

Council Response to Covid-19

Meeting: Kaipara District Council
Date of meeting: 27 May 2020
Reporting officer: Sue Davidson GM Sustainable Growth & Investment

Purpose/Ngā whāinga

The purpose is for Council to agree its response to its business and community ratepayers since consultation was undertaken on community group lease reviews and the provision of grants proposed to be established in response to Covid-19

Executive summary/Whakarāpopototanga

Council is in a leadership role and has the ability to support its' community through a period of change and uncertainty making provisions in the short term.

Officers proposed a package which included payment plans for those ratepayers finding it difficult to pay their rates and included reducing 2020/2021 rates increase to 3.97%.

There were proposals that Council asked for further feedback on. Council gathered 471 responses. Most ratepayers were in favour of supporting our businesses and saw this as key to removing barriers and helping them resume their services.

Recommendation/Ngā tūtohunga

That the Kaipara District Council approves the

- A) Establishment of a Hospitality and other Licences Fund of \$200,000 in the 19/20 year

This would provide grants up to \$1500 against license fees for hospitality and other license holders.

- B) Establishment of a Covid 19 Agility Fund in the 19/20 year of \$325,000 to

- Provide a grant for rates to community and sports groups up to \$500
- Provide a grant for rates to businesses of up to \$500
- Provide a grant of up to \$1000 for professional advice for their business (up to a maximum of 50 applicants)

- C) Provision of a credit for

- Six months on leases to community groups leasing Council land (March 2020 to August 2020)
- Six months interest to the Mangawhai museum on its community loan (March 2020 to August 2020)
- Two months on leases to campsite operators on council land up to a maximum of \$1000

Context/Horopaki

Kaipara District Council commissioned Infometrics to provide a summary of the likely impact of Covid-19 lockdown on our ratepayers. Their information showed the most vulnerable sectors to be construction, hospitality and retail sectors.

In response to this Council officers worked on a number of proposals to help ratepayers and approved some to be investigated further with the community to understand their preferences.

The resolution passed on 29 April 2020 was:

That Kaipara District Council

- Recognises the impact COVID-19 pandemic has on the Kaipara community.
- Notes the proposed comprehensive hardship relief package put forward by this report as a result of the COVID-19 pandemic.
- Requests that the Chief Executive conduct informal community engagement on the hardship relief package and the funds proposed and report the results to the May Council meeting

The survey was open for 17 days and 471 responses were gathered. (Attachment 1)

Key feedback from the public were:

- Support for all small local businesses impacted by COVID
- Concern on the role of council in this space and duplicating central govt.
- Concern on general ability of all ratepayers to cope with increase in rates
- Questions on total cost of the package to implement
- Clarification on criteria to show demonstration of need in relation to impact of COVID
- Monitoring to demonstrate impact of package on the business/organisation
- Confusion on impact on rates

Discussion/Ngā kōrerorero

Two of these relief packages proposed involved establishing grant funds in this current year (19/20) as Council expenditure is lower than budget and so can be absorbed in this financial year without impacting rates. To clarify the grants established will not impact on next years (20/21) rates.

The two funds are as follows:

Hardship Grants for those most affected (Hospitality Fund) \$200,000

This is an overt subsidy to get our businesses through difficult times.

This would enable businesses that have imposed licenses/fees (liquor premises and managers fees, food and health compliance fees) to be paid by grants, after the businesses meets certain criteria.

Feedback from the survey was that this was a good idea to help those affected. Other businesses held licenses and needed help that the Council could provide as well.


I support providing a hardship grant to hospitality businesses to contribute to their annual food safety and alcohol related compliance fees charged by Council. n=469


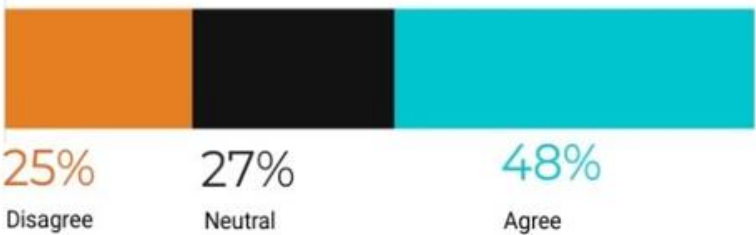


Recommendation: Council set up this grant and extend it to Hospitality and Other Businesses requiring Licenses and invite businesses to apply. This would mean 70 businesses would need to be provided for, but it is still thought the \$200,000 would be sufficient to provide this grant.

Hardship Grant for other Businesses impacted (Covid-19 Agility Fund) \$325,000

The aim is to support businesses in our communities with a genuine need to return to running a vibrant business. Many of those surveyed wanted to extend this to every ratepayer but this is not affordable and Council has to target this to business which we want to succeed. The majority supported Council in helping the business sector which in turn would help the towns survive.

Type of assistance		Feedback
Commercial and industrial businesses (potentially up to 482) which meet criteria to apply for grants to offset against rates due over the next year.	Maximum \$500	<p>I support providing hardship grants to commercial and industrial businesses in the District to offset a proportion of their rates up to a maximum of \$500. n=465</p>  <p>13% 11% 75%</p> <p>Disagree Neutral Agree</p> <p>Recommendation: Extend to businesses in the rural area and home based businesses where funds exist. Farmers are excluded as many may have been able to apply for government help.</p>

<p>Sporting and community groups (57) where rates are paid</p>	<p>Maximum \$500</p>	<p>I support providing hardship grants to sporting and community groups in the District to offset a proportion of their rates up to a maximum of \$500. n=462</p>  <p>7% 13% 80%</p> <p>Disagree Neutral Agree</p> <p>Supported but question asked were Marae included</p> <p>Recommendation: Grant for sporting and community groups and marae</p>
<p>Hospitality and retail businesses to enable them to consult professional advice on their business. Any assistance we can provide to get hospitality and retail business open and being viable is worthwhile.</p>	<p>Maximum \$1000 Limited to 50 entities</p>	<p>I support funding of up to a maximum of \$1000 per business to hospitality and retail businesses in the Kaipara District to pay for professional advice on their business operations. n=466</p>  <p>25% 27% 48%</p> <p>Disagree Neutral Agree</p> <p>Northland inc has also been supporting businesses but Council staff will ensure there is no duplication of payment</p> <p>Recommendation: Grant for hospitality and retail businesses to seek advice from accountants, business mentors or human resource advisers.</p>

Lease waived for six months for community groups as well as community loan interest

There are minimal community groups being charged a lease or interest on loans . The costs would be well within the \$23,300 proposed.

I support waiving rent payments for six months for community groups who lease Council property. *n=465*



I support waiving the interest for six months on any loans Council has provided to a community organisation. *n=465*



Recommendation: Proceed with waiving six months costs on community group leases on Council land and for the Mangawhai museum on its community loan.

Campsites (on Council land) for relief of lease if hardship/loss is proven/criteria met.

I support providing hardship grants to campground operators who lease council owned land to offset a proportion of their rates up to a maximum of \$500. n=466



Recommendation: Initially a grant was proposed but this is a small number of businesses so would be better if two months lease credited or maximum of \$500 credit given.

Options

Option 1 Councillors approve the

A) Establishment of a Hospitality and other Licences Fund \$200,000 in the 19/20 year

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The CE will ensure appropriate criteria around the above grants to ensure Council is targeting the right businesses

Policy and planning implications

Under this option the changes from the LTP are not material and consultation to understand the preferences of the community support this option.

Financial implications

The costs of the establishing the Grant Funds would be in the 19/20 year. In the year to date 19/20) Council is well under its expenditure and therefore has surplus funds. Council is in a good position to be able to establish these funds to support its community groups and businesses.

The costs of providing relief on community leases and loans is minimal.

Risks and mitigations

There is a risk that the businesses may think Council could have provided more, but this is a step to removing barriers to starting up again.

Option 2 Councillors don't make any recommendation or want more information

Policy and planning implications

This would delay decisions that the community need and are supportive of.

Financial implications

Council has surplus funds in this year to provide support businesses need. This is balanced by affordability to Council.

Risks and mitigations

The risk with not making a decision is that Council would not be seen to give the support to the business community that is needed.

Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in council's Significance and Engagement Policy.

Next steps/E whaiake nei

Applications criteria and forms will be placed on our website and grants processed once Council has agreed to the recommendations.

Communications are ready to go out after the Council has adopted this business support package. Communications will be targeted where possible, by email and flier drop. Where that is not possible, we will rely on broader communication through the media, our rates letter, the Lifestyler, Mangawhai Focus, Facebook and third parties such as the Dargaville Community Development Board.

We will continue communicating to licence holders as their licences come up for renewal.

Attachments/Ngā tapiritanga

	Title
A	Business Support Package Survey Response

