



**Black Country Executive Joint Committee**  
Dudley, Sandwell, Walsall and Wolverhampton

## REPORT OF THE CITY DEAL AND GROWTH DEAL ADVISORY BOARD

TO

**BLACK COUNTRY EXECUTIVE JOINT COMMITTEE**

ON

**23 NOVEMBER 2016**

### Black Country Local Growth Deal - WOLVERHAMPTON UNIVERSITY, SCHOOL OF ARCHITECTURE AND BUILT ENVIRONMENT, SPRINGFIELD SITE

#### **Grant Agreement Approval**

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<b>Key Decision:</b>	<b>Yes</b>
<b>Forward Plan:</b>	<b>Yes</b>

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#### **1. PURPOSE OF REPORT**

- 1.1 To request that the Joint Committee approve for contracting and subsequent award of Grant Agreement for the Wolverhampton University, School of Architecture and Built Environment, Springfield Site, from within the Local Growth Fund (LGF) Programme - with delivery to commence in the 2017/18 financial year.
- 1.2 This project was approved by the LEP Board at the 24<sup>th</sup> October 2016 Board meeting. It was endorsed by Working Group via email on 7<sup>th</sup> November 2016 and by Advisory Board via email on the 11<sup>th</sup> November 2016.

#### **2. RECOMMENDATIONS**

- 2.1 That the Joint Committee approves for the Accountable Body for the Growth Deal (Walsall Council) to proceed to a Grant Agreement with the **University of Wolverhampton for £3,520,000** (to be split, £1,760,000m in 2017/18 and £1,760,000 in 2018/19) to deliver the Local Growth Fund (LGF) funded elements of the University of Wolverhampton, School of Architecture and Built Environment, project – with delivery to commence in the 2017/18 financial year.
- 2.2 That the Joint Committee approves that project approval be conditional upon the form of underwriting by the University being confirmed prior to the anticipated start date of the Project.

### 3. REPORT DETAIL

- 3.1 A summary of the request for endorsement, contracting and subsequent award of Grant Agreement by the Accountable Body for the Growth Deal (Walsall Council) is below.

**Wolverhampton University, School of Architecture and Built Environment, Springfield site - £3,520,000. Split £1,760,000 in 2017/18 and the balance of £1,760,000 in 2018/19.**

- 3.3 This application relates to a funding request of £11.67 million in the form of a grant as a contribution from the Black Country LEP towards delivery of a circa £35 million project providing accommodation which will enable the relocation of Wolverhampton Universities School of Architecture and Built Environment (SOABE) from Molineux Campus to the Springfield Campus.
- 3.4 The SOABE site to which this funding application specifically relates is 1.12 hectares (3.174 acres) located to the south western part of the site fronting onto Grimstone Street and including the majority of the remaining listed structures.
- 3.5 Funding would relate to the renovation of currently derelict Grade II listed buildings located towards the southern end of the former Springfield Brewery site within the Canalside Regeneration Area of Wolverhampton City Centre. This would form part of the proposed Centre of Excellence in the Built Environment on the new university Springfield Campus, located adjacent to the West Midlands Construction University Technical College (WMCHTC) and Elite Centre for Manufacturing Skills (Elite) which are at slightly advanced stages of delivery (WMCHTC is on site and Elite is funded but seeking planning consent).
- 3.6 Funding from the BCLEP is sought as a result of identified increased costs between the initial feasibility studies produced and RIBA Stage 3 (Concept Design) stages.
- 3.7 The project has a strong strategic fit with both the LEP's Strategic Economic Plan (SEP) and also with the Local Authorities regeneration aspirations for the area. The project will deliver growth through enhanced employability, education and skills (SEP P1 and P2) and improve Black Country Business Competiveness (SEP B2) as well as the delivery of development, new jobs and improving confidence within a key identified regeneration site in close proximity to Wolverhampton City Centre.

3.8 The total project cost for which funding might be approved has therefore been appraised as summarised below:

Construction Costs	£22,331,340
Professional Fees (including Clerk of Works)	£2,531,447
Statutory Costs	£160,926
Loose FF&E	£1,000,000
Audio Visual/ICT	£1,000,000
Project Contingency (8%)	£2,242,968
Irrecoverable VAT	£5,619,203
<b>TOTAL</b>	<b>£34,885,885</b>

Project costs have been appraised as being reasonable with only a minor adjustment having been ultimately required (due to clarification of the VAT position), hence based upon the FBC as presented above a maximum level of funding in the order of £11,555,885 as opposed to the requested sum of £11,666,667 could have been supported.

The reduction from £11,666,667 originally requested to the recommended grant award level of £3,520,000 reflects a commercial in confidence negotiation with the University Board of Governors.

3.9 The following Outputs are expected to be realised by the scheme.

<b>Outputs / Outcomes</b>	<b>Metric</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>TOTAL</b>
Businesses Assisted	no.	3	12	13	40	40	108
Skills – Learners assisted (exc. Apprenticeships)	no.	10	55	60	65	65	255
Skills – Apprenticeships	no.	15	20	40	50	50	175
Employment – Jobs Created (FTE)	no.	11	1	3	7	6	28
Place – Land Remediated	Hectares		0.56	0.56			1.12
Place- New Employment floor space	Sq mtr				8,131m2		8.131

Other Funding Leverage	£	£3.003m	£11.12m	£8,75m	£465k		£23,33m
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#### 4. FINANCIAL IMPLICATIONS

- 4.1 All the costs associated with this proposal form part of the LGF programme and will be covered by allocations from government associated with this programme. This includes the use of any interest accrued by the Accountable Body to cover costs associated with the delivery of Accountable Body functions, as approved by its (Walsall Council) Cabinet on the 29th October 2014. Wolverhampton University has agreed to underwrite the grant and this proposal is currently being reviewed by Walsall Council legal and financial officers.

#### 5. LEGAL IMPLICATIONS

- 5.1 The appropriate Grant Agreements are in place and will be utilised by the Accountable Body (Walsall Council), and include all conditions passed onto the LEP by Government, together with all terms, conditions, performance measures and sanctions as required by the approvals/conditions received from Government or approved by the LEP Board or the Joint Committee.

#### 6. RISK MANAGEMENT

- 6.1 Risk is being managed through the on-going monitoring of individual projects and their ability to deliver the required spending profiles and outcomes for the programme as required or agreed with Government and set into place by the LEP Board and the Joint Committee.

#### 7. EQUALITY IMPLICATIONS

- 7.1 None at the time of drafting.

#### 8. CONSULTATION

- 8.1 University Client Group – A stakeholder client group has been set up within the Faculty of Science and Engineering (FSE) as the end user client for the building. Broader University design team engagement is also routinely held with key department from across the University and a broader staff communications exercise will take place with the staff group now that a viable concept design has been approved with key stakeholders.
- 8.2 Planning/Historic England – A series of pre-application planning meetings have been held concurrently with WCC Planning officers and Historic England to help shape the proposal presented for planning.

- 8.3 Broader WCC consultation – the Development Project Director for the Springfield Campus sits on the Canalside Quarter Steering Group and the Connected Places project group for the Springfield Interchange project.
- 8.4 Legal and financial services at Wolverhampton City Council were consulted as part of the development of this report.

### **Back Ground papers**

**None.**

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