

Land Advisory Services Fees and Charges

Purpose

1. To propose the introduction of fees and charges for the current land advisory services.

Summary

2. The Land Advisory Services team within the Community Facilities department delivers land use services to internal and external customers, on behalf of the council as the landowner of parks, reserves and other service land. The services include investigating and assessing applications for physical works and activities on council owned land, and for acquisition, disposal and/or strategic development of council owned land.
3. The services are provided by a team of 15 full-time equivalent (FTE) staff. Over 620 applications have been received to date in calendar year 2017. Currently, the council does not charge for any of these services. The conservatively estimated non-rates revenue of \$350,000 (including GST) per annum could be generated if charges were introduced.
4. Similar to the existing model for cost recovery in the regulatory services, staff propose the following deposits and hourly rate charges.

Proposed deposits for landowner approval (by application type)

Application Type	Proposed deposit for 2017/2018 (incl. GST)
Basic (average 4 hours)	\$570
Standard (average 8 hours)	\$990
Complex (average 12 hours)	\$1410

Proposed hourly rates for Land Advisory Services (landowner approval and specialist services)

Staff position	Proposed hourly rate for 2017/2018 (incl. GST)
Administration Associate Land Use Advisor	\$85
Land Use Advisor	\$105
Senior Land Use Advisor/ Specialist Technical Statutory Advisor Acquisitions and Disposals Advisor (including senior)	\$150
Principal Property Advisor Manager Land Advisory Services	\$180

5. The proposed hourly rates are based on staff position and job descriptions, which reflect the level of specialist or technical knowledge and any supervisory functions.
6. All fees would be waived for any applicants undergoing works or activities on council's behalf. A discount of 50 per cent would be applied to all community group or registered charity applicants.

Background

7. The Community Facilities department manages the council's community facilities and serves as the land owner for the land underlying these facilities. The Land Advisory Services team conducts investigations and processes external, internal and CCO customer applications for approval to engage in works or activities on, or in some cases, to obtain a legal interest in, council land. These services are required for physical works

and activities, some of which also require resource consent, proposed on council land (landowner approvals) as well as for acquisition, disposal and/or strategic development of council land (specialist services).

8. To date, these services have been provided by the council to applicants free of charge, despite the fact that the benefit of these services accrues primarily to the applicants. Proposed recoverable costs are outlined in Table 1.

Table 1: Cost recoverable functions of Land Advisory Services

Functions	
Cost recoverable	Not cost recoverable
<ul style="list-style-type: none"> • Acquisition of land • Disposal of land • Strategic development of land and buildings • Provide a licence to occupy (temporary use of council land such as storing diggers on a local park) • Grant an easement (permanent use of council land such as installing a stormwater pipe across a reserve) • Grant a lease (community or commercial) • Legalise encroachments on council land (in certain circumstances) • Landowner approvals • Affected party approvals • Public notifications 	<ul style="list-style-type: none"> • CCOs and internal council department requests (e.g. DPO, Healthy Waters, Community and Social Policy, Community Facilities (other units), Infrastructure and Environmental Services, Libraries) unrelated to an existing project and budget • Update of data errors to reflect accuracy (e.g. an asset incorrectly sits with Auckland Transport and is the responsibility of Auckland Council)

9. It is conservatively projected that the council could generate, based on the proposal outlined, \$350,000 (including GST) per annum in non-rates revenue for the provision of these existing services. This proposal would serve to reduce the rates burden on rate payers and promote effective use of staff time.
10. This cost recovery proposal is similar to fees and charges for regulatory consent applications and would, in many ways, mirror that existing approach.

Options

Status quo: free of charge

11. The council could choose to continue providing the services at no cost to the applicants. This option does not recognise that the service primarily benefits the applicants who receive it, and that ratepayers bear the cost currently. The option would forgo a moderate revenue opportunity.

Proposed charging regime

12. In developing the proposed fees, staff considered a number of charge rates including the current consenting hourly charges. While the function of Land Advisory Services is different and distinct from that of the council's Regulatory Services, similar skill-sets, experience, and education are applicable to staff in both areas. However, staff recognise charging for these services would mean a considerable change for applicants.
13. Therefore, staff recommend a set of hourly rates slightly lower than consenting charges, to balance the cost recovery against the novelty to applicants. The proposed charging regime represents what staff consider to be a fair and reasonable approach, allowing applicants to adjust to paying for our professional services while generating non-rates revenue for council.

Staff position	Proposed hourly rate for 2017/2018 (incl. GST)
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Staff position	Proposed hourly rate for 2017/2018 (incl. GST)
Land Use Advisor	\$105
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Principal Property Advisor Manager Land Advisory Services	\$180

14. Furthermore, all fees would be waived for any applicants undergoing works or activities on council's behalf (e.g. contractors hired by the council to complete works on council land requiring land owner approval). This waiver would ensure that the proposed fees would only apply to situations where the benefit of the works or activities accrues to a private party.
15. In addition, a discount of 50 per cent would be applied to all community group or registered charity applicants based on the same logic that provides such groups with peppercorn community leases in lieu of market rate leases. Staff presume community group applicants will be seeking approval for works or activities that further their community or public-serving focus.

Attachments

There are no attachments for this report.

Signatories

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