

Executive Board – 17th December 2024

Subject:	Letting of Suites 1-4, First Floor, The Elizabeth Garrett Anderson Building (EGA), Nottingham Science Park, Jesse Boot Avenue, Nottingham NG7 2RU
Corporate Director(s)/Director(s):	Nicki Jenkins – Corporate Director for Growth and City Development
Executive Member(s):	Councillor Ethan Radford – Deputy Leader & Executive Member for Skills, Growth and Economic Development
Report author and contact details:	Andy Nuttall – Senior Estates Surveyor andy.nuttall@nottinghamcity.gov.uk
Other colleagues who have provided input:	Bevis Mackie – Corporate Portfolio & Investment Manager Mick Suggett – Solicitor - Team Leader Conveyancing Sarah Baker – Senior Commercial Business Partner (Strategic Assets & Property)
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:
Total value of the decision:	See Exempt Appendix
Section 151 Officer expenditure approval	Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a Spend Control Board approval reference number:
Commissioner Consideration	Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed below.
Wards affected:	Lenton & Wollaton East
Date of consultation with Executive Member(s):	17 th December 2024
Relevant Council Plan Key Outcome:	
Clean, Green and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Living Well in Our Communities	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
Letting of vacant first floor Grade A office suites at the Elizabeth Garrett Anderson Building, Nottingham Science Park, the terms of which represent best consideration.	
The unit has been openly marketed by a commercial property letting Agent which has recommended the Council accept the heads of terms for lease.	

The letting will provide a significant rental income and remove existing void costs.

Does this report contain any information that is exempt from publication?

This report/ an appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of particular persons (including the authority holding the information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it could prejudice future negotiations.

The appendix to this report is exempt from publication under paragraph number 5 of Schedule 12A to the Local Government Act 1972 because it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings relating to a proposed transaction and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it contains confidential legal advice in respect of the proposed transaction and disclosure could prejudice the Council's position.

Recommendation(s):

- 1** To approve the lease terms agreed with the prospective tenant in respect of the subject property as set out within the attached exempt appendix.
- 2** Approve the payment of associated fees.
- 3** To delegate the approval of any required final terms and conditions, save for rent, to the Director of Economic Development & Property

1. Reasons for recommendations

- 1.1 The property is currently vacant, with the opportunity marketed by an external agent on behalf of the Council. Heads of terms for lease have been negotiated with the prospective tenant at market rental value representing Best Consideration.

2. Background (including outcomes of consultation)

- 2.1 The subject property consisting of four first floor office suites totalling 10,603 sq.ft. forming part of the Elizabeth Garrett Anderson Building, a three storey Grade A office Building comprising 22,723 sq.ft. with café and conference room located on Nottingham Science Park. The property is vacant and has been marketed by an external commercial property agent on the Council's behalf. Following negotiations with the prospective tenant heads of terms for lease have been agreed and are recommended for approval. The terms agreed are at market rental value and represent best consideration to the Council. By granting the lease the Council will reduce costs associated with the existing void and produce a significant income towards the Council's income targets

3. Other options considered in making recommendations

- 3.1 Not to proceed with the letting to the prospective tenant – this is not recommended as this is a significant letting at the property on market facing terms providing a rental income at market rental value over the lease term which will remove the Council's liability for ongoing void costs.

4. Consideration of Risk

- 4.1 The proposed letting would ensure office suites 1-4 are let under a single transaction providing a single secure revenue stream and remove the financial risks associated with separate lettings, remove ongoing void costs.

5. Best Value Considerations, including consideration of Make or Buy where appropriate

Please detail how best value is demonstrated including consideration of the following:

- DIY- do it yourself through redesign- this is not applicable to the decision being considered. The assets are not part of any service redesign.
- BIY- buy it yourself e.g. procurement - the appointment of a specialist property consultant will be completed in line with Best Value having regard to pricing and quality of the service offering.
- BIWO- buy it with others- joint procurement - not applicable, the Council is the sole owner of the asset.
- DIWO- do it with others e.g. shared services/ partnerships with local authorities – not applicable
- DIFO – do it for others- trading and income enhancement – not applicable
- EO- enable others – not applicable
- REDUCE- service standards commensurate with affordability – not applicable
- STOP - this is not an option, there is a potential opportunity to generate rental income

6. Commissioner comments

- 6.1 Commissioners have reviewed and approved with no further commentary

7. Finance colleague comments (including implications and value for money/VAT)

- 7.1 Finance comments are contained in the exempt appendix to this report.

Sarah Baker, Senior Commercial Business Partner (Corporate Landlord), 22/11/24

8. Legal colleague comments

- 8.1 Legal Services' comments are contained in the exempt appendix to this report.

Mick Suggett, Solicitor & Team Leader, Conveyancing Team, Legal Services, 18th November 2024.

9. Other relevant comments (Corporate Landlord Services)

9.1 Comments are provided in the exempt appendix to this report

Bevis Mackie – Corporate Portfolio & Investment Manager 19/11/2024

10. Crime and Disorder Implications (If Applicable)

10.1 N/a

11. Social value considerations (If Applicable)

11.1 N/a

12. Regard to the NHS Constitution (If Applicable)

12.1 N/a

13. Equality Impact Assessment (EIA)

13.1 Has the equality impact of the proposals in this report been assessed?

No
An EIA is not required because this decision does not include principles for new or changing policies, services or functions

Yes

14. Data Protection Impact Assessment (DPIA)

14.1 Has the data protection impact of the proposals in this report been assessed?

No
A DPIA is not required because this decision does not involve the collection or storage of data.

Yes

15. Carbon Impact Assessment (CIA)

15.1 Has the carbon impact of the proposals in this report been assessed?

No
A CIA is not required because this decision is concerned with the granting of a lease for a commercial property asset to the prospective tenant which will occupy the premises for the purpose of carrying out its business activities

Yes

16. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

16.1 None

17. Published documents referred to in this report

17.1 None