

3. VARIATION OF RATES POSTPONEMENT ARRANGEMENTS RR 11184

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Corporate Plan Output: Financial Services – Rating Administration	

At a previous meeting of the Committee, consideration was given to two requests for variations to existing rates postponement arrangements. The Committee requested that investigation take place to determine whether such variations could be delegated to a subcommittee.

Under the Rating Powers Act rates postponements can be granted in situations of hardship either until the death of the occupier or until he or she ceases to be the occupier of the land or until a date specified by the local authority. The Act requires that rates which are postponed are secured by a statutory land charge.

In 1996 the Council delegated authority to a subcommittee comprising either the Chairman of Strategy and Resources Committee or the Deputy Chairman together with the Funds Manager or his nominee with the power to grant postponement of rates in cases of hardship. However, this delegation did not provide for the subcommittee to approve dealing in the land which has a statutory land charge against it.

From time to time it is necessary to approve variations in the statutory land charge and in those circumstances it is necessary to bring the matters back before the Council for approval. Generally these variations relate to transmission by way of survivorship or where there is a financial rearrangement involving a mortgage.

There are currently 31 rates postponements in place for a total amount of approximately \$120,000. Interest is charged on the outstanding amounts at 6.6% pa.

In view of the Council's willingness to delegate the authority for granting the initial rates postponement, it would appear to be appropriate for the delegation to be extended so that the same subcommittee can approve variations in the statutory land charge and conditions of postponement.

**Recommendation:** That the subcommittee comprising the Chairman of Strategy and Resources Committee or the Deputy Chairman together with the Financial Services Manager or his nominee be authorised to give consent to applications for variation in the statutory land charges put in place to secure rates postponement.