

D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)**30 June 2017****City Hub Project-Progress Report****EXECUTIVE SUMMARY**

The City Hub Project is underway in earnest and has robust governance arrangements in place to develop a meaningful solution to achieve the investment case outcomes for 2020. The project is on schedule and on budget to deliver a campus for students from September 2020. Funding is in place, the Land transfer deal for Broad Marsh East together with the Council's new Facilities Agreement is anticipated for Mid-July 2017 to comply with TU Conditions Subsequent to the merger. A Stage 2 business case will be presented to the LEP's IIB at the end of March 2018, and will address the achievement of project outcomes as described in more detail below.

INTRODUCTION

This is an exciting time, the newly merged Nottingham College brings together Central College and New College Nottingham with one goal – to revolutionise further education and focus on re-engineering the curriculum to meet the needs of employers. Nottingham College will help to plug the regional skills gap, grow the economy, raise productivity through innovation and job creation and create meaningful life chances for our students. The College estate is a key component in providing a high quality student experience. The City Hub Project will deliver a hub and focal point in the City of Nottingham showcasing the work of students and helping to deliver the employability and skills required for the economic area.

PROJECT TIMELINE

The project is tracking on schedule and within budget with Gateway 1 achieved:-

Gateway 1: RIBA Stg 1 - Fix baseline brief	Completed - May 2017
Gateway 2: RIBA Stg 2	July 2017
Gateway 3: RIBA Stg 3	Dec 2017
Planning Application	Nov 2017
Appointment of a Preferred Bidder	Feb 2018
Stage 2 Business Case application	Mar 2018
Complete Site Enabling works	Apr 2018
RIBA Stage 4 design complete	Mar/Apr 2018

Appointment of Contractor	Jun/July 2018
Complete Construction	July 2020
College open	Sept 2020

GOVERNANCE AND MONITORING

Regular Capital Project Board meetings are being taken monthly and Governance arrangements now include oversight by investors; being David Ralph from the LEP D2N2, and Chris Henning from the City Council. The Site Enabling works are now being funded direct from the LEP to the City Council.

The City Council will report progress to discharging the Enabling works on the BME Site to the Capital Project Board and Governance will be updated to reflect this arrangement.

FUNDING AGREEMENT

In accordance with the *LGF Pre-Compliance funding – Grant Confirmation Document*, the College are preparing a full Local Assurance Framework compliant Stage 2 business case for the end of March 2018.

HEADS OF TERMS

The Heads of Terms Agreement has been completed with the City Council for the Land Transaction. This Agreement will form the basis of the Facilities Agreement, which is scheduled for completion mid-July 2017.

ESTATE UTILISATION NUMBERS

The aim for the College is to divest in poor quality accommodation and reduce backlog maintenance, improving the efficiency and resilience of the overall estate and advancing the overall effectiveness of buildings and aesthetics for those working in these buildings. The new City Hub building will provide c.1.8m Guided Learning Hours versus an overall total College requirement for c.5.7m. A new City Hub building will unlock opportunities on other College sites to enable faculty areas to be consolidated more easily and provide opportunity for future land disposals giving the College a tighter more focussed footprint and contributing operational savings.

COST, BUDGET AND CASHFLOW

The budget for the City Hub Project has been ring fenced at £58m and is split into three tranches of LEP funding, NCC funding and NC funding. The Site Enabling works of £1.2m are being financed direct from the LEP to NCC and the respective contributions are summarised in the table below:

Funder	Main building works £m	Enabling works £m	Total Allocation £m
LEP (D2N2) Grant	28.8	1.2	30.0
NCC Loan	18.0	0.0	18.0
NC Ops surplus	10.0	0.0	10.0
TOTALs	56.8	1.2	58.0

The budget is currently split into four cost departments equating to the total budget of £58.0m:-

- Pre-construction works and fees incl surveys,
- The Main contract works,
- Client direct fees and
- Contingency

The budget is based on the SFA cost model, and is reflective of the 15,300m² Schedule of Accommodation. Work is ongoing to produce an Order of Cost Plan, which will be used to benchmark building elements and to guide the design team as a solution is developed and the scheme progresses.

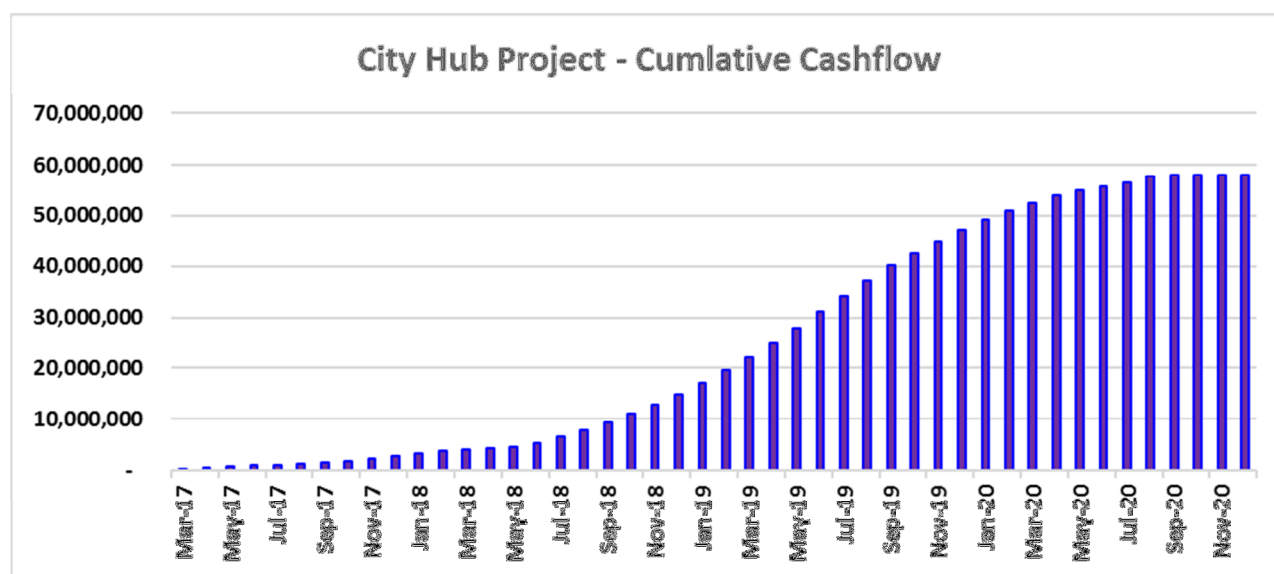
The Anticipated Cashflow and Funder break-points are highlighted in the chart below. These figures are based on the current programme which covers a period of three years. Construction costs will be further refined as a preferred partner is appointed.

RISK

A Project Management Office (PMO) has been established to manage the process to deliver the City Hub Scheme. A Governance process wraps around the work of this team and reports go to a monthly Capital Project Board. As part of good project

management delivery a Risk management process is embedded within the team and different levels of risk are weighed and managed as part of day-to-day works.

CASHFLOW



As shown above drawdown of the LEP £30.0m grant funding has already started and will run through to c. June 2019. NCC investment of £18.0m will start from July 2019 running through to c. January 2020. The final tranche will be through £10.0m of College funding from Jan 2020 to the end of the calendar year.

Expenditure to date from the £58.0m budget is broadly £650k to the end of May 2017. The work to the end of May 2017 has produced a fully functioning Project Management Office within the College based in Ruddington, an agreed set of Governance arrangements, appointment of the Principal Consultants including some sub-consultants and agreement to the land transaction HOTs. The Geo-Tech and Archaeological intrusive surveys for the Broad Marsh East (BME) site are complete. The development of a Client brief and production of GLH model and Schedule of Accommodation has been done, culminating in Gateway 1 sign-off effectively fixing the Client brief. Design themes for the building are well understood and a detailed pre-construction programme has been established including the preferred route to market. The OCE budget has been reviewed and an Order of Cost Plan has been developed for use as a guide/constraint for design development.

As part of Gateway 2 the team are now developing the footprint and massing of the building and its position on the site with further End User engagement taking place to develop floor plans at each level.

OUTCOMES

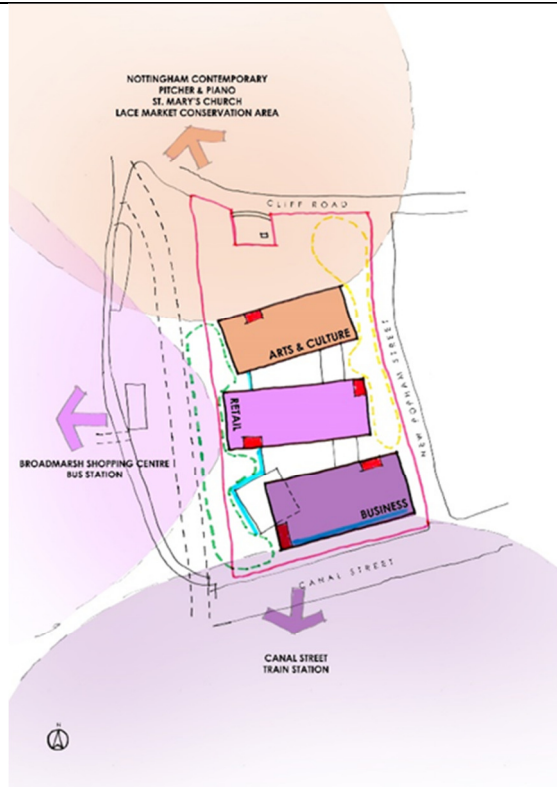
The new City Hub building will meet the current and future skills needs of the major employment and growth markets in the Service, Lifestyle and Creative Industries for the Nottingham economic area, and deliver:

- 450 new jobs created in the construction process and with additional teaching staff;
- new integrated further education and skills provision for Nottingham and its sub-region;
- an estimated 1,426 additional learners relevant to the local skills markets .

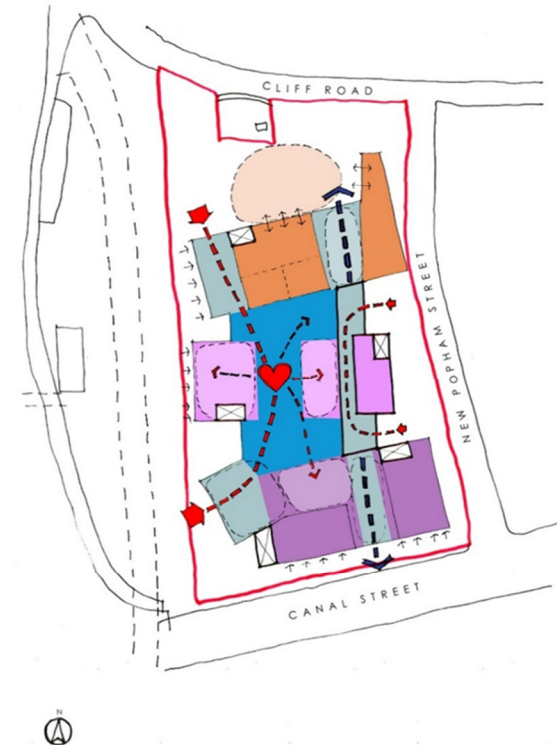
The net result of this project will be the replacement of old, inefficient and inadequate space that is not fit for purpose with a progressive, innovative solution. The new Category A space provided at the Hub will enable the College to decommission and divest itself from other non-viable sites across the City whilst at the same time attracting commercial partners to the Hub for the use of its space, creating a stronger link between employers and students.

PRELIMINARY DESIGN OF THE HUB BUILDING

Below are images of the design as it has developed through Stage 1. These images should be viewed as indicative only as further design principles emerge they will give the building shape and presence. The design is in a very early stage and development is ongoing through commencement of RIBA Stage 2 in June/July 2017.

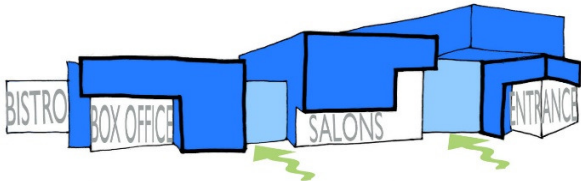
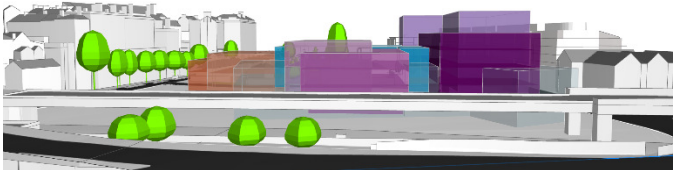
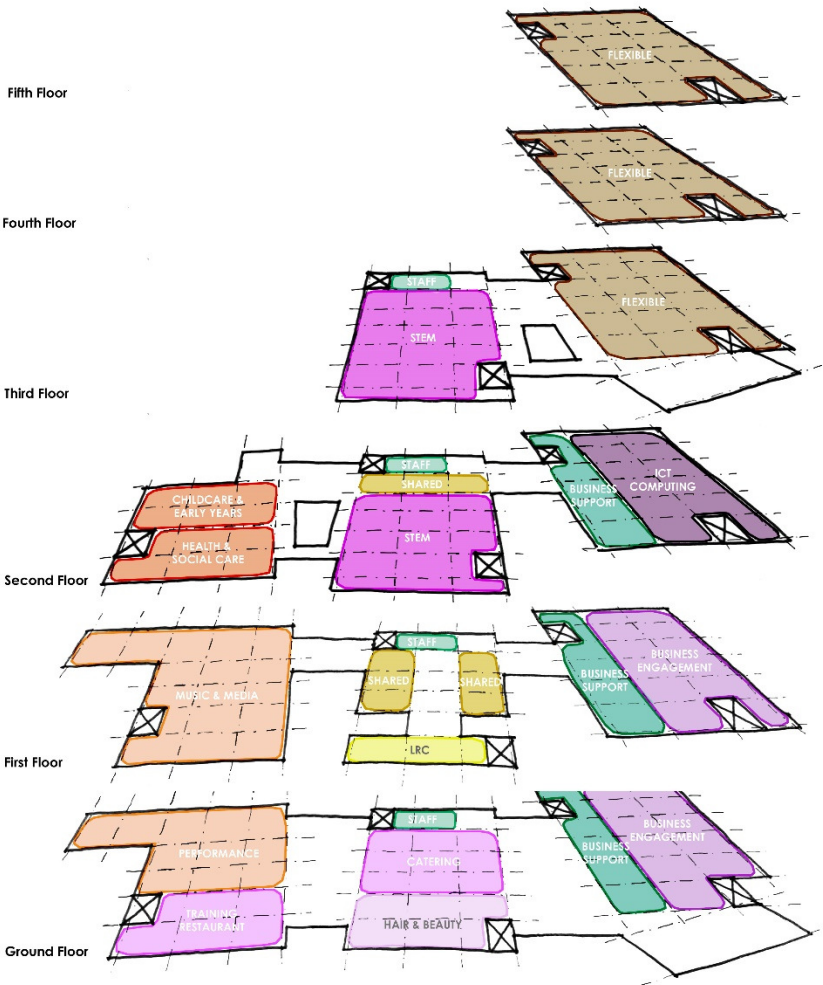


Site layout plan, orientated North-South, illustrating interaction of the three main pillars of the new City Hub building, with surrounding area of the City Southern Gateway.



Site layout plan, orientated North-South, with ground floor building footprint illustrating interaction of the three main pillars of the new City Hub building, and anticipated circulation through the building.

Agenda Item No. 6 (a)
Public

	<p>Elevation of the new City Hub building from the West, illustrating the interaction of the three pillars into the public realm.</p>
	<p>Elevation of the new City Hub building from the West, illustrating the interaction with the tramway and massing.</p>
	<p>Indicative floor plates for the City Hub building, moving through the different levels of the building.</p>