

Elderly Persons Housing Activity

LTP Council Workshop

10 August 2023

The Elderly Persons Housing Activity

Provision of affordable housing for the elderly on low fixed incomes who meet the Council's entry criteria.

Council currently owns 21 complexes providing 215 units in Invercargill and Bluff with renewals and increasing housing stock programmed.

Strategic priorities and community outcomes



Most relevant strategic priorities

- Meeting the changing needs of our population, which is growing older and more diverse.
- Enabling the housing, health, security and social infrastructure our city needs to grow.
- Maintaining Community affordability in a time of economic volatility - core infrastructure, major projects and levels of service will be delivered with financial prudence and efficiency.
- Ensuring Council leadership and delivery is credible and effective, building community trust and engagement.

Key Challenges

- Increasing demand as our population grows older.
- Aligning stakeholder expectations with operational plans.
- Ageing assets.
- Existing financial model is not self sustaining.

Current Budget

Annual Plan
2023/2024
(\$000)

Operational

Targeted rates revenue	0	0%
General rates revenue	0	0%
Other revenue (excluding capital subsidy revenue)	1,772	100%
	<u>1,772</u>	

Operational expenditure (excluding depreciation)	1,333
Depreciation expenditure	<u>2,119</u>
	<u>3,452</u>

Capital

Capital subsidy revenue	0
Capital expenditure	
• to improve the level of service	1,678
• to replace existing assets	<u>87</u>
	<u>1,765</u>

Staff levels (excludes Casuals and Elected Members):

Managed by Property Team

Maintaining levels of service

- Increasing stakeholder demand reflecting increases in waiting times (including the recent decision from Presbyterian Support Services to disestablish their 25 rental units at Peacehaven within 12 months).
- Impacts of inflation, contractor availability and skills (price and delivery) while maintaining below market level rental income.
- Government and legislative changes.

Requirements to maintain compliance

- Maintaining the installed heating and ventilation to meet the Healthy Homes Standard and legislation.
- ACM inspection – to ensure the we are aware of all the hazards of asbestos exposure and are managed as appropriate.

Opportunities for cost savings / additional revenue

- Changing rental structure to move closer to market rental.
- Consider Partnership opportunities (Community Housing Providers, Iwi, Kaianga Ora).
- Disposal of Portfolio (partial or full).

Proposals for new or lifted level of service?

- Finalise/review Housing Policy which clarifies both landlord and tenant criteria and responsibilities.
- Developing agreed quality requirements to meet level of service (ie handrails, scooter facilities, accessibility improvements etc).
- Upgrades/renewals of property components embracing new building minimum standards and changing legislation/ compliance.
- Increase housing stock to meet growing demand.

Proposals for Central Government Funding

- 100 new homes in 5 years
- Proposed Council, Iwi, Central Government partnership
- Council would commit funding over the 5 years to a total value of \$7 million.
- Council to provide land + infrastructure connections
- Central Government to commit \$27M

Options for Council to consider

- Provision of Rates income for a balanced budget going forward.
- Bring forward the programme for increasing housing stock to meet growing demand.

Measuring performance

Levels of Service

Council provides housing for elderly people because it was a subsidised initiative lead by Central Government from the mid 1950s through to 1992. The form of the assistance was in subsidies and the provision of low-interest loans (3%). The basis of the government support was in a period of significant inward migration, and provision of smaller housing units for pensioners freed up larger family homes to ease housing shortages.

Council is a significant provider for elderly housing in Invercargill and Bluff. The target market for the units is people with limited financial resources and for whom the general housing market presents problems in terms of affordability and manageability.

KPIs

Units are occupied 95% of the time

Requests for service are responded to and remedial action in place: - Urgent

Requests for service are responded to and remedial action in place: - Non- Urgent

Maintenance inspections are undertaken

Asset Plan

- The Housing Property asset plan is included within the wider Property Asset Management Plan

Risks/Challenges

- Ageing stock and ageing tenants with increased needs equals increased demand on renewal plan
- Current rental income does not support the renewal plan
- Requires rates investment for a balanced budget