

8. COMMUNITY BUILDING – 20 PURAU AVENUE, DIAMOND HARBOUR

General Manager responsible:	General Manager Community Services, DDI 941-8534
Officer responsible:	Community Engagement Manager
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PURPOSE OF REPORT

1. The purpose of this report is to seek the Board's approval to grant a lease to the Canterbury Playcentre Association (Diamond Harbour Play Centre) and to the Diamond Harbour Sea Scouts Group for use of the old school building at 20 Purau Avenue, Diamond Harbour.

EXECUTIVE SUMMARY

2. The action proposed by this report is to complete preparation of lease arrangements initiated by the former Banks Peninsula District Council. The proposal to grant a lease to the Canterbury Playcentre Association and to the Diamond Harbour Sea Scouts Group can be approved by the Board under delegated authority.

FINANCIAL AND LEGAL CONSIDERATIONS

3. The Board has delegated authority to grant a lease on reserves pursuant to Section 61 of the Reserves Act 1977. This section provides that the Council may grant leases under its own authority to bodies or voluntary organisations provided that the lease is in conformity with the classification of the land.
4. Having reviewed the available correspondence, the view of the Legal Services Unit is that whilst an absolute legal obligation to grant a lease to the Play Centre and Scouts has not been entered into, the correspondence does evidence a clear intention or commitment on the part of the council to grant a lease on terms to be negotiated. The Legal Services Unit view is therefore that whilst a legal obligation may not exist, a strong moral obligation to grant a lease on mutually acceptable terms to the Play Centre and Scouts exists.
5. The current occupiers do not pay rent to the Council and are responsible for all maintenance costs. The Council has not previously contributed to ongoing maintenance of the building.
6. By entering into a lease with the Play Centre and Scouts, the Council will recognise the current use being made of the old school building.

BACKGROUND ON COMMUNITY BUILDING – 20 PURAU AVENUE

The Land and Buildings

7. The community building located at 20 Purau Avenue is situated on Lot 3 Deposited Plan 304811 and is classified for the purpose of being Local Purpose (Community Buildings) Reserve vested in the Banks Peninsula District Council for the purposes of community building, playcentre, kindergarten, plunket room or other like purposes.
8. Buildings on the land include the old school used as the main building for the Play Centre and Scouts Den, storage and equipment sheds and toilet block. The building has two classrooms, one dedicated to use by the Scouts and the other utilised by the Play Centre. A new storage shed was constructed in 1999 and other improvements to the building were made at a cost of \$54,000, funded entirely by the Play Centre. Extensive improvements in 2003 to the outdoor area have included perimeter fencing and gates to comply with health and safety requirements as a result of a review by the Education Review Office, and were funded by the Play Centre at a cost of \$10,000.

History of Lease Arrangements

9. A complete summary of lease negotiations and correspondence can be found as an **attachment** to this report.

OTHER CONSIDERATIONS

10. The Play Centre and Scouts have operated from these facilities for the last 35 years and have come to a mutually acceptable arrangement. The Play Centre currently operates three mornings per week. The Scout group has weekly evening sessions as well as regattas and weekend activities. They wish to remain operating from this community facility and prefer the arrangements as they are now. They have indicated they are prepared to work together with the community should the arrangements change and a new lessee was to operate out of the other half of the building.
11. The previous Banks Peninsula District Council granted \$5000 from the Community Development Grants Scheme to the Diamond Harbour Community Early Childhood Education Centre (DHCECEC) to help fund a feasibility study to assess interests in establishing an early childhood centre in Diamond Harbour. This research concluded that there is demand for a licensed early childhood education service in the area.
12. The DHCECEC has expressed an interest to the Council in securing a piece of land, either through gifting or lease, on a long term basis to establish an early childhood centre in Diamond Harbour. Although the DHCECEC has indicated that securing a site for a building is their first preference, they have also expressed interest in negotiating a long-term lease for the old school house currently used by the Play Centre and Scouts. They acknowledge that the Play Centre has a right to exist but feel that an early childhood centre would fulfil more needs in the community. While the DHCECEC considers their options and awaits further information on the availability of funding, they have asked that the Council consider entering into a lease with them on the basis that it would maximise the needs of families with young children in the community.
13. Both the Play Centre and DHCECEC feel strongly about their current and future contributions to the local community. Both groups have indicated a commitment to working with the Scouts. The Canterbury Playcentre Association has conducted an informal survey which suggests that there would be enough families to sustain the Play Centre activities in the future. Conversely, the DHCECEC has carried out research that suggests that the Play Centre would not be viable if an early childhood centre was established in the community.

OPTIONS

14. Options available to the Board are:

- (a) **Retain the status quo**

This option would not give security of tenure to the two organisations currently using the facility. Considerable contributions have been made by both groups, both financially and in volunteer labour, to upgrade the amenities. These groups have been responsible for the maintenance and upkeep of the land and buildings for 35 years and relied on volunteers, community fundraising and funding from central government to maintain and/or improve these facilities. Grants have also been received from a fund set up for all South Island playcentres, and the Diamond Harbour group would not have been a recipient of these monies if the former Banks Peninsula District Council had not intended to enter into a lease arrangement.

- (b) **Call for Expression of Interests**

This option would allow continued use of the land and buildings by the current users and call for Expressions of Interest to operate community activities on this site in accordance with the reserve classification. This would give the Council an opportunity to undertake more detailed analysis to determine what the wider community's views on the use of the old school building.

- (c) **Further investigate potential for the old school building to be shared by Play Centre, Scouts and the DHCECEC**

While both the Play Centre and DHCECEC have indicated informally that they are prepared to share use of the building, there are likely to be difficulties with session timetabling and the facility meeting any new licensing requirements imposed by the Ministry of Education and any subsequent building code requirements.

(d) **Grant a lease to the DHCECEC and Scouts**

While this option could potentially help maximise use of the building, it would effectively put an end to the Play Centre in Diamond Harbour.

(e) **Grant individual leases to the Play Centre and Scout groups; and work with the DHCECEC to identify other options for the potential development of an early childhood centre**

This is the preferred option. Other land may exist in the community that could better serve the needs of an early childhood centre in Diamond Harbour.

PREFERRED OPTION

15. The preferred option is (e) namely, to grant leases to the Play Centre and Scouts; and work with the DHCECEC to identify other options for the potential development of an early childhood centre.
16. This action will recognise the current use being made of the land and buildings and formalise the arrangements over the last thirty-five years for the Diamond Harbour Play Centre and Diamond Harbour Sea Scouts Group rights to use this building.
17. It is proposed to grant a lease for a maximum of 10 years with a rent review after five years. The lease would be the standard community lease currently used by the Council with provision for an early termination clause if it is found that these groups do not have enough members to support their activities.

STAFF RECOMMENDATIONS

It is recommended that the Board:

- (a) Approve the granting of a new lease to the Canterbury Playcentre Association (Diamond Harbour Play Centre) for a term not exceeding 10 years commencing 1 July 2006 of the existing facility, with a rent review at the end of five years.
- (b) Approve the granting of a new lease to the Diamond Harbour Sea Scouts Group for a term not exceeding 10 years commencing 1 July 2006 of the existing facility, with a rent review at the end of five years.
- (c) Delegate authority to the Corporate Support Manager to conclude the lease on terms and conditions outlined in this report.
- (d) Request Council staff to work with the Diamond Harbour Community Early Childhood Centre Inc (DHCECC) to identify suitable sites for the establishment of an early childhood centre in Diamond Harbour.