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Award

Ground Lease in respect of land at Southend Hospital

Mid and South Essex NHS Foundation Trust

UK6: Contract award notice - Procurement Act 2023 - <u>view information about notice types</u> Notice identifier: 2025/S 000-017540 Procurement identifier (OCID): ocds-h6vhtk-0504b3 (<u>view related notices</u>) Published 29 April 2025, 11:16am

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Scope

Reference

172MSEFT

Description

The Mid and South Essex NHS Foundation Trust" ("MSEFT") intends to enter into an Option Agreement with Noviniti Dev Co 12 Ltd ("Noviniti") giving Noviniti the right to call for a Ground Lease in respect of land at Southend Hospital ("the Hospital") as the site of a proposed building for intended hospital uses and clinical space including a Day Surgery Unit ("the Potential Development").

The Option Agreement will be for an initial period of 39 weeks (subject to extension). MSEFT has had valuation advice and will grant the Ground Lease (which will be for a term of 45 years

subject to earlier break rights) ("the Ground Lease") at a premium which reflects market value as advised by independent valuation advice.

The Ground Lease does not contain any development obligations upon Noviniti and does not in itself permit Noviniti to undertake the Potential Development unless MSEFT elects to grant a Licence for Alterations to Noviniti authorising it to undertake the Potential Development.

The contractual arrangements are structured as a land contract within Schedule 2 paragraph 8 of the Procurement Act 2023 ("the Act") and underlying case law, and as such an "exempted contract" for the purposes of the Act and the Procurement Regulations 2024.

Whilst the Option Agreement and Ground Lease contain no provisions authorising the Permitted Development, MSEFT contemplates the possibility that it may choose to enter into further contractual arrangements with Noviniti at a point in the future (subject to separate MSEFT authorisations) subject to terms being agreed between Noviniti and MSEFT. If terms are agreed, then MSEFT may authorise Noviniti to undertake the Permitted Development via a Licence for Alterations. At that stage, Noviniti and MSEFT (together with other relevant third parties) would enter into an Agreement for Underleases leading to (inter alia) the construction of the Potential Development and the grant of underleases to MSEFT of parts of the completed Potential Development.

In the event that MSEFT chooses not to enter into further documentation with Noviniti, then MSEFT will have a right to terminate the Ground Lease on the second anniversary of the date of the grant of the Ground Lease, provided that works to construct the Potential Development have not commenced. The Ground Lease is subject to a further break clause in favour of MSEFT on the 40th anniversary of the date of grant of the Ground Lease. Noviniti will also have the right to break the Ground Lease at the expiry of the first anniversary of the Ground Lease.

The arrangements referenced in this Notice were the subject of a Transparency Notice published on 17 April 2025.

Contract 1. Ground Lease in respect of land at Southend

Hospital

Supplier

NOVINITI LIMITED

Contract value

- £50,000 excluding VAT
- £50,000 including VAT

Below the relevant threshold

Award decision date

13 February 2025

Earliest date the contract will be signed

14 May 2025

Contract dates (estimated)

- 15 May 2025 to 12 February 2026
- 8 months, 29 days

Main procurement category

Works

CPV classifications

- 45000000 Construction work
- 45215100 Construction work for buildings relating to health
- 45215140 Hospital facilities construction work

Contract locations

• UKH31 - Southend-on-Sea

Procedure

Procedure type

Direct award

Supplier

NOVINITI LIMITED

• Public Procurement Organisation Number: PVRL-4598-ZWVM

Unit 2 Newby Stables

Ripon

HG4 5AE

United Kingdom

Email: info@noviniti.co.uk

Website: http://noviniti.co.uk

Region: UKE22 - North Yorkshire CC

Small or medium-sized enterprise (SME): No

Voluntary, community or social enterprise (VCSE): No

Contract 1. Ground Lease in respect of land at Southend Hospital

Contracting authority

Mid and South Essex NHS Foundation Trust

• NHS Organisation Data Service: RAJ

Basildon University Hospital, Nether Mayne

Basildon

SS16 5NL

United Kingdom

Email: <u>maninder.dulku@attain.co.uk</u>

Website: https://www.mse.nhs.uk/

Region: UKH37 - Essex Thames Gateway

Organisation type: Public authority - central government