

**CABINET MEETING – DECEMBER 2021**  
**EXECUTIVE SUMMARY SHEET – PART 1**

**Title of Report:**

Grant of a rent concession at the former Millfield Community Nursery School, Bell Street, Sunderland.

**Author(s):**

Report of the Executive Director of Corporate Services

**Purpose of Report:**

To authorise the Executive Director of Corporate Services to grant a rent concession at the former Millfield Community Nursery School, Bell Street, Sunderland.

**Description of Decision:**

Cabinet is recommended to authorise the Executive Director of Corporate Services to grant a rent concession at the former Millfield Community Nursery School in accordance with the Council's rent concession policy and in consultation with the Leader and Cabinet Secretary.

**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:**

Authorising the Executive Director of Corporate Services to grant a rent concession at the former Millfield Community Nursery School will facilitate the repair and letting of the property, which will generate an income to the Council.

**Alternative options to be considered and recommended to be rejected:**

The alternative option is not to grant a rent concession.

The property will not be brought up to a standard fit for occupation and the Council may find it difficult to let the Property.

This option has been considered and is not recommended for the reasons set out in the report.

**Impacts analysed;**

**Equality**

N/A

**Privacy**

N/A

**Sustainability**

Y

**Crime and Disorder**

Y

**Is the Decision consistent with the Council's co-operative values? Yes**

**Is this a "Key Decision" as defined in the Constitution?**

**Yes**

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

**Yes**

**GRANT OF A RENT CONCESSION AT THE FORMER MILLFIELD COMMUNITY NURSERY SCHOOL, BELL STREET, SUNDERLAND.**

**Report of the Executive Director of Corporate Services**

**1. Purpose of the Report**

To authorise the Executive Director of Corporate Services to grant a a rent concession at the former Millfield Community Nursery School, Bell Street, Sunderland.

**2. Description of Decision**

- 2.1 Cabinet is recommended to authorise the Executive Director of Corporate Services to grant a rent concession at the former Millfield Community Nursery School in accordance with the Council's rent concession policy and in consultation with the Leader and Cabinet Secretary.

**3. Background**

- 3.1 The Council own the former Millfield Community Nursery School ('the Property') as shown verged on the plan in Appendix 1.
- 3.2 The Property was previously occupied by the Council as a Nursery School and has been declared surplus to operational requirements.
- 3.3 The property is in a poor condition, with a number of significant items of repair outstanding.
- 3.4 A schedule of condition has been undertaken, identifying the total costs of works required to bring the property back into good repair.
- 3.5 The total cost of the outstanding repairs is estimated at £178,050.

**4. Current Position**

- 4.1 A tenant has now been identified to take a lease of the property and initial terms have been agreed for the grant of a 15 year lease at an annual rent of £28,000.
- 4.2 The tenant has agreed to undertake a number of essential works at the Property in order to make it fit for occupation, subject to the grant of a rent concession equal to the costs of those works.
- 4.3 The total cost of the essential works to be undertaken by the tenant is estimated at £111,000 and it is proposed that a rent concession is granted in this sum, in lieu of the tenant undertaking improvement works to the property. The remaining, non essential works will be progressed by the tenants at their expense as part of their ongoing management of the building
- 4.4 In order to benefit from the concession, the tenant will be required to undertake the works to the satisfaction of the Council, demonstrate that the cost of the works

undertaken represent value for money, and provide evidence of the expenditure incurred.

- 4.4 A further concession in the sum of £14,000 (equal to 6 months rent free) will be granted as an incentive to take the lease, in line with commercial practice, bringing the total concession to £125,000.
- 4.5 The proposal therefore is to authorise the Executive Director of Corporate Services to grant a rent concession in the total sum of £125,000.

## **5. Reasons for the Decision**

- 5.1 Authorising the Executive Director of Corporate Services to grant a rent concession at the former Millfield Community Nursery School will facilitate the repair and letting of the property, which will generate an income to the Council.

## **6. Alternative Options**

- 6.1 The alternative options are:-
- 6.2 Not to grant the rent concession.
- 6.3 The property will not be brought up to a standard fit for occupation and the Council may find it difficult to let the Property.
- 6.4 This option has been considered and is not recommended for the reasons set out in the report.

## **7. Impact Analysis**

### **(a) Equalities**

N/A

### **(b) Privacy Impact Assessment (PIA)**

N/A

### **(c) Sustainability**

N/A

### **(d) Reduction of Crime and Disorder – Community Cohesion / Social Inclusion**

The Site currently suffers from Anti-Social Behaviour due to the lack of activity and on-site presence. The grant of a rent concession and letting of the site should lead to a reduction in crime.

## **8. Other Relevant Considerations / Consultations**

### **(a) Co-operative Values**

**(i) Financial Implications**

The grant of a rent concession and letting of the Property will reduce the Council's current operating/maintenance costs. It will also improve the condition of the building without capital investment from the Council and generate a rental income.

**(ii) Risk Analysis**

N/A

**(iii) Employee Implications**

N/A

**(iv) Legal Implications**

The general power granted to local authorities to dispose of land is contained in Section 123 of the Local Government Act 1972.

**(v) Policy Implications**

N/A

**(vi) Health & Safety Considerations**

N/A

**(vii) Property Implications**

The letting of Council owned property through the grant of a lease/leases.

**(viii) Implications for Other Services**

N/A

**(ix) The Public / External Bodies**

N/A

**(x) Compatibility with European Convention on Human Rights**

N/A

**(xi) Project Management Methodology**

N/A

**(xii) Children's Services**

N/A

**(xiii) Procurement**

N/A

**9. Glossary – N/A**

**10. List of Appendices**

**11. Background Papers**

N/A