

# SOUTH WAIRARAPA DISTRICT COUNCIL

24 OCTOBER 2018

---

## AGENDA ITEM C4

### ACQUISITION AND DISPOSAL OF LAND AND BUILDINGS POLICY REVIEW

---

#### **Purpose of Report**

To advise Council of the proposed changes to the Acquisition and Disposal of Land and Buildings Policy (E100).

#### **Recommendations**

Officers recommend that the Council:

1. *Receive the Acquisition and Disposal of Land and Buildings Policy Review.*
2. *Approve the amendments to the Acquisition and Disposal of Land and Buildings Policy (E100).*

## **1. Executive Summary**

The Acquisition and Disposal of Land and Buildings Policy (E100) was due for review in February 2018. Due to Long Term Plan commitments, the review was delayed until the LTP process had been completed.

The Policy has now been reviewed and changes made. These changes were presented to the Audit & Risk Working Party for their review in July 2018 before coming to Council for approval at the August and September 2018 meetings.

At the September meeting, Council sought clarification on the wording of clause 3.2.4. This wording has now been updated and reviewed by the Audit & Risk Working Party and the reworded clause is highlighted in the appendix. All changes made are shown as tracked changes on the attached document in the appendix.

## **2. Discussion**

### **2.1 Acquisition and Disposal of Land and Buildings Policy (E100)**

The changes to the policy are summarised below:

Amend terminology to reflect the Audit and Risk Working Party rather than the Policy and Finance Committee.

Delete clause 3.2.3 which was a duplicate of the previous clause.

Add a clause to cover approval to sell land without advertising on the open market if no market exists e.g. an unwanted road reserve.

Add clause 3.2.4 to ensure that Council will use its best endeavours to ensure that any caveats or other encumbrance affecting the land are registered and searchable on the title. In the case of a paper road, or a property which contains a paper road, confirmation of the legal status and ownership of the land designated as road must be obtained before marketing of the property commences.

Amend the final clause to indicate that Council needs to approve any decision to accept or reject a gift or bequest.

### **3. Appendix**

Appendix 1 – Acquisition and Disposal of Land and Buildings Policy (E100)

Prepared By: Jennie Mitchell, Group Manager Corporate Support

Reviewed By: Paul Crimp, CEO

# **Appendix 1 - Acquisition and Disposal of Land and Buildings Policy (E100)**



# Acquisition and Disposal of Land and Buildings

## 1. Rationale

The Council occasionally has a need to acquire property for a specific community or works related purpose. It does not acquire property for investment purposes.

Equally, property no longer required for the purpose for which it was originally acquired or is currently needed or for which there is no economic cost/benefit, may be disposed of in accordance with the Local Government Act 2002 or other relevant legislation.

## 2. Purpose

To set out general procedures to be followed by Council staff pursuant to relevant legislation in the acquisition of property, be it either undeveloped land or land on which there is located an asset, and for the disposal of an asset that is deemed to be surplus to Council requirements.

## 3. Guidelines

### 3.1 ACQUISITIONS

3.1.1 Council officers, who in the course of carrying out their responsibilities consider that a property acquisition is required for the efficient cost effective benefit for a particular activity, operation or project shall first provide a report to the Chief Executive Officer.

3.1.2 Such report shall provide details of the intended use of the property, its cost and how the purchase is to be funded.

3.1.3 This report, or a modified version of it, shall be submitted to Council's ~~Policy and Finance~~[Audit and Risk working party Committee](#) by the Chief Executive Officer, if s/he deems it appropriate that the purchase is essential and is required for the benefit of the Council and its ratepayers.

3.1.4 The ~~Policy and Finance Committee~~[Audit and Risk working party](#), only if it resolves that a proposed purchase is to proceed and that it is satisfied that there is fully funded budgetary provision in the Long Term Plan/Annual Plan, shall recommend accordingly to the Council for final approval.

3.1.5 No agreements or commitments to a purchase may be entered into before the Council has approved the purchase.

Adopted: 23/07/2007

Reviewed: ~~12/02/2016~~[July 2018](#)

Next review: ~~February 2018~~[July 2021](#)

## 3.2 DISPOSALS

3.2.1 Council officers will review all land, buildings and other improvements at regular intervals to ensure that all such assets are still required and that their continued retention remains cost effective.

3.2.2 Reports on such reviews will be provided to the Audit and Risk working party ~~Policy and Finance Committee~~ together with any recommendations.

~~3.2.3 Reports on such reviews will be provided to the Audit and Risk working party ~~Policy and Finance Committee~~ together with any recommendations.~~

3.2.3 All property for disposal must be advertised for sale on the open market, except where otherwise approved by the Audit and Risk working party Council because of special circumstances e.g. where an open market does not exist, such as in the case of selling an area of unwanted road reserve to the adjacent property owner.

3.2.4 Clear title is to be obtained on any property agreed for disposal before the marketing of the property commences. In the case of a paper road, or a property which contains a paper road, confirmation of the legal status and ownership of the land designated as road must be obtained before marketing of the property commences. Council will not market land that is subject to any caveat until such caveats are cleared, and will use its best endeavours to ensure that any other encumbrance affecting the land is registered and searchable on the title. In the case of a paper road, or a property which contains a paper road, confirmation of the legal status and ownership of the land designated as road must be obtained before marketing of the property commences.

## 3.3 GENERAL

3.3.1 At all times, where either required or deemed appropriate, the Crown through the Department of Conservation is contacted and consulted and, as well, Council's solicitors are kept informed and their advice sought on any aspect of a proposed acquisition or disposal.

3.3.2 All costs relating to either an acquisition or a disposal, including planning, subdivision, legal and commissions are charged against the asset concerned as a cost in determining the eventual profit, or loss on disposal or as an addition to the cost of a purchase.

## 3.3 PROPERTY GIFTED OR BEQUEATHED TO COUNCIL

3.3.1 When deciding whether to accept a proposed gift or bequest of property, council must take account of the following:

- the intent of the gift or bequest;
- the need for the land/building for council or community purposes;
- the potential cost to develop the property if development is required;

- the on-going operating and maintenance costs of the property and whether revenue can be generated by the property to contribute to these costs
  - any costs or burdens of complying with any conditions of the gift or bequest.
- 3.3.2 A gift or bequest of property may be accepted for the purpose of obtaining revenue from the re-sale of the property, provided that the conditions of the gift or bequest allow for this.
- 3.3.3 Council officers will prepare a report for the [Audit and Risk working party](#) ~~Policy and Finance Committee~~ together with any recommendations, and the decision to accept or reject a gift or bequest will be made by ~~that committee~~ [Council](#).