

Nelson Tasman Housing Trust

Business Plan Extract

2005-2007

November 2004

Nelson Tasman Housing Trust was registered as a charitable trust in July 2004. The aim of the Business Plan is to set out a strategic and operational path for the Trust to follow in its first three years. This extract provides a summary of plan proposals to inform interested parties. Detailed financial projections and action proposals are included in the full Business Plan.

Formation of Nelson Tasman Housing Trust

The Nelson Tasman Housing Trust (NTHT) was incorporated as a charitable trust under the Charitable Trusts Act 1957 on 8 July 2004. The formation of NTHT was the outcome of a community-led response to problems stemming from a rapid deterioration in housing affordability. In 2003 two working groups emerged:

- a) **Housing Solutions Group**, with a brief to identify housing needs and explore third sector housing options including the Housing Innovation Fund. The Group was facilitated by Nelson City Council (NCC) and consisted of representatives from NCC, Work & Income NZ, Volunteer Nelson, Salvation Army, Community & Whanau Network, Health Action and the District Health Board.
- b) **Interim and Emergency Housing Group**, with a brief to develop policies and procedures for securing interim and emergency housing. The Group consisted of representatives from NCC, Salvation Army, Nelson Women's Centre, Gateway Housing Trust, Nelson Night Shelter, St Vincent de Paul, Family Start and Te Korowhai Trust.

- **Nelson City Council** has been proactive in advancing social housing options in the area and taking a lead role as a facilitator. The Council's *Community Housing Policy* (NCC, September 2003) was developed in consultation with a Reference Group of agencies and stakeholders in the Nelson community. One goal of the Housing Policy is to facilitate a quarterly **Community Housing Forum**, consisting of over 20 community and government agencies and the private housing sector, to monitor home affordability and explore strategic solutions to housing issues.

The Forum has met quarterly since December 2003 and has supported the formation of the Trust as a key local development. At its meeting of 17 May 2004 the Forum formally endorsed the establishment of the Trust and the development of a three year business plan. The range of community, local and central government and business

organisations involved in the formation of the Trust demonstrates the extent of community support for the proposal

Trust Deed

The Deed defines the purpose of the Trust as being “to provide a third sector housing organisation for the Nelson Tasman region which will benefit the community by meeting the accommodation needs of households unable to find suitable rented housing in the private sector”. Its Objectives are;

- a) to provide accommodation at an affordable cost to people registered with the Trust
- b) to provide a range of housing options including rental and low cost home ownership
- c) to own, acquire, lease or dispose of land and dwellings in accordance with the aim of increasing access to affordable social housing by those in housing need.
- d) to maintain social housing as its core business
- e) to seek and receive donations, subsidies, grants, loans and endowments in money, land or kind

Mission

The mission of Nelson Tasman Housing Trust is “to provide, promote, enable and advocate for sustainable, community-based housing in the Nelson Tasman region.”

Strategic Goals

Goal 1

“to establish organisational capacity as a community-based housing provider offering housing solutions to meet local community needs”

The strategy to achieve Goal 1 will be to establish a governance and management structure and an operational policy framework. Staffing and set-up resource needs will be met. A quality plan and monitoring systems, financial management and control procedures and a marketing plan will be devised, and a funding strategy will be implemented to ensure sustainable capital and revenue expenditure over the Plan period and beyond.

Goal 2

“to develop productive relationships and partnerships with key community and government agencies and stakeholders to advance the purpose and objectives of the Trust”

The strategy to achieve Goal 2 will be to build on the relationships and partnerships already established with the following stakeholders;

- The local network of agencies and providers concerned with housing issues
- Central and local government
- Community funding organisations and the business sector
- The wider community

Goal 3

“to establish a portfolio of community-based housing which contributes to meeting the identified need for suitable affordable housing in the Nelson Tasman region”

The strategy to achieve Goal 3 is to devise, evaluate and prioritise a range of options to establish a housing portfolio through acquisition, development and management of rented housing. Options will focus on partnership and collaboration with other agencies. Selected options will be implemented in a phased programme of portfolio growth.

Goal 4

“to assist key local support agencies to identify and meet the housing needs of low-income people through interim and emergency housing.”

The strategy for achieving Goal 4 is to support the existing group of seven social agencies to implement their agreement to provide interim and emergency housing for their clients. This will be done by providing a legal entity for action and fundraising, and managing acquired property on behalf of the group.

Goal 5

“to establish an effective tenancy management service, in partnership with existing social housing providers and private landlords”

The strategy for achieving Goal 5 is to develop expertise as a service provider, to negotiate partnership agreements with social housing providers to manage stock, and to negotiate leasehold and management contracts with private landlords.

Goal 6

“to provide a focal point for the promotion and advocacy of community-based housing in the Nelson Tasman region”

The strategy for achieving Goal 6 is to take a lead in developing a network of local housing providers, to be an active participant in the Community Housing Forum and to be an effective advocate for the growth of community-based housing at local, regional and national levels. The Trust will be an active member of Housing Aotearoa and promote training and professional development in housing, and seek to advance knowledge of the housing market and its impact on community well-being

Goal 7

“to provide and promote housing which improves the health and well-being of the community”

The strategy for achieving Goal 7 is to pursue energy-efficient solutions in the Trust’s housing stock, and to participate in healthy housing and energy efficient initiatives in partnership with other agencies.

Governance and management

At a meeting of the Trust on 6 September 2004 an initial Board of Trustees of four Trustees was confirmed and office holders (Chair, Treasurer and Secretary) were

elected in accordance with the Trust Deed. The Business Plan identifies key governance objectives in the first year of the Trust as:

- To identify skills needed for governance and recruit trustees to match them
- To be responsible for developing a policy framework
- To implement the business plan
- To engage with stakeholders

The Board will employ an Operations Manager to implement the recommendations of the Business Plan. The Operations Manager would be accountable to the Board and would report to the chairperson. Key duties of the Operations manager are;

- establishment and management of human and physical resources
- maintaining good relations with stakeholders on behalf of the Trust
- implementing the Business Plan and achieving corporate goals
- negotiating Housing Portfolio proposals
- managing the Financial Plan
- reporting to the Board of Trustees

Housing Portfolio Strategy

The Trust will pursue a strategy of phased portfolio growth involving a planned and manageable expansion. This will be achieved through partnership development projects coming on stream successively, combined with a growing tenancy management service as the Trust's expertise develops. The Business Plan describes a series of options and sets out a proposed timeline for phased growth.

Option A

Option A will be developed as the Trust's "flagship" project with potential to create a model partnership scheme to meet the Trust's key objectives. An application will be made to access the Housing Innovation Fund for 70% of capital expenditure. The terms of the loan are that the sum is interest free for the first 10 years with monthly repayments of principal, and the remainder repayable at low interest rates set by HNZN for the remainder of the 25 year term. A further 15% of capital costs will be sought from HNZN as a Development Grant, which is non-repayable unless the asset is sold. An application to a community funding body, in this case The Canterbury Community Trust, has been made to meet the remaining 15%, as the Housing Trust is required to contribute this proportion of capital costs as a condition of the Housing Innovation Fund.

In Option A, project costs include estimates for a new build scheme of 4 dwellings and acquiring 4 properties at the low end of the property market. The contribution sought from the Canterbury Community Trust would be used towards purchasing the first two of the 4 acquired dwellings.

Option B

Option B is a new build development in partnership with an agency providing land on a leasehold agreement. The development would be phased to succeed Option A in Year 3 of the Business Plan. The preferred partnership would be with NCC, but the Trust would welcome negotiations with other public agencies or a church organisation. Other options for partnership through a capital allocation are being explored. With land provided as the Housing Trust's contribution, the Trust would

seek to access the Housing Innovation Fund to lever further funding to finance the development. A partnership with NCC or TDC may utilise Council-owned land not currently providing revenue, in return for nomination rights of 50% of tenancies to be allocated to applicants on the Council housing waiting list. This option would assist either Council in reducing their waiting list, and enable central government funding to be attracted to the area.

Housing Need Policy

An assessment of the local housing market indicates that specific areas of housing need are not being fully met at present. The Trust can aspire to help only a small number of households initially and will need to prioritise its allocation of tenancies. In working with its client group the Trust will not restrict its long-term secure tenancies to any particular group defined by age, gender or ethnicity, but will offer assistance based on an assessment of housing need using the following general criteria:

- the financial ability of the household to access suitable housing
- the adequacy of existing housing to meet the household's needs
- the ability of the household to sustain a tenancy without support
- the special needs of the household
- the relevance of housing in securing employment
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As part of developing its policy and procedures the Trust will formulate an allocations policy according to these general criteria, and will seek to complement the HNZN waiting list in this respect.

Resource Strategy

The Business Plan evaluates a range of options and makes recommendations on:

- Set-up and establishment resources
- Staffing and recruitment
- Training and professional development
- Operational policies and management performance standards
- Quality improvement
- Tenant participation

Financial Strategy

Potential sources of funding and resources

NTHT needs to attract diverse funding until it has an established rental income stream. Most of its initial funding will be from HNZN and community funding bodies in the form of grants and capital loans. Securing diverse funding streams to meet set-up costs and on-going revenue expenditure is the Trust's main challenge during the Plan period. The Plan explores and evaluates a full range of options, and provides an indicative budget.

Financial Management

Effective and efficient financial systems and controls will contribute to the success of NTHT in achieving its mission, goals and strategies and in meeting contractual and legal obligations. Good financial management is essential for short term practice,

medium term strategies and long term sustainability. Financial management policy is part of an overall policy framework covering delegations, capital expenditure and conflict of interest policies set out in the Business Plan. A Financial Policies and Procedures Manual will be devised in Year 1 of the Plan period as a blueprint for the effective financial management of the Trust. The Trust will seek an Establishment Grant from HNZC to develop policies and procedures as a first priority in 2005.

For further information contact :

Kindra Douglas (Chairperson, Nelson Tasman Housing Trust)