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Award

## **Retail Development**

The Shrewsbury and Telford Hospital NHS Trust

F15: Voluntary ex ante transparency notice

Notice identifier: 2023/S 000-018873

Procurement identifier (OCID): ocds-h6vhtk-03bd40

Published 3 July 2023, 3:53pm

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

The Shrewsbury and Telford Hospital NHS Trust

Mytton Oak Road

Shrewsbury

SY3 8XQ

#### **Contact**

Will Nabih

#### **Email**

[w.nabih@nhs.net](mailto:w.nabih@nhs.net)

#### **Telephone**

+44 1743261456

#### **Country**

United Kingdom

**Region code**

UKG22 - Shropshire CC

**Internet address(es)**

Main address

<https://www.sath.nhs.uk/>

Buyer's address

<https://www.sath.nhs.uk/>

**I.4) Type of the contracting authority**

Body governed by public law

**I.5) Main activity**

Health

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## Section II: Object

### II.1) Scope of the procurement

#### II.1.1) Title

Retail Development

#### II.1.2) Main CPV code

- 45213100 - Construction work for commercial buildings

#### II.1.3) Type of contract

Works

#### II.1.4) Short description

The Shrewsbury and Telford Hospital NHS Trust ("SATH") intends to enter into contractual arrangements with Noviniti Dev Co 1 Limited ("Noviniti") and Compass Contract Services (UK) Limited ("Compass") and Compass Group (UK and Ireland) Limited (as Guarantor) in respect of a new retail and administrative use development being constructed by SATH at the Princess Royal Hospital in Telford ("the Hospital") ("the Building") . The documents to be executed by SATH comprise a Principal Agreement for Underleases ("S2AFL") and a Licence for Alterations ("LTA") to be granted to Noviniti to permit Noviniti to undertake internal alterations and fit-out works pursuant to Noviniti's lease of the ground floor of the Building ("Noviniti Works"). The contractual arrangements are structured as a land transaction exempt from the Public Contracts Regulations 2015 ("PCR") and the Concession Contracts Regulations 2016 ("CCR").

#### II.1.6) Information about lots

This contract is divided into lots: No

#### II.1.7) Total value of the procurement (excluding VAT)

Lowest offer: £1,000,000 / Highest offer: £3,000,000 taken into consideration

### II.2) Description

#### II.2.3) Place of performance

NUTS codes

- UKG21 - Telford and Wrekin

Main site or place of performance

Telford

#### **II.2.4) Description of the procurement**

SATH intends to enter into the S2AFL with Noviniti, Compass and the Guarantor and the LTA with Noviniti. Under the S2AFL and the LTA, Noviniti has the right to undertake the Noviniti Works at the Building. Following completion of the Noviniti Works, Noviniti will grant leases of the retail space to Compass and a lease of the communal space to SATH. SATH will be obliged to accept leases of the retail space directly from Noviniti if Compass defaults. SATH has structured the contractual arrangements as a land transaction exempt from the Public Contracts Regulations 2015 and the Concession Contracts Regulations 2016.

#### **II.2.5) Award criteria**

Price

#### **II.2.11) Information about options**

Options: No

#### **II.2.13) Information about European Union Funds**

The procurement is related to a project and/or programme financed by European Union funds: No

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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.1) Type of procedure**

Award of a contract without prior publication of a call for competition in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

The subject of this notice is the proposal by SATH to enter into the contractual arrangements contained in the S2AFL and the LTA. These arrangements follow-on from

the Agreement for Lease dated 19 May 2023 entered into between SATH and Noviniti ("S1AFL") relating to the grant to Noviniti of a lease of the ground floor of the Building for a term of 33 years ("the Noviniti Lease"). Completion of that lease will take place following completion by SATH of the relevant parts of the building works being undertaken by SATH in the construction of the Building. The S1AFL was the subject of a VEAT Notice published by SATH on 6 April 2023.

Under the terms of the S2AFL Noviniti is not obliged to undertake the Noviniti Works but if it fails to do so, SATH may terminate the Noviniti Lease. the Noviniti Lease contains a break right in favour of SATH in the event that Noviniti does not commence the Noviniti Works by an agreed deadline. It has a similar break right where Noviniti fails to complete the Noviniti Works by an agreed deadline.

Where Noviniti completes the Noviniti Works then under the S2AFL it may call for Compass and the Guarantor to accept leases of the retail areas within the Building for a term of 15 years and for SATH to accept reversionary leases of those areas for a further term of 15 years. (There is also a provision for SATH to accept a lease of the communal areas of the Building at a peppercorn rent and to accept a sublease from Compass of one of the retail units at a peppercorn rent.)

SATH considers that the arrangements fall within the land exemption under Regulation 10(1)(a) PCR and/or regulation 10(11)(a) CCR.

Noviniti is under no obligation to serve notice to elect to carry out the Noviniti Works. No public works contract arises due to the lack of an enforceable obligation.

Following completion of the Noviniti Lease Noviniti has the exclusive right to undertake the Noviniti Works for as long as the Noviniti Lease remains in operation and until such time as any of SATH break rights under the Noviniti Lease become capable of exercise.

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: No

### **IV.2) Administrative information**

#### **IV.2.1) Previous publication concerning this procedure**

Notice number: [2023/S 000-010137](#)

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## **Section V. Award of contract/concession**

A contract/lot is awarded: Yes

### **V.2) Award of contract/concession**

#### **V.2.1) Date of conclusion of the contract**

3 July 2023

#### **V.2.2) Information about tenders**

The contract has been awarded to a group of economic operators: No

#### **V.2.3) Name and address of the contractor/concessionaire**

Noviniti Dev Co 1 Limited

Unit 2 Newby Stables, Newby Hall Town HG5AE

Ripon

HG4 5AE

Email

[jonathan.houlston@noviniti.co.uk](mailto:jonathan.houlston@noviniti.co.uk)

Country

United Kingdom

NUTS code

- UKE22 - North Yorkshire CC

The contractor/concessionaire is an SME

No

#### **V.2.4) Information on value of contract/lot/concession (excluding VAT)**

Lowest offer: £1,000,000 / Highest offer: £3,000,000 taken into consideration

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## **Section VI. Complementary information**

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

Royal Courts of Justice

London

London

London

Country

United Kingdom

Internet address

<https://www.justice.gov.uk>