



Glasgow City Council

Contracts & Property Committee

Report by Director of Property and Land Services

Contact: Ian Robertson Ext: 71324

Item 4

14th January 2021

**PROPOSED LEASE OF DONALD DEWAR CENTRE,
DORNAL AVENUE, KNIGHTSWOOD**

Purpose of Report:

To seek authority to conclude negotiations for (1) lease of property at the above with Dornal Childcare Limited for the purpose of Early Learning Childcare and (2) instruct Legal and Administrative Services to conclude a lease as appropriate.

Recommendations:

The Committee is asked to:

- I. note the content of this report;
- II. approve the terms of the proposed lease of the property in favour of Dornal Childcare Limited; and
- III. authorise the Director of Property and Land Services to instruct the Head of Legal and Administrative Services to conclude a lease as outlined below and appropriate

Ward No(s): Ward 13 –
Garscadden/Scotstounhill

Local member(s) advised: **Yes** **No** consulted: **Yes** **No**

PLEASE NOTE THE FOLLOWING:

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1.0 Introduction

1.1 On 13th June 2019, the City Administration Committee approved a new flexible rental policy for childcare providers in respect of Early Learning Childcare.

This policy is to support the Council's Early Learning & Childcare (ELC) strategy and cooperative working ambitions. The Committee also approved the matrix to determine rental concession categories

2.0 Background

2.1 Following competitive bidding procurement process conducted by Education Services in Q1 2020, the successful bidder to operate and provide Early Learning and Childcare services at Donald Dewar Centre was the Primrose group of nurseries; their legal entity or for the purpose of the resultant lease is Dornal Childcare Limited.

2.3 Education Services instructed Property & Land Services to take forward lease discussions for the property with the successful bidder/operator.

2.4 The operator Primrose currently trade from other locations, both within Glasgow, as follows:

Primrose Day Nursery; Wyndford area of Maryhill (established 2012)

Primrose City Nursery; Dennistoun (including Royston) (established 2017)

As such, the group have experience of operating in areas with challenging educational disadvantage.

2.5 Subject to receipt of formal Care Inspectorate registration, the operator intends to be open for trading at Donald Centre in January 2021 and will provide a much needed early learning and childcare provision for the area.

3.0 The Subjects

3.1 The property was formerly a Day Care Centre and comprises a freestanding, single storey building extending to 385 sq m which was refurbished by the Council for the purposes of a Children's Nursery or Early Years Facility. The building has the ability to be operated separately from the neighbouring Clyde Campus school estate, which houses both Clyde Primary School and St Brendan's Primary School.

3.2 Separate access to the property is taken from Dornal Avenue. The new layout has been designed to accommodate around 80, three to five years olds, within four main playrooms. The building has also been fitted with ancillary accommodation such as toilets, office spaces, kitchens and storage.

3.3 Ancillary land around the building is to be included within the leased demise, as shown on the attached Committee Plan

4.0 Current Position

4.1 The land is owned and maintained by the Council. It is currently vacant, pending occupation by Primrose.

4.2 In order to satisfy Care inspectorate registration requirements, a short term Licence to Occupy has been agreed with Dornal with effect from 4 December 2020 for an initial period of six months (rolling month to month thereafter), pending Committee approval to a full lease for 10 years duration. On conclusion of the 10 year lease, the current Licence will be terminated.

5.0 Proposal

5.1 On the instructions of Education Services, discussions have taken place between Property & Land Services and Dornal Childcare Limited, with provisional Heads of Terms agreed for consideration by Committee.

5.2 The main terms of lease per provisionally agreed Heads of Terms, are as follows:

Property:	Donald Dewar Centre, 12 Dornal Avenue, G13 4HG
Tenant:	Dornal Childcare Limited
Lease Duration:	10 years
Rent:	£22,500 per annum
Area of Subjects::	385 sq m Gross Internal Area (GIA)
Permitted Use:	Early Learning and Childcare.
Rent Review:	Year 5 to Market Value, upwards only basis
Repairs:	Tenant Full Repairing & Insuring (FRI)
Business Rates:	Paid by Tenant
Utility Payments:	Paid by Tenant

5.3 Given that the proposed operator is a private sector organisation, the flexible rental policy is not required in this instance. The proposed rent of £22,500 per annum is therefore at prevailing market level and is not discounted.

6.0 Policy and Resource Implications

Resource Implications

Financial: None

Legal: It is considered that the subjects do not form part of the Council's Common Good. The subjects are not on the list of common good assets. There are no other relevant factors to suggest that the subjects would form part of the common good of the Council.

Personnel: Legal Services and Services will be required to conclude the lease agreement.

Procurement: There are no relevant procurement issues.

Council Strategic Plan: **Number 25:** Meet the national commitment to deliver 1140 hours of free childcare by 2020 and do this in partnership with local providers, including third sector and community groups.

Number 26: Invest in our school estate and early years facilities in the city.

Number 95: Work in partnership with others to deliver the city's ambitions and improve its services and outcomes through:

- Citizens
- Third sector organisations and community groups.
- Our community planning partners.
- City businesses, universities and colleges.
- The Scottish and UK governments.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2017-22 N/A

What are the potential equality impacts as a result of this report? . Positive impact.

Please highlight if the policy/proposal will help address The creation of employment and provision of childcare.

*socio economic
disadvantage.*

Sustainability Impacts:

<i>Environmental:</i>	Best use of existing assets.
Social, including Article 19, opportunities	Increased level of quality childcare provision and choice in areas of the city.
<i>Economic:</i>	Opportunities for providers expanding to recruit more staff therefore increasing employment opportunities; opportunities for parents to attend further education, seek employment or increase working hours

Privacy and Data Protection impacts: None

7.0 Recommendations

That Committee:

- I. note the content of this report;
- II. approve the terms of the proposed lease of the property in favour of Dornal Childcare Limited; and
- III. authorise the Director of Property and Land Services to instruct the Head of Legal and Administrative Services to conclude a lease as outlined above and appropriate