

Council Briefing Meeting Minutes

Date: Wednesday, 29 April, 2020
Time: 9:00 a.m.
Location: Virtual Meeting Room

In Attendance	Her Worship the Mayor Sheryl Mai (Chairperson) Cr Gavin Benney Cr Vince Cocurullo Cr Nicholas Connop Cr Ken Couper Cr Tricia Cutforth Cr Jayne Golightly Cr Phil Halse Cr Greg Innes Cr Greg Martin Cr Anna Murphy Cr Carol Peters Cr Simon Reid
Apologies	Cr Shelley Deeming
Scribe	Sue Reid (Democracy Advisor)

1. Apologies

Cr Shelley Deeming (absence), Cr Carol Peters (late arrival and early departure) and Cr Vince Cocurullo (early departure).

Her Worship the Mayor convened the meeting at 09:00 a.m.

2. Reports

2.1 Proposed Relief Package

Mr Alan Adcock (General Manager – Corporate) provided the background to establishing a COVID-19 relief package. Since the workshop on 22 April, a provisional budget of \$3 million has been established, partly funded from Community Funds (\$655k) and the balance of \$2,345k would come from an additional budget line. The provisional budget of \$3 million could be adjusted up or down, based on discussion at this session.

Clear direction was required from the Elected Members on five topics highlighted in the presentation to incorporate these into the consultation document and the communications programme. Mr Adcock explained that local government does not create financial wealth, but it is a circular process, with council receiving a portion of the community's wealth, transforming it into value and returning it to the community.

In order to establish how funding was allocated a matrix had been developed showing Incentives (33%) versus Relief (67%) and Reactive (40%) and Proactive (60%) to ensure the right outcomes.

Mr Adcock explained that ratepayer support packages which were about helping people who cannot pay their rates. He said that a person using the property for business is not always the ratepayer and highlighted how Council proposed to provide the support and covered the options which had been considered but were not proposed. Mr Adcock said they wanted to stay away from things that made it too hard and said the support is a cash deferral to assist with cash flow.

The proposed support packages would cost \$750k in total with the two proactive packages costing around \$400k, depending on the uptake and would give ratepayers time to get things back in order.

Ms Sandra Boardman (General Manager – Community) presented on Community Relief Packages. COVID-19 has had a huge impact on communities and those who are providing support. The relief package proposed is based on Incentives (30%) Relief (70%). The package looks at recovery rather than welfare support which is being provide by central government.

Mr Jonny Gritt (Manager – Community Development) outlined the COVID Emergency Response and Recovery Funding (CERF) mechanism for the Community relief approach. This allowed for a flexible response to provide much help to the usual recipients through this period, but additionally enabled Council to respond to specific Community initiated requests and provide some directed support should they want to target specific work to be undertaken across the District, including that delivered by some groups not traditionally supported.

Mr Gritt highlighted the three different elements of the mechanism, which were Directed Support, Community Response and Enhanced Operational funding. He explained the Emergency Recovery response, and how the types of support will enable Community groups to move along the Recovery Pathway and how they could potentially be used.

Ms Alison Geddes (General Manager – Planning and Development) discussed the District Development Packages. Ms Geddes said the approach

taken is to focus on proactive support and building business confidence which is very important for recovery. Council could assist in various ways such as procurement processes, preparing bids and providing certainty around District Plan and Building Act restrictions. It was proposed to work with government departments, landowners and developers to eliminate barriers where possible but to keep essential regulatory functions.

Mr Tony Collins (Manager – District Development) detailed the district development opportunities and what they have been doing through Levels 4 and 3. These included:

Partnerships to provide relief to the business community - \$300k. Mr Collins explained the initiatives and what they include. Partnerships are useful to provide access to the business data as it relates to Whangarei. Businesses will need good business data to make the right decisions and the best skills to adapt to the new business environment. The sooner businesses are up and operating, the sooner they can contribute back into the wider community groups.

Targeted Relief for What's Next Whangarei (WNW) - \$50k over four months. This is providing support for business that need it – some have capital and capability behind them, and it will be business as usual. A key part of the promotion is communication with the business community in Whangarei and to think local and buy local. It is a very fast way for economies to recover at district and regional level.

Rent Relief - \$580k based on 6 months relief in addition to the 3 months already accounted for. This delivers rent relief for tenants of Council property as holding onto a tenant is ideal as there will be lots of vacancies and it will support businesses to get through short and medium term to operate as soon as possible. Mr Collins said it is worth nothing that, whilst Council is an enabler and agent in the whole process, Council is also in competition with other commercial landlords and decisions need to be in line with other commercial landlords.

Incentivise city centre regeneration and inner city living - \$420k over 12 months. Mr Collins said Council is in a positive position as the District Plan is fit for purpose and provides really strong vision. He said inner city living, medium to high density residential, and the vibrancy of our central core is something that will assist and enable all businesses to recover quickly. There are a range of options that can be considered if funds are available such as providing more business information and intelligence.

Mr Collins gave a breakdown of the district development packages, a lot of which were around rent relief and providing support.

Mr Adcock summarised the presentation and outlined the ongoing monitoring and review where new initiatives would be picked up when funding became available. He said these initial thoughts are aimed slightly more towards proactive (55%) than reactive (45%). He said the next steps were important based on the best intelligence Council has today and some text needed to be incorporated around these initiatives to start promoting them through our communications programme.

Mr Adcock does not foresee that consultation is required, but regular reviews would be needed to check that:

- we have got the balance right
- each initiative is having the desired impact
- the funding allocated to each initiative is appropriate
- whether we should reprioritise and/or establish new initiatives to meet emerging needs

Discussion on the presentation was broken into the three areas covered in the presentation:

1. The ratepayer support package.
2. The community relief package.
3. The business confidence package.

Ratepayer support package

Comments and questions from Elected Members

- Elected Members generally agreed with the splits, but noted that a lot appears to be business as usual.
- It was positive to allow more time for rent to be paid.
- Rents and fees were queried. Ms Geddes responded that these had been considered but some fees, such as liquor fees, are set by statute. When they looked at the amount fees made up as a percentage of business cost it was very low and would not make much of a difference.
- The packages must be communicated to ratepayers so they understand the options and are able to take them up.
- If September due rates were pushed out to 20 October what would that mean for December rates, assuming ratepayers will only have two months to save for the December rates? Ms Geddes responded that ratepayers can talk to Council to work out a plan.
- Strict criteria are needed around who can apply for the benefits.
- In response to a query around SUIPS, Mr Adcock responded these had been looked at over the past few years and a decision was made not to change them now as this was a massive undertaking right across the rating base. They will be looked at over the next 18 months.

- Concentrating on cash flow in terms of ratepayer relief is excellent.
- Mr Adcock confirmed that Council would be putting a profile response to COVID-19 through all forms of media.
- Council must provide one on one support, talking through the options and providing reassurance.
- How much would the rates intake decrease by if the 2.2% rather than 5.2% rate increase is adopted? Mr Adcock responded it would be about \$2.3 million.
- Small businesses are affected most and will require help as they will fill up the empty shops in the CBD, otherwise more people will leave the CBD and start working from home.

Community relief package

Comments and questions from Elected Members

- Elected Members generally preferred a more proactive approach rather than a reactive one. Ms Boardman said they will consider the weighting.
- There should be incentives to get people into doing activities. Ms Boardman responded that the real focus is getting social cohesion going again so activities and events fall in where possible.
- There was concern that more money would be needed, for example the museum alone requires \$75,000 to operate and all of organisations and community businesses are suffering hugely.
- There was concern that community groups would be able to double-dip. It was felt that groups that have already received funding for the year must batten down the hatches as Council cannot keep taking money off ratepayers to give to community groups. Ms Boardman said the intent is to get specific outcomes for this investment and when reactive suggestions are presented to elected members, they will identify what funding has already been provided to organisations during that financial period.
- It is critical to appreciate this is recovery rather than welfare.
- There will be a massive loss of sponsorship money coming to community groups.
- Look at what role art, culture and heritage can play in the future to help with the reset.
- Ensure there is a base for social equity before looking at the luxuries.
- This package does not consider the relationships with Maori. Ms Boardman said the criteria around community relief is very broad and numerous entities would fit within that, including Maori. She said the real focus of the fund is not to cover what the government should be doing and there are others which are related specifically to Maori.

Business confidence package

Comments and questions from Elected Members

- Council needs to get people back into the city and look at how to fill the empty spaces. Inner city living is a big part of that.
- There was a concern around businesses that are not going to start again and what support has been given to them to help them manage themselves out of business. There is a business mentor scheme which is run under the Chamber of Commerce.
- There was a concern about the district development opportunity and the need to protect ratepayers against Kāinga Ora having the right to take land to build what they want. Ms Geddes said this has been raised and staff are monitoring it.
- There should be emphasis on the partnerships with Northland Inc, the Chamber of Commerce and the Ministry of Housing and Urban Development in order to be proactive and address these issues early on.
- The city centre must be revitalised in alignment with the City Core Precinct Plan and the Complete Streets Master Plan under the City Centre Plan. Council needs to get involved and encourage the development of commercial property. Housing is a key component. Ms Geddes responded that there is a change of emphasis which brings the district development to the fore. Work has been continuing with Northland Inc and part of that programme is business mentoring and looking at ways of being more flexible to make sure things happen, including inner city housing and the CBD revitalisation. She said partnering with Kāinga Ora and the Ministry of Housing and Urban Development means they had the funding to get off the ground before COVID-19 arrived and they had discussed having mixed housing development and repurposing some of redundant buildings. Ms Geddes continued that a point had been reached where they were ready to move onto the project of commercial development just before COVID-19 and needed to have a stocktake as the whole economic environment has changed considerably. It was important to keep construction active and people working, however the risks have to be managed from a council perspective so it's a difficult decision to make and has to be thought about in terms of the present climate.
- Consider an online survey to ask businesses what type of relief they require. Smaller towns have lots of small locally owned businesses and not big chain stores. All our small locally owned businesses are hand in mouth and we do not want to see them have to close down or move out of the CBD.
- CBD is a whole project and there are a number of ways it can be supported. For example, stopping the sale of private houses for purely

business use. Focus on the area and put in decent quality apartments so tenants will draw more people into the streets with more money flowing through shops and cafes.

- Concern around what a retail shop in, for example, Kamo or Waipu, would receive in support. Whilst the advice is good, they would only receive rates relief and no financial component

It was felt that it was not necessary to go out for consultation for specific measures. This is additional to the supplementary item Elected Members will be discussing at the council meeting on 30 May around the fourth quarter rates and deferment of the due date.

Although Elected Members generally supported the direction Council was taking, there was more work to be done. Mr Rob Forlong (Chief Executive) said we had to be realistic about what is being done. He said that Council fees and charges roughly account for 0.4% to 1% of our business turnover, with the higher number being for the hospitality businesses. From the feedback received he said the following adjustments should be made and brought back to the council meeting on 30 May:

- adjust proactive/reactive in the community areas more towards proactive;
- look at incorporating Maori more prominently; and
- increase reactive for business.

3. Closure of Meeting

The meeting concluded at 11.03 .