should be monitored and considered in future reviews • While it is a good idea to create housing complexes from across socio-economic spectrum, we cannot support extending eligibility while there is a shortage of housing in the city.
<p>Salvation Army</p>	<ul style="list-style-type: none"> • WCC should house those most in need and for whatever reasons are not able to access HNZN properties. Prioritise those facing significant hardship with a particular focus on families and the homeless. • Refugees – opportunities for WCC to work with agencies such as the Salvation Army and the Refugee Family Reunification • Young armed forces officers and students are a key market to consider for social housing
<p>Architectural Centre</p>	<ul style="list-style-type: none"> • If the Council houses key workers this should be in addition to the current housing stock. • Housing key workers would signal a shift from social to affordable housing, and providing new stock could assist with intensification on the growth spine

3.3 Officers' preliminary views

Most of the groups identified by submitters as being in need of consideration for eligibility for City housing already fall within our existing entry criteria (income and housing need). The issue appears to be more the lack of awareness that City Housing is available or the perception that City Housing is "pensioner" housing. Current initiatives to raise the profile of City Housing will go some way towards addressing this issue.

Concerns that those with slow onset illnesses are missing out on housing should be investigated with health agencies to see if there is a distinct housing issue for this group which isn't being addressed under existing policy. Addressing concerns about the growing number of elderly people that are likely to require housing in the future is outside the scope of the Social Housing Service Policy Review. These concerns should be considered by City Housing as part of their business as usual activities and demand forecasts.

4 HOW SHOULD WE STRUCTURE OUR RENT DISCOUNT TO REFLECT DIFFERENT TENANTS' SITUATIONS?

Current policy

Each year an independent valuer assesses and determines a market value for a sample of City Housing properties. A market rental values for the remainder of the portfolio is based on the sample assessed.

Most tenants then pay 70 percent of the market rental value of the property. The same rental is paid irrespective of household circumstances or ability to pay.

Some tenants pay less than 70 percent because:

- there is a maximum rent increase of \$20 per week for a single tenant and \$30 for two or more adult tenants. These caps stay in place until the next rent review. This maximum equates to around a \$6 or \$9 increase per week for most tenants with the remainder paid by the Crown via Accommodation Supplement.
- rents are frozen for tenants once they reach 80 years of age
- the Council provides an additional subsidy for any tenant whose rent exceeds 35% of net household income after tax (not including the disability allowance) and after Accommodation Supplement entitlement.
- when tenants are earning above the threshold or have assets above the threshold, they will be given one year to find alternative accommodation. During this time the tenant's circumstances may well change again. In these cases, where a change means a tenant is back below the income and asset thresholds, they will once again become eligible and will not be required to leave their home.

During this one year period rent will be increased as follows:

- to 90 per cent of market value for those exceeding the income and/or asset thresholds by up to and including 20 per cent
- to 100 per cent of market value for those exceeding the income and/or asset thresholds by more than 20 per cent.

4.1 Tenant and Individual feedback

Almost all tenants were concerned for those who are financially struggling. Generally those struggling were perceived to be individuals on job seeker or supported living benefits and families (sole parent families and families with children under the age of 18).

Some tenants voiced concerns about basing rents on market valuations. "The market values keep rising but benefits do not, at some point beneficiaries will not be able to afford City Housing units". The majority of tenants felt that it would be fairer to base rents on a tenant's income. "The social housing rent you pay should have nothing to do with the location of the unit".

Tenants felt that rent setting should take into account people's individual circumstances and that those on higher incomes should pay a bit higher rent than those on low incomes. "I don't think everyone should get the same rental discount, there should be a sliding scale of discounts available for people on different incomes".

Some tenants also highlighted issues with the additional subsidy for tenants whose rental costs are more than 35 percent of their income. Tenants felt the subsidy was a great idea however pointed out that those receiving a benefit from Work and Income have their benefits reduced on receipt of the subsidy.

Many tenants also felt the rent freeze provided to tenants over 80 years of age should be extended to other groups on fixed incomes such as those over 65 years of age and those on benefits.

4.2 Feedback from community housing and social service providers

<p>Mana Newtown/Community Networks Wellington/Massey Students Association/City Mission</p>	<ul style="list-style-type: none"> • Rents should be based on income and set at levels the tenants can afford • Should be based on asset and income testing and set at a rate that is relative to the tenants income • Rents should be pegged to available income especially if there was a doctor's certificate saying that work and/or study is not in the tenants best interests • Recommend that the best way to structure the rent discount is by a sliding scale with an income related rent which ensures those at the bottom end are able to access affordable housing. This is crucial. Those on low incomes are at most risk of homelessness, debt and not meeting essential costs such as power and food. There is a much finer line between affording everyday household costs and losing it all when there is very little money to play with. Housing must be financially viable and secure in order to enable families and individuals to be socially and economically mobile.
<p>CHA/DWELL/CCS/Pu blic Health Association</p>	<ul style="list-style-type: none"> • Current rent settings can result in higher income households paying below market rents when they can afford to pay more. For a more equitable outcome, the Council could consider setting rents at 30% of income or full market rent, whichever is the greater. • Recommend the implementation of an income related rent. Supports 70 percent of market rental as a base for Council properties. • Suggests the Council look at modelling various scenarios of a stepped rent discount system related to the income and circumstances of the household to ascertain what impacts this

	might have
Regional Public Health	<ul style="list-style-type: none"> • Recommends Council works in partnership with CHPs to access IRRS for tenants in highest need.
Salvation Army	<ul style="list-style-type: none"> • Recommend that the greatest level of assistance should be to those in greatest need. Consequently there should be a discounted level for the unemployed. • There should be an annual income assessment and if the persons income was above threshold criteria they should be given 2-3 months notice. In such situations WCC should work with those given notice to assist them find suitable alternative accommodation and the house be made available for a person or family on a lower income. • May be possible to partner with a CHP to access IRRS. WCC could form a partnership to provide wrap around social services to the tenants. Ownership structures would need to be explored but this type of partnership would assist tenants as their rent would be set at 25% of income. The CHP and WCC would share the IRRS up to market rent.
Victoria University	<ul style="list-style-type: none"> • Any assessment of rent payment must be based on a case by case assessment or at least regular reviews to ensure it is fair and equitable, and to ensure the Council is using its housing resource as effectively as it can.
Benefit Rights Service	<ul style="list-style-type: none"> • The WCC policy of ensuring that rents are no more than 35% of a tenant's income is admirable, but there are serious concerns about the practicalities of its implementation. The original idea was that the subsidy was treated as income, rather than a reduction in tenant's accommodation costs. While good in principle, in practice this does not work.

4.3 Officers' preliminary views

At present approximately 25 percent of tenants receive superannuation, 40 percent of tenants are dependent on benefits, and the balance of tenants receive the majority of their income from paid employment.

A comparison of City Housing rent increases over the last ten years against benefit increases seems to support the claims of tenants that those on benefits are increasingly struggling financially.

While superannuation has kept pace with rent increases those on benefits have not. Over the last ten years City Housing rents have increased on average by approximately 40 percent; superannuation has increased by 40percent, but benefits such supported living, job seeker and sole parent support increased by approximately 20 percent.

Benefit	2006	2015	% change
Jobseeker support³			
Single 25 and over	\$173.92	\$210.13	20.82%
Married/civil union/de facto couple with or without children*	\$289.84	\$350.20	20.83%
Sole parent support⁴			
Sole parent*	\$249.10	\$300.98	20.83%
Supported Living Payment⁵			
Single 18 and over	\$217.38	\$262.64	20.82%
Married/civil union/de facto couple with or without children* (total)	\$362.32	\$437.72	20.81%
Disability Allowance⁶			
Standard Disability Allowance (Maximum)	\$51.04	\$61.69	20.87%
New Zealand Superannuation**			
Single living alone	263.90	\$374.53	41.92%
Single, sharing	243.60	\$345.72	41.92%
Married couple both qualify (total)	406.00	\$576.20	41.92%

City Housing Average Rental Rates

	2005	2014	% change
Average Rental per week (70% of market rent)	\$184.31	\$257.42	39.7%

Officers consider that there is merit in exploring rental policy that better matches a tenant's personal circumstances. This is reflected in the submissions that state rent should be income based.

MSD has recently differentiated the social housing market into the following groups.

Income Related Rent Housing New Zealand tenants 64,315 tenants			Accommodation Supplement Private Market 290,000 people	
37% Limited ability to increase Income	42% Current need but with potential to move on	21% Potential to move in the short term	47% On-going assistance or supply side interventions	53% MSD levers to assist moving to independence
National Super	Sole Parent Support	Non- beneficiaries with low IRRS	National Super	Sole Parent Support
Supported Living payments	Jobseeker Support	Beneficiaries and market renters (low rent)	Supported Living payments	Jobseeker Support
	Non-beneficiaries with high IRRS (low income/high rent)		Non-beneficiaries with high AS (low income/high rent)	

³ Previously *Unemployment Benefit*. Change to benefit name was made as part of the 2013 Welfare Reforms.

⁴ Previously *Domestic Purposes Benefit*. Change to benefit name was made as part of the 2013 Welfare Reforms.

⁵ Previously *Invalids Benefit*. Change to benefit name was made as part of the 2013 Welfare Reforms.

⁶ Disability Allowance is not a main benefit. It is paid in addition to a beneficiary's main benefit and can also be paid to low income earning non-beneficiaries.

City Housing tenants fall across a similar spectrum of housing need and providing more than one rental option would provide some proxy for income related rent. For instance – rental levels could be structured as follows.

% of Market Rent	Income related rent CHP partnership	70%	80%	90%	100%
Household type	Eligible for IRR Placed from the MSD Social Housing Register	Households with incomes at or below Superannuation	Households with incomes above Superannuation and eligible for Accommodation Supplement (based on income levels).	Households whose incomes are above the limits for Accommodation Supplement support. Self employed	Households who exceed the AS income and WCC asset thresholds
Income levels (excluding AS and Disability payments)	Lowest rental households Usually also requiring support services	(after tax) Single <= \$19,475 Others <=\$29,962	(after tax) Single > \$19,475 Others > \$29,962	Single > \$40,612 Couple no children > \$56,212 Couple with children > \$64,532 Sole parent, 1 child > \$52,520 Sole parent, 2+ children > \$60,840	

Affordable Rent Limits

Officers consider that the provision of an additional subsidy for tenants whose rental costs are more than 35 percent of their income should be reviewed.

Currently there are 123 tenants who receive this subsidy. On approval the subsidy is available for six months. At the end of the six month period tenants must reapply. Tenants that receive this subsidy are required to declare this to Work and Income which then recalculates and reduces the Accommodation Supplement paid on the reduced rental. The net effect is that the subsidy is of little benefit to the tenant with a reduction in rental income to the Council.

If the tenant has been receiving Temporary Additional Support this can also be reduced on reduction of rental costs. There may be some benefit for tenants who are above the Accommodation Supplement thresholds or who do not receive the Accommodation Supplement and this would need to be considered in any review.

It was noted in the submission from CHA that while we have a rent affordability upper limit we do not have a lower limit i.e. we could have tenants who are paying less than 20 percent of their income in rent and who could reasonably pay more.

Over 80s Rent Freeze

Currently about 120 tenants have their rent frozen as they are older than 80 years of age. Tenants felt that all over 65s were in the same circumstances as the over 80s and should be considered for a rent freeze.

Officers do not recommend extending this to all superannuitants. It is recommended that the policy for an over 80's rent freeze be reviewed to ensure it is still appropriate. If the aim is to assist tenants in this age group to live independently then there may be other ways in which this can be delivered more effectively than a rent reduction. Compared to tenants who are benefit dependent National Superannuation has kept pace with rent increases so rent increases are not the prime driver of need at this point.

Many of these tenants are active participants in the PrimeTimers group. While they welcome the rent freeze, the issues that tenants raised in focus group discussions were practical in nature such as assistance with shopping, mobility etc. A Homecare assistance package supporting these tenants may be more appropriate and could then be extended, depending on a tenant's circumstances, to those under 80 years of age.

The risk is that Council continues to forgo this rent and then also provides a higher level of assistance and wrap around services to these tenants. We forgo approximately \$170k in rental income for the 107 tenants in this category. This increased from \$105k in 2014.

Rental Caps

This aspect of the policy also needs to be reviewed for the following reasons:

- Just because rent has increased does not mean the tenant is unable to pay.
- The policy does not recognise that in most cases the majority of the increase is covered by increased Accommodation Supplement. The policy also does not recognise that some tenants may be more greatly affected by Accommodation Supplement thresholds or may not receive Accommodation Supplement at all due to its low asset threshold.
- Having a rental cap placed on a tenants rent means that any future rent increases are automatically more likely to breach the cap. This is because the increase is measured from what the tenant is actually paying rather than the amount they would have been paying had the cap not been in place. This embeds the tenant on a low rent pathway and it can take some years for the tenant to be back on the standard rental terms.
- It is administratively time consuming to maintain and some tenants receive minimal rent reductions (less than \$5/week) due to the set value of the limits.

5 HOW SHOULD WE REVIEW OUR RENTS?

Current policy

An independent valuer is contracted to assess a sample of City Housing properties across the City. The portfolio is revalued annually. Currently the Council contracts CBRE to undertake the valuations. Market rentals for all City Housing's properties are based on the market rents of the sample properties. Rents are set at 70 percent of market. Tenants are provided with a 60 day notice of any rent increases on the 30 June each year.

In addition to the annual market valuation rent review tenants eligibility for housing is also reviewed annually. A review form is sent to all tenants under 80 years of age, and they are asked to disclose income and asset information.

If their income or assets are above the eligibility thresholds they are given one year at which point they will be reassessed and if they are still above the threshold at that point they will be given a 90 notice terminating the tenancy and have to find alternative accommodation. During this one year period their rent will be increased to:

- 90 percent of market value for those exceeding the income and/or asset thresholds by up to and including 20 percent
- 100 percent of market value for this exceeding the income and/or asset thresholds by more than 20 percent.

5.1 Tenant and individual feedback

The process for contracting the independent valuer was queried. It was suggested that a more contestable process be followed to undertake the valuation to ensure that the Council is receiving the highest possible quality independent valuation advice.

Most tenants were concerned about the magnitude of rent increases. Some queried why rents increase annually when this is not usually the case in the private market. All tenants agreed that if rent increases have to be applied they should be kept affordable for tenants.

It was also suggested that tenants over 65 should not be subject to the eligibility review process as their financial circumstances are unlikely to change.

Feedback included some comments that there have been cases where tenants have left City Housing on receipt of rent review documentation as they did not understand the reason for this process.

Concern was expressed about the ability to fully engage in the process for tenants for whom English is a second language.

5.2 Feedback from community housing and social service providers

These agencies did not submit directly on this question.

5.3 Officers' preliminary views

Officers acknowledge that the council operates in a different market to normal private landlords. Private landlords tend to realise the capital valuation uplift with properties and often do not as regularly increase rents. In some cases the rent increases are undertaken when tenants change and an option could be to have less frequent rent increases aligned to tenant turnover. However this would be more administratively complex and could result in fewer but larger rental increases. As a result tenants could be on very different rents regardless of their circumstances depending on the sequencing of rental changes.

However concerns about the scale and frequency of rent increases raised by tenants probably reflects the impact of benefit and wage increases not keeping pace with rent increases. The rent levels are set off market rents so it is less likely to be a market rent issue.

The valuation process could be independently reviewed to ensure the current process is robust and also verify that rental levels are set correctly. When comparative information is used, our rental levels are close to those charged by Housing New Zealand and are within the expected maximum levels for social housing agreed by MSD.

Bedrooms	Bedsit Studio	1	2	3	4	5+
Lower Quartile Rent (\$ per week) ⁷						
Apartment		230-300	335-450	485-525	550-772	650
Flat		221-280	330-360	397-507	573-675	585-700
House		257-320	357-426	470-525	547-650	700-725
Housing New Zealand Ave market rent (\$ per week)	196	272	335	398	553	821
City Housing Ave Market Rental	195	274	379	470 ⁸	558	719
City Housing 70% Rental	137	192	265	329	390	503
MSD Indicative upper limits for weekly market rents (based on median market rents)		350	450	550	650	

⁷ Bond data 1 November 2014 – 30 April 2015 across Miramar, Strathmore, Lyall Bay, Kilbirnie, Newtown, Vogelstown, Berhampore, Mt Cook, Brooklyn.

⁸ Note that HNZ has a greater number (579) three bedroom houses than City Housing (221), and they tend to be in lower rental suburban locations (Strathmore, Johnsonville, Tawa) than City Housing.

6 HOW SHOULD WE HELP TENANTS MOVE ON?

Current policy

We do not have a particular policy to assist tenants to move on.

If tenants exceed our income and/or asset thresholds then we allow them a 12 month grace period at which point the tenants circumstances are reviewed a second time, and if the tenant remains above the thresholds at that time they will be given a 60 day notice to terminate the tenancy.

We do not have a formal approach to assist tenants with this process.

6.1 Tenant and Individual feedback

The feedback from tenants was varied from those that supported the Council having some homeownership products, such as rent to buy or shared equity schemes, to those who considered it is not the Council's job to help people into alternative accommodation or homeownership.

Individual submissions similarly reflected this difference. Some considered that this was not the Council's role and that the Council should work with other agencies or it should be dealt with by health authorities, GPs, District Nurses etc. Some stated that people who can afford to buy city houses should not be given a city council flat.

Others felt that the Council could:

- provide education programmes, or access to information about education courses and trades qualifications
- work with other agencies to ensure referrals are made to help people move on into private accommodation. "I have been here 10yrs. I wish there had been some types of support to transition to private housing (bonds, power connections etc moving costs)"
- provide practical help with furniture, paying bills and help with finding properties and accessing help to adapt properties
- provide assistance but limit it to elderly tenants that need to go into residential care
- charge tenants a slightly higher rent with the difference being put aside and later used to help them move
- provide interest free loans, rent to own council flats, shared equity schemes or use public land to help people achieve homeownership.

6.2 Feedback from community housing and social service providers

Victoria University	<ul style="list-style-type: none"> • Given the complexities of accessing the private rental market, a liaison team to coordinate resources and communicate of behalf of tenants would seem essential. Some groups may not need assistance, notably those who are culturally literate, who do not have health related barriers, who manage other
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	<p>stigmatising identities or who have sufficient means to fund the costs.</p> <ul style="list-style-type: none"> The costs are unlikely to be met by those who use it, so need to be funded from rentals unless there is scope for partnerships with other community services.
Public Health Association	<ul style="list-style-type: none"> Council should collaborate with other providers and agencies to develop high quality coordinated housing advice and support to all those shifting out of Council housing and allow access to advice and support for a set period afterwards. Clear policies are needed to ensure people are not moved on too quickly as their circumstances improve. People on low incomes are subject to volatility in the job market so may move in and out of meeting the criteria for a priority group. Consideration needs to be given to those whose circumstances change due to physical/mental health problems, those in insecure work situations and those in unstable family situations. Where Council tenants require a greater level of support as their needs change, such as older people become increasingly frail, we recommend the Council work with other community housing providers and health sector funders and providers to enable them to remain in their property with the appropriate level of support rather than be moved out.
CCS Disability Action	<ul style="list-style-type: none"> The Council should partner with HNZ and local NGOs to coordinate and possibly transfer social housing to maximise the availability and usage of social housing and ensure seamless experience of tenants. The Council should support tenants to engage with not for profit organisations and businesses to purchase their own homes.
Massey University Students Association	<ul style="list-style-type: none"> Students move on naturally when they end their studies
Mana Newtown	<ul style="list-style-type: none"> Council would be better to let people stay on rather than move them on. If people become better off they should pay a higher rent, even to the point where they will provide a profit for the Council to invest in more housing
Regional Public Health/DWELL/CHA	<ul style="list-style-type: none"> WCC could facilitate a pathway for some families to home ownership, through education and planning. WCC has a role to enable people to realise home ownership aspirations and the recent upgrades provide an appropriate venue for these types of initiatives. It would be useful to survey tenants to understand their needs and aspirations for home ownership. DWELL has a shared

	<p>home ownership programme for first home buyers. Understanding how many City Housing tenants would want to participate in our programme would be helpful.</p> <ul style="list-style-type: none"> • RPH recommends Council works with tenants to create immediate, medium and where possible long term housing plans to create security of tenure and stability. • RPH recommends Council works with CHPs and health sector funders and providers to create more flexible housing models that do necessarily require people to move, and to access IRRS. For some lifelong provision of housing is appropriate and models of support need to enable that. • Alternative options should be considered for those whose incomes are above 60 percent of the median <ul style="list-style-type: none"> • Shared equity or other home ownership schemes • Alternative housing models for people on slightly higher incomes in retirement years, including the retirement village association for people over 65 years, or over 55yrs for Maori or Pacific. • Housing providers in the retirement sector have expressed an interest in finding alternative models of housing for those on low incomes who are currently priced out of the market for their services.
Salvation Army	<ul style="list-style-type: none"> • Consider that face to face meetings with tenants are essential for discussing housing options. Suggests that WCC teams develop positive relationships with rental agencies and private landlords who can take a tenant to a private house which is available to rent and see the accommodation that is available. • There are several housing providers who could have vacancies and provide alternative housing solutions for people who are being relocated by WCC. • The Council should consider contracting the Salvation Army to assist WCC in providing wrap around services for the most vulnerable who need to be shifted or relocated.
Architectural Centre	<ul style="list-style-type: none"> • A lifecycle approach to social housing should be adopted supported by a diversity of housing so that if it is appropriate to shift to a house better suited to family circumstances tenants can move with less risk of being uprooted from community networks and support.
Community Networks Wellington	<ul style="list-style-type: none"> • Would like "housing transition advisors" to support people to move out of City Housing. This should be facilitated by an organisation independent from, but supported by, the Council. This could be funded by the additional revenue earned from

	<p>an income related rent of higher income tenants.</p> <ul style="list-style-type: none">• Agree that tenants with higher income should move on however notes the need to be wary of setting a perverse incentive that discourages tenants from earning more income for fear that it will result in their being forced to move out.• The Council should not be housing permanent tenants on higher incomes at the expense of housing those more vulnerable and with higher needs.
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6.3 Officers' preliminary views

There is a wide range of feedback in this space. There was general acceptance of the fact that the Council should not be housing, or at least providing significant rental discounts to, permanent tenants on higher incomes at the expense of housing those more vulnerable and with higher needs.

The question remains as to how to facilitate the process of tenants moving to independence. A clear business case would need to be made in order for the Council to be involved beyond facilitating access to information from other agencies and organisations so that tenants can make informed choices.

7 OTHER FEEDBACK

There was a wide range of general feedback that was more operational in nature and which has been passed directly to City Housing for action:

- Application forms need to be simplified to make it less intrusive and intimidating.
- Information needs to be made more accessible for tenants (e.g. multiple languages).
- The Council needs to build more units. The upgrade has reduced the total number of units available; this has made it harder for single people to find accommodation – adding to homelessness in our city.
- Increased issues with tenancy allocations and antisocial behaviour
- Increasing Smoke-free areas
- Council should call on government to assist with an ambitious programme to build new homes or develop existing properties.
- Council needs to ensure its stock is warm and dry and there was support for a rental Warrant of Fitness to improve rental quality
- The Council should base its housing programme on the right to housing so it should be referred to as public housing, Council housing or simply housing.

Victoria University highlighted the potential for improving communication between the Council and the University to ensure students in social housing are supported holistically. An opportunity to participate in discussions or working groups assisting tenants to transition into University would be welcomed.

2014/15 THIRD QUARTER REPORT

Purpose

1. This report outlines progress towards the delivery of the 2014/15 Annual Plan as at 31 March 2015.

Recommendation

That the Community, Sport and Recreation Committee:

1. Receive the information.

Background

2. The quarterly report informs councillors of progress against the annual plan, and also ensures the annual report does not contain any unexpected and significant variances from performance. Responsibility for the report falls within the purview of the Governance, Finance and Planning Committee.

Discussion

3. The attached quarterly report, with the accompanying appendix one, outlines the Council's progress against planned or budgeted performance for:
 - Income
 - Operational expenditure
 - Capital expenditure
 - Service delivery (KPI performance)
 - Compliance with Treasury Policy
 - Key programmes.
4. Significant variances are explained, by activity group, in appendix one to the quarterly report. This quarterly report explains variances greater than 10%.
5. Details relating to significant projects are highlighted, by relevant committee, on pages 2-4 of the quarterly report itself.

Attachments

Attachment 1.	Third Quarter Report 2014/15	Page 75
Attachment 2.	Appendix one - Q3 Report 2014/15	Page 79

Author	Shanan Smith, Senior Advisor Planning and Reporting
Authoriser	John McGrath, Acting Director Strategy and External Relations

SUPPORTING INFORMATION

Consultation and Engagement

Not applicable.

Treaty of Waitangi considerations

Not applicable.

Financial implications

This report outlines progress against the planned projects, spending and service levels indicated in the Annual Plan.

Policy and legislative implications

Not applicable.

Risks / legal

Not applicable. This report outlines progress towards the annual plan and annual report, which are legislative requirements.

Climate Change impact and considerations

Not applicable.

Communications Plan

Not applicable.

QUARTERLY REPORT

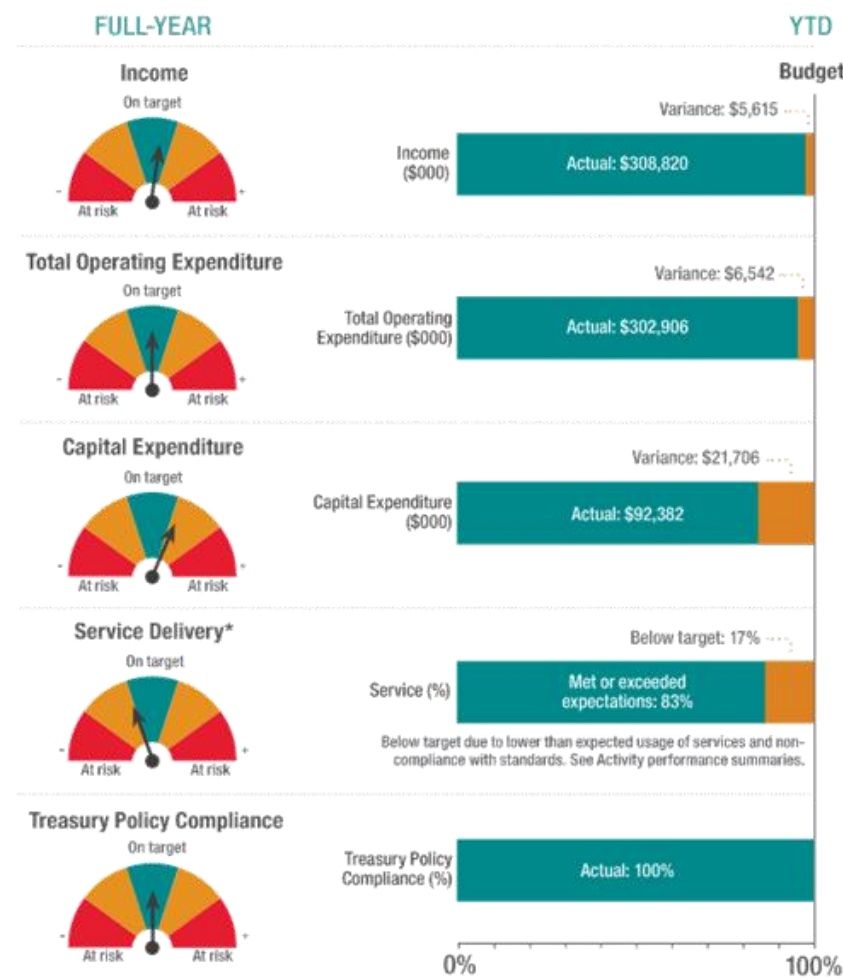
QUARTER THREE (1 JANUARY – 31 MARCH 2015)

This report summarises the Council's progress in the third quarter of 2014/15 towards fulfilling the intentions outlined in the Annual Plan. Quarterly performance is assessed against:

- income
 - total operating expenditure
 - capital expenditure
 - service delivery (KPI performance)
 - Treasury policy compliance.
- Areas where there is a risk to or significant variance from budgeted expectations are discussed in the performance summaries for each of the Council's seven activity areas.

Council is making good progress with the major projects it had planned for the year and is largely on track to meet year-end targets. Service performance exceptions are mainly due to lower than forecast use of services. See activity performance summaries for more information.

HOW ARE WE PERFORMING?



Note: that the figures for service performance only include key performance indicators (KPI) that are measured on a monthly or quarterly basis. Annual KPIs will be incorporated at year-end (30 June 2015). In some areas, KPIs exceeded their targets by over 10%. These exceptional results are also outlined in the Activity performance summaries.

FINANCIAL SNAPSHOT

STATEMENT OF FINANCIAL PERFORMANCE

The Council's consolidated financial performance for the period 1 July 2014 to 31 March 2015 is presented in this section. Positive numbers in the financial statements indicate a favourable variance from budget and negative numbers (represented by brackets) indicate an unfavourable variance from budget.

	YTD 2014/15			Full year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Rates Income	191,509	191,450	59	254,667	255,267
Other Income	1,889	2,011	(121)	11,423	13,681
Lease Income	27,592	27,376	215	36,245	36,574
Interest Income	0	33	(33)	8	44
Income from Activities	86,185	80,835	5,350	129,765	123,205
Development Contributions	1,645	1,500	145	2,000	2,000
Total Income	308,820	303,205	5,615	434,108	430,771
Personnel Expenditure	73,318	73,248	(70)	96,907	97,678
General Expenses	141,711	142,333	622	200,378	200,245
Financing Expenditure	14,890	17,281	2,390	20,897	23,041
Depreciation & Loss/Gain on Sale	72,986	76,585	3,599	98,194	102,164
Total Expenditure	302,906	309,448	6,542	416,376	423,127
Net Operating Surplus/(Deficit)	5,914	(6,243)	12,157	17,732	7,644

The year-to-date net operating surplus of \$5.914m is \$12.157m better than the budgeted deficit of \$6.243m. This favourable variance is attributable to a combination of factors as outlined below.

INCOME

Year-to-date total income is above budget by \$5.615m:

- Income from Activities is \$5.350m above budget mainly due to higher New Zealand Transport Agency funding (\$4.7m) for the capital roading programme and recognition of increased government funding from the housing upgrade programme (\$0.703m).

EXPENDITURE

Year-to-date total expenditure is under budget by \$6.542m:

- Depreciation & Loss/Gain on Sale is \$3.599m under budget largely due to savings as a result of lower infrastructure asset values at 30 June 2014 than forecast. These differences will be permanent.
- Financing Expenditure is under budget by \$2.390m due to lower levels of borrowings resulting from delays in the capital programme in the first nine months of the year.

FULL YEAR FORECAST

The forecast Net Operating Surplus for the year is currently \$10.1m more than budget. This includes \$4.0m of depreciation savings resulting from lower infrastructure asset values at 30 June 2014, \$6.1m additional funding from the New Zealand Transport Agency funding in respect of the capital roading programme, \$1.3m recognition of additional government grant income from the housing upgrade programme and \$2.1m of financing expenditure savings due to a more favourable borrowings position. Offsetting these favourable forecast variances is lower revenue from parking, pools and fitness centres, the ASB centre and building consents (\$3.1m), and Council-approved overspends for Community Events and the Events Development Fund (\$1.6m).

NET OPERATING EXPENDITURE

	YTD 2014/15			Full Year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Governance	10,543	10,837	294	14,281	14,438
Environment	94,200	101,308	7,108	126,371	133,486
Economic Development	18,487	19,466	979	24,770	23,774
Cultural Wellbeing	15,575	14,975	(600)	18,047	17,190
Social and Recreation	37,852	38,319	466	49,945	50,228
Urban Development	15,121	14,413	(707)	20,346	19,270
Transport	17,149	18,536	1,387	24,405	25,028
Total Activity Area	208,927	217,854	8,927	278,166	283,414
Council	(214,841)	(211,611)	3,230	(295,897)	(291,058)
Total	(5,914)	6,243	12,157	(17,732)	(7,644)

CAPITAL EXPENDITURE

	YTD 2014/15			Full Year 2014/15	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
Environment	18,116	26,645	8,530	33,122	33,216
Economic Development	1,339	2,030	691	2,471	2,471
Cultural Wellbeing	113	1,875	1,763	2,321	2,321
Social and Recreation	20,913	23,440	2,527	31,421	30,775
Urban Development	13,430	14,037	608	25,714	23,058
Transport	28,522	30,637	2,115	42,612	39,803
Total Activity Area	82,432	98,665	16,233	137,661	131,644
Council	9,949	15,423	5,474	19,297	20,369
Total	92,382	114,088	21,706	156,958	152,013

Year to date

Year to date underspend is due to several projects being behind schedule: Water and Sewer Network renewals \$7.4m; Earthquake Strengthening programme \$1.7m; Housing Renewal works \$1.6m; Zoo upgrades \$1.3m; and the refurbishment of the Museum of City and Sea \$1.2m.

Full year forecast

The full year forecast includes forecast overspends in three large projects: Johnsonville Triangle roading project \$5.1m offset by unbudgeted external funding \$4.8 m (net forecast overspend \$0.3m); Victoria Street upgrade \$4.9m offset by unbudgeted external funding \$2.2m (net forecast overspend \$2.7m); and the Housing Upgrade Programme (Kotuku project) \$1.4m (ahead of budget - to be brought forward from 2015/16). The forecast overspends are offset by forecast project underspends of \$11.0m.

STATEMENT OF BORROWINGS

Total committed borrowing facilities are \$451.5m providing headroom of \$111.5m. Our liquidity ratio is at 112% compared to the policy minimum of 110%.

	Forecast 30 June 2015 \$000	YTD 31 March 2015 \$000	30 June 2014 \$000
Facilities at start of year	460,500	460,500	429,000
New/matured facilities (net)	(9,000)	(9,000)	31,500
Facilities at end of period	451,500	451,500	460,500
Borrowings at start of year	348,000	348,000	341,000
Change in core borrowing + (-)	22,457	16,843	6,638
Repayment of loans + (-)	-	-	-
Change in working capital requirement + (-)	(1,457)	(24,843)	362
Net borrowings at end of period	369,000	340,000	348,000
Plus unutilised facilities	82,500	111,500	112,500
Total borrowing facilities available	451,500	451,500	460,500

Note: 'Borrowing facilities' excludes \$5m of uncommitted funding lines. Facilities do not include short term commercial paper/deposits.

TREASURY POLICY COMPLIANCE

All of the core policy compliance requirements were achieved as shown below.

PRUDENTIAL TREASURY LIMITS

Prudential limits*	Policy limit (%)	Actual (%)	Compliance
Borrowings as a % of equity	<10	5.3	Yes
Borrowing as a % of income	<150	86.1	Yes
Net interest as a % of annual rates income	<20	8.2	Yes

Interest rate risk control limits (interest rate exposure)	Policy limit (%)	Actual (%)	Compliance
Fixed interest proportion	50-95	92	Yes
Broken down: 0-3 year bucket	20-60	20	Yes
Broken down: 3-5 year bucket	20-60	21	Yes
Broken down: 5-10 year bucket	20-60	59	Yes

Liquidity/funding risk (access to funds)**	Policy limit (%)	Actual (%)	Compliance
Liquidity/funding risk (access to funds)	>110	112	Yes
Broken down: 0-3 year bucket	20-60	52	Yes
Broken down: 3-5 year bucket	20-60	28	Yes
Broken down: 5-10 year bucket	15-60	20	Yes

* Equity is based on the 2014/15 annual plan. Net interest is actual. Annual rates and income are based on 2014/15 annual plan.
** Liquidity is defined as: Current borrowings + committed loan facilities divided by 12 month peak borrowings (for the purpose of measuring liquidity short dated Commercial Paper is excluded).

Item 2.4 Attachment 1

KEY PROGRAMMES		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Actual (1 Oct–31 Dec 2014)	Q3 Actual (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)
Committee	Programme	Milestones			
GOVERNANCE	ACCOUNTABILITY AND PLANNING	Annual Report adopted			
		Long-term plan: • Workshop series commenced.	Long-term plan: • Financial strategy. • Infrastructure strategy. • Programme overview.	Long-term plan: • Funding and financial policies. • Performance framework. • Adopt draft plan documents and consultation document.	Long-term plan: • Consultation. • Adopt final plan.
		Mid-term capex review – \$15m investment package adopted and to be implemented, including: • Funding for Meet the Locals enclosure at Wellington Zoo. • Expansion of City to Sea Museum. • Victoria Street transformation in line with Central City Framework. • Urban catalyst projects.			
ECONOMIC GROWTH AND ARTS	ECONOMIC DEVELOPMENT	Region wide consultation on development of Wellington Regional Economic Development Agency (WREDA).	• WREDA established on 5 December 2014. • WREDA Chair (Peter Biggs) and Board appointed. • Recruitment process for WREDA Chief Executive commenced.	• WREDA transition and implementation. • Continue recruitment process for WREDA Chief Executive. • Developing draft business plan for 2015/16. To be presented to WRS Committee in April.	
	8 BIG IDEAS	Convention centre: • Public consultation undertaken.	Convention centre: • Final commercial terms agreed for Council consideration and final decision on proposal. • Developer subsequently indicated problems in finalising deal on proposed site.	Convention centre: • Progress options for delivery of the project and report back to Council.	
		Tech hub: • Developed Expression of Interest (EOI) documentation.	Tech hub: • EOI process completed and preferred provider identified.	Tech hub: • Business case developed.	Tech hub: • Negotiations with preferred partner subject to LTP funding approval. • Business case to be considered by Economic Growth and Arts committee.
		Airport runway extension: • Results of economic impact assessments received.	Airport runway extension: • Reports peer reviewed by council officers and external experts. • Report back to Council and approval of additional funding to complete RMA approvals process.	Airport runway extension: • Wellington Regional Mayoral Forum agreed in principle to fund up to \$150 million towards the project. • Continue to develop business case for runway extension.	Airport runway extension: • Plan to present updates to the regional councils. • Monitor progress of RMA approvals process.
		Film museum: • Preliminary investigations and concept development continue.			
MAJOR EVENTS	World of Wearable-Arts – 25 Sep to 12 Oct. Beervana – 22 to 23 Aug. All Blacks v South Africa Test – 13 Sep. LUX Light Festival – 22 Aug to 1 Sep. Oktoberfest – 19 to 20 Sep.	SkyShow – 8 Nov. Toi Māori Art Market – 14 to 16 Nov. Rugby League Four Nations Final – 15 Nov. Capital Christmas – 10 to 24 Dec. New Year's Eve Festival – 31 Dec.	IRB Sevens – 6 to 7 Feb. Homegrown Music Festival – 7 Mar. ICC Cricket World Cup – 14 Feb to 29 Mar. Cuba-Dupa – 28 to 29 Mar.	World Water Ski Racing Championships – 9 to 20 Apr. WW100 and ANZAC Commemorations – 25 Apr. AFL match – 25 Apr. FIFA Under-20 World Cup – 30 May to 20 Jun.	
COMMUNITY SPORTS AND RECREATION	HOUSING UPGRADE	Berkeley Dallard and Etona: • Construction completed and buildings reoccupied.			
		Arlington Site 1: • Business case under development.			Arlington Site 1: • Councillor workshop on redevelopment options.
		Arlington Site 2: • RFP under development.	Arlington Site 2: • High-level brief issued to potential suppliers.	Arlington Site 2: • RFP issued.	Arlington Site 2: • RFP results evaluation. • Commence development of detailed design.

KEY PROGRAMMES		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Actual (1 Oct–31 Dec 2014)	Q3 Actual (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)
Committee	Programme	Milestones			
COMMUNITY SPORTS AND RECREATION	HOUSING UPGRADE	Marshall Court: • Under construction.		Marshall Court: • Construction complete. • Units let to suitable occupants.	
		Kotuku: • Tender evaluation complete.	Kotuku: • Construction contract commenced.	Kotuku: • Under construction.	
	RECREATION UPGRADES	Keith Spry Pool: • Teaching pool and children's pool tanks completed. • Maintenance work started on existing pool.	Keith Spry Pool: • Upgrade work on new pools and change rooms continued.	Keith Spry Pool: • Upgrade work completed and pool opened to the public in February 2015.	
ENVIRONMENT	WATER UPGRADES	Seismic strengthening: • Strengthening of Maupuia No1 and No2 reservoirs completed. • Melrose reservoir design work completed.	Seismic strengthening: • Melrose reservoir tender completed.	Seismic strengthening: • Melrose reservoir construction commenced. Completion due January 2016. • Auto-shut valve (ASV) at Roseneath No 2 reservoir installed. • Linden and Newlands reservoir design work completed.	Seismic strengthening: • Linden and Newlands reservoir construction contract awarded. • ASV installations at Montgomery, Mt Wakefield and Broadmeadows reservoirs commences.
	NATURAL ENVIRONMENT	Our Capital Spaces: • Completed pre-engagement for review of Biodiversity Action Plan. • Completed sediment reduction plan for Porirua Harbour Strategy. • Established interagency planning group for the development of Watts Peninsula as a heritage park. • Funding approved for Mountain Bike Economic Growth Initiative (MBEGI) to develop business plan for Wellington as a premier mountain bike destination.	Our Capital Spaces: • Biodiversity Strategy approved by Environment Committee to formally consult. • Consultation on draft Suburban Reserves Management Plan completed. • MBEGI undertaking economic modelling for visitor mountain biking activity in Wellington.	Our Capital Spaces: • Consultation completed on Our Natural Capital - Biodiversity Strategy. We received 52 detailed submissions and 26 oral submissions. • Completed consultation on Mt Victoria Master Plan.	Our Capital Spaces: • Final Biodiversity Strategy to Environment Committee for approval (4 June). • Mt Victoria Master Plan finalised. • MBEGI completed business plan for Wellington as a premier mountain bike destination.
TRANSPORT AND URBAN DEVELOPMENT	CITY RESILIENCE	Earthquake strengthening of Council buildings: • Clarrie Gibbons Building strengthening completed. • Network Newtown strengthening commenced. • Truby King House chimney strengthening completed. • Thistle Hall strengthening continues.	Earthquake strengthening of Council buildings: • Network Newtown strengthening nearly completed. • Portico demolition commenced. • Band Rotunda design work commenced. • Planning for strengthening chapel and crematorium at Karori Cemetery commenced. • Thistle Hall strengthening completed.	Earthquake strengthening of Council buildings: • Band Rotunda strengthening plan and tendering process complete. • Thistle Hall contract maintenance period complete.	Earthquake strengthening of Council buildings: • Band Rotunda remediation complete. • Portico demolition completed. • Planning for strengthening chapel and crematorium at Karori Cemetery completed.
		Application submitted to the Rockefeller Foundation's "100 Resilient Cities" programme.	Application to "100 Resilient Cities" programme successful.	Wellington City Council part of the New Zealand delegation to the World Conference on Disaster Risk Reduction in Sendai Japan.	Appoint Chief Resilience Officer to lead development of a city resilience strategy.
		Town Hall strengthening project is awaiting further information on options. Alternative use continues to be worked on.			

KEY PROGRAMMES		Q1 Actual (1 Jul–30 Sep 2014)	Q2 Actual (1 Oct–31 Dec 2014)	Q3 Actual (1 Jan–31 Mar 2015)	Q4 Planned (1 Apr–30 Jun 2015)		
Committee	Programme	Milestones					
TRANSPORT AND URBAN DEVELOPMENT	CITY RESILIENCE	<p>Hataitai Bus Tunnel:</p> <ul style="list-style-type: none"> Portal strengthening design and tender documents completed and issued. Public notification of works and stakeholder briefings. 	<p>Hataitai Bus Tunnel:</p> <ul style="list-style-type: none"> Contract awarded and work to strengthen portals commenced in November 2014. Work is progressing on both sides of tunnel with 26% completed to date. <p>Seatoun Tunnel:</p> <ul style="list-style-type: none"> Received draft assessment report. 	<p>Hataitai Bus Tunnel:</p> <ul style="list-style-type: none"> Work to strengthen portals continues with 90% completed. <p>Seatoun Tunnel:</p> <ul style="list-style-type: none"> Contract tender for strengthening work on hold due to request from GWRC to delay work until after the trolley buses are decommissioned in 2017. 	<p>Hataitai Bus Tunnel:</p> <ul style="list-style-type: none"> Work to strengthen portals completed. <p>Seatoun Tunnel:</p> <ul style="list-style-type: none"> Complete detailed design for strengthening work. 		
	WATERFRONT FRAMEWORK AND WATERFRONT DEVELOPMENT PLAN	North Kumutoto project:	<ul style="list-style-type: none"> Council decision on building, long-term lease and public space projects. 	<ul style="list-style-type: none"> Application for resource consent submitted. 	<ul style="list-style-type: none"> Resource consent application process continues. Council planning report lodged with Environment Court. 		
		TSB Arena and Shed 6:	<ul style="list-style-type: none"> Investigations commenced. 	<ul style="list-style-type: none"> Detailed planning completed and tender documentation prepared. 	<ul style="list-style-type: none"> Work underway to renew exterior cladding. 		
	URBAN DEVELOPMENT	Parliamentary precinct:	<ul style="list-style-type: none"> Contractor appointed for Cenotaph upgrade. Construction commenced 1 September. 	<ul style="list-style-type: none"> All demolition and ground works completed. Work commenced on new staircase and paving. 	<ul style="list-style-type: none"> Work completed and space opened up for public use. 		
		Memorial park:	<ul style="list-style-type: none"> Arras Tunnel opened and park construction commenced. 	<ul style="list-style-type: none"> Park construction underway. Australian Memorial construction commenced. 	<ul style="list-style-type: none"> Park construction complete. 	<ul style="list-style-type: none"> Park opening and Anzac day commemoration. 	
		Kilbirnie town centre phase two:	<ul style="list-style-type: none"> Deferred pending confirmation of design brief. 	<ul style="list-style-type: none"> Design brief still to confirmed following consultation. Concept design in progress. 	<ul style="list-style-type: none"> Detailed design completed and contract awarded (subject to suitable design being confirmed). 	<ul style="list-style-type: none"> Construction underway (subject to suitable design being confirmed). 	
		Victoria Street:	<ul style="list-style-type: none"> Funding and concept design approved and detailed design commenced. 	<ul style="list-style-type: none"> Detailed design completed and construction commenced. 	<ul style="list-style-type: none"> Full construction work underway with construction commencing in southern block. 	<ul style="list-style-type: none"> Major construction works to be completed by end of June. Minor additional works may continue. 	
		Lombard Lane:	<ul style="list-style-type: none"> Design brief being confirmed. 	<ul style="list-style-type: none"> Concept design completed. 	<ul style="list-style-type: none"> Project placed on hold subject to adjacent building owner removing building and constructing a new one. 		
		TRANSPORT	Island Bay to City Cycle route:	<ul style="list-style-type: none"> Section one (Shorland Park to Wakefield Park) design and consultation. Section two (Wakefield Park to John St) planning and preparation for public consultation. 	<ul style="list-style-type: none"> Section one (Shorland Park to Wakefield Park) design and consultation completed. Committee agreed to final design. Section two (Wakefield Park to John St) planning and preparation for public consultation. 	<ul style="list-style-type: none"> Council vote deferred while cycling framework is developed in more detail. 	<ul style="list-style-type: none"> After adoption of a cycling framework, Councillors will consider the Island Bay cycleway. If approved by Council, construction is expected to commence in early 2015/16.
			Johnsonville road improvements:	<ul style="list-style-type: none"> Broderick Rd Bridge construction started. 	<ul style="list-style-type: none"> Broderick Rd Bridge construction continues. 	<ul style="list-style-type: none"> Broderick Rd Bridge construction continued. State Highway One off-ramp work commenced. Other work commenced: Signal works, street and crossing upgrades, and pedestrian and cycling improvements. 	<ul style="list-style-type: none"> Broderick Rd Bridge construction to be completed. State Highway One off-ramp work continues. Other work continues: Signal works, street and crossing upgrades, and pedestrian and cycling improvements.
Public Transport Spine:	<ul style="list-style-type: none"> Undertake core spine assessments to determine physical corridor constraints and detailed assessment of core routes based on integration with the Council's cycle planning. 						

1. GOVERNANCE

Pārongo ā-Tāone

We want to maintain confidence in our decision-making.

We have an obligation to ensure the views of Māori and mana whenua are heard.

WHAT WE DO

- Governance, information and engagement
- Māori and mana whenua partnerships.

HIGHLIGHTS OF THIS QUARTER

- We equipped the council meetings rooms to enable elected members and the public to participate remotely in meetings via audio and audio-visual links.
- We interacted with over 78,000 customers through the Contact Centre.
- We co-hosted with Port Nicholson Block Settlement Trust, the Waitangi Day celebrations at Waitangi Park.
- The Mayor selected her Tuia Rangatahi (Young Māori Leadership Development Programme) representative - Māia Huriwaka, a Year 13 student nominated by Wellington East Girls College.
- 11 March – we sponsored Te Rā Haka where 400 college students from across the region came together at ASB Sports Centre to learn local haka.
- 15 March – we sponsored Te Rā o Kupe, which was hosted by The Kupe Charitable Trust, recognising local Māori music and food.

SIGNIFICANT VARIANCES TO PERFORMANCE²:

SERVICE DELIVERY

Measure	Actual	Target	Var	Variance explanation
Council, committee and subcommittee reports that are made available to the public five days prior to the meeting (%)	61%	80%	(24%)	Over 80% of agendas were with the elected members five days before meeting and in the public domain four days before the meeting. We continue to achieve 100% for our statutory target to make reports available to the public two days prior to meetings.

NET OPERATING EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
1.1 Governance, Information & Engagement	10,444	10,669	224	14,057	14,213
1.2 Māori Engagement (mana whenua)	99	169	70	225	225
Year to date variance is due to timing of MOU payments.					
TOTAL	10,543	10,837	294	14,281	14,438

CAPITAL EXPENDITURE

No significant variances.

² Areas where performance varied from budgeted expectations by more than 10%.

2. ENVIRONMENT

Taiao

We aim to protect and enhance Wellington's natural environment.

WHAT WE DO

- Gardens, beaches and green open spaces
- Waste reduction and energy conservation
- Water
- Wastewater
- Stormwater
- Conservation attractions.

HIGHLIGHTS OF THIS QUARTER

Gardens and green open spaces

- We hosted the Kirsten Reynolds photographic exhibition at the Treehouse in the Botanic Garden.
- We completed the fit out of the Sextons Cottage in the Bolton Street Cemetery for public hire.
- Te Kopahou Reserve Visitors Centre won 2 awards in the NZ Institute of Landscape Architecture awards, the George Malcolm Supreme Award and an award for outstanding design.
- Otari-Wilton's Bush won an international Green Flag Award. Green Flags are awarded for excellent management of the environment, historical features, safety and as great places to play and relax.
- We completed renewals and upgrade work on the Blue Trail at Otari-Wiltons Bush.
- Victoria University Summer Scholars completed work on a range of topics including the Great Kereru Count, visitor use of mobile technology in the Botanic Gardens and pest monitoring in rural areas.
- We developed a new trail at Makara Peak Mountain Bike Park (Peak Flow).
- We completed a pedestrian bridge build on the community track Silversky in Crofton Downs, on behalf of the local community group. This was a project funded by Transpower.
- We completed a new entranceway and car park on Alexandra Road, Mt Victoria to assist with vehicle congestion at the SPCA (in the old Chest Hospital).
- The success of the Southwest Peninsula goat project was reported to stakeholders in the Makara community, with a 4,950 goats killed over the length of the project (2011–14).
- We continued to maintain infrastructure within gardens and green open spaces including maintaining and repairing furniture, carparks and fencing. We installed new bike racks at Princess Bay and an outdoor shower at Surfers Corner in Lyall Bay. We also installed ten commemorative seats in reserves and coastal areas.
- We completed regular garden and turf maintenance over the quarter. Weather wise it was very dry, which impacted on turf areas with no irrigation. Overall we averaged 90% for our operational (mowing, horticulture and sportsfields) maintenance audits which met our targets.
- We completed removal of 1.2 hectares of hazardous trees on Te Ahumairangi. This is part of our ongoing management of high-risk areas.

- We celebrated Parks Week (7 -15 March) with 27 events, located in 25 different open spaces with more than 6000 participants. It was our biggest Parks Week yet and received good media coverage. The week was launched with a Pop Up Forest in Bond Street where 700 native trees were given away.
- 3 University students from Germany completed a 3 month internship working on a range of tasks across Council including a Parks User Survey, street tree data collection and learning about different aspects of local government in NZ.

Climate change, smart energy and waste reduction

- Smart Energy challenge – five teams completed this year’s Smart Energy Challenge, with one team, Switched on Bikes, already launching a new business, a crowdfunding campaign, and gaining media profile.
- Ninety-five homes received a sustainability assessment as part of the Home Energy Saver Programme.
- Forty low-income families received insulation retrofits as part of the Warm Up Wellington programme.
- National Food Waste Prevention Program – a joint project involving all of the nine councils from the Wellington region identified organic waste (including food waste) as a key area to manage. A project was undertaken to understand exactly how much edible food is being thrown away and how people can be helped to reduce waste. A national promotional campaign was launched in March 2015, to publicise the results of the research and raise public awareness.

Water, wastewater and stormwater

- We renewed water mains in Knoll St, Drummond St, and Ranelagh St.
- We renewed sewer drains in Warwick St, Garden Rd, South Karori Rd and Fernlea Ave.
- Stormwater drains were replaced through Massey University out to Wallace St and in Braithwaite St. A section of culvert in Kent Tce was strengthened.

SIGNIFICANT VARIANCES TO PERFORMANCE³:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Visitors to Botanic Garden	1,180,189	1,027,686	15%	We had an increase in cruise ship visitors, and good weather resulted in high attendance at the Summer City Gardens Magic shows.
WCC Corporate energy use: main CCOs	5,487,118	7,327,696	25%	In previous years this measure included Wellington Waterfront Limited, which is now included in the WCC general result
WCC Corporate energy use: WCC general	14,911,311	13,480,065	(11%)	This result now includes City Shaper (previously called Wellington Waterfront Limited), which was previously included in the main CCOs result.
Freshwater sites (%) within acceptable faecal coliform counts	75%	95%	(21%)	Investigations are ongoing for the four areas where water quality is poor. We have corrected the faults we have found so far.
Zealandia – education programme attendees	4,750	5,277	(10%)	The Trust expects to achieve its year-end target.

³ Areas where performance varied from budgeted expectations by more than 10%.

NET OPERATING EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
2.1 Gardens, Beaches and Open Space	20,012	20,796	784	27,646	28,176
Under budget due to the timing of the grant funding for the Lyall Bay Surf Club and savings in rates for the Town Belt. This is partly offset by additional street cleaning costs.					
2.2 Waste Reduction & Energy Conservation	392	833	441	118	280
Year to date variance mainly due to timing of general expenditure. Forecast variance relates to increased revenue from rubbish bag sales and waste minimisation activities, which is offset by lower volumes of waste to the landfill.					
2.3 Water	27,456	29,907	2,452	36,994	39,879
Year to date and forecast variance mainly relates to savings on insurance costs and depreciation, following the revaluation of infrastructure assets.					
2.4 Wastewater	29,049	30,284	1,235	38,897	40,377
Year to date and forecast variance relates to savings on wastewater treatment due to reduced flows through Moa Point and savings on electricity.					
2.5 Stormwater	11,849	13,985	2,136	16,611	18,647
Year to date and forecast variance mainly relates to savings on insurance costs and depreciation, following the revaluation of infrastructure assets.					
2.6 Conservation Attraction	5,442	5,503	60	6,104	6,126
TOTAL	94,200	101,308	7,108	126,371	133,486

CAPITAL EXPENDITURE

Activity	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
2.1 Gardens, Beaches and Open Space	2,132	1,968	(164)	3,079	3,073
Programme is ahead of schedule.					
2.2 Waste Reduction & Energy Conservation	316	467	152	979	979
2.3 Water	5,751	10,991	5,240	12,904	13,004
Several projects started later than expected but are scheduled to be completed by year-end.					
2.4 Wastewater	4,502	6,824	2,231	7,420	7,745
Several projects started later than expected but are scheduled to be completed by year-end.					
2.5 Stormwater	3,986	3,524	(462)	4,580	4,255
Some projects have been completed ahead of schedule.					
2.6 Conservation Attractions	1,429	2,872	1,443	4,160	4,160
Zoo upgrades and renewals are behind schedule but are expected to be completed by year-end.					
TOTAL	18,116	26,645	8,530	33,122	33,216

3. ECONOMIC DEVELOPMENT

Whanaketanga ōhanga

By supporting city promotions, events and attractions, we underscore Wellington's reputation as a great place to live and visit.

WHAT WE DO

- City promotions and business support

HIGHLIGHTS OF THIS QUARTER

Events

- Wellington hosted four Cricket World Cup matches that attracted more than 80,000 fans, with 30-35% of attendees coming from outside the Wellington Region. The matches were complimented with a full activation programme including twilight concerts, a quarter final harbour fireworks show, the village green fan zone, street entertainers and fan trails.
- The inaugural CubaDupa transformed Cuba Street into an immersive festival of light, sound and taste. This celebration of Wellington's unique creative energy and cultural diversity attracted thousands to explore the Cuba Quarter as it was filled with food, music, dance and live street art.
- The Homegrown music festival was again a sell-out event and a great success despite some challenges. For the first time in the event's 8 year history the event was postponed a day due to gale force winds. Homegrown then morphed into two days of celebrating Kiwi Music.
- Summer City 2014/15 – more than 90 events showcased the talents of over 500 performers to an audience of over 400,000. We supported this with a marketing campaign that included the 'Our Wellington' Summer brochure and a strong Social Media campaign.
- We welcomed Meridian Energy as a sponsor of Gardens Magic, and presented a stellar line up of over 100 local musicians to more than 50,000 people. Students from Massey University College of Creative Arts designed and built the lighting installations.
- Approximately 20,000 attended the biennial Southeast Asian Night Market, which for the first time ran across two nights.

Innovation

- The Local Heroes speaker series for staff continued with speakers presenting to staff in February and March.
- Following successful response to ICT Grad school request for expression of interest, consortium submitted response to Request for Proposal.
- Supported a second civic hack-a-thon in Miramar.
- Supported Venture-Up, New Zealand's first youth accelerator.
- Provided support to NZ's first Open Source, Open Society conference to be held in April.

Wellington Museums Trust

- The Great Anniversary Weekend Scavenger Hunt attracted 1,800 visitors to the waterfront to experience activity presented by Capital E in partnership with all our Trust institutions, and selected other institutions and precinct businesses.
- Capital E launched their 2015 Schools programmes in OnTV and MediaLab including a new format, Across the Trenches, which is already proving to be the most popular of the script offerings in the OnTV Studio this year.

Item 2.4 Attachment 2

- Nearly 1,000 people attended City Gallery Wellington’s February Tuatara Open Late with a performance by Lawrence Arabia.
- The Yvonne Todd: Creamy Psychology exhibition at City Gallery Wellington closed on 15 March with total attendance for the exhibition of 42,767 and 316 copies of the Yvonne Todd book sold in our shop.
- A major upgrade/replacement of the Planetarium at Carter Observatory was completed.
- The Museum of Wellington City & Sea launched their public fundraising campaign for the Development project with their *What Year Are You?* campaign.
- The Capital E 2015 National Arts Festival ran in March across 14 days, showcasing 11 New Zealand and international productions, four world premieres, one mini Film Festival, and 196 performances.

SIGNIFICANT VARIANCES IN PERFORMANCE⁴:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Estimated attendance at Council supported events	497,723	330,000	51%	

NET OPERATING EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
3.1 City Promo & Business Support	18,487	19,466	979	24,770	23,774
Council approved a \$0.8m overspend in relation to Events (C581) on 30th September 2014. The heavy events calendar this year, has led to an additional forecasted overspend.					
TOTAL	18,487	19,466	979	24,770	23,774

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
3.1 City Promo & Business Support	1,339	2,030	691	2,471	2,471
TSB Arena work is behind schedule.					
TOTAL	1,339	2,030	691	2,471	2,471

⁴ Areas where performance varied from budgeted expectations by more than 10%.

4. CULTURAL WELLBEING

Oranga ahurea

Supporting arts activity adds vibrancy to the city as well as promoting inclusive, tolerant and strong communities.

WHAT WE DO

- Arts and cultural activities

HIGHLIGHTS OF THIS QUARTER

Public Art

- The Public Art Panel selected three light box exhibitions for a year's exhibition programme, from December 2015. One public art proposal for a photographic poster project from Newtown through the city was also selected.
- The Public Art Fund supported two innovative digital arts projects, Rainscape and Time Machine, which were presented in February as part of The Performance Arcade.
- In March, a Public Art Fund project took 400 passengers by ferry to the quarantine limit of Mokopuna Island for an artist's vocal performance that revisited the fate of a sick man who died there in 1904.
- Joe Sheehan's major sculpture and soundscape Walk The Line, commissioned by the Wellington Sculpture Trust, for the newly developed Cenotaph precinct, was successfully completed.
- A new exhibition, The Colour of Courtenay Place by artist Gary Peters was installed in the Courtenay Place Park light boxes.
- The international contemporary artists Sasha Huber and Petri Saarikko took up residence at Te Whare Hēra, the live-and-work space dedicated to the Wellington International Artist Residency programme.
- We purchased new artworks by Lucien Rizos, Shannon Te Ao and Shaun Waugh for the City Art Collection.
- Conservation of a number of historic works being presented as part of the upcoming Portrait Gallery exhibition, Capital Characters, was undertaken.
- Toi Pōneke delivered three exhibitions – Black Dog Failure by Mark Antony Steelsmith, Low Noise 2 curated by Jason Wright, and In Response by Connah Podmore and Maria O'Toole.
- The Toi Pōneke 2015 Whitireia NZ artist-in-residence moved into her studio.
- Work continues on repairs to the Zephyrometer and Kereru Sculptures. Both are scheduled for reinstatement next quarter.

Supported projects

- The inaugural Upstream Art Trail in Central Park, which was held from 5–8 March, showcased installations from emerging artists and local schools. It was supported by the Creative Communities Scheme and the Arts and Culture Fund.
- The second Putahi Festival of contemporary Maori Theatre was held at Victoria University from 24–28 February. The event was supported by an Arts and Culture Grant.

Community arts

- Artist Ellen Coup completed a series of murals at the corner of Mandalay Terrace and Cashmere Ave in Khandallah on a bus shelter, electricity substation and two service boxes.

- Artist Ash Sisson completed a mural on a bus shelter at Luxford Street, Berhampore.
- We partnered with the Goethe Institute and Toi Whakaari to welcome Berlin performance artist Uta Plate to Wellington for three months as the artist in resident at the Bolton Street Cottage.

SIGNIFICANT VARIANCES IN PERFORMANCE⁵:

SERVICE DELIVERY

Measure	Actual	Target	Var	Explanation
Te Papa visitors	863,995	1,052,500	(18%)	Highest quarterly attendance this year, but still well below budgeted numbers. Five exhibits have ended this quarter, including Tyrannosaurus which has the 2nd highest opening weekend.
Arts and cultural festivals estimated attendance	560,955	684,000	(18%)	Figures exclude CubaDupa attendance of 50,000, which was funded through the WEID fund.
Total visits to museums and galleries	542,648	452,670	20%	Capital E and Museum of Wellington City & Sea have already achieved their full year targets. Other institutions are also performing well. However, visits to Carter Observatory are below target.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
4.1 Galleries and Museums	15,575	14,975	(600)	18,047	17,190
Council approved a \$0.8m overspend in relation to Community Events (C130E) on 30th September 2014.					
TOTAL	15,575	14,975	(600)	18,047	17,190

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
4.1 Galleries and Museums	113	1,875	1,763	2,321	2,321
Work on the Cable Car precinct and Museum of City and Sea is behind schedule.					
TOTAL	113	1,875	1,763	2,321	2,321

⁵ Areas where performance varied from budgeted expectations by more than 10%.

5. SOCIAL AND RECREATION

Pāpori me te hākinakina

We provide a wide range of services throughout the city to encourage quality of life and healthy lifestyles.

WHAT WE DO

- Recreation promotion and support
- Community support
- Public health and safety.

HIGHLIGHTS OF THIS QUARTER

Recreation promotion and support

- Our facilities hosted New Zealand Basketball Association (NZBA) Camps, Central Pulse v Melbourne Vixens Netball Match, College Sport Wellington Volleyball Regional Champs, College Sport Wellington Futsal Regional Champs, College Sport Wellington Athletes with a Disability Day, National Secondary Schools Futsal Champs, Wellington Regional Long Course Swimming Championships, New Zealand National Junior Swimming Championships, North Island Diving Championships and the Weetbix Tryathlon.
- We started the field preparation for the two training grounds for the FIFA U20 World Cup, Newtown Park and David Farrington Park.
- Summer sport ended and we began the transition of our sportsfields to winter layouts.
- We hosted the Colgate Games, Capital Classics, McEvedy Shield and the NZ Track and Field Championship at Newtown Park, National Lacrosse Tournament at Wakefield Park and PK Softball Tournament at Hataitai Park.
- We provided training fields for the International Rugby 7's competition.
- We converted the old bowling club at Terawhiti in Karori into a football training field for Waterside Karori Football Club.
- We delivered 23 Push Play Events, with 1274 people participating.
- We promoted recreation and programmes delivering four Pop-up Park events, focusing on Mountain Biking, Golf, ASB Programmes and PARKing Day.
- We continued to work with Alex Moore Park Sport and Community Inc. on their proposal for a new indoor sport building at Alex Moore Park, Johnsonville.
- We completed playground upgrades at Tui Park and Lyndhurst Park.

Community support

- We launched a Korean Corner in the Central Library in January. It provides a significant expansion of the Central Library's Korean collection and is the first of its kind in Oceania. It includes customer PCs, DVDs and K-pop music CDs as well as books.
- In March we launched a Chinese Corner at the Central Library. The corner is made up of 300 books including 200 Chinese Language teaching books. The initiative is a joint undertaking between China Hanban, the Confucius Institute and the China Educational Publications Import and Export Corporation.
- We completed the construction of 27 one-bedroom apartments at Marshall Court (Miramar) which has been shortlisted for a NZIA Award.
- We vacated Kotuku Apartments (Kilbirnie) and handed the site over to the construction

Item 2.4 Attachment 2

company for upgrade.

- We presented at the construction industry's national conference on the housing upgrade programme and Council's social housing service.
- We engaged over 100 tenants in the first phase of the social housing policy review process.
- In partnership with the Police and Community Patrols New Zealand, Pasifika Community Patrol and Western Community Patrol have been set up and a work plan is being developed.
- Successful Neighbours Day Aotearoa 2015 Summer of Neighbourliness, including various programmes and events at summer community fairs and festivals, community gardens, libraries, retirement homes and streets and neighbourhoods.
- The Neighbours Day Aotearoa campaign, #wellynextdoor, was very successful with nearly 7,000 visits from people all over the world. Our partnership with NEC enabled the #wellynextdoor videos to be incorporated into the videowall at Wellington International Airport.
- We facilitated the completion of the Johnsonville Mural and the Bee/community orchard bus stop mural in Khandallah.
- We continued to deliver the Urban Agriculture Programme and coordinated the Heritage Fruit Tree programme, with many volunteers waiting to adopt trees.
- We are partnering with Enviroschools, to enhance our environmental programmes in schools including coordinating bee programmes into schools to enhance our Bee-friendly City programme. This includes providing bee-friendly flower seeds, and putting together Bee Guidelines for the public.
- We further delivered on the Positive Aging Policy with more SeniorNet programmes, and a pictorial emergency resource for older or disabled persons. We also provided more Neighbours Cards to the CCDHB for their Health Passports and facilitated Neighbours Day activities with various retirement homes across the city.
- Wellington City was registered as a Child & Youth Friendly City and as part held a joint forum with UNICEF, to promote and foster child-friendly initiatives to progress accreditation.

Public Health and safety

- We have developed CCTV guidelines which formalise the role of CCTV in the safe city programme and guide future consideration for further cameras.
- We are piloting (in Cuba Street) the Eyes On theft prevention communication network in Cuba St in partnership with the police and local retailers. Critical information regarding shoplifting is shared via text and email in real time. 37 stores have signed up to be part of the programme.
- Worked with the police and the universities to ensure a presence at the students O-weeks. Liquor ban flyers and posters distributed at events and to university halls to raise awareness amongst students. Used social media to promote "The Pack" app during O-week events.
- A dedicated Graffiti Volunteer Coordinator has begun to work with local communities to develop volunteer programmes that will reduce graffiti vandalism, develop community ownership, restoring community pride and responding to the zero tolerance approach to the management of graffiti in the city.

SIGNIFICANT VARIANCES IN PERFORMANCE⁶:

SERVICE DELIVERY

Measure	Actual	Target	Variance	Variance Explanation
Visits to facilities: ASB Sports centre (off peak)	237,779	268,522	(11%)	Off peak variation is due to reduced basketball training prior to school.
Visits to facilities: ASB Sports centre (peak)	206,016	234,862	(12%)	Weekday evening and Saturday usage was strong. We are implementing initiatives to increase Sunday bookings.
ASB Centre courts utilisation (peak)	42%	71%	(41%)	Weekday evening and Saturday usage was strong. We are implementing initiatives to increase Sunday bookings.
ASB Centre courts utilisation (off-peak)	36%	35%	4%	
Libraries website visitor sessions	2,747,316	900,000	205%	In 2012/13 we changed the measurement methodology. We expected results to decrease and we reduced the target accordingly. The expected decrease has not occurred and we will increase the target in the next long-term plan.
Number of uses of Leisure Card	92,878	73,759	26%	Use is consistent with the same period last year.
Occupancy rates (%) of Wellington City Council Community Centres and Halls	36%	45%	(21%)	We changed the methodology for this measure, which now combines community centres and community halls. We also set a new stretch target that we will struggle to meet by year-end.
Dog control – complaints received (% of registered dogs)	2.0%	2.6%	23%	
Percentage of planned inspections carried out for high-risk premises (category 3)	83%	75%	11%	After a slow start to the year, we are on track to achieve this target at year end.
Percentage of inspections carried out for high-risk premises (category 3) carried out during high trading hours.	31%	25%	23%	After a slow start to the year, we are on track to achieve this target at year end.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
5.1 Recreation Promotion & Support	20,144	19,260	(885)	26,799	25,126
Revenue is unfavourable mainly in the fitness centres and the ASB Sports centre. Also labour costs are over budget partly due to the introduction of the Wellington Wage. This has meant a higher allocation of corporate overheads to this activity.					
5.2 Community Support	11,385	12,841	1,455	14,586	16,821
Under budget primarily due to Social Housing. The key variances are the timing of the recognition of the Crown grant for the Housing Upgrade Project and savings in interest, insurance and depreciation.					
5.3 Public Health and Safety	6,323	6,218	(104)	8,560	8,281
Over budget due to additional cleaning, depreciation and labour costs.					
TOTAL	37,852	38,319	466	49,945	50,228

⁶ Areas where performance varied from budgeted expectations by more than 10%.

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
5.1 Recreation Promotion & Support	5,048	5,629	581	7,243	7,243
Some projects have started later than anticipated but are expected to be completed by the end of the year.					
5.2 Community Support	14,895	16,902	2,008	22,987	22,222
Under budget mainly due to housing renewal works behind budget. The Housing Upgrade Project is currently expected to be ahead of schedule by year end.					
5.3 Public Health and Safety	989	909	(79)	1,191	1,310
Programme is ahead of schedule.					
TOTAL	20,913	23,440	2,527	31,421	30,775

6. URBAN DEVELOPMENT

Tāone Tupu Ora

Our focus is on enhancing Wellington as a compact, vibrant, attractive and safe city that is built on a human scale and is easy to navigate.

WHAT WE DO

- Urban planning, heritage and public spaces development
- Building and development control.

HIGHLIGHTS OF THIS QUARTER

- An application for a new air traffic control tower has been received. This will be sited in a new location adjacent to the airport retail park.
- An application for the demolition and replacement of BP House on Customhouse Quay has been received. The building has been vacant since the 2013 Seddon earthquakes.
- The Council's planning report for the Site 10 Direct Referral application has been submitted to the Environment Court.
- The Karori and Tawa communities have been consulted regarding the prospect of medium density residential areas (MDRAs) being established. A draft plan change and town centre plan will now be prepared following this consultation. A full plan change will be notified later in the year.
- Detailed designs for the Masons Lane and Eva/Leeds Streets projects have been completed.
- The first tranche of special housing areas approved by Council in the first quarter have now been approved by Government as part of the implementation of the Wellington Housing Accord.
- Retailers on Bond Street launched a website bondstcollective.co.nz to complement the activation project.
- Enabling works for the Transmission Gully project have begun.

SIGNIFICANT VARIANCES IN PERFORMANCE⁷:

SERVICE DELIVERY

Measure	Actual	Target	Var	Variance Explanation
Land Information Memorandums (LIMs) issued within 10 days	74%	100%	(26%)	Performance was affected by continued high work volumes and training of new staff, which was undertaken this quarter.
Earthquake strengthened council buildings: programme achievement	Partially-Achieved	Achieved	n/a	Partially achieved due to delays in work on the Town Hall and Portico.

NET OPERATING EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
6.1 Urban Planning and Policy	8,887	8,792	(95)	12,011	11,951
6.2 Building & Development Control	6,234	5,622	(612)	8,336	7,319
Building and Resource consent volumes and income lower than budgeted.					
TOTAL	15,121	14,413	(707)	20,346	19,270

⁷ Areas where performance varied from budgeted expectations by more than 10%.

CAPITAL EXPENDITURE

Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
6.1 Urban Planning and Policy	10,050	8,931	(1,119)	21,531	17,500
Victoria Street and Parliamentary Precinct projects - external funding received not included in original budgets.					
6.2 Building & Development Control	3,379	5,106	1,727	4,183	5,558
Under budget as the Earthquake Strengthening programme is behind schedule.					
TOTAL	13,430	14,037	608	25,714	23,058

7. TRANSPORT

Waka

We manage the transport network so it is sustainable, safe and efficient.

WHAT WE DO

- Transport
- Parking.

HIGHLIGHTS OF THIS QUARTER

Parking

- The parking sensor trial commenced in Blair and Allen streets with sensors embedded into the pavement. Customers can now enter their parking space number at the pay machine with no need to go back to their car to place a ticket on their dashboard. The trial will conclude in June 2015.

Transport

This quarter we:

- completed 5.4km footpath renewal against a target of 6.5km. The planned annual total for footpath renewal is 25km.
- completed 2.9km kerb and channel renewals against a target of 3.0km. The planned annual total for kerb and channel renewal is 12.0km.
- repaired or replaced nearly 6,000 signs and poles and 1.6km of handrails.
- undertook repairs at 18 of our bus shelters and maintained Lambton Interchange.
- installed and repaired 24 items of street furniture (seats, bins, cycle racks)
- maintained and/or renewed 41 'Give Way' triangles, 117 turning arrows, 6km of centre lines and 662 cats-eyes.
- replaced 14 faded accessibility parking symbols
- approved 1,730 Corridor Access Requests for utility network maintenance and other temporary activities on the transport network, monitoring activity as appropriate.
- provided nearly 600 approvals for significant temporary traffic management plans.
- completed lighting design work for the Cuba Mall lighting upgrade.

SIGNIFICANT VARIANCES IN PERFORMANCE⁸:

SERVICE DELIVERY

Measure	Actual	Target	Var	Variance Explanation
Quarry – legislative compliance	Not-achieved	Achieved	n/a	This quarter, there were two non-compliant events. The first incident, which occurred on 17 February, was an environmental breach of consent relating to the quality of water discharged to the stream. This breach resulted in a warning only from GWRC (no formal enforcement action was taken). The quarry operator responded to the incident by installing an additional valve which will prevent a similar incident from occurring again in the future. The second incident occurred on 16 March, when heavy rainfall resulted in significant surface run-off and floodwater entering the stream. The quarry operator tested the water entering the stream and identified that the suspended solids concentration was 209g/m ³ (120g/m ³ is permitted). GWRC was notified and took no action as the event was deemed to be beyond the quarry operator's control.

⁸ Areas where performance varied from budgeted expectations by more than 10%.

NET OPERATING EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
7.1 Transport	27,652	29,009	1,357	38,449	39,114
Year to date and forecast variance mainly relates to savings on insurance costs and depreciation, following the revaluation of infrastructure assets.					
7.2 Parking	(10,503)	(10,473)	29	(14,044)	(14,086)
TOTAL	17,149	18,536	1,387	24,405	25,028

CAPITAL EXPENDITURE

Outcome Description	YTD			Full Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000
7.1 Transport	28,478	30,564	2,086	42,492	39,623
Delays in several projects, including the Karori Road wall and Island Bay Cycleway network					
7.2 Parking	44	73	29	120	180
TOTAL	28,522	30,637	2,115	42,612	39,803