

## Loxley House, Station Street, Nottingham NG2 3NG - Procurement of Landlord Works

### Background:

Leaders Key Decision 5154 was approved on 2/8/2024 to enter a lease with Government Property Agency (GPA) for subletting of a part of the 4th floor Loxley House, Nottingham. To enable the letting to be progressed a series of Landlords works need to be completed. The works include:

- The creation of lobbies around the central lifts to create secure areas for the Council and its third-party tenants.
- Additional Paxton door entry systems to stair wells to provide security.
- Electrical works to allow monitoring of energy usage to 4<sup>th</sup> floor.
- CDM (design management) and QS input (costings review).
- Project Management services.
- Amendments to IT where required.

The cost of these works is estimated at £398K which will be funded from the repairs and maintenance budgets. The capital spend was approved at Capital Board on the 4<sup>th</sup> September 2024.

The approved works are required to ensure Loxley House functions as a multi-occupied building having clearly marked and separated demises which provide secure areas for both NCC staff and tenants. The works will ensure that NCC is complying with its internet security and GDPR requirements and they will ensure that appropriate re-charging for utilities etc is undertaken. The works will also be beneficial when marketing the remaining vacant space in the building as it will demonstrate that Loxley House is set up and functioning as a multi-occupied office building. Without these works being implemented the letting of the 4<sup>th</sup> and eventually 3<sup>rd</sup> floors may not be possible and significant revenue streams would be lost or greatly reduced.

To undertake these works the Council needs to enter appropriate contracts with contractors and this approval is seeking this authority.

### Risks/Benefits:

Risk/Benefit	Explanation/Mitigation
Cost of works escalates	<p>A significant amount of design and QS costing review work has been undertaken which has scoped out the works and their costs which will reduce the potential for cost escalation.</p> <p>There is always a risk that unknown factors can cause costs to rise, and this is mitigated through a contingency sum and continual review by the QS.</p>
Additional works are identified during the project	<p>A thorough design review and input from the design team should eliminate the requirement for additional works. Again, unknown factors resulting in increased works will be mitigated through a contingency sum.</p>
Delay in completing the works	<p>The works will need to be completed in line with the expected occupation of the GPA in early 2025. Potential delays to works will be identified early via the dedicated project management</p>

	resource working with the contractor team. Delays will be communicated as early as possible to the project team and tenant.
Works are not value for money	The works are being procured via a framework provider with the contractors being procured through a competitive process. The resulting costs are also subject to review by a qualified Quantity Surveyor who will confirm best value has been obtained.
Works will provide clear demises.	By providing clearly marked and secure demises the Council is facilitating the potential letting of its surplus space. Third party tenants will expect a secure demise and these works will provide that level of specification and ensure the space appeals to the market.
Income production	The works will allow flexible space to be let to third parties at market rents which will generate significant levels of revenue for the Council.