

## 1.6 EARLY YEARS - PROPOSED MULTIPLE LEASES TO YMCA BALLARAT YOUTH SERVICES INCORPORATED

Responsible Director: Peter Panagakos

### **RECOMMENDATION**

*That Council:*

1. *Negotiate a lease with the YMCA of Ballarat Youth Service Inc. (YMCA) for the facilities located at the following Council owned sites:*

*Ashwood Memorial Kindergarten – 17A Arthur Street, Ashwood*

*Brandon Park Preschool – 7 Collegium Avenue, Wheelers Hill*

*Clayton Community Centre Kindergarten – 9-15 Cooke Street, Clayton*

*Columbia Park Preschool – 26-28 Columbia Drive, Wheelers Hill*

*Dover Street Preschool – 19 Dover Street, Oakleigh East*

*Germain Street Kindergarten – 1 Germain Street, Oakleigh South*

*Glendal Preschool – 3 Lucerne Street, Mount Waverley*

*Mt Waverley Preschool – 35 Sherwood Road, Mount Waverley*

*Mulgrave Park Preschool – 68 Albany Drive, Mulgrave*

*Nara Preschool – 2 Stanley Avenue, Mount Waverley*

*St John's Preschool – 2 Carmichael Road, East Oakleigh*

*Tally Ho Preschool – 24 Martin Place, Glen Waverley*

*Ward Avenue Kindergarten – 4 Ward Avenue, Oakleigh South*

*Waverley Foothills Preschool – Gladstone Drive, Mulgrave*

*Wayburne Preschool – 579 Waverley Road, Glen Waverley*

2. *Incorporating the following terms and conditions:*

*Lessee: The YMCA of Ballarat Youth Services Inc*

*Rent: \$1.00 per annum (plus GST)*

*Term: 5 Years*

*Further Term: 5 Years*

*Use: For the purposes associated with the activities of a kindergarten including three and four year old kindergarten programs, playgroups, activity programs for young children and other activities such as kindergarten meetings and fundraising functions.*

*("the Proposal")*

3. *Give public notice of the proposal in accordance with Section 190 of the Act, in a daily newspaper and on Council's website from 3 September 2020 and invite submissions on the proposal.*

4. *Authorises Council's Chief Executive Officer or her delegate to undertake the administrative procedures necessary to enable Council to carry out its functions under Section 223 of the Act in respect of the proposal ('Appointed Officer').*
5. *Appoint a Committee of Council comprising of all Councillors to hear any submitters requesting to be heard and consider any submissions received under Section 223 of the Act on a date and time to be fixed.*
6. *Consider and determine the outcome of the section 223 process on the proposal at the Ordinary Meeting of Council on a date and time to be fixed.*

### **INTRODUCTION**

The purpose of this report is for Council to commence the statutory process in accordance with Section 190 of the Act to advertise its proposal to grant multiple leases to the YMCA (please refer to attachment 1 for terms and conditions) for use of the following facilities:

- Ashwood Memorial Kindergarten – 17A Arthur Street, Ashwood
- Brandon Park Preschool – 7 Collegium Avenue, Wheelers Hill
- Clayton Community Centre Kindergarten – 9-15 Cooke Street, Clayton
- Columbia Park Preschool – 26-28 Columbia Drive, Wheelers Hill
- Dover Street Preschool – 19 Dover Street, Oakleigh East
- Germain Street Kindergarten – 1 Germain Street, Oakleigh South
- Glendal Preschool – 3 Lucerne Street, Mount Waverley
- Mt Waverley Preschool – 35 Sherwood Road, Mount Waverley
- Mulgrave Park Preschool – 68 Albany Drive, Mulgrave
- Nara Preschool – 2 Stanley Avenue, Mount Waverley
- St John's Preschool – 2 Carmichael Road, East Oakleigh
- Tally Ho Preschool – 24 Martin Place, Glen Waverley
- Ward Avenue Kindergarten – 4 Ward Avenue, Oakleigh South
- Waverley Foothills Preschool – Gladstone Drive, Mulgrave
- Wayburne Preschool – 579 Waverley Road, Glen Waverley

### **BACKGROUND**

Council currently owns over 35 sites used for the provision of Early Years services. Of these sites, 16 are currently leased to Bestchance Child Family Care (BC), and will be transitioned to the YMCA specifically for the provision of 3 year old and funded 4 year old kindergarten.

One site, Legend Park which is a shared use facility will be licenced to YMCA.

BC advised the Department of Education and Training (DET) and Council in late 2019 that due to financial difficulties they would be unable to continue to deliver kindergarten services from Council's facilities beyond the end of 2020. This date coincides with the expiry of their current leases.

As a result of the advice from BC, DET initiated an Expression of Interest (EOI) process to seek organisations interested in delivering kindergarten services for the facilities which BC will be leaving. The EOI resulted in the DET selecting the YMCA to deliver services to BC facilities from 2021.

The kindergartens which are currently leased to BC provide early year's education to approximately 1000 children annually.

Kindergartens are predominantly funded through the DET and many kindergartens supplement their funding through enrolment fees and fundraising activities.

### ***DISCUSSION***

A separate Lease is proposed for each facility on terms and conditions as outlined in Attachment 1.

Prior to offering a new lease agreement, Council is required to comply with the requirements of Sections 190 of the Local Government Act 1989, which states that if a 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; or
- (b) for 10 years or more; or
- (c) a building or improving lease,

Council must, at least 4 weeks before the lease is made, publish a public notice of the proposed lease. A person has a right to make a submission under Section 223 of the Act on the proposed lease.

In accordance with Council's Leasing and Licencing Policy, the annual rental for these facilities is \$1.00 per annum (plus GST).

As the market rental value of all facilities (individually) is greater than \$50,000, Council must publish a public notice of intention to enter into a lease and invite submissions. It is proposed to publish a public notice of the proposed leases to YMCA in a newspaper and on Council's website in early September 2020.

***SOCIAL IMPLICATIONS***

Kindergartens are an important step for children as they provide a happy environment to develop the building blocks which they will build on throughout their life.

Kindergarten programs are designed to improve children's development in the following key areas: social skills, self-awareness and respect for others, emotional skills, language literacy and numeracy skills, a joy for learning, the ability to make new friends, and exposure to new ideas.

***FINANCIAL IMPLICATIONS***

The Lessee is responsible for minor repairs, Council manages programmed maintenance and renewal works associated with the building. The Lessee is responsible for the payment of utility charges.

***CONCLUSION***

A new service provider is required to ensure the continued provision of kindergarten services within the municipality which is key deliverable within Council's "A Healthy and Resilient Monash: Integrated Plan 2017-2021".

The use of a Council owned facility to deliver the service requires an appropriate occupancy agreement, which in this case will be a Lease.

Council is required to undertake public notification of its intention to grant Leases and consider any submissions before determining to enter into a Lease arrangement.

**Attachment 1****Key terms and Conditions associated with the proposed Leases**

Commencement Date	The date upon which Council resolves to proceed with a lease or the 1 <sup>st</sup> January 2021, whichever is the later.
Permitted Use	For the purposes associated with the activities of a kindergarten including three and four year old kindergarten programs, playgroups, activity programs for young children and other activities such as kindergarten meetings and fundraising functions.
Term	5 years
Further Term	5 Years
Rental	\$1.00 per annum (plus GST)
Maintenance	The Lessee will be responsible for minor repairs and maintenance.
Outgoings	The Lessee will be responsible for all service charges at the site.