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Business Support and Targeted Assistance Scheme

DRAFT

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1.1 WHY HAVE A SCHEME?

1.1.1 Role and importance of Social licence

Social licence is a key cornerstone for the success of the Project.

It operates alongside the legal basis for delivering a project, addressing legitimacy and social mandate.

A failure to build and maintain social licence can impact on the success of the Project:

- It can erode political mandate for the Project or aspects of the Project contributing to uncertainty around delivery outcomes and costs;
- It can lead to reputational loss for the relevant agencies or sponsors, and impact on assessments of future stages of the Project or other projects the agencies may seek to deliver;
- Through legal actions, it can give rise to increased costs, delays in timetables and changes to design (see below);
- At a project management and administrative level it can lead to direct and indirect costs, for example increased resourcing to address growing community concerns, and lack of project flexibility for example through loss of ability to negotiate with affected persons variations to consent conditions; and
- It can lead to indirect costs for example difficulty in retaining and recruiting quality staff whose commitment is impacted by the reputational risk or general unpopularity of the Project.

1.1.2 Community concerns raised to date

Stakeholder feedback provided to date has highlighted strong community interest in the impacts of the Project: *“Key concerns [were] raised by Heart of the City in particular about the impacts on businesses, noting the experiences of businesses affected by CRL and by ongoing construction projects in the CBD.”* A key theme has been potential disruption from construction, and available mitigations.

While the Project will deliver potential benefits, e.g. property or business value uplift, improved access and amenity, greater circulation of customers and patrons and increased turnover, the impact of benefits and burden are not symmetrical on an individual basis and as a result some individuals, families and whanau may bear a disproportionate burden.



Targeted assistance schemes have been used on other major transport projects to help mitigate aspects of this burden, with the content of such schemes differing.¹ These schemes typically focus on business and residents (e.g. owners and occupiers) located along the affected route, or within the project corridor. The nature and extent of impacts suitable to be addressed through the scheme depends on the project, and the relevant stage of works.

Impacts typically intensify during construction, and ease during operation. Accordingly, the planning phase affords an opportunity to scope and proactively manage impacts – including by giving businesses the tools to avoid or adapt to any disruption during the construction period.

Effective succession planning of engagement staff is critical as turnover is inevitable with projects of this duration.

1.2 OBJECTIVES OF SCHEME - WHAT ARE WE SEEKING TO ACHIEVE?

The objective of the Scheme is:

To build and maintain social licence – for the Project, by mitigating through the Scheme the risk, arising out of the Project construction activities, of a disproportionate burden falling on members of the communities, their families and whanau;

Through:

- Empowering likely affected people to make early and good decisions: Through early proactive intervention provide information, resourcing and support to enable affected members of the communities, their families and whanau, to be able to address and mitigate impacts in a proactive and informed manner;
- A graduated intervention model: That seeks to mitigate disruption and any flow-on impacts, through the lowest cost form of effective intervention; and
- A flexible tailored response: That within the broad fiscal criteria and fiscal envelope for the Scheme seeks to retain flexibility for the Scheme administrators to respond in an appropriate manner with the appropriate intervention choices based on the particular needs of the individual member, their families and whanau.

1.3 SCOPE OF THE SCHEME

The scheme is focused on small businesses who will be affected by construction disruption.

The first priority will be to minimise business disruption.

Factors that will be important include:

- Design of the scheme
- Packaging of the works

¹ For example, the Sydney Light Rail Business Assistance Program was established to assist small businesses on the light rail alignment impacted by prolonged construction works.



- Incentives for contractors to innovate when phasing the works to minimise the disruption on businesses and residents along the alignment. This will be picked up in consent conditions and contract conditions.

1.3.1 Scheme Support Range

Two layers of potential support are proposed:

- Base “universal” resource support (“layer 1”): This consists of core information, tools and resource kits, planning support and on-going services that enable business owners to:
 - make early, pro-active, informed decisions to mitigate any potential disruption impacts. The planning support would be a mixture of resourcing from the Project team which enables feedback into project delivery to identify steps the project can take to aid impact mitigation, as well as external approved resource providers to support business assessment of mitigation options (for example business relocation for a period, use of pop ups etc.);
 - access ongoing resource support for ongoing business planning or adaptation, as well as core social support resources including counselling and mental wellbeing impact support for the business owner/occupier, family and whanau.

The “universal” refers to the fact that the criteria for access to this support is the broadest – for example all businesses that are likely to be impacted by disruption to one or more of their outlets due to project construction.

- Targeted cost based assistance (“layer 2”): This consists of a fund that will enable the Project to respond with appropriate costs support that would enable some mitigation of the impacts of business disruption.

Cost support could range from support fixed overhead costs during the period of disruption (e.g. lease or rental, costs, staff wages support costs), or business alternative costs (support for costs of relocating for a period, or permanently).

Engagement staff will be empowered to make timely and practical decisions to support businesses. This is an approach taken on the Waka Kotahi Northern Corridor Improvements project.

A criteria for targeted assistance would need to be developed reflecting the fact that the budget for cost based support is likely to be less than need, so inevitably prioritisation of need and consistency of treatment will be required factors a long-side flexibility of approach.

For example the criteria may require evidence that the business has a high degree of reliance on the affected outlet/s, such that the business cannot reasonably be expected to bear the costs for which support is sought.

1.4 KEY DESIGN PRINCIPLES

Some of the key design principles to inform the establishment and implementation of the Scheme include:



- **Simple in design and administration** – The Scheme administrative process itself must assist in alleviating the affected Business owner’s concerns or stress rather than adding to it. It is user-friendly and easy to navigate.
- **Multifaceted approach** – Scheme is multifaceted to ensure broad business support is offered, which enables clear and timely access to information and resources (“layer 1”), as well as providing specific cost (“layer 2”) assistance to prevent or reduce individual impacts.
- **Voluntary and proactive** – Broad support is available ahead of Project commencement, on a universal and proactive basis. Business community is engaged early, and updated regularly throughout the Project, to improve chances of preventing and/ or minimising disruption to businesses, particularly during construction phase.
- **Fair and timely** – the project to be resourced to ensure that staff are empowered to make decisions that can support individual businesses in a timely and fair fashion.
- **Universal** – For layer 1 aspects: Tools and resources are made universally accessible, recognising a broad concept for ‘affected persons’ and regularly updated based on ongoing learnings. Draws from tools and resources developed for other transport projects of similar scale and complexity.
- **Targeted and tailored** – For layer 2 aspects: Specific financial and other assistance is available that is both responsive and proportionate to the impacts likely to be experienced by businesses. Assistance is tailored to individual needs. Scheme recognises that impacts arise in various ways, e.g. through temporary loss of access, amenity and/or patrons, but also may have flow-on effects (e.g. on mental wellbeing). Entry criteria required, but discretion with those who meet entry criteria as to how to help, and how much to help, guided largely by the overall cap and the circumstances they are facing.
- **Collaborative** – Relevant aspects are co-designed with applicable agencies, councils, ministries and stakeholder groups to ensure Scheme is – and remains – fit for purpose, draws on existing arrangements and relationships and reflects best practice.
- **Flexible** – Scheme is responsive to the needs of the business community, and includes flexible design features to ensure scope and processes are monitored and can be adjusted and improved, if required.
- **Cohesive** – Scheme is consistent with, and upholds the principles of, Auckland Transport, Auckland Council’s and Waka Kotahi’s community and social outcomes frameworks. Operates cohesively and complements other project initiatives, e.g. communications and stakeholder engagement strategies and development response initiatives.

1.4.1 Specific Design Features

Layer 1 – business support and resources

Broad public offering of information, resources and referrals to services and advisory support – universal accessibility. Businesses are proactively contacted and informed up-front of what is available, and kept informed at key junctures.



Information is designed to enable businesses to plan ahead, consider options and make informed choices (e.g. remain open, temporarily re-locate, adjust operations, consider a pop-up alternative). Toolkits include mental health resources and referral service information. Recognition that some businesses may choose to remain open and explore new initiatives to attract visitors (e.g. through tailored marketing and offerings).

Advisory service offered to affected businesses, e.g. a drop-in service in the local area, or hotline.

Layer 2 – targeted assistance

Establishment of a specific assistance scheme, targeted to local businesses. Includes financial and other assistance as required: for example, lease subsidies, payment of lease fees for re-location period, ex gratia payments, no interest or limited recourse loans, payments tagged to third party payment obligations, purchase of business property.

Quantification method required to assess amount of financial assistance within funding parameters. Could be derived from other similar schemes, or Public Works Act principles.

Consideration to be given in due course to other specific design features including:

- Establishing suitable application and decision-making process;
- Setting of any relevant eligibility criteria; and
- Whether legal waiver rights would be sought for level 2 targeted assistance.

Costs

For the purpose of the business case, a contingency will be included in the costs of surface works and station works, which will be refined at the detailed business case phase. This enables the costs to reflect the different impacts of each of the shortlisted options.

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