

Notice is hereby given that an extraordinary meeting of Horowhenua District Council will be held on:

Date: Wednesday 13 April 2016
Time: 4.00 pm
Meeting Room: Council Chambers
Venue: 126-148 Oxford St
Levin

Council OPEN AGENDA

MEMBERSHIP

Mayor	Mr B J Duffy
Deputy Mayor	Mr G G Good
Councillors	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 Mr A D Rush Ms P Tukapua
Reporting Officer	Mrs M Davidson (Group Manager – Customer & Community Services)
Meeting Secretary	Mrs K J Corkill

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Full Agendas are available on Council's website
www.horowhenua.govt.nz

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Horowhenua District Council Service Centre, 126 Oxford Street, Levin
Foxton Service Centre/Library, Clyde Street, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takere/Library, Bath Street, Levin

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1 Apologies

2 Public Speaking Rights

Notification to speak is required by 12 noon on the day of the meeting. Further information is available on www.horowhenua.govt.nz or by phoning 06 366 0999.

3 Declaration of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

4 Announcements

File No.: 16/163

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

1. 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.

2. Executive Summary

- 2.1 Horowhenua District Council ("Council") has undertaken an evaluation of options to improve the sustainability of social housing delivery in the Horowhenua District ("District").
- 2.2 The objective of this review was to provide an up-to-date assessment of a number of issues in relation to social housing stock and delivery of community housing in the District and to assist Council in confirming its role in social housing.
- 2.3 Council underwent a special consultation process pursuant to Section 83 of the Local Government Act from 15 February to 18 March 2016 seeking feedback on Council's proposal that:
 - Horowhenua District Council no longer provides Pensioner Housing as a core Council service;
 - Horowhenua District Council seeks expressions of interest from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio;
 - 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.
- 2.4 Council has heard submissions to this proposed amendment to the Long Term Plan 2015-2025 and is now required to make a decision on this proposal.

3. Recommendation

- 3.1 That Report 16/163 Community Housing Proposal - Amendment to Long Term Plan 2015-2025 be received.
- 3.2 That this decision is recognised as significant in terms of S76 of the Local Government Act
- 3.3 That Horowhenua District Council no longer provides Pensioner Housing as a core Council Service.
- 3.4 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.
- 3.5 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.

4. Background / Previous Council Decisions

- 4.1 Horowhenua District Council indicated during the course of this electoral term a desire to review the Pensioner Housing portfolio. In February 2015 a full review of Council's Community Housing activity in the wider context of better Social Housing delivery in the Horowhenua was commissioned. A copy of this report is provided to Council in the In Committee section of this agenda and has been provided to Council previously.
- 4.2 The District's social housing is principally delivered by Council and Housing New Zealand who collectively own, manage and deliver a total of 377 housing units across the District.
- 4.3 The portfolios are split across three geographical locations being:
 - Levin.
 - Shannon; and
 - Foxton.
- 4.4 Approximately 97% of all social housing is located in the District's main centre of Levin.
- 4.5 The portfolio delivers a broad range of housing responses from small bedsit units through to larger four bedroom family homes and specialist community group housing units.
- 4.6 Council's portfolio is clustered in complexes and geographically dispersed verses Housing New Zealand's which is concentrated and presents a range of social issues, a number of which are being directly responded to through collaborative programmes such as Social Sector Trial and Children's Team.
- 4.7 Key issues identified in the social housing review are as follows:

Council

- The service levels current being delivered by Council are not sustainable in the medium to long term without significant operational and capital expenditure being made.
- Council plays an important part in the delivery of housing options for older persons within the community; this could, however, improve and be far more sustainable into the future with a more focused delivery model.

Housing New Zealand Corporation

- Housing New Zealand's portfolio is not geared nor currently positioned to respond to the broader social and affordable housing needs that exist across the District, nor is it providing a targeted response to District-wide housing affordability needs.
- Housing New Zealand's influence in the community is diminishing and could be considered to no longer have a positive role in the community.
- Any further social housing investment is highly unlikely as Government focuses its attention on markets with a higher and greater need.

Other providers

- The District has little third sector housing capability to deliver further social or community housing solutions at a scale to meet the predicted growth in future housing needs nor deliver the wider affordable housing interventions the District will need to respond to external factors that may potentially influence its housing market.
- 4.8 In addition to this the Government has made significant changes to the way social housing (not just pensioner housing) is provided. The Government changes aim to encourage community housing providers to play a bigger role in providing and delivering social housing.
 - 4.9 Recently the Government made changes to the law which include the Social Housing Unit to administer a capital grant fund for building and making income related rent subsidies available to community housing providers.

- 4.10 Only registered community housing providers (including not for profit organisations, church and iwi groups) can access both of these. Councils cannot apply to be registered as a community housing provider.
- 4.11 In considering all information presented to Council, Council resolved to go out for consultation with the community.
- 4.12 In accordance with section 76AA of the Local Government Act (LGA) 2002 the Council is required to have a Significance and Engagement Policy (Policy). This Policy is required to set out the following:
- (a) *Council's general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters;*
 - (b) *any criteria or procedures that are to be used by Council in assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences;*
 - (c) *how Council will respond to community preferences about engagement on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable; and*
 - (d) *how Council will engage with communities on other matters.*
- 4.13 The Policy outlines the criteria and procedures for Council when determining whether or not a decision is significant. In accordance with its general approach, Council will determine all decisions to be significant unless the impact on the:
- Current or future cultural, economic, environmental and social wellbeing of the District is minimal;
 - Achievement of, or ability to achieve, the Council's stated levels of service as set out in the current Long Term Plan (LTP) is minimal;
 - Capacity of the Council to perform its role and carry out its activities, now and in the future is unaffected; and
 - Financial resource and other costs of the decision are minimal or included in an approved LTP.
- 4.14 By way of guidance, a proposal or decision will not be deemed to be significant unless it is of similar importance to the following examples:
- involves an activity that will significantly affect capacity or cost to Council
 - alteration to the level of service of a significant activity as defined in Council's LTP
 - alteration to the mode by which a significant activity is undertaken
 - transfer of ownership, control, construction, replacement or abandonment of a strategic asset
 - a change to the LTP
 - adoption of the LTP
- 4.15 Given that Council's Pensioner Housing stock is identified as a strategic asset in its Significance and Engagement Policy 2014.
- 4.16 In some cases the Act and other enactments require use of the special consultative procedure set out in section 83 of the Act. This process requires the Council to:
- Prepare and adopt a statement of proposal and in some cases a summary of the statement of proposal which must:
 - Be a fair representation of the statement of proposal
 - Be in a form determined by the Council
 - Indicate where it is available.
 - State the period it is open for public submission

- Make publically available
 - The statement of proposal
 - A description of how people will be able to present their views
 - A statement of the period the proposal is open for comment/submission.
 - Make the summary of proposal widely available
 - Allow people to present their views to the Council ensuring that they have a reasonable opportunity to do so and know how and when this opportunity will be available to them.
 - Allow people to present their views by audio link or audio visual link.
- 4.17 The consultation document attached to this report (**Appendix A**) is what was adopted by Council at its 2 February meeting 2016. This document was the Consultation Document which served as the basis for consultation with the community, and is the document which provides much of the information that will guide Council in its decision making.
- 4.18 Furthermore a range of financial information was made available to the community so that an assessment could be made on what impact the proposed change would have on the Long Term Plan 2015-2025. A copy of this is attached to the report (**Appendix B**).
- 4.19 Council consulted with the community from 18 February – 19 March 2016. During the course of this period Council specifically targeted its communications and engagement with current Pensioner Housing Tenants and those groups identified as key stakeholders.
- 4.20 A meeting was held with tenants, as well as a follow up workshop for those tenants who had further questions about the proposal. A number of tenants also took the opportunity to meet with officers or elected members to seek further clarification on the proposal. This engagement was robust and reflected strong levels of engagement from those most affected by the proposal.
- 4.21 On 30 March Council received and heard those submissions that had been received to the proposal. A copy of the unconfirmed minutes to this meeting is attached to this report. (**Appendix C**)

5. Discussion

- 5.1 The submissions received by Council regarding Community Housing Providers have no doubt been well read and considered by elected members.
- 5.2 A number of the issues or areas of clarification raised by submitters or elected members are clarified below:

What are the benefits of ownership by a Community Housing Provider?

- 5.3 A Community Housing Provider will provide a targeted and focused response to the social and affordable housing needs of community, and for the Horowhenua this may include providing a much broader band of housing interventions over and above pensioner housing.
- 5.4 CHPs are eligible to access a range of Government subsidies most notably access to Income Related Rent Subsidy ("IRRS"), previously only available to Housing New Zealand Corporation ("HNZC"). Previously the Government has made Capital Grants available to CHPs and in the current Social Housing Reform Programme stock transfers are being targeted as a means of creating scale. It is possible the successful CHP may be an entity which will scale in delivery with a much more significant balance sheet to invest into new community housing initiatives within the Horowhenua District.
- 5.5 CHPs are also often linked or have relationships with other social services providers, enabling them to provide by association a wider range of social services connections.

How does this proposal align with Council's Older Persons Action Plan?

- 5.6 The Horowhenua Positive Ageing Plan 2013-2016 is currently under review as part of the Community Wellbeing Strategy and will come back to Council for adoption in the near future. While the current action plan identifies the role Council plays in providing Pensioner Housing, this would need to be changed to reflect an advocacy, facilitation and coordination role which is consistent with both the principles and outcomes of the Community Wellbeing Strategy and Older Persons Action Plan. The Older Persons Network, a group of over 30 social service organisation which deliver services to Older People in the Horowhenua, lead the development and implementation of the action plan. A presentation on the Community Housing proposal and consultation was given to the February Older Persons Network. The only member of this group to make a submission was Greypower Horowhenua.

What security and protection can be assured to tenants?

- 5.7 As part of the transfer, a condition of sale will be inserted into the agreement which ensures the same terms and conditions of occupation to those currently being provided. It is the intent of Council that no tenant will be worse off than they currently are and their occupation will remain intact.
- 5.8 Any new tenancies will come under the CHP's tenant allocation/ management policies.
- 5.9 What security can be given to the portfolio being tagged to Older Persons only as per Council's current Pensioner Housing Portfolio?
- 5.10 The portfolio will be transferred on the basis of the existing Council policies unless otherwise agreed between Council and the CHP. This will form part of Council's decision making process.

What is the current government and future government's intention around growing the third sector?

- 5.11 The Government has implemented a Social Housing Reform Programme ("SHRP") which is aimed at growing the third sector through the stock transfer of HNZC stock and by providing providers an equal playing field in accessing market rents on the same basis as HNZC. The Government in areas of high housing need and demand via the Ministry Social Development ("MSD") is offering long term service contracts underwriting rental streams and offering other incentives to encourage the supply of housing. It is very unlikely that the Government will consider making available Community Housing Provider status to Local Government.

When can someone receive an Independent Rent Related Subsidy (IRRS)?

- 5.12 A person or family must qualify under MSD's Social Allocation Assessment, which measures a range of indicators relating to social and housing need. A person must have limited financial means and ability to support themselves. The assessment is undertaken on a case by case basis.

What does this mean for the potential transfer and existing tenants?

- 5.13 The transfer of existing tenants to a CHP and their ability to access IRRS still needs to be worked through. Technically only new tenancies are eligible for IRRS; as part of the transfer process this will be worked through with the provider and MSD. In terms of the tenants' current entitlements, this will not change. What we know for sure is that any new tenants will be eligible to apply for the IRRS. The eligibility of existing tenants to the IRRS requires further discussion between the successful provider and Ministry of Social Development.

5.14 While Officers cannot give Council certainty around these discussions, what can be assured is that existing tenants will not be disadvantaged and while further work is required around the IRRS. What is known is that Community Housing Providers are in a far better position than Council to provide guidance to tenants on other entitlements available outside of the IRRS.

What is the status of Councils suspensory loan and the likelihood of transferring this to the successful Community Housing Provider?

- 5.15 Housing New Zealand has confirmed that this will be transferred as part of the sale subject to meeting a number of conditions imposed by HNZC.
- 5.16 HDC will proactively engage with HNZC throughout the procurement process to ensure HNZC is fully informed of who the potential transfer partner is and their credentials to ensure a parallel approval process.

What is the process for getting Community Housing Provider accreditation?

5.17 The CHP must satisfy a range of requirements as defined by the Community Housing Regulatory Authority.

Why are there currently only 6 people receiving the IRRS currently in the district as referred to in a submission?

5.18 This is not correct; most of HNZC's tenants will be receiving IRRS.

What other Councils have/are going down this path of transferring stock to a Community Housing Provider?

5.19 A number of Councils have or are exploring stock transfers. Those publically known are as follows:

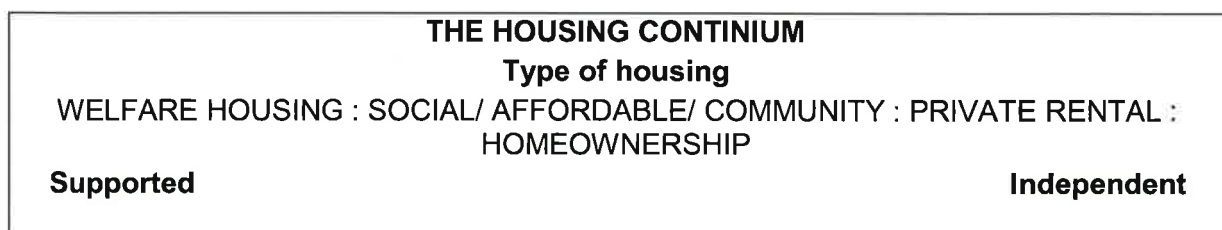
- Whakatane DC
- Hamilton DC
- Queenstown Lakes District Council
- Christchurch City Council

A submission asked "what's the possibility of privatisation?" And what if the organisation that takes over fails through bankruptcy etc?

5.20 Nil; there will be measures put in place to prevent this from occurring namely the conditions of the HNZC loan transfer.

Is social housing and community housing the same thing?

- 5.21 Yes technically, social and community housing fall within a continuum of housing which ranges from welfare housing through to full independent housing delivery i.e homeownership
- 5.22 The aim of this stock transfer is to attract a provider who will offer more and better housing solutions (affordable and social) to community.



5.23 Throughout this process Council has evaluated a range of potential future business models for Council and the wider Horowhenua social housing sector.

5.24 A total of 22 options were initially assessed with a number being discounted for further review, including:

- Council disposes of portfolio on the open market.
- Gifting of improvements and leasing of land.
- Council commits to increase its role in social housing delivery.

5.25 Council Officers are of the view that there are two options that will achieve the outcome of a more sustainable social housing model.

- Option one – Stock transfer of Council's portfolio to a CHP.
- Option two – Creation of a single Horowhenua Housing Trust.

5.26 Of the two options and Status, the preference continues to be Option One – the transfer of stock to a Community Housing Provider.

- It is believed that the community ownership and management of Council's and Housing New Zealand's portfolio is a logical next step for social and affordable housing delivery in the District; providing the transfer value does not undermine the objectives and sustainability of the purchasing entity.
- A range of potential CHP's have been identified as potential transfer partners who it is believed would be capable of assuming a role as the primary provider and partner for social and affordable housing delivery in community.
- Any transfer would need to be procured through a single negotiated transfer process.
- Early stakeholder engagement with the sector would be required.
- The transfer would be initiated via a formal expression of interest process and Council would play a key role in the procurement or evaluation process.
- The transfer would be subject to a range of transfer conditions.
- Council would continue to play a key role in affordable and social housing delivery via its regulatory and policy functions.

5.27 The alternative options were discounted on the basis of the following:

Option 2 - Creation of a single Horowhenua Housing Trust

5.28 Risk and limitation associate with the option includes:

- A commitment by Council to support the establishment of the Trust, which may include seed funding
- Uncertainty of Government support for such a model and access to Government subsidies IRRS
- The options present a higher level of risk and uncertainty to Council and most importantly the tenants in terms of surety of delivery and sustainability without significant Council and Government support
- It is likely Council will be unable to recover its existing outstanding debt liabilities and recover the funds that have been anticipated throughout this consultation process.

5.29 Retaining the Status Quo was given due consideration during the review. It is not a recommended option. Risks and limitations associated with the option include:

- An ongoing financial liability to cover the operating losses of its community housing activity.
- The need in the future to make provision for an improvement and renewal programme.

- The forecasted housing needs of the community are unlikely to be met, namely the ageing and poor renter population.
- HNZC (as with most provincial centres) will continue to reduce its presence within the Horowhenua area as it focuses on locations with a higher housing need, for example Auckland and Christchurch.
- Council's current outstanding loan liability of \$5.12 million will most probably need to be written off as any real potential for repayment in full is highly unlikely.

6. Options

The Options available to Council are provided for on pages 9 and 10 of the Consultation Document which is attached in **Appendix A**.

Officers recommendation is that Council adopt Option 1. That is:

- That Council no longer provides Community Housing as a core Council service.
- That Council seeks expressions of interest from Community Housing Providers for the stock transfer of Council's Community Housing portfolio;
- That Council continues to take a leadership role in advocating and facilitating for wider community issues with regard to accessibility and affordability of quality housing.

6.1 Financial Considerations and LTP Integration

6.1.1 If Council makes a decision to adopt Option One, Officers will make the required changes to the Long Term Plan 2015-2025 as consulted on, and bring back the amended Long Term Plan 2015-2025 for adoption at the May Council Meeting.

6.1.2 If Council was able to achieve a successful stock transfer the reference of Pensioner Housing would be removed from the Long Term Plan 2015-2025 except to include Council's role in advocating for accessible and affordable community housing.

6.1.3 If either option 1 or 2 went ahead the financial impact and changes that would be reflected in the amended Long Term Plan would include:

- Removal of all revenue attributed to Pensioner Housing
- Removal of all Expenditure attributed to Pensioner Housing (both operational funding and capital funding)
- Removal of all performance measures attributed to Pensioner Housing.
- Reduction in total assets
- If assumed proceeds are achieved a reduction in Council's debt by 7%
- A reduction in interest costs on that debt servicing by \$367,000.00 annually
- Increase to the General Rate by 0.3% in 2017/2018 only to cover internal overhead costs that were formally covered by the rental income of the Housing Activity. This amounts to an increase in rate take by \$99,000 averaging \$5.50 per household. This amount will depend on the land value of each property.
- Council will no longer deliver pensioner housing as a level of service, therefore this will be removed from the Long Term Plan.

6.1.4 These changes have a flow on affect to Council's Financial Strategy statement outlined in Section 4 of the Long Term Plan 2015-2025.

6.1.5 This information is all provided for in the financial information attached in **(Appendix B)**.

6.1.6 Council's Financial Strategy as adopted in the Long Term Plan 2015-2025 refers to the fact that Council is investigating selling some of its property assets in order to pay off debt earlier than originally projected. In the 2015-2025 Long Term Plan Council is anticipating \$5m of such asset sales in the first 3 years.

Current HNZC and Council liabilities

- 6.1.7 Council currently has a \$5,218,000.00, 20 year suspensory loan with HNZC that was borrowed to undertake a full retrofit and redevelopment programme. The loan is to be written down over a 20 year term so long as the community housing is retained for its original purpose.
- 6.1.8 If the housing is not retained for community housing purposes the loan is repayable in full.
- 6.1.9 Housing New Zealand has confirmed that this will be transferred as part of the sale subject to meeting a number of conditions imposed by HNZC.
- 6.1.10 HDC will proactively engage with HNZC throughout the procurement process to ensure HNZC is fully informed of who the potential transfer partner is and their credentials to ensure a parallel approval process.

6.2 Community Wellbeing

- 6.2.1 Officers believe that the proposal is the best option for the district because:
- This proposal best responds to the factors considered during the Community Housing Review.
 - The Council wants to ensure a wider range of social housing needs in Horowhenua are met. This option provides an opportunity for those most skilled in social services and support to have a greater role in delivering an important service to our community by purchasing the Council units
 - Community housing providers have access to Government funding through the Social Housing Fund and the income related rents. This provides opportunities to grow the social housing available in Horowhenua and for investment to occur in the social housing sector; something which the Council cannot do
 - Community housing providers can offer much wider wrap-around social services such as meals, outings, social services and health care.
- 6.2.2 If following consultation Council was to determine that it wished to still transfer the stock to a community housing provider, all properties bought by community housing providers would be retained as social housing for the district. This would be a condition of any sale and would be written into any sale and purchase agreements.
- 6.2.3 All properties bought by community housing providers would be retained as social housing for the district. This means that existing tenants would be able stay on in their units. This would be a condition of any sale.
- 6.2.4 Over time as units become available, new tenants may be introduced based on the Government's new eligibility criteria which is administered by the Ministry of Social Development. This would likely make the units available to a wider group of people in need, rather than only to older people.

Protecting the rights and welfare of existing tenants

- 6.2.5 Based on our review of Council's Housing Policy there are a number of tenancy rights and welfare benefits enjoyed by Council tenants that should be protected. These are:

Rental allocation: The units are targeted at 'low income' persons 55+ with an allocation preference for qualifying persons 65+.

Security of tenure: There is an unwritten expectation that tenants can remain in their tenancies so long as they pay their rent, are capable of independent living, and do not become a nuisance to other occupiers.

Minimum unit standards: Council's policy for service levels is based on providing a basic level of service delivery at a standard that seeks to maintain the status quo. Any potential owner should be expected to maintain this level of service and where possible demonstrate a long term commitment to improve it especially where there is a significant level of discount being applied.

6.2.6 The expectation would be that all current tenancy rights and benefits remain protected for the term of their tenure and any new tenancies would loosely fit with Council's allocation policies.

6.3 Consenting Issues

There are no consenting issues to consider.

7. Consultation

The transfer or sale of a strategic asset is considered significant under Council's Significance and Engagement Policy. Council has followed a special consultative process under Section 83 of the Local Government Act and Officers are confident that all requirements have been followed.

8. Legal Considerations

8.1 A review of the Local Government Act (2012) ("LGA") and Council's Long Term Plan ("LTP") has been undertaken and it is believed Council can either directly supply community housing or act as a facilitator. Even though housing is a strategic asset, any decision regarding its future status rests with Council.

8.2 As long as Council can demonstrate any transfer or divestment decision does not result in an individual or community benefit being forgone, Council can transfer and dispose of its community housing stock. The process requires adequate community consultation and engagement – this has been followed.

Public Works Act

8.3 To date Council Officers have reviewed all certificates of title and LIM reports for Council's Pensioner Housing stock. No Public Works Act 1981 interests have been identified in this process. As a precaution, Council Officers have instructed The Property Group to undertake a formal s40 report. The Property Group has further advised that should a section 40 obligation exist, there is potential for them to include a contractual clause that confirms the land is still being used as a public work (i.e. social housing) and this obligation will pass on to the community housing provider. They advise that they have done this for a previous transfer of Pensioner Housing stock in similar circumstances.

Accountability or monitoring arrangements

8.4 The Council will enter into property encumbrance and contractual obligations with the purchasing party for properties sold to the social housing sector. This is to ensure the property remains used for social housing purposes for an agreed length of time. The Council would have legal remedies under the encumbrances in the event of a breach. There is no ongoing accountability required for properties sold on the open market.

Conflicts of interest

8.5 There are no conflicts of interest with the proposal to sell all the Council-owned social housing properties to a combination of community housing providers and on the open market or with any of the other options considered by Council.

10. Other Considerations

Procurement Process

- 10.1 The Community Housing sector has grown significantly over the past 15 years and a number of providers over the past five years have been positioning themselves for stock transfers in particular those initiated by Government as part of Government's Social Housing Reform Programme.
- 10.2 Council has initiated a market testing process and has engaged with a number of likely providers who may be interested in the stock transfer/ acquisition of the portfolio. Council and its advisors, based on the feedback provided to date, are confident there will be a reasonable level of interest in the portfolio from CHPs.
- 10.3 Council will need to ensure any potential purchaser or transferee (including a new Trust), is equipped and geared to be a long term sustainable provider of social and affordable housing in the Horowhenua.
- 10.4 The procurement evaluation process will seek to identify a suitable CHP to assume ownership of Council's Community Housing Portfolio, through the formal EOI process CHPs will be selected against the following criteria, applied and judged by HDC in its sole discretion:
- Be an accredited CHP or demonstrate the entity is currently working through the Community Housing Registration Authority ("CHRA") accreditation process;
 - Demonstrated understanding of HDC's objectives;
 - A proven track record in delivering Community Housing; including:
 - Foundation for Partnership - a demonstrated commitment to partner with HDC;
 - Transition Management - ability to articulate a robust transition management plan in transferring the portfolio from Council.
 - Housing Management - Demonstrated track record in Community Housing management.
 - Tenancy Management - Robust tenancy management experience and a demonstrated track record in Community Housing tenancy management
 - Asset management - Robust asset management systems and a demonstrated track record in managing Community Housing portfolios.
 - Finance and Systems - Robust financial management systems, processes.
 - Organisational Health - Well funded, resourced and capable to grow.
 - Business Management - Strong Governance and Leadership at all levels of the organisation.
 - Contribution to the wider community - Demonstrated commitment to contribute to wider Community Housing outcomes across the Horowhenua District.
 - Potential to grow affordable housing role - An understanding of Community Housing and how Community Housing could be grown across the Horowhenua District.
 - Financial Offer - A financial offer reflective of the portfolios financial value.
 - Compliance with terms and conditions of the EOI; and
 - Any other criteria chosen by HDC.

Current delivery arrangements and contract(s)

- 10.5 The property and tenancy management functions are currently managed in-house within Council. It is envisioned this resource will be reallocated internally within the Property and Parks team.
- 10.6 In reference to external Facilities Maintenance ("FM") providers, current contracts will be offered to CHPs as part of the transfer process, in the event the CHP elects not to proceed with the FM provider, the weighting of the commercial offer will be measured against the potential contract value costs that will have to be off-set through the process.

Risks

- 10.7 The following risks to the process have been identified:
1. Market response does not align with Council's expectation
 2. Price does not match Council's expectations
 3. CHP commercial qualifications do not meet Council's bottom lines for transfer
- 10.8 It is important to note that any final decision on the transfer of Council's Community Housing portfolio sits with Council. It is anticipated that if Council support Office's recommendations a final recommendation will come to the July/August Council meeting.
- 10.9 A current market valuation will be completed concurrent to the Expression of Interest process and will inform the evaluation process as well as final guidance to Council on effecting a sale and purchase agreement.

Long term control over future use

- 10.10 To ensure any conditions of sale are met it is believed the most effective measure would be for Council to place a time limited encumbrance on the title and seek a 'non-controlling' governance role in relation to the transferred assets.
- 10.11 It has been recommended that any formal mechanism to control future use is time limited and special consideration is given to the effect of any encumbrances when drafting so as not to inhibit or limit the future ability over the portfolio.

Conditions of sale

- 10.12 It would be recommended as part of the transfer process Council adopts the following conditions of sale, to be limited to:
1. Sale to be subject to existing tenancies.
 2. Assurance that all new tenancies can reasonably expect to continue living in their tenancies and pay an affordable rent.
 3. Council has the right to place an encumbrance on titles to support the above conditions.
 4. In the event of a sale within 10 years, properties must be offered back to Council in the first instance at the original purchase price less depreciation.
 5. In the event of a sale to another party within 10 years, Council must approve the sale.
 6. The CHP must provide a 10 year business plan indicating how it intends to manage the properties over the next ten years and meet Council's requirements.
 7. The CHP is to provide a proposed transition plan for moving from Council to CHP ownership.

Managing the transfer process

- 10.13 The transfer of a community and social housing portfolio is quite different from selling other types of residential property. The view is that a specialist property services company should

be appointed to manage the sale process. Key differences are a technical requirement around such matters as titling and PWA responsibilities, and the need for any selling agency to have a detailed understanding of the community housing environment.

11. Next Steps

If Council was to support Officers' recommendations Council would proceed with a formal EOI/RFP process.


Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

12. Appendices

No.	Title	Page
A	Community Housing Review - Consultation Document	21
B	Amended LTP 2015-2025 - Council Financial Statements & Property Activity Statement - February 2016	37
C	Council Minutes 30 March 2016 Special	97
D	Submissions - Community Housing Review March 2016	101

Author(s)	Monique Davidson Group Manager - Customer and Community Services	
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Approved by	David Clapperton Chief Executive	
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PROPOSED AMENDMENT TO THE LONG TERM PLAN 2015-2025

Community Housing Review Consultation Document



INTRODUCTION

Horowhenua District Council has undertaken a review of Community Housing.

The objective of the Community Housing Review was to:

- Ensure that current and future tenants receive the best possible service to meet their needs.
- Provide an up-to-date assessment of a number of issues relating to community housing stock and delivery.
- Assist Council in confirming its role in community housing.

The review looked at solutions and explored a number of options to improve the sustainability of community housing delivery in the Horowhenua District.

It was timely to carry out this review as Central Government is undertaking a significant Social Housing Reform Programme, which has changed what financial assistance Council can access. The provision of community housing by the Horowhenua District Council is a discretionary activity, it is not deemed core council service as outlined by Government. Taking this in to account when considering its role within the wider community housing market, the Council must determine the

need for community housing in the District, the role the Council takes in providing community housing, and how to best fulfil this role.

The following consultation paper provides information related to the review and outlines recommendations that Council want to hear your feedback on.

The Proposal

The review highlighted the importance of a sustainable community housing model for the Horowhenua but identified that Horowhenua District Council may not be the best organisation to lead this activity moving forward.

Council wants to hear your feedback on the proposition that:

- Horowhenua District Council no longer provides Community Housing as a core Council service;
- Horowhenua District Council seeks expressions of interest from Community Housing Providers for the stock transfer of Council's Community Housing Portfolio;
- 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.



MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

Over the past 12 months we have been working hard to complete a review of Council's Community Housing portfolio. The review provided Council with information which suggested there is a better way at managing the provision of community housing into the future.

Horowhenua District Council is committed to finding a long term sustainable community housing model which ensures that not only residents have access to affordable housing, but that housing provision is also connected to those services which will enhance social connectedness and wellbeing.

This consultation document will provide you with an overview of the key issues that have been identified by Council when considering this proposal, and will answer some questions you may have on what is proposed.

It is important you take the opportunity to read this information and provide feedback to Council. We want to ensure that residents and ratepayers are well informed and get to have their say. Have a look at what we are proposing and please feel free to contact us if you have any questions.



On behalf of our Council, we are proud to be working for all of our residents and ratepayers to make Horowhenua a more vibrant and sustainable District.

Handwritten signature of Brendan Duffy in black ink.

Brendan Duffy
District Mayor

Handwritten signature of David Clapperton in black ink.

David Clapperton
Chief Executive



THE PROCESS AND TIMEFRAMES

Having a current Long-Term Plan (LTP) is a legal requirement for all Councils in New Zealand. Council's LTP lays out the direction for Council for the next 10 years. Council adopted the 2015-2025 Long Term Plan in June 2015, and since then the Community Housing Review has been completed.

The proposal that Council wants to hear your feedback on would require a change to the current 2015-2025 Long Term Plan. Any change means we need to thoroughly consult with the community, and follow those requirements set out in the Local Government Act (LGA) 2002.

Because we are proposing an amendment to the Long Term Plan, Council is required to produce a consultation document, which is required to be audited by Audit New Zealand under Section 93D(4) of the Local Government Act. The consultation document is intended to be a more effective way of engaging with the public.

When you make a submission, there is a certain process we follow to make sure that your thoughts and suggestions are appropriately considered, researched, and presented to Councillors for their consideration.

When you submit, we ask you whether you would like to speak to your submission. While this is not compulsory it is a good chance to clarify or emphasise any points to Councillors and it gives them the opportunity to ask questions about your submission.

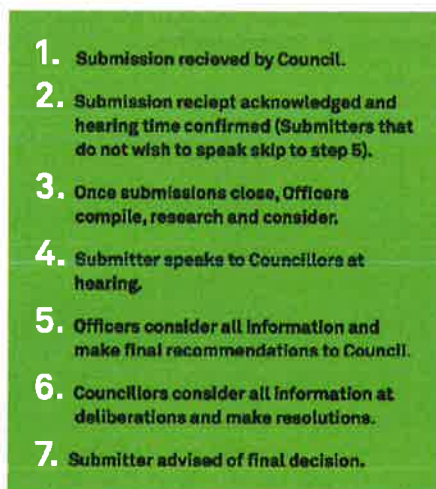
Regardless of whether or not you speak to your submission, Council Officers will consider all submissions and prepare a final report with draft recommendations to Council.

It is important to remember that any recommendations made by Council Officers are recommendations only. Final decisions lie in the hand of Councillors and may be different from the Officers' recommendation. After deliberations, you will be informed of the Council's final decision with regard to your submission.

Timeframes



The Process



HOW YOU CAN HAVE YOUR SAY AND FIND OUT MORE

During the consultation period, Council Officers and Elected Members will be available to speak to any ratepayer or resident about the Consultation Document or Draft LTP Amendment.

If you wish to make an appointment with a Council Officer, please contact Council by phone on (06) 366 0999 or email enquiries@horowhenua.govt.nz. If you wish to speak to an Elected Member then please contact them directly. Their contact details are available at the end of this document or online at www.horowhenua.govt.nz/Council/YourCouncil/Mayor--Councillors/

Submissions on the Proposed Amendment to the LTP close on Saturday, 19 March 2016. Submitters are encouraged to prepare their submission using the submission template which is available at the end of this document, online at www.horowhenua.govt.nz/communityhousing or at Council offices and community libraries.

Levin Office
126-148 Oxford Street
Levin 5510

Te Takere
10 Bath Street
Levin 5510

Shannon Service Centre
Located in the Shannon Library.
Plimmer Terrace
Shannon

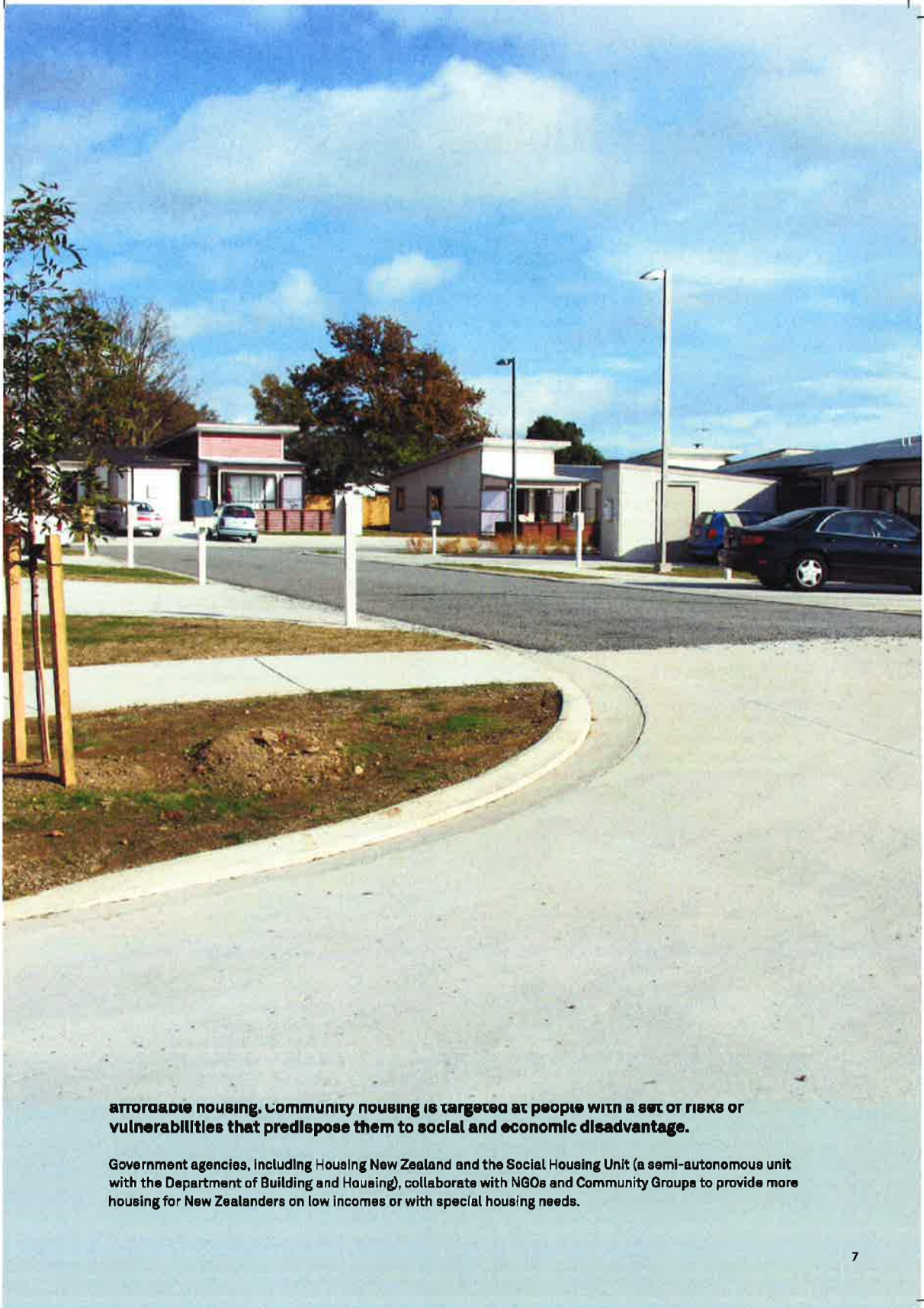
Foxton Service Centre
Located in the Foxton Library.
5 Clyde Street
Foxton

Submitters who wish to speak to their submission will have the opportunity to be heard on 30 March 2016. Deliberation on all submissions will then take place on 13 April 2016.



SNAPSHOT OF HOROWHENUA DEMOGRAPHICS AND AFFORDABILITY





COUNCIL'S CURRENT COMMUNITY HOUSING PORTFOLIO

Pensioner housing currently provided by Council is made up of 115 units across eight locations with five of the eight complexes being located in Levin.

The portfolio has a current rateable value of \$6.95 million; and has a Council book value \$7.35 million.

The portfolio was largely built using Crown loans, with the most recent upgrade and new build programme completed in 2006 via Internal Council debt funding of \$5,218 million and a Housing New Zealand Corporation (HNZC) suspensory loan of \$5,218, million. The Council debt funding provided by Council's internal Treasury is currently being serviced on an Interest only basis at a rate of 5.13% (total cost of capital).

The portfolio has an average age of 39.7 years. In 2009, it had 75 units upgraded and a further 40 new units completed.

The portfolio consists of single-level units constructed out of a range of materials consistent with the period in which they were constructed. Size wise the portfolio ranks in the third decile of Council-owned pensioner housing assets, and is roughly on par in size with similarly sized Districts in other parts of New Zealand. The condition of the units ranges from good to excellent, due to the recent upgrade programme completed by Council.

The units are currently rented at about 96% occupancy.

Targeting

To be eligible for Council's community housing, the 'targeted market' is pensioners with limited financial resources and people over 60 with a disability. The eligibility procedures are via a self-disclosure process with no formal checks being required.

Rental policy

Under existing Council policy, rental rates are set at market rates and assessed on a complex by complex basis, by an independent valuer. Current rental rates range from \$135 - \$170.00 per week with an average weekly rental rate of \$150.78 per unit. This average rental rate is \$1.12 below the regional average for the Horowhenua/ Manawatu area which is \$152 per week for a 1 bedroom unit. On this basis, there is very little scope to increase the rental levels.

If the portfolio was transferred to a Community Housing Provider (CHP), the tenant could potentially receive a Income Related Rent Subsidy (IRRS) and the tenant would only pay 25% of their gross weekly income, which based on current NZ superannuation rates tenant could up to be approximately \$61.00 per week better off, based on current Council rental rates (subject to individual household circumstances).

A tenant cannot receive both an IRRS and an accommodation supplement. The level of subsidy attached to an IRRS is significantly greater than the accommodation supplement as IRRS results in the tenant not paying more than 25% of their net income towards cost of their rent.

Current Situation Analysis

What is the issue with the current situation?

An analysis of the Council's current provision of pensioner housing has highlighted the following issues:

- The service levels currently provided by Council are not sustainable in the medium to long term without significant operational and capital expenditure being made.
- Council plays an important part in the delivery of housing options for older persons within the community; however this could improve and be far more sustainable in the future with a more focused delivery model.
- The demand for affordable housing is set to increase.
- The Horowhenua District population is ageing but there is a lack of appropriate affordable housing.
- Central Government reform excludes Councils accessing social housing funding.
- The need for community housing in the Horowhenua is forecasted to increase.
- Just maintaining a status quo situation will need serious consideration by Council on how it will continue to adequately fund the current portfolios improvements let alone any future redevelopment activities in the medium to long term (15-20 years). Council estimates in the next 20-25 years Council may be faced with requirement to replace up to 50-65% of the total portfolio, which would mean Council will need to find approximately \$4.3 million dollars in additional capital which would increase ongoing operational costs. These operational costs are currently not reflected in the LTP and it is likely that future costs will exceed the current.

Options Analysis

The review evaluated a range of potential future business models for Council and the wider Horowhenua community housing sector.

A total of 22 options were assessed with a number being discounted for further review, including:

- Council disposes of the portfolio on the open market.
- Gifting of improvements and leasing of land.
- Council commits to increase its role in community housing delivery.

Council believes there are two options that will achieve the outcome of a more sustainable community housing model being:

- Option 1 - Stock transfer of Council's to a CHP
- Option 2 - Creation of a single Horowhenua Housing Trust

Option 1

Current Situation Analysis Advantages of this approach

- ✓ The CHP may be able to access central government funding not available to Council to expand the number of units or upgrade the units to provide a better quality of life for tenants.
- ✓ Access to income-related rent subsidies means a CHP would be able to provide rents below market value, ensuring that accommodation remains affordable. Note that current tenants eligibility for income-related rent subsidies would be assessed on an individual basis.
- ✓ Central government restrictions applying to approved providers ensures that the service they deliver is good for the community and that social housing will remain in the future. Community housing providers have standards which they are required to meet. These are regulated by the Community Housing Regulatory Authority.
- ✓ As social providers, CHPs are in a better position than Council, or the private sector, to provide the support required by some elderly tenants. Some CHPs are specialist providers in this market.

- ✓ The CHP sector is an expanding sector nationally and has access to significant funding which is not available to local authorities or CCOs. If Council sells the units to a CHP this would open up the Horowhenua market and possibly lead to further investment in this area by that provider.
- ✓ The welfare of current tenants may be negotiated as part of any sale and purchase agreement; note that this may impact on the purchase price and details of which will be determined by Council at a later stage.
- ✓ Moves the focus of social housing away from central and local government towards a third sector, in line with central government reform.
- ✓ Complies with changes to the Local Government Act 2002, directing Councils to focus on core services.
- ✓ Proceeds from the sale of the pensioner housing will reduce Council debt as signalled in the Long Term Plan 2015-2025 Amendment, therefore lower debt levels.
- ✓ The Council's objectives for pensioner housing would still be achieved, but by an alternative provider.
- ✓ Transfer of the contingency to repay central government housing loan earlier than anticipated as a result of transfer.

Disadvantages of this approach

- x Council will no longer have direct control of the provision of social housing in the District, other than through any provisions included in a Sale and Purchase Agreement.
- x Slight increase to the General Rate to cover council's internal overhead costs that were formally allocated to the Community Housing Activity.

Option 2

Current Situation Analysis Advantages of this approach

Option 2 would have very similar advantages to those identified in Option 1. Option 2 however is ambitious given the considerable amount of resource and time required to establish such a Trust. The level of uncertainty around Government extending the IRRS benefit to a new housing entity places uncertainty around some of the advantages identified in Option 1.

Disadvantages of this approach

As option two "Creation of a single Horowhenua Housing Trust has the following risks and limitations:

- x A commitment by Council to support the establishment of the Trust, which may include seed funding.
- x Uncertainty of Government support for such a model and access to Government income related rent subsidies (IRRS).
- x The options present a higher level of risk and uncertainty to Council and most importantly the tenants in terms of surety of delivery and sustainability without significant Council and Government support.
- x Council would be unlikely to recover its existing outstanding debt liabilities.
- x Slight increase to the General Rate to cover council's internal overhead costs that were formally allocated to the Community Housing Activity.

We want to hear from YOU!

Status Quo

The community may want Council to consider retaining the status quo. While Council does not believe that this option is sustainable we would love to hear your feedback.

Of the two options, Council's preference is Option 1.

We believe that the community ownership and management of Council's portfolio is a logical next step for community housing delivery in the District.

Council is proposing that a Community Housing provider is best placed to provide this service for our community. The Council may decide to sell the units to a specified, government approved, Community Housing Provider (CHP). Such providers must adhere to stringent requirements around the quality of housing and maintenance and be committed to the ongoing provision of community housing. The Council may investigate opportunities for retaining some involvement with local housing through a relationship with the CHP.

Why is this our preferred option?

- This proposal best responds to the factors considered during the Community Housing Review.
- The Council wants to ensure a wider range of social housing needs in Horowhenua are met. This option provides an opportunity for those most skilled in social services and support to have a greater role in delivering an important service to our community by purchasing the Council units.
- Social housing providers have access to Government funding through the Social Housing Fund and income related rents. This may provide opportunities to grow social housing available in Horowhenua and for investment to occur in the social housing sector, something which the Council cannot do.
- Social housing providers may offer wider wrap-around social services such as meals, outings, social services and health care.

What does it mean for tenants?

If following consultation Council determines that it wishes to transfer the stock to a Community Housing Provider, all properties would be retained as social housing for the district. This would be a condition of any sale and would be written into any sale and purchase agreements.

This means that existing tenants would be able to stay on in their units. This would be a condition of any sale.

Over time as units become available, new tenants may be introduced based on the Government's new eligibility criteria which is set out by the Ministry of Social Development. This would likely make the units available to a wider group of people in need, rather than only to older citizens.

Based on our review of Council's Housing Policy there are a number of tenancy rights and welfare benefits enjoyed by Council's current tenants that should be protected. These are:

Rental allocation: The units are targeted at 'low income' persons 55+ with an allocation preference for qualifying persons 65+.

Security of tenure: There is an unwritten expectation that tenants can remain in their tenancies so long as they pay their rent, are capable of independent living, and do not become a nuisance to other occupiers.

Minimum unit standards: Council's policy for service levels is based on providing a basic level of service delivery at a standard that seeks to maintain the status quo. Any potential owner should be expected to maintain this level of service and where possible demonstrate a long term commitment to improve it especially where there is a significant level of discount being applied.

The expectation would be that all current tenancy rights and benefits remain protected for the term of their tenure and any new tenancies would loosely fit within Council's allocation policies.



How would this affect the 2015-2025 Long Term Plan?

If after consultation, Council went ahead with what has been proposed, the Long Term Plan 2015-2025 would require amendment. If Council were able to achieve a successful stock transfer the reference of Pensioner Housing would be removed from the Long Term Plan 2015-2025 except to include Council's role in advocating for accessible and affordable community housing.

If either option 1 or 2 went ahead the changes you would see in the Long Term Plan would include:

- Removal of all Revenue attributed to Pensioner Housing.
- Removal of all Expenditure attributed to Pensioner Housing (both operational funding and capital funding).
- Removal of all performance measures attributed to Pensioner Housing.
- Reduction in total assets.
- Reduction in Council's debt by 7%
- Reduction in interest costs on that debt servicing \$367k
- Slight increase in the General Rate by 0.3% (in 2017/2018) to cover internal overhead costs that were formally covered by the rental income of the Housing Activity. This amounts to an increase in rate take by \$99,000 averaging \$5.50 per household. This will depend on your land value. Council will no longer deliver pensioner housing as level of service, therefore this will be removed from the Long Term Plan.

These changes will have a flow on affect to Council's Financial statements outlined in Section 4 of the Long Term Plan 2015-2025.

When determining conditions of sale, Council may look to include some elements of accountability and monitoring of the CHP in the short term to ensure

that what was expected was been provided. Council does not envisage any conflicts of interest arising from the proposed transfer of assets.

A copy of further information which includes a revised copy of the Property Activity Statement and Councils Financial Statements can be found on Councils website www.horowhenua.govt.nz/CommunityHousing, or alternatively call Council to have a copy sent to you. This copy of supporting information serves the purposes provided for in Section 93D (3) of the Local Government Act which sets out Council's opportunity to make available attached to it's a consultation document a copy of the proposed amendment to the long-term plan, if the local authority considers that the full copy of that proposed amendment will assist people to understand the amendment.

Assumptions

Council have made the following assumptions throughout this process:

- The Crown agree to the transfer of the Housing New Zealand Suspensory Loan to a CHP. The transfer of the suspensory loan from Council to the CHP would be part of the condition of sale. The expected revenue from proceeds of the sale will align with the debt reduction projections anticipated in the Amended LTP 2015-2025. The sale will not proceed if Council's expectations are not met.
- The stock transfer won't come into affect until July 2017.
- Community Housing Providers will be able to negotiate funding with government to maintain or enhance levels of service.
- Council will work to ensure that tenancy rights are protected as part of any transfer.

Next steps

We want to hear from **YOU!**

Council wants to hear your feedback on whether you agree with Council's proposal that:

- Should Council seek expressions of interests from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio?
- Should Horowhenua District Council continue to take a leadership role in advocating and facilitating for wider community issues with regards to accessibility and affordability of quality housing?
- Should Council no longer provide pensioner housing as a core Council service?

We want to hear from you! Head back to page 3 to learn more about how you can have your say, fill in the form on the next page. Visit our website at www.horowhenua.govt.nz/communityhousing or call us on (06 386 0999).

**Independent Auditor's Report
on Horowhenua's consultation document
for the proposed amendment of its
2015-25 long-term plan**

I am the Auditor-General's appointed auditor for Horowhenua District Council (the Council). Section 93D of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document for the proposed amendment of the 2015-2025 long-term plan (long-term plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed this audit on 18 February 2015.

Opinion

In my opinion:

- the consultation document for the proposed amendment of the long-term plan provides an effective basis for public participation in the Council's decisions about the proposed amendment, because it:
 - fairly represents the reasons for and implications of the proposed amendment; and
 - identifies and explains the main issues and choices facing the Council and district, related to the proposed amendment; and
- the information and assumptions underlying the information in the consultation document related to the proposed amendment are reasonable.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards and the:

- International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information;
- International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information, and
- ethical requirements in those standards.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93D of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Debbie Perera
Audit New Zealand
On behalf of the Auditor-General, Palmerston North, New Zealand



Horowhenua District Councillors

 Brendan Duffy (Mayor) Ph. 0274 433 818	 Garry Good (Deputy Mayor) Ph. 027 238 9195	 Victoria Kaye-Simmons Ph. 027 801 1014	 Jo Mason Ph. 027 248 8643	 Tony Rush Ph. 027 241 8282
 Piri-Mira Tukupua Ph. 027 529 4863	 Wayne Bishop Ph. 027 447 4611	 Christine Mitchell Ph. 027 318 7703	 Ross Brannigan Ph. 021 247 7338	 Michael Fogus Ph. 027 441 9023

Foxton Community Board

 Janine Smart (Chair) Ph. 027 548 0680	 David Roashe (Deputy Chair) Ph. 027 442 6941	 Tricia Metcalf Ph. 021 447 711
 Ross Campbell Ph. 027 253 3856	 Amanda Street Ph. 021 920 067	 Beall Vertongen Ph. 027 448 8734

2015-2025 PROPOSED AMENDMENT TO THE LONG TERM PLAN COMMUNITY HOUSING REVIEW CONSULTATION DOCUMENT



Horowhenua
DISTRICT COUNCIL

Contact Us

Horowhenua District Council
126 Oxford Street, Levin 5510
Private Bag 4002, Levin 5540

Ph: 06 366 0999 • Fax: 06 366 0983
enquiries@horowhenua.govt.nz

For more information go to
www.horowhenua.govt.nz





2015-2025 PROPOSED AMENDMENT TO THE LONG TERM PLAN COMMUNITY HOUSING REVIEW CONSULTATION DOCUMENT



SUBMISSION FORM

Horowhenua District Council has undertaken a review of its Social Housing activities, with the aim of ensuring that existing and future tenants receive the best possible service.

The review has been prompted by changes in the way central government funds social housing and looks to identify ways of enhancing the delivery of social housing for the benefit of our community. In future, Government support for social housing will be channelled through Community Housing Providers and as a result, opportunities are developing that could lead to better and more affordable housing for those of our District most in need.

Our district is expecting a large increase in the number of older people in our district and an increasing issue of housing affordability. Both are key issues which the future provision of social housing will need to address.

Council wants to hear your feedback on the proposition that:

Proposal

Horowhenua District Council no longer provides Pensioner Housing as a core Council service. Y / N

Horowhenua District Council seeks expression of interests from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio. Y / N

Horowhenua District Council continues to take a leadership role in advocating and facilitating for wider community issues with regards to accessibility and affordability of quality housing. Y / N

- Horowhenua District Council no longer provides Pensioner Housing as a core Council service;
- Horowhenua District Council seeks expression of interest from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio;
- 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.

We believe that the community ownership and management of Council's and Housing New Zealand's portfolio is a logical next step for social and affordable housing delivery in the District. The Council is now seeking the community's views on the future provision of community housing before it makes a decision on how to proceed. Please fill out this form and return it to us by 19 March 2016. Make sure you provide your contact details over the page so we can let you know the outcome of the review.

Remember submissions close at 5pm Saturday 19 March 2016. Drop your submission to Horowhenua District Council offices or post to Private Bag 4002, Levin, 5540.

COMMUNITY HOUSING REVIEW SUBMISSION FORM

Contact Details (You must provide your contact details for your submission to be considered)

<input type="text"/>	<input type="checkbox"/>
Full Name:	Are you a current Council tenant?
<input type="text"/>	<input type="checkbox"/>
Name of Organisation:	Do you wish to be heard by the Council?
<input type="text"/>	<input type="checkbox"/>
Postal Address:	I wish to speak to my submission
<input type="text"/>	<input type="checkbox"/>
Post code:	I do not wish to speak to my submission
<input type="text"/>	<input type="checkbox"/>
Telephone: Mobile:	
<input type="text"/>	
Email:	
<input type="text"/>	

Submission

In accordance with the Local Government Act 2002, your submission will be made available to the public. The Council may redirect your submission, where it relates to another process or to another Council. If this occurs you will be advised in writing.



Property

The Property Activity supports all activities of Council that are dependent on physical land and buildings. Council holds a selection of property assets to support the delivery of Council's activities which also contribute to the wellbeing of the Community. This ranges from direct support e.g. provision of a community centre, to indirect support e.g. through investment and endowment property which contributes revenue to rates or facilities. Council also provides tenancy services to a wide range of stakeholders and customers.

Note: Council has been working on developing a Community Facilities Strategy over the last 12 months to identify the high level principles which will inform the future development of a Property Strategy. This Strategy will identify and consider all property assets across the wider District alongside a matrix. This will inform decision making on future maintenance and improvement of current assets, as well as capital expenditure on new assets. This Strategy will also analyse the impact of upcoming legislation changes, with particular regard to earthquake prone buildings.

What does this Activity involve?

- The Council owns various properties throughout the District and through the Property Activity the Council ensures that these properties are managed and maintained.
- Council owns the following properties:
 - The Council building in Levin;
 - Commercial properties which are leased to tenants;
 - Endowment property e.g. Council owns land in Foxton Beach that was formerly owned by the Foxton Harbour Board. Much of this land is leased for residential purposes with rights of purchase. Some of the land has been subdivided to create 70 residential sections down Forbes Road;
 - Other community facilities including motor camps, historic and cultural buildings, and depots and carparks.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Management and maintenance of Council owned properties.	<ul style="list-style-type: none"> - A healthy local economy and a District that is growing - A community of knowledge, culture and diversity where people are proud to live - Safe, resilient and healthy communities - Positive leadership and effective partnerships 	Funder/Provider

Levels of Service and how we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Council operated facilities are available for public hire.	Facilities availability (hrs) and hire charges by annual review.	8 hrs per day and review annually	8 hrs per day and review annually	8 hrs per day and review annually	8 hrs per day and review annually	<i>New measure[^]</i>
Endowment property is appropriately managed.	Number of sections available for sale.	20 sections	20 sections	20 sections	10 sections	<i>44 sections</i>
Council's properties will comply with relevant legislation.	All buildings with compliance schedules will have current building WOF.	Achieved	Achieved	Achieved	Achieved	<i>Achieved</i>
Commercial property is appropriately managed.	Rent is within a percentage range of current market rentals at time of review/renewal.	10%	10%	10%	10%	<i>New measure[^]</i>
Residential Housing is provided for the elderly] (Please note this performance measure remains only for Year 1 and 2 of the LTP)	Occupancy Rate (Percent).	95% occupied	95% occupied	N/A	N/A	<i>97% occupied</i>

[^] Performance has not been previously measured as such the targets identified for the next 10 years are the desired outcome.

Major Projects

The following table shows the major projects scheduled for the Property Activity for the next 10 years. **Note:** These projects are generally only those with cost estimates \$200,000 and over.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Forbes Road Subdivision Extension.					\$203,000	\$2,585,000				
General Property Renewals.		\$287,000		\$210,000		\$204,000			\$618,000	
Commercial Property Renewals.			\$262,000	\$269,000						
Tararua Industrial development		\$502,000								

What has changed since the 2012-22 LTP?

Since the adoption of the 2012-22 LTP Cyrus Hills Forest has been sold and any remaining small forestry blocks have been incorporated into the Parks Activity. Foxton Beach Motor Camp has also been transferred into the Endowment Activity, as it is located on Endowment Land.

Additional Council owned buildings have been identified as being earthquake prone. The identification of public buildings as being earthquake prone has had an impact on the use of these facilities.

Council have completed a review of its Community Housing portfolio and then consulted with its community on no longer providing Community Housing as a core activity, and seeking expressions of interest from Community Housing Providers to purchase the stock. Council is currently following a process to transfer its stock to a Community Housing Provider.

Challenges Council faces for this Activity:

A key challenge facing Council for this Activity is changing demands and Community expectations with the use of some of Council's facilities declining in some areas but the operational costs increasing. However, demand for other Council owned facilities is increasing and therefore the Council needs to decide where to focus its funds. This issue will be met by ensuring that as key property assets are developed they are designed to be multi-use and flexible enough to cope with the change in demands and expectations.

Another challenge is that the District's demographic projections are signalling an ageing population and with this comes additional requirements in regards to accessibility such as provision of appropriate car parking and entrance ways to buildings.

Vandalism of Council's property is also a challenge faced by Council for this Activity. Council's response to vandalism is to ensure that assets are designed to be vandal resistant which involves not just the type of materials used for construction but also good design, well considered location, and responsive maintenance.

Finally a number of Council's buildings have been identified as earthquake prone and with new legislation around requirements to upgrade earthquake prone buildings Council must decide what it wants to do with these buildings. Council's response to potentially earthquake prone buildings has been to remove all associated renewal and capital development funding for these buildings, until a decision on the retention/strengthening or disposal of these buildings has been made. The impact of this in the short term are, an expected increase in reactive and unplanned maintenance as planned renewals are not funded.

Significant negative effects associated with this Activity:

There are no known significant negative effects surrounding Council's planned Property Activity.

Key Risks and Assumptions associated with this Activity:

Earthquake prone buildings owned by the Council are possibly a risk if they continue to be utilised without being earthquake strengthen. The Council has already ceased using the service building in Foxton due to the fact that it is an earthquake prone building, and it will decide what to do with the other earthquake prone properties that it owns in the near future.

A key assumption for this Activity is that properties will be maintained in a fit for purpose state, however, some properties are showing signs of changes in demand and drop of utilisation. Existing trends are expected to continue.

How much will it cost?

Capital Expenditure Property Projects

Description	Year 1 2015/16 \$000	Year 2 2016/17 \$000	Year 3 2017/18 \$000	Year 4 2018/19 \$000	Year 5 2019/20 \$000	Year 6 2020/21 \$000	Year 7 2021/22 \$000	Year 8 2022/23 \$000	Year 9 2023/24 \$000	Year 10 2024/25 \$000
Properties Projects										
Primary Type - to replace existing assets	55	0	0	0	0	0	0	0	0	0
Thompson House Exterior renew & Paint	0	0	0	0	34	58	153	0	0	0
WINZ building condition assessment, preparation	0	0	0	0	0	23	0	0	0	0
Dog Pound office Exterior building and paint	0	0	0	0	0	0	0	0	0	0
Civic Building Internal and external renewals & re	0	0	0	32	0	0	0	0	0	0
Focal Point Cinema Exterior Fire Exit Doors	0	23	0	0	0	0	0	0	0	0
Focal Point Cinema Replacement of internal mem:	0	23	0	0	0	0	0	0	0	0
Focal Point Cinema Exterior renewal & paint	0	0	59	0	0	0	0	0	0	0
Focal Point Cinema Recarpet	0	0	0	0	0	0	77	0	0	0
Focal Point Cinema Air Conditioning	20	187	0	0	0	0	0	0	0	0
Focal Point Cinema Exterior Paint	0	0	35	0	0	0	0	0	0	0
Foxton Beach community centre Exterior renewal	35	0	0	0	0	0	0	0	0	0
Foxton Depot Deferred renewal work to buildings:	10	0	0	0	55	0	0	0	0	0
Jack Allen Centre Exterior renewals & paint	38	0	0	0	0	0	0	0	0	0
Levin Depot Pole Shed Reroof	0	51	0	0	0	0	0	0	0	0
Levin Depot Levin Depot Buildings renewals & ref	0	0	0	0	0	0	35	0	0	0
Levin Depot Yard Reseal	0	0	0	0	0	0	31	0	0	0
Community Buildings Programmed renewals	44	46	49	51	54	58	61	63	65	68
Pottery Shed Exterior repaint	15	0	0	0	0	0	0	0	0	0
Pottery Shed Replace Roof	0	0	0	0	0	0	18	0	0	0
Shannon Railway Station Roof replacement	0	0	0	38	0	0	0	0	0	0
Shannon Railway Station Exterior renewals & Pair	0	0	0	0	0	57	0	0	0	0
General Property Renewals	9	287	0	210	87	204	0	0	618	0
Commercial Property Renewals	0	0	262	269	0	0	0	0	0	0
Overheads	31	32	34	35	35	37	37	38	40	41
Total	257	650	499	634	266	435	412	101	723	108

Capital Expenditure (continued)

Description	Year 1 2015/16 \$'000	Year 2 2016/17 \$'000	Year 3 2017/18 \$'000	Year 4 2018/19 \$'000	Year 5 2019/20 \$'000	Year 6 2020/21 \$'000	Year 7 2021/22 \$'000	Year 8 2022/23 \$'000	Year 9 2023/24 \$'000	Year 10 2024/25 \$'000
Properties Projects										
Primary Type - to improve the level of service										
Thompson House Interior refurbishment, including kitchen (with renewal contribution from Thompson House)	80	0	0	0	0	0	0	0	0	0
Thompson House Exterior Fire Escape, egress improvements and disability access including toilet provision	80	0	0	0	0	0	0	0	0	0
Focal Point Cinema Toilets upgrade	0	0	0	51	0	0	0	0	0	0
Endowment Subdivision Forbes Rd extension	0	0	0	0	203	2,585	0	0	0	0
Levin Depot New sewer connection	0	58	0	0	0	0	0	0	0	0
Overheads	5	5	5	5	6	6	6	6	6	6
Total	165	63	5	57	209	2,591	6	6	6	6
Properties Projects										
Primary Type - to meet additional demand										
Tarana Industrial Development	0	502	0	0	0	0	0	0	0	0
Overheads	11	11	12	12	12	13	13	13	13	14
Total	11	513	12	12	12	13	13	13	14	14
Total Properties Projects by Type										
to replace existing assets	282	727	518	715	349	521	441	131	754	141
to improve the level of service	165	63	5	57	209	2,591	6	6	6	6
to meet additional demand	11	513	12	12	12	13	13	13	14	14
Total Properties Projects	458	1,302	535	784	570	3,125	460	151	774	162

Forecast Funding Impact Statement for Property

	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	948	664	326	523	534	544	572	835	756	595	696
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	1,655	1,625	1,657	797	819	844	868	637	743	959	976
Fees and charges	140	119	137	140	164	168	171	174	169	165	160
Local authorities fuel tax, fines, infringement fees, and other receipts	595	556	511	530	528	526	551	547	544	576	572
Internal charges and overheads recovered											
Total operating funding (A)	3,338	2,964	2,631	1,990	2,045	2,082	2,162	2,193	2,212	2,295	2,404
Applications of operating funding											
Payments to staff and suppliers	1,735	1,583	1,282	817	828	852	877	903	932	963	997
Finance costs	827	821	765	475	402	403	396	400	383	365	381
Internal charges and overheads applied	604	417	408	422	431	441	452	459	469	482	496
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,166	2,821	2,455	1,714	1,661	1,696	1,725	1,762	1,784	1,810	1,874
Surplus (deficit) of operating funding (A - B)	172	143	176	276	384	386	437	431	428	485	530

Forecast Funding Impact Statement (continued)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of capital funding											
Subsidies and grants for capital expenditure	57	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	397	(1,895)	(1,585)	(6,960)	(297)	(530)	2,084	(130)	(447)	106	(581)
Increase (decrease) in debt	474	640	655	7,721	689	709	547	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	928	(1,255)	(930)	761	392	179	2,631	(130)	(447)	106	(581)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	-	11	513	12	12	13	13	13	13	13	14
- to improve the level of service	165	165	63	5	57	209	2,591	6	6	6	6
- to replace existing assets	28	254	647	435	630	262	431	407	96	71.8	103
Increase (decrease) in reserves	907	458	71	585	77	81	33	(125)	(134)	(147)	(174)
Increase (decrease) of investments	-	(2,000)	(2,048)	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,100	(1,112)	(754)	1,037	776	565	3,068	301	(19)	591	(51)
Surplus (deficit) of capital funding (C - D)	(172)	(143)	(176)	(276)	(384)	(386)	(437)	(431)	(428)	(485)	(530)
Funding balance ((A-B)-(C-D))	(0)	-	-	-	-	-	-	-	-	-	-
Depreciation	367	362	369	268	268	270	325	359	361	436	438
ACTIVITY EXPENDITURE											
Council Building	956	933	859	891	888	884	926	920	915	969	963
Camping Grounds	19	14	14	15	15	15	16	16	16	17	17
Commercial Properties	389	315	238	254	260	268	278	285	293	306	316
Endowment Property	257	245	249	255	262	268	279	285	293	306	316
Forestry	26	-	-	-	-	-	-	717	328	345	356
General Property	751	604	383	567	506	531	552	576	591	609	660
Residential Housing	1,134	1,074	1,083	-	-	-	-	-	-	-	-
Total Expenditure	3,532	3,185	2,826	1,982	1,931	1,966	2,051	2,514	2,143	2,246	2,312

	Annual Plan 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
Internal loans attributable to this group of activities:	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Loan balance 1st July	136	180	0	0	0	0	0	167	37	0	0
Raised during the year	647	-	-	-	-	-	167	-	-	-	-
Repaid during the year	(103)	(180)	-	-	-	-	(130)	-	(37)	-	-
Forecast loan balance 30th June	680	0	0	0	0	0	167	37	0	0	0
Budgeted interest expense	8	11	-	-	-	-	-	10	2	-	-

How will it be funded?

Activity	Commercial and Endowment
Funding Source	This activity will be funded by Private Good Fees and Charges.
Rationale	Total private good to the lessees.

Activity	Motor Camps
Funding Source	This activity will be funded by Private Good Fees and Charges.
Rationale	Total private good to the lessees of the camps.

Funding Impact Statement

1. Revenue and Financing Sources Generally

The following revenue mechanisms will be used in 2015/16 and throughout the term of this LTP:

- General rates
- Targeted rates
- Fees and charges
- Interest and dividends
- Grants and subsidies

2. Funding Mechanisms

The following funding mechanisms will be used in 2015/16 and throughout the term of this LTP:

- Financial contributions
- Borrowing
- Proceeds from asset sales
- Reserves

Refer to the Council's Revenue and Financing Policy for further information on how these funding mechanisms will be used.

3. Definition of Separately Used or Inhabited Parts (SUIP)

Several of the rates listed below are assessed on the basis of the number of SUIPs there are in a rating unit.

SUIPs are listed in Schedule 3 of the Local Government (Rating) Act 2002 as one of the factors that may be used in calculating liability for targeted rates and section 15(1)(b) allows SUIPs to be used as the basis for Uniform Annual General Charges (UAGCs) as well.

Where rates are calculated on each Separately Used or Inhabited Part of a rating unit, the following definitions will apply:

- Any part of a rating unit that is used or occupied by any person (or is capable of occupation by any person), other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.
- Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

For clarity, Separately Used or Inhabited Parts include:

- On a residential property, each separately occupiable unit, flat, or house or apartment each of which is separately inhabited or is capable of separate habitation.
- On a commercial property, each separate shop or other retail or wholesale outlet, which is operated as a separate business or is capable of operation as a separate business.
- In an office block, each set of offices that is used by a different business or which is

capable of operation as separate businesses.

A separately occupiable unit, flat, house, or apartment is defined as having a separate entrance, cooking facilities, living facilities and toilet/bathroom facilities.

Council has recognised that there are certain instances where the above situations will occur, but in circumstances that do not give rise to separate uses or inhabitations. For clarity, Separately Used or Inhabited Parts do not include:

- A hotel room with or without kitchen facilities;
- A motel room with or without kitchen facilities; and
- A single residential unit in a non-residential property, that is an integral part of the commercial operation and is used for the commercial operation i.e. not separately tenanted (e.g. one house in conjunction with a farm or a motel or a corner dairy).

4. Rates for the Ten Years Ending 30 June 2025

4.1 General Information

Rating period: The rates described below are for the financial years 1 July 2015 to 30 June 2025.

Goods and services tax: The rates described below include GST. The revenues required are net of GST.

Rating information database: The information held to determine the liability for rates in 2015/16 is available for inspection at Council's office at 126-148 Oxford Street, Levin during normal office hours. This information includes the rating valuations as at 1 August 2013 which form the basis of rating in 2014/15 (and the subsequent first two years of this LTP) and the categories and factors for the various relevant rates described below in respect of particular rating units.

4.2 General Rates

The General rates are assessed to fund all activities not funded from Targeted rates or other revenue sources or funding mechanisms. The activities funded from the General rates include:

- Regulatory Services (liquor, health and safety licensing, building consents, resource consents, District Plan development, animal control, parking enforcement, and general regulatory services);
- Community Facilities and Services, except Library and Community Centres and Aquatic Centres (passive reserves, street beautification, sports fields, cemeteries, halls and community buildings, and public toilets);
- Community Support (emergency management and rural fire, community engagement, visitor information, and economic development);
- Property (commercial property, general property, Council buildings); and
- Treasury activities (investment and borrowing activities).

General rates are to be set on a differential rate in the dollar on the land value (LV) of the land. Land values are assessed every three years, and were last assessed in 2013. These values will form the basis of rating from 1 July 2015.

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The General rates levied on LV are set differentially, so as to maintain the incidence of the rates between the categories of property. Council decided (as part of the Revenue and Financing Policy review for the 2009-19 LTP) to dispense with all but the Rural Differential. However, in order to lessen the impact of such a change, Council agreed to phase out all other differentials over 10 years (2009/10 – 2018/19 incl.). Four years remain for this phasing to be complete.

Therefore in the seventh year (2015/16);

- The Urban category will contribute 19.24% (in comparison to 25.65% in 2014/15) of general rates, and applies to rating units in Levin, Shannon and Foxton urban areas, as shown on the maps available defining those areas for rating purposes held at the Council office in Levin.
- The Township category will contribute 2.93% (in comparison to 3.91% in 2014/15) of general rates, and applies to rating units in Waikawa Beach, Manakau, Ohau, Hokio Beach, Waitarere Beach, Foxton Beach and Tokomaru urban areas, as shown on the maps available defining those areas for rating purposes held at the Council office in Levin.
- The Rural Residential Category will contribute 2.17% (in comparison to 2.89% in 2014/15) of general rates, and applies to rating units classified as Lifestyle and Residential (other than those rating units identified as "vacant" or "bare"). These properties will be identified in the DVR using the "Property Category" codes from Appendix F of the Valuation Rules 2008, Promulgated by the Valuer General.
- The Rural category are those rating units that are located in areas outside the urban and township category boundaries but not those rating units classified as Rural Residential. These rating units will contribute 25.00% (25.00% 2014/15) of general rates.
- A District wide differential (which will, at the end of the 10 year period, absorb all but the rural category) to apply to all rating units other than those in the rural category, will contribute 50.66% (in comparison to 42.55% in 2014/15).

Council is not setting a Uniform Annual General Charge (under section 15 of the Local Government (Rating) Act 2002 (LG(R)A)), preferring instead to set Targeted rates as fixed amounts for Library Services and Community Centres, Representation and Community Leadership, Solid Waste, Aquatic Centres, Water Supply and Wastewater (refer below).

4.3 Targeted Rates for Rooding

This rate funds all Rooding (Land Transport) costs (maintenance, renewals and minor capital improvements of roads, streets, roadside signage, road marking, bridges, footpaths, roadside drainage) covered by the Land Transport Group of Activities.

The Rooding rate is to be set using Capital Value (CV) which are assessed every 3 years. These were last assessed in 2013, and it is those values that will form the basis of rating from 1 July 2015.

Therefore;

- The Business Differential will contribute 35% of Rooding rate and applies to those rating units identified as Arable, Commercial (including all Rest Homes/Retirement villages other than those that have separate title for the individual units or houses), Dairy, Forestry (except protected forestry), Horticultural, Industrial, Mining, Pastoral,

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- Specialist livestock, and Utilities using the "Property Category" codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General.
- A District Wide Other Differential will contribute 65% of Rooding rate and applies to those rating units identified as Lifestyle, Residential (excluding all Rest Homes/Retirement villages but including those that have separate title for the individual units or houses) and Other using the "Property Category" codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General.

4.4 Targeted Rates for Stormwater

This rate funds all stormwater costs within the Stormwater Group of Activities.

This rate is to be set using CV of all urban rating units. Urban rating units are defined as those rating units within the towns of Levin, Foxton, Shannon, Tokomaru, Foxton Beach, Waitarere Beach, Hokio Beach, Ohau, Waikawa Beach and Manakau as shown on the maps available defining those areas for rating purposes held at the Council office in Levin.

4.5 Targeted Rates for Library Services and Community Centres

This rate is assessed as a fixed charge of a uniform amount on the basis of the number of SUIPs of each rating unit within the district.

4.6 Targeted Rates for Representation and Community Leadership

This is a Targeted rate to fund Representation and Community Leadership costs (Council and committees, consultation, advocacy, and elections).

This rate is assessed as a fixed charge of a uniform amount on the basis of the number of SUIPs of each rating unit within the district.

4.7 Targeted Rates for Aquatic Centres (Swimming Pools).

This is a Targeted rate to fund the cost of operating Council's public aquatic centres (swimming pools).

This rate is assessed as a fixed charge of a uniform amount on the basis of the number of SUIPs of each rating unit within the district.

4.8 Targeted Rates for Solid Waste Disposal

This rate funds the Solid Waste Group of Activities including the provision of the landfill, waste transfer stations, waste minimisation initiatives, and recycling facilities.

This rate is set differentially as a fixed charge of a uniform amount on the basis of the number of SUIPs of each rating unit using the urban and rural differential categories.

For all rating units located in the urban areas a differential of 80% of the solid waste costs. Urban rating units are defined as those rating units within the towns of Levin, Foxton, Shannon, Tokomaru, Foxton Beach, Waitarere Beach, Hokio Beach, Ohau, Waikawa Beach and Manakau as shown on the maps available defining those areas for rating purposes held at the Levin Office.

For all rating units located in the rural area a differential of 20% of the solid waste costs. Rural areas are defined as all areas within the District that are outside the defined "urban" differential described above.

4.9 Targeted Rates for Water Supply

This rate funds the cost of operating, maintaining and improving the supply of reticulated potable water to various communities within this District.

This rate is set differentially as a fixed charge of a uniform amount on the basis of the number of SUIPs of each rating unit. Council also charges for metered supplies.

Connected Differential

Council sets a fixed charge rate on all rating units for which connection to a reticulated potable water supply is available. This does not include Moutoa, Waikawa or Kuku schemes, which are not potable supplies. A reticulated potable water supply is available to a rating unit if a lateral or laterals exist for the purpose of delivering water from the trunkmain to the rating unit, and there is a connection from the land within the rating unit to that lateral/s or trunkmain.

Liability for the rate will be assessed on;

- (a) each rating unit, or
- (b) the number of SUIPs of each rating unit, or
- (c) the number of connections of each rating unit;

whichever is the greater.

The Foxton Beach charge is reduced by an allowance to account for the universal metering of Foxton Beach.

Availability Differential

A fixed charge rate on any rating unit not connected to, but within 100 metres of a trunkmain for a reticulated potable water supply that is available to the rating unit. A reticulated potable water supply is available to a rating unit if a lateral or laterals exist for the purpose of delivering water from the trunkmain to the rating unit or, if no lateral exists, if Council will allow the rating unit to be connected. This rate is set at 50% of the fixed charge for a **connected rating unit**.

Water by meter

In all schemes (except Foxton Beach) the additional fees for metered supplies are subject to an allowance of 91 cubic metres (m³) per quarter. A charge per m³ will be made for water consumed in excess of 91m³ per quarter on any rating unit connected to any water supply; except Foxton Beach where a meter is used to measure consumption on the network.

The charge per m³ of water consumed in excess of 91m³ per day on any rating unit connected to the Shannon untreated bore water supply where a meter is used to measure consumption on the network during the period will be half that charged for treated water.

Foxton Beach water supply will be charged by cubic metre (in addition to the fixed charge described above) using a three step system:

Step 1 – A charge per m³ for the first 50m³ of water consumed per quarter on any rating unit or SUIP of a rating unit connected to the Foxton Beach water supply network during the period.

Step 2 – A charge per m³ for the second 50m³ of water consumed per quarter in excess of 50 m³ on any rating unit or SUIP of a rating unit connected to the Foxton Beach water supply network. This will be set at 200% of the rate set in step 1.

Step 3 – A charge per m³ for the balance of water consumed per quarter in excess of 100m³

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on any rating unit or SUIP of a rating unit connected to the Foxton Beach water supply network. This will be set at 300% of the rate set in step 1.

4.10 Targeted Rates for Wastewater Disposal

The Wastewater rate will fund the cost of providing reticulated wastewater disposal for various communities in this District according to whether a property is connected or serviceable.

This rate is set differentially as a fixed charge of a uniform amount on the basis of the number of SUIPs of each rating unit.

Connected Differential

Council sets a fixed charge rate on all rating units across the District for which connection to a reticulated wastewater disposal system is available. A reticulated wastewater disposal system is available to a rating unit if a lateral or laterals exist for the purposes of accepting wastewater from the rating unit to the wastewater trunkmain, where there is a connection from the land within the rating unit to that lateral/s or trunkmain.

Liability for the fixed-sum rate will be assessed on;

- (a) each rating unit, or
- (b) the number of SUIPs of each rating unit, or
- (c) the number of connections of each rating unit;

whichever is the greater.

Availability Differential

A fixed charge rate on any rating unit that is not connected to a reticulated wastewater disposal system, but is within 30m of a trunkmain that is available to take waste from the rating unit. A reticulated wastewater disposal system is available to a rating unit if a lateral or laterals exist for the purpose of accepting wastewater from the rating unit to the wastewater trunkmain or, if no lateral exists, if Council will allow the rating unit to be connected. This rate is set at 50% of the fixed charge for a connected rating unit.

Rating Mechanisms

Rating Bases	Rate in the \$ (GST Exclusive GST Exclusive GST Exclusive GST Exclusive GST Exclusive GST Exclusive GST Exclusive GST Exclusive GST Exclusive GST Exclusive GST Exclusive)												
	2016/17	2015/16	2014/15	Annual Plan	Forecast	2017/18	2018/19	2019/20	Forecast	2021/22	Forecast	2023/24	Forecast
General rate													
Land value	0.00149554	1,946	2,056	2,034	2,132	2,186	2,206	2,324	2,557	2,726	2,556	2,484	2,484
Rural differential	0.00166396	1,996	1,582	1,044	546	-	-	-	-	-	-	-	-
Urban differential	0.00051191	304	241	159	85	-	-	-	-	-	-	-	-
Township differential	0.00034427	225	178	118	60	-	-	-	-	-	-	-	-
Rural residential differential	0.00372475	3,311	4,166	4,760	5,705	6,557	6,617	6,972	7,672	8,179	7,668	7,452	
District wide differential													
Total general rate		7,782	8,224	8,134	8,528	8,743	8,823	9,296	10,230	10,906	10,224	9,956	9,956
Roading rate													
Land value	-	1,385	-	-	-	-	-	-	-	-	-	-	-
Rural differential	-	1,055	-	-	-	-	-	-	-	-	-	-	-
Urban differential	-	161	-	-	-	-	-	-	-	-	-	-	-
Township differential	-	118	-	-	-	-	-	-	-	-	-	-	-
Rural residential differential	-	1,749	-	-	-	-	-	-	-	-	-	-	-
District wide differential	-	-	-	-	-	-	-	-	-	-	-	-	-
Business use differential	0.00082857	1,235	1,564	1,664	1,664	1,685	1,789	1,803	1,922	1,942	2,126	2,105	
District wide other differential	0.00096483	2,294	2,904	3,090	3,322	3,129	3,348	3,570	3,607	3,607	3,948	3,909	
Total roading rate		4,468	3,529	4,467	4,754	4,814	5,111	5,150	5,492	5,549	6,074	6,014	6,014
Stormwater rate													
Capital value	0.00042421	919	970	1,470	1,492	1,583	1,730	1,783	1,838	1,838	1,988	2,041	
Library and community centre rate	226.70	2,795	3,202	3,425	3,508	3,543	3,609	3,685	3,760	3,846	3,941	4,044	
Representation and community leadership r:SUJP	197.40	2,676	2,846	2,891	3,186	3,034	3,107	3,402	3,239	3,322	3,649	3,529	
Aquatic centre rate													
SUJP	133.80	867	2,176	2,172	2,408	2,455	2,494	2,589	2,615	2,661	2,777	2,838	
District wide differential													
Foxton, Foxton Beach and Levin differential													
Total aquatic centre rate		1,300	2,107	2,172	2,408	2,455	2,494	2,589	2,615	2,661	2,777	2,838	2,838
Solid waste rate													
Rural differential	23.20	58	64	71	68	66	69	76	82	89	85	115	
Urban differential	33.40	230	257	285	273	264	275	305	327	355	342	461	
Total solid waste rate		288	321	356	342	330	343	381	408	443	427	576	576
Water supply rate													
Water supply district wide connected (excl Foxton Beach)	385.10	3,189	3,778	3,944	4,387	4,640	4,641	4,706	4,935	5,162	5,810	6,311	
Water supply district wide availability	192.55	52	54	60	63	63	64	67	67	69	77	84	
Foxton Beach connected	385.10	343	372	448	508	542	541	548	578	608	697	765	
Foxton Beach availability													
Waikawa water race													
Total water supply rate		17	3,949	4,322	4,667	5,270	5,270	5,390	5,605	5,965	6,604	7,303	7,303
Waste water rate													
Waste water district wide connected	575.40	5,846	6,009	6,322	6,618	7,509	8,394	8,959	9,327	10,037	10,802	11,671	
Waste water district wide availability	287.70	115	99	103	103	116	129	137	142	153	163	176	
Total waste water rate		5,846	6,124	6,421	6,721	7,625	8,524	9,097	9,469	10,190	10,965	11,847	11,847

Rating Mechanisms (continued)

Total rates required	29,571	31,562	33,304	35,875	37,306	38,874	40,673	42,602	44,621	46,659	48,018
Penalties	611	600	615	631	648	667	687	708	731	756	784
Water by meter rate	934	1,138	1,215	1,251	1,291	1,334	1,380	1,431	1,486	1,545	1,610
Total rates revenue	31,116	33,301	35,134	37,757	39,245	40,874	42,740	44,742	46,838	48,960	50,412
Rate increase		6.73%	5.52%	7.72%	3.99%	4.20%	4.63%	4.74%	4.74%	4.57%	2.91%
Horowhenua portion of the Statutory Fixed Charge Cap of 30%	25.04%	25.15%	24.59%	24.46%	23.40%	22.91%	23.01%	21.83%	21.32%	21.50%	20.98%
% of Fixed Charge based targeted Rates	56.78%	57.77%	57.16%	56.90%	57.66%	58.07%	58.25%	57.00%	57.10%	58.86%	60.50%
Rating Base											
Total Rates GST inclusive	34,007	36,297	38,299	41,257	42,902	44,705	46,774	48,993	51,314	53,658	55,220
Reasonable Rating Units	17,619	17,648	17,889	18,024	18,159	18,294	18,429	18,564	18,699	18,834	18,969
Average rates	1,930	2,057	2,141	2,289	2,363	2,444	2,538	2,639	2,744	2,849	2,911
Total number of rating units IGA Schedule 10 Part 1 Clause 15A	18,029	18,075	18,315	18,450	18,585	18,720	18,855	18,990	19,125	19,260	19,395

Forecast Funding Impact Statement (Whole of Council)

	LTP		LTP		LTP		LTP		LTP		LTP		LTP	
	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000	Forecast 2025/26 \$000	Forecast 2026/27 \$000	Forecast 2027/28 \$000
Sources of operating funding														
General rates, uniform annual general charges, rates penalties	8,394	8,824	8,749	9,159	9,391	9,490	9,983	10,938	11,637	10,980	10,720			
Targeted rates	22,728	24,476	26,385	28,599	29,855	31,385	32,758	33,805	35,202	37,982	39,693			
Subsidies and grants for operating purposes	947	1,511	1,271	1,296	1,404	1,435	1,466	1,617	1,650	1,684	1,841			
Fees and charges	5,027	4,880	5,205	4,654	4,786	4,930	5,083	4,989	5,245	5,623	5,815			
Interest and dividends from investments	96	150	154	158	162	167	172	177	183	189	196			
Local authorities fuel tax, fines, infringement fees, and other receipts	2,791	2,643	2,689	2,762	2,862	2,937	3,032	3,122	3,220	3,337	3,458			
Total operating funding (A)	39,983	42,484	44,463	46,628	48,460	50,344	52,494	54,648	57,137	59,795	61,723			
Applications of operating funding														
Payments to staff and suppliers	29,708	30,272	30,611	31,041	31,518	32,460	33,480	34,785	36,360	36,957	37,673			
Finance costs	3,405	3,300	4,379	4,787	4,999	5,274	5,773	5,854	5,994	5,775	5,639			
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-			
Total applications of operating funding (B)	33,113	33,572	34,990	35,828	36,517	37,734	39,253	40,639	42,354	42,732	43,312			
Surplus (deficit) of operating funding (A - B)	6,870	8,912	9,473	10,800	11,943	12,610	13,241	14,009	14,783	17,063	18,411			

Forecast Funding Impact Statement (continued)

Sources of capital funding																				
Subsidies and grants for capital expenditure	1,088	3,968	4,049	1,730	2,205	1,924	1,976	2,432	2,179	2,293	3,149									
Development and financial contributions	646	-	-	-	-	-	-	-	-	-	-									
Increase (decrease) in debt	19,250	16,153	9,639	(2,478)	4,779	4,458	1,311	(1,458)	(3,372)	(2,081)	(4,897)									
Gross proceeds from sale of assets	474	640	655	7,721	689	709	547	-	-	-	-									
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-									
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-									
Total sources of capital funding (C)	21,458	20,761	14,343	6,973	7,673	7,091	3,834	974	(1,193)	212	(1,748)									
Applications of capital funding																				
Capital expenditure																				
- to meet additional demand	3,568	2,347	2,227	848	1,555	2,062	2,323	1,175	1,040	3,362	601									
- to improve the level of service	16,861	16,270	13,140	6,857	7,861	6,562	4,825	2,286	2,623	2,426	3,147									
- to replace existing assets	9,285	12,800	10,353	9,988	10,136	11,045	9,911	11,538	9,975	11,519	12,995									
Increase (decrease) in reserves	262	-	-	-	-	-	-	-	-	-	-									
Increase (decrease) of investments	(1,648)	(1,744)	(1,904)	80	64	32	16	(16)	(48)	(32)	(80)									
Total applications of capital funding (D)	28,328	29,673	23,816	17,773	19,616	19,701	17,075	14,983	13,590	17,275	16,663									
Surplus (deficit) of capital funding (C - D)	(6,870)	(8,912)	(9,473)	(10,800)	(11,943)	(12,610)	(13,241)	(14,009)	(14,783)	(17,063)	(18,411)									
Funding balance ((A-B)+(C-D))																				
Depreciation	12,518	11,619	12,109	12,970	13,236	13,497	14,796	14,773	14,856	16,210	16,345									

Indicative Rates on Select Properties (GST inclusive)

Indicative 2015/16 RATES ON SELECTED PROPERTIES

Locality	Easting Differentiated Category	Land Value	Capital Value	2014/15 Total	Proposed Differential Category	General	Roading	Library	Rep & Gov	Profits	Indicative Rates 2015/16				Total Increase	
											Solid Waste	Stormwater	Water	Sewer		
Hoko Bch	Township	55,000	89,000	764	District Wide Other	241	69	209	185	142	23	36	573	965	141	18.4%
Waikaw a Bch	Township	155,000	260,000	1,312	District Wide Other	644	200	209	185	142	23	104	573	1,507	195	14.9%
Waikaw a Bch	Township	240,000	355,000	1,794	District Wide Other	997	273	209	185	142	23	142	573	1,971	177	5.9%
Ohau	Township	145,000	385,000	1,578	District Wide Other	607	297	209	185	142	23	154	383	2,000	422	26.7%
Manauau	Township	220,000	490,000	1,681	District Wide Other	914	377	209	185	142	23	156	573	2,046	365	21.7%
Waiaerere Bch	Township	78,000	180,000	1,415	District Wide Other	324	139	209	185	142	23	72	573	1,667	202	17.8%
Waiaerere Bch	Township	105,000	220,000	1,584	District Wide Other	449	169	209	185	142	23	88	573	1,838	254	16.0%
Waiaerere Bch	Township	295,000	315,000	2,643	District Wide Other	1,226	243	209	185	142	23	126	573	2,727	84	3.2%
Foxton Bch	Township	64,000	137,000	1,729	District Wide Other	266	106	209	185	142	23	55	305	1,864	136	7.9%
Foxton Bch	Township	90,000	155,000	1,675	District Wide Other	374	119	209	185	142	23	62	305	1,952	117	6.2%
Foxton Bch	Township	310,000	555,000	3,122	District Wide Other	1,289	427	209	185	142	23	222	305	3,374	252	8.1%
Foxton Bch	Township	68,000	195,000	1,751	District Wide Other	283	150	209	185	142	23	78	305	1,948	197	11.2%
Tokomaru	Township	53,000	195,000	1,599	District Wide Other	220	150	209	185	142	23	78	383	1,953	374	23.5%
Tokomaru	Township	70,000	240,000	1,685	District Wide Other	291	165	209	185	142	23	96	383	2,087	402	23.9%
Vacant, lifestyle	Rural Business	102,000	107,000	681	District Wide Other	157	82	209	185	142	16	16	573	791	110	16.2%
Rural	Rural Business	660,000	2,058,000	1,014	Business	1,014	758	209	185	142	16	16	573	2,324	266	13.9%
Rural	Rural Business	410,000	420,000	1,441	Business	830	277	209	185	142	16	16	573	1,459	18	1.2%
Rural	Rural Business	960,000	1,150,000	2,799	Business	1,475	759	209	185	142	16	16	573	2,785	116	5.5%
Rural	Rural Business	500,000	1,420,000	1,663	Business	769	835	209	185	142	16	16	573	2,655	582	25.0%
Rural	Rural Business	1,930,000	2,110,000	5,194	Business	2,965	1,390	209	185	142	16	16	573	4,997	1,287	33.9%
Rural	Rural Business	2,800,000	2,990,000	7,342	Business	4,301	1,910	209	185	142	16	16	573	6,783	1,799	30.9%
Rural	Rural Business	5,975,000	6,970,000	16,466	Business	9,178	4,892	636	740	589	64	64	573	15,978	1,466	10.7%
Lifestyle	Rural Residential	147,000	270,000	1,181	District Wide Other	569	209	209	185	142	16	16	573	1,326	147	12.4%
Lifestyle	Rural Residential	310,000	510,000	2,331	District Wide Other	1,197	383	209	185	142	16	16	383	2,325	194	8.3%
Lifestyle	Rural Residential	155,000	750,000	1,538	District Wide Other	589	579	209	185	142	16	16	383	2,112	574	37.3%
Ulvey	Rural Business	0	12,470,000	429	Business	-	8,215	209	185	142	16	16	573	8,767	8,338	1843.6%
Levin - business	Urban	29,000	75,000	1,692	Business	171	49	209	185	142	21	30	383	1,763	71	4.2%
Levin Vacant	Urban	88,000	91,000	2,529	District Wide Other	519	70	209	185	142	21	36	573	1,660	(96)	(5.9%)
Levin	Urban	57,000	160,000	1,947	District Wide Other	356	123	209	185	142	21	64	383	2,036	89	4.6%
Levin	Urban	70,000	190,000	2,147	District Wide Other	485	139	209	185	142	21	72	383	2,190	43	2.0%
Levin	Urban	94,000	195,000	2,293	District Wide Other	554	150	209	185	142	21	78	383	2,293	12	0.5%
Levin - business	Urban	265,000	1,000,000	3,637	District Wide Other	1,563	659	209	185	142	21	400	383	4,135	297	7.7%
Levin - business	Urban	210,000	380,000	3,338	Business	1,236	362	209	185	142	21	232	383	3,365	27	0.8%
Levin - business	Urban	250,000	730,000	3,701	Business	1,474	481	209	185	142	21	252	383	3,760	59	1.6%
Foxton	Urban	40,000	94,000	1,793	District Wide Other	236	72	209	185	142	21	38	383	1,899	66	3.7%
Foxton	Urban	55,000	145,000	1,929	District Wide Other	324	112	209	185	142	21	58	383	2,007	78	4.0%
Foxton	Urban	85,000	210,000	2,210	District Wide Other	507	162	209	185	142	21	64	383	2,266	56	2.5%
Shannon	Urban	33,000	116,000	1,589	District Wide Other	195	89	209	185	142	21	46	383	1,843	254	16.0%
Shannon	Urban	59,000	95,000	1,825	District Wide Other	348	74	209	185	142	21	36	383	1,873	148	8.1%
Shannon	Urban	45,000	149,000	1,725	District Wide Other	263	115	209	185	142	21	60	383	1,871	246	14.2%

Financial Statements Forecast Statement of Comprehensive Revenue and Expense

Notes	Annual Plan	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2014/2015	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue												
1	31,116	33,300	35,134	37,758	39,246	40,875	42,741	44,742	46,840	48,962	50,413	50,413
Rate revenue	2,034	5,479	5,320	3,026	3,609	3,359	3,442	4,049	3,830	3,977	4,989	4,989
Grants & subsidies	96	150	154	158	162	167	172	177	183	189	196	196
Finance revenue	7,823	7,523	7,904	7,416	7,648	7,868	8,115	8,112	8,464	8,959	9,273	9,273
Other revenue	646	-	-	-	-	-	-	-	-	-	-	-
Development contributions	174	180	184	189	194	199	154	-	-	-	-	-
Gain disposal of assets	146	142	110	68	74	84	92	101	115	127	140	140
Gain on revaluations	887	-	-	-	-	-	-	-	-	-	-	-
Vested assets												
Total revenue	42,922	46,774	48,806	48,615	50,933	52,552	54,736	57,181	59,432	62,214	65,011	65,011
Expenditure												
Employee benefit expenses	8,142	9,382	9,894	10,316	10,541	10,783	11,028	11,293	11,584	11,883	12,207	12,207
Finance costs	3,405	3,300	4,379	4,787	4,999	5,274	5,773	5,854	5,994	5,775	5,639	5,639
Depreciation & amortisation	12,518	11,619	12,109	12,970	13,236	13,497	14,796	14,773	14,856	16,210	16,345	16,345
Other expenses	21,565	20,891	20,717	20,726	20,978	21,677	22,451	23,490	24,778	25,074	25,466	25,466
Loss disposal of assets	-	-	-	1,053	-	-	-	393	-	-	-	-
Loss on revaluations	-	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in landfill provision	102	(13)	(13)	(13)	19	19	84	84	95	95	95	95
Total expenses	45,732	45,179	47,086	49,839	49,773	51,250	54,132	55,887	57,307	59,037	59,752	59,752
Operating surplus/(deficit) before taxation	(2,810)	1,595	1,720	(1,224)	1,160	1,302	584	1,294	2,125	3,177	5,259	5,259
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-
Operating surplus/(deficit) after taxation	(2,810)	1,595	1,720	(1,224)	1,160	1,302	584	1,294	2,125	3,177	5,259	5,259
Other comprehensive revenue and expense												
Gain/(loss) fixed assets valuation	-	-	33,037	-	-	46,660	-	-	60,846	-	-	-
Gain/(loss) financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Total net other comprehensive revenue and expense/(deficit) for the year	-	-	33,037	-	-	46,660	-	-	60,846	-	-	-
Total comprehensive revenue and expense/(deficit) for the year attributable to Horowhenua District Council	(2,810)	1,595	34,757	(1,224)	1,160	47,962	584	1,294	62,971	3,177	5,259	5,259
Note 1 - Water by meter rates included in the rates revenue	934	1,138	1,215	1,251	1,291	1,334	1,380	1,431	1,486	1,545	1,610	1,610

Reconciliation between Forecast Funding Impact Statement and the Forecast Statement of Comprehensive Revenue and Expense

	Annual Plan 2014/2015	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue											
Prospective statement of comprehensive revenue and expense											
Total operating revenue	42,922	46,774	48,806	48,615	50,933	52,552	54,716	57,181	59,432	62,214	65,011
Summary funding impact statement											
Sources of operating funding											
Total operating funding	39,983	42,484	44,463	46,628	48,460	50,344	52,494	54,648	57,137	59,795	61,723
Add sources of capital funding											
Subsidies and grants for capital expenditure	1,087	3,968	4,049	1,730	2,205	1,925	1,976	2,432	2,179	2,292	3,148
Development and financial contributions	646	-	-	-	-	-	-	-	-	-	-
Gain disposal of assets	146	180	184	189	194	199	154	-	-	-	-
Gain on changes in fair value of investment property and revaluation of financial assets	887	142	110	68	74	84	92	101	115	127	140
Vested assets	174	-	-	-	-	-	-	-	-	-	-
Total revenue	42,922	46,774	48,806	48,615	50,933	52,552	54,716	57,181	59,431	62,214	65,011
Expenditure											
Prospective statement of comprehensive revenue and expense											
Total operating expenditure	45,732	45,179	47,086	49,839	49,773	51,250	54,132	55,887	57,307	59,037	59,752
Summary funding impact statement											
Application of operating funding											
Total application of operating funding	33,113	33,572	34,990	35,828	36,519	37,734	39,252	40,638	42,354	42,731	43,314
Loss on disposal of asset	102	-	-	1,053	-	-	-	393	-	-	-
Loss on changes in fair value of investment property and revaluation of financial assets	-	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in provisions	-	(13)	(13)	(13)	19	19	84	84	95	95	95
Depreciation & amortisation expense	12,518	11,619	12,109	12,970	13,236	13,497	14,796	14,773	14,856	16,210	16,345
Total expenditure	45,732	45,178	47,086	49,838	49,774	51,250	54,132	55,888	57,305	59,036	59,754

Forecast Statement of Financial Position

	Annual Plan 2014/15 \$'000	Forecast 2015/16 \$'000	Forecast 2016/17 \$'000	Forecast 2017/18 \$'000	Forecast 2018/19 \$'000	Forecast 2019/20 \$'000	Forecast 2020/21 \$'000	Forecast 2021/22 \$'000	Forecast 2022/23 \$'000	Forecast 2023/24 \$'000	Forecast 2024/25 \$'000	
Notes												
ASSETS												
Current assets												
Cash & cash equivalents	3,940	6,536	6,512	6,559	6,378	6,411	6,512	6,631	6,760	6,766	6,916	
Debtors & other receivables	6,481	6,481	6,347	6,210	6,010	5,814	5,610	5,364	5,087	4,822	4,512	
Assets held for sale	393	393	393	393	393	393	393	-	-	-	-	
Other financial assets	10	10	10	10	10	10	10	10	10	10	10	
Total current assets	10,824	13,420	13,262	13,172	12,791	12,628	12,525	12,005	11,857	11,598	11,438	
Non-current assets												
Biological assets	575	680	696	714	733	755	780	806	836	870	907	
Intangible assets	1,911	1,672	1,682	1,557	1,537	1,438	1,414	1,411	1,602	1,702	1,917	
Commercial property	6,188	3,946	2,753	3,176	3,568	3,800	3,940	4,259	4,541	4,646	4,763	
Council controlled organisations	116	116	117	118	119	120	121	122	123	124	125	
Other financial assets	1,786	2,042	2,185	2,264	2,327	2,358	2,373	2,356	2,307	2,274	2,193	
Operational assets	48,397	45,068	49,859	41,592	42,004	44,230	44,538	44,794	47,347	47,952	47,828	
Infrastructural assets	479,072	402,884	439,350	444,045	450,184	496,506	496,454	496,855	548,953	550,108	551,183	
Restricted assets	45,302	41,055	45,204	44,666	43,616	47,320	48,886	48,215	52,804	52,030	51,247	
Total non-current assets	583,347	497,463	541,846	538,132	544,088	596,527	598,506	598,818	658,513	659,706	660,163	
TOTAL ASSETS	594,171	510,883	555,108	551,304	556,879	609,155	611,031	610,823	670,370	671,304	671,601	

Forecast Statement of Financial Position (cont)

LIABILITIES											
Current liabilities											
Creditors & other payables	8,438	8,441	8,282	8,192	7,999	7,837	7,733	7,607	7,459	7,201	7,040
Employee benefit liabilities	585	585	585	585	585	585	585	585	585	585	585
Provisions	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003
Borrowings	2,000	-	11,000	-	14,000	-	19,000	5,000	5,000	5,000	5,000
Total current liabilities	12,026	10,029	20,870	9,780	23,587	9,425	28,321	14,195	14,047	13,789	13,628
Non-current liabilities											
Employee benefit liabilities	224	224	224	224	224	224	224	224	224	224	224
Provisions	3,004	2,991	2,979	2,966	2,985	3,003	3,087	3,171	3,266	3,362	3,457
Borrowings	74,000	76,153	74,791	83,313	73,903	92,361	74,672	87,213	83,842	81,761	76,864
Other	-	-	-	-	-	-	-	-	-	-	-
Total non-current liabilities	77,228	79,368	77,994	86,503	77,112	95,588	77,983	90,608	87,332	85,347	80,545
TOTAL LIABILITIES	89,254	89,397	98,864	96,283	100,699	105,013	106,304	104,803	101,379	99,136	94,173
NET ASSETS											
EQUITY	504,917	421,486	456,244	455,021	456,180	504,142	504,727	506,020	568,991	572,168	577,428
Rate payers equity	266,527	267,349	268,893	266,870	267,739	268,842	269,157	270,340	272,458	275,521	280,693
Revaluation reserves	231,405	147,447	180,484	180,484	180,484	227,144	227,144	227,144	287,990	287,990	287,990
Other reserves	6,985	6,690	6,867	7,667	7,957	8,156	8,426	8,536	8,543	8,657	8,745
TOTAL EQUITY	504,917	421,486	456,244	455,021	456,180	504,142	504,727	506,020	568,991	572,168	577,428

Forecast Cashflow Statement

	Annual Plan 2014/2015 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Cashflow from operating activities											
Cash was provided from:											
Revenue from rates	31,116	33,300	35,267	37,896	39,446	41,071	42,945	44,989	47,117	49,227	50,723
Finance revenue	96	150	154	158	162	167	172	177	183	189	196
Other revenue	10,503	13,003	13,224	10,443	11,256	11,227	11,557	12,160	12,294	12,936	14,263
	41,715	46,453	48,645	48,497	50,864	52,465	54,674	57,326	59,594	62,352	65,182
Cash was disbursed to:											
Payments staff & suppliers	29,706	30,273	30,768	31,132	31,710	32,624	33,582	34,910	36,510	37,215	37,834
Finance costs	3,405	3,300	4,379	4,787	4,999	5,274	5,773	5,854	5,994	5,775	5,639
Net GST movement											
	33,111	33,573	35,147	35,919	36,709	37,898	39,355	40,764	42,504	42,990	43,473
Net cashflow from operating activity	8,604	12,880	13,498	12,578	14,155	14,567	15,319	16,562	17,090	19,362	21,709
Cashflows from investing activities											
Cash was provided from:											
Proceeds from asset sales	474	640	655	7,721	689	709	547				
Proceeds from investments	10	2,000	2,048					16	48	32	80
	484	2,640	2,703	7,721	689	709	547	16	48	32	80
Cash was disbursed to:											
Purchase of assets	29,714	31,417	25,720	17,693	19,551	19,669	17,059	15,000	13,638	17,307	16,742
Purchases of investments	272	256	144	80	64	32	16				
	29,986	31,673	25,864	17,773	19,615	19,701	17,075	15,000	13,638	17,307	16,742
	(29,502)	(29,033)	(23,161)	(10,052)	(18,926)	(18,992)	(16,528)	(14,984)	(13,590)	(17,275)	(16,662)
Net cashflow from investing activity											
Cashflows from financing activities											
Cash was provided from:											
Loans raised	30,000	18,153	9,639	8,522	4,589	18,458	1,311	17,542	1,628	2,919	103
	30,000	18,153	9,639	8,522	4,589	18,458	1,311	17,542	1,628	2,919	103
Cash was disbursed to:											
Loan repayments	10,750	2,000		11,000		14,000		19,000	5,000	5,000	5,000
	10,750	2,000	-	11,000	-	14,000	-	19,000	5,000	5,000	5,000
Net cashflow from financing activity	19,250	16,153	9,639	(2,478)	4,589	4,458	1,311	(1,458)	(3,372)	(2,081)	(4,897)
Net increase/(decrease) in cash held	(1,648)		(24)	48	(182)	33	102	120	128	6	150
Add opening cash brought forward	5,588	6,536	6,536	6,512	6,559	6,378	6,411	6,512	6,631	6,760	6,766
Closing cash balance	3,940	6,536	6,512	6,560	6,377	6,411	6,513	6,632	6,759	6,766	6,916
Closing balance made up of cash and cash equivalents	3,940	6,536	6,512	6,559	6,378	6,411	6,512	6,631	6,760	6,766	6,916

Forecast Statement of Changes in Net Assets/Equity

Prospective Statement of changes in Net Assets/Equity	Annual Plan 2014/2015	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Equity balance at 1 July	507,727	419,891	421,487	456,245	455,020	456,180	504,143	504,726	506,020	568,991	572,169
Total comprehensive revenue and expense for the year	(2,810)	1,595	34,757	(1,224)	1,160	47,962	584	1,294	62,971	3,177	5,259
Equity balance at 30 June	504,917	421,486	456,244	455,021	456,180	504,142	504,727	506,020	568,991	572,168	577,428

Capital Expenditure

Summary of Capital Projects by Primary Type and Activity	Annual Plan					Forecast					
	2014/2015 \$'000	2015/2016 \$'000	2016/2017 \$'000	2017/2018 \$'000	2018/2019 \$'000	2019/2020 \$'000	2020/2021 \$'000	2021/2022 \$'000	2022/2023 \$'000	2023/2024 \$'000	2024/2025 \$'000
Regulatory Services											
to replace existing assets	16	66	2	36	72	2	39	78	3	43	86
to improve the level of service	-	44	1	1	8	31	1	9	1	35	10
to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Community Facilities and Services											
to replace existing assets	1,096	2,076	2,201	751	412	1,402	718	677	515	498	498
to improve the level of service	2,444	2,018	3,678	326	184	187	195	196	196	212	217
to meet additional demand	60	174	201	9	9	9	9	9	10	10	10
Land Transport											
to replace existing assets	2,432	3,315	3,332	3,342	4,154	3,659	3,681	4,412	3,893	4,016	5,471
to improve the level of service	970	1,891	1,605	811	963	767	788	809	833	860	888
to meet additional demand	263	160	160	161	170	175	179	184	190	196	202
Properties											
to replace existing assets	28	282	727	518	715	349	521	441	131	754	141
to improve the level of service	165	165	63	5	57	209	2,591	6	6	6	6
to meet additional demand	-	11	513	12	12	12	13	13	13	14	14
Stormwater											
to replace existing assets	232	155	77	60	62	72	51	53	55	57	59
to improve the level of service	230	588	423	770	879	645	603	595	888	522	505
to meet additional demand	293	249	981	67	239	224	60	61	77	59	59
Solid Waste											
to replace existing assets	26	92	3	66	10	79	4	89	4	101	4
to improve the level of service	813	446	10	11	11	289	11	12	12	12	13
to meet additional demand	2	420	71	146	15	85	1,168	531	37	2,692	258
Water Supply											
to replace existing assets	1,544	1,914	1,329	1,584	2,309	2,480	2,433	3,314	3,412	3,536	3,925
to improve the level of service	2,633	4,423	3,945	192	527	201	207	210	215	224	920
to meet additional demand	1,104	926	123	24	699	864	161	27	337	365	29

Summary of Capital Projects by Primary Type and Activity	Annual Plan				Forecast						
	2014/2015 \$000	2015/2016 \$000	2016/2017 \$000	2017/2018 \$000	2018/2019 \$000	2019/2020 \$000	2020/2021 \$000	2021/2022 \$000	2022/2023 \$000	2023/2024 \$000	2024/2025 \$000
Wastewater											
to replace existing assets	3,549	4,402	2,493	3,345	1,720	2,919	2,049	2,048	1,598	2,000	2,342
to improve the level of service	9,401	6,423	3,270	4,654	5,186	4,081	360	400	420	451	435
to meet additional demand	1,847	407	177	429	410	692	732	350	377	26	27
Council Support											
to replace existing assets	361	525	268	368	767	168	504	457	397	548	503
to improve the level of service	204	270	144	84	43	150	46	47	49	101	150
to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Total Capital Projects	29,714	31,442	25,797	17,772	19,633	19,751	17,144	15,028	13,669	17,338	16,772
Make up of above projects by type:											
to replace existing assets	9,285	12,827	10,432	10,070	10,221	11,130	10,000	11,569	10,008	11,553	13,029
to improve the level of service	16,860	16,268	13,139	6,854	7,858	6,560	4,822	2,284	2,620	2,423	3,144
to meet additional demand	3,569	2,347	2,226	848	1,554	2,061	2,322	1,175	1,041	3,362	599
Total	29,714	31,442	25,797	17,772	19,633	19,751	17,144	15,028	13,669	17,338	16,772

Reserve Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserves are credited with interest. Council holds 14 reserves, with 3 being restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council may put the funds towards. The remaining Council created reserves are discretionary reserves which the council has established for the fair and transparent use of monies. Reserve balances are not separately held in cash and the funds are managed as part of the council's treasury management.

Below is a list of current reserves outlining the purpose for holding each reserve and the council activity to which each reserve relates, together with summary financial information across the year of the Plan:

	Activity	Annual Plan Closing Balance 30 June 2015	Forecast Opening Balance 1 July 2015	Deposits for the period of the LTP	Withdrawals for the period of the LTP	Forecast Closing Balance 30 June 2025
		\$000s	\$000s	\$000s	\$000s	\$000s
Restricted Reserves – Purpose Of The Fund						
Foxton Beach Freeholding Fund Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit	Endowment Property	3,459	2,606	4,777	4,064	3,318

	Activity	Annual Plan Closing Balance 30 June 2015	Forecast Opening Balance 1 July 2015	Deposits for the period of the LTP	Withdrawals for the period of the LTP	Forecast Closing Balance 30 June 2025
		\$000s	\$000s	\$000s	\$000s	\$000s
Reserve Land Reserve To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserve Act.	Community Facilities and Services Activity	96	95	46	-	141
Road Upgrade Reserve To fund transport network improvements as approved by the council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	Land Transport/ Roads and Footpaths Activity	715	710	341	-	1,051
Council created Reserves – Purpose of the Fund						

Horowhenua

	Activity	Annual Plan Closing Balance 30 June 2015	Forecast Opening Balance 1 July 2015	Deposits for the period of the LTP	Withdrawals for the period of the LTP	Forecast Closing Balance 30 June 2025
		\$000s	\$000s	\$000s	\$000s	\$000s
<p>Financial and Capital contributions for Roading To fund transport network improvement, from the accumulated funds from financial and capital contributions under the District plan prior to Development contributions regime.</p>	Land Transport/ Roads and Footpaths Activity	187	186	89	-	275
<p>Financial and Capital contributions for Water Supplies To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District plan prior to Development contributions regime.</p>	Water Supply Activity	520	516	248	-	764

Horowhenua

	Activity	Annual Plan Closing Balance 30 June 2015	Forecast Opening Balance 1 July 2015	Deposits for the period of the LTP	Withdrawals for the period of the LTP	Forecast Closing Balance 30 June 2025
		\$000s	\$000s	\$000s	\$000s	\$000s
Financial and Capital contributions for Wastewater Schemes						
To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District plan prior to Development contributions regime.	Wastewater Activity	310	127	61	-	188

	Activity	Annual Plan Closing Balance 30 June 2015	Forecast Opening Balance 1 July 2015	Deposits for the period of the LTP	Withdrawals for the period of the LTP	Forecast Closing Balance 30 June 2025
		\$000s	\$000s	\$000s	\$000s	\$000s
<p>Financial and Capital contributions for Parks and Reserves To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development contributions regime.</p>	Community Facilities and Services Activity	519	610	293	-	903
<p>Election Fund To smooth the rating impact of election costs and fund any by-election</p>	Representation and Governance Activity	27	22	276	208	90
<p>Hockey Turf Replacement Fund To fund the replacement of the water turf at Donnelly Park on behalf of the Turf trust.</p>	Community Facilities and Services Activity	165	164	379	-	543

Horowhenua

	Activity	Annual Plan Closing Balance 30 June 2015	Forecast Opening Balance 1 July 2015	Deposits for the period of the LTP	Withdrawals for the period of the LTP	Forecast Closing Balance 30 June 2025
		\$000s	\$000s	\$000s	\$000s	\$000s
<p>Shannon Rail Station. Set aside from grants to preserve the historic Shannon Railway Station.</p>	Properties Activity	23	23	11	-	34
<p>Esplanade Fund To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.</p>	Community Facilities and Services Activity	122	121	58	-	179
<p>Capital Projects Fund To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.</p>	All Activities	839	833	400	-	1,233

Horowhenua

	Activity	Annual Plan Closing Balance 30 June 2015	Forecast Opening Balance 1 July 2015	Deposits for the period of the LTP	Withdrawals for the period of the LTP	Forecast Closing Balance 30 June 2025
		\$000s	\$000s	\$000s	\$000s	\$000s
Foxton Citizens Fund To provide a fund for awards in recognition of community service in Foxton.	Community Support Activity	4	3	2	-	5
Driscoll Reserves Fund To fund Manakau parks and reserves development projects.	Community Facilities and Services Activity	0	14	6	-	20
Total		6,985	6,030	6,987	4,272	8,745

The opening balances as at 1 July 2015 differ from the Closing balances of the Annual Plan due to lower interest received than was expected due to the lower interest rates experienced than was assumed.

In the case of the Foxton Beach Freeholding account the Annual Plan did not have the \$500,000 grant to the Foxton Medical Centre Trust. The Annual Plan also anticipated settlement of the sale of the Foxton Beach Motorcamp that has been held up due to land tenure issues.

Benchmarks Disclosure Statement

For the 10 years 2015-25

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks - rates affordability, debt affordability, balanced budget, essential services and debt servicing.

The Council is required to include this statement in its Long Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

Horowhenua

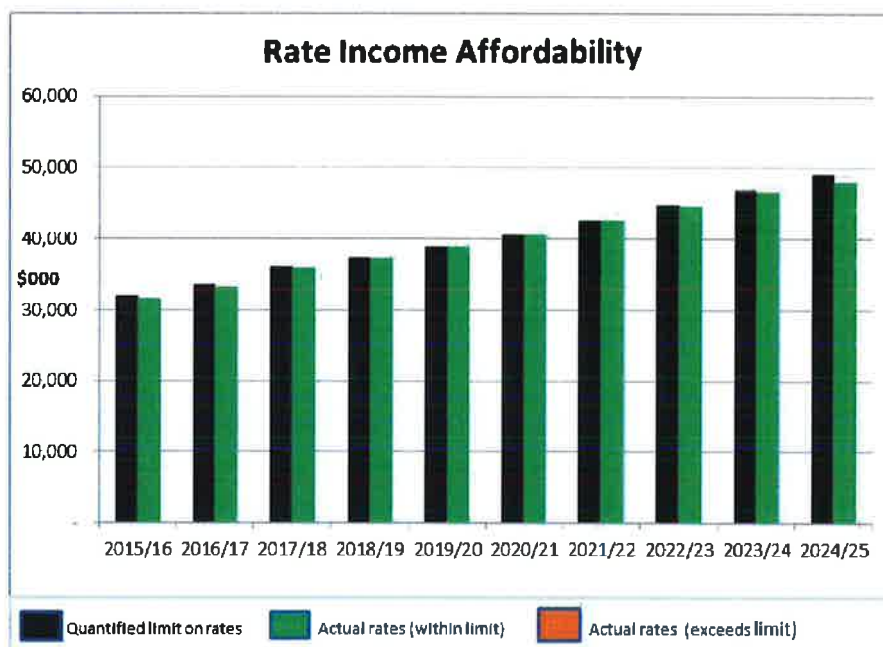
Rates Affordability Benchmarks

The Council meets the rates affordability benchmark if it's:

- Actual or planned rates for the year equals or is less than each quantified limit on rates; and
- Actual or planned Rates increases for the year equal or are less than each quantified limit on rates increases.

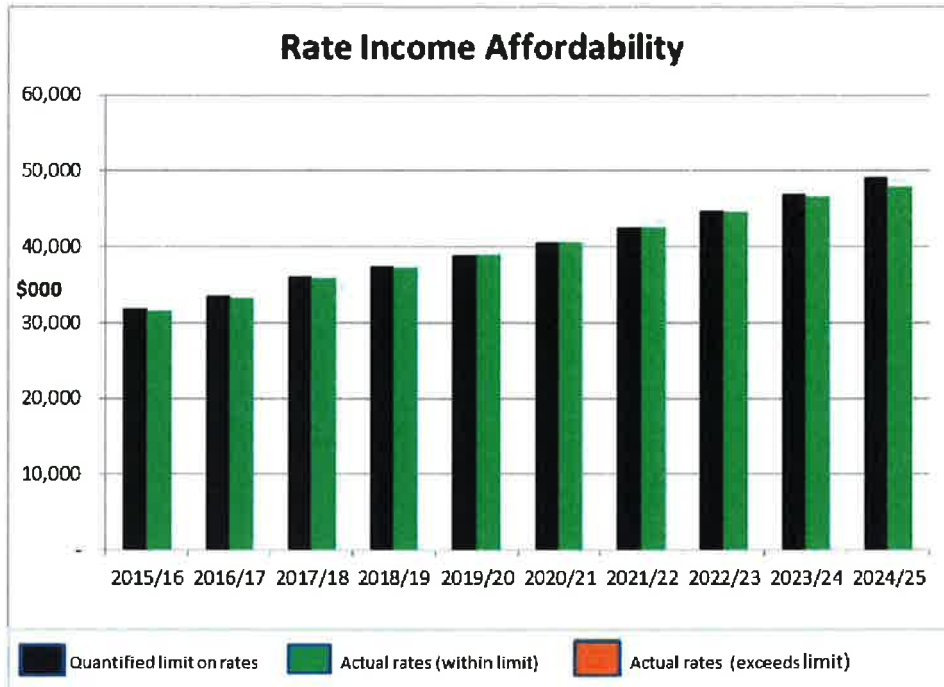
Rates (Income) affordability

The following graph compares the Council's proposed rates income for the years 2015-25 with a quantified limit on rates contained in the Financial Strategy included in the Council's Long Term Plan 2015-2025. All limits are based on the previous year's proposed rates income adjusted for the projected maximum rates increases noted in the Rates Increases Affordability benchmark.



Rates Increases Affordability

The following graph compares the Council's proposed rate increase for the years 2015-25 with a quantified limit on rates increases contained in the Financial Strategy included in the Council's Long Term Plan 2015-2025.



Debt Affordability Benchmarks

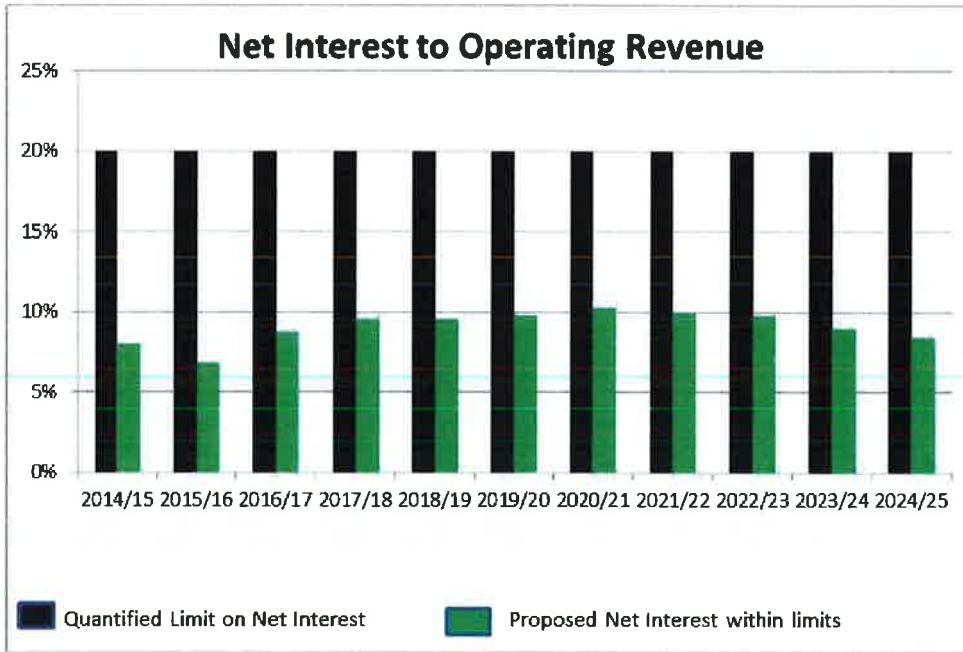
The Council meets the debt affordability benchmarks if actual or planned borrowing for the year is within each quantified limit on borrowing.

The Council quantified limits on borrowing are found in the Liability Management Policy in this Long Term Plan. The limits are as follows:

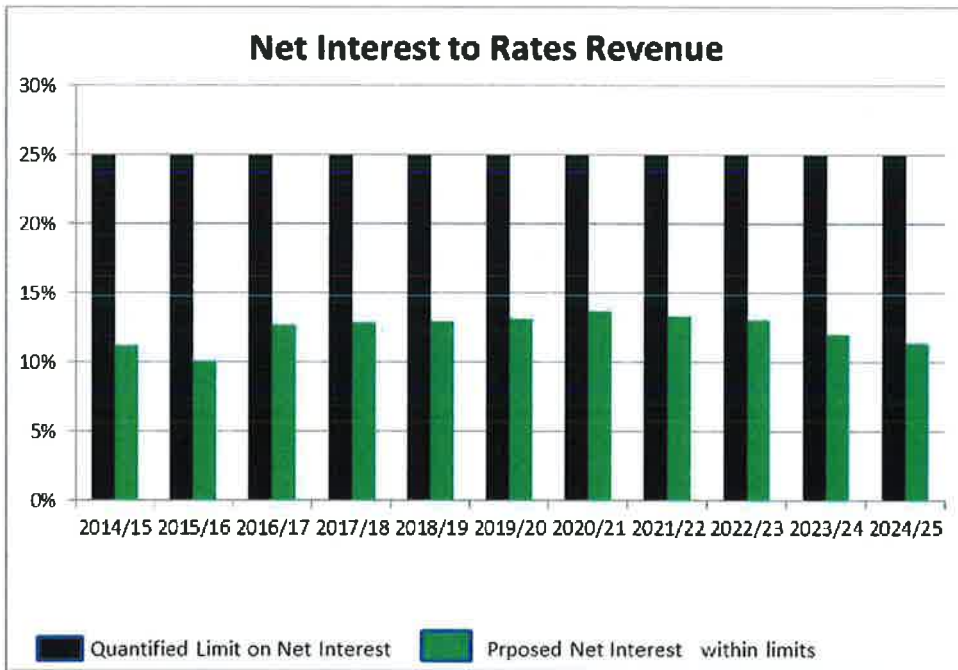
- Net annual interest costs do not exceed 20% of the total annual operating revenue
- Net annual interest costs do not exceed 25% of total annual rates revenue
- Net debt does not exceed 175% of operating revenue.

The following graph compares the Council's forecast net annual interest costs to total operating revenue.

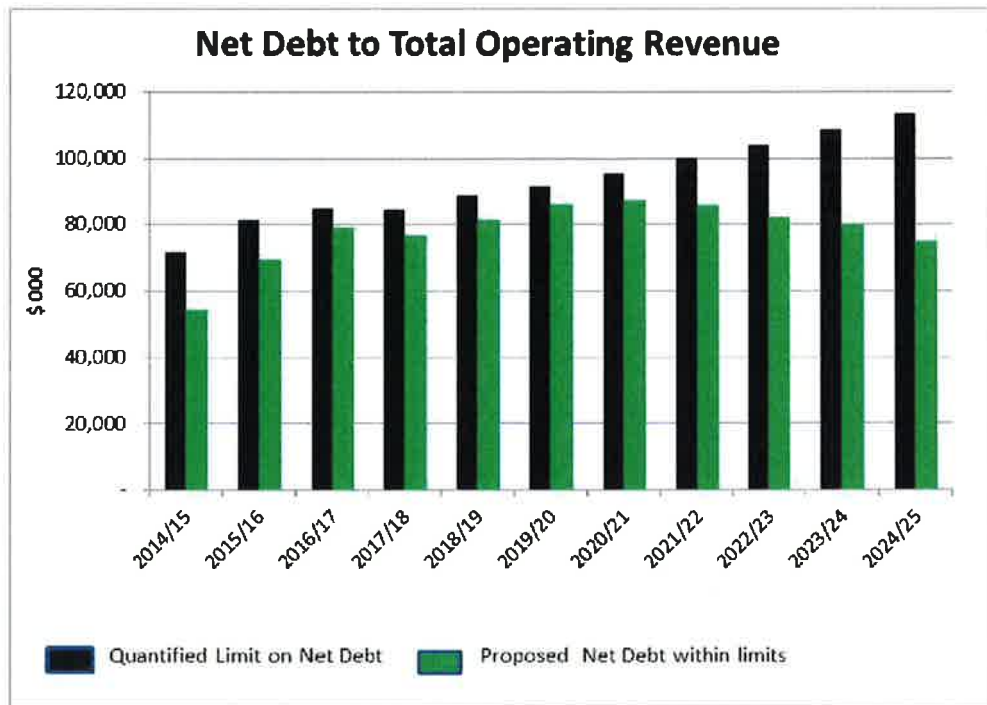




The following graph compares the Council's forecast net annual interest costs to total annual rates revenue.



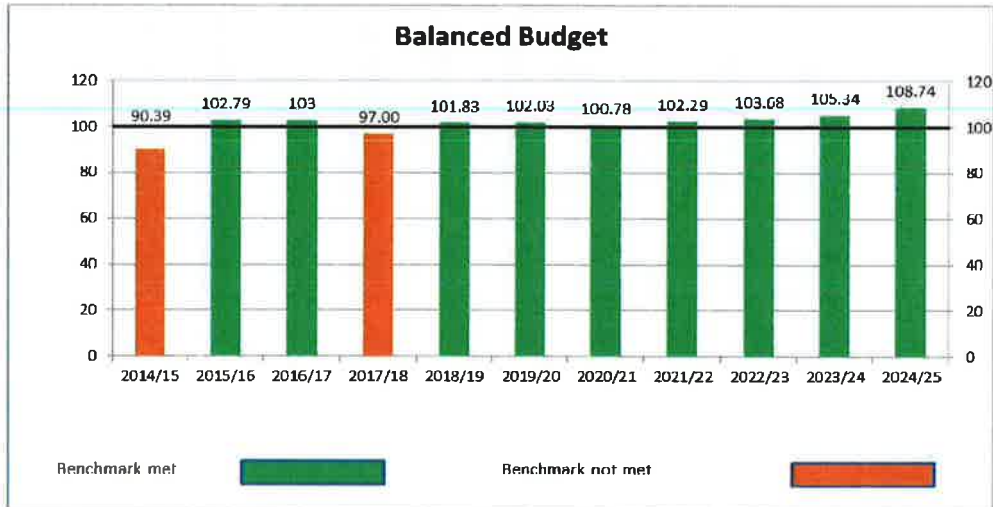
The following graph compares the Council's forecast net debt to total operating revenue.



Balanced Budget Benchmark

The following graph displays the Council's forecast revenue – excluding development contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment, as a proportion of operating expenses – excluding losses on derivative financial instruments and revaluations of property, plant and equipment.

The Council meets this benchmark if its revenue equals, or is greater than, its operating expenses.

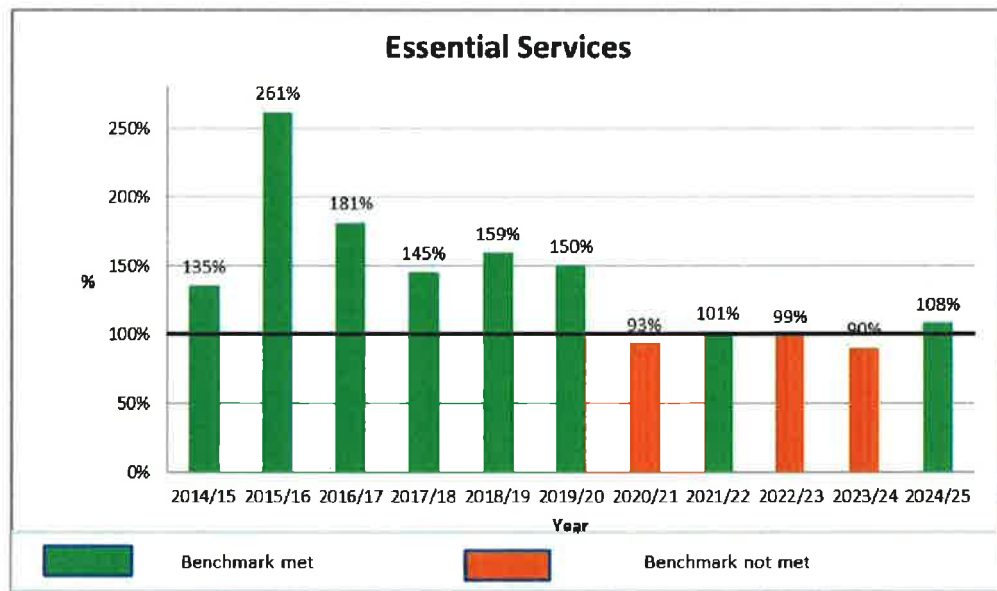


Essential Services Benchmark

The following graph displays the Council's forecast expenditure on network services as a proportion of depreciation on network services. Capital work includes both renewals of existing infrastructure and new capital works undertaken.

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on its network services.

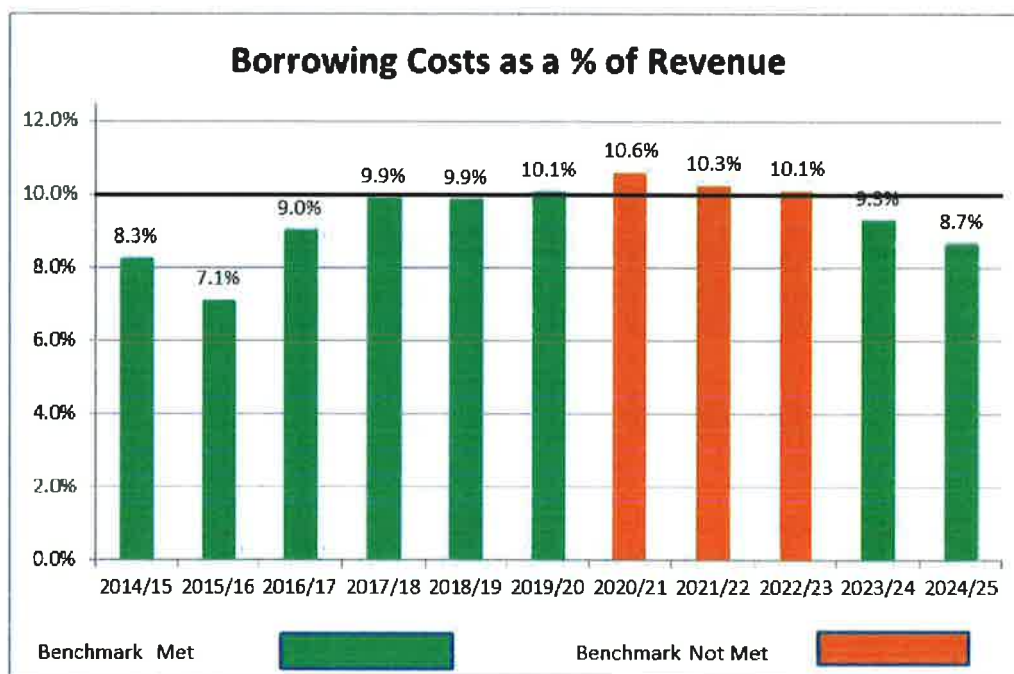
Network services is defined in the regulations as infrastructure relating to water supply, sewage and the treatment and disposal of sewage, storm water drainage, flood protection and control works and the provision of roads and footpaths. The Council owns no infrastructure relating to flood protection and control work.



Debt Servicing Benchmark

The following graph displays the Council's forecast borrowing costs as a proportion of forecast revenue, excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of plant property and equipment.

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate it meets the debt control benchmark if its forecast borrowing costs are equal to or less than 10% of its forecast revenue – excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of plant, property and equipment.



Balancing of the Operating Budget

Legislative context

In accordance with section 100(1) of the Local Government Act (LGA) 2002 the Council *must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.*

However, section 100(2) of the LGA allows Council to resolve that it is financially prudent to set projected operating revenues at levels less than would be required to meet projected operating costs, having regard to the following:

- (a) *The estimated expenses of achieving and maintaining the predicted levels of service provision set out in this LTP, including the estimated expenses of maintaining the service capacity and integrity of assets throughout their useful life;*
- (b) *The projected revenue available to fund those expenses;*
- (c) *The equitable allocation of responsibility for funding the provision of and maintenance of assets throughout their useful life; and*
- (d) *The funding and financial policies adopted under section 102 of the Local Government Act 2002.*

Balancing the budget for this LTP period

For the 10 year period of this LTP the Council will be working towards achieving a surplus by year 4 (2018/19). Council considers that in the long term operating revenues should be set at levels to cover all operating costs, as this is a necessary condition for prudent financial management.

However, the Council considers (and has resolved) that for the purposes of this LTP, pursuant to section 100(2) of the LGA, it is financially prudent to set projected operating revenues at levels:

- In some cases less than what would be required to meet projected operating costs, where such costs are being met from reserves and where the full funding of depreciation may be phased in without compromising the service capacity or integrity of assets throughout their useful life; and
- In some cases more than what would be required to meet projected operating costs where operating revenues are also required to set aside incomes tagged for special purposes, to meet the costs of capital expenditure, to build up reserves for future loan repayments, and to contribute to asset replacement funds.

The specific circumstances in which projected operating costs have not been funded by operating revenues have been in year 3; using the Balanced Budget benchmark under the Local Government (Financial Reporting and Prudence) Regulations 2014:

- 1) where it is planned to fund particular operating costs from existing reserves rather than from rates or other revenue; and
- 2) where it has been decided to phase in the funding of increased levels of depreciation on infrastructural assets.

There is no compromise to the replacement, restoration or renewal of assets during the whole term of this LTP.

In all cases the reason for not balancing the operating budget has been to keep projected rate increases within reasonable bounds to ensure that the increases are affordable for our Community.

The implication of Council's decision is that it will fund some renewals of assets using debt instead of rates. This will increase debt and subsequently interest costs on that debt as discussed in the Financial Strategy.

Prospective Accounting Policies

1. Reporting Entity

The prospective financial statements of the Horowhenua District Council are for the year ended 30 June 2016 and for the subsequent nine years, ending 30 June 2025.

The Horowhenua District Council is a territorial Local Authority governed by the provisions of the Local Government Act 2002 and is domiciled in New Zealand.

The Horowhenua District Council group (HDC) consists of Horowhenua District Council and Te Horowhenua Trust (formerly Horowhenua Library Trust), both incorporated in New Zealand.

The primary objective of HDC is to provide goods and services for the community for social benefit rather than making a financial return. Accordingly, Council have designated themselves as PBE for financial reporting purposes.

The prospective financial statements contained in the ten year plan are in full compliance with FRS 42 Prospective Financial Statements.

The operations of HDC have been divided into the following activities:

- Land Transport (Roads and Footpaths)
- Stormwater
- Water Supply
- Wastewater Disposal
- Solid Waste
- Regulatory Services
- Community Facilities and Services
- Property
- Community Support

HDC also advise caution that the information in these statement may not be appropriate for purposes other than those described.

The prospective financial statements were authorised by issue by Council on 24 June 2015. The Mayor and Chief Executive that authorise the issue of the prospective financial statements by HDC are responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual results have been incorporated in

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these prospective financial statements. It is not intended to update the prospective financial statements subsequent to presentation.

Measurement Base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets.

Accounting Policies

The following accounting policies which materially affect the measurement of results and financial position have been applied consistently to all years presented from 1 July 2015 unless otherwise stated.

2. Basis of Preparation

The prospective financial statements have been prepared in accordance with the requirement of the Local Government Act 2002: Part 6, Sec 93 and Part 1 of Schedule 10, which includes the requirements to comply with New Zealand accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ PBE IPSAS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. HDC is a tier 1 reporting entity using the public sector Public Benefit Entity Accounting Standards, as it has expenses greater than \$30m, and is not publicly accountable.

Basis of Consolidation

The consolidated financial statements are prepared by adding together the items as assets, liabilities, equity, revenue, and expenses of entities in the group on a line-by-line bases. All intragroup balances, transactions, revenues and expense are eliminated on consolidation.

The Financial Statements are presented in New Zealand Dollars. The functional currency of HDC is New Zealand Dollars. All values are rounded to the nearest one thousand dollars.

Budget Figures

The budget figures have been prepared in accordance with NZ GAAP and comply with NZ PBE IPSAS, and other applicable Financial Reporting Standards, using accounting policies that are consistent with those adopted in preparing these financial statements. Then as a tier 1 reporting entity HDC uses the public sector Public Benefit Accounting Standards.

HDC has not presented group prospective financial statements because it believes that the parent financial statements are more relevant to users. The main purpose of prospective financial statements is to provide users with information about the core services that the HDC intends to provide ratepayers, the expected cost of those services and as a consequent how much HDC requires by way of rates to fund the intended levels of service. The level of rates funding required is not affected by subsidiaries except to the extent that HDC obtains distribution from, or further invests in, those subsidiaries. Such effects are included in the prospective financial statement of HDC.

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3. Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Infringement Fees Revenue

Revenue from infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued. The Council recognises revenue at an amount based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding 2 year period.

Subsidises Revenue

HDC receives revenue from New Zealand Transport Agency, which subsidises part of HDC's costs in maintaining the local roading infrastructure, is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Grants Revenue

Revenue from other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Rendering of Services Revenue

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided, as a percentage of the total services to be provided.

Sale of Goods Revenue

Revenue from the sale of goods is recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Vesting of Assets Revenue

Revenue from vesting of physical assets is recognised for assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair

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value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

Commission Revenue

Revenue from acting as an agent for another party is recognised in the form of the commission or fee on the transaction.

Interest Revenue

Revenue from interest is recognised using the effective interest method.
Revenue from dividends is recognised when the right to receive payment has been established.

Financial Contributions Revenue

Revenue from Financial Contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

4. Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

5. Income Tax

Income tax expense includes components relating to both current tax and deferred tax. Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

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6. Grant Expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where HDC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of HDC's decision.

The Council's grants awarded have no substantive conditions attached.

7. Leases

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, HDC recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether HDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

8. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

9. Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that HDC will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the estimated present value of the expected future cash flows, discounted using the effective interest method.

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10. Financial Assets

HDC classifies its financial assets into four categories: financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables and financial assets at fair value through other comprehensive revenue and expenses. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial acquisition and re-evaluates this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit in which case transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which HDC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and HDC has transferred substantially all the risks and rewards of ownership.

The categories of financial assets are:

Financial Assets at Fair Value Through Surplus or Deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that HDC has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised through surplus or deficit.

Currently, HDC does not hold any financial assets in this category.

Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are

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recognised through surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Loans, including loans to community organisations made by HDC at nil, or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset or investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of expected future cash flows is recognised in the Statement of Comprehensive Income as a grant.

Financial Assets at Fair Value Through Other Comprehensive Revenue and Expenses
Financial assets at fair value through other comprehensive revenue and expenses are those that are designated as fair value through other comprehensive revenue and expenses or are not classified in any of the other categories above. They are included in non-current assets, unless management intends to dispose of, or realise, the investment within 12 months of balance date. After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in other comprehensive revenue and expenses except for impairment losses which are recognised in the surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the surplus or deficit.

Financial assets in this category include investments HDC intends to hold long-term but which may be realised before maturity and shareholdings that HDC holds for strategic purposes.

Impairment of financial assets

At each balance sheet date HDC assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Loans and Other Receivables and Held-to-maturity Investments
Impairment is established when there is objective evidence that the Council and Group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, Local Authority Stock, Government Bonds and community loans are recognised directly against the instrument's carrying amount.

Financial Assets at Fair Value Through Other comprehensive revenue and expenses
For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.
For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered objective indicators that the asset is impaired.

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If impairment evidence exists for investments at fair value through other comprehensive revenue and expenses, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expenses is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through surplus or deficit.

11. Non-Current Assets Held For Sale

Non-current assets held for sale are classified as 'held for sale' if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised through surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

12. Property, Plant and Equipment

Property, plant and equipment consist of:

Operational Assets - These include land, buildings, landfill post closure, library collections, plant and equipment and motor vehicles.

Restricted Assets - Restricted assets are parks and reserves owned by HDC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure Assets - Infrastructure assets are the fixed utility systems owned by HDC. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations. Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to HDC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included through the surplus or deficit.

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to HDC and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

HDC's depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

OPERATIONAL ASSETS	Useful Life	Depreciation Rate
Land	N/A	N/A
Buildings:		
Structure	50 to 100 years	2% - 1%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Plant, equipment and vehicles	4 to 25 years	25% - 4%
Library assets	10 years	10%
Solid waste management:		
Building structure	50-100 years	2% - 1%
Building roofing	40 years	2.5%
Roading	50 years	2%
Cell site works and earthworks	33 years	3%
Cell lining, drainage and irrigation	33 years	3%
Cell electricals	10 years	10%
RESTRICTED ASSETS		
Land	N/A	N/A
Buildings:		
Structure	50 to 100 years	2% - 1%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
INFRASTRUCTURAL ASSETS		
Roading (Land Transport): (average lives and depreciation rates of major components)	N/A	N/A
Land	N/A	N/A
Formation	N/A	N/A

OPERATIONAL ASSETS	Useful Life	Depreciation Rate
Berms	110 years	0.91%
Surface water channels	90 years	1.1%
Bridges and culverts	40-100 years	1.12%
Drainage	88 years	1.13%
Sealed pavement	78 years	1.29%
Basecourse	60 years	1.66%
Footpaths	57 years	1.76%
Crossings	41 years	2.43%
Streetlights	12 years	8.57%
Surfacing	1-25 years	4 -100%
Stormwater:		
Pump stations	60 years	1.67%
Manholes	60 years	1.67%
Sumps	60 years	1.67%
Pipes	30 to 80 years	3.33% - 1.25%
Pumps	10 years	10%
Water:		
Land	N/A	N/A
Buildings	-	-
Structure	50 to 100 years	2% to 1%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Treatment facilities	8 to 100 years	12.5% - 1%
Pipes	20 to 80 years	5% - 1.25%
Laterals	80 years	1.25%
Tobies	60 years	1.67%
Valves	60 years	1.67%
Hydrants	60 years	1.67%
Meters	20 years	5%
Sewer:		
Land	N/A	N/A
Buildings		
Structure	25 to 70 years	4% - 1.43%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Treatment and disposal facilities	10 to 100 years	10% - 1%
Pipes	60 to 80 years	1.67% - 1.25%
Laterals	60 years	1.67%
Pump stations	60 years	1.67%
Manholes	60 years	1.67%
Pumps	10 years	10%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

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Revaluation

Those asset classes that are revalued are valued on a three yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value.

Operational Land and Buildings:

At "fair value" was determined from market-based evidence by an independent valuer. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2014.

Restricted Land and Buildings: Parks, Cemeteries and Endowment Land:

At "fair value" was determined from market-based evidence by an independent valuer. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2014.

Infrastructural Asset Classes: Roads, Water Reticulation, Sewerage Reticulation and Stormwater Systems:

At "fair value" was determined on a depreciated replacement cost basis by Council staff. At balance date HDC assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Valuations completed by:

The roading infrastructure, Wastewater assets, Water Supply assets and Stormwater assets were valued as at 30 June 2014 using unit rates reviewed by Robert Berghuis (NZCE, REA) of Beca and Harrison Grierson. The valuation calculations were performed by Council. Land and buildings associated with the Water Supply and Wastewater activities was valued by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2014.

Land under the roads is valued at deemed cost. The Landfill infrastructure was valued in two parts, both as at 30 June 2014. The land and buildings were valued by B D Lavender (ANZIV, SNZPI) of Blackmore Associates. The remainder of the Asset was valued by Phil Landmark (BScEng (Civil) CP Eng) of MWH New Zealand Ltd, and reviewed by Brian Smith (BCom (Acc & Eco.), CA) of MWH New Zealand Limited.

Accounting for Revaluations:

Land and buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

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13. Intangible Assets

Software Acquisition and Development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by HDC are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Easements

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Amortisation

HDC's carrying value of an intangible asset with a finite life is amortised on a 'straight-line' basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised through the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software: 10 years, 10%.

Te Horowhenua Trust's computer software licenses are amortised at 30% diminishing value including Koha Software. Kete Software is amortised at 60% diminishing value as set by Inland Revenue Department. Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Kete Software – 4 years, 60%
Koha Software – 8 years, 30% HDC

14. Forestry Assets

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised through surplus or deficit

The costs to maintain the forestry assets are included through surplus or deficit.

Emission Trading Scheme New Zealand Units (NZU's)

Council has been allocated and holds NZU's in respect of its forestry stands in the district. NZU's are initially recorded at cost and are subsequently measured at fair value each

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balance date. Any movement in fair value is recognised in surplus or deficit. Costs associated with maintaining NZU's are recognised as an expense when incurred.

15. Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, HDC measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised through surplus or deficit.

16. Impairment of Non-Financial Assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised through the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised through the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised through the surplus or deficit a reversal of the impairment loss is also recognised through the surplus or deficit. For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised through the surplus or deficit.

17. Employee Benefits

Short-term Benefits

Employee benefits that HDC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

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HDC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term Benefits

Long Service Leave and Retirement Leave

Entitlements that are payable beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on the likely future entitlements accruing to staff (based on years of service), years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information and present value of the estimated future cash flows.

Superannuation Schemes

Defined Contribution Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense through surplus or deficit.

Defined Benefit Schemes

HDC belongs to the Defined Benefit Plan Contributors Scheme (the Scheme), which is managed by the Board of Trustees of the National Provident Fund. The Scheme is a multi-employer defined Benefit Scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the Scheme the extent to which the surplus or deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The Scheme is therefore accounted for as a Defined Contribution Scheme.

19. Creditors and Other Payables

Short-term creditors and other payables are recorded at their face value.

20. Provisions

HDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires HDC to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that HDC will be required to reimburse a holder for a loss incurred discounted to present value. If the

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fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the higher of:

- the estimated amount determined if it is probable there will be an outflow to settle the guarantee; and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

21. Borrowings

Borrowings are initially recognised at their fair value plus transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings due to be settled within 12 months of balance date are treated as current liabilities. All other borrowing is classified as term liabilities.

22. Equity

Equity is the community's interest in HDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. The components of equity are:

- Retained earnings
- Restricted reserves
- Asset revaluation reserves

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by HDC.

Restricted reserves are those subject to specific conditions accepted as binding by HDC and which may not be revised by HDC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

23. Goods and Services Tax

All items in the Financial Statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position. The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

24. Cost Allocation

HDC has derived the cost of service for each significant activity of HDC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as costs and revenues, actual usage, staff numbers and floor area.

25. Critical Accounting Estimates and Assumptions

In preparing these financial statements HDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill Aftercare Provision

The Statement of Financial Position discloses the exposure of HDC in relation to the landfill aftercare provision.

Infrastructural Assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for assets that are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then HDC could be over or under estimating the annual depreciation charge recognised as an expense through surplus or deficit. To minimise this risk HDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the HDC's asset management planning activities, which gives HDC further assurance over its useful life estimates. Experienced independent valuers perform the Council's infrastructural asset revaluations. HDC

Horowhenua

Re-Classification on Report in Current Years

Where reclassifications have been required for current reporting standards, the comparatives will be adjusted.

Critical Judgements in Applying Accounting Policies

Classification of Property

HDC owns a number of properties to provide housing to pensioners. The move towards market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the HDC's social housing policy. These properties are accounted for as property, plant and equipment.

Derivative Financial Instruments

HDC uses derivative financial instruments to hedge exposure to interest rate risks arising from financing activities. In accordance with its Treasury Policy, HDC does not hold or issue derivative financial instruments for trading.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The associated gains or losses of derivatives that are not hedged accounted are recognised in the surplus or deficit.

Council

OPEN MINUTES

Minutes of an extraordinary meeting of Council held in the Council Chambers, 126-148 Oxford St, Levin, on Wednesday 30 March 2016 at 2.00 pm.

PRESENT

Mayor	Mr B J Duffy
Deputy Mayor	Mr G G Good
Councillors	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
	Mr A D Rush
	Ms P Tukapua

IN ATTENDANCE

Reporting Officer	Mrs M Davidson	(Group Manager – Customer & Community Services)
	Mr D M Clapperton	(Chief Executive)
	Mr D Law	(Group Manager – Finance)
	Mr J Paulin	(Finance Manager)
	Mr S Wood	(Property Services Officer)
	Mrs K J Corkill	(Meeting Secretary)

PUBLIC IN ATTENDANCE

There were six members of the public in attendance, including submission speakers Messrs Coupe and Rohloff from GreyPower Horowhenua, and Mr Wilson from Accessible Properties NZ Ltd.

1 Apologies

There were no apologies.

2 Declarations of Interest

There were no declarations of interest.

3 Announcements

There were no announcements.

4 Customer and Community Services

4.1 Community Housing Consultation - Hearing of Submissions

Purpose

The purpose of this report is to receive and hear the submissions related to Council's special consultation process relating to an Amendment to the Long Term Plan 2015-2025 via its Community Housing Proposal.

MOVED by Cr Good, seconded Cr Mitchell:

THAT Report 16/126 on Community Housing Consultation - Hearing of Submissions be received.

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

THAT submissions 1 – 20 be received relating to an Amendment to the Long Term Plan 2015-2025.

CARRIED

The meeting was advised that Mr Trevor Daniell from GreyPower NZ Federation and Mr Ian Anderson would not be in attendance to speak to their submissions.

Mrs Davidson gave an overview of the process that had been undertaken since a comprehensive review of Council's community housing portfolio had been undertaken last year and Council had decided to go out to consultation with regard to the future of Council's role in providing community housing.

Mr John Murphy was welcomed to the table to speak to his submission. Mr Murphy said he was querying who was going to end up buying the properties. As a State House tenant, he had a concern that there could be issues with affordability should properties be sold without security of tenure. Whilst he understood that could be issues setting up a Trust, something like a Horowhenua Homes Trust may be better than selling off properties with no security of tenancy.

Before presenting the supplementary submission on behalf of Horowhenua GreyPower, Mr Mike Coupe directed Councillors to Council's Positive Ageing Action Plan. Mr Lew Rohloff then expounded GreyPower's view that the solution proposed would actually "exacerbate the challenge of providing housing for a growing cohort of ageing New Zealanders rather than avoid it. GreyPower believed that the direct provision of affordable housing was 'core council activity' and Council should not distance itself from that major tenet of responsible community wellbeing. GreyPower reiterated the recommendation in its primary submission: "that (with regard to

pensioner housing) Council maintains the 'status quo' up to the review of the Long Term Plan in 2018 to permit further research of available and emerging options including the establishment of a local trust to maintain the purpose of 'social housing'.

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

Mr Rohloff then responded to Councillor queries in relation to some of GreyPower's assertions and concerns in relation to security of tenure and the ability to access the Income Related Rents Subsidy (IRRS). He also advised that although he was aware of the Manawatu Community Housing Trust, he had not had the time to research that model.

With regard to funding to maintain and expand the community housing stock, Mr Rohloff supported the reinstatement of the long standing partnership between Central Government and tlas and suggested Council should support submissions from neighbouring Councils on the matter.

Mrs Davidson responded to queries that had been raised in relation to the eligibility for tenants to receive noting that current no Council tenants received the IRRS as Council was not a community housing provider. Once they became a tenant of a CHP they could go through the eligibility process to receive an IRRS. If Council was to set up a Trust, it would need to be an independent organisation, not a CCO, as Central Government's very clear mandate and intention was that tlas were not the bodies to provide community housing.

Mr Andrew Wilson joined the table to speak to the submission from Accessible Properties. Accessible Properties was a registered Community Housing Provider and Its submission was not just on behalf of that organisation, but was representative of all CHPs, of which there were about 40.

In giving an overview of Accessible Properties, its background, the extent of its operation and its governance, and reiterating the reasons why Accessible Properties supported the option of Council transferring its pension housing to a CHP, Mr Wilson also responded to Councillors' questions with regard to charitable status, IRRS eligibility, security of tenure for tenants, and the process that it was commencing to pick up Housing Corp houses.

Mrs Davidson outlined the next steps in the process:

- by the end of next week officers would be preparing a final report that would go to the Extraordinary Council meeting to be held on 13 April;
- that report would capture all the information provided to Council to date and would also provide some analysis of the submissions and concerns raised by submitters;
- things raised today had been taken note of and responses would be provided on those issues;
- further questions or points of clarification that should be included in the report so elected members could make an informed decision would also be appreciated.

In response to a query as to whether it would be possible to get a copy of the Hamilton City Council contract, Mrs Davidson said she would endeavour to do that as well as getting information on the Trust model used by Manawatu District Council. There was also a lot of other work going on behind the scenes. Should Council support the proposal, the bottom line had already been identified and that would be

included in the report as would the sorts of encumbrances that might be included in a Sale and Purchase Agreement. How the suspensory loan would be dealt with was included in the consultation document and that would also be covered in the report. There may be some part of the final report that would be dealt with In Committee because of commercial sensitivity.

3.00 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:.....



The Mayor
Horowhenua District Council
Levin

Your Worship

Submission on the
Proposed Amendment to the Long Term Plan 2015-2035
Community Housing Review

The Submitter

Grey Power NZ Federation (GPNZF) has 76 associations located throughout territorial local authorities, with between 60-70,000 members. The Horowhenua Grey Power Association is one of those members associations. The Federation's mission is to advocate for the wellbeing of members.

Contact details
Phone 04 9023669
Email trevordaniell01@gmail.com

Discussion

Your document clearly states the demographic issues that face your Council but GPNZF believes that additional pressures also arise from other factors i.e.

- Baby boomers did not have the same attitude to savings that earlier generations had,
- They will not have accumulated funds in Kiwi Saver.
- Some will reduced savings and assets as the result of divorce.
- Some will have lost funds in recent collapses of financial institutions.
- Other personal events such as injury, loss of an earning partner etc.
- A history of low income.

The housing problems facing baby boomers has been explored by the Salvation Army in its publication Homeless Baby Boomers

The Governments proposal to sell HNZN houses to Social Housing Providers failed because those organisations did not have the ability to cope and although your proposal is on a small scale, there is no certainty that the council will find a Provider.

A council is in a position to see issues across its district and should have concerns about its constituency, a Social Housing Provider will not have the same view.

Grey Power NZ Federation

[Type here]

[Type here]

You have listed issues that may arise from the formation of a Trust and GPNZ sees that these could or could not exist, but considers that there should be a full investigation before this option is rejected.

Christchurch City Council is establishing a trust in which it has a 49% share-holding which it believes will be able to access income related rents and which will provide an asset base on which to secure loans which will allow it to increase its stock.

GPNZF recognises that Councils are unlikely to strike a rate to expand their housing stocks so alternative means to increase the stock need to be found.

GPNZF submits

That the status quo be maintained and the issues associated with a Trust be fully researched so that the options which may become available to a Trust are determined, before proceeding with consultation in the next long Term Plan.

I wish to appear

Trevor Daniell
Chair
National Advisory Group
Local Bodies and Housing.

Grey Power NZ Federation

[Type here]

[Type here]

Submission to the Horowhenua District Council in relation to its review of its current and long term plan with the HDC social housing.

BACKGROAND:

As of April 2014 the govt has extended the Income Related Rent Subsidy (IRRS) to Community Housing Providers alongside Housing New Zealand (HNZ/HNZC).

In 2015 the government announced plans to review the HNZ housing stock and sell up to 8000 properties by 2017 to community housing providers.

NOTE:

I JOHN MURPHY am a WINZ advocate and agent. Im a current HNZ tennant.

Contact info:

John Murphy

17 A Morgan Cresent Levin 5510

ph 0204-002-1342 OR 021-205-5268

email: johndmurphy.123@gmail.com



Horowhenua District Council Proposal:

1. I believe the the council should no longer provide pensioner housing.
2. I believe that the council should seek expression of interst in properties sold/transferd to community housing providers OR be used to help set up a housing trust (Horowhenua Housing Trust)
3. I believe that the council should still continue to advocate and take leadership in supporting the community with regards to access and affordable quailty housing.



MY SUBMISSION IN RELATION TO THE PROPOSAL:

I John Murphy believe that the Horowhenua District Council should consider and implemnt the option of setting up a charitatble trust, known as Horowhenua Housing Trust (name suggested in the proposal document).

I am aware of the issues facing PRIVATE MARKET RENTERS. The issues PRIVATE RENTERS FACE:

Rent hikes:

LQ rent avarge rose from \$150-\$190 Dec2014-Dec2015) mean while the Accomidation Supplemnt (Avalible to PRIVATE MARKET renters via Work and Income New Zealand aka WINZ) has remained unchanged at \$45-\$75 depending on household size. There is the TAS (Temporay additional Support) also avalible from WINZ if rent level and/or other costs are still high and the person/family is still struggling to meet its regular costs. (I currently at time of writing have my own TAS case before the high court in wich they will need to determine if Food is an "esstional and regular cost".) To my understnading of those I know who recive TAS are getting no more than \$10 per week to help meet high accomidation costs. The Horowhenua District Concil should advocate the central govt to help increase the Accomidation Supplement to meet the CURRENT AND FUTUER RENT HIKES. I have calacated that all benefiraices in PRIVATE RENTALS are losing out by \$30 on avarge per week to meet rental costs, this cost is most likely being meet by spending less on food.

LANDORD ISSUES:

Landlords and tennants are always having difficulites however those in social housing need extra long term support that PRIVATE landlords would not be able/or unlikely and unprepared to try accomidate for. This leaves the only known (to my knowledge) HNZ to pick up this. Most HNZ and social hosuing properites are in LQ areas, these areas often have our most

vulnerable members of the community and society left out and face a number of issues such as crime, bad neighbours and roaming dogs that show signs of attacks.

**HDC ISSUE - "THERE IS UNCERTAINTY ABOUT
EXTENDING CAPITAL AND IRRS TO NEW
TRUST/SOCIAL HOUSING PROVIDERS"**

I am aware that the council has highlighted this issue in establishing a community housing provider trust. I did look on the Community Housing Providers website that in order to be registered they will need to meet some requirements which I strongly believe that the council is already doing with its current housing stock and allocation to pensioners or those over 60 with disabilities. I can't see why the trust would be declined registration and/or denied the IRRS.

**ALT OPTION – SELL HOMES TO COMMUNITY
HOUSING PROVIDERS WITH CURRENT TENANTS
REMAINING IN PROPERTIES.**

I am aware that this is the council's preferred option with regards to its future plan. Currently most people in the homes are pensioners and paying a reduced market rent rate.

I am in a HNZ home and have been living in it for about 8 months, HNZ have suggested that my current home may possibly be sold but I would be able to move to another HNZ home if this does happen. This has put me under more stress as my current tenancy could end soon but has some ease as a result of the offer to move. Pensioners would more than likely feel more stressed and probably not need this extra stress if the social Housing Assessment came out as low or moderate need. This would require the new provider to evict the tenant whom will have more stress as no home and needing new home ASAP.

As far as I know there is only 1 social housing provider in the Horowhenua is Housing NZ and they are selling some of there

stock. This would mean the council's housing stock would more than likely end up being private market rentals and push up rents, this would make the current unafforabilty of LQ rentals even worse and make the hardship worse, this only made even worse when the futuer investment in infrustructure such as the Otaki-Levin section of the Goverments Wellington Northen Corridor section begins and takes affect.

The ageing population living in Horowhenua is only going to increase and we will end up with even higher rents lacking extra finical support from WINZ. Im aware about 10-15 years ago the Kapti Coast rents were simlar to the current rents the horowhenua has now but as more moved and retierd in Kapti there rents have gone up dramticy. I see this happening in the Horowhenua espically Levin which is ideal for retierment, this will make things worse for the community espicaly those suffering fincial hardship.

MY SUBMISSION ENDS.

I am NOT a current HDC tennant/im not waiting on an HDCpropoerty.

I do wish for my submissin to be heard by the council and wish if requested to by the HDC to speak about my submission.

Contact info:

Post:

John Murphy

17 A Morgan Cresent Levin 5510

Ph: 0204-002-1342 OR 021-205-5268

Email: johndmurphy.123@gmail.com

Thank you Horowhenua District Council for taking my feedback into consideration of your social housing proposal.

Signed



date Feb 23rd 2016

COMMUNITY HOUSING REVIEW SUBMISSION FORM

Contact Details (You must provide your contact details for your submission to be considered)

Full Name: IAN ALEXANDER ANDERSON

Are you a current Council tenant?

Name of Organisation: RETIRED

Do you wish to be heard by the Council?

Postal Address: 14 WAIMARIE PARK LEVIN

I wish to speak to my submission

Post code: 5510

Telephone: 367-3650

Mobile: 021-2371647

I do not wish to speak to my submission

Email: sandymctoot@clear.net.nz

Submission

1. I AGREE WITH THE COUNCIL SEEKING TRANSFER OF HOUSING TO A 'CHP'.
2. I HAVE RESERVATIONS ABOUT THE "SOCIAL HOUSING UNIT" BEING SEMI-AUTONOMOUS IF IT IS THEY WHOM THE CHP REPORT TO.
3. WHAT IF THE CHP GETS INTO FINANCIAL DIFFICULTIES - IS THERE THE POSSIBILITIES OF SELL OFF TO PRIVATISATION, AS THE NATIONAL GOVT HAS A FONDNESS FOR.
4. WHO ELECTS THE CHP PERSONNEL.

I.S.P. Anderson



In accordance with the Local Government Act 2002, your submission will be made available to the public. The Council may redirect your submission, where it relates to another process or to another Council. If this occurs you will be advised in writing.



2015-2025 PROPOSED AMENDMENT TO THE LONG TERM PLAN
COMMUNITY HOUSING REVIEW CONSULTATION DOCUMENT

SUBMISSION FORM

Horowhenua District Council has undertaken a review of its Social Housing activities, with the aim of ensuring that existing and future tenants receive the best possible service.

The review has been prompted by changes in the way central government funds social housing and looks to identify ways of enhancing the delivery of social housing for the benefit of our community. In future, Government support for social housing will be channelled through Community Housing Providers and as a result, opportunities are developing that could lead to better and more affordable housing for those of our District most in need.

Our district is expecting a large increase in the number of older people in our district and an increasing issue of housing affordability. Both are key issues which the future provision of social housing will need to address.

Council wants to hear your feedback on the proposition that:

Proposal

Horowhenua District Council no longer provides Pensioner Housing as a core Council service.

Y / N

Horowhenua District Council seeks expression of interests from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio.

Y / N

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

Y / N

- Horowhenua District Council no longer provides Pensioner Housing as a core Council service;
- Horowhenua District Council seeks expression of interest from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio;
- 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.

We believe that the community ownership and management of Council's and Housing New Zealand's portfolio is a logical next step for social and affordable housing delivery in the District. The Council is now seeking the community's views on the future provision of community housing before it makes a decision on how to proceed. Please fill out this form and return it to us by 19 March 2016. Make sure you provide your contact details over the page so we can let you know the outcome of the review.

Remember submissions close at 5pm Saturday 19 March 2016. Drop your submission to Horowhenua District Council offices or post to Private Bag 4002, Levin, 5540.

COMMUNITY HOUSING REVIEW SUBMISSION FORM

Contact Details (You must provide your contact details for your submission to be considered)

Full Name: <u>Michael Coupe & Lew Rohloff</u>	Are you a current Council tenant?	<input type="checkbox"/>
Name of Organisation: <u>Horowhenua Grey Power Assn.</u>	Do you wish to be heard by the Council?	<input checked="" type="checkbox"/>
Postal Address: <u>c/o 69 Parker Avenue, Levin</u>	I wish to speak to my submission	<input checked="" type="checkbox"/>
Post code: <u>5510</u>	I do not wish to speak to my submission	<input type="checkbox"/>
Telephone: <u>06 368 3070</u> Mobile: <u>N/A.</u>		
Email: <u>lew.rohloff@xtra.co.nz</u>		

Submission

We offer Council a constructive submission on this proposal. Our representations are set out on the attached documents.



In accordance with the Local Government Act 2002, your submission will be made available to the public. The Council may redirect your submission, where it relates to another process or to another Council. If this occurs you will be advised in writing.



**2015-2025 PROPOSED AMENDMENT TO THE LONG TERM PLAN
COMMUNITY HOUSING REVIEW CONSULTATION DOCUMENT**

SUBMISSION FORM

Horowhenua District Council has undertaken a review of its Social Housing activities, with the aim of ensuring that existing and future tenants receive the best possible service.

The review has been prompted by changes in the way central government funds social housing and looks to identify ways of enhancing the delivery of social housing for the benefit of our community. In future, Government support for social housing will be channelled through Community Housing Providers and as a result, opportunities are developing that could lead to better and more affordable housing for those of our District most in need. Our district is expecting a large increase in the number of older people in our district and an increasing issue of housing affordability. Both are key issues which the future provision of social housing will need to address.

Council wants to hear your feedback on the proposition that:

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Horowhenua District Council no longer provides Pensioner Housing as a core Council service.

N

Horowhenua District Council seeks expression of interests from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio.

N

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

Y /

- Horowhenua District Council no longer provides Pensioner Housing as a core Council service;
- Horowhenua District Council seeks expression of interest from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio;
- 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.

We believe that the community ownership and management of Council's and Housing New Zealand's portfolio is a logical next step for social and affordable housing delivery in the District. The Council is now seeking the community's views on the future provision of community housing before it makes a decision on how to proceed. Please fill out this form and return it to us by 19 March 2016. Make sure you provide your contact details over the page so we can let you know the outcome of the review.

Remember submissions close at 5pm Saturday 19 March 2016. Drop your submission to Horowhenua District Council offices or post to Private Bag 4002, Levin, 5540.



18th March 2016

Submission

**Horowhenua District Council
Community Housing Review
(Proposed amendment to the long Term Plan 2015 -2025)**

Name: Michael Coupe and Lew Rohloff
Organisation: Horowhenua Grey Power Association Incorporated
Address: 69 Parker Avenue, Levin 5510
Telephone: 368 3070 (residence)
Email: lew.rohloff@xtra.co.nz

Your Worship and Councillors,

We welcome this opportunity to comment on Council's review of its long term commitment to provision of 'affordable' housing for pensioners and other disabled residents.

When Council announced its far reaching proposal on 18th February our Management Committee expected 'alarm bells' to ring throughout the communities of the district. We are surprised that we have not been approached by any existing tenant to advocate an individual or collective interest in this matter. Perhaps the private briefing by Council for existing tenants gave an overly optimistic expectation of the short term advantages that might result from Council withdrawal from this important social responsibility of Local Government.

In now seeking the general public's response, Council has imposed a duty on our organisation to express our deep philosophical concern that local government should continue to contribute by way of direct intervention, to a sustainable future supply of affordable housing for disadvantaged pensioners and other disabled occupants.

In the opinion of people old enough to have personal recollection of the totally inadequate provision of affordable housing prior to the Government's creation of the State Rental Housing model in the late 1930's through to middle 1950's; it is unthinkable that 'alternative providers' in the presence of diminishing central and local government provision, can avoid the real risk of inadequate supply for future generations.

I speak from personal experience as the oldest of three children forced by an undersupplied rental market to share with our two parents, one single room for living, dining and sleeping requirements. We waited until the late 1940's when the ultimate allocation of a state house in the Hutt Valley delivered the security of a stable tenancy, a basic essential for community participation and family wellbeing.

Provision of affordable housing must remain a 'core activity' of central and local government and anyone who experienced the period before 'state' and 'council' provision will surely agree with us.

We are motivated by our concern for younger generations to suggest that if the experience referred to pre-dated your physical existence then, as 'decision makers,' you need to ask your parents. They, no doubt, will know what we are talking about.

Your Worship, Councillors, just nine short months ago you committed to a ten-year plan which confirmed direct provision of pensioner housing at least until the year 2025 with no identified funding crisis indicated.

What could possibly have happened since then which justifies an amendment to that same programme?

Surely, if indeed a future crisis ultimately justifies this proposal; you have 'sprung' the proposal on a community which deserves more time to absorb the implications and express its preferred option.

The next formal review of the Long Term Plan in 2018 is early enough to consider it and decide how best to overcome any emerging future problem.

The whole subject of Social Housing Guidelines, Income Related Rents Subsidy and Community Housing Provider¹ eligibility is extremely complex. We suggest the 'operational guidelines' we refer to in the footnote to this document are essential reading for elected representatives tasked with deciding this proposal. It is surprising this reference material is not appended to the consultation document which, in our opinion falls short of an adequate standard.

Further the present ineligibility of local government for Income related Rent Subsidy and capital for construction of additional housing stock, being based on the particular philosophy of the current government, is subject to likely alteration with any change of government.

Our research also reveals that when the Ministry of Business, Innovation and Employment consulted on the Regulatory Framework for Community Housing Providers in February 2014, Horowhenua District Council were apparently so unconcerned with the implied threat to their ability to maintain future provision of affordable social housing, they did not bother to submit.

This is disappointing and rather surprising for a local authority which then and presently aspires to recognition as the 'national leader' in 'wellbeing through community development.'

The proposal to sell pensioner housing, a key determinant of community wellbeing, is a direct antithesis to community development.

In contrast our neighbours in Wanganui, Palmerston North and Wellington all condemned the exclusion of Local Government from the emerging Income Related Rents Subsidy and access to central government assistance for construction of additional housing stock².

Grey Power New Zealand Federation is sympathetic with the expressed preferences of our neighbouring councils and has already established a working dialogue with Local Government New Zealand policy analysts, aimed at adding Grey Power support to a new campaign to secure Income Related Rent Subsidy and 'capital stock' funding assistance for all council 'social housing'. It, therefore, is particularly negative for Horowhenua District Council to seek community approval of an untimely withdrawal from their traditional provision of pensioner housing.

¹ <http://www.housing.msd.govt.nz/documents/forms/provider-forms/operational-guidelines-chps.docx>

² Community Housing Regulatory Authority (CHRA), <http://www.shu.govt.nz/chra-home/summary-of-submissions/>

Our research establishes there are more positive and available options than the two proposals offered by council officers. These alternatives should now be investigated and allowed time to mature, in the interval up to compilation of the 2018 Long Term Plan.

Our respectful submission is:

That Council set aside Option One as described in the Consultation Document," and instead resolves

"that Horowhenua District Council maintain the 'status quo' up to the review of the Long Term Plan in 2018 to permit further research of available and emerging options including the establishment of a local trust to maintain the purpose of 'social' housing."

Thank you for the opportunity to divert you from a course which we conscientiously believe to run counter to the public interest.

Yours sincerely,



Michael Coupe
President



Lew Rohloff
Vice-President

Submission Ends

Version Date: Wed, 17 Feb 16 10:46:34

1/3

Horowhenua
DISTRICT COUNCIL

Submission Form to Community Housing Review

Your submission is important to us. To ensure that it is considered we need to receive your submission by **5.00pm on Saturday, 19 March 2016**.

Copies of the Community Housing Review Consultation Document are available for downloading online at www.horowhenua.govt.nz/CommunityHousing. This document is also available at Council's Levin office, Te Takere, Foxton Library and Shannon Library.

Please note that your submission will be loaded into a public agenda.

Please note that required fields are identified with an * and a green border.

Contact Details

You must provide your contact details for your submission to be considered.

Title*:

First Name*: Surname*:

Name of Organisation: (if applicable)

Postal Address*: Postcode*:

Phone*: Mobile:

Email*:

Are you a current Council tenant?: Yes No

Communication

What is your preferred method of communication?*

Email Telephone Post

Presentation

Submissions will be heard by Council, with dates to be confirmed once submissions close. Do you wish to present your comments to Council in person?

Yes No

Proposal

Horowhenua District Council no longer provides Pensioner Housing as a core Council service. Yes No

Horowhenua District Council seeks expressions of interest from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio. Yes No

Horowhenua District Council continues to take a leadership role in advocating and facilitating for wider community issues with regards to accessibility and affordability of quality housing. Yes No



1/3

Version Date: Web, 17 Feb 16 10:48:34

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My Submission(s):

Please note your submission will be loaded into a public agenda.

Please refer to attached document

Return your submission by:

- Post to: Community Housing Review Submission, Horowhenua District Council, Private Bag 4002, Levin 5540
- Hand to: Horowhenua District Council, 126 Oxford Street, Levin; or Te Takere; Foxton Library or Shannon Library
- Email to: recordsprocessing@horowhenua.govt.nz
- Fax to: (06) 366 0983

To ensure that it is considered we need to receive your submission by 5.00pm on Saturday, 19 March 2016.

Privacy Act 1993

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**Submission
to
Horowhenua District Council
on
Proposed Amendment to Long-Term Plan 2015-2025
Community Housing Review
from
Accessible Properties New Zealand Ltd**



1. About Accessible Properties:

- 1.1. Accessible Properties is a Registered Community Housing Provider supplying affordable rental homes for people with social support needs. It is a charitable organisation that has tax exempt status and is the only organisation with a three year term of accreditation against the Best Practice Guide for Community Housing in New Zealand - undertaken by Global Mark.
- 1.2. Accessible Properties operates nationwide and manages New Zealand's largest non-government social housing portfolio of about 1,400 household units. It currently manages social housing in the Horowhenua District, and has close links with local social support services that extend back at least 25 years.
- 1.3. Accessible Properties has recently acquired the Hamilton City Council pensioner housing portfolio (344 housing units). It has established new offices, engaged staff, and undertaken a successful transition that has had excellent tenant acceptance. It is now placing new tenants with government Income-Related Rent Subsidies. This experience is directly relevant to Horowhenua District Council's current review.
- 1.4. Since April 2014, Accessible Properties has had an Outcomes Agreement with Ministry of Social Development (MSD) and to date has placed over 75 tenancies with Income-Related Rent Subsidies.
- 1.5. Accessible Properties has been the most successful applicant for government Social Housing Fund grants, which has enabled a programme of new-build construction of social housing units for affordable rental by people with social support needs – and particularly for those that need homes suited for ageing in place or their disabilities. This programme is near-complete and will provide 192 homes by mid 2016. The organisation has also been successful in obtaining MSD development grants for placement of 58 IRRS tenants in new build-homes and 300 IRRS tenants in sub-leased homes in Auckland. These initiatives will result in growth in value of its social housing portfolio from \$100 million to over \$127 million by early 2020.

1.6. Accessible Properties is governed by a board comprising some of the country's most respected leaders in social housing and residential property. It has a property management team with the full range of necessary expertise and experience. The organisation is a stand-alone legal entity owned by an incorporated society (IHC New Zealand Incorporated) that is able to provide substantial shareholder capital that is sourced from its own unencumbered property assets.

2. Support of Proposal:

2.1. Accessible Properties supports the Council's preferred Option 1 – which is for transfer of the Council's housing to a Registered Community Housing Provider.

2.2. Reasons for Support of Sale to a Registered Community Housing Provider:

2.2.1. Sale provides a great opportunity to more widely utilise existing housing for people in the Horowhenua District with the highest social support needs. This may include people without homes, people with disability and health support needs, and new immigrants seeking a start – as well as the elderly with limited means.

2.2.2. Sale provides new tenants with access to government Income-Related Rents Subsidies (IRRS) which ensures secure, long-term, and affordable housing for them – and enables a social housing provider to supply and adequately maintain housing in a financially sustainable way. It is difficult to make one-bedroom units both affordable and financially sustainable with discounted market rentals – IRRS solves this problem, and is a win/win for both tenant and housing owner. IRRS is not available to the Horowhenua District Council.

2.2.3. The registration process provides assurance that the housing provider always operates in a competent and financially sound manner, and is committed to operate for social benefit, rather than commercial return.

2.2.4. In addition to access to IRRS operational funding, a Registered Community Housing Provider (CHP) is also likely to be eligible for capital funding grants from the government – such as those previously made available through the Social Housing Fund. This could enable additional housing supply.

2.2.5. CHP's have close links with social support agencies, offering scope for wrap-around support for tenants. This is of major benefit to the District as a whole.

2.2.6. A community housing provider has the potential to operate more efficiently than the Council as a consequence of working at larger scale.

2.2.7. A community housing provider has social housing as its core business with appropriate knowledge and experience in its governance body (board) as well as in its line and support staff. This provides greater likelihood of sound policy and strategy and of robust decisions that are of long-term benefit.

2.3. Reasons for Favouring Option 1 over Option 2:

- 2.3.1. The creation of a single Horowhenua Housing Trust (Option 2) would involve unnecessary replication of the procedures and processes needed to achieve Registration as a CHP as well as an Outcomes Agreement with MSD. There is a considerable investment in time and money to do this, and it makes much better sense to extend the scope of operations of an existing Registered CHP that has a local interest and presence.
- 2.3.2. Community housing entities require constitutional and governance arrangements that need to continue indefinitely and thoroughly understand the business. It is difficult to establish a trust that can reliably do this.
- 2.3.3. A housing trust managing only 115 units is too small to be an efficient operation and is isolated from the benefits of experience of a more diverse and larger entity.
- 2.3.4. Set-up and registration of a housing trust is likely to take many months, which undesirably delays implementation of housing management improvements.

3. Comments:

3.1. Income-Related Rents Subsidies (IRRS):

Accessible Properties concurs with the review's conclusions that access to IRRS is to the financial benefit of both tenant and housing provider. The analysis of outcomes for the uptake of IRRS tenancy placements needs to take into account the number of people eligible at any one time for placement on the government's (MSD) social housing register. As at December 2015, there were 6 applicants on the register in the Horowhenua District. As such, the number of IRRS placements possible may be less than the number of vacancies arising. An annual tenancy churn of 10-15% is common for pensioner housing, which would mean 12-17 vacancies per year. It is likely that phase-in of IRRS tenancies will take effect progressively over at least 15 years, and be mixed with placement of tenants on affordable, below-market rentals. Unfortunately, existing tenants cannot claim IRRS.

3.2. Existing Tenants:

Accessible Properties concurs with the proposals to protect the welfare and security of tenure of existing tenants. It is suggested that prospective purchasers be required to submit how they would do this and how they would make placement of people with wider social support needs in a way that ensures harmonious communities.

3.3. Continuation of Supply:

Accessible Properties suggests that a covenant be placed on sale and purchase that commits a community housing provider to retain at least the same number of housing units for at least ten years.

3.4. Interest:

Accessible Properties is potentially interested in being a purchaser of the Horowhenua District Council community housing portfolio. If this proceeds, it is expected that tenancy management would be based in Levin and that a local advisory group would be established to provide guidance on the District's needs for community housing.

Thank you for the opportunity to make this submission. We would appreciate the opportunity to speak about this at the hearing.

If further clarification or information about the above would be helpful, please contact:

Andrew Wilson
General Manager
Accessible Properties New Zealand Ltd

Ph 04 471 5743
andrew.wilson@accessibleproperties.co.nz

18 March 2016

Submission Form to Community Housing Review

Your submission is important to us. To ensure that it is considered we need to receive your submission by **5.00pm on Saturday, 19 March 2016**.

Copies of the Community Housing Review Consultation Document are available for downloading online at www.horowhenua.govt.nz/CommunityHousing This document is also available at Council's Levin office, Te Takere, Foxton Library and Shannon Library.

Please note that your submission will be loaded into a public agenda.

Please note that required fields are identified with an * and a green border.

Contact Details

You must provide your contact details for your submission to be considered.

Title*:

First Name*: Surname*:

Name of Organisation: (if applicable)

Postal Address*: Postcode*:

Phone*: Mobile:

Email*:

Note: Please include an email address if you would like to receive an electronic copy of your submission.

Are you a current Council tenant?*: Yes No

Communication

What is your preferred method of communication?*

Email Telephone Post

Presentation

Submissions will be heard by Council, with dates to be confirmed once submissions close. Do you wish to present your comments to Council in person?

Yes No

Proposal

Horowhenua District Council no longer provides Pensioner Housing as a core Council service. Yes No

Horowhenua District Council seeks expressions of interest from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio. Yes No

Horowhenua District Council continues to take a leadership role in advocating and facilitating for wider community issues with regards to accessibility and affordability of quality housing. Yes No

Version Date: Wed, 17 Feb 16 10:46:34

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My Submission(s):

Please note your submission will be loaded into a public agenda.

I propose that Horowhenua District Council continue with the Pensioner Housing as they already do. Many of our elderly people in Levin have been here most of their lives as both my parents were. They have paid council rates for their homes and many still do and it is nice that the council can provide for our elderly with good quality housing. My parents struggled and had to sell their house and then rent it from the people that bought it, the rent they had to pay was a good chunk out of their pension and when mum passed away dad struggled with this on his own. I approached the council to enquire about the Pensioner Housing and was shown a place in both Cambridge Place and Cambridge Park, dad settled on Cambridge Park where he lived very comfortably until having to go into a home.

I feel this is the best way for the Council to give back to our elderly and at a better rental rate. I also feel some money and time could be invested in either building a bigger village similar to Cambridge Park or doing up the other sites around Levin.

Dont be like the government and sell off our assets, housing sites are an asset to Levin!

Supporting Documents

If the space above is insufficient, you may upload your submission as a document using the button below.

No file selected

Privacy Act 1993

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Version Date: Wed, 17 Feb 16 10:46:34

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Horowhenua DISTRICT COUNCIL  126 Oxford Street, Private Bag 4002, Levin 5540
06 366 0999
enquiries@horowhenua.govt.nz
www.horowhenua.govt.nz

Horowhenua
you want to do it online

TRIM No. D18/835

Office Use Only

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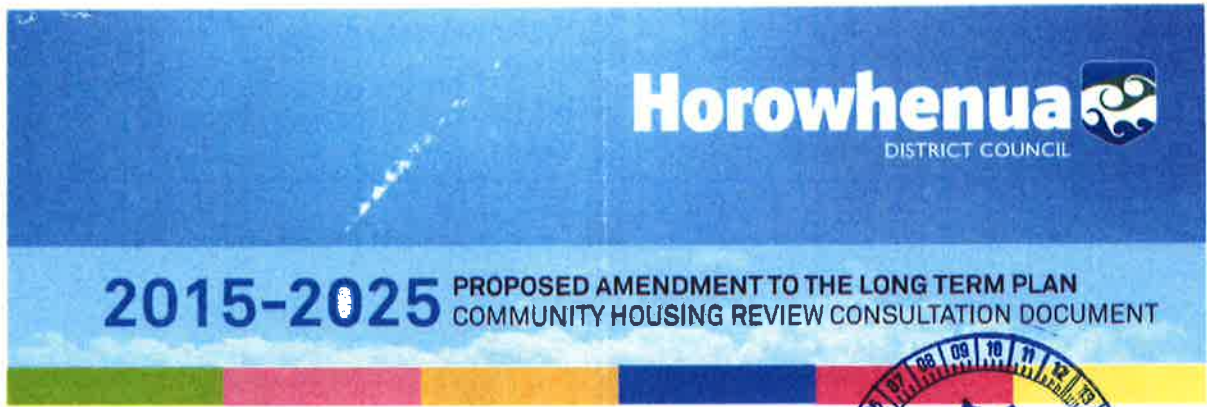
[Redacted]

Submission No:

[Redacted]

Produced: Thu, 18 Feb 16 20:44:58

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SUBMISSION FORM

Horowhenua District Council has undertaken a review of its Social Housing activities, with the aim of ensuring that existing and future tenants receive the best possible service.

The review has been prompted by changes in the way central government funds social housing and looks to identify ways of enhancing the delivery of social housing for the benefit of our community. In future, Government support for social housing will be channelled through Community Housing Providers and as a result, opportunities are developing that could lead to better and more affordable housing for those of our District most in need. Our district is expecting a large increase in the number of older people in our district and an increasing issue of housing affordability. Both are key issues which the future provision of social housing will need to address. Council wants to hear your feedback on the proposition that:

- Horowhenua District Council no longer provides Pensioner Housing as a core Council service;
- Horowhenua District Council seeks expression of interest from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio;
- 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.

We believe that the community ownership and management of Council's and Housing New Zealand's portfolio is a logical next step for social and affordable housing delivery in the District. The Council is now seeking the community's views on the future provision of community housing before it makes a decision on how to proceed. Please fill out this form and return it to us by 19 March 2016. Make sure you provide your contact details over the page so we can let you know the outcome of the review.



Proposal

- | | |
|---|------------------|
| Horowhenua District Council no longer provides Pensioner Housing as a core Council service: | Y / N |
| Horowhenua District Council seeks expression of interests from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio; | Y / N |
| Horowhenua District Council continues to take a leadership role in advocating and facilitating for wider community issues with regards to accessibility and affordability of quality housing. | Y / N |

Remember submissions close at 5pm Saturday 19 March 2016. Drop your submission to Horowhenua District Council offices or post to Private Bag 4002, Levin, 5540.



COMMUNITY HOUSING REVIEW SUBMISSION FORM

Contact Details (You must provide your contact details for your submission to be considered)

Full Name: <u>John & Anna Zehkin</u>	Are you a current Council tenant?	<input checked="" type="checkbox"/>
Name of Organisation: <u>Pensioners</u>	Do you wish to be heard by the Council?	<input checked="" type="checkbox"/>
Postal Address: <u>4 Cambridge Park, Levin.</u>	I wish to speak to my submission	<input type="checkbox"/>
Post code:	I do not wish to speak to my submission	<input checked="" type="checkbox"/>
Telephone: <u>06-3673113</u>	Mobile: <u>021-02424902</u>	
Email:		

Submission

My wife & I agree to what the Council wants to do with the submissions. Depending on what the tenants would like with these submissions.

If Community Housing Providers come through and all tenants comes to an agreement it will be done, & very happy for my wife & I.

In accordance with the Local Government Act 2002, your submission will be made available to the public. The Council may redirect your submission, where it relates to another process or to another Council. If this occurs you will be advised in writing.

Horowhenua

DISTRICT COUNCIL

2015-2025 PROPOSED AMENDMENT TO THE LONG TERM PLAN COMMUNITY HOUSING REVIEW CONSULTATION DOCUMENT



SUBMISSION FORM

Horowhenua District Council has undertaken a review of its Social Housing activities, with the aim of ensuring that existing and future tenants receive the best possible service.

TRUE

The review has been prompted by changes in the way central government funds social housing and looks to identify ways of enhancing the delivery of social housing for the benefit of our community. In future, Government support for social housing will be channelled through Community Housing Providers and as a result, opportunities are developing that could lead to better and more affordable housing for those of our District most in need.

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Proposal

Horowhenua District Council no longer provides Pensioner Housing as a core Council service:

Y N

Horowhenua District Council seeks expression of interests from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio;

Y N

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

Y N

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COMMUNITY HOUSING REVIEW SUBMISSION FORM

Contact Details (You must provide your contact details for your submission to be considered)

Full Name: Miss CAROLYN PATRICIA Woolley	Are you a current Council tenant?	<input checked="" type="checkbox"/>
Name of Organisation: Horowhenua District Council	Do you wish to be heard by the Council?	<input checked="" type="checkbox"/>
Postal Address: 18 Rugby Street Levin	I wish to speak to my submission	<input type="checkbox"/>
Post code: 5510	I do not wish to speak to my submission	<input type="checkbox"/>
Telephone: Nil		
Mobile: 021 219 8123		
Email: SAME AS ABOVE		

Submission ~~Mr~~ Mrs TINA Tohill.

I have been here 4 1/2 years ²⁰¹⁶ Renting Council Flat 1 Bedroom, Here 18 Rugby St Levin.

I Didn't want another cold winter here because my sickness R Arthritis I Play up real badly.

Yes I have Applied for a Council Flat over in Masterton on a waiting list Just Ring Masterton Council Office Dept. I would like to be transferred over to Masterton As Place like this with Shower 1 Bedroom Close To Town. But I am Happy to stay here 2016.

Yours faithfully Miss C.P. Woolley

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COMMUNITY HOUSING REVIEW SUBMISSION FORM



Contact Details (You must provide your contact details for your submission to be considered)

Full Name: Mr & Mrs Anna & John Selkin

Are you a current Council tenant?

Name of Organisation: Pensioner Housing

Do you wish to be heard by the Council? No

Postal Address: 4 Cambridge Park Levin

I wish to speak to my submission

Post code: _____

I do not wish to speak to my submission

Telephone: 06-3673113 Mobile: 021-02424902

Email: _____

Submission

My wife & I would be very happy for a social housing provider to take over the running of the pensioner housing. Would it be possible to increase the rents?



In accordance with the Local Government Act 2002, your submission will be made available to the public. The Council may redirect your submission, where it relates to another process or to another Council. If this occurs you will be advised in writing.



2015-2025 PROPOSED AMENDMENT TO THE LONG TERM PLAN
COMMUNITY HOUSING REVIEW CONSULTATION DOCUMENT

SUBMISSION FORM

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Proposal

Horowhenua District Council no longer provides Pensioner Housing as a core Council service. Y / N

Horowhenua District Council seeks expression of interests from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio. Y / N

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COMMUNITY HOUSING REVIEW SUBMISSION FORM

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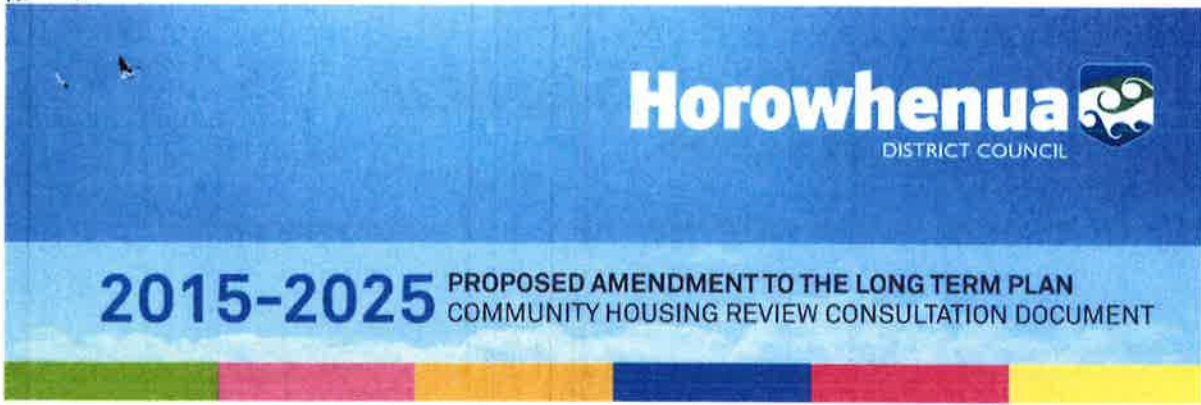
Full Name: <u>Pat Graham</u>	Are you a current Council tenant?	<input checked="" type="checkbox"/>	
Name of Organisation: <u>PENSIONER HOUSING HDC</u>	Do you wish to be heard by the Council?	<input type="checkbox"/>	
Postal Address: <u>22 CAMBRIDGE PLACE</u>	I wish to speak to my submission	<input checked="" type="checkbox"/>	
<u>LEVIN</u>	Post code: <u>5510</u>	I do not wish to speak to my submission	<input checked="" type="checkbox"/>
Telephone: <u>3688911</u>	Mobile: <u>N/A</u>		
Email: <u>N/A</u>			

Submission SEE HIGHLIGHTED INFORMATION



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SUBMISSION FORM

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Proposal

Horowhenua District Council no longer provides Pensioner Housing as a core Council service:	Y / N
---	-------

Horowhenua District Council seeks expression of interests from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio;	Y / N
---	-------

Horowhenua District Council continues to take a leadership role in advocating and facilitating for wider community issues with regards to accessibility and affordability of quality housing.	Y / N
---	-------

Remember submissions close at 5pm Saturday 19 March 2016. Drop your submission to Horowhenua District Council offices or post to Private Bag 4002, Levin, 5540.

Horowhenua District Councillors



Brendan Durty
(Mayor)
Ph. 0274 432 516



Garry Good
(Deputy Mayor)
Ph. 027 225 9195



**Victoria
Kaye-Simmons**
Ph. 027 601 1914



Jo Mason
Ph. 07 748 6843



Tony Rush
Ph. 077 241 5282



Jarine Smart
(Chair)
Ph. 027 566 0090



David Roache
(Deputy Chair)
Ph. 027 442 5561



Tricia Metcalf
Ph. 021 447 711



Pri-Mira Tokapua
Ph. 027 529 4883



Wayne Bishop
Ph. 027 447 4511



Christine Mitchell
Ph. 027 318 7701



Ross Brannigan
Ph. 021 247 7138



Michael Feyon
Ph. 027 441 9823



Ross Campbell
Ph. 027 253 3958



Amanda Street
Ph. 021 920 067



Basil Vertongen
Ph. 027 440 8736

Foxton Community Board

2015-2025 PROPOSED AMENDMENT TO THE LONG TERM PLAN
COMMUNITY HOUSING REVIEW CONSULTATION DOCUMENT

Horowhenua
DISTRICT COUNCIL

Contact Us

Horowhenua District Council
126 Oxford Street, Levin 5510
Private Bag 4002, Levin 5540

Ph: 06 366 0999 • Fax: 06 366 0983
enquiries@horowhenua.govt.nz

For more information go to
www.horowhenua.govt.nz



**Independent Auditor's Report
on Horowhenua's consultation document
for the proposed amendment of its
2015-25 long-term plan**

I am the Auditor-General's appointed auditor for Horowhenua District Council (the Council). Section 93D of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document for the proposed amendment of the 2015-2025 long-term plan (long-term Plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed this audit on 18 February 2015.

Opinion

In my opinion:

- the consultation document for the proposed amendment of the long-term plan provides an effective basis for public participation in the Council's decisions about the proposed amendment, because it:
 - fairly represents the reasons for and implications of the proposed amendment; and
 - identifies and explains the main issues and choices facing the Council and district, related to the proposed amendment; and
- the information and assumptions underlying the information in the consultation document related to the proposed amendment are reasonable.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards and the:

- International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information;
- International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information, and
- ethical requirements in those standards.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93D of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Debbie Perera
Audit New Zealand
On behalf of the Auditor-General, Palmerston North, New Zealand

Horowhenua 2015-2025 Long Term Plan - Proposed Amendment

How would this affect the 2015-2025 Long Term Plan?

If after consultation, Council went ahead with what has been proposed, the Long Term Plan 2015-2025 would require amendment. If Council were able to achieve a successful stock transfer the reference of Pensioner Housing would be removed from the Long Term Plan 2015-2025 except to include Council's role in advocating for accessible and affordable community housing.

If either option 1 or 2 went ahead the changes you would see in the Long Term Plan would include:

- Removal of all Revenue attributed to Pensioner Housing.
- Removal of all Expenditure attributed to Pensioner Housing (both operational funding and capital funding).
- Removal of all performance measures attributed to Pensioner Housing.
- Reduction in total assets.
- Reduction in Council's debt by 7%
- Reduction in interest costs on that debt servicing \$367k
- Slight increase in the General Rate by 0.3% (in 2017/2018) to cover internal overhead costs that were formally covered by the rental income of the Housing Activity.
- Council will no longer deliver pensioner housing as level of service, therefore this will be removed from the Long Term Plan.

These changes will have a flow on affect to Council's Financial statements outlined in Section 4 of the Long Term Plan 2015-2025.

When determining conditions of sale, Council may look to include some elements of accountability and monitoring of the CHP in the short term to ensure that what was expected was been provided. Council does not envisage any conflicts of interest arising from the proposed transfer of assets.

A copy of further information which includes a revised copy of the Property Activity Statement and Councils Financial Statements can be found on Councils website www.horowhenua.govt.nz/CommunityHousing, or alternatively call Council to have a copy sent to you. This copy of supporting information serves the purposes provided for in Section 93D (3) of the Local Government Act which sets out Council's opportunity to make available attached to it's a consultation document a copy of the proposed amendment to the long-term plan, if the local authority considers that the full copy of that proposed amendment will assist people to understand the amendment.

Assumptions

Council have made the following assumptions throughout this process:

- The Crown agree to the transfer of the Housing New Zealand Suspensory Loan to a CHP. The transfer of the suspensory loan from Council to the CHP would be part of the condition of sale.
- The expected revenue from proceeds of the sale will align with the debt reduction projections anticipated in the Amended Long Term Plan 2015-2025.
- The sale will not proceed if Council's expectations are not met.
- The stock transfer won't come into affect until July 2017.
- Tenancy rights will be protected.

Next steps

We want to hear
from **YOU!**

Council wants to hear your feedback on whether you agree with Council's proposal that:

- Should Council seek expressions of interests from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio?
- Should Horowhenua District Council continue to take a leadership role in advocating and facilitating for wider community issues with regards to accessibility and affordability of quality housing?
- Should Council no longer provide pensioner housing as a core Council service?

We want to hear from you! Head back to page 3 to learn more about how you can have your say, fill in the form on the next page. Visit our website at www.horowhenua.govt.nz/communityhousing or call us on (06 366 0999).

What does it mean for tenants?

If following consultation Council determines that it wishes to transfer the stock to a Community Housing Provider, all properties would be retained as social housing for the district. This would be a condition of any sale and would be written into any sale and purchase agreements.

This means that existing tenants would be able to stay on in their units. This would be a condition of any sale.

Over time as units become available, new tenants may be introduced based on the Government's new eligibility criteria which is set out by the Ministry of Social Development. This would likely make the units available to a wider group of people in need, rather than only to older citizens.

Based on our review of Council's Housing Policy there are a number of tenancy rights and welfare benefits enjoyed by Council's current tenants that should be protected. These are:

Rental allocation: The units are targeted at 'low income' persons 55+ with an allocation preference for qualifying persons 65+.

Security of tenure: There is an unwritten expectation that tenants can remain in their tenancies so long as they pay their rent, are capable of independent living, and do not become a nuisance to other occupiers.

Minimum unit standards: Council's policy for service levels is based on providing a basic level of service delivery at a standard that seeks to maintain the status quo. Any potential owner should be expected to maintain this level of service and where possible demonstrate a long term commitment to improve it especially where there is a significant level of discount being applied.

The expectation would be that all current tenancy rights and benefits remain protected for the term of their tenure and any new tenancies would loosely fit within Council's allocation policies.

YES



Option 2

Current Situation Analysis Advantages of this approach

Option 2 would have very similar advantages to those identified in Option 1. Option 2 however is ambitious given the considerable amount of resource and time required to establish such a Trust. The level of uncertainty around Government extending the IRRS benefit to a new housing entity places uncertainty around some of the advantages identified in Option 1.

Disadvantages of this approach

As option two "Creation of a single Horowhenua Housing Trust has the following risks and limitations:

- x A commitment by Council to support the establishment of the Trust, which may include seed funding.
- x Uncertainty of Government support for such a model and access to Government income related rent subsidies (IRRS).
- x The options present a higher level of risk and uncertainty to Council and most importantly the tenants in terms of surety of delivery and sustainability without significant Council and Government support.
- x Council would be unlikely to recover its existing outstanding debt liabilities.
- x Slight increase to the General Rate to cover council's internal overhead costs that were formally allocated to the Community Housing Activity.

Of the two options, Council's preference is Option 1.

We believe that the community ownership and management of Council's portfolio is a logical next step for community housing delivery in the District.

Council is proposing that a Community Housing provider is best placed to provide this service for our community. The Council may decide to sell the units to a specified, government approved, Community Housing Provider (CHP). Such providers must adhere to stringent requirements around the quality of housing and maintenance and be committed to the ongoing provision of community housing. The Council may investigate opportunities for retaining some involvement with local housing through a relationship with the CHP.

Why is this our preferred option?

- This proposal best responds to the factors considered during the Community Housing Review.
- The Council wants to ensure a wider range of social housing needs in Horowhenua are met. This option provides an opportunity for those most skilled in social services and support to have a greater role in delivering an important service to our community by purchasing the Council units.
- Social housing providers have access to Government funding through the Social Housing Fund and income related rents. This provides opportunities to grow social housing available in Horowhenua and for investment to occur in the social housing sector, something which the Council cannot do.
- Social housing providers may offer wider wrap-around social services such as meals, outings, social services and health care.

Options Analysis

The review evaluated a range of potential future business models for Council and the wider Horowhenua community housing sector.

A total of 22 options were assessed with a number being discounted for further review, including:

- Council disposes of the portfolio on the open market.
- Gifting of improvements and leasing of land.
- Council commits to increase its role in community housing delivery.

Council believes there are two options that will achieve the outcome of a more sustainable community housing model being:

- Option 1 - Stock transfer of Council's to a CHP
- Option 2 - Creation of a single Horowhenua Housing Trust

Option 1

Current Situation Analysis Advantages of this approach

- ✓ The CHP may be able to access central government funding not available to Council to expand the number of units or upgrade the units to provide a better quality of life for tenants.
- ✓ Access to income-related rent subsidies means a CHP would be able to provide rents below market value, ensuring that accommodation remains affordable. Note that current tenants eligibility for income-related rent subsidies would be assessed on an individual basis.
- ✓ Central government restrictions applying to approved providers ensures that the service they deliver is good for the community and that social housing will remain in the future.
- ✓ As social providers, CHPs are in a better position than Council, or the private sector, to provide the support required by some elderly tenants. Some CHPs are specialist providers in this market.
- ✓ The CHP sector is an expanding sector nationally and has access to significant funding which is not available to local authorities or CCOs. If Council sells the units to a CHP this would open up the

Horowhenua market and possibly lead to further investment in this area by that provider.

- ✓ The welfare of current tenants may be negotiated as part of any sale and purchase agreement; note that this may impact on the purchase price.
- ✓ Moves the focus of social housing away from central and local government towards a third sector, in line with central government reform.
- ✓ Complies with changes to the Local Government Act 2002, directing Councils to focus on core services.
- ✓ Proceeds from the sale of the pensioner housing will reduce Council debt as signalled in the Long Term Plan 2015-2025 Amendment, therefore lower debt levels.
- ✓ The Council's objectives for pensioner housing would still be achieved, but by an alternative provider.
- ✓ Transfer of the contingency to repay central government housing loan.

Disadvantages of this approach

- ✗ The community may be opposed to Council exiting the market.
- ✗ Council will no longer have direct control of the provision of social housing in the District, other than through any provisions included in a Sale and Purchase Agreement.
- ✗ Slight increase to the General Rate to cover council's internal overhead costs that were formally allocated to the Community Housing Activity.

COUNCIL'S CURRENT COMMUNITY HOUSING PORTFOLIO

WORK - INCOME ONLY ALLOW
\$45 per 2 weeks AID

Pensioner housing currently provided by Council is made up of 115 units across eight locations with five of the eight complexes being located in Levin.

The portfolio has a current rateable value of \$6.95 million; and has a Council book value \$7.35 million.

The portfolio was largely built using Crown loans, with the most recent upgrade and new build programme completed in 2006 via internal Council debt funding of \$5,218 million and a Housing New Zealand Corporation (HNZC) suspensory loan of \$5,218, million. The Council debt funding provided by Council's internal Treasury is currently being serviced on an interest only basis at a rate of 5.13% (total cost of capital).

The portfolio has an average age of 39.7 years. In 2009, it had 75 units upgraded and a further 40 new units completed.

The portfolio consists of single-level units constructed out of a range of materials consistent with the period in which they were constructed. Size wise the portfolio ranks in the third decile of Council-owned pensioner housing assets, and is roughly on par in size with similarly sized Districts in other parts of New Zealand. The condition of the units ranges from good to excellent, due to the recent upgrade programme completed by Council.

The units are currently rented at about 96% occupancy.

Targeting

To be eligible for Council's community housing, the 'targeted market' is pensioners with limited financial resources and people over 60 with a disability. The eligibility procedures are via a self-disclosure process with no formal checks being required.

Rental policy

Under existing Council policy, rental rates are set at market rates and assessed on a complex by complex basis, by an independent valuer. Current rental rates range from \$135 - \$170.00 per week with an average weekly rental rate of \$150.78 per unit. This average rental rate is \$1.12 below the regional average for the Horowhenua/ Manawatu area which is \$152 per week for a 1 bedroom unit. On this basis, there is very little scope to increase the rental levels.

If the portfolio was transferred to a Community Housing Provider (CHP), the tenant could potentially receive a Income Related Rent Subsidy (IRRS) and the tenant would only pay 25% of their gross weekly income, which based on current NZ superannuation rates tenant could up to be approximately \$61.00 per week better off, based on current Council rental rates (subject to individual household circumstances).

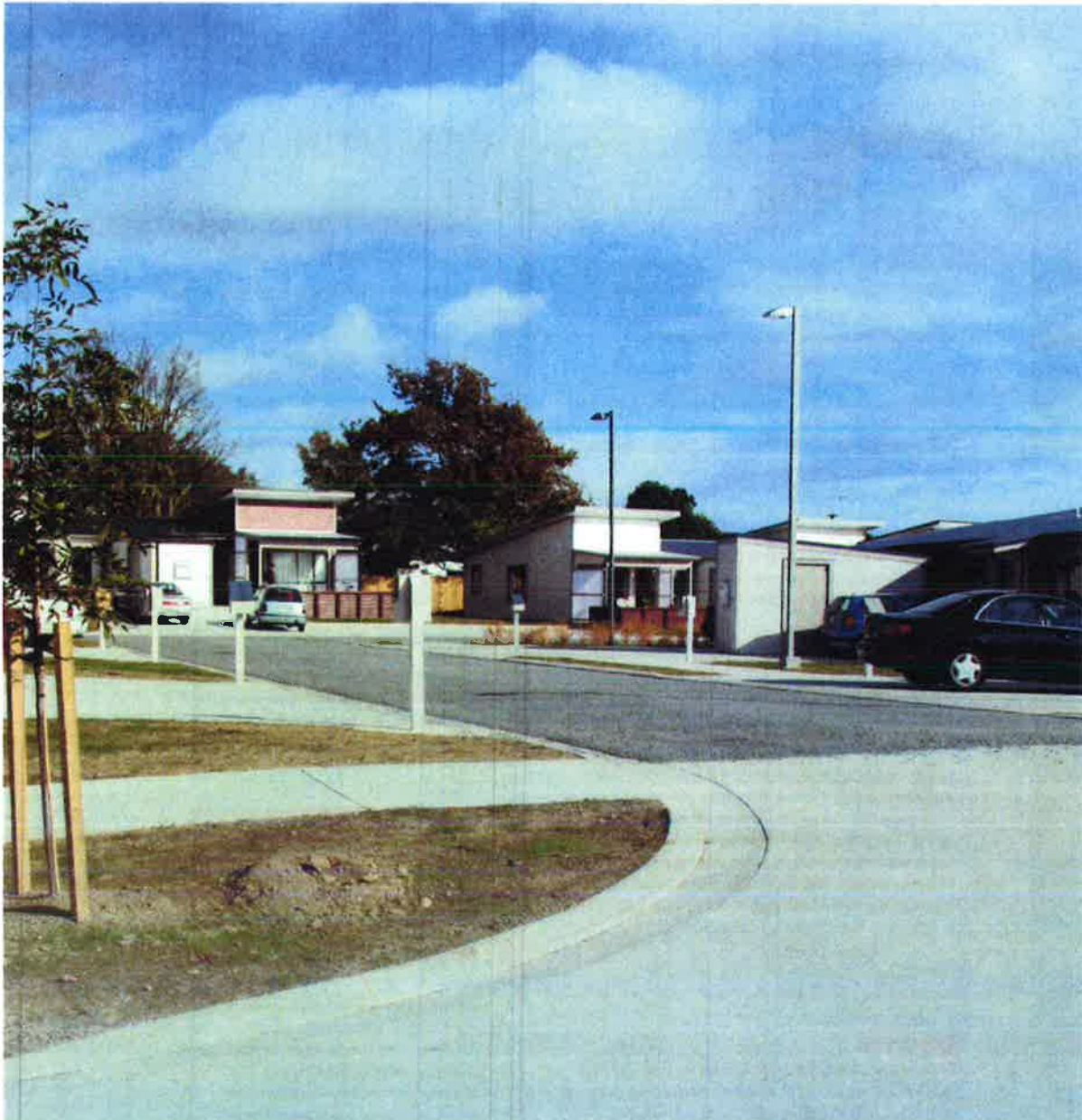
A tenant cannot receive both an IRRS and an accomodation supplement. The level of subsidy attached to an IRRS is significantly greater than the accomodation supplement as IRRS results in the tenant not paying more then 25% of their net income towards cost of their rent.

Current Situation Analysis

What is the issue with the current situation?

An analysis of the Council's current provision of pensioner housing has highlighted the following issues:

- The service levels currently provided by Council are not sustainable in the medium to long term without significant operational and capital expenditure being made.
- Council plays an important part in the delivery of housing options for older persons within the community; however this could improve and be far more sustainable in the future with a more focused delivery model.
- The demand for affordable housing is set to increase.
- The Horowhenua District population is ageing but there is a lack of appropriate affordable housing.
- Central Government reform excludes Councils accessing social housing funding.
- The need for community housing in the Horowhenua is forecasted to increase.
- Just maintaining a status quo situation will need serious consideration by Council on how it will continue to adequately fund the current portfolios improvements let alone any future redevelopment activities in the medium to long term (15-20 years). Council estimates in the next 20-25 years Council may be faced with requirement to replace upto 50-65% of the total portfolio, which would mean Council will need to find approximately \$4.3 million dollars in additional capital.



WHAT IS COMMUNITY HOUSING?

Community Housing is rental housing provided either by central or local government, or non-government not-for-profit organisations (NGO's), usually with the aim of providing affordable housing. Community housing is targeted at people with a set of risks or vulnerabilities that predispose them to social and economic disadvantage.

Government agencies, including Housing New Zealand and the Social Housing Unit (a semi-autonomous unit with the Department of Building and Housing), collaborate with NGOs and Community Groups to provide more housing for New Zealanders on low incomes or with special housing needs.

SNAPSHOT OF HOROWHENUA DEMOGRAPHICS AND AFFORDABILITY

Horowhenua has a low-income ageing population.

Population growth in the District is forecast to be flat however household growth is expected to increase from 13,000 in 2011 to 13,700 in 2026, without taking into consideration any migratory factors influenced by major infrastructure projects in the region.

House prices and rents are lower than other areas however with the District's current low income profile there are still significant affordability pressures within the community in particular for low income renters.

Average rents have increased faster than household income across the District with rents increasing by 27.9% from 2006-2014 versus household income growth of 2.4% per annum.

Approximately two-thirds of the growth in low income renters was in one person households aged 50 years and older. A total of 41.9% of all renter households are low income renter households that earn less than \$30,000.00 per annum.

There is a significant affordability issue for renter households. Less than half of renter households can afford to rent a dwelling at the lower quartile market rent (\$190 per week).

Medium house prices are forecast to come under significant pressure due to their relatively low values relative to the surrounding Districts. This will present significant housing affordability issues for key sector low income workers in the District.

There is a significant under supply of smaller dwellings relative to the projected increase in demand for households.

HOW YOU CAN HAVE YOUR SAY AND FIND OUT MORE

During the consultation period, Council Officers and Elected Members will be available to speak to any ratepayer or resident about the Consultation Document or Draft LTP Amendment.

If you wish to make an appointment with a Council Officer, please contact Council by phone on (06) 366 0999 or email enquiries@horowhenua.govt.nz. If you wish to speak to an Elected Member then please contact them directly. Their contact details are available at the end of this document or online at www.horowhenua.govt.nz/Council/YourCouncil/Mayor--Councillors/

Submissions on the Proposed Amendment to the LTP close on Saturday, 19 March 2016. Submitters are encouraged to prepare their submission using the submission template which is available at the end of this document, online at www.horowhenua.govt.nz/communityhousing or at Council offices and community libraries.

Levin Office

126-148 Oxford Street
Levin 5510

Te Takere

10 Bath Street
Levin 5510

Shannon Service Centre

Located in the Shannon Library,
Plimmer Terrace
Shannon

Foxton Service Centre

Located in the Foxton Library,
5 Clyde Street
Foxton

Submitters who wish to speak to their submission will have the opportunity to be heard on 30 March 2016. Deliberation on all submissions will then take place on 13 April 2016.



THE PROCESS AND TIMEFRAMES

Having a current Long-Term Plan (LTP) is a legal requirement for all Councils in New Zealand. Council's LTP lays out the direction for Council for the next 10 years. Council adopted the 2015-2025 Long Term Plan in June 2015, and since then the Community Housing Review has been completed.

The proposal that Council wants to hear your feedback on would require a change to the current 2015-2025 Long Term Plan. Any change means we need to thoroughly consult with the community, and follow those requirements set out in the Local Government Act (LGA) 2002.

Because we are proposing an amendment to the Long Term Plan, Council is required to produce a consultation document, which is required to be audited by Audit New Zealand under Section 93D(4) of the Local Government Act. The consultation document is intended to be a more effective way of engaging with the public.

When you make a submission, there is a certain process we follow to make sure that your thoughts and suggestions are appropriately considered, researched, and presented to Councillors for their consideration.

When you submit, we ask you whether you would like to speak to your submission. While this is not compulsory it is a good chance to clarify or emphasise any points to Councillors and it gives them the opportunity to ask questions about your submission.

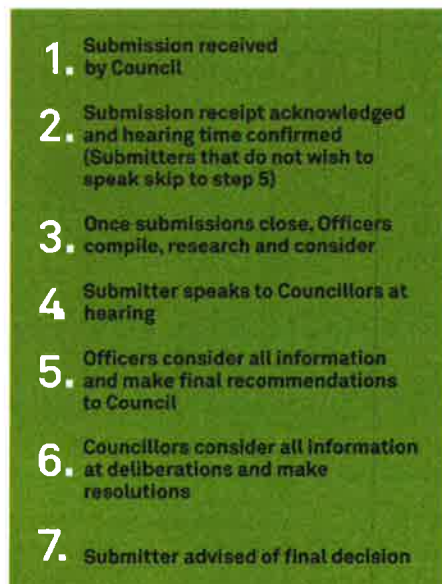
Regardless of whether or not you speak to your submission, Council Officers will consider all submissions and prepare a final report with draft recommendations to Council.

It is important to remember that any recommendations made by Council Officers are recommendations only. Final decisions lie in the hand of Councillors and may be different from the Officers' recommendation. After deliberations, you will be informed of the Council's final decision with regard to your submission.

Timeframes



The Process



MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

Over the past 12 months we have been working hard to complete a review of Council's Community Housing portfolio. The review provided Council with information which suggested there is a better way at managing the provision of community housing into the future.

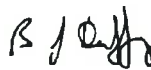


Horowhenua District Council is committed to finding a long term sustainable community housing model which ensures that not only residents have access to affordable housing, but that housing provision is also connected to those services which will enhance social connectedness and wellbeing.

This consultation document will provide you with an overview of the key issues that have been identified by Council when considering this proposal, and will answer some questions you may have on what is proposed.

It is important you take the opportunity to read this information and provide feedback to Council. We want to ensure that residents and ratepayers are well informed and get to have their say. Have a look at what we are proposing and please feel free to contact us if you have any questions.

On behalf of our Council, we are proud to be working for all of our residents and ratepayers to make Horowhenua a more vibrant and sustainable District.



Brendan Duffy
District Mayor



David Clapperton
Chief Executive



INTRODUCTION

Horowhenua District Council has undertaken a review of Community Housing.

The objective of the Community Housing Review was to:

- Ensure that current and future tenants receive the best possible service to meet their needs.
- Provide an up-to-date assessment of a number of issues relating to community housing stock and delivery.
- Assist Council in confirming its role in community housing.

The review looked at solutions and explored a number of options to improve the sustainability of community housing delivery in the Horowhenua District.

It was timely to carry out this review as Central Government is undertaking a significant Social Housing Reform Programme, which has changed what financial assistance Council can access. The provision of community housing by the Horowhenua District Council is a discretionary activity, it is not deemed core council service as outlined by Government. Taking this in to account when considering its role within the wider community housing market, the Council must determine the

need for community housing in the District, the role the Council takes in providing community housing, and how to best fulfil this role.

The following consultation paper provides information related to the review and outlines recommendations that Council want to hear your feedback on.

The Proposal

The review highlighted the importance of a sustainable community housing model for the Horowhenua but identified that Horowhenua District Council may not be the best organisation to lead this activity moving forward.

Council wants to hear your feedback on the proposition that:

- Horowhenua District Council no longer provides Community Housing as a core Council service;
- Horowhenua District Council seeks expressions of interest from Community Housing Providers for the stock transfer of Council's Community Housing Portfolio;
- 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.



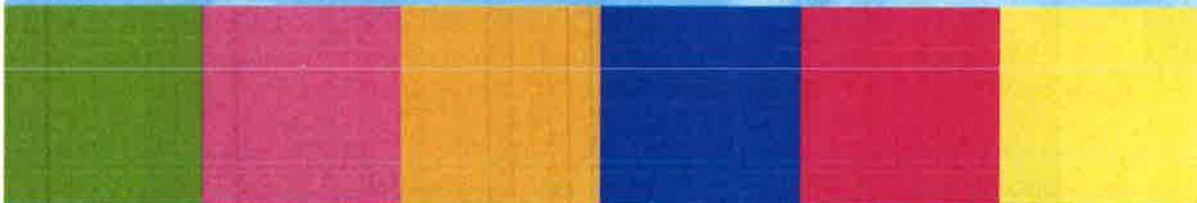
Horowhenua



DISTRICT COUNCIL

PROPOSED AMENDMENT TO THE LONG TERM PLAN 2015-2025

Community Housing Review Consultation Document



www.horowhenua.govt.nz

YOUR QUESTIONS ANSWERED...

1. Why is this Community Housing Review being carried out?

High quality, affordable community housing is an important asset for our community. Horowhenua District Council plays an important role in the delivery of community housing however the current situation is not sustainable. The level of housing needed in the community is far greater than we can deliver and will only grow over time.

Council wish to see a far greater range of affordable housing options available to the community as well as having a provider who has the ability to grow its role in community housing delivery and who has access to a wide range of networks and relationships with other social service providers to provide a full wrap around housing and social services delivery model.

The recent changes in Government legislation on the delivery of community housing make it timely to review this key activity and reflect upon any changes that will be required to ensure that our elderly residents, and others with special requirements, will have adequate access to appropriate and affordable accommodation.

2. What changes has the Government made to Community Housing?

The Government has made significant changes to the way community housing (not just pensioner housing) is provided. The Government changes aim to encourage Community Housing Providers to play a bigger role in providing and delivering community housing.

Government through its social housing reform programme no longer allows Council to access capital grant subsidies to develop and deliver new community housing and also does not allow Councils to access tenant subsidies which help to make housing affordable to low income households, these subsidies can only be accessed by registered Community Housing Providers (CHPs).

Only accredited Community Housing Providers (that include not for profit organisations, church and iwi groups) can access funding support from Government. Councils cannot apply to be registered as a Community Housing Provider.

3. What does the review seek to achieve?

- The purpose of the review is to enhance the delivery of community housing for the benefit of our community.
- To ensure that the tenants of community housing in our District receive the best possible service, now and in the future;
- To gain stakeholders' views about the best way to maintain an important community asset now and in the future.

4. What are the timeframes for the review?

We are consulting on the proposed changes from the 18th February for 30 days. During this time frame we want to hear your feedback. You can provide feedback by filling in the



submission form, which can be found in the consultation document. Please include your name and address so we can let you know what the final outcome is.

5. Who decides what happens with the review?

You do! The feedback received through the consultation process will be collated and then presented to Council and will make a final discussion based on the feedback received at an extraordinary council meeting on April 13.

6. What does the law actually say?

Local Government Act, 2002 has a lot of information, but the relevant parts for the purpose of the Community Housing Review and as this is an amendment to the Long Term Plan. Council is required to:

- In the case of an amended long-term plan, the report must contain a report by the Auditor-General confirming or amending the report made when the long-term plan was adopted. This has been provided and the Auditor General is happy the changes will not affect the direction of the Long Term Plan.

7. What does this mean for me?

If the decision is made to transfer ownership and management to an approved Community Housing Provider (CHP) there are many advantages.

The existing rights and benefits of our current tenants will not change, and we hope with a change of ownership to a Community Housing Provider will only improve and based on an assessment of current rents paid versus what qualifying community housing tenants are entitled to under the Income Related Rent Subsidy (IRRS) offered by Government to CHPs could be up to \$61 per week better off. You can only receive an IRRS or an accommodation supplement. However an IRRS is significantly higher.

Other benefits include:

- The CHP may be able to access Central Government funding not available to Council to expand the number of units or upgrade the units to provide a better quality of life for tenants.
- Access to Income Related Rent Subsidies (IRRS) means a CHP would be able to provide rents below market value, ensuring that accommodation remains affordable. Note that current tenants' eligibility for Income Related Rent Subsidies would be assessed on an individual basis.
- Central Government restrictions applying to approved providers ensures that the service they deliver is good for the community and that social housing will remain in the future.
- As social providers, CHPs are in a better position than Council, or the private sector, to provide the support required by some elderly tenants. Some CHPs are specialist providers in this market.
- The CHP sector is an expanding sector nationally and has access to significant funding which is not available to local authorities or CCOs. If Council sells the units to a CHP this



would open up the Horowhenua market and possibly lead to further investment in this area by that provider.

- The welfare of current tenants may be negotiated as part of any sale and purchase agreement; note that this may impact on the purchase price.
- Moves the focus of providing social housing away from central and local government towards a third sector, in line with central government reform.
- Complies with changes to the Local Government Act 2002, directing Councils to focus on core services.
- Reduction in Council debt.
- The Council's objectives outlined in the Long Term Plan for pensioner housing would still be achieved, but by an alternative provider.

8. What is Community housing?

Community housing is rental housing provided either by central or local government, or non-government not-for-profit organisations (NGO's), usually with the aim of providing affordable housing. Community housing is targeted at people with a set of risks or vulnerabilities that predispose them to social and economic disadvantage. Government agencies, including Housing New Zealand and the Social Housing Unit (a semi-autonomous unit with the Department of Building and Housing), collaborate with NGOs and Community Groups to provide more housing for New Zealanders on low incomes or with special housing needs. Councils stock of community housing is currently called Pensioner Housing.

9. Is this happening in other districts?

Yes, we are not the first. The delivery of housing by Community Housing Providers is not new and there are number of examples here in New Zealand and internationally that have proven community ownership, management and delivery provides a far more effective response to community housing needs:

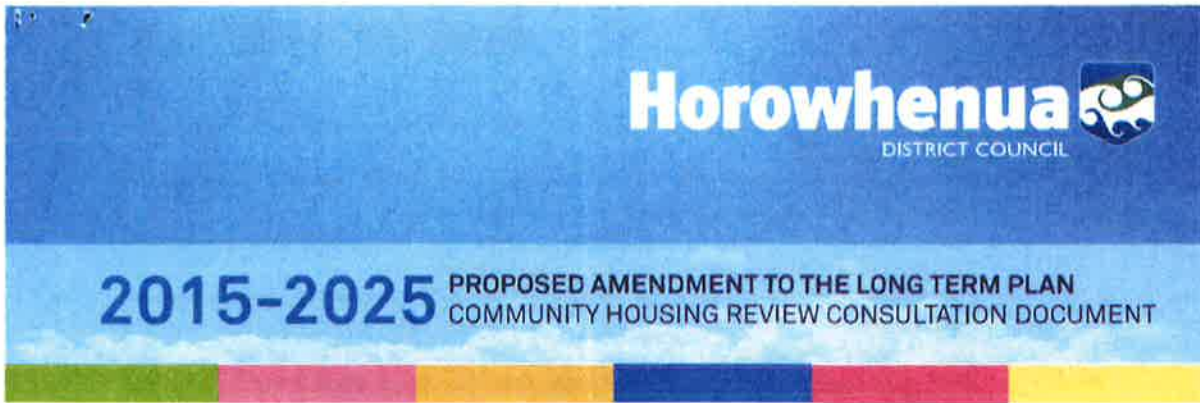
- Upper Hutt City - Home of Compassion.
- Manawatu District Council - Manawatu Housing Trust.
- Whakatane District Council - Tauranga Housing Trust (Tawana Housing Trust).
- Queenstown Lakes District Council - Queenstown Lakes Housing Trust.

The community housing sector offers a "safe pair of hands!"

10. Who will the council sell the housing stock to?

If the decision is made to sell the community housing stock, Council has some conditions around the sale. We would only dispose of the portfolio, if the decision was to sell, to a Community Housing Provider that can undertake to provide the same level of service that we are currently providing to our tenants.

Council wishes to explore what options exist and what Community Housing Providers wish to be involved in the delivery of community housing in the District and what benefits these providers can offer if Council were to undertake a stock transfer initiative.



SUBMISSION FORM

Horowhenua District Council has undertaken a review of its Social Housing activities, with the aim of ensuring that existing and future tenants receive the best possible service.

The review has been prompted by changes in the way central government funds social housing and looks to identify ways of enhancing the delivery of social housing for the benefit of our community. In future, Government support for social housing will be channelled through Community Housing Providers and as a result, opportunities are developing that could lead to better and more affordable housing for those of our District most in need.

Our district is expecting a large increase in the number of older people in our district and an increasing issue of housing affordability. Both are key issues which the future provision of social housing will need to address.

Council wants to hear your feedback on the proposition that:

- Horowhenua District Council no longer provides Pensioner Housing as a core Council service;
- Horowhenua District Council seeks expression of interest from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio;
- 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.

We believe that the community ownership and management of Council's and Housing New Zealand's portfolio is a logical next step for social and affordable housing delivery in the District. The Council is now seeking the community's views on the future provision of community housing before it makes a decision on how to proceed. Please fill out this form and return it to us by 19 March 2016. Make sure you provide your contact details over the page so we can let you know the outcome of the review.

Proposal

Horowhenua District Council no longer provides Pensioner Housing as a core Council service:

Y N

Horowhenua District Council seeks expression of interests from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio;

Y N

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

Y N

Remember submissions close at 5pm Saturday 19 March 2016. Drop your submission to Horowhenua District Council offices or post to Private Bag 4002, Levin, 5540.

COMMUNITY HOUSING REVIEW SUBMISSION FORM



Contact Details (You must provide your contact details for your submission to be considered)

Full Name: Pamela Gillian Amies
Name of Organisation: —
Postal Address: F/5 +2 Johnston St
Seaview Flats, Foxton Post code: 4814
Telephone: 06 363 8884 Mobile: —
Email: —

- Are you a current Council tenant?
- Do you wish to be heard by the Council?
- I wish to speak to my submission
- I do not wish to speak to my submission

Submission

I would like things to
stay as they are. I have
had renal cancer and I
need to go to P.7 hospital
for regular tests. I need
to get the shuttle to my
GP + Hosp. appts and that is
\$204 shuttle (Foxton) + a donation 4 Horowhenua
shuttle. If the rent went up
or we had to move it would be very difficult.
moneywise

In accordance with the Local Government Act 2002, your submission will be made available to the public. The Council may redirect your submission, where it relates to another process or to another Council. If this occurs you will be advised in writing.

COMMUNITY HOUSING REVIEW SUBMISSION FORM

Contact Details (You must provide your contact details for your submission to be considered)

Full Name:	<u>TEHUINGA TAMARA SPRETT</u>	Are you a current Council tenant?	<input checked="" type="checkbox"/>
Name of Organisation:	<u>HOROWHENUA DISTRICT COUNCIL</u>	Do you wish to be heard by the Council?	<input checked="" type="checkbox"/>
Postal Address:	<u>11 Churchill Cres SHANNON</u>	I wish to speak to my submission	<input checked="" type="checkbox"/>
	Post code:	I do not wish to speak to my submission	<input checked="" type="checkbox"/>
Telephone:	<u>2100818</u>		
	Mobile:		
	<u>02108230322</u>		
Email:			

Submission

I Agree with the council proposal.



J. Sprett.

In accordance with the Local Government Act 2002, your submission will be made available to the public. The Council may redirect your submission, where it relates to another process or to another Council. If this occurs you will be advised in writing.



2015-2025 PROPOSED AMENDMENT TO THE LONG TERM PLAN
COMMUNITY HOUSING REVIEW CONSULTATION DOCUMENT

SUBMISSION FORM

Horowhenua District Council has undertaken a review of its Social Housing activities, with the aim of ensuring that existing and future tenants receive the best possible service.

The review has been prompted by changes in the way central government funds social housing and looks to identify ways of enhancing the delivery of social housing for the benefit of our community. In future, Government support for social housing will be channelled through Community Housing Providers and as a result, opportunities are developing that could lead to better and more affordable housing for those of our District most in need.

Our district is expecting a large increase in the number of older people in our district and an increasing issue of housing affordability. Both are key issues which the future provision of social housing will need to address.

Council wants to hear your feedback on the proposition that:

- Horowhenua District Council no longer provides Pensioner Housing as a core Council service;
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We believe that the community ownership and management of Council's and Housing New Zealand's portfolio is a logical next step for social and affordable housing delivery in the District. The Council is now seeking the community's views on the future provision of community housing before it makes a decision on how to proceed. Please fill out this form and return it to us by 19 March 2016. Make sure you provide your contact details over the page so we can let you know the outcome of the review.

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Y N

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Y / N

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

Y / N

Remember submissions close at 5pm Saturday 19 March 2016. Drop your submission to Horowhenua District Council offices or post to Private Bag 4002, Levin, 5540.

COMMUNITY HOUSING REVIEW SUBMISSION FORM



Contact Details (You must provide your contact details for your submission to be considered)

Full Name: Patricia Helen Snood Are you a current Council tenant?

Name of Organisation: _____ Do you wish to be heard by the Council?

Postal Address: Flat 4, Podmore Flats I wish to speak to my submission
5 Union St, Foxton 4814 Post code: _____

Telephone: (06) 2100299 Mobile: 021 1153110 I do not wish to speak to my submission

Email: -



Submission

As I am a beneficiary soon to receive National Super, I only hope that the new buyers of the pensioner flats will lower the rent to coincide with my income, no more than 25% at the most. Also, if future rents did soar under new ownership, and anyone was forced to move but could not afford to, what help would they receive and where would the help come from?

In accordance with the Local Government Act 2002, your submission will be made available to the public. The Council may redirect your submission, where it relates to another process or to another Council. If this occurs you will be advised in writing.



2015-2025 PROPOSED AMENDMENT TO THE LONG TERM PLAN
COMMUNITY HOUSING REVIEW CONSULTATION DOCUMENT

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COMMUNITY HOUSING REVIEW SUBMISSION FORM



Contact Details (You must provide your contact details for your submission to be considered)

Full Name: KEN AND LILLIANA TAUSTRUM.

Are you a current Council tenant?

Name of Organisation: _____

Do you wish to be heard by the Council?

Postal Address: P.O. BOX
368 LEVIN

I wish to speak to my submission

Post code: _____

I do not wish to speak to my submission

Telephone: 062100769 Mobile: 0279097106

Email: _____

Submission

We believe Council should focus on their Core Services, and transfer ownership and the responsibility of providing affordable housing to Community Housing Providers.

This would allow Council to reduce debt and at the same time achieve their objectives of providing a high level of housing and Services, but through a Community Housing Provider, who are specialists in this area.

Council are to be congratulated, and Mayor Duffy in his innovation and forward thinking in the provision of a very high standard of housing and Services to the elderly up until this time.

It is now time to move forward with their core business and pass it on to specialist providers, who are receiving stock that has been cared for and maintained to a very high standard.

K. R. Taustrom A. Taustrom

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Y / N

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Y / N

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COMMUNITY HOUSING REVIEW SUBMISSION FORM

Talk to Tina about this

Contact Details (You must provide your contact details for your submission to be considered)

Full Name: David Graeme Raika

Are you a current Council tenant?

Name of Organisation: _____

Do you wish to be heard by the Council?

Postal Address: 31 A Rugby street

I wish to speak to my submission

Levin Post code: _____

I do not wish to speak to my submission

Telephone: 3687433 Mobile: 02102773653

Email: _____

Submission

I am happy for Council to proceed as long as I am kept as a tenant



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COMMUNITY HOUSING REVIEW SUBMISSION FORM

Contact Details (You must provide your contact details for your submission to be considered)

Full Name: Noeline Ann Hyde Are you a current Council tenant?

Name of Organisation: _____ Do you wish to be heard by the Council?

Postal Address: 18 Cambridge park Levin I wish to speak to my submission

Post code: 5510 I do not wish to speak to my submission

Telephone: 3679103 Mobile: NIL

Email: _____

Submission Council need to look at a possibility for a local trust also, this should be taken into account. I wouldn't want rents to increase hugely since we are all on pensions or benefits of some sort. We as tenants expect the same or better levels of service, certainly nothing less would be acceptable.

I've been living in council flats since 2004 & am grateful for the upgrade to Cambridge Park in that time. Tenants are friendly & look out for each other & I feel safe & secure living here.



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**PROPOSED AMENDMENT TO THE
LONG TERM PLAN 2015-2025**

Community Housing Review Consultation Document



www.horowhenua.govt.nz

INTRODUCTION

Horowhenua District Council has undertaken a review of Community Housing.

The objective of the Community Housing Review was to:

- Ensure that current and future tenants receive the best possible service to meet their needs.
- Provide an up-to-date assessment of a number of issues relating to community housing stock and delivery.
- Assist Council in confirming its role in community housing.

The review looked at solutions and explored a number of options to improve the sustainability of community housing delivery in the Horowhenua District.

It was timely to carry out this review as Central Government is undertaking a significant Social Housing Reform Programme, which has changed what financial assistance Council can access. The provision of community housing by the Horowhenua District Council is a discretionary activity, it is not deemed core council service as outlined by Government. Taking this in to account when considering its role within the wider community housing market, the Council must determine the

need for community housing in the District, the role the Council takes in providing community housing, and how to best fulfil this role.

The following consultation paper provides information related to the review and outlines recommendations that Council want to hear your feedback on.

The Proposal

The review highlighted the importance of a sustainable community housing model for the Horowhenua but identified that Horowhenua District Council may not be the best organisation to lead this activity moving forward.

Council wants to hear your feedback on the proposition that:

- Horowhenua District Council no longer provides Community Housing as a core Council service;
- Horowhenua District Council seeks expressions of interest from Community Housing Providers for the stock transfer of Council's Community Housing Portfolio;
- 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.



MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE

Over the past 12 months we have been working hard to complete a review of Council's Community Housing portfolio. The review provided Council with information which suggested there is a better way at managing the provision of community housing into the future.

Horowhenua District Council is committed to finding a long term sustainable community housing model which ensures that not only residents have access to affordable housing, but that housing provision is also connected to those services which will enhance social connectedness and wellbeing.

This consultation document will provide you with an overview of the key issues that have been identified by Council when considering this proposal, and will answer some questions you may have on what is proposed.

It is important you take the opportunity to read this information and provide feedback to Council. We want to ensure that residents and ratepayers are well informed and get to have their say. Have a look at what we are proposing and please feel free to contact us if you have any questions.



On behalf of our Council, we are proud to be working for all of our residents and ratepayers to make Horowhenua a more vibrant and sustainable District.



Brendan Duffy
District Mayor



David Clapperton
Chief Executive



THE PROCESS AND TIMEFRAMES

Having a current Long-Term Plan (LTP) is a legal requirement for all Councils in New Zealand. Council's LTP lays out the direction for Council for the next 10 years. Council adopted the 2015-2025 Long Term Plan in June 2015, and since then the Community Housing Review has been completed.

The proposal that Council wants to hear your feedback on would require a change to the current 2015-2025 Long Term Plan. Any change means we need to thoroughly consult with the community, and follow those requirements set out in the Local Government Act (LGA) 2002.

Because we are proposing an amendment to the Long Term Plan, Council is required to produce a consultation document, which is required to be audited by Audit New Zealand under Section 93D(4) of the Local Government Act. The consultation document is intended to be a more effective way of engaging with the public.

When you make a submission, there is a certain process we follow to make sure that your thoughts and suggestions are appropriately considered, researched, and presented to Councillors for their consideration.

When you submit, we ask you whether you would like to speak to your submission. While this is not compulsory it is a good chance to clarify or emphasise any points to Councillors and it gives them the opportunity to ask questions about your submission.

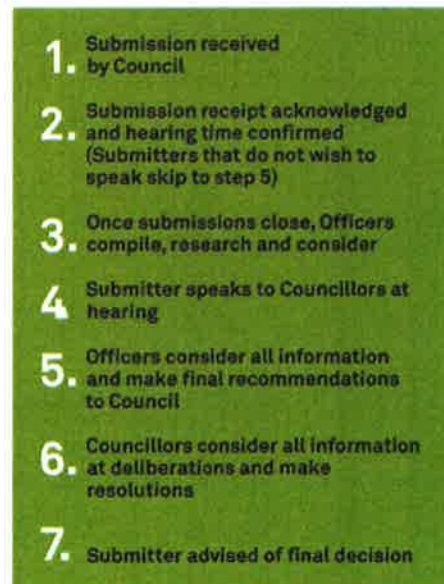
Regardless of whether or not you speak to your submission, Council Officers will consider all submissions and prepare a final report with draft recommendations to Council.

It is important to remember that any recommendations made by Council Officers are recommendations only. Final decisions lie in the hand of Councillors and may be different from the Officers' recommendation. After deliberations, you will be informed of the Council's final decision with regard to your submission.

Timeframes



The Process



HOW YOU CAN HAVE YOUR SAY AND FIND OUT MORE

During the consultation period, Council Officers and Elected Members will be available to speak to any ratepayer or resident about the Consultation Document or Draft LTP Amendment.

If you wish to make an appointment with a Council Officer, please contact Council by phone on (06) 366 0999 or email enquiries@horowhenua.govt.nz. If you wish to speak to an Elected Member then please contact them directly. Their contact details are available at the end of this document or online at www.horowhenua.govt.nz/Council/YourCouncil/Mayor--Councillors/

Submissions on the Proposed Amendment to the LTP close on Saturday, 19 March 2016. Submitters are encouraged to prepare their submission using the submission template which is available at the end of this document, online at www.horowhenua.govt.nz/communityhousing or at Council offices and community libraries.

Levin Office
126-148 Oxford Street
Levin 5510

Te Takere
10 Bath Street
Levin 5510

Shannon Service Centre
Located in the Shannon Library,
Plimmer Terrace
Shannon

Foxton Service Centre
Located in the Foxton Library,
5 Clyde Street
Foxton

Submitters who wish to speak to their submission will have the opportunity to be heard on 30 March 2016. Deliberation on all submissions will then take place on 13 April 2016.



SNAPSHOT OF HOROWHENUA DEMOGRAPHICS AND AFFORDABILITY

Horowhenua has a low-income ageing population.

Approximately two-thirds of the growth in low income renters was in one person households aged 50 years and older. A total of 41.9% of all renter households are low income renter households that earn less than \$30,000.00 per annum.

Population growth in the District is forecast to be flat however household growth is expected to increase from 13,000 in 2011 to 13,700 in 2026, without taking into consideration any migratory factors influenced by major infrastructure projects in the region.

There is a significant affordability issue for renter households. Less than half of renter households can afford to rent a dwelling at the lower quartile market rent (\$190 per week).

House prices and rents are lower than other areas however with the District's current low income profile there are still significant affordability pressures within the community in particular for low income renters.

Medium house prices are forecast to come under significant pressure due to their relatively low values relative to the surrounding Districts. This will present significant housing affordability issues for key sector low income workers in the District.

Average rents have increased faster than household income across the District with rents increasing by 27.9% from 2006-2014 versus household income growth of 2.4% per annum.

There is a significant under supply of smaller dwellings relative to the projected increase in demand for households.



WHAT IS COMMUNITY HOUSING?

Community Housing is rental housing provided either by central or local government, or non-government not-for-profit organisations (NGO's), usually with the aim of providing affordable housing. Community housing is targeted at people with a set of risks or vulnerabilities that predispose them to social and economic disadvantage.

Government agencies, including Housing New Zealand and the Social Housing Unit (a semi-autonomous unit with the Department of Building and Housing), collaborate with NGOs and Community Groups to provide more housing for New Zealanders on low incomes or with special housing needs.

COUNCIL'S CURRENT COMMUNITY HOUSING PORTFOLIO

Pensioner housing currently provided by Council is made up of 115 units across eight locations with five of the eight complexes being located in Levin.

The portfolio has a current rateable value of \$6.95 million; and has a Council book value \$7.35 million.

The portfolio was largely built using Crown loans, with the most recent upgrade and new build programme completed in 2006 via internal Council debt funding of \$5,218 million and a Housing New Zealand Corporation (HNZC) suspensory loan of \$5,218, million. The Council debt funding provided by Council's internal Treasury is currently being serviced on an interest only basis at a rate of 5.13% (total cost of capital).

The portfolio has an average age of 39.7 years. In 2009, it had 75 units upgraded and a further 40 new units completed.

The portfolio consists of single-level units constructed out of a range of materials consistent with the period in which they were constructed. Size wise the portfolio ranks in the third decile of Council-owned pensioner housing assets, and is roughly on par in size with similarly sized Districts in other parts of New Zealand. The condition of the units ranges from good to excellent, due to the recent upgrade programme completed by Council.

The units are currently rented at about 96% occupancy.

Targeting

To be eligible for Council's community housing, the 'targeted market' is pensioners with limited financial resources and people over 60 with a disability. The eligibility procedures are via a self-disclosure process with no formal checks being required.

Rental policy

Under existing Council policy, rental rates are set at market rates and assessed on a complex by complex basis, by an independent valuer. Current rental rates range from \$135 - \$170.00 per week with an average weekly rental rate of \$150.78 per unit. This average rental rate is \$1.12 below the regional average for the Horowhenua/ Manawatu area which is \$152 per week for a 1 bedroom unit. On this basis, there is very little scope to increase the rental levels.

If the portfolio was transferred to a Community Housing Provider (CHP), the tenant could potentially receive a Income Related Rent Subsidy (IRRS) and the tenant would only pay 25% of their gross weekly income, which based on current NZ superannuation rates tenant could up to be approximately \$61.00 per week better off, based on current Council rental rates (subject to individual household circumstances).

A tenant cannot receive both an IRRS and an accomodation supplement. The level of subsidy attached to an IRRS is significantly greater than the accomodation supplement as IRRS results in the tenant not paying more than 25% of their net income towards cost of their rent.

Current Situation Analysis

What is the issue with the current situation?

An analysis of the Council's current provision of pensioner housing has highlighted the following issues:

- The service levels currently provided by Council are not sustainable in the medium to long term without significant operational and capital expenditure being made.
- Council plays an important part in the delivery of housing options for older persons within the community; however this could improve and be far more sustainable in the future with a more focused delivery model.
- The demand for affordable housing is set to increase.
- The Horowhenua District population is ageing but there is a lack of appropriate affordable housing.
- Central Government reform excludes Councils accessing social housing funding.
- The need for community housing in the Horowhenua is forecasted to increase.
- Just maintaining a status quo situation will need serious consideration by Council on how it will continue to adequately fund the current portfolios improvements let alone any future redevelopment activities in the medium to long term (15-20 years). Council estimates in the next 20-25 years Council may be faced with requirement to replace upto 50-65% of the total portfolio, which would mean Council will need to find approximately \$4.3 million dollars in additional capital.

Options Analysis

The review evaluated a range of potential future business models for Council and the wider Horowhenua community housing sector.

A total of 22 options were assessed with a number being discounted for further review, including:

- Council disposes of the portfolio on the open market.
- Gifting of improvements and leasing of land.
- Council commits to increase its role in community housing delivery.

Council believes there are two options that will achieve the outcome of a more sustainable community housing model being:

- Option 1 - Stock transfer of Council's to a CHP
- Option 2 - Creation of a single Horowhenua Housing Trust

Option 1

Current Situation Analysis Advantages of this approach

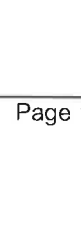
- ✓ The CHP may be able to access central government funding not available to Council to expand the number of units or upgrade the units to provide a better quality of life for tenants.
- ✓ Access to income-related rent subsidies means a CHP would be able to provide rents below market value, ensuring that accommodation remains affordable. Note that current tenants eligibility for income-related rent subsidies would be assessed on an individual basis.
- ✓ Central government restrictions applying to approved providers ensures that the service they deliver is good for the community and that social housing will remain in the future.
- ✓ As social providers, CHPs are in a better position than Council, or the private sector, to provide the support required by some elderly tenants. Some CHPs are specialist providers in this market.
- ✓ The CHP sector is an expanding sector nationally and has access to significant funding which is not available to local authorities or CCOs. If Council sells the units to a CHP this would open up the

Horowhenua market and possibly lead to further investment in this area by that provider.

- ✓ The welfare of current tenants may be negotiated as part of any sale and purchase agreement; note that this may impact on the purchase price.
- ✓ Moves the focus of social housing away from central and local government towards a third sector, in line with central government reform.
- ✓ Complies with changes to the Local Government Act 2002, directing Councils to focus on core services.
- ✓ Proceeds from the sale of the pensioner housing will reduce Council debt as signalled in the Long Term Plan 2015-2025 Amendment, therefore lower debt levels.
- ✓ The Council's objectives for pensioner housing would still be achieved, but by an alternative provider.
- ✓ Transfer of the contingency to repay central government housing loan.

Disadvantages of this approach

- ✗ The community may be opposed to Council exiting the market.
- ✗ Council will no longer have direct control of the provision of social housing in the District, other than through any provisions included in a Sale and Purchase Agreement.
- ✗ Slight increase to the General Rate to cover council's internal overhead costs that were formally allocated to the Community Housing Activity.



Option 2

Current Situation Analysis Advantages of this approach

Option 2 would have very similar advantages to those identified in Option 1. Option 2 however is ambitious given the considerable amount of resource and time required to establish such a Trust. The level of uncertainty around Government extending the IRRS benefit to a new housing entity places uncertainty around some of the advantages identified in Option 1.

Disadvantages of this approach

As option two "Creation of a single Horowhenua Housing Trust has the following risks and limitations:

- x A commitment by Council to support the establishment of the Trust, which may include seed funding.
- x Uncertainty of Government support for such a model and access to Government income related rent subsidies (IRRS).
- x The options present a higher level of risk and uncertainty to Council and most importantly the tenants in terms of surety of delivery and sustainability without significant Council and Government support.
- x Council would be unlikely to recover its existing outstanding debt liabilities.
- x Slight increase to the General Rate to cover council's internal overhead costs that were formally allocated to the Community Housing Activity.

Of the two options, Council's preference is Option 1.

We believe that the community ownership and management of Council's portfolio is a logical next step for community housing delivery in the District.

Council is proposing that a Community Housing provider is best placed to provide this service for our community. The Council may decide to sell the units to a specified: government approved, Community Housing Provider (CHP). Such providers must adhere to stringent requirements around the quality of housing and maintenance and be committed to the ongoing provision of community housing. The Council may investigate opportunities for retaining some involvement with local housing through a relationship with the CHP.

Why is this our preferred option?

- This proposal best responds to the factors considered during the Community Housing Review.
- The Council wants to ensure a wider range of social housing needs in Horowhenua are met. This option provides an opportunity for those most skilled in social services and support to have a greater role in delivering an important service to our community by purchasing the Council units.
- Social housing providers have access to Government funding through the Social Housing Fund and income related rents. This provides opportunities to grow social housing available in Horowhenua and for investment to occur in the social housing sector, something which the Council cannot do.
- Social housing providers may offer wider wrap-around social services such as meals, outings, social services and health care.

What does it mean for tenants?

If following consultation Council determines that it wishes to transfer the stock to a Community Housing Provider, all properties would be retained as social housing for the district. This would be a condition of any sale and would be written into any sale and purchase agreements.

This means that existing tenants would be able to stay on in their units. This would be a condition of any sale.

Over time as units become available, new tenants may be introduced based on the Government's new eligibility criteria which is set out by the Ministry of Social Development. This would likely make the units available to a wider group of people in need, rather than only to older citizens.

Based on our review of Council's Housing Policy there are a number of tenancy rights and welfare benefits enjoyed by Council's current tenants that should be protected. These are:

Rental allocation: The units are targeted at 'low income' persons 55+ with an allocation preference for qualifying persons 65+.

Security of tenure: There is an unwritten expectation that tenants can remain in their tenancies so long as they pay their rent, are capable of independent living, and do not become a nuisance to other occupiers.

Minimum unit standards: Council's policy for service levels is based on providing a basic level of service delivery at a standard that seeks to maintain the status quo. Any potential owner should be expected to maintain this level of service and where possible demonstrate a long term commitment to improve it especially where there is a significant level of discount being applied.

The expectation would be that all current tenancy rights and benefits remain protected for the term of their tenure and any new tenancies would loosely fit within Council's allocation policies.



Horowhenua 2015-2025 Long Term Plan - Proposed Amendment

How would this affect the 2015-2025 Long Term Plan?

If after consultation, Council went ahead with what has been proposed, the Long Term Plan 2015-2025 would require amendment. If Council were able to achieve a successful stock transfer the reference of Pensioner Housing would be removed from the Long Term Plan 2015-2025 except to include Council's role in advocating for accessible and affordable community housing.

If either option 1 or 2 went ahead the changes you would see in the Long Term Plan would include:

- Removal of all Revenue attributed to Pensioner Housing.
- Removal of all Expenditure attributed to Pensioner Housing (both operational funding and capital funding).
- Removal of all performance measures attributed to Pensioner Housing.
- Reduction in total assets.
- Reduction in Council's debt by 7%
- Reduction in interest costs on that debt servicing \$367k
- Slight increase in the General Rate by 0.3% (in 2017/2018) to cover internal overhead costs that were formally covered by the rental income of the Housing Activity.
- Council will no longer deliver pensioner housing as level of service, therefore this will be removed from the Long Term Plan.

These changes will have a flow on affect to Council's Financial statements outlined in Section 4 of the Long Term Plan 2015-2025.

When determining conditions of sale, Council may look to include some elements of accountability and monitoring of the CHP in the short term to ensure that what was expected was been provided. Council does not envisage any conflicts of interest arising from the proposed transfer of assets.

A copy of further information which includes a revised copy of the Property Activity Statement and Council's Financial Statements can be found on Council's website www.horowhenua.govt.nz/CommunityHousing, or alternatively call Council to have a copy sent to you. This copy of supporting information serves the purposes provided for in Section 93D (3) of the Local Government Act which sets out Council's opportunity to make available attached to it's a consultation document a copy of the proposed amendment to the long-term plan, if the local authority considers that the full copy of that proposed amendment will assist people to understand the amendment.

Assumptions

Council have made the following assumptions throughout this process:

- The Crown agree to the transfer of the Housing New Zealand Suspensory Loan to a CHP. The transfer of the suspensory loan from Council to the CHP would be part of the condition of sale.
- The expected revenue from proceeds of the sale will align with the debt reduction projections anticipated in the Amended Long Term Plan 2015-2025.
- The sale will not proceed if Council's expectations are not met.
- The stock transfer won't come into affect until July 2017.
- Tenancy rights will be protected.

Next steps

We want to hear
from **YOU!**

Council wants to hear your feedback on whether you agree with Council's proposal that:

- Should Council seek expressions of interests from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio?
- Should Horowhenua District Council continue to take a leadership role in advocating and facilitating for wider community issues with regards to accessibility and affordability of quality housing?
- Should Council no longer provide pensioner housing as a core Council service?

We want to hear from you! Head back to page 3 to learn more about how you can have your say, fill in the form on the next page. Visit our website at www.horowhenua.govt.nz/communityhousing or call us on (06 366 0999).

**Independent Auditor's Report
on Horowhenua's consultation document
for the proposed amendment of its
2015-25 long-term plan**

I am the Auditor-General's appointed auditor for Horowhenua District Council (the Council). Section 93D of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document for the proposed amendment of the 2015-2025 long-term plan (long-term Plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed this audit on 18 February 2015.

Opinion

In my opinion:

- the consultation document for the proposed amendment of the long-term plan provides an effective basis for public participation in the Council's decisions about the proposed amendment, because it:
 - fairly represents the reasons for and implications of the proposed amendment; and
 - identifies and explains the main issues and choices facing the Council and district, related to the proposed amendment; and
- the information and assumptions underlying the information in the consultation document related to the proposed amendment are reasonable.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards and the:

- International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information;
- International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information, and
- ethical requirements in those standards.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93D of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Debbie Perera
Audit New Zealand
On behalf of the Auditor-General, Palmerston North, New Zealand

Horowhenua District Councillors



Brendan Duffy
(Mayor)
Ph: 0274 433 518



Barry Good
(Deputy Mayor)
Ph: 027 735 9196



Victoria Kayer-Simmons
Ph: 027 601 1014



Jo Mason
Ph: 027 248 6643



Tony Rush
Ph: 027 241 8262



Janine Smart
(Chair)
Ph: 027 540 0050



David Roache
(Deputy Chair)
Ph: 027 442 1061



Tricia Metcalf
Ph: 021 447 711



Piri-Hira Tuasua
Ph: 027 329 4883



Wayne Bishop
Ph: 021 447 4011



Christine Mitchell
Ph: 02 318 7703



Rose Branigan
Ph: 021 247 2318



Michael Feyen
Ph: 027 441 0923



Ross Campbell
Ph: 027 253 3656



Amanda Street
Ph: 021 920 067



Basil Vertongen
Ph: 027 469 1724

Foxton Community Board

**2015-2025 PROPOSED AMENDMENT TO THE LONG TERM PLAN
COMMUNITY HOUSING REVIEW CONSULTATION DOCUMENT**

Horowhenua
DISTRICT COUNCIL

Contact Us

Horowhenua District Council
126 Oxford Street, Levin 5510
Private Bag 4002, Levin 5540

Ph: 06 366 0999 • Fax: 06 366 0983
enquiries@horowhenua.govt.nz

For more information go to
www.horowhenua.govt.nz



COMMUNITY HOUSING REVIEW SUBMISSION FORM

Contact Details (You must provide your contact details for your submission to be considered)

Full Name: AUDREY deMALMANCHE

Name of Organisation: _____

Postal Address: 6 CAMBRIDGE PARK
LEVIN

Post code: 5510

Telephone: 06 3680077 Mobile: _____

Email: _____

Are you a current Council tenant?

Do you wish to be heard by the Council?

I wish to speak to my submission

I do not wish to speak to my submission

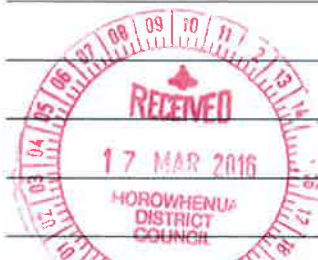
Submission

I have lived in my unit for seven and a half years, and I am very happy here, I feel safe and secure, its very handy to town and the doctors.

we get things fixed if anything goes wrong.

I don't have any problems with anything, I would not want anything to change, As I like things as they are.

Also I do not want the Rent to go up.



d-deMalmanche



In accordance with the Local Government Act 2002, your submission will be made available to the public. The Council may redirect your submission, where it relates to another process or to another Council. If this occurs you will be advised in writing.



2015-2025 PROPOSED AMENDMENT TO THE LONG TERM PLAN
COMMUNITY HOUSING REVIEW CONSULTATION DOCUMENT

SUBMISSION FORM

Horowhenua District Council has undertaken a review of its Social Housing activities, with the aim of ensuring that existing and future tenants receive the best possible service.

The review has been prompted by changes in the way central government funds social housing and looks to identify ways of enhancing the delivery of social housing for the benefit of our community. In future, Government support for social housing will be channelled through Community Housing Providers and as a result, opportunities are developing that could lead to better and more affordable housing for those of our District most in need.

Our district is expecting a large increase in the number of older people in our district and an increasing issue of housing affordability. Both are key issues which the future provision of social housing will need to address.

Council wants to hear your feedback on the proposition that:

Proposal

Horowhenua District Council no longer provides Pensioner Housing as a core Council service.	Y / N
Horowhenua District Council seeks expression of interests from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio.	Y / N
Horowhenua District Council continues to take a leadership role in advocating and facilitating for wider community issues with regards to accessibility and affordability of quality housing.	Y / N

- Horowhenua District Council no longer provides Pensioner Housing as a core Council service;
- Horowhenua District Council seeks expression of interest from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio;
- 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.

We believe that the community ownership and management of Council's and Housing New Zealand's portfolio is a logical next step for social and affordable housing delivery in the District. The Council is now seeking the community's views on the future provision of community housing before it makes a decision on how to proceed. Please fill out this form and return it to us by 19 March 2016. Make sure you provide your contact details over the page so we can let you know the outcome of the review.

Remember submissions close at 5pm Saturday 19 March 2016. Drop your submission to Horowhenua District Council offices or post to Private Bag 4002, Levin, 5540.

Version Date: Wed, 17 Feb 16 10:46:34

1/3



Submission Form to Community Housing Review

Your submission is important to us. To ensure that it is considered we need to receive your submission by 5.00pm on Saturday, 19 March 2016.

Copies of the Community Housing Review Consultation Document are available for downloading online at www.horowhenua.govt.nz/CommunityHousing This document is also available at Council's Levin office, Te Takere, Foxton Library and Shannon Library.

Please note that your submission will be loaded into a public agenda.

Please note that required fields are identified with an * and a green border.

Contact Details

You must provide your contact details for your submission to be considered.

Title*:

First Name*: Surname*:

Name of Organisation:

Postal Address*: Postcode*:

Phone*: Mobile:

Email*:

Are you a current Council tenant?: Yes No



Communication

What is your preferred method of communication?*

Email Telephone Post



Presentation

Submissions will be heard by Council, with dates to be confirmed once submissions close. Do you wish to present your comments to Council in person?

Yes No

Proposal

Horowhenua District Council no longer provides Pensioner Housing as a core Council service. Yes No

Horowhenua District Council seeks expressions of interest from Community Housing Providers for the stock transfer of Council's Pensioner Housing Portfolio. Yes No

Horowhenua District Council continues to take a leadership role in advocating and facilitating for wider community issues with regards to accessibility and affordability of quality housing. Yes No



1/3

Version Date: Wed, 17 Feb 16 10:46:34

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My Submission(s):

Please note your submission will be loaded into a public agenda.

Council should maintain its current holding of council housing and increase same in relation to the growth of the district as part of their core business.

Return your submission by:

- **Post to:** Community Housing Review Submission, Horowhenua District Council, Private Bag 4002, Levin 5540
- **Hand to:** Horowhenua District Council, 126 Oxford Street, Levin; or Te Takere; Foxton Library or Shannon Library
- **Email to:** recordsprocessing@horowhenua.govt.nz
- **Fax to:** (08) 366 0983

To ensure that it is considered we need to receive your submission by **5.00pm on Saturday, 19 March 2016.**

Privacy Act 1993

Please note that in accordance with the Local Government Act 2002, the content on this form including your personal information and submission will be made available to the media and public as part of the decision making process. Council may redirect your submission, where it relates to another process or to another Council. If this occurs you will be advised in writing.

This information will only be used for the purpose of the Community Housing Review and will be held by the Horowhenua District Council, 126 Oxford Street, Levin. You have the right to access the information and request its correction. If you wish for any personal information to be withheld, please contact Council.

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Version Date: Wed, 17 Feb 16 10:48:34

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126 Oxford Street, Private Bag 4002, Levin 5540
06 366 0999
enquiries@horowhenua.govt.nz
www.horowhenua.govt.nz



TRIM No. D16/835

Office Use Only

TRIM #: Submission No:

33

COMMUNITY HOUSING REVIEW SUBMISSION FORM

Contact Details (You must provide your contact details for your submission to be considered)

Full Name: Roberta Cecilia Kua - Kaczmarek

Are you a current Council tenant?

Name of Organisation: 'Seaview Trust'

Do you wish to be heard by the Council?

Postal Address: 6/42 Johnson St

I wish to speak to my submission

Roxton Post code: 4184

I do not wish to speak to my submission

Telephone: _____ Mobile: 022318 2664

Email: roberta@gmail.com

Submission

A TRUE AND FAIR REPORT TO THE 'PENITENT' HOUSING TRANSFER TO A REPUTABLE C.H.P. UNIT.



In accordance with the Local Government Act 2002, your submission will be made available to the public. The Council may redirect your submission, where it relates to another process or to another Council. If this occurs you will be advised in writing.



COMMUNITY HOUSING REVIEW SUBMISSION FORM

Contact Details (You must provide your contact details for your submission to be considered)

Full Name: <u>JOHN SEAN PATRICK</u>	Are you a current Council tenant? <input type="checkbox"/>
Name of Organisation: _____	Do you wish to be heard by the Council? <input type="checkbox"/>
Postal Address: <u>11 SEAVIEW FLATS</u>	I wish to speak to my submission <input type="checkbox"/>
<u>49 JOHNSON ST</u> Post code: _____	I do not wish to speak to my submission <input type="checkbox"/>
Telephone: <u>06 363 8962</u> Mobile: _____	
Email: _____	

Submission JUST HOPEING FOR A FAIR RESULT FROM THE COUNCIL TO LOOK TO THE RIGHTS OF THE PENSIONERS WHO A PREVIOUS GOVERNMENT PROMISED THESE FLATS IN PERPETUITY PERPETUITY



In accordance with the Local Government Act 2002, your submission will be made available to the public. The Council may redirect your submission, where it relates to another process or to another Council. If this occurs you will be advised in writing.

Code of Conduct Complaint - Mayor Brendan Duffy

File No.: 16/177

1. 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.

2. Recommendation

- 2.1 That Report 16/177 Code of Conduct Complaint - Mayor Brendan Duffy be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That Council resolves to investigate the alleged breach of its Code of Conduct by Mayor Duffy.
- 2.4 That the Chief Executive recommends to Council that Ms Jenny Rowan and Mr Doug Rowan comprise the Code of Conduct Committee.

3. Issues for Consideration

- 3.1 Councillors Feyen and Campbell have filed a Code of Conduct complaint against Mayor Duffy with documentation handed to the Chief Executive at the Council Meeting of 6 April 2016.
- 3.2 Council's Code of Conduct advises, following receipt of a written complaint, consideration is then to be given to whether the matter is to be pursued.
- 3.3 Council is required to determine whether it wishes to pursue the matter, and if it does, in accordance with Part 4 of Council's Code of Conduct, the alleged breach will be referred to a Committee appointed by Council. The Code of Conduct provides for a Committee made up of the Mayor, Deputy Mayor and one member of the public with appropriate expertise.
- 3.4 The Code also highlights that should there be any doubt as to the neutrality of those investigating and/or adjudicating the Code of Conduct complaint, alternate members of the Committee will be considered.
- 3.5 As this Code of Conduct Complaint involves the Mayor, a Committee made up of external appointees is recommended.
- 3.6 The appointed Committee will investigate the alleged breach and prepare a report for the consideration of Council. Before beginning any investigation, the Committee will notify the elected member in writing of the complaint and explain when and how they will get the opportunity to put their version of events.
- 3.7 If Council passes a resolution to investigate the allegation, the Chief Executive recommends to Council that Ms Jenny Rowan and Mr Doug Rowan comprise the Code of Conduct Committee. Following the make-up of the Committee being approved, an appropriate date for the first meeting will then be arranged. Meetings of the Committee will be held in a public excluded environment, albeit any subsequent resolution of Council in relation to the matter will be publicly notified.

Attachments

No.	Title	Page
A	Code of Conduct Complaint - Mayor Brendan Duffy	185

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Clapperton Chief Executive	
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Approved by	David Clapperton Chief Executive	
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Mr David Clapperton
Chief Executive
Horowhenua District Council

6 April 2016

Code of Conduct Complaint

We are hereby filing a formal complaint against Mayor Brendan Duffy for his conduct during an adjournment of the Horowhenua District Council meeting that took place on Wednesday 3 February 2016. This was the meeting when Mayor Duffy had ordered us to remove our hard hats and fluoro vests, or we would not get the opportunity to engage in the meeting.

During this adjournment, Cherie Taylor, the Editor of the Horowhenua Chronicle asked if she could speak with us and take a photograph of us wearing our safety helmets and Hi Viz jackets. We agreed and were having a conversation with her in the atrium foyer. Mayor Duffy walked up to us and stood motionless, staring directly at Ms Taylor.

I (Cr Feyen) asked Mayor Duffy what he wanted. He said nothing and continued staring at Ms Taylor. I asked him again what he wanted. He replied that he wanted to know what we were talking about. I said it was obvious. It was about why we were wearing safety gear. Mayor Duffy told us to "Get out". I responded: "Let's go outside" as the conversation had nothing to do with him. I heard Ms Taylor say something along the lines that she would talk to Mayor Duffy later. He then put his nose close to hers and his body language was intimidating as he said: "Don't bother – your job is on the line."

We ask that this complaint be investigated by the Committee appointed to pursue another complaint and report back to Council in accordance with Council's Code of Conduct.

CODE OF CONDUCT

An objective of the code is to enhance:

- The credibility and accountability of the Council within its community

The Code of Conduct is based on general principles of good governance:

Honesty and Integrity. Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.

Accountability. Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should cooperate fully and honestly with the scrutiny appropriate to their particular office.

Openness: Members should be as open as possible about their actions and those of the Council and should be prepared to justify their actions.

Furthermore:

The media plays an important part in local democracy. In order to fulfil this role the media needs access to accurate, timely information about the affairs of Council.

Cr Mike Feyen



Cr Ross Campbell



Code of Conduct Complaint - Councillor Tony Rush

File No.: 16/178

1. 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.

2. Recommendation

- 2.1 That Report 16/178 Code of Conduct Complaint - Councillor Tony Rush be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That Council resolves to investigate the alleged breach of its Code of Conduct by Councillor Rush.
- 2.4 That the Chief Executive recommends to Council that Ms Jenny Rowan and Mr Doug Rowan comprise the Code of Conduct Committee.

3. Issues for Consideration

- 3.1 Councillors Feyen and Campbell have filed a Code of Conduct complaint against Councillor Rush, with documentation handed to the Chief Executive at the Council Meeting of 6 April 2016.
- 3.2 Council's Code of Conduct advises, following receipt of a written complaint, consideration is then to be given to whether the matter is to be pursued.
- 3.3 Council is required to determine whether it wishes to pursue the matter, and if it does, in accordance with Part 4 of Council's Code of Conduct, the alleged breach will be referred to a Committee appointed by Council. The Code of Conduct provides for a Committee made up of the Mayor, Deputy Mayor and one member of the public with appropriate expertise.
- 3.4 The Code also highlights that should there be any doubt as to the neutrality of those investigating and/or adjudicating the Code of Conduct complaint, alternate members of the Committee will be considered.
- 3.5 Because of possible issues with regard to neutrality, a Committee made up of external appointees is recommended.
- 3.6 The appointed Committee will investigate the alleged breach and prepare a report for the consideration of Council. Before beginning any investigation, the Committee will notify the elected member in writing of the complaint and explain when and how they will get the opportunity to put their version of events.
- 3.7 If Council passes a resolution to investigate the allegation, the Chief Executive recommends to Council appropriate that Ms Jenny Rowan and Mr Doug Rowan comprise the Code of Conduct Committee. Following the make-up of the Committee being approved, an appropriate date for the first meeting will then be arranged. Meetings of the Committee will be held in a public excluded environment, albeit any subsequent resolution of Council in relation to the matter will be publicly notified.

Attachments

No.	Title	Page
A	Code of Conduct Complaint - Tony Rush	188

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Clapperton Chief Executive	
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Approved by	David Clapperton Chief Executive	
-------------	--	--

6 April 2016

Mr David Clapperton
Chief Executive
Horowhenua District Council

Code of Conduct Complaint

We are hereby filing a formal complaint against Cr Tony Rush for his conduct during a Horowhenua District Council meeting that took place on Wednesday 2 March 2016.

During a debate, Cr Rush stated: "We don't trust you. We don't respect you. We don't even like you. Goodbye."

We ask that this complaint be investigated by the Committee appointed to pursue another complaint and report back to Council in accordance with Council's Code of Conduct.

CODE OF CONDUCT

An objective of the code is to enhance:

- Mutual trust, respect and tolerance between the elected members as a group

Elected members will conduct their dealings with each other in ways that:

- Focus on issues rather than personalities
- Avoid aggressive, offensive or abusive conduct
- Show respect for each other

Cr Mike Feyen



Cr Ross Campbell



Exclusion of the Public : Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

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
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>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>

