

D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)

29th March 2018

Nottingham City Hub

1.0 Background

In February 2015 DCLG awarded D2N2 Grant Funding to deliver the approved schemes on the Local Growth Fund (LGF).

The LGF comprises of 52 schemes and runs until March 2021.

In March 2015 D2N2 and Derbyshire County Council issued the LGF Local Assurance Framework which sets out the procedures for managing and approving projects.

In April 2015 D2N2 appointed Derbyshire County Council as the Accountable body to administer the Local Assurance Framework.

2.0 Scheme Overview

The Nottingham College City Hub Project is a £58m capital investment which will create a new, state-of-the-art hub for vocational learning and enterprise located in the Broadmarsh area of Nottingham City Centre.

The City Hub Project will supply the skills required for new employment opportunities and growing service sectors including business and scientific services, hospitality, care and childcare, digital and media and performing arts.

It represents a step change in further education (FE) provision by providing a highly visible, flexible facility for learners, businesses, new starts and the wider community with a focus on maximising employer engagement and equipping young people with the skills required to enter employment.

The specific objectives for the project are:

- Deliver a new 15,490m² state-of-the-art FE hub at the heart of Nottingham City Centre, which is highly visible and equipped with industry standard facilities.
 - Provide flexible facilities for learners, businesses and the wider community, including areas which can be operated outside core college hours, thereby future proofing the new capital build.
 - Directly respond to the needs of local employers; supplying the skills required for Nottingham's key employment and growing service sectors including business and scientific services, hospitality, care and childcare, digital and media and performing arts.
 - Attract and accommodate an increase in student numbers between 2020 and 2035, including an increase in apprentices, and support a shift towards higher level skills, meeting the needs of the future service sector.
 - Deliver a step change in employer engagement through shared use of space, co-location, partnerships and sponsorships, and the provision of apprenticeships and work placements.
 - Promote employability, enterprise and progression pathways, with a focus on equipping young people and adults with the skills required to enter local employment.
 - Deliver benefits for individuals and the local economy, supporting both economic and inclusive growth and contributing towards the ambitions of the D2N2 Local Enterprise Partnership.
- Contribute to the regeneration and transformation of the Southern Gateway area in Nottingham

The promoter for this scheme is Nottingham College.

The total project cost is £58,000,000 and is funded as follows:

Funding Source	TOTAL
Nottingham College	£10,000,000

Agenda Item 7		Public
Nottingham City Council – Loan funding to Nottingham College	£18,000,000	
LGF	£30,000,000	
TOTAL	£58,000,000	

3.0 Approvals

Planning permission was approved for the project on the 21st of February 2018

The project received an approval from the College co-operation board meeting on the 22nd January 2018.

4.0 Procurement

The project has procured a main contractor for the works under the National Scape Procurement Framework. A single bidder has been invited to tender for the works and will be formally appointed in June 2018.

5.0 State Aid

The project has been passed as state aid compliant.

6.0 Business Case

Regeneris have confirmed that the project passes the Value for Money test and the project has a 'good' score.

7.0 Delivery Programme

- Construction works begin June 2018
- Practical Completion of the works June 2020
- The new facility opens September 2020.

8.0 Outputs and Outcomes

The project will enable the Nottingham City Hub site to deliver:

- 15,490m² of new floorspace, of which 700m² will be used as business accommodation
- 435 additional core full time students per annum
- 385 additional apprenticeships per annum
- 318.5 FTE positions of staff
- 54 FTEs on site through business co-location

9.0 Spending profile

Pre 2017/18	£229,864
2017-18	£2,290,302
2018-19	£17,008,010
2019-20	£10,061,694
2020/21	£410,131

10.0 Local Assurance Framework

An Outline business case was approved in September 2015 and a Business Case has now been submitted in line with Final Submission stage of the approval process. The Accountable Body and D2N2 have assessed the Business Case submission and approval is recommended.

The IIB are asked to approve the project and to release the £30,000,000 of LGF.

D2N2 LEP

Appendix 1

1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5 case model.	A detailed Green Book compliant business case was submitted by Nottingham College and covered the
2. A VFM assessment must be completed. The VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.	Regeneris have confirmed that the project passes the VFM test with a score of 2.12:1
3. Details confirming that all planning consents have been granted and that all pre start conditions have been met.	Planning permission has been granted for the project on the 21 st of February 2018
4. Confirmation that any Section 106 or other agreements have been entered into.	Not applicable for this project
5. Confirmation of the results of the procurement exercise detailing: -the tenders received (along with detailed costs) -the tender accepted (along with timescales/conditions)	The procurement exercise for the project is still underway. The project is following the Scape National Construction Framework and therefore a single bidder has been identified for the project. Wates the identified company have returned their tenders and after negotiations regarding the works will be formally appointed to the project in June 2018 with works due to start in the main contract in July 2018.
6. Details of the construction contract to be entered into by the promoter detailing: -start date -completion date -liquidated damages/cost over runs	Negotiations are still continuing with the contractor who has been procured under the Scape framework. The latest update of details regarding contracts are: - A contract start date of June 2018 - A contract completion date of June 2021

Appendix 1

	<ul style="list-style-type: none"> - Terms are still yet to be fully agreed with regards to liquidated damages. The contract form agreed means that cost over runs will sit with the contractor once a contract price has been agreed and no responsibility for overruns will be held to the LEP.
7. Confirmation that the promoter will be responsible for any variations to the contract price and that once entered into, the contract will be completed in line with the details submitted.	The type of contract being used in the City hub project means that the contractor will be responsible for any cost over runs.
8. Confirmation that the project has been designed to RIBA stage 4 or its equivalent.	The nature of the procurement process means that the project currently sits at stage 3 on the RIBA framework. Once the contractor has been formally appointed the project will be able to go achieve full RIBA Stage 4 compliance.
9. Details of any outstanding points preventing/delaying the start-up of the construction contract.	No delays to the start of the contract
10. Details of any changes for the project from the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC.	No significant changes have occurred to the project from the EOI and OBC stages.
11. Confirmation that all funding is now in place with details of the sources of funding, please include	All funding is in place for this project. The following contributions make up the £58m required funding package:

Appendix 1

letters from third party funders confirming any conditions and timescales.	<ul style="list-style-type: none"> - £30m LGF - £18m Loan from Nottingham City Council - £10m Nottingham College funding. -
12. Confirmation that all land/legal agreements have been completed and are in the control of the promoter to deliver the entire project	A facilities and Land Transfer agreement is in place between Nottingham College and Nottingham City Council to confirm the transfer in ownership of the site from the Council to the College.
13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis.	<p>A full phasing plan for the project has been identified with associated costs.</p> <p>Outputs and outcomes have been phased and included in the phasing plan for the project.</p>
14. An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan.	An up to date risk register has been provided by the promoter with mitigations.