

Operational Decision Record

Publication Date 12 April 2024	Decision Reference Number 5113
Decision Title	
Broad Marsh – Nottingham University Hospitals NHS Trust – Community Diagnostics Centre	
Decision Value	
£100,000	
Revenue or Capital Spend?	
Revenue	
Department	
Growth and City Development	
Contact Officer (Name, job title, and contact details)	
Paul Seddon - Director of Planning and Transport	
Decision Taken	
<ol style="list-style-type: none">1. Approval to proceed with appointment of external consultants to undertake further due diligence and technical checks on the Nottingham University Hospitals NHS Trust (Trust) RIBA Stage 3 design and other activities to support the process of agreement of the Lease, Agreement for Lease (AFL) & Licence for Works (LFW) relating to disposal of land at the former Broad Marsh Shopping Centre to enable the Trust to construct a new Community Diagnostic Centre (CDC).2. To allocate £100,000 of revenue funding to undertake the above work. <p>NB A Portfolio Holders Decision to seek approval to enter into the final Lease of the land is to be submitted in due course.</p>	
Reasons for Decision and Background Information	
The proposed CDC would provide significant investment in the city centre helping to drive improved footfall and supporting general health provision through enhanced NHS diagnostic services in an accessible location for citizens. The CDC provides an early opportunity to bring forward development of a notable proportion of the Broad Marsh site.	

The proposed CDC site is part of the Broad Marsh site and is fully connected to the remainder of the Broad Marsh site in respect of the building fabric, structure and Mechanical & Electrical services. It is also integral to providing 3rd party access rights across the roof top service deck.

In consideration of executing the Lease/AFL/LFW with the Trust the Council have to consider how the leased area will be 'de-coupled' from the retained Broad Marsh site, ensuring existing legal 3rd party access rights are maintained. The Council also need to ensure that in executing the Lease with the Trust it does not compromise the delivery of the future master plan proposals.

Whilst its the Trust responsibility to design the new building and ensure these issues are addressed, the Councils team need to carefully monitor the Trusts developing design proposals to identify wherever possible any issues with the developing design documents.

The RIBA Stage 3 design has been issued by the Trust which amounts to more than 180 documents. These documents need to be reviewed by a Project Manager, Civil & Structural Engineer and M&E Engineer and the Councils Master Planners, to ensure there are no issues, and all documents necessary to be appended to the Lease/AFL/LFW are acceptable to the Council. This is a significant piece of work to execute in a short period of time, and so external consultant support (Project Manager and design team) are required.

There are also other issues to address summarised below:

- Resolving remaining queries on planning application.
- Agreement of specifications to define the scope of Trust works and Council works to facilitate CDC.
- Managing access to site for ongoing surveys.
- Review of all construction documentation to be enshrined in the Lease/AFL/LFW including drawings, specifications, programmes etc, and in particular detailed method statement from Trust for delivery of all works and resolving interface issues with retained Concrete Frame and Green Heart Phase 2.
- Working with Regeneration colleagues to resolve FHSF funding for public realm and delivery issues.
- Working with Legal/Property on delivery aspects of the Lease/AFL/LFW.
- Ongoing management of CDC Steering Group meetings and attendance at Design Team Meetings.

Costs are for up to exchange of Lease/AFL/LFW, the timescales for this are yet to be determined. Costs are estimated costs at this stage as until the documents can be reviewed final fixed costs cannot be determined.

There may be further costs for the period after the exchange of Lease/AFL/LFW, but these are excluded from this request. These fees cannot be determined until after the Council know the contents of the Lease/AFL/LFW and protocols thereafter.

Noted below are the activities and suppliers to be appointed.

ACTIVITY	SUPPLIER
Project Management	Perfect Circle
Quantity Surveying	Perfect Circle
M&E Engineers	Perfect Circle
Structural Engineers	Perfect Circle
Master Planner	BDP

Spending Board Approval has been given and is recorded in Spending Board Approval ID6648 for the full £100,000.

The Trust have agreed to contribute £100,000 towards the Councils costs and this is documented in the signed heads of terms.

Other Options Considered and why these were rejected

Do Nothing option

The do nothing option is to not undertake the necessary due diligence before entering into the Lease.

This would have the effect of:

1. Significantly slowing progress and risk the Trust pulling out of the arrangement, and ...
2. If no technical support to Legal colleagues was provided this would ultimately mean the Council would not have undertaken any due diligence into the Trusts technical proposals before exchange of the Lease/AFL/LFW. This would open the Council to significant ongoing risks, if the Council exchanged the Lease/AFL/LFW.

Reasons why this decision is classified as operational

The decision is below the £300,000 threshold and falls within the delegated authority given to the Corporate Director for Growth and City Development.

Additional Information

Officer Observations

Legal

Refer to Exempt Appendix

Finance – The expenditure within this decision has been signed off within Spending Board Approval ID6648. The expenditure within decision does not meet the required capitalisation criteria and therefore is required to be treated as revenue expenditure.

As identified within the reported the £100k of costs is to be funded by a contribution from the Trust. The exempt comments identify potential risks which could have a negative financial impact the project manager is required to manage these risk and liaise with finance colleagues as required.

Tom Straw, Senior Accountant (Capital Programmes) 8th April 2024

Property

Strategic Assets & Property are working with Legal Services to produce a suite of legal agreements to facilitate the CDC project. The project will require significant changes to be undertaken to the property and these need to be recoded in a Licence to Works (LTW). A LTW is an industry standard document which records that the Landlord is giving consent to the works as long as they are completed as per the details/drawings and technical information contained in the LTW. The LTW is intended to give both parties accurate details as to the works and how they will be completed, and it helps avoid potential disagreement and protects the retained asset.

To ensure the works are properly documented and that they do not compromise the Council's retained asset the works need to be technically reviewed. The Council do not have the required in-house expertise to undertake this review therefore external resource is required. If this external advice is not secured the Council faces potential risk in agreeing to works

Heads of Terms have been agreed with the tenant and there is an agreement on the payment of costs, the detail of which is confidential and further comments are contained in the Exempt Appendix.

Comments provide by Beverley Gouveia, Head of Property. 15th March 2024.

Procurement

This decision seeks to approve an additional £100,000 spend on professional consultants in addition to the £90,000 approved previously on this scheme. Of the consultants listed, Perfect Circle JV Ltd have been appointed using the Scape National Consultancy framework, which is compliant with Contract Procedure Rules; and the estimated spend for Building Design Partnership Ltd is £5,000 at which value the appointment can be made without having to seek quotes in line with Article 18.66 of the Constitution on the understanding that the Corporate Director has ensured that the most suitable arrangement has been secured for the Council and that the details will be recorded in writing.

Key Risk and Opportunities.

The key initial risk is that the Council expends this money to prepare for exchange of the Lease/AFL/LFW, and the Lease doesn't ultimately get signed and this money would be abortive costs for the Council.

Decision Maker (Name and Job Title)
--

Sajeeda Rose – Corporate Director of Growth and City Development
--

Scheme of Delegation Reference Number
--

1

Date Decision Taken

8 th April 2024
