
REPORT 3
(1215/52/IM)

REVIEW OF THE POLICY FOR WELLINGTON CITY COUNCIL'S SOCIAL HOUSING SERVICE

1. Purpose of Report

This report presents the results of the consultation and submissions received on the proposed policy for Wellington City Council's social housing service. It recommends an amendment to the draft policy and seeks Committee agreement to refer the policy to Council for consideration and adoption. The proposed policy is attached at Appendix One.

2. Executive Summary

As defined by a Deed of Grant agreed between the Crown and Council, this policy reviewed focused on rent setting, tenancy allocation and tenancy management.

26 written and 10 oral submissions were received on the draft policy for Wellington City Council's social housing service. The key matters raised were:

- The reduction in the number of bedsits and housing overall as part of the Housing Upgrade Programme
- A lack of consultation or involvement of tenants
- The fairness and appropriateness of the eligibility criteria for social housing
- The affordability of rent for some tenants
- The lack of affordable housing in Wellington.

One change to the draft policy is recommended relating to the rent tenants pay when they are no longer eligible for Council housing and are looking for alternative accommodation.

The number of bedsits and housing overall will be reassessed throughout the upgrade process when each housing complex is reconfigured. This assessment will take into account the demand for single person and other accommodation in each area as well as the physical state of the buildings. These numbers cannot be locked down for each housing complex until the detailed design work is carried out.

3. Recommendations

Officers recommend that the Committee:

- 1. Receive the information.*
- 2. Note that the draft policy for Wellington City Council's social housing service was publicly consulted on from 8 December 2009 to 26 February 2010.*
- 3. Note that 26 written submissions were received and ten oral submissions were heard on Thursday 18 March 2010.*
- 4. Note that the Housing Upgrade Programme will continue to reassess the configuration of each housing complex when it is being upgraded taking into account the demand for single person accommodation in that area.*
- 5. Agree to recommend to Council that it adopt the policy for Wellington City Council's social housing service (attached as Appendix 1 to this report).*
- 6. Delegate to the Chief Executive and Social Portfolio Leader the authority to approve minor editorial changes and to give effect to any changes agreed by the Committee, prior to the policy being referred to Council for approval.*

4. Background

The Wellington City Council and the Crown have entered into a Memorandum of Understanding (dated 19 July 2007) and a Deed of Grant (dated 26 August 2008) in which the Crown has agreed to grant the Council \$220 million over a 10 to 15 year period. The grant is to assist the Council to upgrade its social housing portfolio to ensure it is safe, secure and of a good standard for modern living.

The Deed requires the Council to:

1. Remain in social housing at approximately the same level for at least 30 years.
2. Use all gross income received from the housing portfolio for reinvestment in social housing from 1 July 2008 to 30 June 2037.
3. Commence and complete a review of tenancy management; rent setting; and tenancy allocation practices and policy by 30 June 2010 in conjunction with Housing New Zealand.

To meet the requirements of (3) above, a review of the Council's policies around social housing was carried out. This work was overseen by a policy working group which included representatives from:

- Tenant Representative/Advocate
- WCC Policy Team,
- WCC Finance Team,
- WCC Housing Team, and,
- Housing New Zealand Corporation.

Meetings were held with key stakeholder groups including some tenants, two workshops were held with Councillors, research was undertaken to identify issues and best practice, officers looked at the policies and provisions of other local authorities and tenancy satisfaction surveys were analysed. In addition data concerned with waiting lists, need, demographics, performance information and financial modelling informed the review.

On 17 November 2009, the Strategy and Policy Committee agreed a draft policy for Wellington City Council's social housing service for consultation. The consultation period ran from 8 December 2009 to 26 February 2010. During this period officers attended meetings of the Wellington Housing Association of Tenants (WHAT), Housing forum, Disability Reference Group and the Wellington Council of Social Services (WELLCOS) to present the draft policy and invite submissions. Tenants were also invited to submit on the draft policy via the City Housing newsletter which goes to all tenants and through tenancy managers. The wider community were invited to comment on the draft policy via a notice in the Our Wellington page of the Dominion Post.

26 written and 10 oral submissions have been received. This report assesses the submissions received and recommends an amendment to the draft policy.

5. Discussion

This section outlines the feedback received from submitters on the draft policy and the recommended response.

5.1 Housing Upgrade Programme

Ten of the 26 submissions received (38%) highlighted the reduction of single person accommodation available within the Council's housing portfolio as a result of the housing upgrade.

This issue is both about the perceived loss of accommodation for single people in favour of larger households and the overall reduction in the number of social housing units the Council has available for households in housing need. Submitters raised the following points in opposition to the change:

- Bedsits are cheaper than one bedroom units and therefore more affordable for tenants
- Growth is expected in the number of one-person and couple-without-children households over the next ten years
- Single men are not well catered for in the private rental market
- Housing New Zealand already caters for larger families in Wellington
- People with mental health problems tend to live on their own – less single person accommodation will mean less available for this group
- Prisoners looking to be released from prison need to prove to the Parole Board that they will be in suitable accommodation not sharing with other ex-prisoners. The submitter claims the Council's housing is ideal for this group and is proven to reduce the level of reoffending. Less single person accommodation will mean less available for this group
- Less accommodation overall will mean less households are helped with their housing needs even though there is already a shortage of affordable housing in Wellington

One submitter however felt that the Council should be providing more larger homes to accommodate Pacific families. Another felt that all of the units should be made accessible for people with disabilities as part of the upgrade programme.

Background information

The Housing Upgrade Programme has not been looked at as part of this review. The review's scope was determined by the Deed of Grant agreed between the Government and the Council and included rent setting, tenancy allocation and tenancy management. The Deed of Grant and work programme for the housing upgrade were agreed prior to the policy review being carried out.

However, notwithstanding these parameters, a significant number of submissions were received on this topic and there are some policy implications which need to be considered in this report.

The Housing Upgrade Programme is aiming to convert some bedsits and one bedroom units into larger units. Table one shows the most up to date change in the number of dwellings and percentage of stock before and after the upgrade as outlined in the work programme. The post housing upgrade figures present a range because as each housing complex is reassessed when it is upgraded in terms of the demand in that area and the physical state of the buildings. These numbers cannot be locked down for each housing complex until the detailed design work is carried out. The Housing Upgrade team is currently looking at ways to make sure all of the upgraded units take into account disability access. The Disability Reference Group is a being consulted throughout this process.

Table one: Wellington City Council’s housing type – current and post Housing Upgrade Programme (HUP)

Housing type	No. dwellings		% of stock		Bed spaces	
	Current	Post HUP	Current	Post HUP	Current	Post HUP
Bedsit	961	556-643	40.9%	26%-30%	961	556-643
1 bedroom	714	750-788	30.4%	36%	1428	1500-1576
2 bedrooms	400	492-439	17.0%	24%-20%	1600	1968-1756
3 bedrooms	239	261-258	10.2%	12%	1434	1566-1548
4 bedrooms	28	37-33	1.2%	2%	224	296-264
5 bedrooms	8	5	0.3%	-	80	50
6 bedrooms	2	3	0.1%	-	24	36
Total	2352	2104-2169	100%	100%	5751	5972-5873

This change will mean there are between 405 and 318 less bedsits overall, but between 36 and 74 more one bedroom units, between 92 and 39 more two bedroom units, between 22 and 19 more three bedroom units and between nine and five more four bedroom units overall. At the moment, the majority (71.3%) of the Council’s housing stock is single person accommodation (bedsit or one bedroom). Following the housing upgrade, single person accommodation will still comprise the majority of the portfolio, but will be reduced slightly to between 62 percent and 66 per cent of the stock. Overall there will be between 248 and 183 less housing units, but there will be between 221 and 122 more bed spaces, which means the portfolio will be able to accommodate more people overall. The figures show that the more units provided within the portfolio, the less beds there will be (the Council will have the ability to house less people overall). The housing upgrade is proposing to make five per cent of the new build stock fully accessible for people with physical disabilities.

Currently there are about 10,000 households experiencing housing need in Wellington. This level is expected to increase across all household types with the most growth occurring in one-person, couples-without-children and one-parent-family-with-children households. Wellington City Council houses 2,352 of these groups. Housing New Zealand Corporation (HNZC) is the other major provider of social housing in Wellington with 1896 dwellings. A further 104 units are provided by non-profit community based initiatives focusing on targeted accommodation for people with mental health disabilities, emergency and respite.

Within the 10,000 households in need, Wellington City Council has identified five priority groups which to house – the fit elderly, refugees and migrants, low level psychiatric, the multiple disadvantaged and people with physical disabilities. Currently there are households within these groups which the Council cannot accommodate because there are no suitable homes.

Table two: Wellington social housing dwelling type – January 2008

Number of Bedrooms	Wellington City Council		Housing Corporation New Zealand		Combined	
	No. Dwellings	% of stock	No. Dwellings	% of stock	No. Dwellings	% of stock
Bedsit	961	40.9%	41	2.2%	1002	23.6%
1	714	30.4%	304	16.0%	1018	24.0%
2	400	17.0%	933	49.2%	1333	31.4%
3	239	10.2%	562	29.6%	801	18.9%
4	28	1.2%	49	2.6%	77	1.8%
5	8	0.3%	6	0.3%	14	0.3%
6	2	0.1%	1	0.1%	3	0.1%
Total	2352	100%	1896	100%	4248	100%

Table two shows that across the board, 79 percent of the non-emergency social housing in Wellington is two bedroom or smaller. Currently the Council has to regularly turn away larger households, while an analysis of the waiting list shows that single adults are housed relatively quickly due to the high turn over in this type of accommodation. There is currently not a major shortage of accommodation for single people waiting for Council housing. The waiting list shows that 60 per cent of the demand for Council housing is from single people and 40 per cent are larger household types for whom bedsits are inappropriate. However the waiting list is not necessarily the best proxy for demand because many larger households choose not to go on our waiting list, or even apply for Council housing, because they are advised by housing staff that it is unlikely a house will become available which is large enough to meet their needs.

The Housing Upgrade Programme presents a one off opportunity to redesign an asset to meet both the current and anticipated future need for social housing in Wellington. Once completed this asset will likely be fixed in this configuration for a very long time. The redesign needs to ensure the Council's homes are able to accommodate as many different types of households as possible. Bedsits do not give any flexibility and do not suit all people. One and two bedroom units however can accommodate single people, small families, single people with carers and older people with carers. Research shows that bedsits can cause people to become socially isolated by not having people visit them. For example, older people tend not to have grandchildren to stay overnight and in some cultures it is inappropriate for women to have men in their sleeping area, even close relatives. Bedsits do not provide a healthy environment for people who are predominantly at home for most of the day, as is the case for a lot of the Council's tenants.

While many current tenants prefer bedsits, the housing upgrade needs to ensure that choice is available in the future to cater to those for whom bedsits are not appropriate. Following the upgrade there will still be a significant number of bedsits available and the Council has made a commitment to all current tenants that they will be able to continue living in a bedsit if they choose.

Some submitters raised the reduction in single person accommodation as an issue for people with mental-health problems and ex-prisoners. In reality only 33 current tenants are ex-prisoners and there is no expectation that this figure will increase to any great extent. 258 tenants are listed under the 'low level psychiatric' priority group. The Council will still be able to comfortably meet the demand presented by these two groups after the housing upgrade.

Officers' response

The current and proposed policies for Wellington City Council's social housing service first and foremost prioritise households on low incomes. Secondly the policies prioritise the fit elderly, refugees and migrants, people with low level psychiatric problems, the multiple disadvantaged and people with physical disabilities. The current portfolio of housing is best suited to house single people and small families within these groups. There are however larger households which also fall within these groups that cannot be helped by the Council or HNZC. The Council therefore needs to reconfigure the portfolio to do this.

To maintain the number of bedsits and single person accommodation as part of the housing upgrade the policy would need to be changed to include single people as a priority group. If single people were prioritised, this would have implications for how the portfolio is reconfigured.

Housing New Zealand Corporation (HNZC) is able to meet some of the demand presented by larger households, however still only 21 percent of the combined housing stock of the Council and HNZC is three bedroom or larger. There is currently a shortage of suitable accommodation for larger households. The waiting list data shows there is not a major shortage of accommodation for single occupant dwellings.

For some tenants bedsits are popular because they are cheaper. The Council however ensures rents are affordable by setting them at 70% of the market value and by offering rent relief to those who pay more than 35% of their income in rent. The table below shows how much rent a tenant on the unemployment benefit would pay in Newtown for a bedsit compared to a one-bedroom unit. A person moving from a bedsit to a one-bedroom unit would worse off by \$6 per week once the Accommodation Supplement is taken into account. The upgraded, potentially larger units will still be affordable for tenants.

Table three: Actual rent paid by tenants receiving the unemployment benefit in Newtown

Accommodation type	Rent	Income	Accommodation Supplement	Actual cost to tenant
Bedsit	\$105	\$190	\$40	\$65
One-bedroom	\$126	\$190	\$55	\$71

This consultation did not specifically ask for views on stock configuration and has not heard from groups representing those potential tenants who currently are not able to be housed by the Council. While it is important to consider the view of current tenants, the Council also needs to consider future or potential tenants and how best to meet their needs.

Officers recommend that no change to the draft policy is required. The housing upgrade team will continue to redesign their upgrade programme as they progress through the housing portfolio to best meet the needs of the priority groups identified in the policy. They will take into account the demand for single person accommodation in each area. Officers will continue to engage tenants, listen to their views and ensure they understand the process.

5.2 Consultation and engagement

Six submitters (23%) described a lack of consultation or involvement of tenants in the policy review, the Housing Upgrade Programme and the Community Action Programme. Some submitters felt that the Wellington Housing Association of Tenants (WHAT) do not represent their views. Other submitters felt that the Council should involve tenants in reviewing its policy every year, involve tenants in the Housing Forum and run a tenant led conference every year.

Background information

The Policy Review:

Tenants have been involved throughout this policy review, including:

- A representative of WHAT has been on the working party throughout the review. Officers have regularly attended WHAT meetings each month providing updates and seeking feedback.
- Meetings were run at four different housing complexes to seek tenants' views on the current policy and potential changes. These were open to all tenants and were advertised by flyers and tenancy managers.
- Two public meetings were held in the Council's offices to present the draft policy and seek feedback, one during the day and one in the evening. These were advertised in the City Housing newsletter which goes to all tenants.

- Regular updates were provided in the City Housing newsletter which goes to all tenants.

All tenants have been given the opportunity to have their say. All tenants have also been given the opportunity to make a submission on the draft policy. Eleven submissions have been received from tenants.

Under the current Tenant Participation Policy, reviewed and adopted in 2000, Council confirmed the principle of tenant participation and confirmed a formal tenant participation structure made up of WHAT and a number of housing complex committees. This policy also provides for some grant funding to these structures. The key objective is “to ensure that tenants of Council housing are informed of and consulted in relation to issues which affect them”.

The Community Action Programme:

The Community Action Programme has undertaken extensive consultation with tenants as part of the process of finding out about uses and priorities for community spaces and activities that tenants may be interested in. The consultation processes included one to one interviews, focus groups, activate sessions, surveys and events.

The Housing Upgrade Programme:

Tenants have been offered the opportunity to input into the design aspects of the Housing Upgrade Project via the following participative processes:

- Pre-upgrade evaluations - ‘Walk and Talk’ exercises facilitated by an independent architect who takes small groups of tenants through their housing complex – both internally and externally – and asks a series of questions about how a space feels, what works or doesn’t work about it and whether people feel safe in a space? Responses are recorded and compiled into a report, with recommendations, that is provided to the architect responsible for the design of each complex – thus providing them with an overview of the tenant's perspective on the issues within that complex.
- Tenant design workshops - tenants are invited to participate in a series of 'Activate' design workshops. Over time, three such workshops are held at each upgrade site. The first session is highly interactive and is used to tease out any further tenant issues about their complexes/housing units and to hear their suggestions as to how things might be improved. At the second workshop, the architect talks tenants through the design solutions that they have arrived at based on the information gained through the pre-upgrade evaluation and tenant feedback through the earlier workshop. This session too is interactive, with tenants breaking out into groups to discuss the design proposals and provide further feedback - this informs the final design which is presented back to tenants at the third 'Activate' session which takes the form of an Open Day.

For tenants for whom English is a second language, extensive use is made of interpreting and translation services in its dealings with the tenant population.

Tenant focus groups have also been used to inform both the design process and Community Action Programme initiatives, while more informal approaches, such as BBQs, soup dinners, tenancy managers' weekly on-site clinics and other events also provide an opportunity to sound out tenants' feelings about a range of issues.

This approach has won the team the City Housing team the Australasian Housing Institute award for professional excellence.

Officers' response

As the policy review carried out is not proposing huge change in the way the Council sets rents, allocates housing and manages tenancies, the level of consultation carried out was appropriate. All tenants were given an opportunity to have their say. Given that the Council only received eleven submissions from current tenants, most tenants are likely to be comfortable with the policy not changing substantially from the status quo.

The draft policy states that the Council is committed to delivering its housing services in a way that involves tenants in making decisions about how their place is managed.

Tenants have been involved throughout the development of the Community Action Programme.

City Housing which included Housing Upgrade and Community Action Teams won an award for its tenant engagement. Tenants are involved throughout the redesign and relocation process. Tenants are assisted with moving homes.

Officers recommend that no change is made to the draft policy. City Housing values the contribution made by tenants and will continue to engage them in all aspects of their work.

5.3 Tenancy allocations

Some submitters, including the Wellington Association of Tenants (WHAT) were concerned about the eligibility for Council housing. The main issues are outlined below.

<i>Issue raised</i>	<i>Officers' response</i>
It is unfair that there are tenants living in Council housing paying market rent. These people are not eligible for Council housing (they do not meet the	There are two main reasons tenants pay market rental for their home: <ul style="list-style-type: none"> · Currently tenants earning above the income or asset thresholds are given 12 months to find alternative accommodation, during which they have to pay full market rental for their home. If a tenant's income changes during this period and they once again become eligible for social housing, they will go back to paying 70% of the market value of their property.

<p>income, asset or age thresholds) and should move on.</p>	<ul style="list-style-type: none"> • During the housing upgrade, a number of properties have been offered for rental in the private market on short term tenancies once the existing social housing tenant has been relocated to enable the upgrade to occur. Rather than these properties remaining empty, short term tenancies provide an opportunity for the Council to recover the otherwise lost income prior to construction commencing. <p>Officers recommend that no change is made to the draft policy.</p>
<p>More clarity and transparency is needed about the needs assessment. How do we know certain groups are not discriminated against?</p>	<p>Each applicant for social housing goes through a needs assessment which generates a priority ranking for allocation. The timing for when an applicant is successful in securing Council housing will depend on the availability of suitable stock. When a home becomes available, high ranking applicants are considered first. However where the home available is not suitable, it is offered to a highest priority applicant who is suitable. Housing officers take many factors into consideration when deciding whether or not a home is suitable for an applicant such as size, location and access to services.</p> <p>Officers recommend that no change is made to the draft policy.</p>
<p>The priority groups 'multiple disadvantaged' and 'low level psychiatric' need to be better defined.</p>	<p>The needs assessment carried out determines each applicant's priority for social housing. The assessment includes detailed questions around each of the priority groups.</p> <p>Officers recommend that no change is made to the draft policy.</p>
<p>It is unfair that tenants are eligible for social housing when they have assets in Trust, such as a house, which they draw an income from.</p>	<p>People are eligible for the Council's social housing if they meet the criteria which set limits on assets and income. Where the eligibility criteria are not met (when assets or income exceed the thresholds) the Council will take action to ensure these tenants move on from social housing. If a Council housing tenant receives any income from an asset in trust, this will contribute towards their household's total income and will affect their eligibility.</p> <p>Officers recommend that no change is made to the draft policy.</p>
<p>School students should not be eligible for social housing.</p>	<p>While the normal minimum age to have a tenancy is 18 there is a formal process run by the Department of Building and Housing whereby a younger person can prove their ability to enter into a tenancy agreement. If an applicant for housing is eligible under the Council's policies and has a housing need they may be housed.</p>

	<p>Officers recommend that no change is made to the draft policy.</p>
<p>There is no rationale for setting the income threshold at the Wellington median income.</p>	<p>The asset threshold has been set at the Wellington median household income for some time. It is higher than the threshold set for HNZC housing, therefore more people are eligible for Wellington City Council housing than HNZC housing. Changing the income threshold will mean that either more or less people are eligible. We know from the waiting list that the current eligibility criteria, while in some ways arbitrary, is set at about the right level for the amount of housing the Council has. This is because most tenants are housed within six months of being on the waiting list. If we increase the income threshold more people will be eligible and the waiting list will grow. Likewise, if the income threshold is reduced less people will be eligible and the waiting list will shrink, potentially resulting in some of our homes not being used. In addition we prioritise tenants based on their need for housing.</p> <p>Officers recommend that no change is made to the draft policy.</p>
<p>The sudden jump at 50 years of age from an asset threshold of \$35,000 to \$50,000 makes no sense. This change should be a more incremental sliding scale.</p>	<p>The rationale for increasing the asset threshold at the age of 50 years is that as tenants become older, they are more likely to have built up some reserves which they will need into their retirement.</p> <p>The alternative policy options are to have no change in asset threshold at any age, to change the age to younger or older or to have a number of ages where the threshold is increased more gradually. While the change at 50 years of age is relatively arbitrary (a person who is 49 years and 364 days old is no worse or better off than someone who is 50 years and 1 day old), whatever age the threshold is set at would be the same. A more incremental increase will be just as arbitrary as well as being harder to understand and administer. It is the opinion of officers that the approach needs to be simple.</p> <p>Officers recommend that no change is made to the draft policy.</p>
<p>If there is an incremental change in the asset threshold for those aged over 50 years, there should also be a corresponding change in the</p>	<p>The rationale for increasing the asset threshold at the age of 50 years is that as tenants become older, they are more likely to have built up some reserves which they will need into their retirement. In effect we are saying that older people with higher assets, but with an income below the threshold, are still in housing need. This rationale however does not apply to the income threshold. If an older person is earning above the income threshold, their need for</p>

<p>income threshold.</p>	<p>support from the Council is much less.</p> <p>Officers recommend that no change is made to the draft policy.</p>
<p>Some housing should be made available to tenants who do not meet the eligibility criteria but who contribute towards other community development objectives within each housing complex.</p>	<p>Three submitters raised this as a possibility. One of the key concerns of WHAT however, the body that represents all tenants, is that there are tenants in social housing that do not meet the eligibility criteria. Their main concern is that this housing is being taken up by people who don't really need it at the expense of people who really do.</p> <p>To accommodate this type of approach, the policy would need to be changed to allow a lot more flexibility in who could live in social housing. The draft policy states that the primary purpose of the Council's housing is for people who otherwise have barriers to accessing appropriate and affordable accommodation. There are currently about 10,000 households in Wellington which experience housing stress and the Council can house just over 2,000 of these. The approach proposed by these submitters is about improving the quality of life of our existing tenants, which is also an objective in the draft policy. International research and experience does show that creating communities with a good mix of households from different socio-economic backgrounds, sizes, ages and ethnicities creates communities which are more sustainable and prosperous. If the Council chooses to take this type of approach for its social housing, the policy would need fundamental changes.</p> <p>Officers recommend no change is made to the draft policy.</p>
<p>Tenants earning above the income threshold pay either 90% or 100% of full market rent for 12 months depending on how far above the threshold they are. This incremental change should also apply to the asset threshold.</p>	<p>The draft policy proposes that if a tenant begins to earn above the income threshold, they are given 12 months to find alternative accommodation, during which they have to pay 90% or 100% of the full market rental for their home, depending on how far above the threshold they are. If a tenant's assets go above the threshold, even by a small amount, they are given 12 months to find alternative accommodation and go straight on to paying full market rent.</p> <p>Officers recommend that the increase in rent for those earning above the eligibility thresholds be the same for income and assets. The 'moving on from social housing' section in the draft policy would be changed to:</p> <p><i>During this one year period rent will be increased as follows:</i></p> <ul style="list-style-type: none"> · <i>to 90 per cent of market value for those exceeding</i>

	<p><i>the income and/or asset thresholds by up to and including 20 per cent</i></p> <ul style="list-style-type: none"> · <i>to 100 per cent of market value for those exceeding the income and/or asset thresholds by more than 20 per cent</i>
<p>The social housing in Tawa was originally built for older people and should remain for them.</p>	<p>The fit elderly are a priority group in the draft policy. Currently the Council accommodates about 200 households (about 10 per cent) that fall within this category across the portfolio. Some housing complexes, such as those in Tawa, are more suitable than others for older people. While the housing in Tawa is open to all household types, it is likely it will remain as housing for older people.</p> <p>Officers recommend no change is made to the draft policy.</p>
<p>Those tenants who are no longer eligible for Council housing are given 15 months to find alternative accommodation (12 months plus 90 days). This is too long as it means the homes are not available for households that need them.</p>	<p>Tenants are given 15 months to find alternative accommodation because many tenants will become eligible once again for social housing within this time (their income decreases to below the threshold once again). This means that tenants wait until the end of the initial 12 months to begin looking for somewhere else to live. The extra 90 days means these people are less likely to be homeless when they leave our social housing.</p> <p>Officers recommend no change is made to the draft policy.</p>
<p>Income and asset thresholds should be higher for people with disabilities in recognition of the barrier their disability places on them in finding appropriate accommodation in the private market.</p>	<p>All of the priority groups have costs and barriers which are distinct from the other priority groups. It is very difficult to quantify which groups are likely to experience more hardship than others. The draft policy does not rank any of the priority groups in order of their relative priority.</p> <p>Officers recommend no change is made to the draft policy.</p>
<p>Tenancy allocations should also consider number of occupants, affordability and access to transport and local services.</p>	<p>When a person applies for social housing, the assessment carried out determines the extent to which the applicant needs a home. When someone is on the waiting list, all of the factors mentioned are taken into account when finding a suitable home.</p> <p>Officers recommend no change is made to the draft policy.</p>
<p>Some Somali tenants should not be located next to</p>	<p>When housing officers are allocating units, this is the sort of information they take into account. The policy can only address this issue by setting rules around the mix of</p>

households from other tribes which are in conflict back in Somalia.	households. It is inappropriate to set rules around which households can be placed next to others. Each case needs to be addressed separately. Tenants are able to request a move if they are not happy where they are, and they are able to turn down an offer of a unit and remain on the waiting list until something else comes up. These issues are best dealt with outside of the policy using the knowledge and experience of the housing staff. Officers' recommend no change is made to the draft policy.
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5.4 Rent setting

The following issues were raised about how the Council sets rents.

<i>Issue raised</i>	<i>Officers' response</i>
For tenants earning just above the eligibility threshold, the jump to 90 percent of market rent is still too high. This creates an incentive for tenants to keep their income below the threshold.	<p>When the income or assets of a Council tenant increases above the threshold, they are no longer eligible for Council housing. In these situations, tenants are given 12 months to find alternative accommodation and then 90 days to vacate their dwelling. Currently tenants are charged full market rent during this period. The draft policy is proposing to change this to 90 percent of market value for those earning just above the income threshold and 100 percent for those earning well over the income threshold.</p> <p>The income threshold for adults living alone in Council housing is about \$531 per week (\$27,605 per year). Most single tenants are receiving the unemployment benefit which is about \$190 per week. If a tenant's income was to go from being on the unemployment benefit to around the income threshold, they would be earning at least \$341 more per week. If this person was in a bedsit paying \$105 per week in rent, under the new proposal their rent would go up to \$135 per week (90 percent of market value). This tenant would be earning \$341 more in income and only paying \$30 more in rent. Other tenants in larger accommodation would pay larger increases in rent per week, but would likely still be better off than when they were receiving the unemployment benefit.</p> <p>Officers recommend that no change is made to the draft policy.</p>
The Affordable Rent Limit (ARL) should be changed from 35 per cent to 30 per cent because paying 30 percent of	<p>The ARL is set at 35 percent of income for two reasons:</p> <ul style="list-style-type: none"> · The government offers an Accommodation Supplement for those tenants paying more than 30 percent of their income in rent. Setting the ARL at 35% ensures that those tenants struggling to pay their rent take full advantage of Government

<p>income in rent better reflects international affordability standards.</p>	<p>subsidies before any Council subsidies are required. If the Council sets its ARL at 30 per cent, this funding would not be available.</p> <ul style="list-style-type: none"> · It is difficult to assess the impact this change would have on the financial sustainability of the housing portfolio over 30 years. The Council is obliged to keep the stock to a good standard over this period and can only use rental income as funding. <p>Officers recommend that no change is made to the draft policy.</p>
<p>Setting rent at 70 per cent of market value is the right level because the cost of maintaining the housing stock should not fall to Wellington's ratepayers.</p>	<p>Officers recommend that no change is made to the draft policy.</p>
<p>Setting rent at 70 per cent of market value is too high because rents are already high in Wellington. Rent should be set using the same method as HNZA (income related).</p>	<p>The draft policy proposes rent is set at 70 per cent of market value because we know that rent set at this level is currently affordable for most tenants. There is also the safety net of the rent relief mechanisms for those who are struggling to pay their rent. No tenants currently pay more than 35 per cent of their income in rent because of the Council's Affordable Rent Limit subsidy. Also those tenants who pay more than 30 per cent of their income in rent are eligible for the Government's Accommodation Supplement. Financial modelling has also shown us that rent set at this level is high enough to generate the required amount of income over 30 years to reinvest to maintain the Council's homes to a good standard.</p> <p>Moving to income related rent:</p> <ul style="list-style-type: none"> · will not benefit tenants to a great extent because of the Government's Accommodation Supplement and the Council's Affordable Rent Limit subsidies. · would be a lot more complex and costly to administer and could encourage tenants to underreport their income or actively reduce their income. · would mean that rent for all Council homes would be the same for a given income regardless of size or location. · would mean that some tenants may think it is unfair that their neighbour is paying less rent for a similar home. · will make it difficult to predict the total income generated over 30 years and therefore the sustainability

	<p>of the stock. There is currently insufficient reliable data available.</p> <p>In addition, HNZC has specific legislation in place to allow them to set income related rent and receives a subsidy from the Crown for the difference between income related rent and the market to remain viable.</p> <p>Officers recommend no change is made to the draft policy.</p>
Pacific families should pay less rent because they are often larger households with more costs.	<p>All households have costs and barriers which are distinct from the other priority groups. It is very difficult to quantify which groups are likely to experience more hardship than others. The draft policy does not rank the hardship of any group over another – the same affordability principles are applied across the board.</p> <p>Officers recommend no change is made to the draft policy.</p>

5.5 Community Action Programme

The following issues were raised about the Community Action Programme.

<i>Issue raised</i>	<i>Officers' response</i>
The Community Action Programme uses unfair employment practices, employing people using food grants rather than wages and not paying tenant wardens.	<p>The Community Action Programme uses gifts and koha to support volunteer effort. Examples include where volunteers have provided transport or used their own resources to run an engagement process which benefits a large number of tenants.</p> <p>Where the Council employs people it uses best practice methods. A distinction needs to be made between recognising volunteers and employment. Currently the balance is appropriate. Officers recommend no change is made to the draft policy.</p>
The Community Action Programme uses photos of people without their permission.	<p>As part of keeping a record of events at housing complexes, photographs are taken. Each person is asked prior to being photographed whether they want their photograph taken and a release form is signed. At times when group photos are being taken and the release forms have not been signed, the photographer follows up with individuals in the group to request the release of their image. If they decline, the photo is deleted and cannot be used. No photos are used for publication without a release form being signed.</p> <p>Officers recommend no change is made to the draft policy.</p>
The Community Action Programme is duplicating services provided elsewhere,	<p>Council officers met with the AVCC to discuss ways the Community Action Programme could help because the group had to begin charging participants to attend. This resulted in a substantial drop in numbers, many of whom are Council tenants. The Community Action Programme</p>

particularly a course for English as a Second Language (ESOL) being provided at the Aro Valley Community Centre (AVCC).	has itself made no attempt to establish an ESOL class anywhere at anytime. Officers recommend no change is made to the draft policy.
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5.6 Tenancy management

The main issues raised about tenancy management are outline below.

<i>Issue raised</i>	<i>Officers' response</i>
Confidential information given to fire wardens.	The Council does not and has never given confidential information to fire wardens. Officers recommend no change is made to the draft policy.
More tenants should be employed by the Council.	The Council supports the principle of employing its housing tenants and has from time to time done so. However, the Council is obliged whenever it employs people to carry out a fair and transparent process when selecting future employees. In those cases where housing tenants are the best people for the job, housing tenants are successful. It is inappropriate however to favour housing tenants over other applicants. Officers recommend no change is made to the draft policy.
There should be better dispute resolution in the housing complexes.	The Council will take account of the specific circumstances of any complaint or issue. It is not proposed to include operational detail on those responses within the policy.
There should be more Pacific tenancy representatives.	Each housing complex has a tenant committee which is open to all tenants. There is also the umbrella organisation WHAT which is comprised of tenant representatives. The Pacific community is currently well represented across these committees. Officers recommend no change is made to the draft policy.
City Housing staff should be trained to work with people from diverse backgrounds.	Staff are well trained to work with a diverse range of tenants and housing applicants. Officers recommend no change is made to the draft policy.

5.7 Housing affordability in Wellington

A number of submitters made comments about general affordability of housing in Wellington. While these matters are outside the scope of this review, each issue is outlined below.

<i>Issue raised</i>	<i>Officers' response</i>
The need for a Regional Housing Strategy to specifically address affordability and to increase the supply of social housing overall.	This comment is out of the scope of this policy review. The Council may consider developing a housing strategy in the future. Officers recommend no change is made to the draft policy.
New housing developments should be obliged to include some social housing to increase supply.	This comment is out of the scope of this policy review. The Council may consider developing a housing strategy in the future. Officers recommend no change is made to the draft policy.
Tenants should be allowed to buy their own homes and the Council should look to increase the supply of social housing.	The Deed of Grant agreed between the Council and Government states that the Council has to continue providing about the same level of social housing over the next 30 years. If the Council were to allow tenants to buy their homes, the Council would need to purchase additional units to replace them. This would only be possible if the proceeds from each sale were enough to buy an additional unit elsewhere because there is no other funding available to do this. This is very unlikely to be the case. Wellington City Council is already the largest provider of social housing in the city providing about 2,300 units. This is a significant portion of the housing sector and goes some of the way to addressing the need for affordable housing in Wellington. The Council is not in a position financially to address the situation to any greater extent. Officers recommend no change is made to the draft policy.

5.8 Partnership approach

One submitter felt the Council should introduce more formal contractual relationships with its partners including timeframes for responding to referrals, clear standards for the level of service to be delivered and an agreed procedure for terminating contracts. This submitter also felt that all social housing providers within the city should share a waiting list.

One submitter felt the Police should be a partner.

Officers' response

City Housing enters into formal partnerships with agencies where there is a mutual benefit to clients.

Officers recommend no change is made to the draft policy.

6. Conclusion

This policy has been developed to meet the requirements of the Deed of Grant between the Crown and the Council. Consultation carried out on the draft policy highlighted a number of issues. This report summarises the key points raised by submitters and recommends one amendment to the draft policy for Wellington City Council's social housing service 2009. It also seeks Committee agreement to refer the policy to Council for consideration and adoption.

Contact Officer: *Bridget Duley, Senior Policy Advisor*

Supporting Information

1) Strategic Fit / Strategic Outcome

The provision of social housing assistance supports outcome 2.6 Access to resources – All residents are able to access community resources and public services. In particular objective 2.6.1 is supported – to ensure that all residents have access to basic requirements of housing, health care and other services.

2) LTCCP/Annual Plan reference and long term financial impact

The Crown has agreed to provide the Council with a grant of \$220 million (through Housing New Zealand Corporation as agent of the Crown) over a 10 to 15 year period.

3) Treaty of Waitangi considerations

n/a

4) Decision-Making

This is not a significant decision.

5) Consultation

a) General Consultation

Consultation took place from 8 December 2009 to 26 February 2010. The Council received 26 written and 10 oral submissions on the draft policy.

b) Consultation with Maori

Wellington Tenth's Trust and Te Runanga o Toa Rangatira were provided with a draft version of the policy during the special consultative procedure.

6) Legal Implications

Legal issues are limited to implementation processes that will be handled as part of normal business.

7) Consistency with existing policy

This report reviews and largely confirms existing policy.

Appendix A

A Policy for Wellington City Council's

SOCIAL HOUSING SERVICE

April 2010

1. Introduction

Wellington City Council is committed to the provision of social housing at below market rents for those households who experience barriers to accessing appropriate housing.

Wellington City Council will work in partnership with the Government to deliver on this commitment. The Council signed a Deed of Grant with the Crown in 2007 which outlines a programme of funding to upgrade the Council's housing stock in exchange for an on-going commitment from the Council to provide social housing at a good standard for at least 30 years. The rents will both be affordable for tenants on low incomes as well as being at a sufficient level to generate enough revenue to maintain the homes to a good standard for modern living.

In light of the requirements in the Deed of Grant, the Council agreed to review its policies around social housing. This Social Housing Policy focuses on how we allocate homes to potential tenants, how we set rents and how we manage the tenancies.

The policy provides:

- the Council's vision for social housing – including purpose, objectives and principles
- the context for social housing in Wellington and its key challenges
- the principles in action – how the Council will implement those principles.

2. Our vision

Wellington City Council's vision is for Wellington to be a vibrant, internationally competitive and affordable city. Our community have told us their aspirations for the city which are outlined in the Long-Term Council Community Plan 2009-19. These include social services, especially health and housing, being affordable, available and accessible to all Wellingtonians.

The Council has responded to this aspiration within the Social and Recreation strategic area which aims to build strong, safe and healthy communities. The Council's ambition is for all Wellingtonians to have access to accommodation that is fit for purpose. One of the Council's roles in contributing to this aim is to provide some social housing for people who otherwise have barriers to accessing appropriate and affordable accommodation.

Purpose

The purpose of the Council's housing provision is to provide social housing for a minimum of 30 years to Wellington residents.

Objectives for social housing

The Wellington City Council aims to provide:

- appropriate and affordable housing to low-income households who otherwise have barriers to accessing housing
- safe and secure housing to a good standard
- communities where people feel safe, have a sense of belonging and are proud to call home
- support for Council tenants to improve their quality of life and well-being and to contribute to and benefit from living in Wellington

To achieve these objectives, the following principles will guide our decision-making and the way we work.

Principles

- Work in partnership to improve the lives of tenants
- Ensure the housing portfolio is financially sustainable into the future and affordable for tenants
- Respond to demand for social housing equitably and efficiently
- Commitment to resilient and cohesive communities
- Provide a high quality service to tenants

3. Context

Wellington City Council is the largest social housing provider in the city with 2,352 units. This represents 3.4% of all the residential dwellings and 8.3% of all rental dwellings in Wellington. This means the Council is a major player in the city's housing market. Housing New Zealand Corporation (HNZC) is the other major provider of social housing in Wellington with 1896 dwellings. A further 104 units are provided by non-profit community based initiatives focusing on targeted accommodation for people with mental health disabilities, emergency and respite.

The Council's housing stock is predominantly comprised of bedsits and one bedroom units (71.3%). HNZC however provides mostly two and three bedroom accommodation (78.8%). Consequently the Council houses mostly single people and couples without children. About 20% of the Council's stock houses children which amounts to about 900 children overall. After the housing upgrade is complete in 20 years, it is expected the number of bedsits and one bedroom units will decrease slightly, however they will still comprise a significant portion of the stock.

Wellington City Council in partnership with Housing New Zealand are implementing a 20 year programme to upgrade all of the Council's housing stock to a good condition. After this programme is complete there will be significantly less bedsits but many more one and two bedroom units and a few more three and four bedroom units. The number of units overall will decrease slightly, but the stock will better reflect modern living standards.

See Appendix A for more information about the social housing stock, demographics and housing need in Wellington.

4. Challenges we face

In providing social housing, Wellington City Council faces the following challenges:

- **Affordability.** Less people are owning their own homes in Wellington because house prices are becoming increasingly unaffordable. At the same time the population is growing and most of the growth in the Wellington region will occur in Central Wellington. Therefore the majority of growth will be in the rental market.
- **Increasing numbers of households in housing need** – In Wellington the main causes of need are affordability, sustainability of tenancies in the private sector and accessibility barriers tied to discrimination. This growth is primarily expected in over 45s and one parent and one person households.
- **Limited type of stock** – While Wellington City Council's ambition is to house all households in need, the reality is that the Council's stock is predominantly made up of bedsits and one bedroom units (71.3%). This limits the types of households the Council can assist with their housing needs.
- **Aging population** – While Wellington has a relatively young age profile, the number of older people is expected to increase. It is likely there will be increasing numbers of older people experiencing difficulty accessing housing.

5. Working in partnership

There are many agencies with a role that contributes to affordable housing in Wellington and to support Council tenants. Wellington City Council does not wish to duplicate services but rather, work in partnership with other agencies. Working in partnership is critical in assisting those who need help, building strong and safe communities and improving the well-being of tenants.

Wellington City Council will foster and promote partnerships with the following organisations and individuals in order to achieve its objectives around social housing:

- ***Housing New Zealand Corporation*** – provides 1896 social housing units in Wellington and has a strategic role in the provision of social housing. Many of the households in housing need that cannot be helped by the Council will be suitable for Housing New Zealand assistance because of the different types of stock available.
- ***Other social housing providers*** – other non-profit organisations specialise in providing housing for those with high support needs and emergencies.
- ***Work and Income New Zealand*** – over 80% of the Council’s tenants receives benefits from the Government. The Council will work with WINZ to ensure tenants receive all of the benefits they are entitled to.
- ***Support services*** – The Council houses some tenants with various support needs. The Council will make sure people who require assistance and support are connected with the relevant agencies and government departments.
- ***Wellington Housing Forum*** – the purpose of the forum is to bring organisations together to improve housing situations for people with unmet housing needs in Wellington. The forum is made up of a mixture of groups representing a variety of interests relating to social housing in the Wellington City area.
- ***Community Action*** – a grant funded programme which aims to address the social needs of tenant communities by encouraging and developing a sense of place and enhancing community and individual wellbeing.
- ***Tenants*** the Wellington Housing Association of Tenants (WHAT) has a formal agreement with the Council to be the joint voice of tenants. The Council will also consult directly with tenants on matters that are relevant to them.

6. Financially sustainable and affordable

Wellington City Council is committed to providing approximately 2,300 social housing units that are both affordable for tenants as well as safe, secure and to a good standard. The Council is funding an upgrade of all of its housing stock to meet this standard with a grant from the Government. After this upgrade work is complete, the Council will continue to invest in the stock to maintain it at a good standard. This on-going upgrade work will be funded from income generated from rents which will be ring fenced for the purpose of funding the housing portfolio. This means the Council needs to generate enough income from rents to sustain all of the homes to a good standard.

Rent setting

Rents will be set at 70% of market rent and will be reviewed annually. This means the Council's social housing will remain affordable for tenants as well as enabling the Council to continue to provide social housing in a reasonable condition at current levels for at least 30 years.

Rent relief provisions

Affordable rents are a critical feature of social housing. As a safety net, the Council uses the following mechanisms to ensure rents remain affordable:

- Following the annual rent review, 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
- affordable rent limit - consideration of a rent reduction for any tenant whose rent exceeds 35% of net household income(not including the disability allowance) after tax and after Accommodation Supplement entitlement has been received
- no rent increases for tenants over 80 years of age

In effect all tenants will either be paying 70% of the market value of their property or 35% of their income, whichever is lower.

The Council will adjust the maximum rent increases in line with inflation and average incomes every three years. The income of most Council tenants increases each year at the rate of inflation. Carrying out these reviews every three years means that the caps do not lag to any great extent (particularly while inflation is low).

7. Responding to demand

Wellington City Council is not able to house all households who require social housing because the stock is limited. The social housing portfolio is for people who face barriers in accessing housing in the private sector, particularly on the basis of affordability. Consequently, the following households are eligible:

- have an income of less than 60% of the Wellington median income
- have less than \$35,000 worth of assets if aged under 50
- have less than \$50,000 worth of assets if aged over 50.

These thresholds will be reviewed every three years in line with inflation to reflect the changing incomes of tenants. Raising the income and asset thresholds will make more people eligible for social housing. Therefore, these reviews need to take into account the impact on demand for social housing given the limited stock available.

Also, for legal reasons, the Council will only consider applicants where the primary tenant:

- is at least 18 years of age
- has permanent resident status or has lodged an application for such status

All eligible applicants will undergo a needs assessment to determine their relative housing need. The following factors are considered in this assessment:

- current tenancy or living arrangement – does the applicant have a short, fixed term, long term or no tenancy? Is their current home affordable?
- adequacy of current housing – is the applicant living in a home in poor physical condition or one that doesn't meet their needs?
- suitability of current housing – is the applicant's house size big enough for the number of occupants?
- accessibility – can the applicant access housing in the private market in the face of discrimination?
- location - is the applicant able to access social infrastructure such as community centres, shopping centres, transport links, health and education services?
- special housing needs – does the applicant have any special needs including physical disability, homelessness, substance abuse, chronic illness and domestic violence?

The assessment tool determines the level of needs of all applicants who are then placed on the housing register and are assigned a relative priority. When a housing unit becomes available, housing officers determine which household's needs are best met by that house in terms of its size, location, physical layout and proximity to support services. The housing officers consider the following factors when determining whether a home meets the needs of a particular applicant:

- household characteristics (number of people, children, older people)
- social support considerations
- special housing needs (location, access)
- tenant preferences

This means applicants are offered the best possible dwelling to meet their needs. Housing officers attempt to house the highest priority applicants first, but sometimes the available housing is not suitable for these applicants. In those cases, the homes are offered to lower priority applicants. Consideration will be given to the particular community. For example, older people often want to live in quiet neighbourhoods without families with young children nearby. Decisions are made on a case by case basis taking into account the specific needs of each potential tenant and community. The Council will not house applicants if they are a risk to themselves or to others.

Wellington City Council's housing stock is limited in type and location. Most of the dwellings are bedsits and one bedroom. Consequently most of the current tenants are single people living alone and couples without children. Housing

New Zealand Corporation on the other hand has mostly two and three bedroom dwellings, as well as lower income and asset thresholds and cheaper rents. This means that Housing New Zealand Corporation is better able to assist larger households with different housing needs. These factors limit the type of households the Council can assist with their housing.

Given these constraints, Wellington City Council is best suited to house single people and small families particularly from the following groups:

- The fit elderly: Those able to maintain an independent lifestyle at the time of application
- Refugees and migrants: Recently arrived either through the quota or asylum seekers accepted by the immigration service as refugees and people entering the country under the humanitarian or family reunification categories
- Low level psychiatric: Those people able to maintain an independent lifestyle with minimum supervision and support
- Multiple disadvantaged: Households with a number of problems that make them vulnerable in the housing market
- People with physical disabilities: People with specific accommodation needs arising from a disability

The Wellington City Council recognises that applicants often have preferences as to where they wish to live. The Council aims to satisfy these preferences, however the availability of suitable stock will determine the extent to which those preferences can be met.

8. Resilient and cohesive communities

Resilient and cohesive communities are places where those who live there feel safe and secure and contribute to and benefit from a rich and varied life. Resilience requires stability in the community. While the Council's social housing is not intended as a permanent solution to the problems many people experience accessing housing, the Council recognises that it is in the best interest of the community if some tenants are living in our homes long-term.

Moving on from social housing

Wellington City Council's goal is to create communities that are safe and secure and contribute to a rich and varied life for those who live there. The Council's social housing is intended for those who cannot afford a home in the private housing market. Many tenants will stay in our homes long-term. The average tenancy is 6.6 years with many tenants staying only one to two years and others staying twenty plus years. This level of turnover allows stability in many communities as well as ensuring enough dwellings become available for new tenants.

When tenants' circumstances change and their income or assets go above the Council's thresholds, they will no longer be eligible for Council housing. It is the tenants' obligation to advise the Council if their circumstances change. Each year the Council will ask tenants to provide information about their income and asset levels. When tenants are earning 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 once again 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.

After this period tenants will be given 90 days notice to vacate their dwelling.

Each year the Council will review the income thresholds to ensure they remain at 60% of median income (using census data when it becomes available every five years and inflation every other year). Those tenants that have been assessed as earning above the old income threshold will be reassessed against the new threshold. Some tenants will become eligible once again for social housing and will not have to leave their home.

The Council will help tenants to find alternative accommodation by facilitating access to services that will provide tenants with support to identify advice and options around future steps.

Up to 5 per cent of the Council's housing portfolio may be made available at market rental to allow for the provisions outlined above.

9. Providing a high quality service to tenants

Wellington City Council is committed to delivering its housing services in a way that:

- treats all customers fairly and equally
- treats all information given to us confidentially
- deals with enquiries quickly
- involves tenants in making decisions about how their place is managed
- recognise and involve the expertise of community and government agencies.

Tenancy management deals with three areas:

- **Administration of tenancy agreements** – includes the management and termination of tenancies within the provisions of the Residential Tenancies Act 1986, tasks and activities associated with processing applications, establishing a tenancy agreement and ensuring the conditions of the tenancy agreement are adhered to. The latter includes such activities as maintenance, ensuring the rent is paid, annual inspections and resolving disputes.
- **Tenant support** – refers to meeting the needs of individual tenants, both in terms of housing need and other support needs.
- **Community development** – is concerned with addressing the social needs of tenant communities by encouraging and developing a sense of place and enhancing community and individual well-being.

To support these aspirations, Wellington City Council has implemented the Housing Plus and Community Action programmes.

Housing Plus

Housing Plus aims to develop tenancy management by:

- increasing the presence of tenancy managers onsite
- developing effective communications between tenancy managers and tenants
- fostering agency partnerships
- providing case management for high risk/needs tenancies.

Community Action

Community Action goals have been identified that will provide opportunities for tenants to:

- improve their physical environment and develop pride in where they live
- create and participate in a wide range of activities and initiatives
- increase their sense of safety and wellbeing
- meet others and participate in community celebrations
- develop leadership skills
- access to social and recreational programmes
- develop creative expression through a wide range of artistic endeavours
- build confidence, self reliance and a positive sense of identity

- access primary health and wellness services and information
- contribute to the regeneration of communities
- access training and employment opportunities.

Tenant Representation

Wellington City Council recognises that it is critical that all tenants are able to contribute to and participate in decision making that effects them.

The Wellington Housing Association of Tenants (WHAT) which was established to:

- represent tenants in Council housing;
- be recognised by the Council as the formal joint voice of the tenants to the Council;
- negotiate with the Council on behalf of tenants on matters of concern;
- promote communication among tenant groups;
- support the work of tenant groups whose aims are compatible with WHAT's aims;
- work towards the tenants having control of their housing; and
- promote processes which would allow all tenants to have a say in decision making.

10. Review

This policy will be reviewed every five years. These reviews will need to consider the on-going sustainability of the housing portfolio, affordability for tenants, demand for social housing and satisfaction with the service provided by the Council.

Appendix A: The stock, tenants and housing need in Wellington

The housing stock

Wellington City Council is the largest social housing provider in the city with 2,352 units. This represents 3.4 per cent of all the private dwellings and 8.3 per cent of all rental dwellings in Wellington. This means the Council is a major player in the city's housing market. Housing New Zealand Corporation (HNZC) is the other major provider of social housing in Wellington with 1896 dwellings. A further 104 units are provided by non-profit community based initiatives focusing on targeted accommodation for people with mental health disabilities, emergency and respite.

The Council's housing stock is predominantly comprised of bedsits and one bedroom units (71.3 per cent). HNZC however provides mostly two and three bedroom accommodation (78.8 per cent). The following table shows that the Wellington City Council and HNZC stock compliment each other by ensuring there is a broad range of social housing types available overall.

Wellington social housing dwelling type – January 2008

Number of Bedrooms	Wellington City Council		Housing Corporation New Zealand		Combined	
	No. Dwellings	% of stock	No. Dwellings	% of stock	No. Dwellings	% of stock
Bedsit	961	40.9%	41	2.2%	1002	23.6%
1	714	30.4%	304	16.0%	1018	24.0%
2	400	17.0%	933	49.2%	1333	31.4%
3	239	10.2%	562	29.6%	801	18.9%
4	28	1.2%	49	2.6%	77	1.8%
5	8	0.3%	6	0.3%	14	0.3%
6	2	0.1%	1	0.1%	3	0.1%
Total	2352	100%	1896	100%	4248	100%

Following Wellington City Council's Housing Upgrade Programme (HUP) there will be less bedsits but many more one and two bedroom units and a few more three and four bedroom units. The number of units overall will decrease slightly, but the stock will better cater to the housing needs of Wellington. The move away from bedsits to one bedroom flats reflects changes in modern living standards whereby it is not always considered appropriate to live in a bedsit. The Council will however retain some bedsits because many tenants prefer them (usually because they are cheaper) and they are more space efficient. The upgrade will take 20 years to complete.

Wellington City Council's housing type – current and post Housing Upgrade Programme (HUP)

Housing type	No. dwellings		% of stock		Bed spaces	
	Current	Post HUP	Current	Post HUP	Current	Post HUP
Bedsit	961	556-643	40.9%	26%-30%	961	556-643
1 bedroom	714	750-788	30.4%	36%	1428	1500-1576
2 bedrooms	400	492-439	17.0%	24%-20%	1600	1968-1756
3 bedrooms	239	261-258	10.2%	12%	1434	1566-1548
4 bedrooms	28	37-33	1.2%	2%	224	296-264
5 bedrooms	8	5	0.3%	-	80	50
6 bedrooms	2	3	0.1%	-	24	36
Total	2352	2104-2169	100%	100%	5751	5972-5873

An analysis of the waiting list shows that the demand for Council housing is roughly proportional to the profile of the housing stock – that is, highest demand is for the stock in greatest supply. The following table shows that 70.1% of applicants are seeking bedsit or one bedroom properties which comprise 71.3% of the stock (the higher demand for bedsits is likely to reflect the lower cost of this accommodation). 28.8% of applicants are seeking two or three bedroom dwellings which comprise 27.2% of the stock.

Analysis of waiting list at 1 July 2009

Property Type	Number on waiting list	Percentage	Portfolio Profile	
			No. Dwellings	% of stock
Bedsit	260	62.4%	961	40.9%
One Bedroom	32	7.7%	714	30.4%
Two Bedroom	91	21.8%	400	17.0%
Three Bedroom	29	7.0%	239	10.2%
Four Bedroom	5	1.2%	28	1.2%
Five Bedroom	0	0.0%	8	0.3%
Six Bedroom	0	0.0%	2	0.1%
Total	417	100%	2352	100%

Who currently lives in Council homes?

Wellington City Council has targeted its housing at a number of priority groups. The following table outlines the percentage of housing units occupied by each priority group.

Household by priority group

Group	% of stock
Fit Elderly	10.0%
Refugee	9.7%
Low Level Psychiatric	14.7%
Multiple Disadvantaged	38.0%
Rent less than 50% of income	8.6%
Migrant	7.4%
Physical Disability	0.9%
No Priority Group	10.7%
Total	100%

The largest group is the multiple disadvantaged at 38%. Refugees and migrants comprise 17.1%.

Household type by gender

Household Type	% Overall	% Female	% Male
Single Adult	65.6%	34.5%	65.5%
Two Adults	9.7%	52.7%	47.3%
Three+ Adults	3.2%	36.1%	63.9%
Single Adult + Children	8.0%	80.9%	19.1%
Two Adults + Children	10.3%	48.7%	51.3%
Three+ Adults + Children	3.3%	56.6%	43.4%
Total	100%	100%	100%

Nearly two thirds of Council tenants are single adults living alone (65.6%), the majority of whom are male (65.5%). Just over one fifth (21.6%) of dwellings are occupied by adults with children. 80.9% of single adults with children are female.

Percentage of households by ethnicity of head tenant

Ethnic group	Percentage of households
African (other)	1.4%
Asian (other)	7.6%
Chinese	10.9%
Ethiopian	3.6%
Indian	4.1%
Maori	13.8%
Middle Eastern	7.9%
Pacific Island	10.0%
Pakeha/European	35.3%
Russian	1.1%
Somali	4.2%

There is a diverse range of ethnic groups in our social housing. No one group represents a majority.

The average length of tenancy in the Council's homes is 6.6 years. Most applicants are housed within 6 months of being placed on the housing register.

Housing need in Wellington

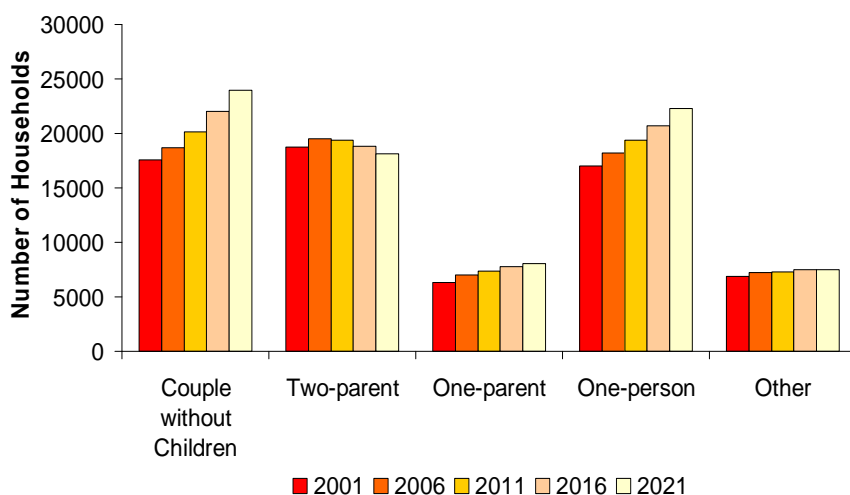
Demographic profile

Wellington City's average household income is higher than the New Zealand average. Wellington also has a relatively young age profile however the number of older people is expected to increase.

Most of the population growth in the Wellington region is predicted to occur in Wellington City, although the rate of growth will decrease over time. In Wellington people are tending to own their own homes later in life and overall there is projected to be a decline in the number of people who own their own homes. This means the majority of growth in the number of households will be in rented accommodation rather than owned.

The following graph shows the number of households broken down by composition and any change expected over the next 10 years. It shows that the number of 'couple with out children' and 'one-person' households is expected to increase quite significantly whereas the number of two parent households is predicted to decrease slightly. The number of one parent households is predicted to increase slightly.

Wellington City household composition



Source: Statistics New Zealand and DTZ (2007)

Market trends

The number of consents issued for new dwellings tells us that most new homes in the Wellington region will be built in Wellington City. Wellington is seeing a higher concentration of multi-unit dwellings and apartments, particularly in the central city.

Affordability

There are an estimated 6840 households paying more than 30% of their gross household income on rent in Wellington. The majority of these households are one parent or one person families and earn less than \$50,000 per year.

Special housing need

Special housing need applies to those who experience more than affordability issues and financial stress. Other factors include adequacy, suitability, accessibility and sustainability. In Wellington the main causes of need are poverty/affordability, sustainability of tenancies in the private sector and accessibility barriers tied to discrimination. Overcrowding and inadequacy in terms of the physical condition of homes tend to be limited to refugee and migrant, people with physical disabilities and Pacific people households.

In Wellington there are estimated to be about 627 households in special housing need. By far the majority of these are beneficiaries. Those with the most pressing special housing need generally have other significant support needs and will gravitate to Wellington City because of the number and range of social support agencies operating in the inner city.

Total housing need

Total housing need is an attempt to quantify the total number of households who are in need for a variety of reasons and includes those households who pay more than 30% of their gross income on housing, households living in Housing New Zealand Corporation accommodation, households living in Wellington City Council accommodation who are not receiving the accommodation supplement, those living in emergency and third sector housing (including those on their waiting lists) and the homeless.

The total number of households in housing need is estimated to be 10,188. This level is expected to increase over the next 20 years due to the moderate growth expected in population and the expected growth in house prices (at a much slower rate than in the recent past). Most of this growth will occur in those aged 45 and over and in one parent and one person households.