

## 8. DRAFT BANKS PENINSULA REORGANISATION SCHEME - ADOPTION OF SUBMISSIONS

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| General Manager responsible: | General Manager Regulation and Democracy Services |
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### PURPOSE OF REPORT

1. The purpose of this report is for the Council to adopt submissions on the April 2005 Draft Reorganisation Scheme to be forwarded to the Local Government Commission by 30 June 2005.

### STAFF RECOMMENDATIONS

It is recommended that the Council adopt the following recommendations as the basis for the Council's submission:

- (a) That subject to the Council's decision on recommendations (b) and (c), the Council advise the Local Government Commission that it supports the Commission's April 2005 Draft Reorganisation Scheme attached as **Appendix 1**.
- (b) That the Council decide whether or not to include reference to the matter of there being one community board or two community boards on the Peninsula in its submission.
- (c) That if the Council decides to refer in its submission to there being one community board on the Peninsula, that the Council record its reasons for that decision so these may be forwarded to the Commission and can be spoken to by the Council's representatives when addressing the Commission at public hearings to be held in July 2005.
- (d) That the Council record that it agrees to the status quo of the current boundary between Banks Peninsula District and Selwyn District in Lake Ellesmere (Te Waihora), as proposed by the Local Government Commission in its Draft Reorganisation Scheme, being the boundary between Christchurch City and Selwyn District if the Reorganisation Proposal proceeds.
- (e) That the Council note that in the Draft Reorganisation Scheme the Local Government Commission has proposed an election date of 25 February 2006.
- (f) That the Council advise the Local Government Commission that the Council would be prepared to have the election held on a date between 25 February 2006 and 31 March 2006.
- (g) That the Council note that there are three current City Council projects; viz:
  - (i) Long Term Council Community Plan 2006-2016
  - (ii) Application of accreditation by the City Council under the Building Act 2004 to be filed by 31 May 2006
  - (iii) The adoption of an earthquake-prone, insanitary and dangerous buildings policy (through the special consultative procedure) under the Building Act 2004 by 31 May 2006

where the Council will need to carry out planning for those three matters from July this year on the basis that the reorganisation will go ahead, and such planning will include Banks Peninsula District.

- (h) That the Council in practical terms support the ring-fencing of levels of service at Banks Peninsula District for a period of up to five years commencing on the date of the Order in Council giving effect to any reorganisation proposal.
- (i) That any proposals put forward by Banks Peninsula District Council before the date of that Order in Council which have not been identified in its 2004 Long Term Council Community Plan or identified in the operational and financial report prepared by Capital Strategy Ltd, be considered by the City Council in the development of the 2009-2016 Long Term Council Community Plan.

## PREVIOUS CITY COUNCIL RESOLUTIONS

2. At its meeting on 22 April 2004 the Council passed the following resolutions:

1. *That the Christchurch City Council actively support the reorganisation proposal filed with the Local Government Commission for Banks Peninsula District Council to become part of Christchurch City.*
2. *That the Christchurch City Council support this reorganisation proposal on the basis that it is for the abolition of Banks Peninsula District and its inclusion with Christchurch City recognising that this means that a binding poll will only be held in Banks Peninsula District on the reorganisation proposal.*
3. *That there be one additional ward for the whole of the current Banks Peninsula District electing one Councillor to the Christchurch City Council.*
4. *That there be one community board established for the Peninsula, comprising seven elected members and one appointed member (eight members in total).*
5. *That the Local Government Commission be advised that the City Council would be willing to confer the same delegations on the Banks Peninsula Community Board as it confers on the city community boards.*
6. *That the City Council enter into discussions with the Selwyn District Council and the Banks Peninsula District Council regarding the new boundaries between Banks Peninsula District, Selwyn District and Christchurch City.*
7. *That the Council in practical terms support the “ring-fencing” of the levels of service for Banks Peninsula District for a period of up to five years commencing on the date of the Order in Council giving effect to any reorganisation proposal.*

3. At its meeting on 7 April 2005 the Council passed the following resolutions:

- (a) *Supports option 1 of the Commission's October 2004 Terms of Reference, providing for the inclusion of the whole of Banks Peninsula District in Christchurch City.*
- (b) *Supports the establishment of one community board for the Peninsula (as previously resolved by the Council on 22 April 2004).*
- (c) *Supports the introduction of the capital value rating system for Banks Peninsula.*
- (d) *Sees substantive changes to service levels on the Peninsula (other than statutory compliance issues) being matters to be dealt with through the Long-Term Council Community Plan.*
- (e) *In addition to the delegations given to the city's community boards, at the time reorganisation takes place, will provide a delegation to the Peninsula community board as follows:*  
*“That the Peninsula community board recommend to the Council proposed expenditure from its reserve contributions account.”*
- (f) *Will provide discretionary funding of \$20,000 per annum for the Peninsula Community Board.*
- (g) *Supports retention of the three service centres at Lyttelton, Akaroa and Little River for a period of five years commencing on the date of the Order in Council giving effect to the reorganisation proposal and based on the levels of service provided by Banks Peninsula District Council at those service centres at that date.*
- (h) *Will give priority upon reorganisation to the statutory compliance issues listed in (i) to (v) of 19(b) of this report, and any other statutory compliance issues that may arise.*

4. At its meeting on 26 May 2005 the Council passed the following resolutions:
- (a) *Notes that a substantive response to the Draft Reorganisation Scheme will be progressed at a Council Seminar on Tuesday 14 June 2005 and decided at the Council meeting on Thursday 23 June 2005.*
  - (b) *Appoint under clause 30 of Schedule 7 of the Local Government Act 2002 the CCC/BPDC Transitional Joint Committee as a joint committee with the Banks Peninsula District Council.*
  - (c) *Appoint four City Council members to the Joint Committee.*
  - (d) *Notes that the Joint Committee appoints its Chairperson and Deputy Chairperson.*
  - (e) *Agrees to the terms of reference of the Joint Committee as:*
    - (i) *undertaking preparatory work relating to the Banks Peninsula area for the 2006/07 draft annual plan for the enlarged Council;*
    - (ii) *making recommendations to the Christchurch City Council on incorporating elements of the Long-Term Council Community Plan of the Banks Peninsula District into the Long-Term Council Community Plan of Christchurch City.*
    - (iii) *considering any ongoing requirement, in the context of the rating policies for the enlarged Christchurch City Council, for loans raised for water and sewerage in Governors Bay under the Banks Peninsula District Council (Rates Validation, Empowering, and Trust Removal) Act 1994; and*
    - (iv) *making recommendations to the Christchurch City Council on such other administrative matters of a governance nature as are required to ensure that the Council is able to effectively carry out its functions in the Banks Peninsula area from the date that the reorganisation scheme comes into effect.*
  - (f) *Notes that the Joint Committee has a power to recommend only to both Councils.*

#### **BACKGROUND ON DRAFT BANKS PENINSULA REORGANISATION SCHEME - ADOPTION OF SUBMISSIONS**

5. In the Explanatory Statement which accompanied the Draft Reorganisation Scheme for the abolition of Banks Peninsula District and its inclusion in Christchurch City released by the Local Government Commission in April 2005, the Commission stated:

##### ***“What Happens Next ?***

*The procedure from now on is as follows—*

- *the Draft Reorganisation Scheme is open to submissions until Thursday 30 June 2005;*
- *the Commission meets with those who make submissions;*
- *the Commission considers the submissions and makes any other investigations or enquiries it considers necessary;*
- *the Commission decides whether to—*
  - *issue a Final Reorganisation Scheme based on the Draft Reorganisation Scheme; or*
  - *issue a Final Reorganisation Scheme, based on modifications to the Draft Reorganisation Scheme; or*
  - *not issue any Final Reorganisation Scheme if it considers that the proposal does not meet the Local Government Act’s criteria.*
- *if the Commission issues a Final Reorganisation Scheme, then a poll of electors of Banks Peninsula District will be held – for the Final Reorganisation Scheme to be successful more than 50% of the votes cast by the electors of Banks Peninsula District must be in favour of the proposal;*
- *if the poll votes in favour of the proposal, the Final Reorganisation Scheme is implemented by Order in Council.”*

6. This report is to enable the Council to formulate a submission as requested by the Local Government Commission.
7. Attached as Appendix 1 to this report is the Draft Reorganisation Scheme released by the Commission.

8. Based on previous Council resolutions it is considered that the Council would be prepared to agree to the Draft Reorganisation Scheme subject to discussion by the Council as to whether or not it wishes to make a submission to the Commission on the issue of community boards.

#### COMMUNITY BOARDS

9. At the seminar held on Tuesday 14 June 2005 the Council was briefed by staff on the matter of the number of community boards. That briefing advised that there were currently two community boards in Banks Peninsula District, each having five elected members and two appointed Councillors. Those two community boards are the Lyttelton-Mt Herbert Community Board, and the Akaroa-Wairewa Community Board.
10. In its explanation attached to the Draft Reorganisation Scheme the Commission noted that the Local Government Act 2002 requires that in establishing community boards the Commission must ensure that the election of members to the community board will "...provide effective representation of communities of interest within the community and fair representation of electors."
11. In its explanation to the Draft Reorganisation Scheme the Commission made the following comments regarding community of interest considerations for the Banks Peninsula Proposal:

*"7.9 Christchurch City is primarily a densely populated urban district, although it contains areas of rural and semi-rural land on its periphery. The city has experienced rapid housing expansion to the north and southwest in recent years.*

*7.10 In contrast, Banks Peninsula is primarily a rural or semi-rural district, with its main centres being Lyttelton and Akaroa, and Little River to a lesser extent. New developments have occurred in recent years focused on the Lyttelton Harbour Basin, being within a reasonable commuting distance of Christchurch City, and around Akaroa Harbour, with a focus on leisure and tourism-related activities. Akaroa is the centre of an increasingly diverse range of tourism activities available on Banks Peninsula. Visitor numbers to Akaroa are approaching 100,000 annually.*

*7.11 The Taylor Baines study of communities of interest in Banks Peninsula generally confirmed the key findings of a similar 1998 study undertaken for the Commission by Martin Ward, while emphasising that linkages with Christchurch City have developed to a significant degree since 1998. The development of tourism-related activities and associated developments on Banks Peninsula have been significant drivers for the enhanced linkages.*

*7.12 The Taylor Baines study confirms Ward's view that there are three distinct communities of interest in Banks Peninsula – Lyttelton Harbour Basin, Little River, and the Outer Peninsula. However, Taylor Baines is of the view that significant shifts and balances have occurred since the Ward report was published:*

*It is evident that for the communities of Lyttelton Harbour Basin, there are several important aspects – school and work – where the "shared interest and identity" may now be greater with the adjacent communities of Christchurch City than within the district itself; the balance may have shifted far enough for community of interest distinctions with the city to have become blurred for the resident community. Put another way, while at the local community level, they may still associate strongly with the place they have chosen to live, at the higher levels of territorial association, more of them will connect more strongly to the city than to Banks Peninsula District.*

*For the Little River and for the Outer Peninsula, there have been shifts in the balance as well, but not to the same extent. They still comprise distinct communities and sets of communities, albeit with a greater external orientation, and this external orientation is for the very large majority in the direction of Christchurch, whether they are involved in the farming sector or the tourism sector.*

- 7.13 *In 2001, fewer than half (47%) of all workers resident in the Banks Peninsula District actually worked in the District – this compares with 55% in 1991. Work opportunities for more than half (51%) of the District's resident working population were found in Christchurch City (1991: 43%). In 2001 fewer than two thirds (64%) of the District's workforce actually lived in the District (1991: 67%), while 33% of the District's workforce lived in Christchurch City (1991: 31%).*
- 7.14 *The workflows between the Lyttelton Harbour Basin area and Christchurch City have been well developed for many years. In most respects the Lyttelton Harbour Basin could be considered to be a suburb of Christchurch. This relationship was noted by the Commission when it issued its Draft Reorganisation Scheme for the Canterbury Region in 1988, at which time it also noted that the economies of Lyttelton and Christchurch were interdependent for commercial and financial purposes. In 2001 67% of the Lyttelton Harbour Basin workforce was employed in Christchurch City, compared with 61% in 1991. In 2001 50% of persons working in the Lyttelton Harbour Basin area were Christchurch residents, a similar level as in 1991.*
- 7.15 *Ward's 1998 study noted that the workforce in the Little River and Outer Peninsula areas was almost exclusively locally sourced. In recent years the number of Christchurch residents working in Little River and in the Outer Peninsula has become statistically significant, reflecting the significant development of tourism activities across Banks Peninsula.*
- 7.16 *As the Commission has noted in other determinations involving districts bordering on large metropolitan areas, the dependency of district residents on employment opportunities in a nearby metropolitan labour market is not unusual. However, in terms of the three districts that adjoin Christchurch City, Banks Peninsula District has the highest percentage (51%) of its resident workers working in Christchurch City, compared with Selwyn District (43%) and Waimakariri District (48%).*
- 7.17 *In the view of the Commission, Banks Peninsula District and Christchurch City share well-developed linkages, which are continuing to strengthen over time. While Banks Peninsula District continues to contain three distinct communities of interest, each of these areas has significant and further developing links with Christchurch City. The significant growth of tourism-related activities on the Peninsula and the developments that tie in with such activities will, in the view of the Commission, further strengthen the links between the Christchurch and Banks Peninsula areas over time.*
12. With regard to the community board structure in the proposed Banks Peninsula Ward, the Commission stated in the same explanation:
- “12.1 *The Banks Peninsula District has two community boards – the Lyttelton-Mount Herbert Community Board and the Akaroa-Wairewa Community Board. Each board has four elected members and two councillors appointed to the board.*
- 12.2 *Of those submitters who supported the proposal and expressed a view on community boards, there was strong support for the retention of a community board structure in the Banks Peninsula. Some considered that one board for the area would be appropriate, while others supported the retention of two boards. On 7 April 2005 the Christchurch City Council resolved to support the establishment of one community board in the Banks Peninsula area if the proposal were put into effect.*
- 12.3 *The Commission is of the view that, at this time, a structure of two community boards in the Banks Peninsula area should be retained to reflect the communities of interest in the Banks Peninsula area. This structure will enable local issues to be appropriately discussed and dealt with at the local level. Consistent with the elected membership of each existing Christchurch City community board, the Lyttelton-Mount Herbert Community Board and the Akaroa-Wairewa Community Board would each have five elected members. Additionally, the member of the Christchurch City Council for the Banks Peninsula Ward would be appointed to each of the Banks Peninsula community boards.*

12.4 *The Commission considered whether either community should be divided for electoral purposes. It came to the view that the division of the Akaroa-Wairewa Community into two subdivisions would provide effective representation of communities of interest located in the community. The two subdivisions are:*

- *the Akaroa Subdivision – covering the area of the current Akaroa Ward; and*
- *the Wairewa Subdivision – covering the area of the current Wairewa Ward.*

12.5 *The 2001 Census usually resident population for the Akaroa Ward was 1,671 persons, and 960 persons for the Wairewa Ward. Applying the population per elected member requirements of section 19V(2) of the Local Electoral Act 2001 enables fair representation to be achieved with an allocation of three members for the Akaroa Subdivision, and two members for the Wairewa Subdivision. “*

13. With regard to its submission to the Commission on this issue, the Council has three options:

- (a) That it makes no comment at all on this topic in its submission and effectively remains with its resolutions of 7 April 2005 and 22 April 2004 that it support the establishment of one community board for the Peninsula, comprising seven elected members and one appointed member from that ward; or
- (b) That the Council confirm that decision in its submission and record its reasons in writing for supporting one community board, such reasons to be forwarded to the Commission as part of its submission; or
- (c) That the Council alter its position regarding the number of community boards on the Peninsula.

#### **LAKE ELLESMERE (TE WAIHORA) BOUNDARY**

14. Since 1989 Lake Ellesmere has been divided between Selwyn District and Banks Peninsula. In its Findings and Decisions attached to the April 2005 Draft Reorganisation Scheme the Commission is proposing that the boundary remain as it has been since 1989. The Commission noted:

*“The existing territorial authority boundary at Lake Ellesmere (Te Waihora) is a long-standing boundary, which pre-dates the 1989 reorganisation of local government. The Commission is of the general view that boundaries should not be changed unless sound reasons come forward, providing justification for such a change. At this time the Commission is not convinced that a change to the boundary in this area is warranted. By running across the lake the current boundary would appear to minimise territorial cross-boundary issues for the Selwyn District Council and Banks Peninsula District Council, compared with a boundary at a lake-land interface. In terms of the draft reorganisation scheme that the Commission is issuing on the proposal, it would welcome further submissions from the parties and interested persons on this matter.*

15. The consensus at the seminar was that the Council should advise the Commission that it is satisfied with this position and should resolve accordingly to include this decision in its submission.

#### **CURRENT CCC STATUTORY PROJECTS**

16. There are three statutory requirements which apply to all territorial authorities and planning for which would cross across the Commission's proposed election date whether that is in February or March 2006 if the proposal proceeds.

17. Those statutory requirements, and their statutory completion dates, are:

- Adoption of a 2006-2016 Long Term Council Community Plan – 30 June 2006
- Application for accreditation under the Building Act 2004 – 31 May 2006
- Adoption of a policy for earthquake-prone, insanitary and dangerous buildings under the Building Act 2004 – 31 May 2006

18. As was advised at the seminar, City Council staff are planning for the last two projects on the basis that Banks Peninsula District will be included with Christchurch City in February or March 2006. Should the poll result in late November or early December 2005 not support the reorganisation proposal, then the planning work carried out by Christchurch City Council for these two projects to that time can be handed over to Banks Peninsula District Council for completion of statutory processes to enable that council to comply with the statutory dates referred to above for these three projects.
19. As was noted in its report to the Council at its 26 May 2005 meeting, in the context of the Council's decision to appoint a joint committee to manage transitional issues, this position by the Council to carry out this planning by including Banks Peninsula District for these three statutory projects should not be seen by the public as this Council assuming that the poll result will be in favour of the Final Reorganisation Scheme if one is issued by the Commission. It is entirely a matter for the residents of Banks Peninsula as to whether they support the reorganisation proposal or not.
20. The practical situation is that the planning issues involved in these three statutory projects could not be dealt with by Christchurch City starting after the poll result in late November or early December if that result was to favour the reorganisation proposal. The Long-Term Council Community Plan process and the adoption of the policy on earthquake-prone, insanitary and dangerous buildings must be carried out through the special consultative procedure which would take most of the first half of 2006 to complete on its own. The application for accreditation under the Building Act, while not requiring the special consultative procedure, nevertheless requires a great deal of preparatory work of a technical nature to prepare this application and it is considered appropriate that this planning work incorporating Banks Peninsula District commence now. I understand that Banks Peninsula District Council management supports this approach. Clearly, such planning work would need to be in liaison with Banks Peninsula District Council.

#### **RING-FENCING OF LEVELS OF SERVICE**

21. This issue was raised at the 14 June 2005 seminar, and it is considered appropriate for the Council to update a previous April 2004 resolution regarding the ring-fencing of levels of service at Banks Peninsula District.
22. At its 22 April 2004 meeting, the Council resolved:  
  
*"That the Council in practical terms support the ring-fencing of the levels of service at Banks Peninsula District for a period of up to five years commencing on the date of the Order in Council giving effect to any reorganisation proposal."*
23. The background to that resolution at that April 2004 meeting in the report was stated to be:  
  
*"With regards to the comments above about the development of a new funding policy to enable the Council to assess priorities between Banks Peninsula District and the rest of Christchurch City, the seminar held on 15 April 2004 considered that it was appropriate for the Council to indicate at this point in time that it would recommend to the next Council that that Council (except for statutory compliance issues) "ring-fence" Banks Peninsula District to current levels of service as provided by the Banks Peninsula District Council for a period of five years to enable the next Council to fully understand the issues involved in the district and to enable the Council to develop a new funding policy through public consultation processes. This would enable any additional expenditure (other than statutory compliance expenditure) to be addressed through the Council's Long-Term Council Community Plan for the 2006/07 year, assuming that the reorganisation proposal is given effect to in time for work to be incorporated into that Long-Term Council Community Plan. An issue to be considered regarding capital expenditure is whether items already in the BPDC 10-year forecast should be considered within the "ring-fence". This would seem to be a reasonable approach."*

24. The 2004 report referred to the matter being considered by this Council which was elected in October 2004 and it has now become apparent to officers that it is not practicable, as was suggested in the 2004 report, for the Banks Peninsula work regarding the Long Term Council Community Plan for 2006 to be effectively incorporated into the 2006-2016 Long Term Council Community Plan of an enlarged Christchurch City.
25. As was noted at the 14 June 2005 seminar, the reality would be for matters proposed by Banks Peninsula District Council which are not currently listed in that Council's 2004-2010 Long Term Council Community Plan, nor in the Capital Strategy Ltd April 2005 Report entitled "*Study on Operational and Financial Issues Associated with the Reorganisation Proposal for the Abolition of Banks Peninsula District and its Inclusion in Christchurch City*" that these would be considered by the enlarged City Council as part of its 2009-2016 Long Term Council Community Plan, which would then enable those matters to be researched and also to be balanced against other priorities across the new enlarged district.
26. We need to recognise that like us, Banks Peninsula District Council's 2004-2014 Long Term Council Community Plan will need updating to reflect increased capital costs etc. They are also likely to want to "reprioritise" a number of projects. It is important from an amalgamation perspective that the Banks Peninsula District Council's financial projections remain within the fiscal envelope that the Local Government Commission has used for its deliberations.
27. For this reason it is considered appropriate that the resolution of April 2004 be updated as follows:

*"That the Council in practical terms support the ring-fencing of levels of service at Banks Peninsula District for a period of up to five years commencing on the date of the Order in Council giving effect to any reorganisation proposal.*

*That any proposals put forward by Banks Peninsula District Council before the date of that Order in Council which have not been identified in its 2004 Long Term Council Community Plan or identified in the operational and financial report prepared by Capital Strategy Limited, be considered by the City Council in the development of the 2009-2016 Long Term Council Community Plan."*