

MINUTES

THURSDAY 16 JUNE 2005

9.21AM – 9.23AM

9.38AM – 12.29PM

2.05 – 2.32PM

**Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington**

PRESENT:

Mayor Prendergast

Councillor Armstrong (Chair)

Councillor Ahipene-Mercer

Councillor Cook

Councillor Foster

Councillor Gill

Councillor Goulden (11.26am – 12.13pm.)

Councillor McKinnon

Councillor Morrison

Councillor Pepperell (9.21 – 9.23am, 9.38am – 12.14pm, 12.19 – 12.29pm, 2.05 – 2.29pm)

Councillor Ritchie (11.20am – 12.29pm, 2.05 – 2.29pm)

Councillor Ruben

Councillor Shaw

Councillor Wade-Brown

Councillor Wain

APOLOGIES:

Councillor Goulden (for lateness)

170/05P **ADJOURNMENT OF MEETING**
(1215/52/IM)

NOTED:

The meeting convened at 9.21am and adjourned at 9.23am until public participation had been conducted at the ordinary meeting of the Strategy and Policy Committee.

(The meeting reconvened at 9.38am.)

171/05P **APOLOGIES**
(1215/52/IM)

RESOLVED:

THAT the Strategy and Policy Committee:

1. *Accept apologies for lateness from Councillor Goulden.*

172/05P **CONFLICT OF INTEREST DECLARATIONS**
(1215/52/IM)

NOTED:

There were no conflicts of interest declared.

173/05P **PUBLIC PARTICIPATION**
(1215/52/IM)

NOTED:

There was no public participation.

174/05P **REVIEW OF HOUSING RENTAL POLICY**
Report of Wendy Walker – Director, Community Services.
(1215/52/IM) (REPORT 1)

Moved Councillor Cook, seconded Councillor Shaw, the substantive motion recommendations 1 – 14.

Moved Councillor Wade-Brown, seconded Councillor Gill the following amendments.

- “3. Agree to use the **low** point of the “as is” valuation range to benchmark 70% rentals.
- 6c. No annual increase for a single person household should exceed \$20 per week.
- 12. Note the increased revenue to Council unbudgeted in the Draft Annual Plan is **\$600,000** for the ten month period September 2005 to June 2006 and will be presented to Council as part of the Annual Plan deliberations.
- 15. New recommendation “request officers to report back on the possibility of spreading the estimated \$90m reconfiguration over 20 years”.
- 16. Request officers to continue discussions with central government about the possibility of bulk funding the accommodation supplement to enable Council tenants to move to the same rent regime as Housing Corporation tenants i.e. 25% of income.
- 17. Request officers to continue work on Housing Asset Reconfiguration Strategy.
- 18. Request officers to report back on the effects of ring fencing the surplus (income – expenditure) to reinvest in maintenance and upgrades and suspending any return on investment requirement in time for consultation in the 2006/2007 draft Annual Plan.”

(The meeting adjourned for morning tea at 10.33am.)

(Councillor Ritchie joined the meeting at 11.20am.)

(Councillor Goulden joined the meeting at 11.26am.)

The amendment to recommendation 3 was put and a DIVISION called.

Voting for: Councillors Ahipene-Mercer, Cook, Gill, Goulden, Pepperell, Ritchie, Ruben and Wade-Brown.

Voting against: Mayor Prendergast, Councillors Armstrong, Foster, McKinnon, Morrison, Shaw and Wain.

Majority Vote: 8:7

The amendment to recommendation 3 was declared CARRIED.

The motion to refer recommendation 3 to Council was put.

Voting for: Mayor Prendergast, Councillors Armstrong, Foster, McKinnon, Morrison, Shaw and Wain.

Voting against: Councillors Ahipene-Mercer, Cook, Gill, Goulden, Pepperell, Ritchie, Ruben and Wade-Brown.

Majority Vote: 7:8

The motion to refer recommendation 3 to Council was declared CARRIED.

Note Standing order 180 requires 6 Councillors to ask for an item to be referred to Council.

The amendment for a new 6c was put and a DIVISION called.

Voting for: Mayor Prendergast, Councillors Ahipene-Mercer, Cook, Gill, Goulden, McKinnon, Morrison, Pepperell, Ritchie, Ruben, Shaw, Wade-Brown and Wain.

Voting against: Councillors Armstrong and Foster.

Majority Vote: 13:2

The amendment for a new 6c was declared CARRIED.

The amendment to recommendation 12 was put and a DIVISION called.

Voting for: Councillors Ahipene-Mercer, Cook, Gill, Goulden, Pepperell, Ritchie, Ruben and Wade-Brown.

Voting against: Mayor Prendergast, Councillors Armstrong, Foster, McKinnon, Morrison, Shaw and Wain.

Majority Vote: 8:7

The amendment to recommendation 12 was declared CARRIED.

The amendment for a new recommendation 15 was put and a DIVISION called.

Voting for: Councillors Ahipene-Mercer, Cook, Gill, Pepperell, Ritchie, Ruben and Wade-Brown.

Voting against: Mayor Prendergast, Councillors Armstrong, Foster, Goulden, McKinnon, Morrison, Shaw and Wain.

Majority Vote: 7:8

The amendment for a new recommendation 15 was declared LOST.

The amendment for a new recommendation 16 was put and a DIVISION called.

Voting for: Councillors Ahipene-Mercer, Cook, Goulden, McKinnon, Morrison, Pepperell, Ruben, Shaw, Wade-Brown and Wain.

Voting against: Mayor Prendergast, Councillors Armstrong, Foster and Ritchie.

Majority Vote: 11:4

The amendment for a new recommendation 16 was declared CARRIED.

The amendment for a new recommendation 17 was put and a DIVISION called.

Voting for: Mayor Prendergast, Councillors Ahipene-Mercer, Cook, Gill, Goulden, McKinnon, Morrison, Pepperell, Ritchie, Ruben, Shaw, Wade-Brown and Wain.

Voting against: Councillors Armstrong and Foster.

Majority Vote: 13:2

The amendment for a new recommendation 17 was declared CARRIED.

The amendment for a new recommendation 18 was put and a DIVISION called.

Voting for: Mayor Prendergast, Councillors Ahipene-Mercer, Cook, Foster, Gill, Goulden, McKinnon, Pepperell, Ritchie, Ruben, Shaw, Wade-Brown and Wain.

Voting against: Mayor Prendergast, Councillors Armstrong and Morrison.

Majority Vote: 12:3

The amendment for a new recommendation 18 was declared CARRIED.

(The meeting adjourned at 11.59am for a short break and reconvened at 12.09pm.)

Disorder

Councillor Goulden was requested under standing orders 138 to apologise for remarks that he made to the Chair. He refused to do so and was requested to leave the meeting.

Councillor Goulden left the meeting at 12.13pm.)

(Councillor Pepperell left the meeting at 12.14pm.)

(Councillor Pepperell returned to the meeting at 12.19pm.)

The substantive motion recommendations 1 – 2, 4, 6 as amended, 7 – 11, 13 – 18 were put and declared CARRIED.

The substantive motion recommendation 3 was put and a DIVISION called.

Voting for: Councillors Ahipene-Mercer, Cook, Gill, Pepperell, Ritchie, Ruben and Wade-Brown.

Voting against: Mayor Prendergast, Councillors Armstrong, Foster, McKinnon, Morrison, Shaw and Wain.

Majority vote: 7:7

The substantive motion recommendation 3 was declared LOST on the casting vote of the chair.

The substantive motion recommendation 5 was put and a DIVISION called.

Voting for: Councillors Ahipene-Mercer, Cook, Gill, McKinnon, Morrison, Pepperell, Ritchie, Ruben, Shaw, Wade-Brown and Wain.

Voting against: Mayor Prendergast, Councillors Armstrong and Foster.

Majority vote: 11:3

The substantive motion recommendation 12 as amended was put and a DIVISION called.

Voting for: Councillors Ahipene-Mercer, Cook, Gill, Pepperell, Ritchie, Ruben and Wade-Brown.

Voting against: Mayor Prendergast, Councillors Armstrong, Foster, McKinnon, Morrison, Shaw and Wain.

Majority vote: 7:7

The substantive motion recommendation 12 as amended was declared LOST on the casting vote of the chair.

The meeting adjourned at 12.29pm and reconvened at 2.05pm.

Mayor Prendergast, Councillors Ahipene-Mercer, Armstrong, Cook, Foster, Gill, McKinnon, Morrison, Pepperell, Ritchie, Ruben, Shaw, Wade-Brown and Wain were present when the meeting reconvened.

The meeting adjourned at 2.28pm and reconvened at 2.32pm.

Moved Councillor Armstrong, seconded Councillor Shaw the following motion.

“THAT the Strategy and Policy Committee has pursuant to Standing Order 171, received new information relating to the business before the meeting.”

The motion was put and declared CARRIED on voices.

The Committee were advised that should they proceed with referring the issue of referring recommendation 3 as amended to a meeting of Council, then Council runs the risk of not being able to notify tenants in the required period of time allowable for rent increases.

The members of the Committee who had earlier asked that they wished to have recommendation 3 as amended referred to Council advised that they were withdrawing their support for this.

RESOLVED:

THAT the Strategy and Policy Committee:

1. *Receive the information.*
2. *Agree to maintain Council's current rent policy at 70% of market with rent increases on 5 September 2005 based on March 2005 valuation updates.*
- ~~3. *Agree to use the mid point of the "as is" valuation range to benchmark 70% rentals.*~~
3. *Agree to change the name of the current hardship allowance to "affordable rent limit".*
4. *Agree to move affordable rent limits from 40% of income after tax down to 35% - a level closer to international and other New Zealand standards.*
5. *Agree to maintain other relief measures, specifically:*
 - a. *No rent increases for those aged over 80 years*
 - b. *No annual increase to exceed \$30 per week*
 - c. ***No annual increase for a single person household should exceed \$20 per week.***
6. *Agree to maintain current carpet charges and use of "as is" valuations for rent setting purposes for another year.*
7. *Agree to remove separate carpet charges and use "upgraded" valuations for rent setting purposes from September 2006.*
8. *Agree to inflation-adjust the current tenant income eligibility limit from \$445 per week for a couple to \$565 per week with changes to the limits for other household sizes on a pro-rata basis (attached as Appendix 1 to the minutes).*
9. *Agree to maintain asset eligibility thresholds at current levels of \$35,000 maximum for those people less than 50 years of age and \$50,000 for persons over 50 years of age.*
10. *Note that City Housing staff will work with Work and Income New Zealand (WINZ) staff to maximise tenant entitlements to the Accommodation Supplement and Working for Families policies.*

11. *Note the increased revenue to Council unbudgeted in the Draft Annual Plan is approximately \$600,000 for the ten month period September 2005 to June 2006 and will be presented to Council as part of the Annual Plan deliberations.*
12. *Note that any increased revenue will be offset against the organisational savings target for 2005/06 Annual Plan purposes.*
13. *Note that City Housing staff will implement a comprehensive communications strategy to ensure tenants and their advocates are fully informed about the 2005 rent changes.*
14. ***Request officers to continue discussions with central government about the possibility of bulk funding the accommodation supplement to enable Council tenants to move to the same rent regime as Housing Corporation tenants i.e. 25% of income.***
15. ***Request officers to continue work on Housing Asset Reconfiguration Strategy.***
16. ***Request officers to report back on the effects of ring fencing the surplus (income – expenditure) to reinvest in maintenance and upgrades and suspending any return on investment requirement in time for consultation in the 2006/2007 draft Annual Plan.***

NOTED:

1. Due to recommendations being lost following voting on by the Committee the numbering of the recommendations has been altered.
2. The resolutions differ from the recommendations in the officer's report as follows:

The Committee added the text in **bold** and deletions as shown.

The meeting concluded at 2.35pm

Confirmed: _____

Chair
/ /

Appendix One - Existing and Proposed Income and Asset Tenant Eligibility Caps

Income Eligibility Wellington City Council Housing

Family type	Current maximum weekly income	Current maximum annual income	Proposed maximum weekly income	Proposed maximum annual income
	After tax and before accommodation supplement	After tax and before accommodation supplement	After tax and before accommodation supplement	After tax and before accommodation supplement
1 adult	418	21,736	531	27,605
1 adult + 1 child	512	26,624	650	33,812
1 adult + 2 children	592	30,784	752	39,096
1 adult + 3 children	681	35,412	865	44,973
1 adult + 4 children	708	36,816	899	46,756
2 adults requiring 2 bedrooms	445	23,140	565	29,388
2 adults	538	27,976	683	35,530
2 adults + 1 child	619	32,188	786	40,879
2 adults + 2 children	708	36,816	899	46,756
2 adults + 3 children	750	39,000	953	49,530
2 adults + 4 children	708	36,816	899	46,756

Asset levels	Current	Proposed
Applicants under 50 - cash/investments should not exceed	\$35,000	
Applicants over 50 - cash/investments should not exceed	\$50,000	