

**11.2 SURRENDER OF NORTH PERTH PLAYGROUP LEASE - 15 HAYNES STREET, NORTH PERTH**

**Attachments:** 1. Haynes Street Reserve Plan

**RECOMMENDATION:**

**That Council:**

1. **APPROVES** North Perth Playgroups request to surrender their lease for the portion of the premises at 15 (Lot 9) Haynes Street and 31 (Lot 100) Sydney Street, North Perth which expires on 30 June 2021, effective from 31 December 2020;
2. **NOTES:**
  - 2.1 the Haynes Street Reserve Development Plan endorsed by Council on 20 October 2020 does not include the provision for the North Perth Playgroup;
  - 2.2 that Administration will not be seeking expressions of interest for the use of the community facility located at 15 (Lot 9) Haynes Street and 31 (Lot 100) Sydney Street, North Perth due to recommendation 2.1;
  - 2.3 that Administration has offered North Perth Playgroup assistance with relocating members into existing playgroups within the City; and
3. **Subject to final satisfactory negotiations being carried out by the Chief Executive Officer, AUTHORISES** the Mayor and Chief Executive Officer to affix the common seal and execute the Surrender of Lease in Recommendation 1 above.

**PURPOSE OF REPORT:**

To seek Council approval for the early surrender of the lease held by North Perth Playgroup for the portion of the premises at 15 (Lot 9), Haynes Street and 31 (Lot 100) Sydney Street, North Perth on 31 December 2020.

**BACKGROUND:**

The North Perth Playgroup leases a portion of the premises at 15 (Lot 9) Haynes Street and 31 (Lot 100) Sydney Street, North Perth.

North Perth Playgroup have operated from this premises since 1986 with the City entering into a licence with respect to the use of the portion of the building formally comprising the child health clinic in 1997. The initial licence was for a five year term, with further leases approved in subsequent years.

The current lease was signed in February 2019 and expires on 30 June 2021 with no further terms available.

Haynes Street Reserve Development Plan

The City owns 15 (Lot 9) Haynes Street, 25 (Lot 93) and 31 (Lot 100) Sydney Street, North Perth (Haynes Street Reserve) freehold. A plan of the site is included as **Attachment 1**. Haynes Street Reserve is currently used for the purpose of a childcare centre, a playgroup, a dental health clinic and a car park.

At the Ordinary Meeting of Council on 20 October 2020 (Item 9.6), Council endorsed the Haynes Street Reserve Development Plan to achieve full conversion of 15 (Lot 9) Haynes Street and 31 (Lot 100) Sydney Street, North Perth into public open space, and convert 25 (Lot 93) Sydney Street, North Perth into residential land use.

It was also identified that the priority and long-term use of the above land should be public open space as it would provide greater benefit to the surrounding community.

Public Open Space (POS) Strategy 2018

The City's POS Strategy identified gaps in local open space provision in North Perth. The Haynes Reserve Development Plan provides for future public open space in the North Perth area along with acknowledging the important role of the current services by transitioning them from the site gradually over a period of time.

Given the assessed shortfall in local open space in North Perth and the Haynes Street Reserve Development Plan, Administration has not sought expressions of interest for the use of the playgroup area.

**DETAILS:**

The North Perth Playgroup, by email dated 10 September 2020, advised the City that the Committee had decided to close this year due to their financial situation and requested early release of their lease.

Administration has been liaising with North Perth Playgroup to determine the possibility of relocating them to another facility based within the City and to provide assistance with their financial situation, however, the Committee has decided that they wish to close North Perth Playgroup permanently and are not seeking to relocate to an alternative venue.

Following a desktop analysis of playgroup memberships for groups who lease community facilities, it has been noted that there has been a general decline in membership numbers over the past five (5) years.

Due to the Haynes Street Development Plan which plans the demolition of buildings at this site, Administration is not seeking an alternative tenant. Administration does not have any objections to the early surrender of their lease.

North Perth Playgroup will be responsible for the payment of all outgoings until 31 December 2020 when they vacate the premises with Administration continuing to offer support and guidance to North Perth Playgroup and their members up until this date, including assistance with relocating their existing members.

**CONSULTATION/ADVERTISING:**

The City is not required to comply with the public notice requirements set out in section 3.58 of the *Local Government Act 1995*.

**LEGAL/POLICY:**

Nil.

**RISK MANAGEMENT IMPLICATIONS**

Low: It is low risk for Council to approve the early release of North Perth Playgroups lease.

**STRATEGIC IMPLICATIONS:**

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

Connected Community

*Our community facilities and spaces are well known and well used.*

**SUSTAINABILITY IMPLICATIONS:**

Nil.

**PUBLIC HEALTH IMPLICATIONS:**

Nil.

**FINANCIAL/BUDGET IMPLICATIONS:**

Administration does not anticipate there being any costs associated with the early surrender of North Perth Playgroups lease as they are required to pay all outstanding accounts prior to closure.

