

DECISION-MAKER:	CABINET
SUBJECT:	AGREEMENT TO EXTEND LEASE ARRANGEMENTS – MAYFIELD NURSERY
DATE OF DECISION:	16 JANUARY 2012
REPORT OF:	CABINET MEMBER FOR RESOURCES, LEISURE AND CULTURE

STATEMENT OF CONFIDENTIALITY

Not applicable

SUMMARY

Solent Mind has held a lease to Mayfield Nursery since 1994, the lease having been renewed on a rolling basis over this period. The Nursery is within Mayfield Park and formerly operated by the Council. The site requires a number of expensive and essential maintenance upgrades which SCC are not able to fund and Solent Mind, with Council agreement, has been seeking alternative funding. They have been successful in obtaining a grant of £120,000.

The funding body, in order to ensure the grant is deployed for the services proposed, have placed a condition that Solent Mind obtain a 10 year lease on the site and that the funds are spent by 31st March 2012. The timescale is achievable if the lease is extended in January 2012.

The Nursery is located on land held under the Public Health Act 1875, and is therefore defined as public open space. Before a lease of open space can be granted the proposal must be advertised with any objections considered by the Council.

RECOMMENDATIONS:

- (i) In principle, to agree to the disposal of Mayfield Nursery by a lease to Solent Mind for a period of 10 years upon such terms as the Head of Legal, HR and Democratic Services considers reasonable.
- (ii) To authorise the Head of Legal, HR and Democratic Services to advertise the proposed disposal in accordance with Section 123 Local Government Act 1972.
- (iii) Should any objections be received, to refer these objections to Cabinet for determination. If no objections are received, to authorise granting a lease of Mayfield Nursery on the terms set out in this report without further referral to Cabinet.

REASONS FOR REPORT RECOMMENDATIONS

1. To enable the grant to be spent on improvements to the site, which will ensure the continuation and expansion of a valuable service.
2. To enable works to be undertaken which will protect the value of this site for the City Council.

CONSULTATION

- 3 Consultation has been undertaken with relevant officers in the City Council including Property Services and Parks.
- 4 Some elements of the works require planning permission and this is currently proceeding through the usual planning processes.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5 The City Council have been approached to fund some of the required repairs but this has not been prioritised within current budgets. More critically, there is a danger that the boiler will break down irreparably in winter which will cause the closure of the whole service.
- 6 Consideration has been given to delaying repairs and upgrades by undertaking short term repairs. This has become less cost effective and, in relation to an industrial boiler, engineers consider a replacement is essential.
- 7 Applications have been made to other grant bodies but to date this is the only successful application.
- 8 Consideration has been given to closing the whole service if these essential repairs cannot be undertaken. This is not considered a realistic option as it would entail alternative services being provided for current service users.

DETAIL

- 9 Mayfield Nursery provides services for people with serious and enduring mental health problems. It is a sheltered employment scheme which provides work experience and access to qualifications for people who are particularly disadvantaged in terms of returning to work.
- 10 The service provides a range of opportunities which includes all stages of horticulture, marketing and sales, food preparation and service. Through contacts with Sparsholt College people undertake formal qualifications in horticulture and a range of NVQ qualifications are obtained through links with local colleges.
- 11 The service is currently funded through contractual arrangements by Southampton City Council who contribute £17,000 and the PCT who contribute £39,000. In addition, Solent Mind raise approximately £70,000 per year through plant sales and other commercial activities.
- 12 The City Council element of the funding is moving to Individual Budgets in 2012/13, in line with the Putting People First programme. Solent Mind have developed a business plan in relation to these changes which has been agreed with commissioning leads. This includes more flexible services, extending the service to other groups, such as people with learning disabilities, and increasing their commercial activities to increase income.
- 13 There have been considerable advantages to Solent Mind operating from this site. The services provided to people with mental health problems have good outcomes and the income generation makes the service good value for money. In addition, they have maintained the site and made improvements at their own cost over the years. The continued use by Solent Mind has kept Mayfield Nursery in use, protecting the aesthetic of Mayfield Park and preventing further deterioration of its buildings.

- 14 Solent Mind have successfully bid for funds to carry out essential maintenance. This includes replacement of a boiler at an approximate cost of £89,000, demolition, and suitable replacement of a wall which is in a dangerous condition, at an approximate cost of £28,000 (which otherwise would be the responsibility of the Council).
- 15 Solent Mind also wishes to slightly extend the area leased from the Council in order to improve the service and increase activities on site. Part of the grant will be spent on these improvements. The Plan attached to this report shows the current demise shaded grey with the additional land to be incorporated into the lease hatched black”
- 16 The extension and suitable replacement for the wall is subject to planning permission and this is currently proceeding through normal channels.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

- 17 The building and maintenance works will be managed and commissioned directly by Solent Mind using the grant allocated and will therefore not form part of the Council Capital Programme.

Revenue

- 18 Apart from the small costs of advertising, the proposal and officer time there are no revenue implications of this proposal. The rental income to the Council will not change from the current nominal charge of £1 pa.

Property

- 19 Solent Mind requires a new lease for 10 years with no landlord break clauses in order to comply with the grant conditions. This new lease will be at a nominal rent of £1 per annum. This is deemed to be market value in view of the benefit to the Council of the investment by Solent Mind in the infrastructure, which enhances the Council’s asset in the long term. This transaction is therefore not considered to be below best consideration according with Section 123 of the Local Government Act 1972.
- 20 Solent Mind will have full repairing and insuring responsibilities for the premises as they do under their current lease.
- 21 Once a new wall has been erected, the Council will retain repairing responsibilities for this as they have at present.

Other

- 22 Not applicable

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

- 23 The Council is required to advertise proposed disposals of open space land under section 123(2A) of the Local Government Act 1972 in a local newspaper for 2 consecutive weeks and any objections considered. A disposal constitutes anything longer than a short tenancy not exceeding 7 years.

Other Legal Implications:

24 The Council will be required to consider any objections received to the proposed disposal. If objections are made, a further report will be presented to Cabinet setting out these objections with further recommendations.

POLICY FRAMEWORK IMPLICATIONS

25 None

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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Plan showing the extent of the area subject to the disposal
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Documents In Members' Rooms

1.	None
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Background Documents

Title of Background Paper(s) Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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Background documents available for inspection at: N/A

KEY DECISION No **WARDS/COMMUNITIES AFFECTED:** Sholing, Woolston