
Northland Regional Council

Tabled Item

Council Meeting

Tuesday, 21 November 2017 at 11 am

TITLE: Tabled Item for Council Meeting
ID: A1003788
To: Council Meeting, 21 November 2017
From: Tony Phipps, Group Manager – Customer Service/Community Resilience
Date: 17 November 2017

Executive summary

The purpose of this report is to place before the council a tabled item for inclusion in the council meeting agenda. The report concludes with the recommendation that the tabled item be received.

The information needed for the item was not available in time to be included when the council agenda was being compiled and a decision is required for a timely resolution of the matter before the December Council meeting.

Hence council is requested to consider:

- **Tabled Item 7.5:** Mid-North Transport Rate Refund
-

Recommendation

That as permitted under section 46A(7) of the Local Government Official Information and Meetings Act 1987:

- Tabled Item 7.5: Mid-North Transport Rate Refund
be received.
-

Authorised by Group Manager:

Name: Tony Phipps
Title: Group Manager – Customer Service/Community Resilience
Date: 17 November 2017

TITLE: Mid-North Transport Rate Refund
ID: A1003806
To: Council Meeting, 21 November 2017
From: Tony Phipps, Group Manager- Customer Service/Community Resilience
Date: 17 November 2017

Executive summary

The purpose of this report is to advise council of an error made in both the 2016/17 and 2017/18 Annual Plan documents and associated council rate setting resolutions that require a refund of the Mid North Transport Rate in relation to some 2600 properties (Separately Used or Inhabited Parts of a Rating Unit) in the mid-north area.

The error stems from the wrong version of the map illustrating the area over which the rate would be charged being used in the 2016/17 and 2017/18 Annual Plan documents and associated council rate setting resolutions.

Council's approval is sought to refund (by credit or refund payment) those ratepayers whose properties were charged the rate but not included in the area to be rated as shown the maps used in the 2016/17 and 2017/18 Annual Plans and associated council rate setting resolutions. The current calculation of the total sum to be refunded is \$113,583.

Recommendations

1. That the report 'Mid-North Transport Rate Refund' by Tony Phipps, Group Manager- Customer Service/Community Resilience, and dated 17 November 2017 be received.
 2. That council approve the refund (by credit or refund payment) those ratepayers whose properties were charged the Mid-North Transport Rate but not included in the area to be rated as shown on the maps used in the 2016/17 and 2017/18 Annual Plans and associated council rate setting resolutions.
-

Background:

Through the 2015-25 Long Term Plan (LTP) process the Northland Regional Council consulted on and established a 'Trial Mid-North Bus Service' and a Mid-North Transport Rate to fund the trial. The rate was established as a targeted rate on those properties' *located near the Mid-North bus route (as defined in the map below)*, referring to the accompanying map shown in the LTP document. The LTP map was the correct area intended to be charged the rate and was supplied to FNDC (who collect rates on behalf of NRC) for the purpose of charging and collecting the rate.

Unfortunately, when it came to the subsequent 2016/17 and 2017/18 Annual Plan documents and associated council rate setting resolutions, which form the legal basis for the rate, an older and incorrect version of the map was used. The incorrect map covered some 2600 less properties (SUIPs) than the LTP map on which the rate charging and collection is

based. The error was brought to council's attention by a ratepayer who had been charged the rate for a property that was not in the rateable area as shown in the map shown in the Annual Plans.

The description of the Mid-North transport rate and the maps in question can be seen in the following documents on the NRC website:

Page 38; http://consult-nrc.objective.com/portal/corporate_planning/ap2017/ap2017

Page 76; http://nrc.objective.com/portal/final_ltp/final_ltp_2015-2025

The error and any potential remedies have been investigated. The error with the maps resulted from inadequate document control processes and procedures during the production of the Annual Plan and rate setting resolution documents. Those processes and procedures have been reviewed and a more rigorous regime is being developed and will be in place for this current LTP and subsequent document production.

The remedy for the subsequent error of the rate having been charged to properties not shown in the maps used in the rate setting documents is to refund any such rates already paid, or credit any that have been charged but not yet paid. This has been discussed with the FNDC rating unit (who collect the rate on behalf of NRC) and the process would be that a refund will be applied to the account of each affected ratepayer in the third rating instalment. Where a refund results in a ratepayer going into a credit balance then a refund payment will be made. FNDC will not charge NRC for the process of the credit against the third rate instalment, but will charge a small administration fee in cases where a refund payment has to be made.

The total amount of the refund (credit or refund payment) has been calculated to be \$113,583 based on a detailed assessment of the SUIPs charged the rate compared to the SUIPs included in the area to be rated in the erroneous map. The total number of SUIPs involved is 2668 for the 2017/18 rating year. The refund will be funded from the Mid-North Transport Rate reserve which had a 30 June 2017 balance of \$144,000 and will not affect the ability to run the trial bus service until its scheduled end in November 2018.

Considerations

Given the material and clear cut nature of the error in setting the rate, the recommended refund is the only proper, legal and cost effective remedy available in this situation. Legal advice confirmed that a refund was the appropriate remedy in this case. There were no other realistic options identified.

Authorised by Group Manager:

Name: Tony Phipps

Title: Group Manager – Customer Service/Community Resilience

Date: 17 November 2017