



Council

Meeting of 04 February 2026

Business Unit: Community

Date Created: 06 January 2026

Manawatu Community Trust Statement of Expectations 2026/2027

Purpose Te Aronga o te Pūrongo

To approve the Statement of Expectations for the 2026 to 2027 year for Manawatū Community Trust.

Recommendations Ngā Tūtohinga

That Council approves the Manawatū Community Trust Statement of Expectations for the 2026 to 2027 year.

Report prepared by:

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Approved for submission by:

Lyn Daly

General Manager - Community

1 Background Ngā Kōrero o Muri

1.1 Historically Council advised their expectations to the Manawatū Community Trust (MCT) through such means as the Trust Deed, feedback on reporting, meeting together, sharing strategic documents, and the like. For the 2024 to 2025 year Council elected to introduce a Statement of Expectations (SOE) for the Trust. Although there was full confidence in MCT and the operation of the Trust, the SOE was introduced to be in keeping with our other Council Controlled Organisations (CCOs) and to provide clear direction of Council's expectations.

1.2 MCT has provided MDC a Statement of Intent (SOI) annually since inception in 2008.

1.3 This is now the second Statement of Expectations for MCT. Officers met with Liam Greer (Chair, MCT) and Teresa Hague (CE, MCT) and they are in agreement with the updates from the previous SOE. The draft was presented to Councillors at Workshop on 17 December 2025 for discussion and there were no substantial updates required to the draft.

2 Strategic Fit Te Tautika ki te Rautaki

2.1 MCT has the purpose of the promotion of housing for the elderly and disabled residents of the Manawatū district and the promotion of wellbeing services for residents of the Manawatū district. This contributes to MDC's strategic priorities of 'A place to belong and grow' and 'Value for money and excellence in local government'.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

3.1 MCT will present their six-monthly reporting against the inaugural Statement of Expectations 2025 to 2026 (and their responding SOI) at a Council meeting in April 2026.

3.2 Given this is the second SOE for the Trust and a cadence has not yet been embedded, a light touch review of the 2025 to 2026 Statement of Expectations has been made for 2026 to 2027.

3.3 The key changes from the first SOE (as presented at the Council workshop in December) are:

- Re-ordering of the expectations to be sequential - firstly identify the need, plan the priorities, and then the responding actions required.
- Including an expectation regarding Feilding Health Care.
- Rewording to better describe the requirements in the Statement of Intent (SOI) to meet the Expectations.

4 Risk Assessment Te Arotake Tūraru

4.1 There is minimal risk in approval of MCT's SOE for 2026 to 2027. The most recent annual report demonstrated that MCT is well governed and financially stable, with a clean audit opinion. Risks identified and the mitigations for MCT are:

Risk Area	Summary of Risk	Recommended Mitigations
Financial Sustainability	<p>Tight operating margins and rising costs (maintenance, insurance, interest rates) may constrain future surpluses.</p> <p>Commercial lease realises approximately a third of income.</p>	<ul style="list-style-type: none"> • Complete long-term financial modelling. • Engage early with MDC if financial sustainability concerns arise. • Maintain relationship with commercial lessee
Liquidity & Cash Flow Management	Limited cash reserves relative to scale and commitments may stress liquidity.	<ul style="list-style-type: none"> • Maintain minimum liquidity thresholds. • Rephase capital projects if necessary.
Asset Condition & Capital Programme Delivery	Ageing housing stock and major capital projects may expose MCT to cost escalation and timing risks.	<ul style="list-style-type: none"> • Prioritise Asset Management Plans. • Use fixed-price contracts where feasible.
Tenant Wellbeing & Safety	Delays in urgent maintenance or compliance work pose safety risks.	<ul style="list-style-type: none"> • Maintain rapid-response maintenance processes. • Maintain strong partnerships with social service agencies.
Governance Continuity & Capacity	Recent trustee transitions may create continuity gaps and increase governance workload.	<ul style="list-style-type: none"> • Maintain structured trustee succession planning and induction processes. • Maintain governance skills matrix. • Provide ongoing training.
Reliance on MDC Funding & Loans	Exposure to MDC loan facilities; changes in MDC priorities could impact operations.	<ul style="list-style-type: none"> • Maintain regular joint planning with MDC. • Consider funding sources as the need arises. • MDC ensure clear expectations in SOE.

5 Engagement Te Whakapānga

Significance of Decision

5.1 The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Māori and Cultural Engagement

5.2 There are no known cultural considerations associated with the matters addressed in this report. No specific engagement with Māori or other ethnicity groups is necessary.

Community Engagement

5.3 There is no community engagement associated with this report.

6 Operational Implications Ngā Pānga Whakahaere

6.1 The finalised Statement of Expectations 2026 to 2027 will be shared with the Trust to respond to in their draft Statement of Intent 2026 to 2027 scheduled for presentation to Council 4 March 2026.

7 Financial Implications Ngā Pānga Ahumoni

7.1 There are no financial implications with this report.

8 Statutory Requirements Ngā Here ā-Ture

8.1 The Local Government Act 2002 details Councils may prepare a Statement of Expectations:

64B Statement of expectations

(1) The shareholders in a council-controlled organisation may prepare a statement of expectations that—

- (a) specifies how the organisation is to conduct its relationships with—
 - (i) shareholding local authorities; and
 - (ii) the communities of those local authorities, including any specified stakeholders within those communities; and
 - (iii) iwi, hapū, and other Māori organisations; and
- (b) requires the organisation to act consistently with—
 - (i) the statutory obligations of the shareholding local authorities; and
 - (ii) the shareholders' obligations pursuant to agreements with third parties (including with iwi, hapū, or other Māori organisations).

(2) A statement of expectations may include other shareholder expectations, such as expectations in relation to community engagement and collaboration with shareholders and others in the delivery of services.

(3) A statement of expectations must be published on an Internet site maintained by or on behalf of each local authority that is a shareholder of the organisation.

9 Next Steps Te Kokenga

9.1 The Manawatu Community Trust Statement of Expectations 2026 to 2027 is now ready for Council approval. The finalised Statement of Expectations 2026 to 2027 will then be shared with the Trust to respond to in their draft Statement of Intent 2026 to 2027, scheduled for presentation to Council 4 March 2026.

10 Attachments Ngā Āpitihanga

- Manawatu Community Trust Statement of Expectations 2026 to 2027