

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:	2676
Author:	Aidan Jackson
Department:	Development
Contact:	Aidan Jackson (Job Title: Bidding and Funding unit Manager, Email: aidan.jackson@nottinghamcity.gov.uk, Phone: 01158763150)
Subject:	Refurbishment Works at 58 Carlton Road and Space 2
Total Value:	£360,000 (Type: Capital)
Decision Being Taken:	<ol style="list-style-type: none"><li>1. To accept up to £180,000 from the Local Growth Fund (LGF) to carry out works to 58 Carlton Road and part of Space 2, matched by £180,000 of Nottingham City Council funds</li><li>2. To approve the use of the Scape EMPA framework to appoint a building contractor</li><li>3. To delegate authority to the Director of Strategic Assets and Property to sign contracts once the final cost, and specification for refurbishment of both buildings, and identification of the area in Space 2 to be refurbished, has been finalised.</li></ol>

**Reasons for the Decision(s)**

The Creative Quarter is the flagship project for economic growth in Nottingham's City Deal and a feature of the D2N2 strategic Economic Plan. In order to achieve its ambition, the area needs to provide high-quality infrastructure and creative workspace for businesses as well as a compelling offer for business visitors and tourists. The project aligns with the Nottingham City Growth Plan which highlights a need to reconnect with Nottingham's historical roots as a centre of manufacturing excellence and enterprise.

In 2015 using European Regional Development Fund (ERDF) funding of £3.743m and Nottingham City Council match funding the City Council restored a derelict building to a shell and core fitting, with the intention of completing the refurbishment of individual units once lettings have been agreed. Following a period of marketing it is now considered advantageous to complete the refurbishment before letting the buildings.

The intention now is to work on at least one of the unlet parts of the Space 2 building (at least 91 sq.m 979.52 sq.ft) to enhance the refurbishment to a specification which would make the buildings attractive to tenants, by creating a number of ready to move units for start-ups and Small and Medium Enterprises (SMEs). This project will support the existing business plan for Space 2 which seeks to attract the creation and growth of creative industries in Nottingham, and will provide 'ready to go' modern workspace for digital and creative quality local jobs for residents of disadvantaged communities. 2.5 jobs will be created.

The scheme will be funded by the purchase of 58 Carlton Road, as match funding (£180,000) and £180,000 from the D2N2 (Local Enterprise Partnership) LEP Local Growth Fund (LGF). It will provide additional lettable space of 216.73 sq.m (2332 sq.ft), which will support at least an additional 5 jobs (Homes and Communities Agency (HCA) Employment Densities Guide 2015). In order to satisfy the condition of the grant funding this building would have to be included as part of the wider creative offer incorporating Space 2.

The City Council Major Projects Team has agreed costs for the above refurbishments, based on a specified schedule of works, from a building contractor on the SCAPE EMPA Framework. This is a compliant approach with LGF funding criteria.

**Other Options Considered:**

1. Not accepting the grant was rejected as it would lose an opportunity to fund the completion of some of the units and 58 Carlton Road to a lettable standard. It would also leave the tenants to fit out the units, which there is little interest in.
2. Nottingham City Council funding and reclaiming the costs through the lease was rejected as the rental gained is likely to be insufficient to fund the fit out.

**Background Papers:**

None

**Published Works:**

None

**Affected Wards:**

St Ann's

**Colleague / Councillor Interests:**

None

**Consultations:**

Those not consulted are not directly affected by the decision.

**Crime and Disorder Implications:**

The refurbishment of the buildings and subsequent reuse as a site for creative industries companies will support the economic regeneration of the area. In addition, it will enable a safer neighbourhood by improving the quality of the built environment. This will improve the security and will provide higher occupational levels which will reduce the risk of crime in and around the area. The project will result in the refurbishment of semi derelict buildings that could attract anti-social behaviour and so reduce opportunity for that behaviour.

**Equality:**

EIA not required. Reasons: The decision does not relate to a new or changing policies, services or functions.

**Social Value Considerations:**

The procurement is for up to £180,000 of construction works. The contractor will be taken from the compliant Scape (EMPA) framework.

**Relates to Council Property Assets:**

Yes

**Decision Type:**

Portfolio Holder

**Subject to Call In:**

No

The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.

**Person Consulted:** Brian Parbutt

**Consultation Date:** 18/11/2016

The D2N2 LEP funding has to be spent by 31/03/2017. A contractor is in place and ready to start work. The delivery plan has a timescale and an early start is needed to ensure a timely finish.

**Advice Sought:**

Legal, Finance, Procurement, Property

**Legal Advice:**

Legal has no significant concerns with accepting the grant and procuring the works.

However, the Council will need to ensure that the strictures imposed by Article 53 General Block Exemption Regulations (which provide exemptions form state aid) are adhered to.

The proposed works will need to be procured in accordance with council procedures.

Legal is available to assist. Advice provided by Brian Lewis Stewart (Solicitor) on 04/11/2016.

**Finance Advice:**

The cost of the work on the Space 2 building is estimated to be £360,000 which includes an amount for contingency. The agreement with the building company who will complete the refurbishment is for a fixed price contract to ensure that the Council does not bear the risk of any overspend. The cost of the work will be funded from the D2N2 LEP Local Growth Fund (which has been approved) and match funding from the Council from the purchase of 58 Carlton Road. This property has already been purchased and therefore there is no risk to the Council. The use of this as match funding is in line with the agreement. Advice provided by Susan Tytherleigh (Senior Finance Manager) on 17/11/2016.

**Procurement Advice:**

Following discussions with the client I understand that they are proposing to use The EMPAii Regional Intermediate Framework. This framework provides both a compliant and value for money option for the works to be undertaken. Therefore there are no significant concerns with the recommendations set out in the decision. Advice provided by Sue Oliver (Category Manager - Procurement) on 27/10/2016.

**Property Advice:**

The author of the decision has consulted with Property to seek our advice throughout the approval process.  
Advice provided by Pippa Hall (Senior Estates Surveyor) on 25/10/2016.

**Signatures**

Jon Collins (Leader & PH Strategic Regeneration)
SIGNED and Dated: 05/12/2016
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 28/11/2016