Social Housing Reform Programme

Invercargill

06 May 2015

New Zealand Government

What today is about

Briefing you on the next steps in the Government's social housing reform programme), and what this means for Invercargill

The story so far

- Government funding for social housing is increasing - subsidised tenancies will increase from 62,000 to 65,000 by 2018
- The Social Housing Reform Programme aims to:

  "Encourage and develop more diverse ownership of social housing, with more innovation and responsiveness to tenants and communities."

- The SHRP includes a proposed initial transfer of 1000-2000 HNZC houses to CHPs over the next year
- The transfers to CHPs will enable diversity and innovation faster than otherwise.

What is being announced today

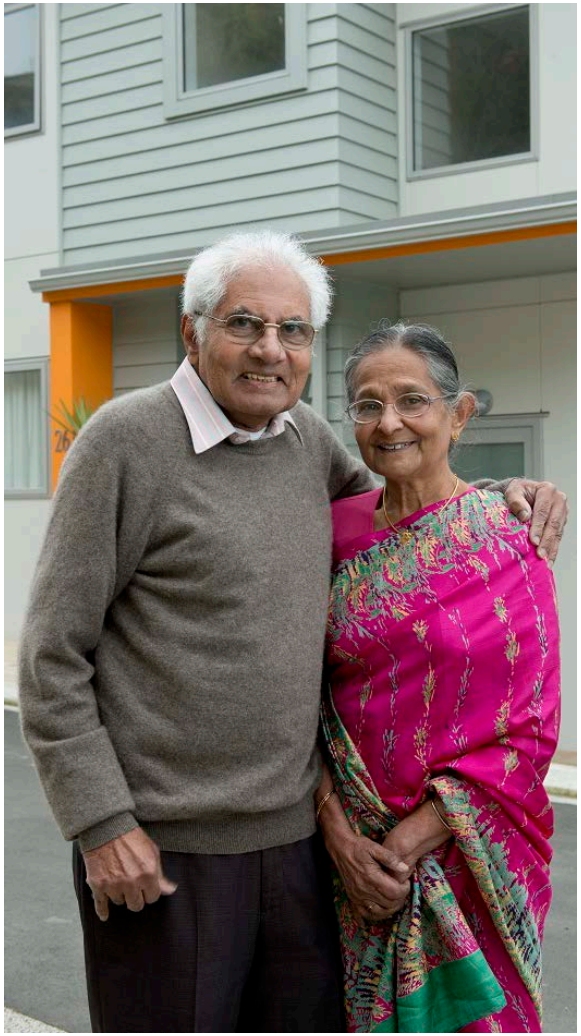
Today Ministers are announcing that they are considering an initial transfer of HNZ houses to CHPs in two locations – including Invercargill

Why has Invercargill been selected?

- Sufficient numbers of HNZC houses to allow for more than one provider to acquire houses
- Stable demand for social housing
- CHPs interested in providing tenancy services alongside their existing services
- Potential to integrate housing services with other support tenants may need, e.g. budgeting, mental health services

Invercargill – social housing profile

- Over 350 HNZC houses
- 7 community housing providers, 2 of which are registered
- 160 tenants with long-term social housing needs and130 tenants with medium-term social housing needs = potential for specialisation and integrating services



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What this means for tenants

- HNZC are contacting tenants about the proposal today
- Nothing changes right now for existing tenants
- If houses are transferred to a new landlord, existing tenant rights and conditions of rental will be unchanged
- Their rent and their eligibility for subsidised housing will not be affected

Benefits for tenants

- Locally based providers are closer, and can be more responsive, to specific community needs
- Multiple providers = potential to tailor services for particular groups of people
- Potential to integrate housing with others services tenants may need
- Potential to innovate

Opportunities for community providers

- Multiple providers = opportunities for diversity, specialisation and innovation
- Opportunities for CHPs to integrate housing with other services they provide
- The transfer process is designed to build the market and strengthen the capability of the CHP sector

It’s important to note that.....

- Tenants and funding will be transferred with any transfer of houses – and their rights and conditions of rental will not change
- HNZC houses will not be transferred unless tenants will get better services and taxpayers get fair and reasonable value
- HNZC will continue to be the biggest provider of social housing for the foreseeable future

Immediate next steps

- **Consultation with local iwi and hapū** to identify particular interests under the Treaty of Waitangi that may be impacted.
- **Stakeholder engagement** to provide information and updates on the proposal.
- **Market education for potential participants** – information about the transfer process to help potential participants understand and prepare for the process.
- Once consultation and engagement is complete, final decisions will be made about any transfer of houses

Transfer process

- Once decisions are made to proceed with a potential transfer, any commercial transfer process will be open and competitive and is likely to take 9-12 months.

- Registered CHPs can partner with other organisations to participate in the process

	Market Sounding	Expression of Interest(EOI)	Request for Proposal(RFP)	Preferred Bidder (PB)
Process	Market sounding will focus on a smaller number of potential asset transfer transactions in specific regions. The purpose of market sounding is to engage with potential market participants to test their interest in a specific transaction and obtain feedback on key elements of the proposed portfolio and tender process.	Seek expressions of interest from the market. This phase ends with short listing suitably qualified organisations who will be invited to submit a response to the Requests for Proposal (RFP Response).	Issue tender documents and supporting information to the shortlisted bidders. Commence bi-lateral clarification process. This phase culminates in the receipt of RFP Responses from bidders for evaluation.	Selection of Bidder(s) based on RFP Responses. Negotiation may follow the Preferred Bidder(s) selection. This phase culminates with signing of the transaction documents and the transfer of selected social housing stock in exchange for agreed payment.
Information	An Information Memorandum for each transaction will typically contain: • Key stakeholders and their roles. • Proposed procurement stages and timetable. • Overview of transaction assets and location. • Summary of the commercial and legislative framework.	EOI documents typically contain: • Detailed outlines of the transaction assets and location. • A timetable for the proposed tender process. • The proposed risk allocation. • Outline of key terms in proposed contracts. • The evaluation criteria against which bidders will be shortlisted. • A guide to what is required in responses from bidders.	RFP documents typically contain: • Information on the transaction, assets, the RFP process, expected format of the response and its evaluation. • Legal information, and draft contract documents • Financial / commercial information, relevant templates for bidders.	Announcement of Preferred Bidder(s) and then announcement of closing of the transaction.

- For further information socialhousing.govt.nz

- If you have any questions or want to register for regular updates, email info@socialhousing.govt.nz