

COVID-19 Response Committee

AGENDA

Notice of Meeting:

A meeting of the COVID-19 Response Committee will be held on:

Date: Thursday 16 April 2020

Time: 9.30am

Venue: Remote attendance via Zoom (and live-streamed)

Membership

Mayor	Neil Brown
Deputy Mayor	Liz McMillan
Members	Leen Braam
	Carolyn Cameron
	John Falloon
	Rodger Letham
	Lynette Lovett
	Angus McKay
	Diane Rawlinson
	Stuart Wilson

14 April 2020

COVID-19 Response Committee

Timetable	
9.30am	Meeting commences
9.35am	Infometrics presentation – Brad Olsen

ORDER OF BUSINESS

- 1 Apologies
- 2 Extraordinary Business
- 3 Declarations of Interest

Minutes

- | | | |
|---|---------------------------------------|---|
| 4 | COVID-19 Response Committee – 2/04/20 | 3 |
|---|---------------------------------------|---|

Reports

- | | | |
|---|--|---------------|
| 5 | Infometrics report | Verbal |
| 6 | Economic impacts of COVID-19 | 7 |
| 7 | Crown Infrastructure Partners – applications for ‘shovel-ready’ projects | 11 |
| 8 | Local Government Funding Agency – amendment to security deeds | 12 |
| 9 | COVID-19 Lockdown update | Verbal |

Business Transacted with the Public Excluded

- | | | | |
|----|---|---------------------------------------|----|
| 10 | COVID-19 Response Committee – 2/04/20 | Section 7(2)(h) Commercial activities | 16 |
| | [Now in open meeting] | | |
| | • Award of Contract – Ashburton Business Estate development of stages A & B | | |
| 11 | Assessment of effect of rent holidays | Section 7(2)(h) Commercial activities | 17 |

2 April 2020

4. COVID-19 Response Committee – 2 April 2020

Minutes of the COVID-19 Response Committee meeting held on Thursday 2 April 2020, commencing at 9.35am, via Zoom.

Present

His Worship the Mayor, Neil Brown; Councillors Leen Braam, Carolyn Cameron, John Falloon, Rodger Letham, Lynette Lovett, Angus McKay, Liz McMillan, Diane Rawlinson and Stuart Wilson.

In attendance

Hamish Riach (Chief Executive), Jane Donaldson (GM Strategy & Compliance), Sarah Mosley (Manager People & Capability), Paul Brake (GM Business Support), Neil McCann (GM Infrastructure Services), Toni Durham (Strategy & Policy Manager), Ruben Garcia (Communications Manager), Aisling O'Reilly (PE to Chief Executive) and Phillipa Clark (Governance Team Leader).

1 Apologies

Nil.

2 Extraordinary Business

Nil.

3 Declarations of Interest

Nil.

4 Ashburton Domain Development Plan Consultation

The Committee agreed that the Mayor and Chief Executive would jointly decide the date for consultation to close off, and that this wouldn't occur until the pandemic alert has reduced to Level 1.

1. **That** Council approves the extension of the Ashburton Domain Development Plan consultation given the COVID-19 pandemic and associated alert level 4 lockdown.
2. **That** Council delegates to the Mayor and Chief Executive the authority and responsibility to specify the close-off date for the Ashburton Domain Development Plan consultation once the district moves back to level 1.

Wilson/Falloon

Carried

The Strategy & Policy Manager confirmed that officers will continue to generate interest and encourage responses while consultation remains open. Submitters who have already provided input will be contacted and advised of the delay. The expectation is that a longer consultation period could potentially result in a greater range of feedback.

5 Speed Limit Review Consultation

While there was some support for abandoning the speed limit review until pandemic alerts have been completely removed, the Committee acknowledged that the timeline for this is unknown, and a level one alert may be put in place for a long period.

The Committee agreed that approval should be given to the Mayor and Chief Executive to consider whether to go ahead with hearings for the speed limit review consultation after a level one restriction is in place.

1. **That** Council approves the pausing of the Speed Limit Review engagement process given the COVID-19 pandemic and associated alert level 4 lockdown.
2. **That** Council delegates to the Mayor and Chief Executive the authority and responsibility to consider whether to progress the hearing and deliberation dates for the Speed Limit Review once the district moves back to level 1.

McKay/Rawlinson

Carried

6 COVID-19 Lockdown update

The Mayor commented positively on the community response and the work being done in the Ashburton district. He stressed the need for people to continue to follow the instructions from central government. The community will continue to be reminded of the need to refrain from using public playgrounds and amenities and additional signage will be put in place where possible.

The Committee heard that Council will be making a funding application to central government's request for projects that are 'shovel ready' and will contribute to keeping the economy going..

The Chief Executive recorded his thanks to ADC staff who have adjusted to working from home at very short notice. He noted the efforts being made to run the Civil Defence welfare centre and keep essential services going. The community is being well served by every person working for ADC.

Executive team members were invited to provide updates:

• Infrastructure and Community Services

Neil McCann reported that stockwater rangers are working to ensure stockwater is kept flowing. Problems with two intakes over the weekend have now been settled.

Kerbside glass waste collection will be reinstated but residents will need to ensure that glass goes into the red or yellow bins, and not the green crate. Glass is currently unable to be sorted and will be transported straight to landfill. Residents may continue to store their glass until the normal collection is reinstated.

The public library is looking to bring in a new log-in experience for people to access videos and books online. The 'Authors reading their books' initiative will be publicised once it's up and running.

Free Wi-Fi has been temporarily removed in accordance with central government's instruction, to prevent people from gathering around libraries.

The public toilets at Mayfield have been left open as a means of assisting truck drivers who use the inland scenic route. Public toilets continue to be available in Hinds, Methven and at the Ashburton Domain. (The East St toilets will have a sign to direct people to the Domain).

• Regulatory & Environmental Services

Jane Donaldson reported that officers are able to process building and resource consents from home, but are unable to do site inspections. Consent applications need to be electronically lodged at this time.

Other staff resource is going into the emergency operation centre. The incident management team is meeting daily with the Civil Defence group and every second day with the Medical Officer of Health's team. [0800 24 24 11 for MOH advice].

- **People & Capability**

Sarah Mosley reported that best efforts are being made to provide as many services as possible. Two key focuses are continuing business and redeploying staff to perform essential community support duties.

A large number of staff are working from home – around 130 people logging in remotely.

Currently 14 staff are working over shifts with the incident management team coordinating the District's welfare effort. Four staff are at the community based assessment centre (3 Open Spaces staff are responsible for the high level cleaning and one EANC staff member is providing admin support). Positive recognition of their work has been received from the Medical Officer of Health with more requests for further assistance likely, once testing increases.

Some of EANC's full time lifeguards have been deployed to deliver essential items and prescriptions to vulnerable people in the community. Some shifts are coming up for meals on wheels delivery, and Council staff are also keeping key public toilets open. Council has received local and national praise from the transportation industry for having facilities open and maintained to the usual good standard.

The Economic Development team have contacted over 114 businesses in the district to check in. Library staff are about to contact members, particularly elderly, to check in and offer advice about the online library services. The Property team are in contact with the EPH tenants (approximately 100 people).

Council's call centre, through a request from the Civil Defence Group is open for extended hours (7am-7pm). The 0800 welfare number is answered through the call centre. After 7pm, welfare calls are diverted to Christchurch City Council's call centre. General inquiries after hours' calls are dealt with through TAS as usual.

It's expected that redeployment levels will increase. Staff are willing and able, and are helping the community.

- **Business Support**

Paul Brake reported that there are only a few welfare related calls coming through the call centre currently, but that may increase over the next few weeks.

Officers are preparing a report on rates relief for Council's consideration on 9 April.

On behalf of Council, the Mayor thanked the Chief Executive and staff for their support.

Colin Windleborn (Commercial Manager) and Shaun Pont (The Logic Group) joined the meeting.

Business transacted with the public excluded – 10.22am

That the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
7	Ashburton Business Estate – Award of contract to develop Stages A & B	Section 7(2)(h)	Commercial activities

That Shaun Pont be present and participate in discussion on the Ashburton Business Estate contract item.

Braam/Falloon

Carried

Business transacted with the public now in open meeting

- **Ashburton Business Estate – Award of contract to develop Stages A & B**

1. **That** Council accepts the tender from Ashburton Contracting Limited in the sum of Three Million, six hundred and twenty nine thousand, three hundred and ninety seven dollars (\$3,629,397.00) for Contract COMP0133 and in accordance with Option One.
2. **That** Council accepts the quotation from EA Networks in the sum of four hundred and eleven thousand, eight hundred and sixteen dollars (\$411,816.00) to provide high voltage electrical distribution, communications and street lighting for Contract COMP0133 and in accordance with Option One.

Braam/Falloon

Carried

The meeting concluded at 11.07am.

6. *Current Economic Outlook*

Author	<i>Bevan Rickerby Economic Development Manager</i>
Activity Manager	<i>Hamish Riach</i>
General Manager responsible	<i>Hamish Riach Chief Executive Officer</i>

Summary

- During this time of the COVID-19 Pandemic New Zealand is experiencing and will continue for some time unparalleled economic challenges.
- This report gives an overview of the current economic outlook as it was at the time of writing.
- The report will cover Retail, Tourism, Construction, Migrants, and Unemployment.
- At this stage these are predictions only and are based on research from Infometrics and must be read as a moving target; as the lockdown continues the face of economic outlook is changing daily.

Recommendation

1. **That** Council receives the economic outlook report.

Background

Current Economic outlook an overview

1. As New Zealand moves through week two of lockdown to control the spread of COVID- 19 the economic outcomes are becoming a little more predictable.
This report captures a point in time and is a general overview of the economic outlook as it affects the whole of New Zealand. Brad Olsen from Infometrics will join the Council meeting live as part of this report to update the New Zealand situation and how it may affect the Ashburton District.
2. Retail spending is down 77%. No real surprise here as we can't shop.
3. Retail outlook after lockdown - it is predicted a fall off of as much as 40% as more people have had the time to search the internet for shopping opportunities.
The return to local shopping will depend very much on the energy of retailers attracting people back after the lockdown.
4. Tourism is expected to have 30 to 40% reduction in employment and this will be ongoing for some considerable period of time.
5. Borders are likely to be closed or heavily controlled until a vaccine for COVID-19 is available.
6. Domestic tourism is predicted to grow slowly as people will still be cautious about crowds and movement away from their home area.
7. There could be as few as 40 major airlines left in the world.
8. The construction sector will be down by up to 30% as a reduction in hotel and related tourism infrastructure grinds to a halt in the short to medium term.
9. It is therefore important that central government brings forward any infrastructure projects. Unfortunately, because of design and consenting lags this could be up to two years away before some of these come online.
10. It is important that local government identifies as many as possible 'shovel ready' projects (that can start up to 6 months from lifting of lockdown) and make them happen.
11. Residential building will continue at the same level but will start to fall off as there is a prediction that building will slow.
12. Migrants will be non-existent for some considerable time as border security will remain tight and there will be a reluctance to leave their home country.

13. It is predicted that it will take 5 to 8 years for migration to return to its current levels. It is therefore doubly important that communities welcome and look after the immigrant workers they have as there will be a tendency for them to want to return home. This is very important for our district with a reliance on migrant workers, especially in the agricultural and manufacturing industries.
14. Unemployment in our district is predicted still to go against the national trend but will still rise from its present low levels to 6 to 9%.
15. There will be a need to support training facilities in our area as jobs disappear and retraining is required. This happens in any recessionary period where training or retraining becomes a priority for people.
16. So far there is no indication of mass redundancies in our district. Business owners are indicating that they are looking closely at resizing their businesses and that will affect some workers.

Legal/policy implications

17. There are no legal or policy implications for Council in receiving this report.

Financial implications

Requirement	Explanation
What is the cost?	Nil
Is there budget available in LTP / AP?	Not required
Where is the funding coming from?	Not Applicable
Are there any future budget implications?	No
Finance review required?	No

Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	No - Receiving the report is not considered significant.
Level of significance	Low
Level of engagement selected	5. Collaborating- Working with the community
Rationale for selecting level of engagement	The consequences of the current situation with COVID-19 will be long-term. It is likely that Council will need to work alongside the community to ensure the economic well-being of residents.
Reviewed by Strategy & Policy	Toni Durham; Strategy & Policy Manager

16 April 2020

7. Crown Infrastructure Partners – Shovel-ready projects

Author
Activity Manager

*Neil McCann, Group Manager Infrastructure Services
Hamish Riach*

Introduction

- The Government has tasked a group of industry leaders to seek out infrastructure projects that are ready to start as soon as the construction industry returns to normal to reduce the economic impact of the COVID-19 pandemic.
- The Infrastructure Industry Reference Group (Reference Group), is leading this work at the request of Ministers, and is supported by Crown Infrastructure Partners Limited (CIP).
- CIP is now seeking project information from relevant industry participants on projects that are ‘shovel-ready’ for potential Government support.
- These new projects will be in addition to and build on the Government’s \$12 billion New Zealand Upgrade Programme and existing Provincial Growth Fund infrastructure investments.
- The types of projects the Government would consider funding include water, transport, clean energy and buildings, and should also have a public or regional benefit, create jobs and be able to get underway within six months.
- Although the reference group will be seeking out larger projects (value over \$10 million), which would have an immediate stimulatory effect on the construction industry, its workforce and the economy, smaller projects will be considered if they demonstrate a direct and immediate benefit to the regional economies and communities in which they are based.

ADC Application

The Ashburton District Council has submitted applications for the following projects:

1. Second Ashburton urban bridge
2. Ashburton Library and Civic Centre
3. Road freight routes safety improvements (improve safety of inter-regional freight routes)
4. Methven water supply upgrade
5. Ashburton relief sewer
6. Ashburton rail siding relocation

The Canterbury Mayoral Forum has offered co-ordination and support to councils that submit proposals to Crown Infrastructure Partners, and a letter of support has been supplied to accompany the ADC applications.

Applications were due on 14 April 2020.

8. Local Government Funding Agency - Amendment to Security Deeds

Author *Paul Brake; Group manager business Support*
GM Responsible *Hamish Riach; Chief Executive*

Summary

- The purpose of this report is to seek Council approval to the changes in the Council's security deeds as they relate to borrowing through the Local Government Funding Agency (LGFA).
- These changes come about as a result of changes to the LGFA foundation documents to amend the LGFA borrowing programme.

Recommendation

- 1. That** Council agrees to the requested amendments to the Local Government Funding Agencies foundation documents.

Background

Current situation

1. The LGFA is seeking to enable approved Council Controlled Organisations (CCOs) to borrow directly through the LGFA borrowing programme based on a guarantee from the parent local authority or through sufficient uncalled capital issued to the parent local authority.
2. The LGFA is seeking to allow councils to have compliance with the covenants to be applied at a group level rather at the parent local authority if the group level is the preference of the local authority.
3. The LGFA, as earlier notified, wishes to increase the amount of borrower notes that must be issued to a local authority when it is borrowing.
4. The LGFA also intends to make several minor technical adjustments.
5. While the amendment will allow direct borrowing by a CCO from the LGFA, based on a parent local authority guarantee, this cannot be done for a Council Controlled Trading Organisation (CCTO) such as Ashburton Contracting Limited, as this is expressly forbidden under s62 of the Local Government Act 2002. However, a CCTO can borrow directly from the LGFA if it has sufficient uncalled capital issued to the parent local authority.
6. The option for Council to borrow and on-lend to a CCO or CCTO already exists, but s63 of the Local Government Act 2002 states that the on-lending cannot be done at a rate that is less than the what the CCTO could borrow at. Because the CCTO cannot give rates as security, it always faces higher borrowing costs than the Council. Therefore the chance to borrow directly from the LGFA will be advantageous to a CCTO and in particular to Ashburton District Council's CCTO, Ashburton Contracting Limited.
7. For Ashburton Contracting Limited to take advantage of this, it will need to meet the uncalled capital requirement and therefore would require an amendment to its current shareholding structure.
8. All lending to a CCO or CCTO will need to be approved by the LGFA, and bespoke arrangements may be put in place that recognises the nature and operation of the CCO or CCTO.
9. The choice of having the LGFA covenant compliance at a group or parent-level will not affect Ashburton District Council as this Council is well within the covenant limits at a parent level.
10. The changes will be done by a Deed of Amendment and Restatement in respect of the following documents:
 - Multi-Issuer Deed;

- Guarantee and Indemnity
- Notes Subscription Agreement

Options analysis

Option 1 – Agree to the changes sought by the LGFA

11. The changes are advantageous to any CCO or CCTO that a local authority has.

There is no realistic option to not agree to the changes sought by the LGFA as these changes have been approved by the Board of the LGFA.

Legal/policy implications

Section 62 Local Government Act 2002 –Prohibition on guarantees, etc.

12. A local authority must not give any guarantee, indemnity, or security in respect of the performance of any obligation by a council-controlled trading organisation.

Section 63 Local Government Act 2002 – Restriction on lending to Council Controlled Trading organisations

13. A local authority must not lend money, or provide any other financial accommodation, to a council-controlled trading organisation on terms and conditions that are more favourable to the council-controlled trading organisation than those that would apply if the local authority were (without charging any rate or rate revenue as security) borrowing the money or obtaining the financial accommodation.

Financial implications

14. The amendments to the LGFA documents will have a positive financial impact on the Council's CCO's or CCTO's if they wish to borrow.

Requirement	Explanation
What is the cost?	No increase in costs
Is there budget available in LTP / AP?	Not applicable
Where is the funding coming from?	No funding required
Are there any future budget implications?	Positive financial benefits to Council's CCO's and CCTO
Finance review required?	Yes

Significance and engagement assessment

15. The changes to the LGFA's foundation documents are not considered significant.

Requirement	Explanation
Is the matter considered significant?	No
Level of significance	Low
Level of engagement selected	1: Inform Only
Rationale for selecting level of engagement	This is simply a technical adjustment to the LGFA's foundation documents to widen its ability to lend in the local government sector.
Reviewed by Strategy & Policy	Toni Durham: Strategy and Policy Manager