

1 INTRODUCTION: WHY IS A POLICY NEEDED?

The Wellington City Council has a critical role to play in fostering the well-being and strength of communities. This role includes facilitating community networks, providing recreation opportunities, and supporting community facilities. The Council is always looking to find the best ways to do this.

Council provides leases (of land and/or buildings) to a wide range of groups undertaking a wide range of activities. The land and buildings are a limited resource that have competing interests for their use. The Council needs to be able to say with some degree of certainty that the resource is being put to the best possible use to meet its Social and Recreation Strategies.

The Council also provides significant other support such as grants, payments for rates and utilities, wages, and administrative and management support. While the Council has a role in supporting community and recreation groups, it also has the role of being the steward of public land and resources. This involves balancing needs between different sections of the community. For example, leases and buildings may limit the amount of open space available for use by the public.

The objectives of the Leases Policy are:

To strengthen communities through leasing land and buildings to groups.

To ensure that the provision of leases is fair, equitable and responsive to community needs.

To formally standardise the requirements of leases (such as insurance, maintenance responsibilities and legal obligations).

This Policy does not choose particular groups that the Council will support. Rather it provides a process whereby the types of activities that generally assist the Council in achieving its strategic direction can be supported. Because of the complex background to this issue, there can be no hard and fast rules. Groups have made different contributions in the past, their resource requirements are different and changing, and their activities have differing abilities to generate revenue and support. Negotiating leases that reflect particular circumstances will be the norm rather than the exception.

1.1 STRUCTURE OF THE POLICY

This Policy is in three main parts. Section 2 describes general principles about the Council's administration of leases. Section 3 looks at the rental and tenure for leases. Section 4 deals with procedural matters and the responsibilities and requirements of the lessee and lessor.

1.2 POLICY IMPLEMENTATION

It is important to note the following about the implementation of this Policy:

- Implementation will occur as leases are renewed.
- Groups will continue to be provided with assistance whether entering a Council lease, exiting, or altering their circumstances (for example, amalgamating with another group).
- In the application of this Policy, the Council will attempt to be consistent and as fair as possible to community/recreation groups.
- Implementation will be undertaken with the firm understanding that the success of recreation or community groups relates significantly to the energy and commitment of the parent community (voluntary labour, fund raising, and personal effort). The Council recognises that these groups make an investment of time and energy in the well-being of the community. It is not an environment where strict market principles can be readily applied.
- Very few leases are similar in nature. The location, activities, land area and quality of buildings or facilities differ from lease to lease. There are also disparities in the amount of rental paid between groups.

1.3 WHAT DOES THE POLICY COVER?

The Leases Policy is directly concerned with the management of Council-owned land and associated buildings through leases to recreation and community groups. Leases may relate to land, land and buildings, or just buildings. The Policy also covers how the land and buildings are to be managed to ensure proper asset management and that risks are addressed.

In the broadest sense, the Policy is seeking to ensure that applications for leases are consistent with Council's strategic direction.

This Policy applies to all community and recreation leases of open space and reserve land.

1.4 WHAT DOES THE POLICY NOT COVER?

The Policy does not apply, or applies only in part, to the following:

- **Council staffed or purpose-built facilities (such as recreation centres)**
- **Commercial activities on open space and reserve land (such as the Botanic Gardens café)**

Leases to groups for the purpose of making private profits are not subject to this Policy and will be negotiated on a commercial basis. Rentals in these cases will be established on the basis of assessed market rates or by tender. Tenure will also be

subject to negotiation but the Council will try to avoid long-term leasing of public land (which may become useful for alternative uses in the future) for profit making operations.

Where leases that are subject to this Policy have a semi-commercial nature or have activities that consistently allow a group to generate surplus funds over and above funds needed to support the activities that are linked to the lease, the Council may look to increase rentals above those derived from the methodology in section 4.1.1.

- **Community Centres funded by Council**

Community Centres are funded by Council. Their primary purpose is to provide a cross-community range of programmes, activities, information and advocacy. Their service is general in nature rather than activity-specific.

While it is desirable for Council to have leases with Community Centres, the methodology for calculating rentals and tenure is not relevant. Section 4.4 of this Policy will be used in negotiating leases with Community Centres and the allocation of responsibilities and obligations (such as the responsibility for maintenance) will be undertaken on a case-by-case basis.

- **Leases of commercial space (such as within suburban centres or the Central Area)**

Certain recreation or community activities may need to locate in commercial or urban areas to provide particular services or services to particular groups. Such leases will not fit within the rental and tenure framework described by this Policy. This may involve a proposal to temporarily use vacant Council-owned commercial space (for example, Zeal).

In such cases, the Council may make a judgement that the social benefit of the activity is worth a higher subsidy than that which would have been provided under this Policy. Leases are usually highly specific in such cases and are negotiated between the Council and the group. The lease may include a number of special terms and conditions or agreements for shared responsibilities.

- **Existing Legal Agreements for Leases**

If there are specific cases where legally binding agreements exist, Council will remain bound by the agreements. This Policy does not supersede any such agreements. Where an existing formal agreement does not cover all the necessary aspects of leasing public land this Policy will be used to address any gaps.