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# Council

## OPEN MINUTES

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Minutes of an extraordinary meeting of Council held in the Council Chambers, 126-148 Oxford St, Levin on Wednesday 13 April 2016 at 4.00 pm.

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### PRESENT

<b>Mayor</b>	Mr B J Duffy
<b>Deputy Mayor</b>	Mr G G Good
<b>Councillors</b>	Mr W E R Bishop
	Mr R J Brannigan
	Mr R H Campbell
	Mr M Feyen
	Mrs V M Kaye-Simmons
	Mrs J Mason
	Mrs C B Mitchell
	Ms P Tukapua

### IN ATTENDANCE

Mr D M Clapperton	(Chief Executive)
Mrs M Davidson	(Group Manager - Customer & Community Services)
Mr D Law	(Group Manager – Finance)
Mr A Nelson	(Property & Parks Manager)
Mrs N Brady	(Senior Manager – Business Services)
Mrs K Mitchell	(Communications Manager)
Mrs A Clark	(Property Officer)
Mr S Wood	(Property Services Officer)
Mrs K J Corkill	(Meeting Secretary)

### ALSO IN ATTENDANCE

Mr E Hope-Pearson	(Stimpson & Co)
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### PUBLIC IN ATTENDANCE

There were eleven members of the public in attendance at the commencement of the meeting.

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## 1 Apologies

An apology was recorded for Cr Rush.

MOVED by Cr Good, seconded Cr Kaye-Simmons:

*THAT the apology from Cr Rush be accepted.*

**CARRIED**

## 2 Public Speaking Rights

Item 16/163     Community Housing Proposal  
Horowhenua GreyPower – Mike Coupe/Lew Rohloff  
Community Housing Aotearoa – Scott Figenshow

## 3 Declaration of Interest

None declared.

## 4 Announcements

Mayor Duffy gave a scene setter for the meeting so everyone was clear about the process for the evening:

### Community Housing Proposal

Public Agenda	Speakers
	Officers comment
	Questions

### In Committee Agenda

Because of the commercial sensitivity of some of the information, Officers would have the opportunity to provide that with the public excluded, following a procedural motion to go In Committee, with Mr Earl Hope-Pearson to remain as he had been Council's advisor during this process.

There would be no decision made during the public excluded portion of the meeting.  
Max time 30 minutes – with the public to be catered for in the foyer.

Public Agenda resumption	Debate
	Resolution

The balance of agenda items would then be addressed.

## 5 Customer and Community Services

## 5.1 Community Housing Proposal - Amendment to Long Term Plan 2015-2025

### Purpose

The purpose of this report is to provide Council with the information required to inform a decision on the proposed changes to the Community Housing activity.

MOVED by Cr Good, seconded Cr Kaye-Simmons:

*THAT Report 16/163 Community Housing Proposal - Amendment to Long Term Plan 2015-2025 be received.*

*THAT this decision is recognised as significant in terms of S76 of the Local Government Act.*

**CARRIED**

On behalf of Horowhenua GreyPower, Mr Rohloff joined the table, proffering apologies for Mr Coupe who had intended to be in attendance but had obviously been held up due to a conflicting appointment.

Mr Rohloff made a 'final appeal' on behalf of GreyPower, proposing an amended resolution to that previously suggested. It was "*that Horowhenua District Council maintain the 'status quo' for a period sufficient to permit further research of available and emerging options including the establishment of a local trust to maintain the purpose of 'social' housing*", with it noted that this recommendation "did not exclude the possibility of future transfer of Council's dedicated housing stock to a Community Housing Provider (CHP) and alternatively, it fitted with a possible change in government policy ...."

With next year being an election year, it was suggested that an ultimate decision now would be ill-timed or perhaps precipitate.

A copy of GreyPower's submission is **attached** to the official minutes.

Mr Scott Figenshow, Director of Community Housing Aotearoa, gave an overview of that organisation and the community housing sector:

- Community Housing Aotearoa was the peak body or trade association for the community housing sector in New Zealand;
- It was privileged to have over 80 members around New Zealand and that membership included several local authorities as well as community housing providers who were interested in potentially looking to respond to any RFP that may come out of Council's review;
- GreyPower had become a member last year but he had not had an opportunity to speak at length with that organisation in relation to the submissions that have been made in this process;
- There were similar discussions being undertaken around the country with other local authorities as they went through a similar process;
- Only Christchurch, of those local authorities who have completed a transaction around their community housing stock, had set up a separate trust as there were economies of scale (2,500 units) that made setting up a new entity practical;
- Whakatane, which had gone through the process, had selected an existing CHP from their region, Tauranga CHP. They had a smaller portfolio and there were not the economies of scale that would have justified setting up a new independent trust when there was already another provider in the region operating which was able to take on the stock;
- Concerns about protecting current tenants rights and tenure were able to be

- confirmed through the contractual arrangements that Council entered into so that an enduring form of delivery could be ensured on an on-going basis;
- In terms of the current policy environment, Community Housing Aotearoa had supported submissions from local councils and LGNA that the Income Rent Related Subsidy should be made available to parties beyond Housing NZ as the amount of rent a tenant should pay should not be determined by who their landlord was;
  - There was a lot of capacity in the current community housing provider sector and Mr Figenshow said he thought that Council would have a lot of interest in any RFP process.

Mr Figenshow then responded to Councillor questions in relation to what was involved in becoming registered as a community housing provider, how Council could in any contractual arrangement provide for the demographic (age, etc) of tenants going forward, the issues with regard to eligibility for the IRRS, and the modelling process undertaken by Christchurch City Council when it set up its Trust.

Mrs Davidson, accompanied by Mr Hope-Pearson, spoke to this report reminding Councillors of the briefings and background work undertaken to get to this stage and saying that what was proposed provided a platform for sustainable and accessible community housing which was crucial for the growth and viability of the Horowhenua District. Agreement had also been secured from Housing NZ that the suspensory loan would be able to be fully transferred to a CHP as long as certain conditions were met.

Mr Hope-Pearson reminded Councillors that Council had considered 22 options during the process, one of which was the establishment of an independent trust. That had been eliminated for a number of reasons, including:

- scale and on-going sustainability related to that;
- time and cost and the requirement for on-going Council assistance and intervention;
- the significant amount of capacity in the community housing sector and the capacity that had been developed over time as opposed to a Trust that would take time to set up.

Mr Hope-Pearson and Mrs Davidson then responded to Councillors' questions in relation to concerns raised with regard to the welfare of existing tenants; things that could be done to enhance the transfer of Council's portfolio; and possible benefits for present tenants under a CHP.

## **7 Procedural motion to exclude the public**

MOVED by Cr Bishop, seconded Cr Good:

*THAT the public be excluded from the following part(s) of the proceedings of this meeting.*

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

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

**C1 Community Housing Review - Additional Information**

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

*THAT Mr Earl Hope-Pearson remains in the meeting because he has been Council's advisor during the Community Housing Review process.*

*The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.*

**CARRIED**

Officers remaining for the In Committee portion of the meeting were those who were involved in the process.

4.55 pm      The public were excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available.

The meeting resumed in open session at 5.35 pm.

With receipt of the report and significance recommendations having already been passed, Deputy Mayor Good moved, with Cr Kaye-Simmons seconding, the balance of the recommendations in the report.

Having just discussed the matter with the Chief Executive, Cr Feyen queried the process as he had intended to propose an alternative resolution (that proposed by GreyPower).

Mr Clapperton consulted Standing Orders, Appendix D, reading out the process.

Following the Standing Orders process, the Chair proposed recognising the motions on the table for consideration and debate. Should those motions be lost, then an alternative could be explored.

Deputy Mayor Good spoke in support of the recommendations. Having considered the extensive information provided, he believed Council needed to think of future proofing the community in terms of social housing and social support. There were other things happening in parallel with this in terms of the Community Services Review and he thought this was a logical addition to them. In the long term trying to sustain what was in place would be a costly exercise for ratepayers. Council needed to know that the future of the housing stock was viable. What was being advocated was testing the market and seeing what came out of that. A final decision would be made at a later stage.

As the Councillor appointed to represent Council during the communications process and having done her own research, Cr Kaye-Simmons said she was very comfortable with what was proposed. From the meeting with tenants on 15 February (when about 80 attended) and having personally spoken with a large number individually, not just in Levin but also Foxton and Shannon, she felt there was a clear understanding by tenants of what a community housing provider was as well as a trust and what Council was trying to achieve in terms of sustainable social housing for the district.

Cr Feyen apologised to GreyPower for not getting their motion on the table. He declared his opposition to any sale of community housing as he did not want HDC to cede control of this core service for the elderly. There were no guarantees for the older community over this type of plan apart from trust. Property values were going up in Foxton and also Levin with the RONS and possibly a commuter train down the track, which would support retaining the properties. Any caring modern society, town or city made sure it looked after its citizens across the board and did not leave it up to others.

Having spoken to the tenants in the six Shannon units, Cr Campbell commented on the good things they had had to say about Council as their landlord. However they did say they did not fully appreciate what was being proposed. Council was not in community housing to make money or turn a profit, and there would always be costs looking after the social wellbeing of the community. Handing that role over to another provider and ensuring that tenants were looked after may not necessarily be the best option. What benefit would tenants get from the whole procedure. If this went ahead he thought the Trust model was a good idea, as had been done in the Manawatu, which would maintain the connection of those elderly people.

Speaking in support of the recommendations, Cr Bishop said he saw this process as a continuation of local government openly accepting that there were specialists who could do things better in some areas than Council could do itself and this ran across a lot of the activities that Council controlled. Core assets such as roading, water and waste water were not looked after directly by Council, but specialists were contracted. It was recognised not just in this district, but nationwide, that going to the market was a far better proposition. What he had heard tonight and over previous months had given him huge comfort in terms of not only the existing service that tenants received, but the potential additional services that were wrapped around those communities, and that was an opportunity he did not want to miss. It was also owed to all of the community to be cost neutral in the community housing space, which was not currently occurring, and the reality of the numbers needed to be accepted.

Cr Mitchell said she would be voting in favour of the recommendations. She had noted Mr Figenshow's comments with regard to scale and how Council could ensure protection for the current tenants thought specifying conditions in any contract. People were not being let down but the scale and expertise of the available services were being increased, which would in the future provide a service that would meet the needs of a lot more people than Council could possibly meet. This opportunity should be seized and expressions of interest sought.

In his right of reply, Deputy Mayor Good acknowledged the hard work done by Officers to get to this point and also by Cr Kaye-Simmons. The benefits had been very clearly laid out in the documentation provided and he would like to see advantage taken of that. The 'proof of the pudding' would be in terms of the RFPs received. It would be a massive change but from all the evidence provided it would be a good change.

MOVED by Cr Good, seconded Cr Kaye-Simmons:

*THAT Horowhenua District Council no longer provides Pensioner Housing as a core Council Service.*

*THAT Horowhenua District Council seeks expressions of interest from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio including those land parcels tagged for future Pensioner Housing.*

*THAT Horowhenua District Council continues to take a leadership role in advocating and facilitating for wider community issues with regard to accessibility and affordability of quality housing.*

**CARRIED**

Crs Feyen and Campbell recorded their vote AGAINST the resolutions.

Mayor Duffy belatedly noted, for the record, a Declaration of Interest in relation to the following item and withdrew from Chambers, with Deputy Mayor Good assuming the Chair.

## 6 Executive

### 6.1 Code of Conduct Complaint - Mayor Brendan Duffy

#### Purpose

To provide advice to Council on a Code of Conduct complaint filed by Councillors Feyen and Campbell alleging a breach of Council's Code of Conduct by Mayor Brendan Duffy, including the process that Council is now bound to follow.

MOVED by Cr Feyen, seconded Cr Campbell:

*THAT Report 16/177 Code of Conduct Complaint - Mayor Brendan Duffy be received.*

*THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.*

**CARRIED**

Deputy Mayor Good said that both Code of Conduct items would be treated in the same way as the CoC complaint that had been brought to the last Council meeting. There would be no debate on the content of either complaint as that would be dealt with during the investigative process should the complaints be pursued.

MOVED by Cr Feyen, seconded Cr Campbell:

*THAT Council resolves to investigate the alleged breach of its Code of Conduct by Mayor Duffy.*

*THAT the Chief Executive recommends to Council that Ms Jenny Rowan and Mr Doug Rowan comprise the Code of Conduct Committee.*

A division was called for, voting on which was as follows:

**For:**

Councillors: Ross Campbell  
Michael Feyen

**Against:**

Cr Wayne Bishop abstained.  
Cr Ross Brannigan abstained.

Cr Victoria Kaye-Simmons abstained.  
Cr Joanna Mason abstained.  
Cr Christine Mitchell abstained.  
Cr Piri-Hira Tukapua abstained.  
The division was declared CARRIED by 2 votes to 0.

## 6.2 Code of Conduct Complaint - Councillor Tony Rush

### Purpose

To provide advice to Council on a Code of Conduct complaint filed by Councillors Feyen and Campbell alleging a breach of Council's Code of Conduct by Councillor Tony Rush, including the process that Council is now bound to follow.

MOVED by Cr Feyen, seconded Cr Campbell:

*THAT Report 16/178 Code of Conduct Complaint - Councillor Tony Rush be received.*

*THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.*

*THAT Council resolves to investigate the alleged breach of its Code of Conduct by Councillor Rush.*

*THAT the Chief Executive recommends to Council that Ms Jenny Rowan and Mr Doug Rowan comprise the Code of Conduct Committee.*

**CARRIED**

A division was called for, voting on which was as follows:

**For:**

Councillors: Ross Campbell  
Michael Feyen

**Against:**

Councillors: Wayne Bishop

Cr Ross Brannigan abstained.  
Cr Victoria Kaye-Simmons abstained.  
Cr Joanna Mason abstained.  
Cr Christine Mitchell abstained.  
Cr Piri-Hira Tukapua abstained.

The division was declared CARRIED by 2 votes to 1.

Cr Feyen noted for the record that he had a problem with Mr Doug Rowan acting in these matters.

6.02 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD  
AT A MEETING OF COUNCIL HELD ON

**DATE:**.....

**CHAIRPERSON:**.....