

Property Lease and Licence Policy

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Background

Parramatta City Council (PCC) has a significant number of assets across the Local Government Area available for short and long term use under a lease or licence agreement. These assets range from individual rooms to entire premises.

Council currently provides assets for a variety of purposes in Parramatta. The assets are provided in an attempt to achieve a diverse range of outcomes for Council as well as the community. There is a high demand for these assets which from time to time see a substantial level of competing interests for their use.

Statement

To determine and encourage the optimal use, the correct tenant and the most appropriate lease or licence for a specific Council asset.

To undertake processes that provide equitable, effective and efficient management which fulfill the accountability and transparency requirements of the Local Government Act (1993) (LGA) and the principles of Crown land management as required by the Crown Lands Act 1989 when determining the optimal use of Council's assets and the most appropriate tenant.

Property Lease and Licence Policy		
Owner: Manager Asset Strategy and Property Management	Area: Corporate Services	POL No: 336
Date of Commencement: 26 May 2014	Approval Authority: Council	Date Approved: 26 May 2014
Amendment 1	Date of Next Review: 26 May 2017	Review: Every 3 years

Purpose

To ensure that when Council is considering leasing or licencing an asset, that it applies an appropriate and thorough review process to ensure the most suitable use, tenant and outcome is achieved.

Scope

This policy shall apply to all assets that require a review of use, agreement or tenant.

The policy shall apply to both Council owned community and operational assets, which are provided on a lease or licence basis for a commercial use, or for use of the community with the intention of providing social, artistic, charitable, health, educational, cultural or recreational benefits to the Parramatta community.

This policy excludes the use of Council property for street activity (such as Outdoor Dining), Activate Parramatta, Pop-Up Parramatta, Retail Trading, short and casual hire agreements for council land or buildings, or other property functions which have a specific Policy or Procedure.

Definitions

Agreement: A lease or licence over a Council owned asset, or an asset that is within the care and control of Council.

Assessment Criteria: A list of assessment items for consideration by Council Staff when reviewing the use or tenant of a specific Council asset which applies regardless of Asset Category.

Assessment Team: The panel of Ward Councillors and Council Staff nominated to review the Assessment Criteria.

Asset: Any land or building owned or within the care and control of Council that could be leased or licenced to a Tenant.

Asset Class: As defined within the Asset Management Strategy and Asset Management Plan.
Note: Multi Storey Car Park Assets are multi-storey and at grade parking facilities as defined within the Parramatta Car Parking Strategy, including any associated retail premises.

Asset Manager: The asset manager responsible for the preparation and delivery of an Asset Plan and program of work that supports the Asset Management Strategy. The Asset Manager is the person in Council who is in the best position to manage an asset with the required skills and experience. Maintains critical asset data.

Council: The 15 elected representatives across the 5 electoral areas.

Council Staff: The Service and Asset Managers and any other staff member responsible for managing the tenant or the asset.

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Lease: is an agreement between two parties offering an exclusive use.

Lease and licence administration: includes compliance with general terms and conditions, assignments, options and any sub-letting requests.

Licence: is an agreement between two parties offering a non-exclude use.

Non-strategic Assets: All other Assets that do not meet the Strategic Asset definition.

Service Manager: Uses, occupies or tenants an asset to provide a service to Council and the community. Provides the future business needs and level of service requirements to the Asset Manager.

Stakeholders: Council Staff, the relevant Ward Councillors or delegates or any reference groups or governing bodies established by Council who will assist in determining the appropriate use, selection criteria and potential tenant for an asset.

Strategic Asset:

- a) An asset that makes a significant contribution to our current strategic objectives such as economic, recreation, social or activation priorities for the city; or
- b) That have a financial value for the Agreement of greater than \$250,000; or
- c) A Term in excess of 12 months, or
- d) A proposed change in Use.

Note:

- \$250,000: is the total value of the lease or licence agreement including any associated option periods or capital works programs.
- Term: Any agreement of 12 months in duration, including any option periods.

Tenant: A person or entity that rents or occupies a property, such as a community based or commercial entity under a lease or licence.

Ward Councillors: the 3 elected Councillors or as delegated, for an area in which an asset is located.

Policy

Leasing and licencing of an Asset will be carried out under equitable, effective and efficient management practices, in an open, accountable and transparent process to meet the current and future needs of Council and the community.

The following Assessment Criteria will be addressed when reviewing the use, tenant or outcome for a specific Council Asset.

Assessment Criteria

1. Strategic Asset Class Objectives and Physical Asset Requirements - To ensure any agreement is aligned with an asset's management plan, lifecycle strategy, condition and ongoing maintenance requirements.

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2. Demand Requirements - To ensure Council identifies and addressed the needs of both Council and the community.
3. Legislative and Planning Controls - To ensure all relevant legal obligations are met and adhered to.
4. Commercial and Financial Requirements - To ensure Council obtains the most appropriate financial return on its asset.
5. Activation - To ensure that Council's assets are being utilised to their capacity.
6. Social Outcome Requirements - To ensure that Council is meeting its social obligations to the community, are documented and reported on.
7. Term and Duration of the Agreement - To ensure the most appropriate terms and conditions are applied to an asset, as long term agreements are no longer appropriate in most cases for Council. Short term agreements will allow Council to more accurately plan for services, both operational and community.
8. Compliance Management - To ensure that all agreements and tenants are managed in accordance with the terms and conditions specified by Council.

Procedure

Council will follow the Property Lease and Licence Procedure when assessing the use and determining the tenant of an asset. The procedure establishes the what, when, how and who to administer the Policy with regard to a Strategic Asset and Non-Strategic Asset as defined in the Policy.

Lease and licence administration will be in managed by staff in accordance with approved delegations.

Associated documents

Local Government Act 1993
Parramatta Community Strategic Plan 2038
General Community Use Plan of Management (2007)
Property Lease and Licence Procedure (D03046237)
Asset Management Strategy and Policy
Land and Building Asset Plan

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