

TORBAY COUNCIL

Report No: **Env/89/03 and SS/22/03**

Title: **PAIGNTON DAY CENTRE, 89 TORQUAY ROAD, PAIGNTON**

To: The Executive on 8 July 2003

1. Purpose

- 1.1 To consider the provision of a long term lease of 15 years to PDC Helpline "E" for the above premises and a concessionary grant against rent for the lease.

2. Relationship to Corporate Priorities

- 2.1 The successful operation of a day centre for the elderly in Paignton supports the Council's priorities for the delivery of preventive services to vulnerable people, to those who are at risk of losing their independence.

3. Recommendations

- 3.1 That Members grant PDC Helpline "E" a 15 year lease of 89 Torquay Road, Paignton on a full repairing and insuring basis, with all other terms to be agreed by the Acting Director of Environment Services.
- 3.2 That, if a lease is offered, the Acting Director of Environment Services shall be satisfied sufficient funding is available, e.g. through external funding, for the tenant to comply with the repairing obligations of the premises.
- 3.3 That, if a lease is offered, the lease shall be excluded from Security of Tenure provisions of the 1954 Landlord & Tenant Act.
- 3.4 That Members consider awarding a full concessionary grant against rent until the 31st March 2004 but that future grants be reviewed before that date. The proposed lease would include a break clause in favour of the tenant such that the lease could be terminated in the event that the concessionary grant be not forthcoming after 31st March 2004.

4. Reasons for Recommendation

- 4.1 To support funding applications made by the tenant and to ensure future responsibilities for repairs, maintenance and insurance are not the responsibility of the Council.
- 4.2 To retain flexibility over the future of the property at the end of the lease term.

5. Background

- 5.1 On 4th October 2002, the Council granted a 5½ months lease of 89 Torquay Road, Paignton to Mrs Ann Harding on behalf of the charity Helpline "E" for the provision of a day centre for the elderly in Paignton. This lease expired on 21st March 2003.

- 5.2 A full concessionary grant against rent was made to Mrs Ann Harding, by virtue of a decision taken at the Cabinet on 11th March 2003. (Report ENV/21/03).
- 5.3 Mrs Harding has continued in occupation of the premises by virtue of a Tenancy at Will since 21st March 2003.
- 5.4 The charity Helpline “E” has recently changed its name to PDC Helpline “E” in accordance with the wishes of the members of Paignton Day Centre. The charity operates out of the day centre premises but the day centre itself may be operated as a separate business to the charity.
- 5.5 Mrs Harding, on behalf of the charity PDC Helpline “E”, wishes to take a long term lease of the premises. This is to support funding applications for the charity and to enable it to continue the day centre services and activities. It is proposed that the lease is in the name of PDC Helpline “E” but guaranteed by Mrs Harding.
- 5.6 Comparison examples of similar leases are given at Exempt Appendix 1.

6. Premises

- 6.1 The premises of 89 Torquay Road, Paignton were previously held on lease by Torbay Voluntary Services (TVS) at a peppercorn rent (i.e. a full concession against rent under a lease originally granted by Devon County Council). TVS managed the day centre, known as Forum 55, until they served notice to terminate the lease with effect from 30th September 2002.
- 6.2 The premises of 89 Torquay Road, Paignton are in reasonable usable order but significant expenditure is expected to be required over the next five years particularly in respect of the main lift and boiler. Details are given at **Appendix 2 and Appendix 3** attached to this report.
- 6.3 The Council has a disposal policy to review surplus and under-used property to generate capital receipts to support its Capital Plan. If it is decided that this property is not required to support service provision then it could be disposed of on the open market. The property is estimated to have a disposal value in the region of £130,000.

7. PDC Helpline “E”

- 7.1 PDC Helpline “E” operates as a Charitable Trust, under a Declaration of Trust which sets out the organisation’s objectives. The Deed states that the object of the Trust is to relieve poverty amongst elderly persons living in their own home in the Paignton area, in particular by providing or assisting in the provision of equipment and facilities not otherwise provided for. The Trustees of the charity are Ann Harding and Luella Pound.
- 7.2 **Appendix 4** attached to this report gives brief details of the services provided by PDC Helpline “E”.
- 7.3 **Exempt Appendix 5** attached to this report gives details of the day centre’s accounts. The accounts are not audited.
- 7.4 Elected Members have previously asked what would happen if Mrs Harding was no longer involved in the day centre. Under the Declaration of Trust by which the charity operates, it

provides that the Trustees can appoint extra and/or alternative trustees. If the charity ceased to operate then it would be expected that the property would forfeit back to the Council under the terms of the lease. As Mrs Harding is also the proposed guarantor, the lease could also make provision for a replacement guarantor.

- 7.5 The premises are held in the Social Services Directorate's budget for historical reasons which pre-date the Council's Unitary status. However, while the Social Services Directorate supports the need for a day centre for the elderly in Paignton, there is no statutory obligation on the Council to provide or fund a service of this nature. It is essentially a direct access service, where people do not have to be assessed by the Social Services Directorate in order to attend the day centre. It is, therefore, a different service to the day centre provided by the Council at Fernham, which caters for those who have high levels of dependency and can only be accessed through an assessment by a Social Services Care Manager.

8. Proposals

- 8.1 Mrs Harding has requested that a 15 year lease is granted to the charity to support her future funding applications, which in total are currently estimated to be £130,000 (see **Exempt Appendix 6** attached to this report). To support a single capital funding application of between £30-£100,000, a single funding organisation such as the Community Fund would expect a tenant to have the benefit of a secure 10 year lease. For capital funding in excess of £100,000, a 15 year lease would be expected. Members will note the comments made by Help the Aged at **Exempt Appendix 7**.
- 8.2 PDC Helpline "E" have provided details of the refurbishment they hope to achieve. Details are given in **Exempt Appendix 6**. Members will note that the proposals include provision to replace the existing lift.
- 8.3 Mrs Harding does not accept that she should be responsible for any costs associated with the boiler and the lift at the property or buildings insurance. If she is able to receive financial help from a funding organisation to cover the costs of replacing these items then she would be willing to carry out the works but she has requested that the Council retains responsibility for maintenance of the boiler and lift (i.e. passenger lift and goods hoist/lift). The cost implications of this arrangement are given in **Appendix 2** and **Appendix 3**. There is no current Council budget provision for these works. Furthermore, external funders are unlikely to finance replacement lift and/or boiler, where the Council retains responsibility for maintenance of the same.
- 8.4 External funders may consider an application for full refurbishment of the building, including replacement boiler and lift, where the Council indicates it will grant a 15 year lease to the applicant, subject to the tenant carrying out such works. The success of funding applications depends on the details of the application and the funder's priorities. In general, external funding is unlikely to be available for ongoing maintenance costs.
- 8.5 PDC Helpline "E" has also requested that the lease should not be excluded from the Security of Tenure provisions given under the 1954 Landlord and Tenant Act. These provisions give the tenant the right to renew the lease at the end of the lease term. By excluding this lease from the Security of Tenure provisions the Council retains flexibility over the future use of the property at the end of the lease.

9. Application for Grant against Rent

- 9.1 The assessed rent for the premises is as shown in **Exempt Appendix 8**. A grant against rent

has previously been given by the Council for the original 5½ month tenancy and the tenant has asked that this grant is continued for:-

- (i) the length of the current Tenancy at Will and
- (ii) the term of any new lease, increased as appropriate if the rent is increased at the time of rent review.

The current recommendation is that any grant be only guaranteed up until 31st March 2003 pending further review.

- 9.2 A grant against rent also assists the tenant in demonstrating partnership funding in the application for external funding.
- 9.3 The Council has no statutory obligation to provide or fund a service of this type but may wish to support Mrs Harding and the Trustees though the provision of a lease which enables them to access external funding to continue the day centre service. The Social Services Directorate is, therefore, supportive of a concessionary grant being made against the rent on the terms of a lease as outlined above in paragraph 9.1.

10. Alternative Options

- 10.1 The Council grants a lease but retains responsibility for all or some repairs as requested by Mrs Harding. However, as advised previously in the report, there is no current Council budget provision for these works.
- 10.2 The Council grants a lease giving Security of Tenure to the lessee at the end of the tenancy, as requested by Mrs Harding. This would restrict the Council's ability to determine the future of the property at the end of the lease period.
- 10.3 The Council agrees to give grant against the rent for the whole period of the proposed lease but this is not being recommended at the current time due to the need for a review of grants of this nature prior to the 31st March 2004.
- 10.4 The Council grants a short term lease. This will restrict the ability for PDC Helpline "E" to be successful in its funding application to external bodies.
- 10.5 The Council does not grant a lease to PDC Helpline "E" and considers other use or disposal of the property. The day centre would either close or move to alternative premises.

Michael J. Yeo
Acting Director of Environment Services

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IMPLICATIONS, CONSULTATION AND OTHER INFORMATION

Part 1

Does the proposal have implications for the following issues?

Insert name of
responsible officer

Legal (including Human Rights)	Preparation of legal documents using existing resources.	Dee Brookwell
Financial – Capital	The Council needs to generate capital receipts from disposal of surplus or under-used property to support its Capital Plan. There is no current capital budget available to carry out major repairs to this property.	Lynette Royce
Financial – Revenue	Social Services has no budget provision allocated for the repair of this building. Therefore, if the Directorate took on repairing, any costs would have to be funded within existing Social Services resources as they would be in addition to the existing budget provision.	Steve Honeywill
Human resources (including equal opportunities)	None.	Geoff Williams
Property	Yes – see report	Sam Partridge

Part 2

Does the proposal have implications for the following issues?

Please give details as appropriate

Sustainability	No	
Crime and Disorder	No	
*OfSTED Post Inspection Action Plan	No	
*Social Services Action Plan	No	
*Change Management Plan	No	

* not applicable to reports to Licensing, Development Control and Area Development Committees

Part 3

Does the proposal have implications for the following Directorates? If so, please inform the relevant Director.

Please give details as appropriate

Chief Executive/Corporate Services	No	
Education Services	No	
Environment Services	No	
Social Services	Yes	The property is held by Social Services
Strategic Services	No	

Part 4

Is the proposal contrary to or does it propose amendment to the Policy Framework or contrary to (or not wholly in accordance with) the Council's budget?	Yes Fill in Box 1	No <input checked="" type="checkbox"/> Fill in Box 2
1. Details of the nature and extent of consultation with stakeholders and relevant select committees.		
2. Details and outcome of consultation, as appropriate. Social Services and Estates Officers have discussed the proposals with Mrs Harding acting on behalf of the charity PDC Helpline "E".		

Part 5

Is the proposal a Key Decision in relation to an Executive function?	Yes Reference Number	No <input checked="" type="checkbox"/>
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Part 6

Wards Preston

Appendices

- Exempt Appendix 1 Examples of similar leases
- Appendix 2 Summary of estimated costs associated with lifts, boiler and insurance.
- Appendix 3 Asset Management Plan Condition Survey
- Appendix 4 Supporting statement from PDC Helpline "E" undated.
- Exempt Appendix 5 Accounts for the day centre, not audited.

- Exempt Appendix 6 PDC Helpline "E" estimates of costs for works proposed to be carried out dated 23rd March 2003

- Appendix 7 Letter from Help the Aged dated 21st January 2003-06-27

- Exempt Appendix 8 Rental assessment

Documents available in Members' Room

None.

Background Papers:

The following documents/files were used to compile this report:
Various papers on file PSS11(a)