

RUAPEHU DISTRICT COUNCIL

Confidential Reports Released into the Public Business

FROM THE PUBLIC EXCLUDED MEETING OF RUAPEHU DISTRICT COUNCIL
ON WEDNESDAY 16 SEPTEMBER 2020

Item

C4 Social Housing Rent Charges 2020/21

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Social Housing Rent Charges 2020/21	s7(2)(a) To protect the privacy of natural persons, including that of deceased natural person	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7

The report has been released into the Public Business through an Official Information Request. The minutes were previously released into the Public Business through a resolution at the meeting 16 September 2020.

Minutes

C4 Social Housing Rent Charges 2020/21

- 1 That the report on Social Housing Rent Charges 2020/21 be received
- 2 That the rental rates for Council's Social Housing for 2020/21 be adopted as follows:

Location	Current (p/w)	Reviewed Increase (requires resolution of Council, then 60 days' notice)
<i>Taumarunui Bedsit</i>	\$80	\$90
<i>Single bedroom Rochfort & Rangimarie</i>	\$115	\$130
<i>Single bedroom Ohakune</i>	\$125	\$135
<i>Taumarunui Cherry Grove Double bedroom</i>	\$130	\$145

- 3 That social housing rental rates are reviewed annually.
- 4 That this resolution is recorded in the Public Business minutes of this meeting.
- 5 That this report is not released as publicly available information

Report to: Council

Meeting Date: 16 September 2020

Subject: Social Housing Rent Changes 2020/21



Purpose of Report

- 1.1 The purpose of this report is to request confirmation or change to rental rates for Council's Social Housing portfolio as resolved as part of the Fees and Charges for 2020/21.

Significance and Engagement

- 2.1 This report does not trigger the Significance and Engagement Policy.

Background

- 3.1 As part of the adoption of the Annual Plan 2020/21, the fees and charges were set for the current financial year.

- 3.2 It was highlighted in the report to Council on 24 June 2020 that fees for social housing were to increase (as below):

4.3.7 Housing – Social

There are proposed changes across all of council's social housing to bring them more in line with rentals proposed within the housing strategy work.

- 4.3.8 (a) Taumarunui Bedsit – Increased from \$80 to \$100 per week
 (b) Taumarunui and Ohakune – Single bedroom – Increased from \$115 to \$135 p/w
 (c) Taumarunui – 2 bedroom – Increased from \$130 to \$155 p/w
 (d) Taumarunui – Taupo Road Units – Garage only - \$10
 (e) Replacement of lost keys – new charge - \$25
 (f) After hours staff call out – new charge - \$50

- 3.3 It was resolved at that meeting *“that the proposed changes are adopted”*.

- 3.4 This results in the following change:

Location	Current (p/w)	2020/21 Fees and Charges (Including notice period, from 28/09/2020)
Taumarunui Bedsit	\$80	\$100
Single bedroom Rochfort & Rangimarie	\$115	\$135
Single bedroom Ohakune	\$125	
Taumarunui Cherry Grove Double bedroom	\$130	\$155

- 3.4 The proposed changes to the rental rates were based on staff understanding that the maximum accommodation supplement was not being received, and that this increase would not have a full and significant impact on the cash flow of the tenants.

Discussion

5.1 **Social Impact Analysis**

5.2 There is no wider social impact on residents of the district, however there is a possibility for a large social impact on residents of Council social housing units, if there is a significant financial burden placed on them by this increase in rental rates.

5.3 Council officers have received feedback from a number of tenants that the increase in rental rates has impacted them directly, whereby the approved rent increase, coincided with an increase in their NZ Superannuation payment. Specifically, the \$25 per week increase in rent at Cherry Grove Court negated the \$25 per week increase in their superannuation.

5.4 Staff were distressed to hear that their advice to Council to increase the rent has had a potentially significant financial impact on our social housing tenants.

5.5 Staff have however confirmed the original understanding, which is that there will be a corresponding increase in Housing Accommodation Supplement that is able to be claimed. For every \$10 increase in rental, there is an increase in accommodation supplement of \$7.

5.6 The attached spreadsheet shows the following information:

1	Current rent per week
2	Current Accommodation Supplement available at that rental rate (NZ Super)
3	Current Accommodation Supplement available at that rental rate (Supported Living)
4	New approved rent per week 20/21 Fees and Charges
5	Market Rental Assessments (possible increase that we could have had)
6	New Accommodation Supplement with NEW rent (NZ Super)
7	New Accommodation Supplement with NEW rent (Supported Living)
8	Increase in rent (\$ per week)
9	Increase in Accommodation Supplement NZ Super (\$ per week)
10	Increase in Accommodation Supplement Supported living (\$ per week)
11	Actual financial impact NZ Super (\$ per week)
12	Actual financial impact Supported Living (\$ per week)

5.7 The information in the attachment shows that the tenants facing the highest financial impact from the adopted changes are:

1. Tenants of bedsit units, with a direct impact of \$20 per week, based on a \$20 per week increase in rent.
2. Tenants of Cherry Grove Court, with a direct impact of \$11 per week, based on a \$25 per week increase in rent.

5.8 It is recommended that the rental increase be reviewed to ensure that all tenants have a less than \$10 per week direct financial impact regardless of tenancy type, and whether on NZ Superannuation or the Supported Living benefit.

5.9 It is understood from some tenants that they are not entitled to receive any Accommodation Supplement, therefore they will have to cover the total rent increase which will be detrimental to their weekly available cash flow.

5.10 It is therefore proposed that the following reviewed increase be adopted for the Fees and Charges for social housing tenancies:

Location	Current (p/w)	2020/21 Fees and Charges (Including notice period, from 28/09/2020)	Reviewed Increase (requires resolution of Council, then 60 days' notice)
Taumarunui Bedsit	\$80	\$100	\$90
Single bedroom Rochfort & Rangimarie	\$115	\$135	\$130
Single bedroom Ohakune	\$125	\$135	\$135
Taumarunui Cherry Grove Double bedroom	\$130	\$155	\$145

- 5.11 If Council resolves to accept the new "Reviewed Increase" as highlighted above, or in fact to arrive at a different rental rate, this will replace the previous approved rental rates, adopted on the 24 June 2020 meeting, and will require 60 days' notice to tenants.
- 5.12 If Council resolves to retain the previously adopted rental rates, there is no further action required.

Suggested Resolution(s)

- 1 That the report on Social Housing Rent Changes 2020/21 be received.
- 2 That the rental rates for Council's Social Housing for 2020/21 be kept as adopted at the 24 June 2020 meeting.

Or: be adopted as follows:

Location	Current (p/w)	Reviewed Increase (requires resolution of Council, then 60 days' notice)
Taumarunui Bedsit	\$80	\$90
Single bedroom Rochfort & Rangimarie	\$115	\$130
Single bedroom Ohakune	\$125	\$135
Taumarunui Cherry Grove Double bedroom	\$130	\$145

- 3 That this resolution is/is not recorded in the Public Business Minutes of this meeting.
- 4 That this report is/is not released as publicly available information.



Rebeca Van Orden
TEAM LEADER COMMUNITY PROPERTY

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Attachments Working for Impact on Social Housing Tenants

Adopted 24/06/2020

	1	2	3	4	5	6	7	8	9	10	11	12
	OLD	Acc. Supp.	Acc. Supp.	NEW	Feb-19	Acc. Supp.	Acc. Supp.	Increase	NZ Super	Supported Living	NZ Super	Supported Living
Location	Current (p/w)	National Super (living alone)	Supported Living (single 18 and over)	From 28 Sep 2020 (p/w)	Market Rental Assessment	National Super (living alone)	Supported Living (single 18 and over)	In Rent (p/w)	In Suppl. (P/W)	In Suppl. (P/W)	Actual impact (p/w)	Actual impact (p/w)
Taumarunui Bedsit	\$80.00	\$0.00	\$3.00	\$100.00	\$150-155	\$0.00	\$17.00	\$20.00	\$0.00	\$14.00	\$20.00	\$6.00
Single bedroom Rochfort & Rangimarie	\$115.00	\$7.00	\$27.00	\$135.00	\$190-200	\$21.00	\$41.00	\$20.00	\$14.00	\$14.00	\$6.00	\$6.00
Single bedroom Ohakune	\$125.00	\$14.00	\$34.00	\$135.00	\$190-200	\$21.00	\$41.00	\$10.00	\$7.00	\$7.00	\$3.00	\$3.00
Taumarunui Cherry Grove Double bedroom	\$130.00	\$21 (for \$135)	\$38.00	\$155.00	\$210.00	\$35.00	\$55.00	\$25.00	\$14.00	\$17.00	\$11.00	\$8.00

Proposed reviewed change

	1	2	3	4	5	6	7	8	9	10	11	12
	OLD	Acc. Supp.	Acc. Supp.	Reviewed	Feb-19	Acc. Supp.	Acc. Supp.	Increase	NZ Super	Supported Living	NZ Super	Supported Living
Location	Current (p/w)	National Super (living alone)	Supported Living (single 18 and over)		Market Rental Assessment	National Super (living alone)	Supported Living (single 18 and over)	In Rent (p/w)	In Suppl. (P/W)	In Suppl. (P/W)	Actual impact (p/w)	Actual impact (p/w)
Taumarunui Bedsit	\$80.00	\$0.00	\$3.00	\$90.00	\$150-155	\$0.00	\$10.00	\$10.00	\$0.00	\$7.00	\$10.00	\$3.00
Single bedroom Rochfort & Rangimarie	\$115.00	\$7.00	\$27.00	\$130.00	\$190-200	\$17.50	\$38.00	\$15.00	\$10.50	\$11.00	\$4.50	\$4.00
Single bedroom Ohakune	\$125.00	\$14.00	\$34.00	\$135.00	\$190-200	\$21.00	\$41.00	\$10.00	\$7.00	\$7.00	\$3.00	\$3.00
Taumarunui Cherry Grove Double bedroom	\$130.00	\$17.50	\$38.00	\$145.00	\$210.00	\$28.00	\$48.00	\$15.00	\$10.50	\$10.00	\$4.50	\$5.00

Recommended Rental

Location	Current (p/w)	2020/21 Fees and Charges (Including notice period, from 28/09/2020)	Reviewed Increase (requires resolution of Council, then 60 days notice)
Taumarunui Bedsit	\$80	\$100	\$90
Single bedroom Rochfort & Rangimarie	\$115	\$135	\$130
Single bedroom Ohakune	\$125	\$135	\$135
Taumarunui Cherry Grove Double bedroom	\$130	\$155	\$150