

11. THE LOCAL GOVERNMENT (RATING) ACT – SERVICES TO ECAN

Officer responsible Director of Finance	Author Associate Director of Finance – Geoff Barnes, DDI 941-8447
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The purpose of this report is to seek approval to continue to provide rating services to Environment Canterbury (ECan) and for the Director of Finance to enter into agreements with ECan regarding the provision of those services following the enactment of the Local Government (Rating) Act 2002 (the Rating Act).

BACKGROUND

The new Local Government (Rating) Act 2002 has changed the requirements and the tools for rating. The Rating Act gives the Council new flexibility but imposes some new processes. The changes are required for rates for the 2003/04 financial year although the implementation will be required throughout the current year to ensure compliance requirements are in place for 1 July 2003.

A seminar was held on 24 July 2002 to brief the Committee on the key provisions of the Act.

There are a range of issues which require resolution by the Council and a report on most of the rating implications for this Council will be brought to the November meeting of the Strategy and Finance Committee. ECan have requested the Council to continue providing combined rating services. It is proposed that this should be approved by the Council now to allow ECan to plan for their future. It is recommended that delegated authority be granted to the Director of Finance to enter into the necessary arrangements for the seamless continuance of the rating services for ECan and finalisation of the detail.

They have asked for, firstly an agreement in principle, and following that discussions concluding in a formal agreement on cost sharing arrangements.

CHANGES FOR THE REGIONAL COUNCIL UNDER THE NEW RATING ACT

For ECan the change is potentially dramatic. They now have the capacity to do all things for rating independently from the territorial local authorities with the only obligation now on the City Council to supply a copy of the District Valuation Roll. All other rating processes and statutory obligations are ECan's. They can, however by agreement, appoint the City Council as their collecting agent and therefore generally continue the arrangements of the past.

If rating processes are provided for separately there will be a duplication of costs for city ratepayers and therefore it is recommended that in the interests of city ratepayers, the City Council remain the collecting agent for ECan. Under such an arrangement this Council will continue to be paid by ECan a proportion of the costs incurred by the Council in maintaining its rating systems. Separating the rating systems would not significantly reduce Council costs but would reduce Council income.

The tasks of the City Council in respect of ECan are:

- Achieve an agreement with the ECan that CCC is the collecting agent.
- Seek an alignment of ECan rate policies and billing requirements to those of the City Council to ensure a workable outcome is achieved to optimum efficiency and still meet the respective needs.
- Provide ECan with a solution to their requirement (under statute) for a copy of the District Valuation Roll, rate information database and rate records.

It is expected that ECan will have, at their office, computer access to the City Council rating records. A selected view of that data which relates to ECan will meet their statutory requirements. Further, it is intended that the main contact with the public and solicitors (for property settlement purposes) be via the City Council customer service centres as in the past.

There is a requirement on ECan to publish their rates assessment and rates invoices separately from those of the City Council. They may be on a combined form but they must be distinct. There are options for Council and ECan to work through.

Council staff are working with ECan staff to achieve the compliance requirements. There may be a requirement for a renegotiated service level agreement. Authority is sought from the Council to negotiate those agreements that are necessary to continue the services generally as currently provided.

NATURAL + PEOPLE + ECONOMIC STEP ASSESSMENT

#	CONDITION:	Meets condition ✓✓0*	HOW IT HELPS MEET CONDITION:
The Natural Step			
N1	Reduce non-renewable resource use		N/A
N2	Eliminate emission of harmful substances		N/a
N3	Protect and restore biodiversity and ecosystems		N/A
N4	People needs met fairly and efficiently		NA - See People Step + Economic Step
The People Step			
P1	Basic needs met		
P2	Full potential developed		
P3	Social capital enhanced		
P4	Culture and identity protected		
P5	Governance and participatory democracy strengthened	✓✓	The Rating Act enhances governance through consultation and accountability enhancements.
The Economic Step			
E1	Effective and efficient use of all resources	✓✓	A fair and transparent rating system is a cornerstone of good local government. The plan proposed will save duplication of costs to the advantage of city ratepayers.
E2	Job rich local economy	0	
E3	Financial sustainability	✓✓	Disruption to the rating system is avoided.

Staff

Recommendation: That, to implement the Local Government (Rating) Act 2002:

1. The Council agree to continue to provide rating services to the Canterbury Regional Council (ECan).
2. The Director of Finance be authorised to approve any service agreements necessary with the Canterbury Regional Council to fulfil the rates collection agency requirements for the Canterbury Regional Council.

Chair's

Recommendation: That the above recommendation be adopted.