



## **REIMBURSEMENT OF LOCAL AUTHORITY AND CDEM GROUP COSTS INCURRED IN PROVIDING EMERGENCY WELFARE SUPPORT TO PEOPLE DURING THE COVID-19 PANDEMIC**

24 April 2020

**Purpose:** *This guidance updates local authorities / CDEM Groups on recent changes to the scope of local authorities / CDEM Group welfare costs which are eligible for reimbursement by NEMA. It also includes information about the new provisions for funding support to foodbanks and other community organisations*

### **Background**

- 1 On 22 March 2020, the COVID-19 Ministerial Group agreed to amend Section 33 of the Guide to the National Civil Defence Emergency Management Plan 2015 2015 (the Guide) to make provision for local authorities to be fully reimbursed for costs incurred in **accommodating, transporting, feeding and clothing people who either:**
  - cannot continue to live in their usual place of residence as a result of an emergency; or
  - are required to confine themselves or self-isolate in-situ (either in their own residence or more suitable alternative accommodation) due to having, or being exposed to the COVID-19 virus, or under measures taken as part of the COVID-19 pandemic response – particularly at COVID-19 Alert Levels 3 or 4
- 2 Since New Zealand has been in Alert Level 4, it has become apparent that welfare support is required for a wider group of people than those who cannot physically access household goods because they are displaced, or self-isolating due to COVID-19 requirements. The changes made to the Guide on 26 March are not broad enough to ensure that local authorities / CDEM Groups can provide welfare support to the range of people adversely affected by COVID-19, and who have immediate welfare needs that cannot be met by other sources of support. For some people, the need for urgent and immediate welfare support is likely to continue during Alert Level 3, and possibly beyond.

- 3 Government has therefore agreed to provide further funding through a new appropriation, to enable the reimbursement of costs incurred by local authorities and CDEM Groups in relation to the following:
- local authority / CDEM Group support to people who have immediate welfare needs attributable to the impact of COVID-19, and where these needs cannot be met by other sources of support
  - local authority / CDEM Group support to non-government and community-based organisations (including foodbanks) to provide household goods and supplies to people who have immediate needs attributable to the impact of COVID-19, and where these needs cannot be met by other sources of support
- 4 The new appropriation is intended to enable local authorities / CDEM Groups to step in and support our most vulnerable people, including by helping community-based organisations to meet the increased demand they are experiencing as a result of COVID-19. The Government recognises this is not a typical emergency response, and that greater discretion and flexibility is required in funding services than may have been the case in previous emergencies. The scope of the new appropriation is intended to meet this need.
- 5 **The new appropriation is separate to the funding available to meet the costs incurred in delivering support through the amended Guide (outlined in paragraph 1 above).** This means that local authorities / CDEM Groups will be required to submit claims for reimbursement against the two welfare support arrangements (Section 33 of the Guide, and the new appropriation).

### **What is eligible for reimbursement?**

- 6 There are two categories of reimbursement for Welfare costs associated with COVID-19: Reimbursement under section 33 of the Guide (Reimbursement of Category 1) and Reimbursement of welfare costs under the new appropriation (Reimbursement Category 2). These are described below.
- 7 NEMA expects local authorities / CDEM Groups to keep appropriate records about the welfare costs they incur (including payments to foodbanks and other community-based organisations), and to ensure that these are reasonable and auditable.
- 8 Costs incurred from the start of Alert Level 4 (26 March 2020) are eligible for reimbursement under both categories. For funding to foodbanks and other community organisations under Reimbursement Category 2, this can be reimbursed if invoices are provided to the CDEM Group, and the local authority / CDEM Group submits a claim for reimbursement after the date on which the new appropriation was agreed by Cabinet (21 April 2020).

### ***Reimbursements under section 33 of the Guide (Reimbursement Category 1)***

- 9 This category of reimbursement allows for the provision of emergency accommodation for those who are unable to stay in in their usual place of residence or have no means of self-isolating/staying in place.

- 10 It also allows for the supply of food and household supplies to people/households who meet all three of the following eligibility criteria:
- a) They are physically unable to access household goods due to instructions by Government COVID-19 to self-isolate/stay in place (for example, but not limited to, due to their age, underlying health conditions, government movement restrictions – Groups are advised to use the COVID19.govt.nz website to check the government instructions in place for their area) and;
  - b) Have no family, network of friends or neighbours able to provide this support in a way which does not compromise either parties ‘bubble’, and;
  - c) Are unable to access household goods online or have them delivered within a suitable timeframe.
- 11 Local authorities and CDEM Groups should, as far as possible, use the Āwhina COVID-19 Welfare Needs Assessment system to carry out needs assessments to determine whether people meet these eligibility criteria. Use of the Āwhina system will reduce the administrative burden on CDEM groups and enhance national reporting.
- 12 The following costs are reimbursable under this category, for the provision of welfare support to people who meet the criteria outlined above:
- The provision and delivery of food and household supplies to meet urgent and immediate needs (including through the national Bidfood food supply arrangements)
  - Blankets, hot water bottles basic clothing and firewood to meet urgent and immediate needs
  - Over-the-counter medication to meet urgent and immediate needs
  - Costs associated with the making up, packaging and delivery of food and household supplies arising from the direct engagement of a community group/foodbank by the CDEM Group/territorial authority
  - Support and accommodation for foreign nationals who can demonstrate they meet the criteria and that because of citizenship are unable to obtain support and assistance from their embassy/consulate or another New Zealand government agency
  - Support and emergency accommodation to those who are unable to continue to live in their usual place of residence as a result of COVID-19 (usually until such time as temporary accommodation is arranged, such as through MBIE’s Temporary Accommodation Service or other arrangements).
  - The provision of pet food for companion animals to meet urgent and immediate needs

## **Reimbursement of welfare costs under the new appropriation (Reimbursement Category 2)**

- 13 Under the new appropriation, local authorities and CDEM Groups can provide assistance to people who do not meet the criteria outlined in the Guide, but who nevertheless have welfare needs as a result of COVID-19, and who cannot access other sources of support to meet these needs.
- 14 The Āwhina COVID-19 Welfare Needs Assessment system has been updated to reflect these criteria. Local authorities and CDEM Groups should, as far as possible, use Āwhina to carry out needs assessments to determine whether the criteria are met by people seeking CDEM Group support.
- 15 Where CDEM Groups refer people or provide funding to NGOs and other community organisations (including foodbanks) to meet needs, there is an expectation that that provider will undertake appropriate needs assessment to ensure those receiving support meet the relevant eligibility criteria.
- 16 Costs that are reimbursable for the provision of welfare support to people who meet the criteria are the same as those specified in paragraph 12 above.
- 17 CDEM Groups should continue to ensure that people are referred to other welfare agencies to assess whether they are eligible for income support, supplementary assistance or accommodation support, in order to meet their ongoing welfare needs.
- 18 The new appropriation also enables CDEM funding support to be made available to foodbanks and community-based organisations to meet the costs associated with sourcing, stocking, preparing and delivering household goods and supplies to people who have immediate needs attributable to the impact of COVID-19.
- 19 CDEM Groups should take an enabling, principles-based approach when deciding what costs will be reimbursed in relation to funding support for foodbanks and other community-based organisations who provide food and other household goods.
- 20 The principles to be applied are that funding should:
  - Be for costs faced by the foodbank or other community organisation that are **temporary and additional to their normal operating costs, as a result of COVID-19**
  - Be for reasonable costs that are directly related to the provision of food and other essential household items to **people who have immediate needs as a result of COVID-19**
  - Be **flexible** and involve some judgement about what is reasonable and appropriate, taking into consideration the different operating models and cost structures of different foodbanks and community providers (e.g. donated / purchased goods; paid staff / volunteers; packaging and delivery approaches).
- 21 Examples of the kinds of costs that can be met on the basis of these principles are outlined in paragraph 28 below.

## **What is not eligible for reimbursement?**

- 22 The following costs are not eligible for reimbursement under either Category 1 or 2:
- Any costs associated with the running of the EOC, including council staff costs, vehicles, food for staff and volunteers, consumables, transport and accommodation for resources engaged in the management of the COVID-19 emergency and other incidental costs
  - Any business related costs including cleaning of premises after an event permissible for a particular Alert Level
  - The provision of food and any other costs associated with animals that are not companion animals, including stock and animal rescue operations and support
  - Costs associated with carrying out local government essential services or business as usual activities.

## **Additional guidance on providing funding support to foodbanks, and other community food and welfare providers**

- 23 Some CDEM Groups are already working with existing foodbanks, food rescue organisations, NGOs, iwi / Māori organisations, and others in their communities to provide food and other household goods to people who have been impacted by COVID-19.
- 24 The new appropriation provides greater scope and flexibility for CDEM Groups to work with such organisations, to reach vulnerable people who require support due to the COVID-19 pandemic. It also recognises that many foodbanks and other community-based organisations are facing additional demands due to the economic and social impacts of COVID-19, as well as reduced availability of normal commercial and philanthropic sources of donated goods and funding support.
- 25 CDEM Groups should identify and engage with foodbanks and community providers (including iwi / Māori organisations) to determine how to best support them to meet any increased demand for food and other household goods as a result of COVID-19.
- 26 CDEM Groups have discretion about the arrangements to be entered into with foodbanks and other community organisations in relation to the provision of this funding. Arrangements should take into the account the different operating models and costs structures that foodbanks and other community organisations have (e.g. donated / purchased goods; paid staff / volunteers; packaging and delivery approaches).
- 27 The terms of the arrangement between local authorities / CDEM Groups and foodbanks / community providers should be agreed in advance, so that both parties are clear about:
- What the funding is for / what costs are covered
  - What the provider is expected to provide / deliver with the funding

- Invoicing arrangements (e.g. frequency, documentation required)
- Records and documentation required for invoicing, audit and assurance purposes.

28 Drawing on the principles outlined in paragraph 20 above, **examples** of the kinds of costs that LAs / CDEM Groups can provide foodbanks and other community organisations with funding to meet include:

- Costs associated with making up and delivering (if required) food and other household supplies (e.g. cleaning products, personal care items, pet food for companion animals, over-the-counter medication, blankets etc.) to meet immediate, essential needs
- Purchase of PPE for staff and volunteers, where this is considered necessary by the foodbank / community organisation (taking into account Ministry of Health guidelines and advice)
- Petrol or other costs associated with the delivery of food and other household supplies to people who are self-isolating or otherwise unable to do themselves
- Temporary hire (**not** the purchase) of plant / equipment (e.g. chillers/coolers, forklifts, pallets, vans, waste disposal equipment) required for the storage, preparation or delivery of food
- Short-term leasing or rental (and associated utilities costs) of additional premises or facilities
- Hiring of additional staff (including security guards if required) to support the safe preparation and delivery of food and other household goods and services

29 The examples provided above are not intended to be an exhaustive list of eligible costs. Similarly, key terms such as 'temporary' and 'short-term' and 'other costs' are not defined. The enabling and principles-based approach to the provision of this funding means that local authorities / CDEM Groups will need to apply their judgement in determining what should be funded.

30 CDEM Groups should not request personal information about clients of foodbanks and other community organisations that they work with. This breaches privacy and ethical policies of these organisations.

## GUIDE TO THE NATIONAL CIVIL DEFENCE EMERGENCY MANAGEMENT PLAN 2015

### ***Section 33.4.1 Caring for the displaced and those required to self-isolate due to the COVID-19 pandemic (CDEM Expense Claim)***

Government will fully reimburse local authorities for costs incurred in caring for displaced people and for those required to self-isolate due to the COVID-19 pandemic as described below.

Eligible costs include the full direct costs of accommodating, transporting, feeding (including pet food for companion animals) and clothing people who either

(a) Cannot continue to live in their usual place of residence as a result of an emergency,

Or who

(b) Are required to confine themselves or self-isolate in-situ (either in their own residence or more suitable alternative accommodation) due to having or being exposed to the COVID-19 virus, or under measures taken as part of the COVID-19 pandemic response - particularly at COVID-19 Alert Levels 3 or 4.

This applies while displaced people are en route to, or in, emergency accommodation such as halls or marae. Marae and other organisations providing such accommodation, can invoice local authorities who will then claim reimbursement from NEMA. Where a marae considers it culturally inappropriate to invoice a local authority for providing this service, the local authority may seek reimbursement of any koha provided to the marae for the provision of emergency accommodation.

The cost of helicopter drops to people isolated in their homes who cannot be evacuated and are lacking supplies of essential items such as food, fuel, and medical items may be reimbursed.

For example, in a small-moderate flood event that requires the evacuation of a number of households, costs that are deemed to be eligible are those of evacuee food and accommodation, helicopter welfare flights to ensure the safety of isolated residents and the provision of potable water and portable toilets for health reasons

Costs which will not be eligible include:

- local authority overheads, and
- indirect costs such as local authority staff time, Emergency Operations Centre (EOC) activation costs, office space and the use of vehicles.

Displaced people should be moved from emergency accommodation into temporary accommodation as soon as possible, unless they choose to remain on a marae.

See 33.7, CDEM expense claims preparation and process, and the Logistics in CDEM Director's Guideline [DGL 17/15] for more information on claims.