



**Otorohanga**

District Council

# POLICY

## Mayoral Disaster Relief Fund Policy

### Approval and review details

<b>Approval authority</b>	Ōtorohanga District Council	<b>Effective date</b>	24 April 2024
<b>Administrator</b>	Group Manager Business and Administration	<b>Next review date</b>	1 April 2029

### Version history

Date	Version	Changes	By	Date Adopted
23 April 2024	1.0	Policy approved unchanged	Policy Advisor	23 April 2024

## Purpose

The purpose of this policy is to provide guidance on the implementation and management of the Mayoral Disaster Relief Fund.

The Mayoral Disaster Relief Fund can be set up by Council following a significant natural disaster event to provide financial support to those individuals, families, small businesses, community groups and marae adversely affected.

A fund can only be created for a significant event or associated cluster of events, e.g. Cyclone Gabrielle or the Auckland Severe Weather Event, and every fund has a finite lifespan as detailed below.

Contributions to the fund may be made by Council, the public, or other community groups and organisations. The government (Minister of Emergency Management, together with the Prime Minister or Minister of Finance) may provide a financial contribution per emergency event in a district. The financial contribution will need to be applied for following an emergency event.

The funding provided by the government needs to be ring-fenced specifically for those affected by the emergency event. After six months, any unspent funds need to be returned to the Crown.

While Council has in place procedures for covering grants, it is desirable to have a specific policy for the Mayoral Disaster Relief Fund. This will provide coverage for all parties connected to the funds and include provisions for monitoring and reporting.

## Policy Statement

In the process of implementing and managing this policy, elected members, Council employees and members of the Mayoral Disaster Relief Fund panel will, at all times, respect the privacy of individuals and communicate in a courteous and professional manner.

The key principle of this policy is to financially support affected individuals/families, community organisations, small businesses, and marae during times of hardship caused by a natural disaster event.

## Reporting

A schedule of grants made under this policy will be reported to the Risk and Assurance Committee within six months of receiving the contribution.

A high-level report on payments made from the Mayoral Disaster Relief Fund (if a government grant has been provided), including the purpose of these payments will be provided to the National Emergency Management Agency (NEMA) within six months of receiving the contribution.

## Implementation

1. Agreement in principle on the content of the policy has been provided from management and the Risk and Assurance Committee.
2. Following Council approval, implementation of this policy will include:
  - a. Notification to the Mayor and inclusion in future induction processes
  - b. Council officers with delegated authority to set up reporting mechanism for the Risk and Assurance Committee and NEMA.
  - c. Inclusion of policy requirements in Council processes.

## Measurement and review

The effectiveness of the policy shall be measured through feedback from the Risk and Assurance Committee. The policy shall be reviewed at least once every five years, or within 12 months following an event should Council consider a policy review is necessary.

## Principles

This policy sets out the criteria, delegations, and responsibilities for administering the Mayoral Disaster Relief Fund.

The Fund will be managed in line with best practice, observing fairness and equity, and to withstand public scrutiny.

All decisions to grant funding from the Fund shall be conducted in accordance with the policy.

All decisions for funding shall be in accordance with the principles as set out in the Auditor General's "*Principles to underpin management by public entities of funding to non-government organisations*" (*Appendix Two*).

Sufficient records shall be maintained to show that the funds have been expended in accordance with the policy.

## Mayoral Disaster Relief Fund Criteria

The Mayoral Disaster Relief Fund may be used to support and meet the needs of affected individuals, families, community organisations, small businesses, and marae. The aim of the fund is to help towards alleviating the emotional and financial stress experienced by the community resulting from a natural disaster event. The fund provides one off assistance for extraordinary circumstances, where a real need can be shown. Each local authority has discretion in setting its own criteria for how the funds are disbursed.

The Mayoral Disaster Relief Fund is intended to financially support affected individuals/families, community organisations, small businesses, and marae:

- experiencing financial hardship caused by a natural disaster event
- with basic needs, household goods and personal items (uninsured or underinsured)
- with clearing debris from properties that are not insured or are underinsured with replacement of structures that are not insured or are underinsured
- by assisting with insurance excess payments

Funds contributed to the Mayoral Disaster Relief Fund must not be used for Council's administrative or business costs.

The fund is a last resort measure when other appropriate sources of funding have been exhausted. Disaster relief funds are not intended to replace other existing funding sources, such as:

- Welfare - eligible costs are funded separately by the government.
- Infrastructure - the government will meet some costs of essential infrastructure.
- Insurance or costs covered by other funding sources.
- Other response costs – e.g. 60 percent funded by the government (above the local authority's threshold) and 40 percent funded by the local authority.

## Delegations and Responsibilities

The Mayor will have delegated authority to approve applications to the Mayoral Disaster Relief Fund for grants and financial assistance, within the parameters of the Fund Criteria.

The Mayor is responsible for exercising good judgment in applying the Mayoral Disaster Relief Fund criteria, ensuring that expenditure is appropriate, transparent, and appropriate monitoring processes are in place.

The Group Manager Business Enablement is responsible for providing the Risk and Assurance Committee with a summary of expenditure from the Mayoral Disaster Relief Fund.

The Group Manager Business Enablement is responsible for reporting to the National Emergency Management Agency on the use of the Mayoral Disaster Relief Fund (if funds have been provided by the government).

### Delegations to the Mayor for the establishment and management of a Disaster Relief Fund.

1. To announce the establishment of a fund and invite applications
2. To form a panel to assist with the decision making and oversight of the distribution of funds from the Mayoral Disaster Relief Fund
3. To determine the level of funding per application when setting up a Mayoral Disaster Relief Fund
4. To receive written applications based on the funding criteria and make a decision on whether to allocate funds
5. To approve a final report on expenditure outlining how funds were spent and the rationale for distributions

## Application Process for the Fund

Applications for the Mayoral Disaster Relief Fund must be in writing, on an approved application form submitted electronically through:

- Council's website, or
- emailed to Customer Services, or
- posted to Council's postal address or
- handed over the counter at one of Council's offices or public libraries.

Applications will remain open for a set period of time after a significant event as determined by the Mayor.

## Decisions on Funding

The Mayor will assess written applications based on the funding criteria and make a decision on whether to allocate funds. Advice may be sought from Council officers and sign-off is required from the Group Manager Business Enablement.

The Mayor will choose to determine the level of funding per application when setting up a Mayoral Disaster Relief Fund after a specific natural disaster event.

The Mayor will form a panel to assist with the decision making and oversight on the distribution of funds from the Mayoral Disaster Relief Fund. Members of the panel will be appointed at the Mayor's discretion. Meetings to determine the allocation of funding will be minuted.

Applicants will be advised in writing of the decision relating to their application.

Council contribution to the Funds in excess of the annual budget is unbudgeted expenditure and requires Council approval.

## Conditions of Receiving a Mayoral Disaster Relief Fund Grant

All grants provided must be used for the purpose for which they were given.

Recipients of a Mayoral Disaster Relief Fund grant may be required to meet certain conditions and provide supporting documentation to substantiate their claim.

## Appendix One: Government Policy Guidelines

The Minister for Emergency Management, together with the Prime Minister and Minister of Finance, may authorise a contribution of up to \$100,000 (GST exclusive) per event. Government contributions above \$100,000 (GST exclusive) per event will require Cabinet approval. As of April 2022, all contributions are announced as GST exclusive amounts.

### Once you receive or are made aware of a Relief Fund contribution

1. Your local authority/CDEM Group will receive a letter from the Director of Civil Defence Emergency Management, detailing the contribution amount and instructions on how to receive funds.
2. You will then be asked to prepare and submit a tax invoice to the Department of the Prime Minister and Cabinet (DPMC) for the contribution amount, plus GST.
3. To receive government contribution to Relief Funds, local authorities/CDEM Groups are asked to set up a Relief Fund, publicise this and create a committee to oversee fund spending.
4. DPMC will make the payment to the local authority/CDEM Group after receiving the appropriate authorisation from joint Ministers or Cabinet (depending on the value of the contribution) and a tax invoice.

### Provide a report on their Relief Fund spending

To enable NEMA to understand local authorities' needs after an emergency and meet obligations regarding taxpayers' funds, local authorities who receive funding are asked to:

1. Report back on their expenditure within six months of receiving this fund. Any unspent monies must be returned to the Crown.
2. Provide a high-level report outlining how funds were spent and the rationale.
3. Engage with NEMA if there are any unspent monies six months after receiving the fund.

## Appendix Two: Principles to underpin management by public entities of funding to non-government organisations

The Auditor-General expects public entities to show that they have entered into and managed funding arrangements with NGOs according to the following principles:

- **Lawfulness:** Have activities, resourcing, and accountability requirements been undertaken within the authority granted by Parliament?
- **Accountability:** Have public entities given full and accurate accounts of their activities? Are governance and management arrangements suitable to address any concerns?
- **Openness (transparency):** Is the nature of the funding arrangement, and the way in which it was entered into, clear to all parties?
- **Value for money:** Are resources used effectively and efficiently, without waste, and in a way that optimises the public benefit?
- **Fairness and Integrity:** Are public entities and NGOs that are involved in funding arrangements together meeting Parliament's and the public's expectations of an appropriate standard of behaviour in the public sector?

<https://oag.parliament.nz/2006/funding-ngos/part1>.