

Housing

Housing: Rationale, Activities and Negative Effects

Activities included in Housing

- Housing

Housing contributes to these community outcomes

- There are affordable housing options in Christchurch
- Christchurch has a range of housing types
- Christchurch has good quality housing
- There is sufficient housing to accommodate residents

Housing has these negative effects:

Effect	Council's Mitigation Measure
Potential neighbourhood discomfort with proposed changes to housing type, density and community mix	Complete effective consultative processes with neighbourhoods and key stakeholders.

Housing Statement of Service Provision

Activity	Services provided	Performance Measures	Performance Targets				
			Current	2015-16	2016-17	2017-18	2018-2025
Housing	Social housing complexes	Provide a portfolio of Social Housing rental units that are fit for purpose	Maintain at least 2,100 units in Council housing stock. [1]	Maintain at least 2,270 units in Council Housing Portfolio and increase to at least 2,347 by year end (subject to contractor availability, Council rebuild priorities and timing of owner occupier unit acquisitions)	Maintain at least 2,347 units in Council Housing Portfolio and increase to at least 2,363 by year end (schedule subject to contractor availability, Council rebuild priorities and timing of owner occupier unit acquisitions)	Maintain at least 2,363 units in Council Housing Portfolio and increase to at least 2,366 by year end (schedule subject to contractor availability, Council rebuild priorities and timing of owner occupier unit acquisitions)	Maintain at least 2,366 units in Council Housing Portfolio
		Identify options for Council to implement a National Rental Housing WOF programme	New measure [2]	Housing WOF programme implemented for Council Portfolio	Housing WOF standards achieved for Council Portfolio	Housing WOF standards achieved for Council Portfolio	Housing WOF standards achieved for Council Portfolio
	Social housing tenancy services	Ensure tenants of Council housing complexes are well housed	At least 97% average occupancy rate in Council housing	At least 97% average occupancy rate in Council housing (occupancy rate based on units available to be tenanted exclusive of repair and maintenance schedules	At least 97% average occupancy rate in Council housing (occupancy rate based on units available to be tenanted exclusive of repair and maintenance schedules	At least 97% average occupancy rate in Council housing (occupancy rate based on units available to be tenanted exclusive of repair and maintenance schedules	At least 97% average occupancy rate in Council housing (occupancy rate based on units available to be tenanted exclusive of repair and maintenance schedules
			New target [3]	At least 300 houses have their energy efficiency improved over the first three years of the LTP	At least 300 houses have their energy efficiency improved over the first three years of the LTP	At least 300 houses have their energy efficiency improved over the first three years of the LTP	To be determined dependent upon funding streams
		Tenants of Council housing are satisfied with quality of tenancy service provided	At least 80% of tenants are satisfied with the quality of the tenancy service provided.	At least 80% of tenants are satisfied with the quality of the tenancy service provided	At least 80% of tenants are satisfied with the quality of the tenancy service provided	At least 80% of tenants are satisfied with the quality of the tenancy service provided	At least 80% of tenants are satisfied with the quality of the tenancy service provided

Activity	Services provided	Performance Measures	Performance Targets				
			Current	2015-16	2016-17	2017-18	2018-2025
Housing (continued)	Social housing tenancy services (continued)	Tenants of Council housing are satisfied with quality of tenancy service provided (continued)	At least 80% of Council housing tenants are satisfied with overall condition of their unit	At least 80% of Council housing tenants are satisfied with overall condition of their unit	At least 80% of Council housing tenants are satisfied with overall condition of their unit	At least 80% of Council housing tenants are satisfied with overall condition of their unit	At least 80% of Council housing tenants are satisfied with overall condition of their unit
		Maintain Council housing rentals at an affordable level and continue to be rates neutral	Council housing rents are set using a cost of consumption model and are set at no more than 80% of market rentals [4]	Council housing rents are set annually using a cost of consumption model, or if the portfolio is leased to a Community Housing Provider the rents will be set in line with the Ministry of Social Development Income Related Rent Subsidy policy	Council housing rents are set annually using a cost of consumption model, or if the portfolio is leased to a Community Housing Provider the rents will be set in line with the Ministry of Social Development Income Related Rent Subsidy policy	Council housing rents are set annually using a cost of consumption model, or if the portfolio is leased to a Community Housing Provider the rents will be set in line with the Ministry of Social Development Income Related Rent Subsidy policy	Council housing rents are set annually using a cost of consumption model, or if the portfolio is leased to a Community Housing Provider the rents will be set in line with the Ministry of Social Development Income Related Rent Subsidy policy
	Affordable housing services	Support the development of affordable housing	New measure [5]	Deliver Council 's Housing Accord responsibilities that will achieve a 10% reduction in the number of households at the 40 th percentile of household income paying more than 30% of household income on housing by the conclusion of the accord	Deliver Council 's Housing Accord responsibilities that will achieve a 10% reduction in the number of households at the 40 th percentile of household income paying more than 30% of household income on housing by the conclusion of the accord	Deliver Council 's Housing Accord responsibilities that will achieve a 10% reduction in the number of households at the 40 th percentile of household income paying more than 30% of household income on housing by the conclusion of the accord	Future performance targets will be agreed in light of future analysis
	Emergency/ transitional housing services	Identify options for Council to support the development of more emergency housing	New measure [6]	Facilitate at least 60 additional home spaces are provided in Christchurch over the first three years of the 2015/25 LTP	Facilitate at least 60 additional home spaces are provided in Christchurch over the first three years of the 2015/25 LTP	Facilitate at least 60 additional home spaces are provided in Christchurch over the first three years of the 2015/25 LTP	Future performance targets will be set in light of an updated supply and demand analysis

Proposed Changes for the Housing activity	Rationale
[1] Increase the number of housing units from 2,100 to 2,363 over the first three years of the plan	Restore number of units to as close to pre-quake as permitted by available funding
[2] Implement a housing warrant of fitness programme for the Council's portfolio	Improve / maintain the standard of Council-supplied housing
[3] Improve energy efficiency of the Council's housing stock	Reduced cost of operation / improved living conditions / sound environmental policy
[4] New formula for calculating Council housing rents	More accurately reflect costs of providing the service; achieve consistency with the Ministry of Social Development Income Related Rent Subsidy policy
[5] Contribute to achieving more affordable housing through participation in a housing accord with the Government	Increase affordable housing in Christchurch
[6] Facilitate providing additional emergency housing	The level of homelessness has increased following the earthquakes

Housing

Plan 2014/15		Plan 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		\$000									
Cost of proposed services											
29,780	Housing	37,586	27,359	21,719	21,551	22,318	22,842	23,586	24,516	24,822	25,759
29,780		37,586	27,359	21,719	21,551	22,318	22,842	23,586	24,516	24,822	25,759
Operating revenue from proposed services											
13,386	Housing	14,116	14,726	15,378	16,058	16,801	17,596	18,464	19,395	20,391	21,482
13,386		14,116	14,726	15,378	16,058	16,801	17,596	18,464	19,395	20,391	21,482
	Capital Revenues	13,231	2,148	-	-	-	-	-	-	-	-
-	Vested assets	-	-	-	-	-	-	-	-	-	-
16,394	Net cost of services	10,239	10,485	6,341	5,493	5,517	5,246	5,122	5,121	4,431	4,277

Housing funding impact statement

Plan 2014/15		\$000	Plan 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Sources of operating funding												
-	General rates, uniform annual general charges, rates penalties		-	-	-	-	-	-	-	-	-	-
-	Targeted rates		-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes		-	-	-	-	-	-	-	-	-	-
13,373	Fees and charges		14,080	14,688	15,338	16,018	16,760	17,554	18,420	19,350	20,345	21,434
-	Internal charges and overheads recovered		-	-	-	-	-	-	-	-	-	-
13	Local authorities fuel tax, fines, infringement fees, and other receipts (a)		37	39	39	40	41	42	44	45	46	48
13,386	Total operating funding		14,117	14,727	15,377	16,058	16,801	17,596	18,464	19,395	20,391	21,482
Applications of operating funding												
22,784	Payments to staff and suppliers		29,957	19,318	13,512	13,131	13,491	13,822	14,219	14,646	15,086	15,576
1	Finance costs		-	-	-	-	-	-	-	-	-	-
983	Internal charges and overheads applied		723	798	753	756	842	791	814	914	853	880
-	Other operating funding applications		-	-	-	-	-	-	-	-	-	-
23,768	Total applications of operating funding		30,680	20,116	14,265	13,887	14,333	14,613	15,033	15,560	15,939	16,456
(10,382)	Surplus (deficit) of operating funding		(16,563)	(5,389)	1,112	2,171	2,468	2,983	3,431	3,835	4,452	5,026
Sources of capital funding												
-	Subsidies and grants for capital expenditure		-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions		-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt		-	-	-	-	-	-	-	-	-	-
-	Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions		-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding		13,231	2,148	-	-	-	-	-	-	-	-
-	Total sources of capital funding		13,231	2,148	-	-	-	-	-	-	-	-
Applications of capital funding												
12,718	Capital expenditure											
-	- to replace existing assets (b)		16,023	5,335	2,398	2,636	2,521	2,589	2,858	2,545	2,626	2,928
-	- to improve the level of service		-	-	-	-	-	-	-	-	-	-
-	- to meet additional demand		-	-	-	-	-	-	-	-	-	-
(23,100)	Increase (decrease) in reserves		(19,355)	(8,576)	(1,286)	(465)	(53)	394	573	1,290	1,826	2,098
-	Increase (decrease) of investments		-	-	-	-	-	-	-	-	-	-
(10,382)	Total applications of capital funding		(3,332)	(3,241)	1,112	2,171	2,468	2,983	3,431	3,835	4,452	5,026
10,382	Surplus (deficit) of capital funding		16,563	5,389	(1,112)	(2,171)	(2,468)	(2,983)	(3,431)	(3,835)	(4,452)	(5,026)
-	Funding balance		-	-	-	-	-	-	-	-	-	-
Reconciliation to net cost of services												
(10,382)	Surplus (deficit) of operating funding from funding impact statement		(16,563)	(5,389)	1,112	2,171	2,468	2,983	3,431	3,835	4,452	5,026
-	Remove rates funding		-	-	-	-	-	-	-	-	-	-
(6,012)	Deduct depreciation expense		(6,907)	(7,244)	(7,453)	(7,664)	(7,985)	(8,229)	(8,553)	(8,956)	(8,883)	(9,303)
-	Add capital revenues		13,231	2,148	-	-	-	-	-	-	-	-
-	Add vested assets / non cash revenue		-	-	-	-	-	-	-	-	-	-
(16,394)	Net cost of services per activity statement surplus/(deficit)		(10,239)	(10,485)	(6,341)	(5,493)	(5,517)	(5,246)	(5,122)	(5,121)	(4,431)	(4,277)
Footnotes												
-	(a) Earthquake related operating recoveries		-	-	-	-	-	-	-	-	-	-
9,134	(b) Earthquake rebuild application of capital funding		13,570	2,996	-	-	-	-	-	-	-	-