Terms of Reference for a Crown Manager (under section 258D of the Local Government Act)

1. Background
On 4 July 2013 Christchurch City Council (the Council) resolved to request that the Minister of Local Government put in place a Crown Manager under section 258D of the Local Government Act 2002.

The Crown Manager is being put in place to address significant problems associated with the withdrawal of the Council’s International Accreditation New Zealand (IANZ) Building Consent Authority (BCA) accreditation.

On Monday 1 July 2013, IANZ made the decision to withdraw the Council’s BCA accreditation. IANZ was not satisfied that sufficient progress had been made by the Council in response to the building consenting performance issues it had identified and recommendations it had made in earlier assessments. Specifically, there was insufficient progress on IANZ’s six Corrective Action Requests of 27 May 2013, which IANZ had instructed the Council to address in order for the Council to continue its accreditation as a BCA. To get a better understanding of the issues identified by IANZ, the Ministry of Business, Innovation and Employment (MBIE) sent a team of technical experts to engage with the Council’s consenting group. The team identified a number of critical issues that needed attention in a report dated 1 July 2013.

The Minister of Local Government (the Minister) and the Council agree that the appointment of a Crown Manager is crucial to restore confidence in the robustness of the Council’s building consent processes and correct serious issues of poor building consenting performance.

2. Establishing the Crown Manager

Section 258D(1)(b) of the Local Government Act 2002 provides for the Minister of Local Government to appoint a Crown Manager to a local authority upon receiving a written request from that local authority. The Minister has received a written request from the Christchurch City Council requesting the Minister:

“…appoint a Crown Manager to the Christchurch City Council under section 258D(1)(b) of the Local Government Act 2002, in order to address problems related to the Council’s building consent authority functions under the Building Act 2004 and enabling the Council to regain IANZ accreditation.”

The term for the Crown Manager and the management period will commence on 15 July 2013. The appointment will, unless otherwise advised by the Minister of Local Government, expire on 31 December 2014.
The Minister may choose to extend the period of appointment of the Crown Manager and/or the management period by way of written notice, if there are reasonable grounds to believe that the appointment of the Crown Manager is still required to resolve the problem.

The Crown Manager may request any assistance from MBIE, the Department of Internal Affairs, or other parties he or she considers necessary to fulfil these Terms of Reference.

3. Roles and Responsibilities
The Crown Manager will focus on the urgent need for implementing broad performance improvements ensuring the Council has adequate processes and capability to fulfil its BCA functions to the extent necessary to facilitate a timely, high quality and cost efficient rebuild of Christchurch.

The role of the Crown Manager will include overseeing the Council’s BCA functions and ensuring that the Council regains accreditation as a building consent authority.

The Crown Manager will direct the Council to address the issues raised relating to the Council’s BCA functions under the Building Act 2004 and those raised in the MBIE report of 1 July 2013 and IANZ assessments of the Council’s BCA functions.

The Crown Manager will take into account the interface of BCA functions with other related Council regulatory functions.

4. Outcomes
Following the receipt of the Crown Manager's initial action plan the Minister of Local Government, on behalf of the Minister for Building and Construction and the Minister for Canterbury Earthquake Recovery, will write to the Crown Manager and set out specific outcomes, goals, and milestones that the Crown Manager must achieve.

5. Authority
The Crown Manager has the following statutory authority to the extent authorised by these terms of reference:

- to direct the Council to act to address problems relating to its BCA functions;
- to make recommendations to the Minister as to whether the Minister should take any further action in relation to the Council, including whether the Minister should appoint any other Ministerial body to the Council.

The Crown Manager must ensure, as far as practicable, that the organisational capability of the Council is not diminished.
The Council is required under section 258D(6) of the Local Government Act 2002 to co-operate with the Crown Manager so that these terms of reference can be fulfilled, comply with the directions of the Crown Manager, and comply with any reasonable request of the Crown Manager to provide relevant information.

The Council will make available and accessible the resources required for the Crown Manager to fulfil these terms of reference.

6. Reporting Procedures
The Crown Manager will provide an initial action plan to the Minister of Local Government, the Minister for Canterbury Earthquake Recovery, and the Minister of Building and Construction within four weeks of the beginning of the management period. The Crown Manager will then provide monthly progress reports (or other intervals as determined by Ministers) to these Ministers. These will be copied to the Christchurch City Council.

The Crown Manager must, as soon as possible following the end of the management period, produce a final report that meets the requirements of section 258U of the Local Government Act 2002. In addition to the matters in that section, the Crown Manager must report on what, if any progress, has been made at the Council in addressing issues identified in the IANZ and MBIE reports. The report must identify any problems that remain, or any new related problems that arose during the management period. The report may make further recommendations to the Minister or the Council or both if appropriate.