



COUNCIL OF SOCIAL SERVICES IN CHRISTCHURCH
TE KAUNIHERA KAUPAPA ORANGA KI OTAUTAHI

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**Submission to Christchurch City Council
on its draft
Annual Plan 2008**

Introduction

The purpose of the Council of Social Services (COSS) is to promote social equity, justice and wellbeing by advocating on issues, empowering groups and facilitating collaboration in the social services sector.

COSS is administered by a voluntary Board drawn from a range of statutory and voluntary social services, including a Council staff member; and employs an Executive Officer to carry out the day-to-day activities of the organisation. Membership consists of over 100 voluntary agencies and a number of individuals or units from the state sector and local government, although services and initiatives are not limited to members. COSS views draw on and reflect the wide networks we work within and are mandated by our broad, cross-sector membership.

Community Sector Support

COSS would like to thank the Council for its continuing support and contribution to the social wellbeing of the citizens of Christchurch. We consider social initiatives and community support to be crucial to not only to the social health of Christchurch city but also its economic health.

While economic development can help address social issues, the strong economic growth of recent years has not resolved the social issues that this city is challenged by. Indeed, as social issues often affect economic development, such an investment will also contribute to economic goals. Social problems are a drain and a hindrance to economic development, and funds spent on prevention are a wise investment.

Much of the community and social service activity in the city occurs in the voluntary sector. With its skills, expert knowledge, diversity, and grassroots perspective, this sector is a key partner for Council, not only in identifying but also in achieving desired Community Outcomes.

Therefore there is a need to at least maintain and preferably increase investment in community. At the very minimum, grants to the community need to acknowledge increasing costs that the sector faces and be adjusted annually in order to maintain their real value.

It was initially with concern and then with confusion that we viewed the reduction of community grants (p.29) by some \$1.3 million. In past years there has been no indication that Capital Endowment Funds were included in budget figures. We would appreciate some explanation (that can be understood by non-accountants) about how the inclusion was handled in previous years and an assurance that community grants are being maintained at the levels indicated in the LTCCP. COSS has noted in previous submissions the difficulty in understanding the Capital Endowment Fund reporting and has not found this plan any clearer.

City Housing

At its meeting on March 27th the City Council resolved to increase rents for tenants in Council housing by 24%. COSS objects strongly to an increase of this size. We consider that the Council's recent decision should be set aside and that the rental income from housing should be that set out in the Draft Annual Plan 2008-09, page 29, where the budgeted total rents are stated as \$12.924m.

Our objection is based on the following:

- (i) Tenants, residents and ratepayers had no warning that the Council was considering an unprecedented rent increase until a day or two before the Council meeting on 27th March.
- (ii) The Council's Social Housing Strategy (June 2007) did not indicate that the condition of the housing stock would require a huge rent increase with a year.
- (iii) The Council's Long Term Community Plan 2006-2016 indicated rent increases of only about 2.5% a year.
- (iv) Using rent from tenants to build a fund of \$34m by 2015 is a new policy on which people should be consulted, in accordance with the Local Government Act and the City Council's own policy.
- (v) In its Social Housing Strategy, Council has a commitment to the provision of affordable housing, as defined by the Ministry of Social Development. When the affordability of the rent increase is calculated using the Ministry's formula, many of the rents no longer meet the Ministry's definition, leaving the Council in breach of its own policy.

We urge the Council to rescind its decision of March 27th to increase rents by 24% and to keep to the rental income set out in the Draft Annual Plan.

Summary

In summary, COSS recommends that:

- The relationship between the Capital Endowment Fund and the community grants be made clear.
- The total level of grants available from both the Capital Endowment Fund and all other sources be maintained at the level provided for in the LTCCP, with a CPI adjustment.
- Rental in the Council's social housing be maintained at the level provided for in the Annual Plan.

COSS wishes to be heard in respect of this submission.

Yours sincerely



Helen Gatoryi, QSM
Chairperson