

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 06 June 2016

Portfolio:	Leisure and Community
Subject:	Y Services Lease of Former Hill Park Clinic
Report of:	Director of Operations
Strategy/Policy:	Leisure Strategy
Corporate Objective:	Leisure for Health & For Fun

Purpose:

To advise the Executive on an opportunity to bring a vacant property at Frosthole Close into community use.

Executive summary:

This report outlines a proposal from Y Services to take on a lease of the former physiotherapy centre at Frosthole Close for use as a community scrapstore and training facility for young people.

It is proposed to offer Y Services a ten year full repairing lease and that Y Services fund the capital costs of bringing the building back into a tenable condition and the ongoing revenue costs associated with operating the building.

Recommendation:

That the Executive consider offering a ten year lease of the former physiotherapy centre at Frosthole Close to Y-Services at a peppercorn rent, subject to Y Services obtaining the grant funding for the project.

Reason:

To bring the vacant premises back into use and to provide a community use for the benefit of the residents of Fareham.

Cost of proposals:

There would be no capital or revenue costs for the Council.

Background papers: File of Correspondence

Reference papers: None

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Executive Briefing Paper

Date:	06 June 2016
Subject:	Y Services Lease of Former Hill Park Clinic
Briefing by:	Director of Operations
Portfolio:	Policy & Resources

INTRODUCTION

1. Y Services is a youth work charity delivering play work and youth work in Hampshire. It was conceived in March 2011, and is a registered charity and company limited by guarantee. In Fareham, Y Services delivers a number of projects to children and young people, including 21 evening youth club sessions and 72 hours of day time work per week supporting young people on a variety of issues including; health, life skills, relationships and mentoring.
2. The Charity also delivers play work across the Borough during school holidays through the Play Rangers service. Free play for 0-12 year olds is delivered using outside venues such as parks and open spaces. Play work is facilitated by play workers and young volunteers who develop opportunities to learn a new skill and enhance their experience for the future.

THE FORMER HILL PARK CLINIC

3. The former physiotherapy premises at Frosthole Close have been vacant for a number of years following the surrender of the lease by the then tenant. The building is in a poor state of repair and would require investment to make suitable for any type of use.
4. A number of opportunities have been explored to bring the building back into use including, developing the site for social housing, advertising the site for community use and seeking offers for a capital receipt for the disposal of the site.
5. Whilst there has been some interest from two boxing clubs these have not progressed beyond an initial expression of interest.
6. Y Services have expressed an interest in taking on a lease agreement for the site and have been seeking external funding to help bring the building back into use. Their aim is to use the building as a community Scrapstore and training facility for young people

THE FROSTHOLE PROJECT

7. Over the last 12 months, the trustees of Y Services have been seeking to create an opportunity for young people to learn skills to enable them to be “work ready” and to decrease the number of people not in education employment or training (NEET) in the Borough.
8. The Fareham North West ward is a priority for Y Services and the potential availability of the Frosthole Close building presented an opportunity within this area to continue to work to support young people who are at risk of becoming NEET.
9. The trustees of Y Services have identified that there is a gap in provision for Fareham and Gosport in terms of a Scrapstore for the community. A Scrapstore is a resource for community groups who are in need of high quality arts and crafts materials for their members.
10. Y Services proposes to raise the capital funding to bring the building back into a tenantable condition by a variety of means:
 - a) An application for £15,000 has been submitted to Veolia Trust to support capital costs for the refurbishment of the building. If successful this will be used to fund the cost of replacement windows on one elevation of the building.
 - b) Y Services have committed £6,000 towards the cost of refurbishment. This funding will focus on repairs to the roof covering and ensuring that the building is accessible for those with a disability.
 - c) HMS Sultan is keen to help with the project and will undertake the cleaning and decoration of the room identified as being suitable for the Scrapstore.
11. Y Services have set aside £5,000 to cover the first six months of operation. To fund the ongoing expenditure further revenue streams are being explored but it is anticipated that the development of the Scrapstore will help subsidise the on-going cost of running the building.
12. Planning consent for a change of use of the property has been granted but this relates to specific hours of use.
13. Building Control has been consulted and no issues have been identified. There is however a need to make some amendments to the entrance to ensure a ramp is in place to allow easy access to the building.

LEASE AGREEMENT

14. To comply with the requirements of external funding bodies, Y Services require a ten year full repairing lease. This would be outside of the Landlord and Tenant Act so they would not have an automatic right of renewal and there would be no break clauses.
15. Y Services would be responsible for all interior and exterior improvements and maintenance and for bringing the building into a tenantable condition.
16. No allocated parking would be provided as part of the lease agreement.
17. Y Services would be responsible for all occupational outgoings in respect of the building e.g. utilities, non-domestic rates (if applicable).

18. To reflect the responsibilities that Y Services would be taking on, it is further recommended that the annual rental would be a peppercorn (if demanded).

RISK ASSESSMENT

19. A visual survey of the building by a Surveyor from the Council identified in the region of £30 to £50k of works required to the building. This related mainly to windows, doors and electrics. This could potentially be more as there was evidence of issues with the roof that may require remedial works in the future.
20. The permission for the change of use relates to specific hours the scrap store will be open. There is a condition relating to community use detailed in the criteria for funding from the Veolia Trust. Y Services will need to ensure that these conditions can be met in order for their application to be successful.
21. There is a risk that Y Services will not succeed in raising all of the capital required to bring the building back into a tenable condition or sufficient and therefore execution of the lease would be subject to adequate funding being obtained.
22. There is merit in utilising the building for community use given the lack of any interest or suitability for alternative use that could bring an income to the Council. The proposal is the Council will provide the building at peppercorn rent but Y Services will be responsible for the ongoing maintenance and operation of the building. The expectation is that the Council will not provide any funding for the project and if the venture is not successful Y Services may have to voluntarily surrender their lease.
23. There is no allocated parking for Y Services and there are limitations with the site in respect of car parking. This may limit the capacity of the facility and therefore the viability of the project.
24. Y Services have sufficient funding to operate the scheme for a six month period only after which they will rely on income from the scrap store. This may not be sufficient to make the scheme viable. Should this happen then the building would return to being vacant. However, the Council would be in no worse a situation than is currently the case.

CONCLUSION

25. An opportunity has arisen to bring back into use the currently vacant premises at Frosthole Close as a community Scrapstore and training venue for young people. The project would be entirely funded by the Y Services and although their business plan is not as robust as would ideally be the case, there is no significant risk to the Council.

Enquiries:

For further information on this report please contact Gareth Satherley. (Ext 4476)