

Finance and Resources Committee

10.00am, Thursday, 3 November 2016

Portobello Toddler's Hut, 28 Beach Lane – Proposed Lease

Item number	8.2
Report number	
Executive/routine	Routine
Wards	17 – Portobello/Craigmillar

Executive Summary

On 6 June 2013, the Finance and Resources Committee approved an 80 year lease of 28 Beach Lane to Portobello Toddler's Hut (PTH), at a peppercorn rent, on condition that the tenant secured funding for new build premises.

The Toddler's Hut have been unable to secure funding to build new premises and have now requested that their lease remains on the previously approved terms and conditions but with the term reduced to 25 years to enable them to apply for funding in order to carry out significant upgrades to property, as opposed to the full replacement as previously envisaged.

Links

Coalition Pledges	P1 , P6
Council Priorities	CP1 , CP4
Single Outcome Agreement	SO3 , SO4

Portobello Toddler's Hut, 28 Beach Lane – Proposed Lease

1. Recommendations

- 1.1 That Committee:
 - 1.1.1 notes the funding challenges which the Toddler's Hut has encountered; and
 - 1.1.2 approves the reduction in terms of the proposed lease from 80 to 25 years and on other terms and conditions to be agreed by the Acting Executive Director of Resources.

2. Background

- 2.1 Portobello Toddler's Hut (PTH) is a registered charity which runs a pre-school playgroup. They currently lease premises from the Council at 28 Beach Lane, which extends to 320sq.m or thereby, as shown outlined in red in the attached plan. The current lease is based on an annual tenancy which was originally granted in 1995 at a nominal rent of £50 per annum.
- 2.2 The premises date back to the 1929 and consist of a single storey wooden building and adjoining playground.
- 2.3 On 6 June 2013, the Finance and Resources Committee approved a new 80 year lease on a peppercorn rent. This approval was predicated on PTH's aspirations to completely rebuild the property which was subject to fund raising, the main requirement of which is that the occupier had security of tenure for the building.

3. Main report

- 3.1 PTH has been unable to secure the funds necessary to completely rebuild the building. As a result, their strategy is now to concentrate on the upgrade and refurbishment of the existing facility. To achieve this a 25 lease is required as, at the moment, PTH are excluded from applying to some of the biggest funders in Scotland because of their annual lease situation. These include the Big Lottery Awards for All, the Robertson Trust and the Postcode Lottery. If PTH secured a lease of 25 years, this would enhance PTH's ability to apply for funding to secure a long term future for the charity.
- 3.2 PTH has successfully managed to raise a small amount of funds and have completed Phase 1 of their planned upgrade to the building, which included

replacement of the external and internal glazing with double glazing and safety glass.

3.3 In addition, earlier this year, approximately £30,000 of funding was received from the Morrison's Foundation and the Wessex Youth Trust which facilitated Phase 2 of the upgrade plans. These involved the original structure being reclad in treated cedar wood. All external walls and the roof have also been insulated and the building's roof replaced. This phase was completed during the summer period of 2016.

3.4 Phase 3 would be the final phase of the upgrade and would consist of internal works as follows:

- Changing the layout of the office and toilet areas;
- Providing full height toilet cubicles with hand washing facilities;
- Improving existing hygiene arrangements for the children by providing a changing area; and
- In these areas, the upgrade electrics and lighting upgraded.

3.5 PTH has fulfilled all the legal and financial obligations in terms of the existing lease and has therefore requested that the Council honours the terms and conditions previously approved with the exception of reducing the proposed term from 80 to 25 years. As previous reported to Committee, the following main terms have been provisionally agreed for a new lease:

Subjects: 28 Beach Lane, Portobello;

Lease term: 25 years from 1 December 2016 until 30 November 2041;

Rent: £1 per annum if asked;

Use: Pre-school playgroup;

Repairs: Full repairing and maintaining obligation; and

Costs: Each party will meet their own costs.

4. Measures of success

4.1 The new lease will assist the PTH to secure adequate grant funding in order to undertake its proposed upgrades of the site and secure the long term future of the Toddler's Hut.

4.1 Improvement to the building will provide enhanced facilities for children and families and providing a programme of activities for carers and younger children.

5. Financial impact

5.1 The land is held on the General Property Account. Granting a 25 year lease at a nominal rent of £1 per annum will continue to have a minimal impact on the General Property Account.

- 5.2 Development potential of the land is considered to be limited, given the restricted size of the site, its location next to a children's play park and the long established use of the land by PTH. It is believed that their first use of the site dates back to the 1929.
- 5.3 The market value subject to vacant possession is £250,000.

6. Risk, policy, compliance and governance impact

- 6.1 This is a revised lease extension. The PTH have been in occupation at this property since 1929. It is considered there is little or no impact on risk, policy, compliance or governance impact.

7. Equalities impact

- 7.1 An Equality and Rights Impact Assessment has been carried out.
- 7.2 An enhancement of rights has been identified by granting the 25 year lease to PTH. This would increase security of tenure for the charity and allow them to obtain grant funding to achieve their objectives of planned improvements to the building. This would allow them to continue to provide a pre-school playgroup to children and families within the area. This directly links to an enhancement of the following rights namely (i) Health, (ii) Legal Security, (iii) Education and Learning and (iv) Individual, Family and Social Life.
- 7.3 Leasing the building to PTH rather than letting on the open market could potentially infringe the rights of others who may want to lease the building. Given the positive impact detailed above, this approach is proportionate and justified.
- 7.4 By agreeing this lease, PTH and the Council are continuing to enable and promote good links with the children and families in the local communities.

8. Sustainability impact

- 8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered, and the outcomes are summarised below:
- The proposals in this report will reduce carbon emissions because there will be less need for heating and lighting due to the planned internal upgrades of the building;
 - The proposals in this report will help achieve a sustainable Edinburgh because they will provide opportunities for the improved health and well being, and access to education and for users. They will secure the long term future of existing jobs and improve training opportunities; and

- The need to build resilience to climate change impacts is not relevant to the proposals in this report because the proposals will not impact on resilience.

9. Consultation and engagement

- 9.1 Consultation on the upgraded building has been carried out with amongst others:
- Parents of children using PTH;
 - Disability Practice Team;
 - The Scottish Pre-School Playgroup Association;
 - Local Councillors; and
 - All feedback has been supportive.

10. Background reading/external references

- 10.1 Sustainable Edinburgh 2020 (SE2020)
- 10.2 Sustainable Energy Action Plan (SEAP)
- 10.3 Resilient Edinburgh: Climate Change Framework 2014-2020
- 10.4 Finance and Resources Committee - 6/6/2013 - Portobello Toddler's Hut, 28 Beach Lane

Hugh Dunn

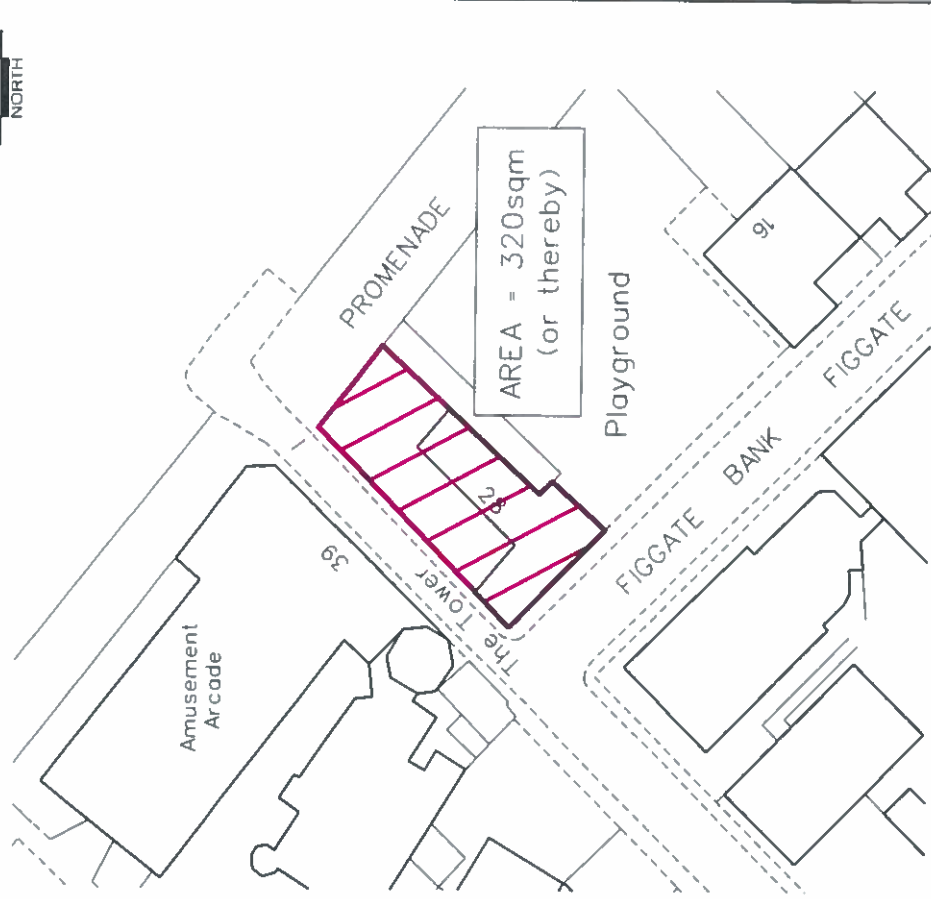
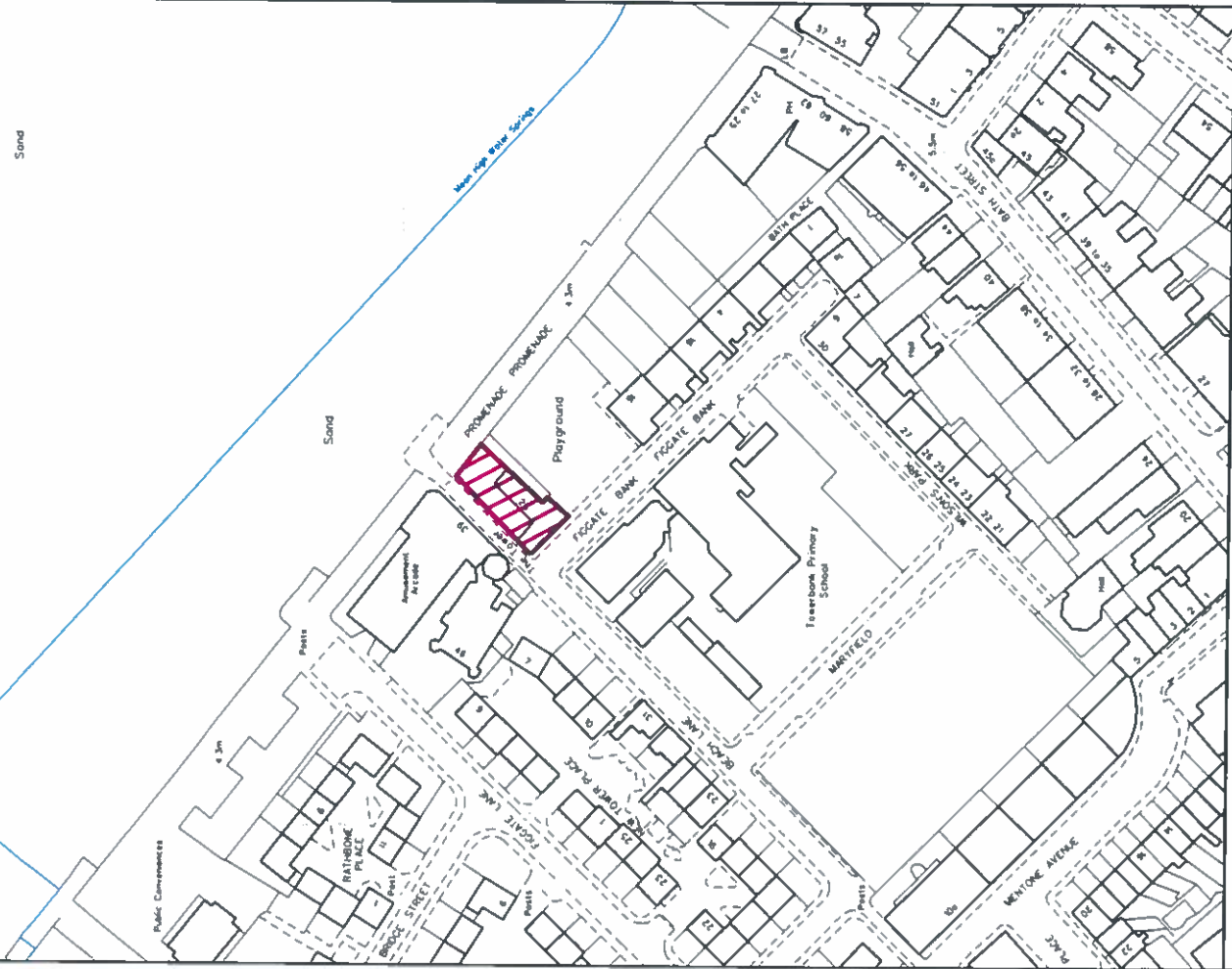
Acting Executive Director of Resources

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11. Links

Coalition Pledges	P1 – Increase support for vulnerable children, including help for families so that fewer go into care. P6 – Establish city-wide co-operatives for affordable childcare for working parents.
Council Priorities	CP1 – Children and young people fulfil their potential. CP4 – Safe and empowered communities.
Single Outcome Agreement	SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential. SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.
Appendices	Appendix 1 - Location Plan



EDINBURGH THE CITY OF EDINBURGH COUNCIL	
CITY DEVELOPMENT EDINBURGH	
PORTOBELLO TODDLER HUT 28 BEACH LANE EDINBURGH	
DATE	22/9/16
SURVEYED BY	Mark Gallantyne
DRAWN BY	Mark Gallantyne
FILE NO.	A3/1307
NEG. NO.	

LOCATION PLAN PHOTOGRAPHICALLY REDUCED NOT TO SCALE SITE PLAN

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