

CONFIDENTIAL MEMORANDUM

TO: Council

MEETING DATE: 26 August 2019

TITLE: Rates Remission Application - The Ozanam House Trust

PRESENTED BY: Grant Elliott Chief Financial Officer

APPROVED BY: Grant Elliott, Chief Financial Officer

It is recommended that this report be considered with the public excluded, as permitted by the Local Government Official Information and Meetings Act 1987 under clause:

s7(2)(a) Privacy

REASON FOR CONFIDENTIALITY

The reason for this report to be confidential is
This item is presented under public exclusion as it contains financial information provided relates to a 3rd party.

RECOMMENDATION FOR PUBLIC RELEASE

The financial data of the Trust remain in Part II until released publicly by the Trust.

RECOMMENDATION(S) TO COUNCIL

1. That the report be received and Council give direction as to the next steps.

1. ISSUE

The rates remission application by The Ozanam House Trust was declined by the Rates Remission Panel on the grounds that it did not meet the "Remissions for Community, Sporting and Other Non Profit Organisations" policy objectives.

2. BACKGROUND

Any requests for a rate remission are first considered under the 1st Schedule of the Rating Act to see if it is one that is mandatory.

If it does not meet the conditions of the 1st Schedule, then it is referred to the Rates Remission Panel which was established by Council in 2015. The panel consists of the Chair/Dep Chair Community Development, a staff member from Community Development and Finance.

The panel considers the request against the Rates Remission Policy, which the Council published as part of its 2018/28 10 Year Plan.

The relevant section of the Policy that this application was considered under is “Remissions for Community, Sporting and Other Non Profit Organisations” The following is the objective of the policy:

2.1 Objective

To facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities for the residents of Palmerston North City.

The purpose of granting rates remission to an organisation is to:

- assist the organisation’s survival
- make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

2.2 Conditions and Criteria

This part of the policy will apply to land used by a charitable, sports or recreation organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

The key information from the application that the panel considered was: (Extracted from Trust Annual Report (Attached))

	2019	2018
Patient Origin - MidCentral	0%	1%
Surplus for the year	\$375,380	\$373,010
Net Current Assets	\$6,210,207	\$5,684,529

The panel in declining the application did recognise that this would be unexpected and agreed to spread transition to full general rates over 4 years. The total general rate remission which the application was seeking is \$24,472. For 2019/20 the effect on the Trust is going to be \$6,118.

3. NEXT STEPS

If the Council wishes to expand the objectives of the Rates Remission Policy to embrace organisations like the Trust, then this can only be done through the public consultative process. The easiest way at this time of the year would be via the 2020/21 Annual Plan process with effect 1 July 2020.

If the Council, for this year, wishes to place the Trust in its expected position then it could make a grant to the Trust of \$6,118 (Gst incl).

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No

ATTACHMENTS

1. Ozanam House Trust 2019 Financials