

Rates on-charging for community organisations leasing Council land

TO	Tairua-Pauanui Community Board
FROM	Scott Summerfield - Strategic Planning Team Leader
DATE	27 July 2017
SUBJECT	Rates on-charging for community organisations leasing Council land

1 Purpose of Report

This report seeks Community Board direction on the on-charging of rates to emergency services organisations and community organisations leasing Council property in the Community Board area.

2 Background

In 2006 Council adopted a Leasing Policy for organisations wishing to lease Council-owned land.

On 30 September 2009 Council resolved that emergency services groups, and clubs and community groups should not have their rates on-charged until the leasing policy was reviewed, and as a result that these should be paid for by Council as the landowner. As a result, rates for these properties are paid for through the relevant activity which has held the land or property. This is predominantly in local halls or local parks and reserves budgets.

A review of Council's Leasing Policy was undertaken in 2016 by strategic planning staff. The revised policy is being considered for adoption by Council on 8 August 2017 and the version presented to Council is included as **Attachment A**. Council is also being advised to rescind its 2009 resolution to not on-charge rates to these groups.

3 Issue

Should Council adopt the proposed policy, each Community Board must decide whether to resume the on-charging of rates to community organisations which rent Council property.

4 Discussion

Options

There are three distinct options for how Community Boards may decide to deal with on-charging rates to community groups and emergency services organisations. These include the Community Board:

- continuing to pay rates for these groups
- running an application for these groups to apply to have their rates paid, or
- not paying any rates for these groups.

1. Community Boards decide to continue paying rates

- a) Each Community Board may determine to continue paying rates for all community groups and emergency services organisations, with no need for applications to be made. The Community Board members would use their local

knowledge to determine that these groups provide a level of public benefit to their members and the wider community that justifies on-going support through payment of their rates by the Community Board. To provide security to these groups and lower the administrative burden for the Community Board and staff, a 3 to 5 year period for this rate relief is suggested.

- b) The Community Board may determine that some groups should have their rates met, but that others may need to apply in order to demonstrate their public benefit, or to demonstrate financially why they require the support of the Community Board in meeting their rates costs to continue operating.
- c) Alternatively, the Community Board may determine some groups are eligible to have their rates met without application, and determine that others are not. In this scenario it would not be necessary to run an application process as the Community Boards will have considered their knowledge of local communities in determining whether or not the group needs ratepayer support.

2. Community Boards decide all groups apply for rates to be paid

In this option the Community Board will require all groups currently having their rates paid to apply for this to continue. An application process could be run in September and October 2017, with decisions made by Community Boards at their meetings in early November. The application process would likely consider a demonstration of the public benefit provided by the group, and financial evidence that the group is reliant on on-going support from the Community Board to be able to continue their operations.

3. Community Boards decide not to pay rates for any groups

The Community Boards may decide that a reduced rental under the leasing policy is sufficient support for all community groups and emergency services organisations by the ratepayer, and not pay for the rates of any group leasing Council property. Groups would be advised that from 2018/19 they would be required to meet all rating costs.

Implementation

As part of this process, staff propose that letters are sent to all lessees advising what their rates are in 2017/18 as an indication of potential future costs and to show the level of support they've been receiving to date from each Community Board. The letter would also include how that particular group will be treated by the relevant Community Board, whether that be:

- to pay their rates for them for a defined period in the future,
- to invite them to apply for their rates to be paid by the Community Board, or
- that they will be on-charged rates from 2018/19.

The total quantum of rates to be paid by Community Boards will be identified as a community grant in each year's budget, and Community Boards will be advised each year during the Annual Plan/Long Term Plan process of the amount to be paid for the coming year.

5 Suggested resolution(s)

That the Tairua-Pauanui Community Board:

1. Receives the 'Rates on-charging for community organisations leasing Council land' report, dated 27 July 2017.
2. Determines to pay the rates associated with the properties leased by the organisations listed below for the period 1 July 2018 to 30 June 2021.
3. Determines to provide the organisations listed below an opportunity to apply for the Board to pay the rates associated with the relevant leased properties for the period 1 July 2018 to 30 June 2021. [delete if not applicable]

4. Determines not to pay the rates associated with the properties leased by the organisations listed below from 1 July 2018. [delete if not applicable]

References-Tabled/Agenda Attachments

Attachment A *Leases and Licences to Occupy Policy*

Attachment B *Tairua-Pauanui lessees*

[Attachment A - 2016 April 19 Draft Leasing Policy](#)

Attachment B

[TCDC rates for community groups 2016/17 - Tairua Pauanui Community Boa...](#)