

## 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 2,017 over the same period. While this decrease has helped to ease the housing demand in Auckland there are still 2,017 people on the social housing register who are either at risk or have a serious housing need.

## OBJECTIVE

MSD has created a new housing support package that will assist those who meet the suitable for relocation criteria, to relocate outside of the Auckland region. This will result in a decrease in the register and an increase of occupied social houses in other regions where demand is lower. This is a new initiative. The package consists of a one-off non-recoverable Relocation Assistance payment of up to \$5,000 per household to help with the actual and reasonable direct costs of moving and a one-off non-recoverable Establishment Grant of up to \$3,000 to incentivise moving from Auckland and alleviate the overall financial impact.

## Relocation support package

### 1. Relocation Assistance Payment

This will be a payment of up to \$5,000.00 made directly to the provider(s) based on actual and reasonable costs to cover the cost of moving. In exceptional circumstances, the \$5,000 limit may be able to exceeded with the service centre managers approval.

The Relocation 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, flights and moving company hire.

The amount of the assistance will depend on each households individual needs. It is estimated that smaller households will likely require between \$1,000.00 to \$4,000.00. In some limited circumstances households may require up to or in excessive \$5,000.00 depending on the distance moved, size of the household and individual circumstances within the household (medical needs etc).

### 2. Establishment Grant

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

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

MSD proposes two different Establishment Grant amounts for moving out of Auckland as shown below:

- \$2,000 to households moving into social housing
- \$3,000 to households moving into private housing

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.

**NOTE:** Providing both the Establishment Grant and the Moving Assistance Payment at a cost of \$8,000.00 per client (max) it would cost \$1,200,000.00 to assist 150 people and their families to move into sustainable housing outside of Auckland.

**NOTE:** The Establishment grant becomes recoverable if a household returns to the social housing register within 52 weeks of relocating and without exceptional circumstances for returning and if the payment is not used for which it was paid.

## 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.

## Client groups to target

### Identifying Clients to target



Further analysis by MSD and HNZ, is required to determine the process of identifying the right people for relocation vs. supply and demand for social housing in other areas outside of Auckland.

### Target group examples:

#### 1. Clients on the transfer register

Clients on the social housing transfer register who have a serious need to relocate from their current social housing accommodation (referred to as transfers) may be open to relocating if the costs of the associated move (and other costs) can be met with the new relocation support package. There are a number of clients on the transfer register that have indicated that they are willing to move out of the Auckland region.

#### 2. Households requiring three bedroom properties

HNZ have a surplus of three bedroom properties across NZ. Households, such as sole parents and small families, who are currently living in Auckland that are on the social housing register and requires a three bedroom property, may be open to relocating to other locations if the costs of the associated move (and other costs) can be met and the time to wait for a property to become available was reduced.

#### 3. Single people or couples

There is a shortage of one and two bedroom properties across NZ, including in the HNZ stock. The rental cost for properties in Auckland is generally considered some of the highest in NZ. MSD will actively engage with clients in Auckland on the Social Housing register requiring either a one or two bedroom property and promote private rental options in more affordable locations outside of Auckland.

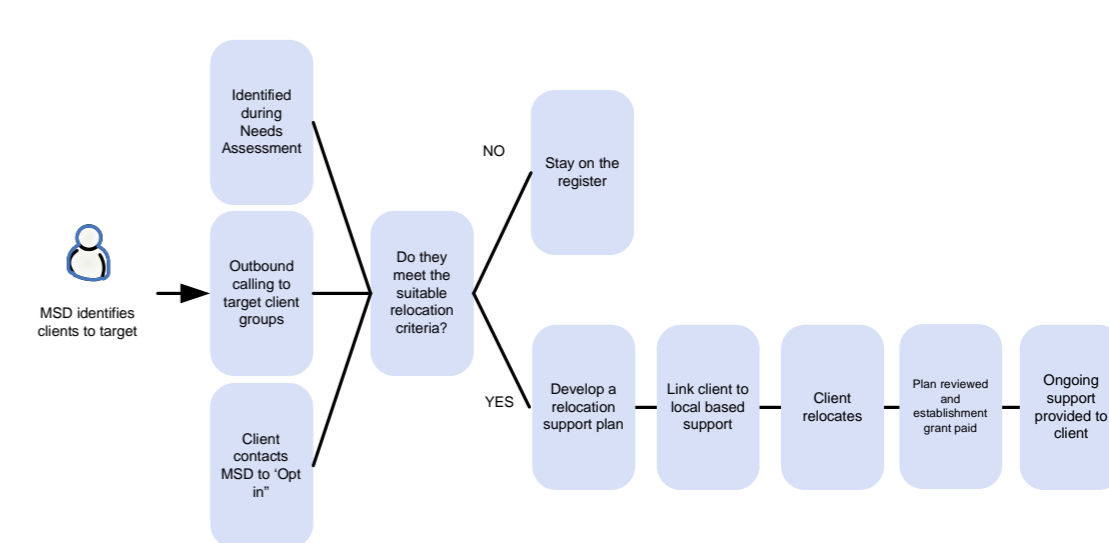
## Suitable client relocation criteria

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

- Resides in Auckland
- benefit obligations and employment opportunities
- not compelled to stay in Auckland
- willing and able to relocate long term
- is not a low trust or CSO client
- has not received the relocation grant previously.

## Approach

### High Level Service Approach



MSD will primarily be interested in supporting clients who meet the relocation suitability criteria and who are willing and able to move out of Auckland.

MSD will support and facilitate clients to relocate from Auckland by:

- Engaging regularly with the client
- Providing the client time to make an informed decision
- Face to face and phone based engagement
- Providing location based support to the client to help facilitate a successful integration into their new community
- The intent of location based support is to ensure that 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.

### Implementation would involve:

- The development of policy and legislative frameworks (as required)
- New practices developed for service delivery staff
- 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 recommended housing areas and areas with vacant properties and placement management process for relocation clients
- The development of location based support service.