

**REPORT 1**  
*(1215/53/IM)*

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## **GRANTING OF A FRESH LEASE TO THE GIRL GUIDES ASSOCIATION INCORPORATED**

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### **1. Purpose of Report**

To seek the Committee's approval for the granting of a fresh ground lease to the Girl Guides Association of New Zealand Incorporated in the area known as the Kipling Street Play Area, Johnsonville.

### **2. Executive Summary**

This report provides a description of the organisation requesting a fresh lease and officers' recommendations to grant the lease.

The building is located on Open Space A land, and the land is subject to the Reserves Act 1977. Therefore, the lease is granted under section 54 of the Reserves Act 1977, and is also subject to the Council's Leases Policy for Community and Recreation Groups.

### **3. Recommendations**

Officers recommend that the Committee:

- 1. Receives the information.*
- 2. Approves subject to the conditions below, the granting of a fresh ground lease to the Girl Guides Association of New Zealand Incorporated under the Reserves Act 1977:*

<b>Location</b>	<b>Term</b>	<b>Annual Rental</b>
<i>Kipling Street Play Area, Kipling Street, Johnsonville</i>	<i>10 years and one renewal of 10 years</i>	<i>\$236 + GST per annum</i>

*Any approval to grant a new lease is conditional upon:*

- 1. Appropriate consultation with iwi;*
- 2. The lease being publicly notified in accordance with sections 119 and 120 of the Reserves Act 1977 (the Act) and any approved Management Plan;*
- 3. There being no objections or sustained objections resulting from the abovementioned consultation or notification; and*

4. *The lessee pays for the legal and advertising costs associated with preparing the leases.*

## **4. Background**

### **4.1 Overview of the Community & Recreation Leases**

The Council leases land and/or buildings to a wide range of groups undertaking various activities. Leases are important to provide certainty for the Council and groups in regard to their property obligations and to provide a framework for asset management.

### **4.2 Strategic Context and Direction**

The lease assessment process provides the Council with an opportunity to evaluate a group's community value and contribution to the various Council strategies and policies relevant to recreation and community groups. These strategies and policies are:

- Social and Recreation Strategy
- Environmental Strategy
- Recreation Policy
- Leases Policy for Community and Recreation Groups
- Reserve Management Plan(s) (if appropriate).

#### ***Social and Recreational Strategy***

Community group leases fit under the Social and Recreation Strategy. This strategy aims to build strong, safe and healthy communities for a better quality of life. The Council has committed to provide greater leadership to promote a high level of social cohesion and participation.

The Social and Recreational strategy encourages collaborative partnerships with our recreation and sports groups to ensure the best delivery of services and programmes and maximise use of amenities and resources.

#### ***Environment Strategy***

Community group leases also fit within the context of the Environment Strategy, which emphasises sustainable development and the protection and enhancement of our natural environment. The Strategy recognises the inter-relationship between social and cultural well being and the environment. It aims to make Wellington more liveable, where our natural environment is more accessible to all for a wide range of social and recreation opportunities while not compromising our environmental values.

#### ***Recreation Policy***

The Recreation Policy identifies quality recreation and leisure opportunities enhance the city as a place to live and visit, and contributes to community well-being. It aims to offer a diverse range of accessible and affordable recreation

activities, enhance the contribution of recreation events to the city's economy, and encourage an increase in participation.

The Council understands that recreation is provided to a wide section of the population via organisations like sports, recreation, and community groups. The Council plays a pivotal leadership role and aims to establish strong partnerships with these organisations and groups to provide recreation opportunities for the city's people.

### ***Leases Policy for Community and Recreation Groups***

The Leases Policy also reinforces Council's significant role in fostering the well-being and strength of communities by facilitating networks, providing recreation opportunities and supporting community facilities. The objectives of the Leases Policy are to:

- strengthen communities through leasing land and buildings to groups.
- ensure that the provision of leases is fair, equitable and responsive to community needs.
- formally standardise the requirements of the lease.

The Leases Policy outlines the process for a new lease and lease renewal. It calls renewing a lease a new lease. The process is outlined in Section 4.4.

#### **4.3 Assessment of new leases**

New leases are those where there is no current lease in place, and the group or the Council seeks to formalise this relationship. The Council recognises that groups may have made investments in assets and this is a key consideration in the evaluation of any lease. The process for a new lease is as follows:

1. Applicant provides Council officers with relevant information including financial information, historical patterns of use, and future prospects.
2. Officers evaluate information and assess whether the group will be sustainable (membership numbers and financially), their activities are consistent with the Council's strategic direction and objectives.
3. Communicate officers' decision to the applicant. If a new lease is recommended then the officer negotiates lease tenure, rental and conditions of the lease.
4. Seek approval in principle from the Regulatory Processes Committee.
5. Public notification following the Reserves Act process.
6. If all approvals are granted and no objections are sustained, lease documents will be prepared.

#### **4.4 Assessment of fresh leases**

Fresh leases are those where the existing tenant has applied for a renewal of an existing lease. The process for a fresh lease is the same as above, however the tenant is known to the Council and it is easier to assess their viability, membership levels etc.

#### 4.5 Lease agreement and documentation

The Leases Policy provides guidance and a framework for the lease agreement process and documentation. This includes lease rental and tenure, procedural matters, and the responsibilities and requirements of the lessee and the Council.

Some groups own their own building and are responsible for its maintenance and insurance. In these cases the Council can offer a ground lease, which is a lease for the land only. Groups that lease Council owned buildings are granted a ground lease. These groups lease both the land and the Council owned buildings on the land.

Leases offered to community groups are a standard format in accordance with Leases Policy and Committee's resolution of 7 February 2007. The standard leases cover the following terms and conditions:

- reporting requirements
- allocation of responsibilities between lessee and lessor
- payment of rates, water and other utilities
- maintenance of buildings, structures, vegetation and land
- insurance
- subleasing
- granting security against a lease
- termination of leases
- external signs
- external commercial advertising within leased areas.

#### 4.6 Term of lease

A standard term under the Leases Policy is ten years and one further term of ten years (the renewal).

However, there are occasions where it may be appropriate to use a degree of flexibility and deviate from the policy in some cases. This flexibility is at the Council's discretion and is designed to allow Council to respond to changing community needs and expectations. The reasons a shorter or longer term may be offered are limited to the following circumstances:

*Table 1: Reasons for a shorter or longer term may be offered.*

<b>Shorter Tenure</b>	<b>Longer Tenure</b>
Declining trends in an activity	Recognition of past asset investment
Evolution of activities that will compete for assets	Proposed asset investment
Alternative uses are planned by the Council for the lease asset (for example, demolition of the buildings in a number of years)	To provide certainty for external funding purposes

Life expectancy of facility/ assets is less than lease tenure	Dependence by community or membership on continuity of a key activity
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#### 4.7 Monitoring and reporting requirements

The Council is interested in the ongoing performance of community and recreation groups so it can monitor the achievement of strategic objectives for the city. The reporting requirements in the lease are not intended to be a control mechanism, rather a means of communication between the groups Council. Reporting generally includes the requirement for:

- Membership numbers and usage rates
- Community events run through the leases
- Financial information.

## 5. Discussion

### Girl Guides Association of New Zealand Incorporated

The Girl Guides Association of New Zealand Incorporated (Girl Guides) is an organisation which exists to enable girls and young women to develop their potential and make a difference to the world.

Girl guiding began in Johnsonville in 1934 when Florence Bloom led the first Guide Company. A brownie pack (girls aged 7-9 ½ years) was established in the same year, and other guide companies followed in subsequent years.

In 1970, the first rangers unit was registered in Johnsonville. Rangers are girls aged 13-18 years, and this programme focuses on contemporary issues such as law, environment, and preparation for adult life.

### Girl Guides' Building

History	The Girl Guides' building on Kipling Street was completed and opened in 1969, and is currently used by brownies, guides, and rangers 20-30 hours a week. They also allow use by other groups such as the Newlands Paparangi Girl Guides, and community groups such as dance classes.
Lease Background	1966: The Girl Guides Association of New Zealand first entered into a licence with the Council for the construction of the building.  1987: A 21-year lease was entered into, this expired in September 2008.
Term	10 year lease, with one right of renewal of 10 years.
Rental	\$263 + GST per annum.

Strategic Fit	Contributes to More Liveable and Better Connected Outcomes.	
Club Sustainability	Membership	125 girls + 17 adult leaders
	Financially viable	Yes

## 6. Conclusion

The Girl Guides have been in existence in Johnsonville since the 1930s, built the building on the land in the 1960s, and still have a strong membership base. Their activities are consistent with the Council's strategic direction and policies.

Officers propose that the Committee exercise its delegated authority to approve the granting of a fresh lease to the Girl Guides Association of New Zealand Incorporated, subject to the conditions identified in section 3, (Recommendations) of this report.

Contact Officers: *Heather Cotton, Paul Andrews.*

## Supporting Information

### **1) Strategic Fit / Strategic Outcome**

*This report recommends new leases with the Girl Guides Association of New Zealand Incorporated which is consistent with the Council's LTCCP strategic vision in regard to Strategy 6: Social and Recreation. Directly related to:*

- More livable
- More actively engaged
- Better connected
- Healthier.

### **2) LTCCP/Annual Plan reference and long term financial impact**

*This report recommends new leases with the Girl Guides Association of New Zealand Incorporated which is consistent with the Council's LTCCP in regard to Strategy 6: Social and Recreation.*

*All costs associated with preparing the new lease are met by the lessee. Building maintenance and compliance costs are the responsibility of the lessee as the building is owned by the Girl Guides Association of New Zealand Incorporated.*

### **3) Treaty of Waitangi considerations**

*Iwi will be consulted.*

### **4) Decision-Making**

*Decisions regarding Leases over the land are delegated to the Council as Local Authority.*

### **5) Consultation**

#### **a) General Consultation**

*The Council will call for submissions as required by the Reserves Act 1977.*

#### **b) Consultation with Maori**

*Iwi will be consulted as required by the Reserves Act 1977.*

### **6) Legal Implications**

*Council's lawyers have been consulted during the development of this report.*

### **7) Consistency with existing policy**

- *The provision of a new lease to the Girl Guides Association of New Zealand Incorporated supports Council's overall vision of Creative Wellington – Innovation Capital. The Leases Policy supports Council activities as a facilitator of recreation partnerships and provider of recreation and social opportunities.*