

# Review of the Community Occupancy Guidelines 2012

## Terms of Reference

### 1.0 Background

Auckland Council has over 1,400 community leases with community organisations that:

- serve a wide range of purposes (sport, recreation, art, culture, community etc.)
- are on different types of land (parks, reserves, camping/recreation ground etc.)
- have different ownership structures (for example: council-owned land with buildings owned by a sport club).

Leases allow community organisations to operate on council properties, mostly with peppercorn rent. In return, leaseholders are expected to deliver community benefits that align with the council's wider outcomes and priorities.

Auckland Council introduced the *Community Occupancy Guidelines 2012* to assist decision-making and to provide an overview of the process and the standard terms and conditions of new lease agreements.

Around 90 per cent of current community leases were granted by legacy councils before 2012. They continue to be subject to the terms and conditions of the original lease agreements until they expire.

The terms of reference set out the objectives, scope, methodology and timelines for a review of the *Community Occupancy Guidelines 2012*.

### 2.0 Project objectives

The objectives of the review are to:

- assess the efficacy of the guidelines in helping the council deliver the best possible outcomes for Auckland through community leases
- improve the guidelines to ensure consistency in assessing, granting and managing leases.

### 3.0 Scope

The review will aim to gain a good understanding of the current state of council's investment through community leases with a special focus on:

- the types of public and private benefits delivered through community leases and the alignment with council's strategic goals
- the regional and inter-generational implications of long-term leases
- the range of operating and business models adopted by sport organisations
- consistency with relevant legislation, in particular the Local Government Act 2012, Reserves Management Act 1977, Human Rights Act 1993 and Bill of Rights Act 1990.

## 2.1 Out-of-scope

Commercial leases are out-of-scope as they are not aimed at delivering community benefits and are subject to different operating practices and processes.

## 2.2 Project dependencies

The project team will ensure the results and recommendations of the review are linked with the current work to improve the SAP system (where lease data is stored) and the development of an outcome measurement tool for council's sport investment.

## 3.0 Methodology

The review will be conducted in two stages.

### 3.1 Stage One – review of leases granted under the *Community Occupancy Guidelines 2012*

Staff will review all leases granted since 2012. The review will consider the application of the guidelines at each stage of the lease cycle.

There are around 150 leases that fall within the scope.

Table 1 below provides the indicative questions to consider during the review.

**Table 1: Indicative questions to consider at each stage of the lease cycle**

Lease cycle	Indicative questions
<b>Application</b>	<p>Percentage of applications that follow the application processes specified in the guidelines? Where processes vary, in what ways do they vary?</p> <p>Percentages of applications that provided sufficient information as required by the guidelines? In particular:</p> <ul style="list-style-type: none"><li>• the activities, services or programmes the applicant provides that align with strategic outcomes and local board plans</li><li>• how the needs of community identified in the local board area will be met</li><li>• evidence of applicant's viability to deliver its services or activities through voluntary contributions, and/or financial commitments</li></ul>
<b>Assessment</b>	<p>What assessment criteria were considered when granting the leases and whether they are consistent with the criteria specified in the guidelines?</p> <p>Percentage of decisions made by the local board that deviate from the advice provided by staff, and the reasons why?</p>
<b>Lease agreement</b>	<p>Decisions made by the local board on the terms and conditions of the leases and whether they are different to the advice provided by staff? If so, why and how?</p> <p>Does the final lease agreement comply with the guidelines?</p>

Lease cycle	Indicative questions
<b>Monitoring</b>	<p>Percentage of lease agreements that include a Community Outcomes Plan as required by the guidelines? What the plans contain?</p> <p>Percentage of leaseholders that have submitted annual reports as part of the requirement of Community Outcomes Plan? How adequately these provide monitoring information?</p> <p>Percentage of leases that had annual review? What those reviews identified and how leases were amended?</p> <p>Percentage of annual reports that have been audited and monitored over time? What were the results? Did the results inform future renewal decisions?</p> <p>Have the termination clauses been exercised? If so, what were the circumstances?</p>
<b>Renewal</b>	<p>Have the expectations (for example, community benefits) set in the last lease agreement been met? In what ways?</p> <p>What are the terms and conditions for renewal?</p>

### 3.2 Stage Two – evaluation of the *Community Occupancy Guidelines 2012*

Stage Two will build on the findings from Stage One to evaluate the current guidelines.

A literature review will be undertaken on international good practice. It will compare the process and outcomes in each stage of the council lease cycle against international case studies.

The project team will also build on the findings from the *Facility Partnerships Project* about leaseholders' perspective on the benefits and disadvantages that they might face in regards to leases. This will be supplemented by targeted interviews with a range of existing leaseholders and elected members to gain more qualitative feedback.

The following list of evaluation principles will be used to assist the evaluation. They are based on the best practice principles developed by Organisation for Economic Cooperation and Development (OECD) for projects and programmes evaluation.<sup>1</sup>

**Table 2: Evaluation principles**

Principle	Description
<b>Relevance</b>	The practice and process should be consistent with council's current policy, operating and financial practice and meet the requirements of leaseholders and the community.

<sup>1</sup> OECD (2009) '*Guidelines for Projects and Programmes Evaluation*'  
<https://www.oecd.org/development/evaluation/dcdndep/47069197.pdf>

Principle	Description
<b>Impact</b>	Community leases should contribute to local community well-being, local board plans and wider council strategic goals and priorities.  Clear reporting and monitoring requirements to measure progress against the desired outcomes.
<b>Effectiveness</b>	Community leases should assist council deliver the best outcomes possible (for example, social, economic and environmental) from the council properties. This includes consideration of alternative use of the council assets.
<b>Efficiency</b>	The outcomes delivered should be considered against the cost and resources spent.
<b>Transparency &amp; consistency</b>	Decisions on leases should be consistent across local boards, with full disclosure of the assessment criteria, processes, results and outcomes.
<b>Equity</b>	Community leases should support equity of outcomes for all people.
<b>Financial sustainability</b>	There needs to be consideration of how ongoing operating costs, renewals and other capital expenses for the council properties are addressed in the leases, while also ensuring public accessibility and affordability.

#### 4.0 Timeline and deliverables

The key deliverables for this project and the target dates for delivery are set out in Table 3 below.

**Table 3: Timelines and deliverables**

Deliverable / milestones		Deadline
Report to the Environment and Community Committee seeking approval of the Terms of Reference		July 2017
Completion of Stage One		November 2017
Deliverable:	<ul style="list-style-type: none"> <li>Summary report of Stage One review</li> </ul>	
Completion of Stage Two		February 2017
Deliverable:	A findings report that consist of: <ul style="list-style-type: none"> <li>summary of the literature scan</li> <li>summary results of the evaluation of current guidelines</li> <li>any proposed changes to improve the guidelines</li> </ul>	
Engagement with key stakeholders and local boards for their views on the findings report		March 2018
Findings report to the Environment and Community Committee seeking approval of any proposed changes to the guidelines for approval		May 2018