Item 7

16th June 2022

Glasgow City Council

Contracts and Property Committee

Report by Executive Director of Neighbourhoods, Regeneration and Sustainability

Contact: George Gillespie Ext: 79106

PROPOSED LETTING OF HAGHILL AND CARNTYNE NURSERY AT 345 CARNTYNE ROAD, G32 6JP TO PRIMROSE DAY NURSERY.

Purpose of Report:
To seek authority to conclude negotiations for the proposed lease of Haghill and Carntyne Nursery at 345 Carntyne Road, G32 6JP to Primrose Day Nursery.

Recommendations:
The Committee is asked to:

1. Note the content of this report.

2. Approve the terms of the proposed lease of the nursery at 345 Carntyne Road as shown on the attached plans and on the terms contained within this report, and

3. Approves that the Executive Director of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration be authorised to conclude all other matters pertaining to the lease of the subjects and to enter into necessary legal agreements on terms which are in the best interest of the Council.

Ward No(s): 18 – East Centre	Citywide:
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.

1.2 This policy is to support the Council's Early Learning and Childcare (ELC) strategy and cooperative working ambitions.

1.3 This report specifically relates to the proposed lease of the children's nursery unit at 345 Carntyne Road to Primrose Day Nursery.

2.0 Background

2.1 Following a bidding process conducted by Education Services, the successful bidder to operate and provide early learning and childcare services at this property was Primrose Day Nursery.

2.2 Education Services instructed Corporate Asset Management to take forward lease discussions with the successful bidder / operator.

2.3 The successful bidder operates three nursery services within Glasgow. Each of these services hold a contract with Glasgow City Council for the delivery of Funded Early Learning and Childcare. Primrose Day Nursery Maryhill was established in 2021, Primrose City Park in 2017 and Ivy Kindergarten in 2021.

The quality of services already operational in Glasgow currently meet the national standard minimum requirement of good. Details of current Care Inspectorate gradings are as follows:

Setting	**Quality of Care and Support**	**Quality of Environment**	**Quality of Staffing**	**Quality of Management and Leadership**
Primrose Day Nursery Maryhill	Very Good	Very Good	Not Assessed	Not Assessed*
Primrose Day Nursery City Park	Very Good	Very Good	Good	Good
Ivy Kindergarten	Not yet inspected	Not yet Inspected	Not yet Inspected	Not yet Inpected

*Care Inspectorate do not always inspect on all focus areas. Where an area is not assessed it is due to standards in this area being maintained from last inspection. Previous inspections for primrose under these focus areas were graded as Very Good.

2.4 Subject to receipt of formal Care Inspectorate registration and building handover, we understand that the operator intends to be open for business from the property in August 2022.

3.0 The Subjects

3.1 The subjects with a gross internal floor area of approximately **767 sq m** comprise two new interconnecting single storey buildings, one of steel frame construction and the other of timber kit construction both set beneath pitched roofs finished in either concrete roof tiles or metal cladding.

3.2 The buildings are externally double glazed throughout.

3.3 The subjects have been designed as a nursery or early years facility to accommodate seventy two three to five year children.

3.4 The accommodation includes four playrooms, a flexible central space, easily supervised toilets, a dining room, parents' room, staff accommodation and offices together with kitchen, laundry room and storage.

3.5 Externally there are 19 car parking spaces 3 of which are accessible spaces.

4.0 Current Position

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

4.2 In order to satisfy Care Inspectorate registration requirements and enable trading and services to be provided from the premises as soon as possible, it is intended that a short term Licence to Occupy (via Delegated Authority process) be agreed, pending Committee approval to a full lease for 10 years duration and the legal negotiations due process. On conclusion of the 10 year lease, the short term Licence to Occupy would be terminated.

5.0 Provisionally Agreed Heads of Terms

Property:	Nursery at 345 Carntyne Road, G32 6JP.
Landlord:	Glasgow City Council
Tenant:	Primrose Day Nursery
Lease Duration:	10 years:

Rent:	£22,500 per annum
Rental Concession:	N/A
Area of Subjects:	767 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 and Insuring (FRI)
Rates:	Payable by Tenant
Utilities:	Payable by Tenant
Alienation:	Assignation or sub- letting will not be possible without the prior written approval of the Landlords.

6.0 Policy and Resource Implications

Resource Implications:

Financial:	The Scottish Government confirmed on the 1st May 2018 that a capital award totalling £44.130m would be provided to undertake estate related projects in line with the expansion plans. The building being leased cost a total of £4,9M to build and was funded via this Government Capital Award.
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 will be required to conclude the lease agreement.
Procurement:	There are no relevant procurement issues.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.	No change
What are the potential equality impacts as a result of this report?	No change
Please highlight if the policy/proposal will help address socio-economic disadvantage.	No change

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:	No change
What are the potential climate impacts as a result of this proposal?	N/A
Will the proposal contribute to Glasgow's net zero carbon target?	No change

Privacy and Data Protection Impacts:	None None

6.0 Recommendations

It is recommended that the committee:

1. Note the content of this report.

2. Approve the terms of the proposed lease of the nursery at 345 Carntyne Road as shown on the attached plans and on the terms contained within this report, and

3. Approves that the Executive Director of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration be authorised to conclude all other matters pertaining to the lease of the subjects and to enter into necessary legal agreements on terms which are in the best interest of the Council.