**Stoke-on-Trent and Staffordshire Local Enterprise Partnership**

**Strategic Programme Management Board December 2021**

**Innovation Centre Seven Getting Building Fund Re-profile**

**Executive Summary**

Delivery of Innovation Centre Seven (IC7) has been detrimentally impacted by three macro environmental factors namely the global pandemic, Brexit and climate change induced weather and one micro environmental factor namely the presence of three badger setts on the site.

These factors currently transpire into a circa eight week delay and the need to re-profile the Getting Building Fund (GBF) Investment from £6.1m in 2021-22 to £4m in 2021-22 and £2.1m in 2022-23 utilising the Local Enterprise Partnership’s (LEP) freedoms and flexibilities for programme financial management.

**Request**

To utilise the Stoke-on-Trent and Staffordshire LEP freedoms and flexibilities to enable the re-profile of GBF investment on Innovation Centre Seven to £4m in 2021-22 and £2.1m in 2022-23.

**Context**

IC7 will create a 2,696sqm BREEAM excellent purpose-built grow on acceleration facility in Keele University’s Science and Innovation Park, part of the Keele Growth Corridor UEZ, to include space for business-university interactions and grow on space for SMEs in Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) priority sectors.

**Current position**

The full multi-disciplinary design team is in place, the main works contractor Bowmer and Kirkland have been appointed and the steel frame is significantly complete (see image overleaf). Furthermore an anchor tenant is close to being secured who would take occupation of the first floor and there is advanced dialogue with a number of tenants for the second floor.

However delivery of IC7 has been detrimentally impacted by three macro environmental factors namely the global pandemic and Brexit (which have caused a delay to the availability of and steel frame erection) and climate change induced weather conditions (including storm Arwen) and one micro environmental factor namely the presence of three badger setts on the site (the presence of two of which were known through the extensive site surveys) but the third of which was not known and for which a delay in response from Natural England negatively impacted the programme.

The main works contractor has submitted early warning notices, for a total of eight weeks, for the aforementioned events/impacts which following a meeting with the Managing Director of Bowmer and Kirkland and extensive due diligence by the University’s appointed Quantity Surveyor (QS) Currie and Brown have been verified. Accordingly a re-profile of GBF investment, is requested as set out in Table 1 below:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Element** | **2021-22** | | | | **2022-23** |
| **Qtr1 (£m)** | **Qtr2 (£m)** | **Qtr3 (£m)** | **Qtr4 (£m)** | **Qtr1 (£m)** |
| Contract cumulative | 0.38 | 1.88 | 3.98 | 6.10 | - |
| Actual to date | 0.36 | 1.16 | 1.98 | - |  |
| Requested re-profile | 0.36 | 1.16 | 1.98 | 4.00 | 6.10 |

Subject to approval, the revised financial profile including match funding would be as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Element** | **2020-21** | **2021-22** | **2022-23** | **2023-24** | **Total** |
| GBF | - | 4.0 | 2.1 | - | **6.10** |
| Keele, ERDF & Research England | 1.5 | 1.1 | 5.1 | 0.6 | **8.30** |
| **Total** | **1.5** | **5.1** | **7.2** | **0.6** | **14.40** |

The University has prepared the aforementioned re-profile following extensive dialogue with the main works contractor and QS and on a under promise over deliver basis. The University is also content to oblige with any additional monitoring requests from the LEP.

**Image 1.** IC7 Construction status as at 8am 13th December 2021

