

CABINET MEETING – 13 March 2013

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Rent concession in respect of the former Thompson Park Nursery building, Thompson Road, Sunderland.

Author(s):

Report of the Deputy Chief Executive.

Purpose of Report:

This report seeks approval to grant a retrospective rent concession to the tenant of the former Thompson Park Nursery building, Thompson Road, Sunderland.

Description of Decision:

Cabinet is recommended to;
(i) approve the grant of a rent concession as detailed in this report to the tenant of the former Thompson Park Nursery building, Thompson Road, Sunderland.

Is the decision consistent with the Budget/Policy Framework? Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The rent concession is required as part of the lease agreed with the tenant, and to ensure the sustainability of the service and its delivery. The rent concession is in accordance with the Rent Concession Policy adopted by Cabinet at its meeting on 8th October 2008.

Alternative options to be considered and recommended to be rejected:

To not grant the concession would prevent the agreed letting and would cast doubt on the occupation of the building and the delivery of the service.

Impacts analysed:

Equality Privacy Sustainability Crime and Disorder

Is this a “Key Decision” as defined in the Constitution? Yes

Is it included in the 28 day Notice of Decisions? Yes

Scrutiny Committee

**RENT CONCESSION IN RESPECT OF THE FORMER THOMPSON PARK
NURSERY BUILDING, THOMPSON ROAD, SUNDERLAND**

REPORT OF THE DEPUTY CHIEF EXECUTIVE

1.0 Purpose of the Report

- 1.1 This report seeks approval to grant a retrospective rent concession to the tenant of the former Thompson Park Nursery building, Thompson Road, Sunderland.

2.0 Description of Decision

- 2.1 Cabinet is recommended to;
(i) approve the grant of a rent concession as detailed in this report to the tenant of the former Thompson Park Nursery building, Thompson Road, Sunderland.

3.0 Background

- 3.1 The Council owns the freehold interest in the former Thompson Park Nursery building, located within Thompson Park and shown detailed on the attached plan.
- 3.2 As part of the modernisation of childcare provision for children under five years, Cabinet approved the decision to close Thompson Park Nursery Centre, with effect from 30 September 2007.
- 3.3 Following this decision, internal consultation confirmed that there was no demand from service users and the building was declared surplus to operational requirements.
- 3.4 Having fully considered all of the available options, the building was identified by Health Housing and Adult Services as being a suitable location for the Sunderland Carers Centre. The Centre is a charitable organisation that works in partnership with the Council to provide valuable community services involving advice and information about local services available for both the carer and the person they care for, one-to-one support services, and providing support to carers at meetings with health, social care services and other agencies. The Centre also runs a number of carers groups to give carers the opportunity to meet others in a similar situation and a variety of courses to give carers throughout the City the opportunity to develop their skills and to learn about things that may help them in their caring situation.

4.0 Current Position

- 4.1 The terms for occupation reflect a long lease on a Best Consideration basis. It was agreed that to put the building into satisfactory condition, remedial works would be undertaken by the tenant and the agreed costs covered by way of a rent concession.
- 4.2 The Centre has progressed with its occupation of the building and significant capital investment has been required on its part in order to make the building fit for purpose. However this has been done so without Cabinet approval to the proposed rent concession. This approval is therefore sought retrospectively.
- 4.3 The works, which have already been carried out, include the creation of a new access and lobby, new WCs, new glazing, a new roof, installing internal insulation, refitting the existing spaces as offices, internal and external redecoration, new floor finishes and the replacement of the suspended ceilings.
- 4.4 The cost of undertaking the works is £162,000. These are significant improvements without which the building is likely to have fallen into disrepair and become a target for anti-social behaviour. It is likely that the Council would have had to fund the demolition of the building. However the new use to which the building has now been put delivers a valuable service to the community.
- 4.5 The works qualify for a rent concession under the terms of the Council policy on rent concessions. However whilst Heads of Terms for a new 25 year lease have been agreed with the Centre, which include an obligation for the tenant to undertake the works to repair and renew the building, the concession has not been formally approved. This requires Cabinet approval.

In lieu therefore of the works being carried out, it is proposed that the tenant, in accordance with Council policy, be granted a rent concession equivalent in value to the cost of the works undertaken.

5.0 Reasons for Decision

- 5.1 The rent concession is required as part of the lease agreed with the tenant, and to ensure the sustainability of the service and its delivery. The rent concession is in accordance with the Rent Concession Policy adopted by Cabinet at its meeting on 8th October 2008.

6.0 Alternative Options

To not grant the concession would prevent the agreed letting and would cast doubt on the occupation of the building and the delivery of the service.

7.0 Impact Analysis

7(a) Equalities – N/A

7(b) Privacy Impact Assessment (PIA) – N/A

7(c) Sustainability

Sustainability Impact Appraisal

Sunderland Strategy Objectives cross check with decisions outcomes:

- **Prosperous City**

No impact

- **Healthy City / Safe City**

No impact

- **Learning City**

No impact

- **Attractive and Inclusive City**

No impact

7(d) Reduction of Crime and Disorder – Community Cohesion / Social Inclusion – N/A

8. Other Relevant Considerations / Consultations

The Head of Financial Resources and the Head of Law and Governance both on behalf of the Executive Director of Commercial and Corporate Services have been consulted and their comments are contained in this report.

9. Background Papers

None

