

# STRADBROKE HEALTH CENTRE - REPORT ON FUNDING



## A. Rent

The rent paid out by the Medical Practice is reimbursed to them by NHS England. The NHS consults with the District Valuer to ensure that the rent the Medical Practice pays is either the current market rent value of the premises, or the actual lease rent, whichever is lower.

**Note: The Parish Council has access to limited information between 1996 and 2014.**

### November 1996

- 12 year lease between the Medical Practice and the Stradbroke Health Trust (now known as the Stradbroke Trust) indicates that the rent paid by the Medical Practice to the Stradbroke Trust was £785 per annum.
- The lease also indicates a rent review is to take place every 3 years. (The full terms of the rent review are included as a schedule to the Head Lease between the Stradbroke Trust and the Parish Council.)

### July 2007

- A supplemental 12 year lease was signed between the Stradbroke Trust and the Medical Practice.
- The new lease came into force in November 2008.
- This lease indicates that the annual rent payable to the Stradbroke Trust in 2007 was £9,700. (no further information is available until 2014).

### November 2014

- As per correspondence from the Stradbroke Trust to the Medical Practice dated 5<sup>th</sup> November 2018, the rent payable to the Trust was £13,632 per year.

### November 2018

- 5<sup>th</sup> November 2018: The Stradbroke Trust proposed an increase of £732 a year in rent to the Medical Practice.
- The increase was based on a 3-year average inflation rate of 2.7% (which the Stradbroke Trust calculated by using the Bank of England inflation calculator).
- Before approving the rent increase, the District Valuer determined whether the rent proposed was equal to or lower than the “current market rent”. To do this a CMR1 form was reviewed. This form, submitted in 2018, indicates that the Trust was responsible for the internal and external maintenance and repair of the surgery.
- After the review by the District Auditor, the Medical Practice accepted the new rental figure of £14,364 per year and this was backdated to November 2017 (the date the review was due).

### April 2019

- The Stradbroke Trust surrendered the Head Lease with the Parish Council on 1<sup>st</sup> April 2019.
- Parish Council became the Landlord of the Medical Practice and receives the rent of £1197 per month.

### November 2020 -New Lease

The current lease expires in November 2020. The Medical Practice has requested that the terms of the new lease reflect the current way of working, whilst keeping the contractual terms broadly the same: length, break clauses, rent review (mechanism and timing), Landlord/Tenant responsibilities. The Parish Council has instructed a solicitor to draw up a new lease. The solicitor has recommended that an up to date rental figure is included in the new lease.

## B. Parish Council Expenditure on Health Centre since April 2019

<b>Revenue 2019</b>	Administration	Managing & insuring the building, and legal costs	<b>£6,311</b>
	Assessments	Statutory fire & legionella assessments.	<b>£616</b>
	Maintenance	Gardening and servicing of air conditioning units	<b>£1,568</b>
	Repairs	Day to day repairs, such as blocked drains and broken locks.	<b>£1,333</b>
<b>Capital 2019</b>	Alarm system upgrade	To centralise the alarm system to the emergency services	<b>£2,210</b>
<b>Forecast Revenue 2020</b>	Administration	Managing & insuring the building	<b>£3,500</b>
	Assessments	Statutory fire & hardwiring assessments	<b>£1,550</b>
	Maintenance	Air con servicing, gardening, tree works, car park work, asbestos encapsulation & desilting ditch to prevent flooding.	<b>£6,750</b>
	Repairs	Windows, bargeboards/soffits, lead flashing, manhole cover replacement – plus day to day repairs as above.	<b>£5,050</b>
<b>Forecast Capital 2020</b>	Upgrade to facilities	Replace 3 x water heaters and all taps, extra air conditioning units, insulation in loft space, vinyl flooring to replace carpets (Phase 1 of works required).	<b>£18,550</b>