



# Leases and Licences to Occupy Policy

## Governance policy

Policy Owner	Legal Counsel		
Adopted by	Council		
Description of policy	This policy provides for Council to lease or grant a licence to occupy Council owned or administered property.		
Date policy first adopted	22 November 2006	Review date	8 August 2017
Current policy version effective date:	1 July 2018	Date of next review:	1 May 2020

### Principles

This policy is underpinned by the following principles:

**Affordability** - The Policy will provide an appropriate balance between supporting Community Groups for wider community benefit, and value for ratepayer money.

**Simplicity and consistency** - The Policy will be simple to understand and administer; will enable equity, consistency and transparency in the allocation of Community Occupancy; and will not unnecessarily duplicate other legislative tools.

**Community benefit and empowerment** - The Policy will encourage Community Occupancy that maximises community benefit, and will empower Community Groups to be sustainable.

### Background

Council adopted a Leasing of Council Owned and Managed Property Policy in November 2006 to provide guidance on reduced rental rates for emergency service groups, clubs and community groups that use council property. The policy also identified appropriate rental rates for other groups outside of those above, namely commercial and private organisations.

Prior to 2006 Council did not have a formal approach for supporting groups providing a community benefit through reduced rental in lease agreements and were instead supporting groups' costs towards rentals through a series of community grants. As a result of subsidised rentals, any community grants granted to a group are better able to support the group's activities rather than pay their administration costs.

During the development of the 2015-2025 Long Term Plan, Council directed staff to undertake a review of the policy with a focus on ensuring that the established definitions for rental categories were ensuring that appropriate lessees were receiving the intended Council support through subsidised rentals.

## **Implementation**

Implementation of this policy for each category of lease will occur at the rental review of each lease occurring from 1 July 2018 and for any new leases entered into from the effective date.

Where required, staff will provide advice to Council on reclassifying existing Council land as reserve to meet the purpose of this policy.

## **Definitions**

### **Emergency Service Groups**

*Any organisation which responds to immediate and serious threats to life, property and public safety.*

### **Incorporated Society**

*Any organisation incorporated under and run in accordance with the Incorporated Societies Act 1908.*

### **Club**

*Club means a body that—*

*(a) is a body corporate having as its object (or as one of its objects) participating in or promoting a sport or other recreational activity, otherwise than for gain; or*

*(b) is a body corporate whose object is not (or none of whose objects is) gain; or*

*(c) holds permanent club charter*

### **Registered Charity**

*Any organisation that is registered as a charity under the Charities Act 2005.*

### **Commercial Activity**

*Any activity undertaken which is intended to or does yield financial or commercial benefit to any individual or private organisation.*

### **Reserve**

*Any land held and managed in accordance with the Reserves Act 1977.*

## Policy Statement

### Rental rates for leases and licences to occupy

The following categories for groups or organisations, and the equivalent rentals and any applicable on-charging shall apply.

Category	Type of group	Rental per annum
A	Emergency Services Organisations	\$100
B	Community Organisations <sup>1</sup>	\$350
C	Commercial and Private Organisations <sup>2</sup>	Market rental

<sup>1</sup> all groups under this category must be either an incorporated society, a club, or a registered charity

<sup>2</sup> all groups under this category will either undertake a commercial activity or use the land for the private benefit of the lessee

Final determination of the category which any applicant falls under and the appropriate rental shall be decided by Council or the relevant Community Board on advice from staff.

### Determination of lease or licence to occupy as appropriate instrument

Council may either enter into a lease with the applicant or grant the applicant a licence to occupy as is considered appropriate by the relevant Community Board on advice from staff.

### Costs

All applicants are to pay the costs incurred by Council in setting up and administering its lease, if any.

### Market rental

Council will obtain a registered valuation at the expense of the applicant to determine market rental for a lease where required unless it is not considered cost-effective to do so. Where a registered valuation is not suitable, market rental shall be determined by the relevant Community Board on advice from staff

### On-charging of rates and other costs

Council will on-charge any applicable rates and other outgoings to the lessee unless otherwise determined by Council or the relevant Community Board.

### Disclaimer

Nothing in this policy derogates from any obligation Council may have with regard to the management of Council-owned or administered property under any enactment.

### Review

This policy will be reviewed three years from the last review date.