

8.2 REQUEST FOR NEW LEASE - 12 MOYLE STREET SEYMOUR

Author: Teresa Hendy - Property Officer

File No: CP/07/051

Attachments: 1. 12 Moyle Street Locality Plan
2. 12 Moyle Street Lease Area

SUMMARY

This report provides a brief history regarding the occupation of Council's building at 12 Moyle Street, Seymour and the recently received request from the Lessee, Goulburn Valley Health, to enter into a new 12-month lease for the term of 1 July 2020 until 30 June 2021.

RECOMMENDATION

THAT Council:

1. Authorise the giving of Public Notice under sections 190 and 82(A)2 of the *Local Government Act 1989* to advertise the intention to enter into a lease for the premise at 12 Moyle Street, Seymour with Goulburn Valley Health for a term of 12 months, being from 1 July 2020 until 30 June 2021, with the option of one further term of 12 months from 1 July 2021 to 30 June 2022.
2. Seek and accept public submissions under s223 of the *Local Government Act 1989* in response to the Public Notice.
3. Hear submitters at a future meeting of the Community Questions and Hearing Committee.

BACKGROUND

The premises at 12 Moyle Street has been leased to Goulburn Valley Health (GVH) since 2002 for the purposes of a primary care facility for health and related services.

Specifically, GVH's operations from Moyle Street provide adult mental health care to the Seymour community. The GVH website defines their services as:

Goulburn Valley Area Mental Health Service provides an innovative range of services for individuals suffering from, or at risk of, serious mental health problems requiring short and long-term treatment and support.

As the GVH lease is due to expire on 30 June 2020, Council approached GVH to request their intention regarding their occupation and lease of the premises. In response, GVH have requested a new lease for a term of 12 months. This would be from 1 July 2020 to 30 June 2021.

REQUEST FOR NEW LEASE - 12 MOYLE STREET SEYMOUR (CONT.)

ISSUES AND DISCUSSION

There is not an equivalent service provider in Seymour to take up and fill the service gap should GVH remove their services from the Seymour area due to being unable to relocate to an alternative operational location. GVH offer their services to adult community members while other providers, such as The Bridge Youth Services, cater to children and youth and Scope Australia cater for the disabled. It would appear that the options for alternative accommodation for GVH in Seymour are very limited or nonexistent and therefore, if a new lease was not issued, the service may be discontinued in the town.

Given the important role GVH play in supporting the Seymour community, and their good record as a tenant, it is proposed to offer GVH a new lease as requested.

Under the *Local Government Act 1989* (the Act), s190, Council has responsibilities to be met prior to entering into a lease with GVH. Section 190 of the Act requires that:

- (2) *Subject to any other Act, if a Council leases any land to any person subject to any exceptions, reservations, covenants and conditions, it must comply with this section.*
- (3) *If the lease is to be—*
- (a) *for 1 year or more and —*
 - (i) *the rent for any period of the lease is \$50 000 or more a year; or*
 - (ii) *the current market rental value of the land is \$50 000 or more a year;*
 - (b) *for 10 years or more; or*
 - (c) *a building or improving lease—*

the Council must at least 4 weeks before the lease is made publish a public notice of the proposed lease.

As the rental of the premise is over \$50,000, Council must give public notice of the intention to enter into a lease for the premise for 1 year or more.

The lease fee paid by GVH for the 2019-2020 year is \$104,455.90 plus GST, paid monthly. A new lease would attract a projected lease rent of \$108,373.00 which incorporates the 3.75% annual review increase from the schedule within the 2007 lease.

Public notice would need to be given of the intention to enter into the lease with GVH.

The standard process through which this is required to occur is:

1. Provide a Council report to gain support for the giving of Public Notice.
2. Section 190: the publication of a notice in a local newspaper and the notice being placed on Council's website as required by s 82(A)2. The notice would seek and accept public submissions under s223 of the Act.
3. Submissions received, and submitters heard by the Community Questions and Hearing Committee where a hearing has been requested.

REQUEST FOR NEW LEASE - 12 MOYLE STREET SEYMOUR (CONT.)

Attachments

Attachment 1 shows the location in Seymour of the building at 12 Moyle Street.

Attachment 2 illustrates the premise currently leased to GVH.

CONSULTATION

As outlined in the issues above, community consultation would occur in accordance with the requirements of the *Local Government Act 1989*.

Submissions would be invited and submitters able to be heard before a meeting of the Community Questions and Hearings Committee.

FINANCIAL, RESOURCE AND ASSET MANAGEMENT IMPLICATIONS

Council would receive a projected rental income of \$108,373.00 should a new lease be granted for a term of 12 months. GVH pay all outgoings for their occupation and carry out general maintenance, including the mowing of the grassed area in front of the building.

Council is accountable for standard Lessor maintenance responsibilities such as structural repairs, replacement of installations such as heating and cooling units and Essential Safety Measures.

The processes required to be undertaken under the Act, including liaising with GVH, preparing lease documentation and administering the lease execution, can be carried out within existing staff resources.

Since the expiry of the original lease with GVH, there have been three subsequent short-term leases, each for a term of 12 months. Each time a new 12-month lease is requested, Council reports are prepared to gain the support and resolutions of Council and public notice is given with a report to the Community Hearings and Questions Committee if needed. To allow automatic extension of the lease, it is proposed for any new lease to be for an initial term of 12 months with one further option of 12 months. Should a lease be entered into on this basis, GVH would make a request to take up the further 12-month option if the building was still required to offer their services to the community.

POLICY AND LEGISLATIVE IMPLICATIONS

The support for GVH to continue their operations in Seymour under a lease for the 12 months of 1 July 2020 to 30 June 2021 would be consistent with the Mitchell Shire Council Plan 2017-2021 and Mitchell 2020 Community Plan.

Council's Community Leasing and Licensing Policy (Policy) applies to Committees of Management, local community groups and not for profit groups. GVH is a Government community organisation offering health services to Goulburn Valley communities so does not fall into any of the above groups. GVH also does not operate in the commercial sense of a fee for service business. As the requirements of this Policy do

REQUEST FOR NEW LEASE - 12 MOYLE STREET SEYMOUR (CONT.)

not apply to the lease to GVH proposed by this report, they have not been addressed in this report.

RISK IMPLICATIONS

Risk Ranking is determined using [ROHS201-G1- Corporate Risk Matrix](#). Risk is identified as Low, Medium, High or Very High.

Risk	Risk Ranking	Proposed Treatments	Within Existing Resources?
New lease not issued – GVH leave Seymour and there is a lack of, or no support services in Seymour for adult mental health.	High	Agree to new lease agreement to GVH.	Yes
New lease not issued – possible community dissatisfaction for the withdrawal of GVH services from Seymour.	High	Agree to new lease agreement to GVH.	Yes
New lease not issued – may not find another tenant willing to pay the lease rent paid by GVH.	Medium	Agree to new lease agreement to GVH.	Yes
New lease not issued – building general internal condition deterioration while empty.	Medium	The building is kept in good order by the Tenant and Council would need to keep the building clean and tidy during any time the building was vacant.	No – would need to engage cleaner.
New lease not issued – insurance excess greatly increased while building is vacant.	High	Agree to new lease agreement to GVH.	Yes

REQUEST FOR NEW LEASE - 12 MOYLE STREET SEYMOUR (CONT.)

SUSTAINABILITY IMPLICATIONS (SOCIAL AND ENVIRONMENTAL)

The service offered by GVH is an important social support service for the Seymour community and, should GVH remove their service, there could be a variety of adverse implications, both for individuals and their families and the general community.

There are no known environmental sustainability implications.

CHARTER OF HUMAN RIGHTS IMPLICATIONS

The rights protected in the *Charter of Human Rights and Responsibilities Act 2006* were considered in preparing this report and it's determined that the subject matter does not raise any human rights issues.

CHILDREN AND YOUNG PEOPLE IMPLICATIONS

While the GVH service does not consult with children and youth, their service supports parents and therefore there is a direct link with supporting the family unit and consequential implications if the service was to be withdrawn. Whilst some people may travel to Shepparton or elsewhere to continue consultation, others may choose not to seek further support and assistance.

OFFICER DECLARATION OF CONFLICT OF INTEREST

No officers involved in the preparation of this report have any direct or indirect interest in this matter.

CONCLUSION

This report recommends that Council consider entering into a new 12-month lease with Goulburn Valley Health for 12 Moyle Street, Seymour for the term of 1 July 2020 until 30 June 2021, with a further option of 12 months.

The service offered by GV Health to the Seymour community is valuable to clients, their families and the wider community, and assists Council to fulfil its commitments to work with external service providers to the benefit of Mitchell Shire residents.

Without a suitable facility GV Health will have difficulty providing ongoing mental health services to the community, and the service could be lost to the community if the current lease of 12 Moyle Street is not renewed.

Council staff are reviewing the strategic direction of the entire Moyle Street site for long term planning and therefore a short-term lease is appropriate at this time.

REQUEST FOR NEW LEASE - 12 MOYLE STREET SEYMOUR (CONT.)

MITCHELL SHIRE COUNCIL

Council Meeting Attachment

GOVERNANCE AND CORPORATE PERFORMANCE

20 APRIL 2020

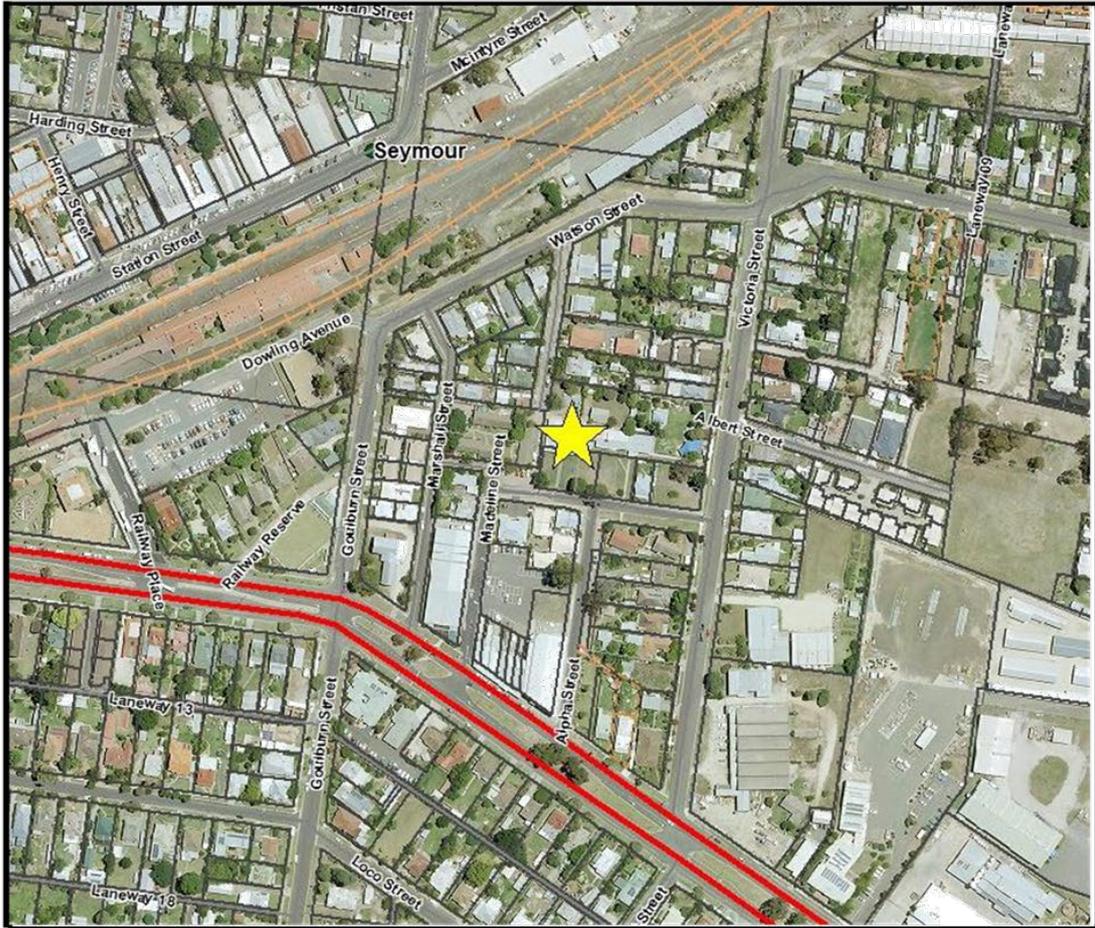
8.2

**REQUEST FOR NEW LEASE - 12 MOYLE
STREET SEYMOUR**

Attachment No: 1

12 Moyle Street Locality Plan

Locality Plan – 12 Moyle Street marked with yellow star symbol



MITCHELL SHIRE COUNCIL

Council Meeting Attachment

GOVERNANCE AND CORPORATE PERFORMANCE

20 APRIL 2020

8.2

**REQUEST FOR NEW LEASE - 12 MOYLE
STREET SEYMOUR**

**Attachment No: 2
12 Moyle Street Lease Area**

12 Moyle Street Seymour – Lease area outlined in red

