

# Head Start Outline Proposal

## Implementation conditions, commitments and expectations

### Purpose

1. This section should be read alongside the proposal's assessment against the Head Start criteria.
2. The proposal establishes the direction and case for change but does not determine the detailed design of a new unitary authority. The section below brings together:
  - a. the commitments, safeguards and design principles the Council would apply if the proposal progresses; and
  - b. the support, decisions and legislative provisions the Council seeks from the Government.
3. **Part A** covers matters within the Council's control or influence. **Part B** identifies matters requiring Crown support, funding or legislative provision. Most matters will ultimately require joint work between the Crown, affected councils and mana whenua.
4. These commitments and expectations form an integral part of the Council's proposal and the basis on which it is prepared to proceed through the Head Start process. They are intended to provide a clear foundation for partnership with the Crown and to ensure that any resulting reform delivers a durable, effective and affordable system of local government for Christchurch and Canterbury.

### Part A: Council commitments and design principles

#### A1. Staged transition, with governance established in 2028

5. The Council considers that a new governing body and mayor can be elected and able to exercise their functions from the beginning of the term following the 2028 local elections.
6. Full organisational integration should not, however, be required by 2028. Integrating services, staff, assets, systems, plans and regulatory instruments across multiple councils will be a significant multi-year undertaking. Compressing this work into the period before the elections would increase risks to service continuity, cost control and staff retention.

7. The Council commits to working with the Crown and affected councils on a staged transition that:
  - a. establishes democratic governance through the 2028 elections
  - b. sequences organisational integration over a realistic period beyond 2028
  - c. prioritises service continuity and prudent management of costs and risks
  - d. includes clear milestones, accountabilities and appropriate transition governance
  - e. is supported by an agreed funding and implementation framework between the Crown, the establishment arrangements and the new council.
8. For the purposes of the Head Start criteria, deliverability by 2028 should mean a functioning and well-governed new council, rather than a fully integrated organisation.

## A2. Local voice and representation

9. The Council commits to building meaningful local representation into the governance model from the outset.
10. Any new council would have a mayor, a governing body and a strong local governance layer, potentially through local boards, community boards or another mechanism. Local governance bodies would have clear and durable delegated decision-making responsibilities, supported by appropriate funding, for matters of genuine local significance.
11. The model would:
  - a. enable matters of genuine local significance to be decided locally
  - b. protect the influence of geographically distant or distinct communities
  - c. recognise the local identities of both rural and urban communities within the new council
  - d. provide for local decision-making on matters such as local parks and reserves, community facilities, grants and local priorities, with the final scope determined through detailed design.
12. Initial representation arrangements for the 2028 elections would need to be developed through the detailed design and legislative process. They should provide an effective and representative starting structure for the new council without requiring all longer-term representation matters to be settled before establishment.

13. The permanent number and boundaries of wards and local governance areas, and the precise form and powers of the local governance layer, would be considered through the new council's first formal Representation Review, supported by full public consultation.
14. The Council's commitment is that local voice will be structural and influential rather than symbolic.

### A3. Phased financial integration and ratepayer protection

15. The Council commits to protecting ratepayers from abrupt or inequitable financial change and preventing unreasonable cost shifts between the communities brought together through reorganisation. Existing councils' rates and debt would not be pooled or harmonised from the first day of a new council.
16. Financial integration would include:
  - a. due diligence to establish each council's financial position
  - b. phased rates harmonisation, informed by the impacts on each community
  - c. prudent and transparent treatment of existing debt, recognising that communities have borrowed for different purposes and on different terms
  - d. transitional funding and financial mechanisms agreed with the Crown to manage the costs and ratepayer impacts of reorganisation
  - e. an independent assessment of the effects of reorganisation on debt, borrowing headroom and the new council's credit position before the final arrangements are confirmed.

### A4. Continuity of services, assets and local delivery

17. The Council commits to ensuring that reorganisation is experienced as continuity rather than disruption.
18. This includes:
  - a. uninterrupted delivery of services to residents and businesses
  - b. delivery arrangements that remain responsive to local needs, including the use of local providers where appropriate and efficient
  - c. continuity of effective special arrangements for particular communities where these remain necessary.

### A5. Partnership with mana whenua

19. The Council commits to continuing and strengthening its partnership with mana whenua through detailed design and into the new arrangements.

20. This includes its enduring relationships with the six Christchurch and Banks Peninsula Papatipu Rūnanga and, depending on the option progressed, relationships with any other affected Papatipu Rūnanga.
21. This is particularly important because a unitary authority would assume regional responsibilities relating to freshwater, catchments, resource management, environmental monitoring, hazards, infrastructure and the new planning system.
22. The Council commits to:
- a. transferring existing Treaty settlement arrangements with equivalent effect and in a manner satisfactory to the relevant post-settlement governance entities
  - b. providing for the continuation of the Mana Whakahono ā Rohe process initiated by Te Rūnanga o Ngāi Tahu, or any successor mechanism under the new planning system
  - c. working with mana whenua on how the proposal relates to wider Ngāi Tahu aspirations across the takiwā.
23. Detailed arrangements would be developed with mana whenua and would not be determined unilaterally by the Council.

#### A6. A workable outcome for Canterbury

24. The Council commits to supporting an outcome that is coherent and viable for the wider region, not only the new unitary council.
25. The proposal therefore considers:
- a. how regional functions would be delivered outside the proposed boundary
  - b. the viability and future configuration of remaining councils
  - c. how the proposal contributes to a sensible overall structure for Canterbury.
26. The Council will make its evidence and expertise available to support the Crown and other councils in developing a coherent regional outcome.

#### A7. Formal review of the new arrangements

27. The Council supports a formal review of the new arrangements within six years of establishment.
28. The review would be developed with the Crown and affected councils and assess whether the new arrangements are delivering the intended governance, financial,

environmental and service outcomes. It should identify any changes needed to address material issues or improve performance.

## **A8. Environmental continuity and catchment management**

29. The Council commits to maintaining effective environmental management, monitoring and regulatory capability through the transition.
30. Detailed design would provide for whole-of-catchment approaches, developed with mana whenua and affected councils, including formal arrangements where catchments, river systems or coastal processes cross the new authority's boundary.
31. Reorganisation should not result in a material reduction in environmental outcomes, monitoring or specialist capability.

## **Part B: Matters sought from the Government**

### **B1. Transition funding agreement and ratepayer support**

32. Reorganisation will involve substantial and unavoidable costs, including:
  - a. technology and systems integration
  - b. staffing and change management
  - c. legal and advisory work
  - d. new governance and representation arrangements
  - e. integration of services, plans and regulatory instruments
  - f. establishing and operating transition and establishment arrangements.
33. The Council seeks an in-principle Crown commitment to enter into a formal transition funding agreement with the affected councils, the establishment body and, once constituted, the new council.
34. Crown funding should be sufficient to ensure that transition and establishment costs do not place unreasonable pressure on rates, debt, infrastructure investment or the new council's credit position.
35. The agreement should provide for:
  - a. Crown funding of agreed transition and establishment costs
  - b. mechanisms for approving, releasing and monitoring funding over the transition period
  - c. support to mitigate and phase impacts on ratepayers

- d. agreed cost-sharing, reporting and accountability arrangements
  - e. a process for addressing additional costs or risks identified through due diligence and detailed design
  - f. an independently reviewed estimate of transition and establishment costs, completed and published before final implementation decisions are made
  - g. continuity of agreed Crown support as responsibilities transfer from the establishment arrangements to the new council.
36. Funding arrangements should be agreed before significant transition costs are committed, rather than leaving those costs for the new council to absorb after establishment.
37. The scope, duration and value of this agreement should be determined through detailed design and due diligence. Reorganisation should not be funded from the rating base alone, particularly where the reform is Crown-led.
38. The availability of an adequate funding agreement is a necessary condition for an orderly transition and for protecting infrastructure and service delivery.

## B2. The structural funding problem

39. Reorganisation will not resolve the underlying funding and financing challenges facing local government.
40. A new council would inherit the existing mismatch between available revenue and the cost of:
- a. growth and infrastructure provision
  - b. renewal of ageing assets
  - c. climate adaptation
  - d. community services
  - e. increasing regulatory and compliance requirements.
41. Amalgamation changes the boundaries within which these pressures are managed; it does not remove them.
42. The Council therefore seeks recognition that:
- a. the case for reorganisation should not depend on unsupported assumptions about efficiency savings
  - b. the local government funding and financing framework must be considered alongside structural reform

- c. rates caps or other funding constraints must not prevent the new council from meeting its infrastructure and service obligations
- d. the Crown and the new council should agree appropriate funding and financing mechanisms where national policy decisions or transition requirements impose additional costs.

43. The new council will also need fair and workable mechanisms to recover costs where people, businesses or councils outside the Christchurch boundary use or benefit from services, infrastructure or specialist capability funded by Christchurch ratepayers. These could include user charges, service agreements, targeted contributions, levies or joint-funding arrangements, based on the benefit, use, risk or cost attributable to parties outside the city.

44. A sound governance structure must be supported by a sustainable funding system.

### B3. Legislative and system settings

45. Several matters required to implement reorganisation can only be provided by the Government through legislation, Orders in Council or the implementation framework.

46. The Council seeks early and collaborative work on:

- a. transition or establishment bodies, including their powers, membership, funding and duration
- b. transfer of assets, liabilities, staff, contracts and statutory functions
- c. continuity of bylaws, plans, consents and regulatory instruments
- d. interim representation arrangements for the 2028 elections
- e. a mechanism for the Crown to return or share GST revenue generated through local authority rates, investment and activity, to help fund infrastructure and services
- f. any legislative powers required to enable fair cost recovery from councils, users or beneficiaries outside the new council boundary
- g. the statutory basis, decision-making responsibilities, powers and funding of the local governance layer, including any enabling legislation required to make those arrangements durable
- h. continuity of Treaty settlement arrangements and iwi participation mechanisms

- i. any bespoke legislative provisions identified through detailed legal review including consideration of appropriate dispensations in respect of Annual Plan and/or LTP requirements, depending on the pace and timing of changes
- j. clarity on expectations and requirements under the Local Electoral Act 2001 for councils that must undertake a representation review for the 2028 elections
- k. legislative provision that, other than the transfer of regional council functions to territorial authorities through the Head Start process, no amalgamation of territorial authorities may proceed without majority support from electors in each affected council area. This support should be determined through a binding poll held at the next local election, or at least one year before the election at which the new boundaries would take effect.

47. Specific legislative provision will also be required to defer any representation review that would otherwise need to be completed during the transition or immediately before the new council is established. Christchurch City Council is required to undertake a representation review under the Local Electoral Act 2001 for the 2028 local election. To meet the current legislative requirements Christchurch City Council representation work would need to commence in early-2027.

48. This deferral should:

- a. avoid requiring existing councils to undertake a representation review for structures that are about to be replaced
- b. allow interim representation arrangements to be established for the 2028 elections
- c. provide the new council with sufficient time to undertake its first full Representation Review once its boundaries, functions and local governance arrangements are operating
- d. require that review to include full public consultation and be completed in time for a subsequent local election specified in the implementing legislation.

49. This sequencing would avoid duplicated work, consultation and cost, while ensuring the permanent representation model is developed by the new council with the benefit of operational experience and community input.

#### **B4. Council and community participation in detailed design**

50. The Council seeks confirmation that it will be fully involved in the detailed design of reforms affecting Christchurch and Canterbury, and that its evidence and local knowledge will inform that process.

51. The Council also seeks confirmation that formal community consultation will occur during detailed design, including on:

- a. final boundaries and governance arrangements
- b. local representation and decision-making
- c. financial integration and ratepayer impacts
- d. service delivery and transition arrangements.

52. The Head Start timeframe has not enabled consultation equivalent to a Special Consultative Procedure. Public confidence will depend on communities having a meaningful opportunity to influence the final arrangements.

### **B5. A collaborative and binding pathway**

53. The Council seeks to work in partnership with the Government, affected councils and mana whenua through the next stage.

54. If the proposal is accepted for detailed design, the Council seeks an agreed pathway setting out:

- a. the roles and responsibilities of the Crown, affected councils, mana whenua, the establishment arrangements and the new council
- b. the decisions, funding and legislative steps required
- c. key milestones and dependencies
- d. mechanisms for resolving issues and managing changes
- e. reporting and accountability to the Crown, councils and affected communities.

55. These commitments and expectations form an integral part of the Council's proposal and the basis on which it is prepared to proceed through the Head Start process.