

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

20TH MARCH 2013

JOINT REPORT OF THE HEAD OF COMMUNITIES & NEIGHBOURHOODS AND THE HEAD OF CENTRAL SERVICES

THE HUB – MELTON COUNTRY PARK

1.0 PURPOSE OF REPORT

- 1.1 For Members to approve the basis of agreement for the Hub to continue to occupy the Visitors' Centre in the Country Park and to grant delegated powers to enter into a new arrangement that will be cost neutral to the Council except in relation to repairs, fire safety equipment and opening the toilets to serve the Country Park when the Hub is closed.

2.0 RECOMMENDATIONS

- 2.1 **Members grant delegated powers to the Head of Central Services to enter into an appropriate agreement to enable The Hub to continue to occupy the building on the basis of the principles set out in para 3.3.**
- 2.2 **That Members consider if they wish to request that the Policy, Finance and Administration Committee refund the £3,000 paid rent by the Hub.**

3.0 KEY ISSUES

3.1 The Hub

The Hub meets several of the Council's stated priorities; it provides catering/cafe service training at the Visitors' Centre to disadvantaged young people and is helping those young people to enter adult life with foundation skills and confidence. It is run by a dedicated team of people. The cafe is open to the public at reasonable advertised times and provides a customer facility to the visitors of the Country Park.

Officers have been provided with a draft Business Plan and cashflow forecast for a 12 month period which clearly sets out the aims of the operation in relation to income and cost and how they are going to achieve them.

The current weekly periodic licence agreement indicates that the Hub contribute £500 per month (£6,000pa) as a contribution towards the service charge. The Hub have paid £3,000 for the first 6 months, but have made it very clear that they cannot afford this sum going forward and have requested return of the money. The cashflow information shown to officers confirms that whilst they are very careful with their costs, their income (from both the cafe and training fees) is insufficient to cover this sum.

The service levels to cafe customers have been satisfactory, the draft business plan has addressed identified areas of improvement and the facility has been welcomed by visitors to the country park.

The service level to the young trainees has been described as a great success.

3.2 The Open Market

The building was conceived as a Visitor Centre with a cafe to serve Melton Country Park. Whilst there has proven to be a market for operators to take a lease of the building at a market rent, there has been a turnover in tenants as either they have proven unsuitable in experience or unable to make sufficient profit to pay the rent regularly. Periods of vacancy are not appreciated by the visitors as they cannot rely on the cafe being open and the toilet has to be cleaned and open/closed by the Public Toilet staff on top of their existing duties.

The building currently suffers from roof light leaks and lack of external decoration which need attention.

3.3 The Proposal

That Melton Borough Council enter into a new agreement with The Hub to enable them to continue in occupation of the building on the following basis:

- The arrangement is cost neutral to Melton Borough Council save for external repairs, fire alarm system and toilet provision when The Hub is closed.
- The agreement will be for a period of 12 months with rolling break clauses for the benefit of either party or the ability to review the level of rent, as appropriate to the operation.
- MBC will carry out the outstanding repairs within the next 3 months.
- The agreement will be on an "Open Book" basis so that the manner and performance of the operation can be discussed at anytime.
- The agreement will have a fixed use and be non-assignable.
- The Hub continues to be responsible for maintaining and cleaning the visitor toilets when the cafe is open to the public.

Melton Borough Council will forgo any rent until such time as the operation appears able to pay a reasonable amount.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 This proposal, if approved by Members, has a number of links to the Council's priorities due to the type of social enterprise the HUB is:

- Support people and businesses through the economic downturn
- Improving the well-being of vulnerable people
- Encourage people to take an active role in their communities
- Improve quality of life for people living in the most disadvantaged neighbourhoods

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 Members are asked to note the following financial implications:

- A market rent for the cafe has been assessed by the Corporate Property Officer as being in the region of £250 to £300 per month (£3,000 – £3,600pa), of course the actual rent achievable would be what the market is prepared to pay. The proposal seeks to forgo the payment of rent until such time as the operation can afford to pay.
- The repair works would be required if the property was to be let on the open market. The cost of these are estimated at £5,000 and can be met from within the 2013/14 repairs and maintenance budget.

5.2 The Hub has previously paid the Council an amount of £3k for the half yearly rent for the initial 6 month period of occupation. It has been requested that this be refunded. Members are asked to consider if this request should be granted which would require Policy, Finance and Administration Committee approval.

If the sum is not repaid then the Hub are in deficit during Nov, Dec and Feb but if all goes

well, end the year with a positive balance of £2,630. They have been very pro-active and made the Council aware of this issue very early and have openly provided all information requested.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 The provision of the building is a discretionary service and as such Melton Borough Council has determined the appropriate fees. Vacant possession of the property is safeguarded if the operation fails.

7.0 COMMUNITY SAFETY

7.1 The proposal does have links to community safety as the project creates opportunities for young people to develop their confidence and skills, the lack of which can contribute to offending.

8.0 EQUALITIES

8.1 None as a direct consequence of this report.

9.0 RISKS

9.1 The Hub operation may fail and the council will have forgone a period of rent payment. However this is considered unlikely as they have been in occupation for over 12 months.

10.0 CLIMATE CHANGE

10.1 None as a consequence of this report.

11.0 CONSULTATION

11.1 Officers continue to work closely with the Hub.

12.0 WARDS AFFECTED

12.1 The Visitors Centre is in Melton Country Park and as a borough wide facility all wards are affected to some extent

Contact Officer Jane Galilee

Date: 8th March 2013

Appendices : None

Background Papers: None

Reference : X:C'tee, Council & Sub-C'tees/CSA/2012-13/20-03-13/The Hub – Melton Country Park