



AGENDA

EXTRAORDINARY MEETING

HOROWHENUA DISTRICT COUNCIL

30 MARCH 2010

NOTICE IS HEREBY GIVEN that an extraordinary meeting of the Horowhenua District Council will be held in the Horowhenua District Council Chambers, 126-148 Oxford Street, Levin, on Tuesday, 30 March 2010 commencing at 4.15 p.m.

Members of the Horowhenua District Council are:

His Worship the Mayor, Mr B J Duffy (Chair)
Cr D A Allan
Cr G G Good
Cr L E McMeeken
Cr A M Hunt
Cr B F Judd
Cr P K Keenan
Cr N D H Murray
Cr A D Rush
Cr R N Shaw

Reporting Officer: Mr D G Ward (Chief Executive Officer)
Meeting Secretary: Mrs K J Corkill

Business will be according to the attached Agenda.

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AGENDA

30 MARCH 2010

ORDER OF BUSINESS:

1. Apologies

An apology has been received from Councillor G G Good.

2. Public Speaking Rights

Notification to speak is required by 12 noon on the day of the meeting. Further information is available on www.horowhenua.govt.nz or by phoning 06 366 0999

3. Late Items:

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

4. Members' Conflict of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

5. Confirmation of Minutes - Extraordinary Meeting 24 March 2010 (Minute Item 1864))

6. Matters Arising

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REPORTS

Item-1865 Adjustments to the Council's 2009-2019 Development Contributions Policy

File No 4148

To: His Worship the Mayor and Councillors
Horowhenua District Council

From: Environmental Services Manager

Date: 30 March 2010

1. Executive Summary

a. Purpose of the report

To clarify interpretation of the Development Contributions Policy as set out in the 2009-19 LTCCP and propose amendments to remove any uncertainty in such matters.

b. Key issues

The Development Contributions policy currently in use requires clarification in two respects and an amendment of the current policy is sought to rectify this. This relates to the application of the policy to sleep outs/granny flats and the liability of certain rural buildings for development contributions.

2. Recommendation

- a. That Report 4148 on Adjustments to the Council's 2009-2019 Development Contributions Policy be received.
- b. That this matter or decision be recognised as significant in terms of s76 of the Local Government Act 2002.
- c. That the Council policy on Development Contributions as contained in the 2009-2019 LTCCP be amended in the Annual Plan by the deletion of the following paragraph on page 175;

For the purpose of this policy a sleepout and/or family flat is any building, or portion of a building, of less than 50m² gross floor area used for residential activity as defined in the District Plan.

and its replacement with the following paragraph;

For the purpose of this policy a sleepout and/or family flat and/or granny flat is any dwelling, or habitable portion of a building, of less than 50m² gross floor area (excluding covered verandahs) which contains a kitchen and bathroom and can be used for residential activity as defined in the District Plan.

- d. That the Council policy on Development Contributions as contained in the 2009-2019 LTCCP be amended in the Annual Plan by the deletion of the following paragraph on page 170;

Non-residential developments will be assessed on the demand that they create

and its replacement with the following paragraph;

Non-residential developments will be assessed on the demand that they create except that accessory buildings (as defined in the District Plan) associated with primary production activities in the rural zone will not be liable for a development contribution unless a new connection to the council water, wastewater or stormwater infrastructure is imposed as a condition of resource or building consent or is requested by the applicant.

- e. That the following be adopted under Section 89 of the Local Government Act for the purpose of the Summary of Information;

It is proposed to amend the Councils existing policy on Development Contributions by;

- 1. Clarifying the definition of a sleepout or granny flat and when it is liable for a Development Contribution; and,*
- 2. Establishing an exemption from Development Contributions for certain types of rural farm buildings associated with farming activities.*

- f. That the amendments proposed in the above paragraphs be publicly notified by way of the Special Consultative Process in conjunction with the Annual Plan.

3. Context

a. Background

The current policy of the Council on Development Contributions is set out in the 2009- 2019 LTCCP. In general it would appear that the policy has bedded down in the community and is being implemented successfully for the most part.

There are two areas where clarification of the intent of the policy and its application would remove doubt in the minds of staff and the public as to the extent of its application. These are:

1. The application of the policy to sleep outs/granny flats, and:
2. The use of the “non residential” component of the policy in relation to rural developments.

Officers seek to improve certainty around these provisions by way of the amendment of the policy itself to remove any doubt.

The application of the policy to sleep outs.

This matter continues to cause difficulty for staff and the public as to when it is rightly applied. Whilst the theoretical application of the Act and the policy is clear, that is, the creation of a unit of demand will trigger a Development Contribution (DC), it is difficult to apply in reality in the case of sleep outs. The terms ‘sleep out’, ‘family flat’ and ‘granny flat’ are used interchangeably in this report.

It is possible that two similar structures on adjoining properties may have the policy applied differently depending on their proposed use. That is, one may be a rental unit attracting a DC whereas the other may be associated with the family occupying the main dwelling on the property and not attract a DC. Officers frequently have to make judgement calls leading to inconsistencies and applicants are uncertain as to what should appear on the applications they are making.

The triggers for a qualifying development are set out on page 172 of the LTCCP. In this case the relevant trigger is the granting of a building consent for a qualifying development. There is a note on that page which sets out the meaning of a 'qualifying development' as follows:

** **Note 1:** A qualifying development is a development within the meaning of section 197 of the Local Government Act 2002 that generates a demand for water, stormwater, wastewater, roading, or community infrastructure, or reserves.*

A development becomes a qualifying development when it satisfies the following steps:

***Step 1:** Is the subdivision or development a "development" i.e. does it generate a demand for reserves or infrastructure? (s197 LGA)*

***Step 2:** Does the development (either alone or cumulatively with other developments) require new or additional assets or assets of increased capacity to provide for water, stormwater, wastewater, roading or community infrastructure, or reserves which will cause the Council to incur capital expenditure (s.199(1) LGA) or has already caused the Council to incur capital expenditure for the development? (s.199(2) LGA)*

***Step 3:** Is there an alternative source of funding? (s200 LGA)*

The policy further provides concessions for a sleep out as follows:

In respect of a sleep out/family flat the following shall apply:

- 1. For sleep outs/family flats from 10sq.m. up to 25sq.m. a contribution of 25% of the maximum shall apply.*
- 2. For sleep outs/family flats of between 25sq.m. and 50sq.m. a contribution of 50% of the maximum shall apply.*
- 3. The above shall apply to any unit in a residential zone that has a direct or indirect connection for water and wastewater (regardless of whether a kitchen is provided or not) and, to any such unit in a rural zone.*
- 4. The above shall not apply to any unit within an existing dwelling that has direct internal access into the dwelling (not via garage).*

For the purpose of this policy a sleep out and/or family flat is any building, or portion of a building, of less than 50m² gross floor area used for residential activity as defined in the District Plan.

It is this last paragraph that is the cause of the difficulty.

A residential activity is defined in the District Plan as follows:

***Residential Activity** means the use, occupation, or inhabitation of any land or buildings by people for the purpose of residential accommodation; and includes domestic occupations and pastimes and activities undertaken which are usually associated with residential accommodation; and includes any emergency housing facility, refuge or health care for up to 5 persons, plus support staff.*

Notwithstanding the above there are still many variations of the theme and it is desirable to remove doubt as far as possible. By way of examples;

1. Staff are now receiving plans which show little or no internal detail that assists in establishing what the intended use is.
2. Similarly, it is possible that buildings intended for residential use are not being designed and built to that standard in order to avoid the DC. There is a concern that this may lead to buildings being used for accommodation when not designed and built for that purpose.

The key cause of the difficulty lies in establishing at what stage a structure becomes a dwelling. Various definitions have been discussed for this purpose including the existence or otherwise of showers, toilets, handbasins and/or kitchens noting that some outbuildings may legitimately have some or all of these facilities but are not intended for residential purposes. That is, they are a pool or outdoor entertainment building or may just be a shower and or hand basin for cleaning up from the garden before coming into the house. Others are being legitimately built for a member of the family living outside (e.g. teenagers).

Officers suggest that there are a number of options that may assist.

Option 1: Defining Habitable Buildings under the Building Act.

Officers believe that one solution may lie in the Building Act. Where such outbuildings do not meet the provisions of the building code for a habitable building the Council can endorse those plans as “Not for habitable purposes.” In such cases no contribution would be due and to use the building as accommodation without the necessary modifications would be an offence. Any subsequent conversion of the building would require a building consent and this would trigger the building consent.

Where buildings meet the requirements for habitable purposes then, regardless of the intended use the Development contribution, could become due (noting that while this may not be the intended use of the applicant future owners could use it for that purpose without further consent). This would then be subject to the normal review provisions.

The Building Act does not define a habitable building but does define a habitable space as:

***"Habitable space** A space used for activities normally associated with domestic living, but excludes any bathroom, laundry, water-closet, pantry, walk-in wardrobe, corridor, hallway, lobby, clothes-drying room, or other space of a specialised nature occupied neither frequently nor for extended periods."*

It does define classifications of use including detached dwellings which would cover both a dwelling in the normal sense and a sleepout or granny flat. Such buildings are required to meet certain requirements to be habitable, e.g. lighting, ventilation and insulation standards. There are standards that also have to be met if the structure is for the separate occupation of another person/family (these relate to fire and separation distances).

On the face of it this option appears workable. It fails however to account for any change of use. For example what happens if the building is established as a genuine sleepout for a member of the family but on change of ownership is rented out. In the former instance no DC would have been charged but it would fall due in the latter as a building consent would be required for the changes required to make the building habitable for residential activity. In reality it is unlikely that any such application would be made.

Staff are already in the practice of stamping plans of outdoor buildings which do not meet the above definition as “Not for habitable purposes”. Thus any habitable use of the building would require a building consent. This does not however resolve the difficulty around the use of the building and whether a DC should be charged.

Checks against other Councils policy show that:

- KCDC includes a levy against 'Family Flats' but excludes 'Accessory Buildings' both as defined in the District Plan (the former are entitled to a 50% discount. Definitions are:

***Family Flat** - shall be no greater than 50m² gross floor area (excluding decks and covered outdoor living areas) and shall be capable of relocation. No family flat shall be sold or otherwise disposed of except in conjunction with the dwelling. The flat may, however, be removed from the site. Note: A family flat should only be occupied by a socially dependent relative or close family associate of the occupants of the dwelling.*

***Accessory Building** is included within the meaning of a Residential Activity and includes a building or part of a building used for housing motor vehicles, home occupations and sleeping facilities. It does not include kitchen facilities.*

- Manawatu charges a levy against sleep outs and granny flats if they have a kitchen.

If this option is preferred then it is recommended that the definition of a sleep out and/or granny flat on page 175 of the LTCCP be amended as follows.

*"For the purpose of this policy a sleep out and/or family flat is any building, or portion of a building, of less than 50m² gross floor area used for residential activity as defined in the District Plan **and which meets the requirements of the Building Act and Building Code for use as housing.**"*

Note in this case the DC is charged regardless of whether there is a kitchen or not.

Option 2: Plan Based Decisions:

This is a simple option based on what is shown on a plan. It is suggested that staff simply rely on whether a plan shows a kitchen and bathroom and if so then a contribution is triggered (similar to the Manawatu solution above).

The difficulty remains that this option will discourage applicants from putting their full intentions for a structure on a plan so as to avoid the DC. There is then the risk that subsequently applicants will then undertake conversions without building consent to achieve the intended use.

There is also the risk with this option that, by virtue of the above, not all potential revenue will be achieved.

Option 3: Exclude Dwellings below defined size.

This is the simplest option to define and implement. Currently the policy contains a scale of exemptions for dwellings of less than 50m². The exclusion of such units would provide certainty for all persons. On the other hand it would result in the loss of currently anticipated revenue from such units as well as no doubt claims for refunds from those who have been invoiced for such units.

Similarly it may be appropriate to reconsider the minimum size for any such unit. Auckland City Council defines the minimum area for an apartment as 19m² noting that the building code does not define a minimum.

This option raises the difficulty that it may not be considered reasonable to levy the same charge on any unit regardless of size.

Recommendation:

On balance it is considered that the best option is Option 2. This would allow the staff certainty as to when to apply the policy and applicants would clearly understand the trigger involved. Plans that appear to be capable of separate accommodation but not showing a kitchen and bathroom would have to be taken at face value and the owners would have to accept the necessity of an additional building consent for any conversion or change of use. Where it is discovered that a kitchen or bathroom have been added without building consent the owner is liable for prosecution under the Building Act 2004 for illegal building works.

Rural “Non Residential” Developments

The current policy makes a distinction between units of demand for ‘residential’ development and for ‘non residential’ development (pages 170, 171 of the policy). It does not provide a definition for these terms.

The policy requires that a development contribution is required for ‘non residential’ developments, the value of the contribution being based on new or increased floor area of the structure involved. The contribution is collected for roading, water and wastewater, and stormwater. There is no contribution required for community infrastructure or parks.

The use of the term ‘non residential’ has led to certain difficulties as it is all inclusive and has consequently meant that many rural buildings have been assessed for their liability including structures such as haysheds.

In reality such structures are unlikely to generation demand for additional infrastructure (with the exception of possibly roads) and therefore do not meet the above requirement for a ‘qualifying development’. On the other hand there will be developments in the rural zone and in growth areas of a non residential nature that may meet these requirements. These may be of an industrial nature or even a new milking shed and may or may not require a new connection to Council services.

In reality most rural buildings are unlikely to generate demand for additional infrastructure (with the exception of possibly roads) and therefore do not meet the above requirement for a ‘qualifying development’. On the other hand there will be developments in the rural zone and in growth areas of a non residential nature that may meet these requirements. These may be of an industrial nature or even a new milking shed and may or may not require a new connection to Council services.

It is suggested that to avoid doubt the policy should be amended to exempt primary production activities and accessory buildings (as defined in the District Plan) associated with them in the rural zone from Development Contributions except where they seek a new connection to the Council infrastructure. Rural subdivisions will remain liable in the normal way.

Checks against other Councils policy show that:

- KCDC exempts ‘surplus farm buildings’ as defined in the District Plan.
- Manawatu makes a distinction between Residential, Non Residential and Rural contributions. Rural Buildings are generally liable for a development contribution.

For the purpose of the amendment it is recommended that the following paragraph on page 170 of the LTCCP be modified as follows.

*Non-residential developments will be assessed on the demand that they create **except that accessory buildings (as defined in the District Plan) associated with primary production activities in the rural zone which will not be liable for a development contribution unless a new connection to the council water, wastewater or stormwater infrastructure is as a condition of resource or building consent or is requested by the applicant.***

It is expected that the effect of this will be negligible on anticipated contributions collected as most 'non residential' rural buildings would not meet the test for a qualifying development (except possibly for roads).

b. LTCCP

The proposal will amend the Councils policy on Development Contributions and will be significant in terms of the Local Government Act.

d. Legal Issues

Legal advice on the proposed amendments has been sought. That advice has been incorporated into this report.

e. Approach

The proposals will be the subject of the full Special Consultative Process as part of the Annual Plan.

Analysis

f. Views

Community views have not been sought on the proposal to date. Many of the concerns arise from members of the community experiencing frustration with the present provisions.

g. Options

There are a wide range of options for both of the issues under consideration ranging from retention of the status quo to a more full relaxation of the policy. The proposed solution is aimed at reaching a practical interpretation that avoids inconsistent decisions and is fair on both developers and ratepayers.

h. Costs

Costs are minimal although it can be expected that there will be some development contribution revenue lost if primary production buildings are exempted. It is however noted that the contribution in most cases will only be for roading (unless they are within a growth area) and as the roading contributions are collected on a district wide basis the contribution revenue stream should not be significantly affected.

It is expected that the overall effect of the above changes will be minimal and the level of development contributions does not need to be reassessed as a result of them.

4. Conclusions

Whilst the Development Contributions policy is working well it is suggested that the two amendments proposed in this report will represent a significant operational improvement without undermining the integrity or intent of the policy.

The difficulty around defining a habitable unit is a long established problem in the planning profession and the proposal in this report will only go some way to its resolution. As a consequent there will continue to probably be applications for reviews on this matter. That said the proposal will be a significant improvement on the current policy.

The exclusion of certain rural buildings is simply a reflection of the proper analysis of the policy. In other words most such buildings would not meet the test as a qualifying development in any event. The proposal simply serves to clarify that.

	Name and title of signatories	Signature
Prepared by	T Thomas Environmental Services Manager	
<u>Confirmation of statutory compliance</u>		
In accordance with section 76 of the Local Government Act 2002, this report is approved as: a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and, b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.		
Approved by	D G Ward Chief Executive Officer	

Item-1866 Review of Fees and Charges for the 2010/2011 Annual Plan

File No 4151

To: His Worship the Mayor and Councillors
Horowhenua District Council

From: Environmental Services Manager, Community Assets Manager, Strategic
and Corporate Services Manager

Date: 30 March 2010

1. Executive Summary

a. Purpose of the report

To Review Fees and Charges for the 2010/11 Annual Plan.

The proposals have been consolidated into one document accompanying the agenda. This will be the Statement of Proposal for the purpose of the submission process.

b. Key issues

It is appropriate as part of the annual plan process to review the Fees and Charges. Any resolution in this regard will be subject to the Special Consultative Procedure and will consequently be subject to a final decision from the Council following its consideration of submissions and prior to the adoption of the Annual Plan.

The fees proposed do not make provision for any increase in GST later in the year. It is recommended that the public notification of the proposed fees (if adopted) include notice that the fees will be adjusted by any increase in GST as well.

2. Recommendation

a. That Report 4151 on Review of Fees and Charges for the 2010/2011 Annual Plan be received.

b. That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

c. That the proposed fees contained within the document accompanying the agenda and entitled "Fees and Charges for the 2010/2011 Financial Year" be adopted as the Statement of Proposal insofar as the fees and charges proposed by this report are concerned.

d. That the Statement of Proposal be publicly notified in accordance with the special consultative procedure in conjunction with the draft Annual Plan for 2010/11.

f. That, notice also be given of the intention to increase all fees and charges by the amount of any increase in GST announced prior to the adoption of the Annual Plan.

3. Context

ENVIRONMENTAL SERVICES

a. Background

The Environmental Services Department annually considers its schedule of fees and charges as part of the Annual Plan process. This is necessary in order to meet Revenue and Financing targets set by the Council (currently set out in the LTCCP 2009) as below.

<u>Activity</u>	<u>Private good</u>	<u>Public good</u>
Rural Fire/Civil Defence	0%	100%
Resource Consents	80-90%	10-20%
Planning Policy	0%	100%
Building Consents	80-90%	10-20%
Building Policy	0%	100%
Health Licensing	25-35%	65-75%
Health Policy	0%	100%
Dog Control	70-80%	20-30%
Other Animal Control	0-5%	95-100%
Parking	90-100%	0-10%
Liquor Licensing	15-25%	75-85%
Safety	0%	100%

Officers are conscious that in current financial circumstances any increases to these fees needs to be carefully considered in the context of ability to pay. Any increases proposed are therefore minimised to the extent necessary to meet the above requirements set out by the Council.

The fee proposals are set out below under the Regulatory and Planning headings.

Regulatory

Tracked changes that are being proposed are detailed in Statement of Proposal. Commentary in respect of the proposed 2010/11 fees and charges schedule is as follows:

- (i) **Building:** Funding Policy is 10-20% Private: 80-90% Public.

No major changes are proposed as a comprehensive review of fees and charges was conducted for the 2009/10 year where the base hourly rate was increased. However there is a need for some minor adjustments to the fee and charge structure because of changes to the Building Act, or changes to the Building Consent Authority procedures. Changes proposed are –

- (a) Pages 27 -28. Set Fee Building Consents. Delete headings of PIM Fee and Total and the \$ amounts therein. PIMs are now voluntary and any requirement will attract the relevant fee as detailed elsewhere.
- (b) Page 27. Fireplace Self Certified (No Inspection). Delete from schedule – BCA is not accepting self certified installations as we still incur the liability. Providers were advised March 2010.
- (c) Page 28. Carport/Pergolas/Sheds/Awnings. Delete ‘sheds’. These are covered in the Time Based regime.

- (d) Page 28. Note reworded to reflect actual practice, which is conducive to avoiding time delays with 'grant' and 'issue' phase of the consent and allows the applicant to commence work as soon as practicable.
 - (e) Page 30. PIM requirement is now voluntary and the applicants will be charged for actual time spent based on the hourly rate, a fairer process.
 - (f) Page 30. Add word 'domestic' to category description to clarify what the charge is for, and insert a new charge as it relates to Commercial exempt work assessment. The difference in charges between domestic and Commercial is to reflect the different requirements between the assessment needs.
- (ii) Animal Control – page 33. Fees and Charges have previously been adopted by Council. The only change to the schedule as is to amend the late fee date to read 2010.
- (iii) Liquor Licensing – page 36. Funding Policy is 15-25% Private: 75-85% Public.

Fees are set by legislation. However a charge of \$50.00 is being proposed for late applications in respect of Special Licence processing. We have 20 working days to process an application in normal circumstances, this charge will cover additional time required for late received applications where more than 14 working days but less than 20 working days apply in respect of the receipt of the application. The fee is proposed to be set under the LGA 2002.

- (iv) Parking – page 37. Funding Policy is 90-100% Private: 0-10% Public.

Infringement fees are set by legislation, Meter fees are set by resolution of Council. It is proposed to increase meter costs from .40 cents per hour to \$1.00 per hour. Each year the operational costs are met by way of a combination of meter fees (\$65K) and infringement revenue, generating a surplus that at first impressions would support the argument that there is no justification in proposing to increase meter fees – however like all matters there are always two sides to every story that need to be considered and assessed in coming to a decision.

It is officer opinion that in respect of infringement revenue it is unwise to take full account of the level of revenue when considering whether or not there is a need to increase meter fees, and that the only infringement revenue source that should be taken into account is that received from infringements against the Council Traffic & Parking Bylaw, as the laws of the Land can change at any time and there is no control over this.

To assist in deciding whether or not to increase meter fees from 40 cents to \$1 an hour the following 'picture is painted' –

Operational Cost of Parking Service		\$220,000.00
Private Good 90-100%	\$198,000.00 to	\$220,000.00
Meter Income at 40 cents		(\$65,000.00)
Balance by way of Infringements	(\$133,000.00 to	\$155,000.00)
Operational Cost of Parking Service		\$220,000.00
Private Good 90-100%	\$198,000.00 to	\$220,000.00
Meter Income at \$1 (x income by 2)		(\$130,000.00)
Balance by way of Infringements	(\$68,000.00 to	\$90,000.00)

\$ Value of Infringements issued –	07/08	08/09	09/10YTD
Total Value	\$617,241	\$620,748	\$408,872
WOFs/Rego's	\$540,800	\$523,000	\$336,800
Bylaw Balance	\$76,441	\$97,748	\$72,072
Metered offences	\$44,256	\$52,464	\$36,216

It can readily be seen for example, that to rely on infringements against the bylaw (or just that component relating to metered infringements) means that unless meter charges are increased to \$1 per hour the funding policy is not achievable unless full account is taken of all infringement revenue. It should also be noted that in the case of the figures above, the infringement issued value does not relate to the actual income value of the infringements.

(v) Environmental Health. Funding Policy is 25-35% Private: 65-75% Public.

No major changes are proposed but there is a need to clarify some category descriptions. Changes proposed are –

(a) Page 46. We issue Event Licences to Event Organisers who co-ordinate food outlets attending their events and provide details to Council. One licence is then issued, but normal inspections of all food premises are conducted on the day of the event. The proposed \$90.00 fee (increased from \$67.50), is to reflect the funding policy split of Public/Private Good. The full process of administrative, vehicle and actual inspection costs would be in the vicinity of at least \$300.00, dependant upon the size of the event, number of food stalls, and types of food.

(b) Page 46; introduce a new fee description to reflect the need for an Individual Temporary food stall licence of \$22.50. This is not a new fee as it has been charged previously but under the 'Hawker' category. This category is for food stalls at an 'event' but an event licence is not applied for/issued, or special one off activities. It is not applied to community groups that may be having a fund raiser at say The Warehouse, however it may apply to a Community group at an 'event', dependant upon the activity and this is the prime reason the cost has been kept at a low level - It should be noted that the fee level does not reflect the funding policy for the very reason that it may be applied to a community group. However by applying a fee some costs are recovered for a service 'to ensure hygiene and other regulation standards are met for the health and safety of users' and as defined in the LTCCP 2009-2019.

(c) Page 46. Late Fee, date needs to be changed to 31 July 2010.

(v) Miscellaneous Fees & Charges. Page 49, Abandoned Vehicle Towing. The proposal is to ensure costs are recovered, hence the proposal for 'Cost plus 20%' being applied.

Resource Management Act.

The Councils schedule of fees and charges under the RMA needs to be updated for a number of reasons. These include reformatting the structure of fees, responding to amendments to the RMA and reviewing the quantum of fees and charges.

Fees and charges are largely defined by two parent documents, one being the Councils Revenue and Finance policy as per the 2009 LTCCP and the second being the provisions of Section 36 of the RMA relating to fees and charges.

In addition the 2009 amendments to the RMA introduced provisions for discounting the cost of resource consents where Councils fail to meet defined performance criteria for processing times. The final regulations for discounts are not available at the time of writing although are required to be implemented by Councils in July this year. In the absence of detail we are not able to plan for the effect of these regulations. What is known is that the Councils must apply the regulations as the default position and may allow higher discounts by way of policy adopted in terms of the special consultative process. Officers are not making any proposals on such a policy without

knowing the detail of the regulations. The impact of these regulations is expected to be minimal as almost all consents are currently being processed within statutory limits.

Revenue and Finance Policy:

The Revenue and Finance policy in respect of planning activities is: (LTCCP pages 121 and 122)

1. Resource Consent applications
 - Public Good: 10-20%
 - Private Benefit 80-90%
2. Resource Management Policy, District Plan and Enforcement
 - Public Good: 100%
 - Private Benefit 0%

This report relates to the recovery of the Private Benefit for resource consent applications under point 1. above.

RMA Provisions

The provisions of Section 36 relating to Administrative Charges have been amended slightly as a consequence of the RMA 2009 Amendment Act although the amendments are not significant in the context of this report (they primarily relate to charges in relation to the amendment/review of resource consents and certain heritage/designation provisions).

A full copy of section 36 is available in **Attachment A** to this report. Key features for the purpose of this report include:

1. Charges may include “fixed charges” and where the fixed charge is inadequate to recover actual and reasonable costs then “additional charges” may be required.
2. The Council need not undertake any work for which a fixed charge is defined until that fee is paid.
3. The Local Authority must on application provide an estimate of any additional charges.
4. The Local Authority may remit any charge in whole or in part. This function has been delegated to officers.
5. Rights of objection are available in respect of any additional charges but not fixed charges.

Sub section (4) sets out the matters the Council must have regard to in setting its fees and charges. In summary these are:

1. The sole purpose of the charge is to recover actual and reasonable costs incurred.
2. The private benefit of the actions to which the charge relates.
3. The extent to which the action is caused by any individual

Consideration

The budget for the planning services section is structured around the above provisions of the Revenue and Finance policy. That is, there is a separate budget identified for the cost of

processing resource consents (cost centre 0110) and another for the policy and enforcement activities (cost centre 0111). In addition to this there is a cost centre for related overhead costs not specifically attributable to either activity (0488).

The draft Annual Plan expenditure budget for the resource consents function is of the order of \$850,000. In terms of the policy the budget proposes to recover 90% of this figure from applicants, that is \$702,400.

Currently the staff split their time between the two activity areas and the budget is planned and apportioned accordingly. Consequently the Opex for the Resource Consent Activity represents the full cost to the Council for consent processing, about \$850,000 for 2010/11. The Revenue and Finance policy then seeks to recover 80 – 90 % of that figure. The Fees and charges proposed are designed to achieve this. This is based on projected work volumes and the cost of servicing that demand.

Currently, there are four planning staff dedicated to processing resource consents although none are dedicated full time to this function as mentioned above. Other non billable activities they are expected to undertake include:

1. Public enquiries: there is one staff member available full time each day for this free service.
2. Managing complaints and other enquiries.
3. Training functions and administrative work.
4. Staff meetings and other Council projects (Project Unify)
5. Professional development.
6. Assessing building consent applications and other applications (including assessments for development contributions)
7. Leave

It is also likely that any spare capacity within the team will be taken up on District Plan review work as well.

In addition there other non planning staff who incur costs associated with the activity. These include the Subdivision Engineer, the Monitoring Officer and Administrative staff.

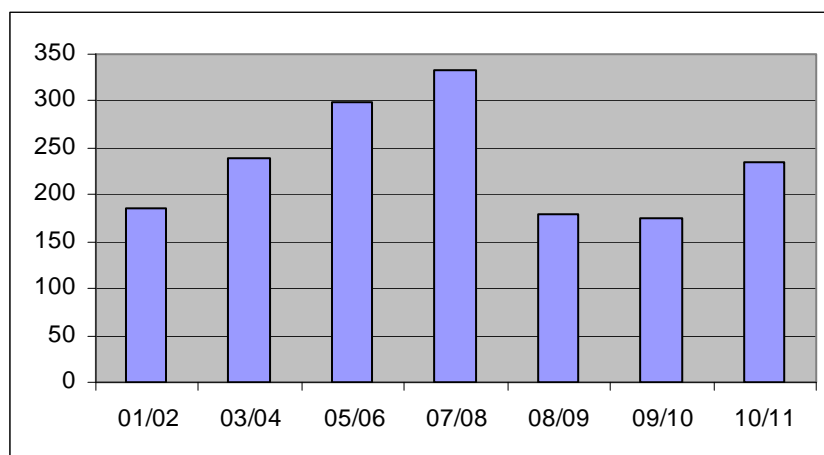
Based on the amount of staff time that is chargeable is estimated that all of the above staff will have some 6000 hours available for resource consent processing in the year ahead. By way of a ball park estimate this equates to an hourly rate of approximately \$120 (i.e. 85% of \$850k = \$722.5k / 6000 hours).

The Opex figure includes internal charges and more particularly:

1. Costs associated with the subdivision engineer (who advises on all subdivision applications and checks for compliance with conditions of subdivisions approved) and;
2. Support services charges (responsible for administrative costs associated with resource consent processing).
3. Other overheads – IT, financial support, costs of democracy, etc.

Calculations show that the revenue target for 2010/11 is achievable with the current resources provided the available work remains at sufficient levels. There is no certainty on this point at present although trends show some sign of recovery to date, see graph below. The number of applications in previous years is shown below with the projected number of applications for the 2010/11 year being 235.

Past and Projected Application Rates (projected for the last half of 09/10 and for 2010/11).



Work has been done on the actual time and costs of consents processed over the last two years and this has been used, in conjunction with the above average hourly rate to derive the proposed scale of fees and charges.

In addition we have proposed various hourly rates for staff positions. This is necessary as more junior (and less costly) staff will spend more time on resource consents than managers. These hourly rates will form the basis of the proposed “additional charges” where required. These calculations are based on salary plus overheads against the amount of billable time that staff are able to charge out. The actual range is from \$80 to \$180 per hour. I have, taking into account comparisons with other councils ‘smoothed’ these figures to a range of \$80 - \$150 per hour.

Changes are being proposed this year to the actual structure of the fees and charges schedule. This is needed for a number of reasons:

1. The 2009 amendments to the RMA. Specifically there is a greater focus on costs associated with limited or full notification, this amount being assessed for payment before such actions take place.
2. The avoidance of historical problems associated with debt management.
3. The need to align fees and charges with the nature of applications received, e.g. staged subdivisions.

Proposed Schedule of Fees and Charges.

Amendments to fixed charges – page 39:

Under the current fee structure applicants have only been asked to pay one fixed charge upfront to commence processing of resource consents. In the majority of cases this works well. There are cases, particularly where public notification and or independent hearing commissioners are involved, where costs can escalate to tens of thousands of dollars which we have historically tried to recover as additional charges. This has led to significant problems in the past on the part of both applicants and staff particularly when applications have been declined.

It is proposed to introduce fixed fees for the various stages of processing resource consents. Principally these relate to not only the initial application but also to public notification (full or limited) and hearings. The effect of this will be that where an application is to be notified and/or have a hearing applicants will be asked for a fee for those purposes before the action takes place. This will not affect the overall charge and will simply provide for part payments through the consenting process. The Act does provide that the Council need not undertake an action for which a fixed fee is prescribed until it is paid. In other words under the proposal we will not incur

notification and/or hearing costs until that fee is received and the processing time clock in the interim will stop.

It is proposed to increase the initial fixed charge component of costs to more accurately reflect actual charges. This will require that a larger "deposit" be paid on applications but this will in turn:

1. minimise administrative costs associated with recovery of additional charges,
2. reduce any unforeseen additional charges for applicants; and;
3. reduce the number of accounts in dispute.

It is not anticipated that the overall charges associated with processing applications will change significantly. However, it will mean that the deposits (i.e. the fixed fee) for applications will more realistically reflect actual charges. Where costs are less than the fixed fee the notes in the fee schedule provide for refunds under the circumstances set out.

The intention in doing this is to avoid the build up of significant additional charges although these may still be applied.

The proposed schedule of fees attached to this report includes both current fees (in brackets) and proposed fees. The above amendments make direct comparisons difficult in some cases so some latitude in reading them is required.

Remittances

Where the actual costs are less than the fixed charge the difference will be refunded to the applicant upon completion in accordance with the policy attached to the schedule (see point 2).

Amendments to Subdivision Fees

Currently there are only two fixed fees for non notified subdivisions (i.e. minor and other non notified). This is insufficient for the range of applications received and consequently significant additional charges build up against the more complex of these applications. This leads to debt recovery problems particularly when such applications are declined.

It is proposed to introduce a scale of fixed fees for subdivisions depending on the number of proposed lots, those with more lots being more complex and requiring additional time. It is also proposed to introduce a fixed fee for staged applications as this will always involve additional time in designing the conditions specific to the individual stages. The figures proposed are derived from actual figures and rounded off.

Again this should not result in additional costs to applicants and will avoid the build up of significant additional charges although these may still be applied.

Additional charges

It is proposed to increase the additional charges in line with the proposed hourly rates referred to in this report. The amendments are considered necessary to meet Revenue and Finance targets.

The hourly rate will be offset against the fixed charge paid for any application and any additional balance will be invoiced to the applicant on issuing the decision or on a regular basis for applications taking longer than usual to process.

The present schedule is based on an hourly rate for planners of \$100 per hour for a planner or \$125 per hour for a more senior staff member (planner or manager). We propose to make a greater degree of differentiation here so as to accommodate specific rates for administration,

engineering costs and monitoring costs as well as including a charge for normal disbursements (photocopying, travel, etc). That said hourly rates are not proposed to be amended significantly.

Current hourly rates for various Councils are shown below. Private good Revenue and Finance policy is shown in brackets in the heading.

Officer	HDC (80- 90 %)	PNCC (80 – 100%)	MDC(50%)	KCDC (50%)	RDC (40-50%)
Planning Manager	125	185	140	118	150
Senior Planner	125	165	115	118	
Planner	100	145	100	118	115
Engineer	100			118	
Admin		125	50	82	60

There are two features of note in the above table:

1. The private good component for Horowhenua District Council is on the high side by comparison to other Councils.
2. The hourly rates at Horowhenua District Council are low in comparison with other councils having a similar funding policy for user charges.

Vetting of applications

In order to avoid problems during the application processing practice has been to date to encourage applicants to meet with officers prior to lodging the application to review the proposal. This service has been provided at no cost to the applicant to date, that cost being to the public good, i.e. ratepayers. This can be a time absorbing process especially where individuals attempt applications that really should have professional input and/or where consultants are reviewing complex applications with staff.

It is proposed to continue to provide the service free of charge but only for the first hour. Any time spent with applicants thereafter is proposed to be subject to an hourly additional charge out rate.

COMMUNITY ASSETS.

a. Background

The Community Assets Department annually considers its schedule of fees and charges as part of the Annual Plan process. This is necessary in order to meet Revenue and Financing targets set by the Council (currently set out in the LTCCP 2009) as below.

Activity		Private (User fees and charges)	Public	Rate
Wastewater	Policy	10% - 20%	80% - 90%	Targeted
	Proposed	15%	85%	
Waste Transfer Stations	Policy	60% - 70%	30% - 40%	Targeted
	Proposed	47%	53%	
Water	Policy	20% - 30%	70% - 80%	Targeted
	Proposed	30%	70%	
Community Halls and Centres	Policy	15% - 30%	70% - 85%	General
	Proposed	30%	70%	
Accommodation - Refer to separate report	Policy	100%	0%	General
	Proposed			
Commercial and Endowment	Policy	100%	0%	General
	Proposed	100%	0%	
Motor Camps	Policy	100%	0%	General
	Proposed	100%	0%	
Sports grounds	Policy	0% - 5%	95% - 100%	General
	Proposed	3%	97%	
Reserves	Policy	0% - 5%	95% - 100%	General
	Proposed	4%	99.7%	
Cemeteries	Policy	50% - 60%	40% - 50%	General
	Proposed	57%	43%	
Pools	Policy	30% - 35%	65% - 70%	Targeted
	Proposed	36%	64%	

The Proposed percentage is what would be achieved under the proposed fee structure.

Officers are conscious that in current financial circumstances any increases to these fees needs to be carefully considered in the context of ability to pay. Any increases proposed are therefore minimised to the extent necessary to meet the above requirements set out by the Council, whilst taking into account other constraints and policies.

Proposed changes to fees for Community Assets are discussed below.

Community Assets Hourly Rates

The Statement of Proposal proposes small increases in the chargeable hourly rates for the Manager - Community Assets and the third level managers within Community Assets. Rates for other officers remain unchanged. The rates remain similar to, or lower than, those of neighbouring Territorial Authorities. The two most common reasons for applying the charge rates are subdivision consent application assessment and official information requests.

For comparison a Planning Officer and Building Officer at Tararua District Council is charged out at \$180.00 an hour and Senior Managers at Manawatu District Council are charged at \$165.00. The proposed hourly rate for a Senior Manager is \$140/hr and \$190/hr for the Community Assets Manager.

Wastewater

The connection application fee (which also covers a water connection where applicable) is proposed to be increased from \$100 to \$150 to more accurately reflect the staff time involved in processing. The septage fee is proposed to be increased from \$12 to \$17 per m³ to more accurately reflect the cost of processing these loads and managing the external contractors.

On average a house septic tank is required to be cleared every 4-5 years. As a result the net annual impact is likely to be low.

A 6m³ Tanker of Septage is currently charged out at \$72.00 per load. It is proposed that this charge will go to \$102.00.

Trade Waste

No changes to the formulae or deposit are proposed. Pursuant to the Trade Waste Bylaw, Trade Waste Charges are based on cost recovery of projected wastewater treatment operational costs to council for the forthcoming year and so increases will result and will be individual to each trade waste user.

Solid Waste Disposal

Foxton and Shannon Transfer Stations

Proposed charges are generally increasing at these facilities. Key factors influencing this are the Government's waste minimisation levy and the need to maintain reasonable parity with charges at other transfer stations in the district and neighbouring districts. Currently transfer charges in Foxton and Shannon are 20 – 30% lower than those of the Levin Transfer Station and Stations in Palmerston North and Kapiti.

The Plastic Bag (up to 10 kg) disposal charge is proposed to be increased from \$1:20 to \$2:50. This is to more accurately reflect the handling and disposal costs, as well as more closely match the official refuse bag charge.

Charges for plastic bags in excess of 10kg are proposed to be deleted as such quantities will in future be deemed to be in either the 'car boot' or 'car general' categories.

Cars General charges are proposed to increase from \$11 to \$19 and the Cars - Green from \$8 to \$9.

The Car Boot - General and Car Boot - Green charges of \$14 and \$7 respectively are new categories (see also plastic bags above 10kg).

Vans/Ute - General charges are proposed to increase from \$25 to \$37.

Vans/Ute - Green charges are proposed to increase from \$10 to \$14.

Trailers - General (up to 2m³) are proposed to increase from \$27.50 to \$37.00.

Trailers - Green (up to 2m³) are proposed to increase from \$10 to \$14.

Large Trailers - General (per m³) are proposed to remain at \$22 per m³, but with a new minimum charge of \$37 proposed.

Large Trailers - Green (per m³) are proposed to remain at \$10 per m³, but with a new minimum charge of \$14 proposed.

The charge for Tyres is proposed to be increased from \$2 to \$3.

It is proposed to remove the charges for disposal of Council Rubbish Bags at the Transfer Stations since the cost of handling and disposal has already been paid for (being included in the bag price).

A suggestion has been made that with increases in waste transfer station fees, increases in incidental fly tipping are likely to occur. In the Levin Area, incidental fly tipping has remained stable since the increase in fees and charges at the Levin Waste Transfer Station in Levin 3 years ago. This includes green waste on reserves. Council estimate that \$4-5,000 would be spent annually cleaning fly tipping as a result of refuse station charges. Most other fly tipping is associated with deviant behaviours such theft or willful damage to the site. A net increase in income of \$26,000 is proposed as a result of increased fees and charges, taking into account the cost of potential fly tipping.

Council relies on the community reporting to Council incidents of fly tipping and also pass information onto Council where they consider that a person may be fly tipping at a location. Council has successfully prosecuted in the past, reclaiming the cost of clean ups.

Water

Increases are proposed to all water charges in the district. An increase of 7% has been applied to all water charges. This increase is to reflect the inflationary costs of water production and reticulation.

A Quarterly Meter Charge for Foxton Beach has been added to the list of fees and charges. This had previously been charged but omitted from the schedule of fees and charges.

The connection application fee (which also covers a wastewater connection where applicable) is proposed to be increased from \$100 to \$150 - see also wastewater connection fee.

The fee for Removal and Reinstatement of Water Restrictor is proposed to increase from \$100 to \$150 to more accurately reflect the staff and contractor costs in undertaking this work.

The fee for Water Meters Final Reading are proposed to increase from \$20 to \$50 to more accurately reflect the staff and contractor costs in undertaking this work.

Community Halls and Centres

Small increases have been made to reflect the cost of inflation. There are no significant departures from the previous fees and charges.

In the 2009/10 financial year a cost recovery of 28% was achieved. It is proposed that a 30% cost recovery will be achieved for the 2010/11 financial year – achieving the Financial Policy of 30%.

Levin Memorial Hal (per hour - 2 hour min)

Proposed Freyberg Lounge charges for Group A and Group B increase from \$13 to \$15 and \$10 to \$12 respectively. Proposed Kitchen Charges for Group A and Group B increase from \$9.50 to \$12.50 and \$7.50 to \$10.50 respectively. Proposed Drinks Room Charges for Group A and Group B increase from \$7.50 to \$11.50 and \$5.50 to \$9.50 respectively.

Shannon Memorial Hall (per hour - 2 hour min)

Proposed Main Hall Charges for Group A and Group B increase from \$13.50 to \$15.50 and \$10.50 to \$12.50 respectively. . Proposed Kitchen Charges for Group A and Group B increase from \$6.50 to \$12.50 and \$5 to \$10.50 respectively. . Proposed Supper Room Charges for Group A and Group B increase from \$11 to \$13 and \$8.50 to \$11 respectively. . Proposed All Facilities Charges for Group A and Group B increase from \$31 to \$40 and \$24 to \$30 respectively.

Foxton Memorial Hall (per hour - 2 hour min)

Proposed Main Hall Charges for Group A and Group B increase from \$17.50 to \$19 and \$13.50 to \$15 respectively. Proposed Stewart Ellwood Room Charges for Group A and Group B increase from \$11 to \$12 and \$8.50 to \$9.50 respectively. Proposed Podmore Room Charges for Group A and Group B increase from \$7 to \$9 and \$5.50 to \$7.50 respectively. Proposed Kitchen Charges for Group A and Group B increase from \$6.50 to \$12.50 and \$5 to \$10.50 respectively. Proposed All Facilities Charges for Group A and Group B increase from \$42 to \$47 and \$32.50 to \$35.50 respectively.

HDC Civic Area

Proposed Charges for Tea and Coffee (per head) for Group A and Group B both increase from \$0.50 to \$2. Charges for Biscuits (per head) also increase from 0.50 to \$2 for both Group A and B. A new charge is proposed for catering at cost plus 5% for both Groups A and B.

Foxton Service Centre Civic Area

Proposed Charges for Tea and Coffee (per head) for Group A and Group B both increase from \$0.50 to \$2. Charges for Biscuits (per head) also increase from 0.50 to \$2 for both Group A and B.

Accommodation

General

The proposed charge for lost keys increases from cost to cost plus 5%.

Pensioner Accommodation

The proposed charges will increase either \$10 or \$20 per property depending on location and occupancy.

Rental Accommodation

Modest increases are proposed in line with the market.

Motor Camps

Increases to some existing fees and charges and the introduction of a new peak season rate are proposed to the fees and charges at Pinewood Motor camp in Foxton Beach.

Permanent sites have been increased to reflect the actual cost of operation but to also better reflect comparative fees and charges for camp sites in the District and neighbouring camps.

A new seasonal rate for the summer peak time has also been created to capture high summer utilisation. These proposed fees are still lower than those of neighbouring camps.

The increase in fees will allow the camp to continue at 100% cost recovery.

Fees of comparative camps are:

Motorcamp	Tourist Cabin (min charge 2 adults) PEAK RATE	Tent Site (Per adult) PEAK RATE
Waitarere Beach Motor Camp – No peak rates listed on website	\$65.00	\$15.00
Himatangi Beach Motor Camp	\$80.00	\$17.00
Foxton Beach Motorcamp (Proposed)	\$70.00	\$17.00

Powered Open Sites

It is proposed to move from a flat rate of \$14.50 for adults and \$8.50 for children to 'normal' and 'peak' season rates of \$15 and \$17 for adults and \$9 and \$10 for children, respectively. Proposed Cabin charges move from a flat rate to 3 categories of 2 persons per night, and extra adult per night and an extra child per night. Permanent site charges increase moderately and are comparable with neighbouring camps.

Parks and Reserves

Sports Fields

No price increases are proposed for sports grounds. It is proposed a 3% cost recovery will occur for the financial year.

A new charge is proposed for Casual Cricket Use.

Cemeteries

Fees and charges increases are required to meet the Revenue and Financing policy for Cemeteries of 50 – 60%. Year to date actual income for the 20010/11 year is estimated to only reach 42% this year. It is proposed to bring the cost recovery this year to 57%.

Stepped increases have been required for the last 3 years to bring the Districts charges closer to the Revenue and Financing policy, but also to gain comparative charges with neighbouring TLA's.

Options for Low income families

Council offers a number of lower cost or free burial options in the district. These include free ash scatter at the Avenue Cemetery Rose Gardens and in the Te Pungarehu Bush scatter area. Low cost ash walls are available at Foxton and ashes gardens at Foxton and Levin. It is recognised however that a full burial is the most expensive option available.

The cost of headstone and monumental work is also important to consider. Often families are willing to pay the relatively high cost of memorial or monumental work, despite not fully paying the Funeral Director for their services because of inferred financial hardship.

Indigent Funerals

In circumstances where the deceased has no available funds for a funeral, a maximum grant of \$1,820.08 from Central Government is available depending on the deceased's estate. In these circumstances, Council receives no income as the entire grant usually subsidises the Funeral Directors costs. The Burial and Cremations Act 1964, sets out a process for dealing with indigent burials, where no headstone is permitted to be erected until Council receives full payment for the cost of the plot and interment. In the last 3 years Council has had 1 indigent funeral which was fully paid off within 6 months.

Relative Deprivation

When considering the Districts relative deprivation, fees and charges for Cemeteries have been compared with the Far North District Council. Horowhenua District Councils current charges are lower than those of the Far North District Council. Increased fees and charges are still relatively comparable to those of the Far North District Council.

Comparative Council charges are:

Council	Burial Fee	Burial Plot Fee	Grounds maintenance fee	Total
Far North District Council (current)	\$750	\$715	\$140	\$1,605
Horowhenua District Council (current)	\$500	\$700	\$0	\$1,200
Horowhenua District Council (proposed)	\$1,150	\$850	\$0	\$2,000
Kapiti Coast District Council *Proposed from 1 July	\$895	\$1,170	\$0	\$2,065

Aquatic Facilities

No general increases to fees and charges for pools are proposed.. The introduction of new fees and charges has resulted through the introduction of new or alternative programmes.

A restructure of lane and complex hire is proposed during peak and non peak times, with fees being reduced during periods of current low utilisation. It is proposed that the price reduction should increase accessibility for groups where cost has previously been a barrier.

Reductions in facility hire rates at Foxton Pools have also been proposed. The current cost of hireage has been perceived as a barrier to utilising the pool. Officers will monitor the outcome of a price reduction in the coming season to see if the reduction has any effect on utilisation.

It is proposed that additional income from other charges will be achieved through continuing increases in utilisation.

Council will continue to work with Clubs to negotiate rates based on use and the levels of service required.

Minimum Engineering Standards

Vehicle Crossings/Damage Deposit

An increase in the deposit required for vehicle crossing/damage has been increased from \$450 to \$2,000. The deposit has not increased in over 10 years and now no longer reflects the cost of actual replacement. A deposit is required in the event that a crossing is not reinstated or damage occur, in which the Council cannot recover the cost of repairs or replacement. It is generally recognised that the cost of replacement/repair to rural crossings are not as high as urban. As a result two deposit rates are proposed:

- The deposit for vehicle crossings/damage in urban areas is proposed to increase from \$450 to \$2,000.
- The deposit for vehicle crossings/damage in rural areas is proposed to increase from \$450 to \$1,500.

STRATEGIC AND CORPORATE SERVICES.

Land Information Memoranda

LIM fees applied by the Horowhenua District Council are currently:

\$130.00 Standard
\$200.00 Urgent

The price has not changed in 3 years.

Current prices do not reflect the actual time spent researching and preparing the reports. The timeframe for producing LIM's has increased due to recent Policy & Act amendments. Research is undertaken not only by LIM Officers but in addition staff across Council are required to conduct research and provide comments.

Horowhenua District Council has the second lowest fees in comparison to the other council's in the surrounding area, probably due to the fact that they have not been reviewed for three years. Horowhenua District Council LIM fees are well below the average fee charged.

Excluding Palmerston North, the current average is \$175.00 for a standard LIM and \$288.00 for urgent LIMS. Four Councils have indicated price increases for 2010. Based on this information the average increase is \$214.00 for a standard LIM & \$295.00 for an urgent LIM.

Horowhenua District Council provides copies of all building consent plans and the Certificate of Title as part of the set LIM Fee. Other Councils charge a separate fee of \$25.00 for this information with an additional \$5.00 photocopying fee. A separate charge for recovering the costs is not recommended but the costs for providing this additional information should be recouped through the fee.

The current average time spent processing a LIM is 3.45 hours (three hours, 45 minutes). Council Staff charge rate is currently \$100.00 per hour. If costs of staff time were to be recouped, the LIM costs would reflect average time spent.

Whilst in the in the next 12 months more information will be available with a `single view', historic documentation will continue to have to be researched manually. This is unavoidable as historically documents have been scanned as a single file, this single file may contain a number of consents or permits. The impending technology will not improve this process or reduce time spent researching these files although will improve overall times. The fees will need to be reviewed in due course in the light of this.

With impending changes to the LIM process `post implementation', the expected LIM timeframe for completion will be an average of 2.15 hours. This time frame is expected to fall in coming years as more information is captured under the single view. Until such a time that no extra research is required, actual time spent researching and compiling LIM's should be chargeable.

It is recommended that the standard LIM fee increases to \$200.00 and an Urgent LIM increase to \$290.00, applied from 1 July 2010.

b. LTCCP

The proposals are intended to meet Revenue and Finance Policies set out in the LTCCP.

c. Significance

The proposals are not significant in terms of the Council policy on significance.

d. Legal Issues

The ability of the Council to set fees and charges is set out under various relevant Acts, principally the Local Government Act 2002. That provides that the Council may set fees by way of a Bylaw or may prescribe fees where not provided for under other legislation.

This report has relied on the specific legislation relevant to each area for the purpose of reviewing Fees and Charges (e.g. the Resource Management Act or the Building Act).

e. Approach

All proposals are to be subjected to the submissions process which will allow consideration of community views during the hearing process.

Analysis

a. Options

In presenting this report officers endeavour to propose a schedule of fees and charges that will enable them to meet Revenue and Funding policy targets as determined by the Council. Should the Council wish to consider further options then it is recommended that consideration be given to a review of those targets. This report has not proposed any amendments in that regard, noting that any reduction in the fee proposed will have an impact on the public good funding required for any particular activity.

4. Conclusions

- a. The preferred option is to proceed to publicly notify the proposals for submissions and to hear and consider those submissions in due course.

	Name and title of signatories	Signature
Prepared by	Tony Thomas Environmental Services Manager Braden Austin Community Assets Manager David Clapperton Strategic and Corporate Services Manager	
<u>Confirmation of statutory compliance</u> In accordance with section 76 of the Local Government Act 2002, this report is approved as: a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and, b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.		
Approved by	David Ward Chief Executive	

5. Attachments

- a. Summary of Information
- b. Local Government - Key Legislation Local Government Official Information and Meetings Act 1987

**Resource Management Act 1991****36 Administrative charges**

(1) A local authority may from time to time, subject to subsection (2), fix charges of all or any of the following kinds:

(a) Charges payable by applicants for the preparation or change of a policy statement or plan, for the carrying out by the local authority of its functions in relation to such applications:

[(aa) charges payable by an applicant who makes a request under section 100A in relation to an application for a resource consent, even if 1 or more submitters also make a request, for the cost of the application being heard and decided in accordance with the request:]

[(ab) charges payable if 1 or more submitters make a request under section 100A in relation to an application for a resource consent, but the applicant does not also make a request, as follows:

(i) charges payable by the applicant for the amount that the local authority estimates it would cost for the application to be heard and decided if the request had not been made; and

(ii) charges payable by the submitters who made a request for equal shares of any amount by which the cost of the application being heard and decided in accordance with the request exceeds the amount payable by the applicant under subparagraph (i):]

[(ac) charges payable by a requiring authority or heritage protection authority who makes a request under section 100A in relation to a notice of requirement, even if 1 or more submitters also make a request, for the cost of the requirement being heard and decided or recommended on in accordance with the request:]

[(ad) charges payable if 1 or more submitters make a request under section 100A in relation to a notice of requirement, but the requiring authority or heritage protection authority does not also make a request, as follows:

(i) charges payable by the requiring authority or heritage protection authority for the amount that the local authority estimates it would cost for the requirement to be heard and decided or recommended on if the request had not been made; and

(ii) charges payable by the submitters who made a request for equal shares of any amount by which the cost of the requirement being heard and decided or recommended on in accordance with the request exceeds the amount payable by the authority under subparagraph (i):]

(b) Charges payable by applicants for resource consents, for the carrying out by the local authority of [any 1 or more of] its functions in relation to the receiving, processing, and granting of resource consents (including certificates of compliance [and existing use certificates]):

(c) Charges payable by holders of resource consents, for the carrying out by the local authority of its functions in relation to the administration, monitoring, and supervision of resource consents (including certificates of compliance [and existing use certificates]), and for the carrying out of its resource management functions under section 35:

[(ca) charges payable by persons seeking authorisations under Part 7A, for the carrying out by the local authority of its functions in relation to the allocation of authorisations (whether by tender or any other method), including its functions preliminary to the allocation of authorisations:]

[(cb) charges payable by holders of resource consents, for the carrying out by the local authority of [[any 1 or more of]] its functions in relation to reviewing consent conditions, if—

- (i) the review is carried out at the request of the consent holder; or
- (ii) the review is carried out under section 128(1)(a); or
- (iii) the review is carried out under section 128(1)(c)[[; or]]

[[(iv) the review is carried out under section 128(2).]]

(d) Charges payable by requiring authorities and heritage protection authorities, for the carrying out by the local authority of [any 1 or more of] its functions in relation to designations and heritage orders:

(e) Charges for providing information in respect of plans and resource consents, payable by the person requesting the information:

(f) Charges for supply of documents, payable by the person requesting the document:

(g) Any kind of charge authorised for the purposes of this section by regulations.

Charges fixed under this subsection shall be either specific amounts or determined by reference to scales of charges or other formulae fixed by the local authority.

[(2) Charges may be fixed under subsection (1) only—

(a) in the manner set out in section 150 of the Local Government Act 2002; and

(b) after using the special consultative procedure set out in section 83 of the Local Government Act 2002; and

(c) in accordance with subsection (4).]

(3) Where a charge fixed in accordance with subsection (1) is, in any particular case, inadequate to enable a local authority to recover its actual and reasonable costs in respect of the matter concerned, the local authority may require the person who is liable to pay the charge, to also pay an additional charge to the local authority.

[(3A) A local authority must, upon request by any person liable to pay a charge under this section, provide an estimate of any additional charge likely to be imposed under subsection (3).]

(4) When fixing charges referred to in this section, a local authority shall have regard to the following criteria:

(a) The sole purpose of a charge is to recover the reasonable costs incurred by the local authority in respect of the activity to which the charge relates:

(b) A particular person or persons should only be required to pay a charge—

(i) To the extent that the benefit of the local authority's actions to which the charge relates is obtained by those persons as distinct from the community of the local authority as a whole; or

(ii) Where the need for the local authority's actions to which the charge relates is occasioned by the actions of those persons; or

(iii) In a case where the charge is in respect of the local authority's monitoring functions under section 35(2)(a) (which relates to monitoring the state of the whole or part of the environment), to the extent that the monitoring relates to the likely effects on the environment of those persons' activities, or to the extent that the likely benefit to those persons of the monitoring exceeds the likely benefit of the monitoring to the community of the local authority as a whole,—

and the local authority may fix different charges for different costs it incurs in the performance of its various functions, powers, and duties under this Act—

- (c) In relation to different areas or different classes of applicant, consent holder, requiring authority, or heritage protection authority; or
 - (d) Where any activity undertaken by the persons liable to pay any charge reduces the cost to the local authority of carrying out any of its functions, powers, and duties.
- (5) A local authority may, in any particular case and in its absolute discretion, remit the whole or any part of any charge of a kind referred to in this section which would otherwise be payable.
 - (6) Sections [357B to] 358 (which deal with rights of objection and appeal against certain decisions) shall apply in respect of the requirement by a local authority to pay an additional charge under subsection (3).
 - (7) Where a charge of a kind referred to in subsection (1) is payable to a local authority, the local authority need not perform the action to which the charge relates until the charge has been paid to it in full.
 - [(8) However, subsection (7) does not apply to a charge to which subsection (1)(ab)(ii), (ad)(ii), or (cb)(iv) applies (relating to independent hearings commissioners requested by submitters or reviews required by a court order).]

Local Government Official Information and Meetings Act 1987. It is under this legislation Council can apply a fixed charge for LIM Reports.



Local Government - Key Legislation

Local Government Official Information and Meetings Act 1987

44A Land information memorandum

- (1) A person may apply to a territorial authority for the issue, within 10 working days, of a land information memorandum in relation to matters affecting any land in the district of the authority.
- (2) The matters which shall be included in that memorandum are—
 - (a) Information identifying each (if any) special feature or characteristic of the land concerned, including but not limited to potential erosion, avulsion, falling debris, subsidence, slippage, alluvion, or inundation, or likely presence of hazardous contaminants, being a feature or characteristic that—
 - (i) Is known to the territorial authority; but
 - (ii) Is not apparent from the district scheme under the Town and Country Planning Act 1977 or a district plan under the Resource Management Act 1991:
 - (b) Information on private and public stormwater and sewerage drains as shown in the territorial authority's records:
[[ba) any information that has been notified to the territorial authority by a drinking-water supplier under section 69ZH of the Health Act 1956:]]
[[bb) information on—
 - (i) whether the land is supplied with drinking water and if so, whether the supplier is the owner of the land or a networked supplier:
 - (ii) if the land is supplied with drinking water by a networked supplier, any conditions that are applicable to that supply:
 - (iii) if the land is supplied with water by the owner of the land, any information the territorial authority has about the supply:]]
 - (c) Information relating to any rates owing in relation to the land:
 - (d) Information concerning any consent, certificate, notice, order, or requisition affecting the land or any building on the land previously issued by the territorial authority (whether under the Building Act 1991[, the Building Act 2004,] or any other Act):
 - (e) Information concerning any certificate issued by a building certifier pursuant to the Building Act 1991 [or the Building Act 2004]:
[[ea) information notified to the territorial authority under section 124 of the Weathertight Homes Resolution Services Act 2006:]]
 - (f) Information relating to the use to which that land may be put and conditions attached to that use:

- (g) Information which, in terms of any other Act, has been notified to the territorial authority by any statutory organisation having the power to classify land or buildings for any purpose:
- (h) Any information which has been notified to the territorial authority by any network utility operator pursuant to the Building Act 1991 [or the Building Act 2004].
- (3) In addition to the information provided for under subsection (2) of this section, a territorial authority may provide in the memorandum such other information concerning the land as the authority considers, at its discretion, to be relevant.
- (4) **An application for a land information memorandum shall be in writing and shall be accompanied by any charge fixed by the territorial authority in relation thereto. (emphasis added).**
- (5) In the absence of proof to the contrary, a land information memorandum shall be sufficient evidence of the correctness, as at the date of its issue, of any information included in it pursuant to subsection (2) of this section.
- (6) Notwithstanding anything to the contrary in this Act, there shall be no grounds for the territorial authority to withhold information specified in terms of subsection (2) of this section or to refuse to provide a land information memorandum where this has been requested.

Item-1867 To consider a proposal to Introduce Foxton Community Board Targeted Rate

File No 4153

To: His Worship the Mayor and Councillors
Horowhenua District Council

From: Chief Executive Officer

Date: 30 March 2010

1. Purpose

- a. To provide information to enable Councillors to give consideration to a suggestion received through public rating review meetings held in November 2009 to introduce a targeted rate over the area governed by the Foxton Community Board to recover operating costs of that governing body.

2. Recommendation

- a. That Report 4153 be received.
- b. That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- c. That Horowhenua District Council include proposals to levy a targeted rate to recover operating costs of the Foxton Community Board exclusively from the land area over which they statutorily govern.
- d. That variation be made to Council's Revenue and Financing Policy to reflect the proposed recovery of Foxton Community Board operating costs.

3. Context

- a. In preparing this report appropriate legal advice has been solicited to ensure conformity of the proposal and acknowledgement of policy amendments required should Council proceed with the proposal have been noted.

4. Discussion

- a. Council conducted a series of public rate review meetings on 5, 9 and 11 November 2009 respectively at Shannon, Foxton and Levin. These meetings discussed a range of rating matters following which input from sought from attendees in regard to those aspects of council's rate that was supported or where change was suggested.
 - b. On the matter of targeted rates support was noted for those rates that had been introduced for the 2009/2010 financial year. It was suggested at each of the meetings that additionally Council could consider the introduction of a targeted rate for the Foxton Community Board. This suggestion was made on the basis that the Foxton Community Board is specifically elected to administer issues within the defined boundary, for the benefit of persons within that boundary only, they are accountable to persons within that boundary only and there are identified operating costs associated with the Board.
-

c. Section 16 of the Local Government (Rating) Act 2002 ("LGRA'02") authorises the Council to set targeted rates as follows:

- (1) A local authority may set a targeted rate for 1 or more activities or groups of activities if those activities or groups of activities are identified in its funding impact statement as the activities or groups of activities for which the targeted rate is to be set.
- (2) A targeted rate may be set in relation to –
 - (a) all rateable land within the local authority's district; or
 - (b) 1 or more categories of rateable land under section 17."

Section 17 identifies matters that may be used to define categories of rateable land for the purposes of section 16 (2)1(b) as follows:

For the purposes of section 16(3)(b) and (4)(b), categories of rateable land are categories that –

- (a) are identified in the local authority's funding impact statement as categories for setting the targeted rate; and
- (b) are defined in terms of 1 or more of the matters listed in Schedule 2."

Schedule 2 lists:

"6. Where the land is situated."

Therefore, the Council may set a targeted rate in relation to land that is situated within a Community Board's area.

However:

- (a) Pursuant to section 186(1) above, the activity/activities that are to be funded by the targeted rate must be identified in the Council's funding impact statement as such; and
- (b) Pursuant to section 17(a) the category of rateable land, namely land that is situated within the Community Board's area, must be identified in the Council's Funding Impact Statement as the category for which the targeted rate is set.

d. When establishing the level of any rate consideration must first be given to the costs incurred by the activity that is being rated, and secondly, to Council's Revenue and Financing Policy.

e. In our draft 2010/2011 Annual Plan we identify costs of \$108,109 specifically attributable to the Foxton Community Board. These costs are calculated as follows:

Salaries of Board Members		\$36,828
Administration of the Board's Activities		
- Portion of Chief Executives Salary	\$9,478	
- Portion of Corporate Services Salaries	\$46,539	
- Portion of Corporate Support Salaries	\$6,196	
- Portion of Annual Plan preparation	\$227	
- Attributable Payroll Costs	\$1,558	
- Attributable Rate Collection costs	<u>\$2,325</u>	<u>\$66,323</u>
Copying and distributing agendas		\$2,078
Catering		\$520
		<hr/>
		\$108,109
		<hr/>

- f. Within the governance boundary of the Foxton Community Board there are 2,521 rateable properties.
- g. In establishing a targeted rate for the Foxton Community Board, Council must give consideration to varying its Revenue and Financing Policy in the first instance and, in the second instance, whether all of the costs attributable to the Foxton Community Board are to be recovered or whether a portion of those costs (typically salaries, copying and catering) would be recovered.
- h. Council's current Revenue and Financing Policy notes that 100% of Governance Costs are deemed to be Public Good.
- i. If Council was to vary its Revenue and Financing Policy to treat the total costs of the Foxton Community Board as being 100% Private, the rate levied per property within the area of governance would be \$42 per property. There would be a commensurate general rate reduction of \$7.50 per property across the rest of the District.
- j. If Council was to levy a targeted rate to recover those costs identified as direct to the Board (salaries, copying , catering = \$39,426) then the targeted rate required would \$14.44 per property. This would give a commensurate rate reduction to all other properties within the District of approximately \$2.00.
- k. The establishment of a community board rate is not unique. There are a number of other examples currently exist. By way of example we note:
- Rotorua District Council - full cost recovery = \$21.90 per ratepayer
 - Invercargill City Council - awaiting response at the time of writing this report
 - Western Bay of Plenty District Council - varies between \$30 and \$130 per ratepayer depending on the Community Board Rate.
 - Whakatane District Council - varies between \$27.73 and \$32.64 per ratepayer depending on the Community Board Rate.
 - Tasman District Council - varies between \$10.63 and \$16.45 per ratepayer depending on the Community Board Rate
 - Rangitikei District Council - targeted rate for 100% of the cost of the community board to the relevant community. Included in the Community Service Rate for that town, not as a completely separate rate.

- l. Given that there was a clear message given to Council through the rating review workshops to pursue a targeted rate for the Foxton Community Board, there is a level of expectation that this matter will be identified in our 2010/2011 Draft Annual Plan shortly to be released for consultation. It would be reasonable to expect a significant level of submission on this matter, the outcome to which would provide clarity to Council with regard to the objectives and benefits of such a rate.
- m. Council may consider it is more prudent to levy options for their full recovery of Community Board costs or, partial recovery of those costs deemed to be more direct, ie \$42.00 or \$14.44.
- n. In addition to the amendments required to the Funding Impact Statement (Rating Policy), amendments will need to be made to the Revenue and Financing Policy, which must state the Council's policies in respect of the funding of operating expenses and capital expenditure from target rates (section 103 Local Government Act 2002). This will be required in accordance with Section 101(3)(a)(i) and (ii) and the LGA.
- o. The process for amending the Revenue and Financing Policy will require Council to consider those charges that it wishes to recover (total cost or deemed direct costs), specifically identify those costs and then through the consultation process to propose an amendment to the Revenue and Financial Policy which will hypothetically see the costs of Council to be 100% funded by general rate but Foxton Community Board costs to be 100% (or any other percentage) to be 100% funded by a targeted rate.

	Name and title of signatories	Signature
Prepared by	D G Ward Chief Executive Officer	
<u>Confirmation of statutory compliance</u>		
<p>In accordance with section 76 of the Local Government Act 2002, this report is approved as:</p> <ul style="list-style-type: none"> a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and, b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision. 		

Item-1868 Review of Liability Management Policy

File No 4152

To: His Worship the Mayor and Councillors
Horowhenua District Council

From: Finance Manager

Date: 30 March 2010

1. Executive Summary

a. Purpose of the report

To make some relatively minor changes to the current Liability Management Policy to enable us to manage our borrowing portfolio in a more cost effective manner. These changes were on the recommendation of our Treasury consultant and follow on from our recent establishment of a Debenture Trust Deed.

b. Key issues

Some covenants contained within the Current Policy are restrictive and in some cases (i.e. the liquidity ratio in paragraph 4.1) virtually impossible to meet. Others restrict our ability to use the debt market effectively to reduce our overall cost of that debt.

2. Recommendation

a. That Report 4152 be received.

b. That this matter or decision be recognised as significant in terms of s76 of the Local Government Act 2002.

c. That the percentage for the first covenant in paragraph 4.1 is increased to 20%

d. That the third covenant in paragraph 4.1 is deleted.

e. That the *"Ratio of equity: debt"* in paragraph 4.1 be deleted and replaced with the following.

"Net debt as a percentage of equity shall be less than 20%."

f. That the second bullet point in paragraph 4.6 be amended by adding *"In calculating the percentage the ability to issue up to \$10.0million of bonds or floating Rate Notes is recognized, provided that Horowhenua District Council has in place a Debenture Trust Deed and has appointed a trustee."*

g. The requirement under paragraph 4.7 that *'Loan terms will be set to ensure that no more than 25% of debt matures in any one year'* is deleted and replaced with the following. *"To avoid a concentration of debt maturity dates no more than 50% of debt can be subject to refinancing in any 12 month period."*

3. Context

a. Background

We have recently appointed a Treasury consultant to help us in our debt raising activities to help us keep the overall cost of debt as low as possible by using all available debt management tools. The consultant has reviewed our Liability Management Policy and has made some recommendations for changing that policy to enable us to use the financial markets effectively.

Council has recently passed resolutions to effect the establishment of a Debenture trust Deed to enable us to issue local government bonds to the wholesale market (so we can reduce our interest rates and be less reliant on bank loans).

In relation to recommendation c. The increase from 15% of total operating revenue to 20% is to bring us more in line with industry standards. This recommendation is not because we are likely to breach this covenant.

With regard to recommendations d and e. The current covenant is nearly impossible to meet. The liquid ratio compares bank and short-term (usually one month debtors) to creditors. This is a solvency measure to ensure that you can meet your short-term commitments from short term sources of funds. The problem is that in our case the creditors are not all short-term and can fluctuate month on month considerably. When we borrow we quite often borrow for short-terms (especially at the moment when short-term interest rates are so good). This automatically moves some of our debt into the current (within one year) category. We of course will just roll over the borrowing with new loans if needed. This is common practice. However, while these loans appear in the current liabilities it has a negative impact on our ratios.

Debt to equity ratio compares non-current (fixed assets) with non-current debt. This measures the long-term sustainability of your borrowing. This long-term view is a better measure for local government than focusing on the short-term.

With regard to recommendation f. The original covenant was relevant in its present form when we were reliant on bank borrowing only. It basically said that we needed to ensure that we were able to secure enough borrowing from banks to ensure we could carry out our capital works programme. Now that we are moving away from bank facilities it is necessary to add the new sentence to recognise the new source of funds available with a Debenture Trust Deed in place.

In considering recommendation g. The current policy states (in Paragraph 4.7) that loan terms will be set to ensure that no more than 25% of debt matures in any one year. This measure was to ensure that council was not too committed to a large refinancing regime in any one year. Although this is laudable this requirement has meant that we were forced to take high interest longer-term loans just to meet this requirement while lower interest short-term loans were available. This has been an issue recently with a long term loans having a significantly higher interest rate than short-term loans.

b. LTCCP

Council adopted a Liability Management Policy as part of the 2009/19 LTCCP. This report seeks to amend that policy.

c. Significance

The Liability Management Policy is a legal requirement under S102(4) of the Local Government Act 2002. S106 (6) of the act states;

"A policy described in this section may be amended only as an amendment to the long-term council community plan."

This, by virtue of the fact that an amended LTCCP can only occur after using the special consultative procedure, makes any amendment to this policy significant under the current legislation.

d. Legal Issues

As stated above this policy is a legal requirement under s102 of the Local Government Act 2002

e. Approach

The amended policy will be consulted on as part of the current Annual Plan process. In fact it will now be the "LTCCP amendment" process. This will mean we will use the special consultative process.

Maori will be consulted with using the special consultative process

Analysis

f. Views

No pre consultation has occurred in developing this report.

g. Options

No options other than the one proposed have been analysed.

h. Costs

No additional cost has been incurred other than staff time.

4. Conclusions

a. The preferred option(s)

The proposed amendments are designed to enable us to manage our borrowing portfolio to ensure the lowest interest cost to council while maintain council's long-term financial sustainability. The policy will be available for public submission as part of the Amended LTCCP process

	Name and title of signatories	Signature
Prepared by	D Law Finance Manager	
<u>Confirmation of statutory compliance</u>		
In accordance with section 76 of the Local Government Act 2002, this report is approved as: a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and, b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.		
Approved by	D G Ward Chief Executive Officer	

MOTION TO EXCLUDE THE PUBLIC

“THAT the Horowhenua District Council pursuant to Section 48, Local Government Official Information and Meetings Act 1987, resolves that the public be excluded from the following parts of the proceedings of this meeting.

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.”

Item 1869 Review of Pensioner Housing Rentals
Item 1870 Property Lease

Reasons for Confidentiality

These Reports are **CONFIDENTIAL** in accordance with Section 48(1) of the Local Government Official Information and Meetings Act 1987, which permits the meeting to be closed to the public for business relating to the following grounds: -

48(1a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

Subject to sections 6, 8 and 17 of the Local Government Official Information Act 1987, the withholding of the information is necessary to:

7(2a) Protect the privacy of natural persons, including that of deceased natural persons.

7(2i) Enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

7(2j) Prevent the disclosure or use of official information for improper gain or improper advantage.