

## OVERVIEW

The demand for social housing in Auckland exceeds the supply of houses that are available, resulting in an increasing number of clients with a serious and urgent housing need that aren't being housed in adequate timeframes. Since June 2014 the social housing register has decreased from 5840 to 4619 nationally. In Auckland the number of people on the social housing register has decreased from 3339 to 1708 over the same period. While this decrease has helped to ease the housing demand in Auckland there are still 1,708 people on the social housing register who are either at risk or have a serious housing need.

## OBJECTIVE

MSD is currently developing a number of ways to assist more people to achieve better housing outcomes and alleviate hardship in Auckland. To further support these initiatives, MSD is currently investigating various grants to encourage social housing applicants and current tenants who are on the transfer register, that are willing able and deemed suitable, to move from the high housing demand area of Auckland to other social housing areas with lower demand or into the private sector. This will result in a decrease in the register and an increase of occupied social houses in other regions where demand is lower and houses are sitting vacant. This is a new initiative.

## Financial incentives: options to be considered

### 1. Moving Assistance Payment

This will be a lump sum payment of up to \$1,500.00 made direct to the client based on actual and reasonable costs to cover the moving costs. Payment will be made once confirmation of costs is received.

The Moving Assistance Payment is intended to assist a client and their family with the direct costs associated with moving. These cost could include; petrol, trailer hire, van hire, moving company hire.

At a cost of \$1,500.00 per client it would cost \$225,000.00 to assist 150 people and their families to move into sustainable housing outside of Auckland.

### 2. Establishment Grant

This will be a lump sum payment of \$3,000.00\* paid directly to the client.

This payment is to assist clients to move to lower demand areas and help alleviate hardship by reducing the impact of their overall financial situation of that move.

The Establishment Grant is intended to assist the client and acknowledge other costs associated with moving and re-establishing themselves in a community.

At a cost of \$3,000.00 per client it would cost \$450,000.00 to assist 150 people and their families to move into sustainable housing outside of Auckland.

\* Those who move into private rentals will receive a higher establishment fund than those moving into social housing

**NOTE:** Providing both the Establishment Grant and the Moving Assistance Payment at a cost of \$4,500.00 per client (max) it would cost \$675,000.00 to assist 150 people and their families to move into sustainable housing outside of Auckland.

**NOTE:** Options for Social bonding are being investigated.

## Legal and funding mechanism

Advice from MSD's Legal Service and Finance is being sought on the viability of developing a new welfare programme or amending the Housing Assistance Support Programme.

Potential funding arrangements being considered are integrating with Housing Assistance Support Programme funding, funding from baseline or reallocation of other programme funds.

Other impacts influencing funding include; IT system changes/updates, staff training, and any other cost related to the change.

The funding of this new assistance may require a budget bid.

The MSD options paper (to follow) will outline all advice and impacts in further details.

## Client groups to target

Register	Transfer register
People on the register that are: <ul style="list-style-type: none"> <li>• Single job seekers (no children)</li> <li>• NZ Super</li> <li>• Mismatched household composition</li> <li>• Opt ins</li> <li>• SLPs</li> </ul>	People on the transfer register that are: <ul style="list-style-type: none"> <li>• Single job seekers (no children)</li> <li>• NZ Super</li> <li>• Opt ins</li> <li>• SLPs</li> </ul>

NOTE: These are not limitations.

### Reasons behind targeting these groups:

Studies show in the UK, that younger, smaller and slightly better off families, older, single persons, childless, retired household client groups are more likely to achieve a successful move than larger households and those on Jobseeker Support.

A further target group will be those tenants in social housing in the Auckland area that are also on the transfer register. This group of clients has indicated a willingness (need) to move and may be open to moving areas outside of the Auckland area where the property and location is suitable.

### Tailored marketing

Tailored marketing will be developed to promote relocating from Auckland for different client groups.

## Suitable move criteria

For clients to be considered for the initiative they must meet the following:

- Resides in Auckland
- Benefit obligations and employment opportunities.
- Adequate support in place where required at new location.
- No parole/ court restrictions.
- Willing and able to relocate long term.
- Affordability if move into a private rental.

## Next steps

- MSD will provide an options paper on the initiative by mid March 2016.
- Options paper will seek agreement on scope of the initiative.

## Approach

Encouraging clients to move from Auckland using direct financial support. MSD will support and facilitate clients to transition from Auckland by:

- Engaging regularly with the client.
- Providing the client time to make an informed decision.
- Providing location based support to the client to help facilitate a successful integration into their new community.
- Location based support may be either internally or externally sourced, and would be for situations where the client requires greater support. The intent of this service is to ensure that the clients are established in a community and have a sustainable tenancy. Examples of this support could include virtual viewings of prospective properties, helping link families into community services in the new location e.g. GPs, mental health services etc.
- Funding and service design options for location based services are still being explored.

### Implementation would involve:

- The development of policy and legislative frameworks (as required).
- New practices developed for staff members.
- Training for service delivery staff.
- A Communication package for internal and external stakeholders, as well as affected people and media.
- Working with Housing New Zealand to determine low demand areas and areas with vacant properties and placement management.
- The development of location based support service.

### Service approach

MSD will primarily be interested in supporting clients who are willing and able to move out of Auckland, to reduce register numbers and alleviate hardship.

