

**Meeting: Cabinet**

**Date: 6<sup>th</sup> August 2019**

**Wards Affected: Preston**

**Report Title: Lease Renewal of Hollacombe Community Resource Centre, Paignton**

**Is the decision a key decision? No**

**When does the decision need to be implemented? As soon as possible.**

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## **1. Proposal and Introduction**

- 1.1 Torbay and South Devon NHS Foundation Trust (hereafter referred to as the Trust) was granted a two year lease of Hollacombe Community Resource Centre (CRC) commencing 1 December 2017. The lease will expire on 30 November 2019.
- 1.2 The lease was granted excluded from the security of tenure provisions of the Landlord and Tenant Act 1954 and therefore the Trust have no statutory rights to renew the lease. A new lease needs to be agreed prior to the expiry of the current arrangement or the Trust will need to vacate at the end of the contractual term.

## **2. Reason for Proposal and associated financial commitments**

- 2.2 The Trust wish to renew their lease of Hollacombe CRC, Paignton, enabling the continuation of service delivery. A new lease of Hollacombe CRC granted to the Trust will need to be assignable to a Community Interest or an external provider and to accommodate this, the lease should also contain the provision to sub-lease to an external provider.

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## **3. Recommendation(s) / Proposed Decision**

- 3.3 That the Interim Director of Place, in consultation with the Chief Executive, be authorised to grant an excluded lease for a term of 2 years for Hollacombe Community Resource Centre (CRC), as shown on Plan EM2639 set out at Appendix 1 to the submitted report, from 1 December 2019 to Torbay and South Devon NHS Foundation Trust.

## Appendices

### Appendix 1: Plan EM2639

<b>Section 1: Background Information</b>	
<b>1.</b>	<p><b>What is the proposal / issue?</b></p> <p>It is proposed the Council grant Torbay &amp; South Devon NHS Foundation Trust (hereafter referred to as the Trust) a new lease for Hollacombe CRC, Paignton.</p> <p>The new lease will enable the Trust to continue service delivery from that current location. The lease needs to be in place by 1<sup>st</sup> December 2019 as the existing lease will expire on 30<sup>th</sup> November 2019.</p> <p>It is acknowledged by both parties (the Council and the Trust) Hollacombe CRC is no longer fit for purpose. If a new site is identified and the service relocated during the proposed lease term then the lease will be terminated at the appropriate time by mutual consent.</p>
<b>2.</b>	<p><b>What is the current situation?</b></p> <p>Hollacombe CRC, Paignton is utilised by the Trust as a day service for adults who have learning disabilities with high support need. The provision is a statutory service to be provided by Torbay Council.</p> <p>At present, the buildings is leased to the Trust at a rent of £59,500 per annum subject to a grant from Adult Services to cover the rental charge. It is proposed that a new 2-year lease be granted on similar acceptable terms with the inclusion of a landlord rolling 6-month break clause. The Property is to be leased for a further 2 years at market rent of £59,500 per annum.</p> <p>The Council has the option of providing an ongoing grant to cover all or part of the market rent for Hollacombe Community Resource Centre (CRC), dealt with as per the Councils constitution and reviewed annually.</p> <p>It is proposed the Trust are charged the full market rent and upon receipt of funds (whether monthly or quarterly) Adult Services will grant fund the money back to the Trust.</p>
<b>3.</b>	<p><b>What options have been considered?</b></p> <p>The Council's Corporate Asset Management Plan 2015 to 2019 (2018/19 Revision) makes specific that the Council will 'always seek to maximise the full market receipt for their assets whether by way of freehold disposal or leasehold interest'. The plan goes on to state the Council shall not 'restrict or reduce the current or future value of its assets through the use of contractual restrictions, covenants, peppercorn rents' and 'ensure any grant from the Council to assist with a tenant's rent will be reviewed annually'.</p>

	<p>On this basis, the Council must charge a full market rent in line with the Asset Management Plan. It will then be for the Council's Adult Social Care team to make the required grant from within their service budget.</p> <p>There is an alternative option to renew the lease for a further 2 year term on the same terms but remove the grant provided by Adult Services. This will have an impact on the ability of the Trust to provide the service.</p>
4.	<p><b>How does this proposal support the ambitions, principles and delivery of the Corporate Plan?</b></p> <p>Renewing the lease enables the Trust to continue service delivery by supporting vulnerable adults.</p>
5.	<p><b>How does this proposal contribute towards the Council's responsibilities as corporate parents?</b></p> <p>This proposal does not directly relate to the Council's role as corporate parents.</p>
6.	<p><b>How does this proposal tackle deprivation?</b></p> <p>This proposal does not directly relate to deprivation.</p>
7.	<p><b>How does this proposal tackle inequalities?</b></p> <p>This proposal does not directly relate to inequalities.</p>
8.	<p><b>How does the proposal impact on people with learning disabilities?</b></p> <p>The facility provided by the Trust at this location forms part of a range supporting services for vulnerable adults in the community. If the service is lost or diluted it is likely this will result in an addition burden on the authority which in turn will have a detrimental impact on people with learning disabilities.</p>
9.	<p><b>Who will be affected by this proposal and who do you need to consult with?</b></p> <p>Not applicable.</p>
10.	<p><b>How will you propose to consult?</b></p> <p>No consultation is planned.</p>

## Section 2: Implications and Impact Assessment

<b>11.</b>	<b>What are the financial and legal implications?</b>  Financial Impact – It is proposed the market rent attributable to the occupation of Hollacombe CRC will be charged to the Trust. Upon receipt of monies due the Council (Adult Services) will grant fund the monies back to the Trust.  Legal Impact – There are no legal implications other than the points noted at paragraph 1.2 above.
<b>12.</b>	<b>What are the risks?</b>  If the proposals within this report are not implemented the Trust will be forced to vacate the property on 30 November 2019. The Council has a statutory duty to provide adult social care in Torbay and in the absence of any other suitable alternative accommodation at present the Trust must be allowed to continue occupation of Hollacombe CRC Paignton for the delivery of this provision for a further two years.
<b>13.</b>	<b>Public Services Value (Social Value) Act 2012</b>  There are no procurement issues where lease renewals are undertaken.
<b>14.</b>	<b>What evidence / data / research have you gathered in relation to this proposal?</b>  No research has been undertaken.
<b>15.</b>	<b>What are key findings from the consultation you have carried out?</b>  No consultation has been undertaken.
<b>16.</b>	<b>Amendments to Proposal / Mitigating Actions</b>  No amendments are proposed following consultation with Torbay Council's Legal Services team.

## Equality Impacts

17.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people			There is no differential impact.
	People with caring Responsibilities	The lease renewal of Hollacombe CRC will enable the continued service delivery of care for vulnerable adults with learning difficulties.		
	People with a disability	The lease renewal of Hollacombe CRC will enable the continued service delivery of care for vulnerable adults with learning difficulties.		
	Women or men			There is no differential impact.
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There is no differential impact.
	Religion or belief (including lack of belief)			There is no differential impact.
	People who are lesbian, gay or bisexual			There is no differential impact.
	People who are transgendered			There is no differential impact.

	People who are in a marriage or civil partnership			There is no differential impact.
	Women who are pregnant / on maternity leave			There is no differential impact.
	Socio-economic impacts (Including impact on child poverty issues and deprivation)			There is no differential impact.
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	The renewal of leases will enable the continued service delivery of adult social care and emergency alarm care for those assessed as being in need.		
<b>16</b>	<b>Cumulative Impacts – Council wide</b> (proposed changes elsewhere which might worsen the impacts identified above)	No		
<b>17</b>	<b>Cumulative Impacts – Other public services</b> (proposed changes elsewhere which might worsen the impacts identified above)	No		