



## **Kaipara District Council** **Property Disposals and Acquisitions Policy**

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Property Disposals and Acquisitions Policy*			
<b>Primary Audience</b>	external	<b>Business owner</b>	Property, Procurement and Commercial Department
<b>Policy type</b>	non-statutory	<b>Act</b>	various
<b>Author</b>	Property, Procurement and Commercial Manager	<b>Date adopted/last reviewed</b>	28 April 2015
<b>Authorised/adopted by</b>	Kaipara District Council	<b>Next review date</b>	tbc

## 1 Purpose

The purpose of this *Previously Property Sales and Acquisitions* Policy

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## 1. Purpose

- 1.1 To provide clear guidance on the processes and principles to be applied to the acquisition or disposal of Kaipara District Council (the Council) owned or controlled property.

## 2. Scope

- 2.1 This policy applies to all property owned or controlled, or to be owned or controlled by the Council, excluding roads, reserves and parks.

*Explanatory note: Detailed guidance on acquisition or disposal for reserves and parks is to ensure provided through the Council's property matters Long Term Plan, Infrastructure Strategy, and the associated Strategic Activity Management Plan. The acquisition and disposal of land for the purposes of reserves and parks is further prescribed through the Reserves Act 1977 and the Local Government Act 2002. Roading related acquisition and disposal processes are managed/also subject to specific legislative processes, primarily the Local Government Act 1974 and the Public Works Act 1981.*

## 3. Principles

- 3.1 The Property Disposal and Acquisitions Policy (the Policy) is subject to all statutory obligations of the Kaipara District Council (the Council) and the Council's Significance and Engagement Policy.
- 3.2 The Policy will be applied to support the Council's strategic objectives, including as identified in the adopted Long Term Plan and Infrastructure Strategy and other relevant strategies and policies.
- 3.3 Where possible, any proposed property disposals and acquisitions will be included in Long Term Plan development and adoption processes.
- 1.4.3.4 Any consideration of the disposal of property will be undertaken in an efficient and effective manner, balancing public accountability consistent with commercial needs, any relevant Treaty settlement legislation as applicable, as well as in accordance with the Council's Memorandum of Understanding with Te Uri o Hau, and Mana Enhancing Agreement with Te Roroa.

## 2—Principles

In considering any property sales or acquisitions, the Council, or its delegate, must have regard to the following principles:

- 1.2.3.5 Statutory purpose: Council will own land (and buildings) or control property where they are it is directly related, or necessarily incidental, to its core purpose or functions.
- 1.3.3.6 Ownership versus other options: The decision whether to own property must be considered against other options (e.g. leasing, acquiring an easement etcetera) in order to ensure it is an Acquisition of property should be the most efficient and effective use of the Council's resources, having regard to existing and anticipated future circumstances.
- 1.4.3.7 Transparency: The Council will conduct property acquisition or disposal transactions should generally be conducted in an open and transparent manner, within reasonable commercial confidentiality constraints and using consistent (public) criteria, to maintain public confidence in the expenditure of funds.

~~1.53.8 Non-competitive:~~The Council will not ~~generally own or use~~acquire property ~~in a manner that unreasonably competes for the purposes of competing~~ with private commercial interests.

~~1— Cost recovery: Property services (e.g. housing) will be provided by Council in a manner that ensures cost recovery (where achievable) so as to avoid unreasonable cross-subsidisation by other ratepayers.~~

~~2— Prudent financial management: Council property will be managed in a financially prudent manner.~~

~~1.63.9 Proper information:~~The Council will maintain ~~a complete and up-to-date~~ register of information on its properties and associated assets, ~~including asset management and maintenance plans that enables it to make to support~~ informed ~~decisions regarding the sale and acquisition of its~~decision-making on property ~~acquisitions and disposals~~.

~~1.73.10 Regular reviews:~~The Council property portfolio ~~should~~will be regularly reviewed to ensure that:

- a. The purpose for which the property is held remains valid and the property continues to be fit for purpose.
- b. Where property is no longer being used for its intended purpose, or cannot meet that purpose, it will be re-assessed for either disposal or used for another valid purpose.

~~1.83.11 Maximise value:~~The Council will seek to maximise the net value of ~~all~~any disposal of ~~its~~ property ~~sales~~ for the financial benefit of its ratepayers.

## **4. Measure performance: Policy**

~~3— The Council will establish and maintain measures of performance to ensure it is satisfied with the levels of use and service performance levels of its properties in order to ensure strategic purchase or timely disposal.~~

## **3— Responsibilities**

### **consider the disposal of property in the following responsibilities and obligations apply:**

~~1.— Only the Council can make the decision and pass a resolution that a property is surplus and is to be sold or a property is required and is to be purchased.~~

~~2.— The Council shall stipulate in their resolution to sell a property at an acceptable price range or state whether the Chief Executive is authorised to sell at a price that the Chief Executive determines to be appropriate.~~

~~1.94.1 The Chief Executive (with or without support from~~ circumstances and ~~subject matter experts), will be responsible to the Council for the terms and conditions of the sale or~~

~~purchase, subject to any specific terms or conditions set down as part of the Council resolution, to the Principles of this Policy:~~

- ~~3.—The Chief Executive has the power to make any amendment, change or action which is incidental to the Council resolution for the sale or purchase of land.~~
- ~~4.—The Council has delegated to the Chief Executive certain duties and responsibilities in respect of property matters. Refer to the delegation register for details of these duties and responsibilities.~~
- ~~5.—The Audit and Risk Committee will review all property sales, purchases and transfer transactions, on at least an annual basis.~~

## **4—Policies**

### **4.1—Property disposal**

~~The following Policy Statements apply:~~

- ~~1.—Any recommendation to declare property as surplus (or underperforming) must consider Council's published strategic objectives, policies and/or plans as at the time of assessment.~~
- ~~2.—Property should be reported to Council for disposal if:~~
  - ~~a. The property is a financial liability (e.g. in circumstances where the maintenance costs are sufficiently high of a magnitude that they outweigh the benefits of holding/retaining the property).~~
  - ~~b. where the Council has been approached by an interest party regarding a part of a site is attractive to an interested party (e.g. adjoining landowner has signalled their interest in purchasing the land) property and the part concerned is not deemed necessary to meet the Council's strategic goals and objectives or other principles as provided in this Policy.~~

### **4.2 The Council will consider the acquisition of property in the following circumstances and subject to the Principles of this Policy:**

- ~~a.—the acquisition is required for Council/community use.~~
- ~~3.—Property disposals will be generally to meet identified within the long Term Plan. However, should a strong need to dispose of property arise outside this process, such disposals may be escalated to Council for a decision.~~
- ~~4.—Council property will have all the appropriate Council approvals, licences and Certificates of Compliance.~~

- ~~5. The process of selling Council freehold land that has been declared surplus must be publically notified. Public notification should be guided by the obligations set out under Section 46 of the Local Government Official Information and Meetings Act (LGOIMA).~~

## ~~4.2 Property acquisition~~

~~The following Policy Statements apply:~~

- ~~1. Council's property acquisitions will follow a timely and efficient process for both internal and transactional matters, to ensure community confidence, transparency, accountability, and appropriate price/contractual terms are delivered.~~
- ~~2. Council property purchases will be generally identified within the Long Term Plan. However, should an opportunity to acquire property arise outside this process such acquisitions will be considered subject to Council approval, as long as:~~
  - ~~a. It can be shown that such a purchase is required to meet infrastructure or community needs as identified in approved Council plans; or~~
  - ~~b. the likely commercial return is greater than the current cost of borrowing; or, while considering the risk of ownership~~
  - ~~c. the purchase is strategically important to Council and/or the community.~~

## ~~5. Where properties are leased by Procedures and Processes~~

- ~~5.1 A decision of the Council from external parties, the tenure should reflect the is required to dispose of or acquire property.~~
- ~~5.2 Clause 5.1 does not apply for matters where a specific business needs of the activity delegation is provided for in the Council's Delegations Register.~~
- ~~5.3 The Council may, by resolution, delegate certain matters to the Chief Executive regarding a specific disposal or acquisition process, including lease term, security of tenure, appropriateness and soundness of any improvements, but not limited to:~~
  - ~~a. the power to negotiate a purchase or sale price~~
  - ~~b. the power to set the terms and market conditions while being consistent with any other of a sale or purchase agreement.~~
- ~~5.4 Staff will report at least annually on all property transactions either to a relevant Committee of Council policies, or the Council.~~

## ~~6. Relevant Legislation~~

- ~~6.1 Various statutes apply to the disposal and acquisition of land by the Council. This includes, but is not limited to:~~
  - ~~• Local Government Act 2002~~
  - ~~• Local Government Act 1974~~
  - ~~• Public Works Act 1981~~

- Reserves Act 1977
- Te Roroa Claims Settlement Act 2008
- Te Uri o Hau Claims Settlement Act 2002.

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