

8. **REPORT OF THE CHRISTCHURCH CITY COUNCIL/BANKS PENINSULA DISTRICT COUNCIL
TRANSITIONAL JOINT COMMITTEE**

General Manager responsible:	General Manager Regulation and Democracy Group
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PURPOSE OF REPORT

1. The purpose of this report is to address item 2 of the Joint Committee's resolutions agreed to at its meeting on 1 August 2005.

BACKGROUND

2. At its meeting on 1 August 2005, the Joint Committee gave consideration to a submission from the Akaroa/Wairewa Community Board which had been forwarded to the Local Government Commission on the Draft Reorganisation Scheme.
3. The Joint Committee decided:
 - "1. That the issue of powers of community boards be added to the list of items for consideration when members meet to continue work on the development of the Memorandum of Understanding.
 2. That CCC staff liaise with BPDC staff regarding financial delegations given to Christchurch community boards.
 3. That staff report back to the Committee on fire ban areas and the Akaroa/Wairewa Community Board be copied in on the response.
 4. That staff work through the issues of local consultation on land sales, Peninsula-based hearings, Council name, Council boundary and harbour structures, and report back to the Committee."
4. This report to the Joint Committee is intended to address item 2 of the Joint Committee's resolutions quoted above. This report had previously been on the Joint Committee agenda for the meeting on Monday 19 September 2005, which had been cancelled because of the snow.
5. Items 1, 3 and 4 were the subject of a separate report to the Joint Committee at the meeting on Monday 3 October 2005.

FINANCIAL DELEGATIONS TO CHRISTCHURCH COMMUNITY BOARDS

6. At the present time the Christchurch City community boards each have \$390,000 per annum of funding allocated with which to devote to projects related to their Board area. This \$390,000 can be broken down as follows:
 - Discretionary fund : \$60,000 which can be allocated by a community board at any time during the financial year;
 - Strengthening Community Action Plans (SCAP) : \$40,000 per annum to be allocated to projects that meet certain criteria as follows;
 - Project funding : \$290,000 to be applied to projects identified by the community board as part of the Long Term Council Community Plan/Annual Plan process. These projects must be identified before the Draft Long Term Council Community Plan/Annual Plan is publicly notified in March of each year. Included in this sum is an allowance of \$50,000 for the subsidisation of the salaries of community workers in other organisations.

7. These three sums collectively total \$390,000. In addition to these sums allocated to community boards, the City Council also has a community development scheme fund (CDSF), the objective of which is to provide small grants funding (usually under \$5,000) to "community, cultural and social service groups whose aims and objectives strongly reflect community development principles and practices and work towards social change." Of this City-wide fund approximately \$40,000 is also allocated to each community board area. It should be noted that the City Council is currently reviewing the funding it provides to community organisations by way of grant, and community board funding is included in this review.
8. The process to allocate the funds under SCAP and the project funding as noted above, form part of the Long Term Council Community Plan/Annual Plan process and runs between November and March each year. At present the City's community boards adopt different approaches to seeking community input to the process of identifying projects, although rationalisation of this differentiation is being sought with the Boards.
9. In addition to this funding provided to the community boards by the Council, Council units also "bid" for Board funds by putting proposals to the Board. In particular the Community Recreation Unit makes bids to fund programmes in the Board area fully with the City Transport Unit requesting various enhancements that would not be funded as part of normal level of service standard. The Greenspace Unit has a mixture of both approaches with submissions to the Board for funding on what appears to be infrastructure projects, as well as responding to Board and community requests via the Parks and Waterways advocate.
10. The background to the issue of financial delegations to the Peninsula community boards is set out in a report considered by the City Council at its meeting on 7 April 2005. The Council was responding to a request from the Local Government Commission in its Draft Reorganisation Scheme and the April 2005 report to the Council stated in part:

“(a) What tailoring of the City Council's delegations to community boards (including financial delegations) would be appropriate for any community board constituted in the Banks Peninsula area?”

Regarding the question of financial delegations to the two Peninsula community boards, this Council at the present time has the practice of providing its six community boards with \$390,000 each of project Board discretionary funding per financial year. This sum is to be allocated as each community board wishes on either operational or capital projects in its communities. These funds provide the Boards with flexibility to meet local community needs that might not receive support through the Council's Annual Plan or the Long-Term Community Plan processes.

The Council's 22 April 2004 Resolution No. 5 stated that the Council would be willing to confer on the Peninsula community boards the same delegations as it confers on the City's community boards at the time the reorganisation takes place.

The existing Banks Peninsula District Council delegations to its two community boards contain a delegation to recommend expenditure as follows:

- “• That community boards process submissions concerning proposed expenditure from their respective reserve contributions accounts
- Community boards then prioritise any proposed expenditure for submission to and approval by Council in the Annual Plan process or Long-Term Council Community Plan.”

The current two Peninsula community boards make recommendations to the Banks Peninsula District Council on expenditure from those reserves accounts. The Council then makes decisions on the expenditure of those funds. This system does not operate with the City's community boards. Making these recommendations enables the two community boards (with a population of 4,000 each) to stay involved in the works and assures the high level of Peninsula volunteers in maintaining reserves. In discussions with BPDC it has been requested that the ability of the two community boards to review the expenditure (with the enlarged City Council having the power to make decisions) continue as this will ensure that the spending reflects the community from where the funds come from.

Given the geographical nature of the Peninsula and the historical nature of the Volunteer's role, it is considered this Council could advise the Commission that this Council is prepared to continue this power of recommendation to the two Peninsula community boards.

Regarding the allocation of funds to community boards in the Banks Peninsula area, one approach could be on the basis of population. In Christchurch each community board has around 50,000 people within each community so the funding allocation of \$390,000 therefore equates to around \$7.80 per person. Based on two Banks Peninsula community boards with an average of 4,000 people in each community, then the funding allocation would be approximately \$31,200 per community board. However, given the approach above that the Peninsula community boards have a power to recommend regarding reserve contributions which is not given to the City's community boards, it could be considered appropriate that the Peninsula Boards be provided a smaller sum of discretionary spending, say \$10,000 per community board per annum."

11. It will be seen from the last paragraph above that the discussion in the report was that the consideration by the City Council of the financial delegation to the Banks Peninsula community boards was in the context of the sum of \$390,000 allocated to the City's community boards.
12. Clearly the Council considered that taking into account the request by Banks Peninsula District Council to have the Peninsula community boards making recommendations regarding the expenditure from the reserve accounts (which is not a delegation given to the City's community boards and it is understood there is approximately \$150,000 of expenditure per Peninsula community board to be recommended each year) that the City Council considered an appropriate level of funding was, bearing in mind the additional delegation to recommend, the sum of \$10,000 per board. This decision was clearly measured against the funding allocation of \$390,000 per Christchurch community board.
13. So the City Council's decision of \$10,000 per community board was to be measured against the total sum of \$390,000 given to the City's community boards, not the sum of \$60,000 of discretionary funding given to the City's community boards.
14. Since that Council resolution of 7 April 2005, this matter of the funding of the Peninsula community boards was raised by submitters before the Local Government Commission in the hearings in July 2005 leading to the Final Reorganisation Scheme.
15. At paragraphs 18-23 of the Introductory Statement in the Commission's August 2005 report, the Commission stated:

"18 Some submitters considered that the delegations of the proposed Banks Peninsula community boards should be enhanced, particularly with respect to the amount of the financial delegation for discretionary spending. There were also submissions that the proposed community boards should have delegated responsibilities for harbour structures and resource management hearings.

- 19 *The draft reorganisation scheme proposed that each of the proposed Banks Peninsula community boards would be conferred with a delegation providing funding for discretionary spending of \$10,000 (GST excl.) per financial year. The Commission notes that financial delegations for discretionary spending have not been conferred on the existing Banks Peninsula community boards, while the Christchurch City community boards each have a financial delegation providing “absolute discretion over the implementation of the discretionary funding allocation of \$60,000 (subject to being consistent with any policies or standards adopted by the Council)”.*
- 20 *The Commission is of the view that the value of the financial delegation for discretionary spending conferred on each of the two Banks Peninsula community boards should be the same. While the Akaroa-Wairewa Community Board would represent a significantly smaller population than the Lyttelton-Mount Herbert Community Board, it would cover a very large rural area with its own unique set of issues in the context of the enlarged Christchurch City. To assist the transition process for the newly enlarged Christchurch City, the Commission has determined that each of the proposed Banks Peninsula community boards should be delegated absolute discretion over the use of the discretionary funding allocation of \$15,000 (GST excl.) per financial year (subject to being consistent with any policies or standards adopted by the Council).*
- 21 *The financial delegation to each of the existing Christchurch City community boards forms part of the annual budget set by the Christchurch City Council in respect of projects authorised by each board. The Long-Term Council Community Plan 2004/14 published by the Council states “Community boards are each authorised to approve up to \$390,000 for projects in their respective parts of the City”. It will be a matter for the Christchurch City Council to determine the authorisation limit that should apply in respect of the two proposed Banks Peninsula community boards.*
- 22 *In accordance with its powers under clause 7(2) of Schedule 6 of the Act the Commission has determined that the powers of community boards prescribed in the reorganisation scheme shall apply for a period of three years from the time that the scheme is put into effect. Within this three year period the Christchurch City Council would have the power to confer further responsibilities on the community boards.*
- 23 *The Commission considers additional delegations to the community boards, including responsibilities relating to harbour structures and resource management hearings, are matters appropriate for consideration by the joint committee which has been established by the Banks Peninsula District Council and the Christchurch City Council (the Joint Committee) to deal with administrative matters associated with an implementation (subject to a poll, and its outcome) of the reorganisation scheme.”*
16. So the Commission has in effect provided a funding allocation of \$15,000 to the Peninsula community boards which appear to be based on a step up from the \$10,000 set by the City Council in April 2005.
17. Given that the population-based funding for the two Peninsula community boards would be approximately \$32,000 per Board per annum, and given that the Boards now have \$15,000 per annum each of discretionary funding, one method to address any perceived imbalance in the funding provided to the Peninsula community boards would be for the City Council to agree that with the expenditure from the reserve accounts \$20,000 could be “ring-fenced” to be spent in regards to the respective Peninsula community board areas. That sum of \$20,000 plus the \$15,000 of discretionary spending would be over the pro-rata proportion of \$32,000 for the two Peninsula community boards.

18. In addition to the discretionary funding allocated to each community board, the CCC wishes to support the Banks Peninsula ward in initiatives such as Strengthening Community Action Plans (SCAP) and in the subsidization of community workers in other areas. In the CCC at present these initiatives are generally considered for funding by way of being included in community board projects publicly notified during the annual plan process in March of each year.
19. At present the BPDC supports community initiatives usually on the recommendation of community boards using the same process.
20. It is expected that the Banks Peninsula community boards will continue to advocate for their community needs in the same manner under the enlarged Council and participate fully in the 2006 budget round (LTCCP).
21. It is not considered appropriate to place a pro-rata cap on such initiatives at this time for two reasons:
 1. The CCC is currently reviewing the funding it provides to community organizations by way of grant, and community board funding is included in this review.
 2. As the CCC intends working closely with Banks Peninsula community boards to understand and service the needs of their communities, any such cap were it limited by pro-rata funding, may restrict the sensible development of community initiatives.

JOINT COMMITTEE RECOMMENDATION

The Joint Committee considered a report from Peter Mitchell on financial delegations to Christchurch community boards.

The Committee decided to recommend that the Council agree to Peninsula Community Boards having discretionary expenditure of \$20,000 from their respective reserve accounts to be spent on reserves in their respective Community Board areas.

STAFF RECOMMENDATION

It is recommended that the City Council agree to ring fence expenditure of \$20,000 from reserve accounts of each of the Peninsula Community Boards to be spent in that respective Community Board area.