



LOCAL GOVERNMENT COMMISSION

TERMS OF REFERENCE FOR CONSULTANCY STUDY ON OPERATIONAL AND FINANCIAL ISSUES ASSOCIATED WITH THE REORGANISATION PROPOSAL FOR THE ABOLITION OF BANKS PENINSULA DISTRICT AND ITS INCLUSION IN CHRISTCHURCH CITY

Objective

The objective of this study is to identify, at a high level, the operational and financial issues associated with:

- the proposal for the abolition of Banks Peninsula District and its inclusion within Christchurch City
- a reorganisation option, as outlined below, which would abolish Banks Peninsula District and divide its area between Christchurch City and Selwyn District.

The study is to also involve a comparative assessment of the current and likely future operational and financial viability of the Banks Peninsula District Council, through comparing the key financial parameters of the Council with those of a sample group of other local authorities.

The study should also identify any activities that the Banks Peninsula District Council is legally required to undertake, but which it is either not undertaking or not satisfactorily resourcing, and outline the resources that would be required to enable the Council to satisfactorily meet its full range of statutory responsibilities. In this regard, without limiting the scope of this element of the study, the issues raised in submissions that should be explored include:

- the Council's funding of depreciation
- regulatory compliance/ monitoring activities
- undertaking of essential or recommended works
- ability to meet the requirements of the Local Government Act and other legislation.

Background

On 4 November 2003 the Commission received a proposal, initiated by a petition of electors of Banks Peninsula District, for the abolition of Banks Peninsula District and its inclusion within Christchurch City.

The Commission received 146 submissions on the proposal and has heard the submissions.

The study will provide information to assist the Commission to make a decision on the proposal. It will also provide information to assist the public in their consideration of the merits of the proposal.

Reorganisation Options to be considered in the study

For the purposes of the study, the Commission wishes to have assessed the likely operational and financial costs and benefits associated with an implementation of the following three reorganisation options:

1. The abolition of the Banks Peninsula District and its inclusion within Christchurch City
2. The abolition of the Banks Peninsula District, with the inclusion of the area shown with a hatched pattern on the attached Map B being included in Selwyn District, and the balance of the area of Banks Peninsula District being included in Christchurch City
3. The retention of the existing Banks Peninsula District.

Note that under each of the three options the area of Lake Ellesmere currently in Banks Peninsula District would be included in Selwyn District. The area that would transfer to Selwyn District is shown on the attached Map A.

Extent of Consultant Input

The Commission expects the study to identify which of the options for change would likely present the most tangible operational and financial benefits compared with retaining the District. The report should provide a similar level of detail to the report prepared in August 1998, by a joint working party of the Banks Peninsula District Council and the Christchurch City Council, relating to service level issues and financial implications associated with an amalgamation of the Councils.

After considering the draft findings of the study, the Commission will provide it to the Banks Peninsula District Council, Christchurch City Council, Selwyn District Council and the representative of the proposers for comment.

Subject to the nature of the comments received, further consultancy work may be required to finalise the study.

The study findings will be a public document, accessible on the Commission's website. The Commission is to receive the final overview report in hardcopy (10 copies) and electronic (PDF and Word) formats.

Financial Information

Information currently available includes:

- the August 1998 joint working party report referred to above;
- the 2002/03 Christchurch City Council reports into financial issues associated with the integration of services between the Christchurch City Council and the Banks Peninsula District Council; and the
- annual plans and annual reports of the Councils.

Project Stages and timelines

The Commission proposes that the project be undertaken in the following stages:

- Stage 1: Review existing information, identify additional information needs, obtain necessary inputs and information from the Councils; prepare draft overview report and provide to the Commission: **by 31 January 2005**;
- Stage 2: Commission provides opportunity for the Councils and representative of the proposers to consider draft report; and the parties to provide comments back to the Commission: **by 28 February 2005**;
- Stage 3: Review comments and finalise report: **by 25 March 2005**.

Reorganisation Assumptions

A set of representation and service assumptions should be applied in respect of each of the reorganisation options. These assumptions are for the purposes of the study only, and the Commission will not be bound by the assumptions if it decides to proceed further in respect of any particular option.

Assumptions common to all options

Service levels in the area of the existing Banks Peninsula District that currently apply, or those changes to service levels already planned and approved by the Banks Peninsula District Council, shall continue to apply for a period of three years after reorganisation.

In addition, any essential additional resources required to enable statutory obligations to be met in the Banks Peninsula area should be costed and factored into the assumptions.

Representation Options

Option 1 - Abolition of Banks Peninsula District and its inclusion in Christchurch City

The representation arrangements in the area of the existing Christchurch City would remain unchanged from those applying for the 2004 local elections.

The area of the existing Banks Peninsula District, less the area of Lake Ellesmere currently within the District, would become the Banks Peninsula Ward of Christchurch City, electing one member

The area of Lake Ellesmere currently in the Banks Peninsula District, as shown on Map A, would transfer to the Selwyn District, with no effect on the representation arrangements of the Selwyn District.

There would be two community boards covering the area of the Banks Peninsula Ward:

- the Lyttelton-Mount Herbert Community Board
- the Akaroa-Wairewa Community Board.

Each community board would have five elected members and one appointed member.

Each community board, would, as a minimum, have the same delegations provided to community boards in Christchurch City, with the level of financial delegations pro-rated on the basis of the Board's population compared to the average population of each community board in the existing Christchurch City. *

Option 2 – Abolition of Banks Peninsula District and the inclusion of certain areas in Selwyn District and Christchurch City

The areas of Banks Peninsula District to be included in Selwyn District, as shown on Maps A and B, would not alter the existing representation arrangements of Selwyn District.

The remaining area of Banks Peninsula District would form the Banks Peninsula Ward of Christchurch City, electing one member.

There would be two community boards covering the area of the Banks Peninsula Ward:

- the Lyttelton-Mount Herbert Community Board; and the
- the Akaroa-Wairewa Community Board.

Each community board would have five elected members and one appointed member.

The Banks Peninsula Community Board, would, as a minimum, have the same delegations provided to community boards in Christchurch City, with the level of financial delegations pro-rated on the basis of the Board's population compared to the average population of each community board in the existing Christchurch City. *

Option 3 – Retention of the Banks Peninsula District Council

The area of Lake Ellesmere currently in the Banks Peninsula District, as shown on Map A, would transfer to the Selwyn District, with no effect on the representation arrangements of the Banks Peninsula District or the Selwyn District.

Note: A number of submitters sought the inclusion of the Lyttelton Harbour Basin in Christchurch City and the transfer of the balance of the Banks Peninsula District to Selwyn District. The Commission has decided that this option will not be evaluated in detail in this study, as it would be a significant reorganisation option in its own right that has a limited relationship to the proposal currently before the Commission. The reorganisation options considered in the study are either aligned to the proposal or the status quo, subject to relatively minor modifications intended to deal with territorial authority responsibilities for Lake Ellesmere.

* On 14 September 2004 the Commission wrote to the Chief Executive of the Christchurch City Council, requesting the Council to specify how the Council's delegations (including financial delegations) to community boards should be tailored for any community boards constituted in the Banks Peninsula area. Such tailoring would likely need to reflect the more rural and small community settlement nature of the Banks Peninsula area.

Key Council contacts

The consultant should contact the following Council officers, in the first instance, when seeking information for the purposes of the study:

Sue Davidson
Chief Executive
Banks Peninsula District Council Ph: 03 328 8065
PO Box 4 Fax: 03 328 8283
LYTTELTON Email: sue.davidson@bpdc.govt.nz

Peter Mitchell
General Manager Regulation & Democracy Services
Christchurch City Council Ph: 03 941 8999
PO Box 237 Fax: 03 941 8786
CHRISTCHURCH Email: peter.mitchell@ccc.govt.nz

Paul Davey
Chief Executive
Selwyn District Council Ph: 03 324 8080
Private Bag 1 Fax: 03 324 3531
LEESTON Email: paul.davey@selwyn.govt.nz

Representative of the Proposers

The representative of the proposers is:

Mr David Bundy
PO Box 39 Ph: 03 329 9750
LYTTELTON Email: jdhjbundy@cyberxpress.co.nz