

9.8 EXTENSION OF LEASE - NORTH PERTH SPECIAL NEEDS (SHALOM COLEMAN) DENTAL CLINIC, 31 SYDNEY STREET, NORTH PERTH

- Attachments:**
1. Letter from Minister for Health dated 4 August 2021 requesting a lease extension for the Special Needs Dental Clinic to mid 2022.
 2. North Perth Dental Clinic Transition Plan
 3. Haynes Street Reserve Development Plan - Proposed Transition Plan

RECOMMENDATION:**That Council:**

1. **RECEIVES** the request from the Minister for Health as set out in the letter at Attachment 1 for the lease for 31 (lot 100) Sydney Street, North Perth for the purpose of the Special Needs Dental Clinic to be extended until mid-2022, in order to ensure continuity of this service and minimise disruption to clients of the clinic;
2. **APPROVES** a short term extension of the current lease of 31 (Lot 100) Sydney Street, North Perth to the Minister for Health (Dental Health Services) and short-term licence of 9 car bays within the carpark at 25 (Lot 93) Sydney Street, North Perth, to provide the Dental Health Services with further time to secure an alternative permanent site to operate the special needs dental clinic, on the following key terms:
 - 2.1 3 month extension of lease and licence term, commencing 1 January 2022 and expiring 31 March 2022;
 - 2.2 3 month further extension of lease and licence term, at the discretion of the City's Chief Executive Officer based on the progress made by the Minister for Health to relocate to an alternative permanent site;
 - 2.3 Inclusion of an early termination clause should the site be vacated earlier; and
 - 2.4 All other lease and licence terms to remain the same;
3. **APPROVES** the following variation to the Haynes Street Reserve Transition Plan timing for the conversion of 31 Sydney Street, North Perth to a park from June 2021 to June 2022 as set out in Attachment 3;
4. **REFERS** the variation to the Haynes Street Reserve Transition Plan, as set out in Recommendation 3. above, to the Attorney General for approval, without additional public comment; and
5. **Subject to final satisfactory negotiations being carried out between the Chief Executive Officer and the Minister for Health in respect to the variation of the lease and licence to extend the term as set out in Recommendation 2. above, AUTHORISES** the Mayor and Chief Executive Officer to affix the common seal and execute the Deed of Variation of Lease and Licence.

PURPOSE OF REPORT:

To consider:

- a further short term extension of the lease for 31 (Lot 100) Sydney Street, North Perth; and
- variation of the Haynes Street Reserve Transition Plan, which will be subject to the approval of the Attorney General.

BACKGROUND:

At its October 2020 Meeting Council adopted the Haynes Street Development Plan (Development Plan). The Minister for Health was updated throughout the preparation of the Development Plan and the City advised

that the adopted Development Plan would mean 31 Sydney Street would be converted to a park upon the expiration of the Minister for Health's lease on 30 June 2021. The Minister for Health did not make a formal request for an initial lease extension until late 2020.

At its meeting held 27 April 2021 Council resolved (in part) to approve a short term extension of the lease of 31 (Lot 100) Sydney Street, North Perth to the Minister for Health (Dental Health Services) and short-term licence of car bays within the carpark at 25 (Lot 93) Sydney Street, North Perth to provide dental health services with further time to secure an alternative site to operate the special needs dental clinic, on the following key terms:

- (a) 3 month extension of lease and licence term, commencing 1 July 2021 and expiring 30 September 2021;
- (b) 3 month further extension of lease and licence term, at the discretion of the City's Chief Executive Officer based on the progress made by the Minister for Health to secure an alternative site – the Minister for Health must submit its relocation plan and timeframe to the City by 31 August 2021; and
- (c) All other lease and licence terms to remain the same.

Council also approved a variation to the Haynes Street Reserve Transition Plan to align with this lease extension and referred this to the Attorney General for approval.

A subsequent letter addressed to the Mayor from the Minister for Health dated 4 August 2021 (**Attachment 1**) noted the intention of Kids Galore to relocate from the adjacent property of 25 Sydney Street, North Perth to a new site by mid-2022 and further observed that the concerns most expressed by the clients of the SNDC is to minimise the potential disruption of moving to an interim solution before the establishment of a new permanent clinic.

The Minister asked that the Council consider aligning the lease extension of the SNDC to be in parity with the potential timeframe that Kidz Galore has provided and requested a further lease extension for the SNDC of approximately six months to mid-2022.

The City received the SNDC Transition Plan on 20 August 2021 (**Attachment 2**).

At the Council Meeting held 14 September 2021 the General Manager of the State's Dental Health Service, Mr Sam Carrello addressed Council noting that the Transition Plan had been submitted to the City and reiterated the concerns and the request for extension as detailed in the Minister for Health's letter.

DETAILS:

The SNDC Transition Plan notes that the Fremantle General Dental Clinic can be accessed to deliver the services provided by SNDC prior to the current expiry of the lease on 31 December 2021.

The City's Administration contacted Mr Carrello to clarify whether there are any further reasons beyond those already expressed by the Minister for Health as justification for a further six months extension to the lease.

Mr Carrello outlined that the transitional arrangements at the Fremantle General Dental Clinic decreases accessibility for the clients to the special needs dental services compared to that able to be delivered at the North Perth premises, and given the nature of the clients a minimisation of disruption would be of significant benefit.

The potential relocation of Kidz Galore to new premises by mid-2022 provides the City the opportunity to bring forward the overall objectives of the Haynes Street Development Plan by two years. The City could deliver economies of scale to the project across both 25 and 31 Sydney Street without having to stage the works.

Given the benefits from not having to stage the Haynes Street Development Plan, there would no longer be an imperative for the SNDC to vacate the premises by 31 December 2021.

Administration supports the extension of the lease by three months to 31 March 2021, with an optional additional three months to 30 June 2022.

The Development Plan is proposed to be updated to reflect the further delay proposed in the conversion of 31 Sydney Street to a park (**Attachment 3**). This variation is subject to the approval of the Attorney General

due to the Deed of Trust on No. 15 (Lot 9) Haynes Street which is leased to Kidz Galore as a child care premises.

CONSULTATION/ADVERTISING:

Public notice of the extension of the Minister for Health's lease and licence is not required as this is an exempt disposition in accordance with section 3.58 of the *Local Government Act 1995*, as the lease and licence are to a state government entity. As a result, the exemption under Regulation 30(2)(c) of the *Local Government (Functions and General) Regulations 1996* applies.

LEGAL/POLICY:

- Section 3.58 of the *Local Government Act 1995*.
- Regulation 30(2)(c) of the *Local Government (Functions and General) Regulations 1996*.
- Legal issues related to the Development Plan were included in the 28 January 2020 [Special Council Meeting](#).

RISK MANAGEMENT IMPLICATIONS

Low: It is low risk for Council to approve the short term extension of this lease, as it will assist in the continuity of the dental health clinic, and has minimal impacts on the implementation of the Development Plan.

STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Enhanced Environment

Our parks and reserves are maintained, enhanced and well utilised.

Connected Community

We are an inclusive, accessible and equitable City for all.

We have enhanced opportunities for our community to build relationships and connections with each other and the City.

Innovative and Accountable

Our resources and assets are planned and managed in an efficient and sustainable manner.

We are open and accountable to an engaged community.

SUSTAINABILITY IMPLICATIONS:

This is in keeping with the following key sustainability outcomes of the *City's Sustainable Environment Strategy 2019-2024*.

Urban Greening and Biodiversity

PUBLIC HEALTH IMPLICATIONS:

This is in keeping with the following priority health outcomes of the City's *Public Health Plan 2020-2025*:

Increased mental health and wellbeing

Mitigate the impact of public health emergencies

FINANCIAL/BUDGET IMPLICATIONS:

The current annual rent is approximately \$14,500, and licence fee is \$3,600 per annum. This extension of lease and licence will result in an additional income of approximately \$9,000 (for 6 months).



City Of Vincent Records
RECEIVED
12 AUG 2021

**Deputy Premier
Minister for Health; Medical Research;
State Development, Jobs and Trade; Science**

CTN Ref: _____
REC No: _____

Our Ref: 60-40439

Ms Emma Cole
Mayor
City of Vincent
244 Vincent Street
LEEDERVILLE WA 6007

Dear Ms ~~Cole~~ *Emma*,

Thank you for your letter of 17 May 2021 regarding 31 Sydney Street, North Perth, which the Department of Health lease from the City of Vincent.

North Metropolitan Health Service (NMHS) has provided my office with several updates regarding the status of the lease and its submission to the City of Vincent in respect to seeking parity with the extension offered to the co-located Child Care Centre –Kidz Galore. I am also aware of the concerns expressed by clients and consumers of the Special Needs Dental Clinic (SNDC) in regard to the relocation of the service.

NMHS has informed my office of the outcome of the City of Vincent Council meeting held on 27 April 2021. Thank you for the offer of a six month extension to the current lease to 30 December 2021, dependent on the submission of a relocation plan by 31 August 2021.

I have been informed that a consumer/client engagement session was held at the SNDC on 7 July 2021 where two options for an “interim” solution were presented to the group. The group agreed on a preferred option and a relocation plan will be presented to the City of Vincent by the due date of 31 August 2021.

NMHS have informed my office of an article that appeared in the West Australian Newspaper on 16 June 2021 that stated Kidz Galore have purchased a site in North Perth and envisage being relocated to the new site by mid 2022. The concern most expressed by the clients/consumers of the SNDC is that they would appreciate minimising the disruption of having to move to an interim solution and then finally to a new clinic.

Given that Kidz Galore will now occupy the existing site for a shorter time than the Council approved extension to 2025, can the Council please consider aligning the lease extension of the SNDC to be in parity with the updated timeframe that Kidz Galore have provided. A further extension of approximately 6 months to mid-2022 would lessen the time of the proposed "interim" solution and would reduce consumer/client concerns and disruption.

Thank you for bringing this matter to my attention.

Yours sincerely



HON ROGER COOK MLA
DEPUTY PREMIER;
MINISTER FOR HEALTH

- 4 AUG 2021



Government of Western Australia
North Metropolitan Health Service
Mental Health, Public Health and Dental Services



Special Needs Dental Clinic

Transition Plan Overview 2021-23



nmhs.health.wa.gov.au

Background

The Special Needs Dental Clinic (SNDC) is currently situated in a purpose built four-chair dental clinic in North Perth. To be eligible to access the SNDC, patients must be registered with the Department of Communities under one of the following criteria:

- Intellectual disability
- Global Developmental Delay
- Autism Spectrum registered with DSC prior to 1 September 2006.

Dental care is also provided to people with acquired brain injury or residents of the Quadriplegic Centre. The State provides free dental care to SNDC patients.

The building that accommodates the SNDC, is leased from the City of Vincent (CoV) who initially advised that it will not be renewing the lease (expiring 30 June 2021) as CoV intends to redevelop the site into green space (under the Public Open Space Strategy). Following discussions between the CoV, Dental Health Services(DHS) and SNDC consumers, the CoV has offered an extension to the current lease until January 2022 pending the delivery of an SNDC transition plan by DHS.

Stakeholder Views

Dental Health Services have and continue to engage with stakeholders to garner consumer opinions and preferences regarding new SNDC requirements. Stakeholders have been informed of developments and remain engaged in discussion regarding next steps.

There is an understandably heightened concern among key stakeholders due to the affinity and bond special needs clients have with their own clinic. Stakeholders have petitioned the CoV and have corresponded with the Minister for Health requesting support in obtaining an extension to the lease.

Development options

Replacing the existing SNDC would provide Dental Health Services with an opportunity to develop a contemporary model for State funded dental care, focused on people with special needs to improve oral health outcomes and reduce the impact of poor oral health. It would also improve physical access to dental treatment facilities for people with special needs. This outcome aligns with the State Oral Health Plan 2016-2020, which recommends that the provision of care in a dedicated facility with access to appropriate services is preferred.

Relocating the SNDC is a priority in the draft NMHS Strategic Asset Plan, as a new clinic also addresses compliance to the State's Disability Access and Inclusion Plan. Whilst a funding source is being finalised, and requirements prioritised, SNDC patients and staff will be re-located to an alternative General Dental Clinic when the SNDC is closed.

This risk mitigation strategy will result in a reduction of available dental chairs for SNDC patients. This will result in increased waiting time for dental care and reduced access to care for this priority population group. The delivery of dental care to existing clients of the General Dental Clinic should not be impacted. This should be considered a short to medium-term mitigation strategy, until a more suitable solution is developed for special needs patients.

A business case requesting funding for the relocation of the SNDC has been submitted in readiness for assessment by Treasury as part of the 2021/22 Budget process.

Transition planning

On 7 July 2021, consumers attended a consumer engagement session. DHS informed consumers of the proposed transition plan and voted for one of the two interim location options for Special Needs patients to receive their Oral Health Care.

Dental Health Services and the Department of Health continue to collaborate with the CoV to ensure minimal disruption to client dental needs. The CoV have considered DHS' request for an extension to the current lease conditional on a transition plan being tabled before Council.

The following plan has been endorsed by consumers as their preferred transition option and forms the submission to the request of Council to demonstrate the timeframes between a business case being approved and the delivery of a new clinic for the Special Needs patients.

No	Issue/Task Description	Due Date	Comments
1	Business case seeking funding for the relocation of the Special Needs Dental Clinic	Feb 2021	<ul style="list-style-type: none"> Draft Business Case submitted to the Department of Health for consideration.
2	Consumer engagement session to provide information regarding the interim solution for the relocation of the SNDC	July 2021	<ul style="list-style-type: none"> Session held on 7 July 2021 where consumers were asked to choose which of the two relocation options they preferred. Consumer consensus was to utilise the Fremantle General Dental Clinic where disability access was already in place and requires no minor works. Work processes and service delivery will require some minor changes. Communications plan under development Relocation plan has been discussed*
3	Business case approval <ul style="list-style-type: none"> Funding strategy and approval Evaluation framework and methodology 	Aug 2021	<ul style="list-style-type: none"> Approvals required from <ul style="list-style-type: none"> Department of Health North Metropolitan Health Service Department of Treasury NB: Timeline affected by State Election and delayed budget release. Consumers/Carers and City of Vincent informed of outcome and timelines.
4	Project Initiation Document <ul style="list-style-type: none"> Project Steering Group appointed 	Sep 2021	

No	Issue/Task Description	Due Date	Comments
5	Development of planning documentation <ul style="list-style-type: none"> • Developmental Approval • Procurement Plan • Project Implementation Plan • Financial Plan • Risk Management Plan • Quality Management Plan • Acceptance Plan • Communication Plan • Change Management Plan 	Oct 2021	<ul style="list-style-type: none"> • Change Management Plan to include “interim” solution should timelines for the relocation and build of a new Special Needs Dental Clinic be negatively impacted.
6	Design Development and planning	Oct 2021	<ul style="list-style-type: none"> • Requires input of staff, consumers and carers.
7	Tender via Dept of Finance— Building Management Works (BMW)	Nov 2021	
8	BMW Tender assessment and awarding of contract	Dec 2021	
9	Site preparation	Jan 2022	
10	Construction works commence	Jan 2022	
11	Practical completion	June 2023	

No	Issue/Task Description	Due Date	Comments
12	Commissioning of new dental clinic	July 2023	
13	Evaluation of project implementation	Jan 2024	<ul style="list-style-type: none"> Incorporating consumer evaluation of the new clinic

*** Detailed considerations and planning include:**

- August 2021: Notification to consumers of preferred co-location/transition site as Fremantle General Dental Clinic.
- September 2021: Notification to consumers of next steps including dates for last treatment appointments at the current Special Needs Dental Clinic. Anticipated last appointments at the clinic will be in the week commencing 13 December 2021.
- September/October 2021: Dental Health Service staff from the two clinics (Special Needs and Fremantle General Dental Clinic) consider logistics to be addressed in preparation to treat the SNDC patients at Fremantle hospital. This will include:
 - Sterilising Equipment requirements,
 - Patient flow in and out of the clinic----Essentially operating two clinics within the one clinic. Patients will be kept separate and as clientele of either the Fremantle General Dental Clinic or the Special Needs Clinic. Dedicated staff allocated to both client groups to remain,
 - Patient flow analysis to consider historical patient volumes and care provided to ensure the facilities at Fremantle are maximised without overcrowding. Keeping patient experience as satisfied is important,
 - Location of clerical staff to be determined,
 - How the two teams will collaborate and interact to be documented.
- November 2021: Communications to Special Needs Patients regarding new phone numbers, booking processes etc to be sent out.
- December 2021: Dental Health Services staff remove equipment and patient records from the North Perth Clinic. This will be completed by 24 December 2021.
- December 2021: Special Needs Clinic staff to organise January 2022 bookings for consumers at the allocated surgeries within the Fremantle General Dental Clinic.

Visual Timeline

The following chart depicts the anticipated transition process by quarters of a calendar year.

Step	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
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HAYNES STREET RESERVE

Proposed Transition Plan

v3 - October 2021

Criteria:

- Maximise percentage of public parkland
- Manage financial implications responsibly
- Achieve compliance with Deed of Trust
- Minimise disruption to existing services

Dec 2020
NO CHANGE



Jan 2021 – June 2022

Current lease expired
*New or extended lease to begin



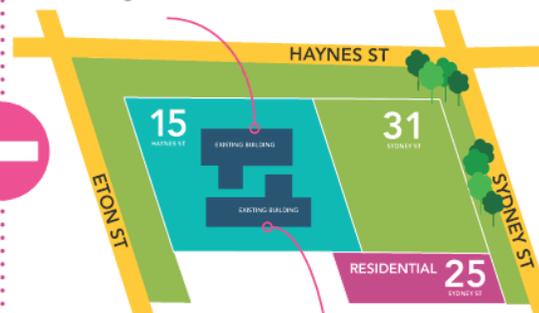
Existing carpark

End result



Dec 2025

Lease expires,
building removed



Temporary building removed by Kidz Galore

Dec 2022

Current lease expires
Convert to park



Existing carpark