



PAPER NO: via email – August 2016	
Paper title:	Technopark Redevelopment Briefing Paper
Board/Committee	Major Projects and Investment Committee
Date of distribution:	1 August 2016
Author:	Ian Mehrtens, Chief Operating Officer
Executive/Operations sponsor:	Ian Mehrtens, Chief Operating Officer
Purpose:	<ol style="list-style-type: none">1) To brief MPIC on progress following the April meeting regarding the proposals to redevelop Technopark; and2) To note that an OJEU notice will be issued for the selection of a developer to enter into negotiations with for the redevelopment of the Technopark site.
Part of the Corporate Strategy that this proposal will help to deliver?	<p>Corporate Strategy 2015-2020:</p> <p>Resources and Infrastructure: ‘Strategically investing in the creation of first class facilities and ensuring that they are underpinned by services which are responsive to academic needs and outcome focused’.</p> <p>Student Experience: ‘Ensuring that students are seen as participants in their learning and that the student voice is encouraged and listened to’.</p>
Recommendation	That MPIC notes that the Exec is issuing an OJEU notice for the selection of a developer to enter into negotiations with for the redevelopment of the Technopark site. The OJEU notice will state that any formal proposal will need Board approval.

Executive summary

The proposal, developed jointly between LSBU and Hollybrook and previously discussed at the MPIC meeting of 26 April 2016, set out the principles for a

development agreement, the Heads of Terms and principles behind the simultaneous lease on Diary House.

The committee will be aware that the overall ambition of the estate development over the next 10 years is to develop St George's Quarter into a new Learning Centre and Creative & Design Centre, to completely refurbish London Road into a multi-use laboratory centre with general teaching spaces and to redevelop the Technopark building to provide new accommodation to allow for further redevelopment of the Faraday building, E, M & J sites at a later stage.

A paper outlining the strategy and objectives, the funding sources and sequencing will be brought to MPIC in due course. In order, to fully inform that paper, it is necessary to engage with a developer to explore the options for Technopark.

The Committee asked the Executive to review value for money from that proposal and to take legal advice on the procurement position. Having taken advice from Veale Wasbrough Vizards (VWV) the legal advice was to procure the preferred development partner through a "competitive negotiated" OJEU route.

Recommendation:

- That MPIC notes that the Exec is issuing an OJEU notice for the selection of a developer to enter into negotiations with for the redevelopment of the Technopark site. The OJEU notice will state that any formal proposal will need Board approval.



Technopark Redevelopment Briefing Paper

1. Summary proposal

- 1.1. The proposal provides the University with an ability to achieve the redevelopment of the Technopark site with no capital outlay and generate a significant capital receipt. It is essentially a lease and leaseback arrangement that provides the University an option to lease back learning space, conference facilities, offices and student accommodation within the new development.
- 1.2. The proposal is structured in such a way that the risk and cost of securing planning permission is carried in full by the developer and the land price paid by the developer for a long leasehold interest reflects the uplift in the land value that planning permission generates.
- 1.3. The design of the new development must meet the minimum requirements of the University and that the land price must in any event be more than a pre-set minimum land value agreed at the outset.

2. Principles already agreed at MPIC

- 1.1. The proposal is a land transaction and has been prepared to ensure that the following three principles are achieved for the University:
 - 1.1.1. That the University achieves best value in the disposal of the long leasehold interest in the Technopark site;
 - 1.1.2. That any works above the OJEU thresholds are procured in accordance with public procurement law;
 - 1.1.3. That there is no cost to the University in developing the new buildings other than loose furniture costs.

3. Key Drivers

- 3.1. Key drivers for the University are:
 - 3.1.1. That the minimum space requirements are delivered;
 - 3.1.2. That the balance between the capital receipt and the ongoing revenue payments suit the University's financial forecasts, as far as they can be determined;



- 3.1.3. The deal is the best for the University and is assessed as such by an independent review against the market value of the site and the cost of development.
- 3.1.4. The long lease to the developer will be no more than 150 years and coterminous with the lease back to the University of the accommodation;
- 3.1.5. That low cost rental accommodation in close proximity to the main campus is available for the decant of Technopark activities.

4. Minimum requirements

4.1. The minimum space requirements to be achieved for the University are:

- 4.1.1. Conference facilities including a 400-seat lecture theatre, large meeting spaces, dining and social spaces, and 200 dedicated conference bedrooms.
- 4.1.2. 800 student bedrooms.
- 4.1.3. Teaching accommodation including lecture theatres, multi use computer rooms, general teaching spaces and offices.
- 4.1.4. Large reception/lobby
- 4.1.5. Street facing café

4.2. More detailed analysis is shown in Appendix A to this paper.

5. Proposal

- 5.1. That the University constructs an OJEU notice for a negotiated route to select a preferred developer partner.
- 5.2. That the preferred partner and the University negotiate a structured proposal to achieve the key drivers stated in this paper.
- 5.3. That following this, a full business case for the full University estate development be developed and approved by the Executive to be considered by MPIC.



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5.4. Assuming approval is given, then at this point and only at this point would the University contract with the preferred developer.

6. Recommendation:

6.1. That MPIC notes that the Exec is issuing an OJEU notice for the selection of a developer to enter into negotiations with for the redevelopment of the Technopark site. The OJEU notice will state that any formal proposal will need Board approval.

Ian Mehrrens

1 August 2016

Appendix A - Schedule of minimum accommodation

Description	Size m2	No. of
Conference facilities		
Large lecture Theatre - 400 seats, raked layout, space at front and control/projection box behind	360	1
Meeting room - flat floor	80	4
Meeting room - flat floor	55	4
Meeting room - flat floor	25	4
Conference dining space	300	1
En-suite conference bedrooms - not arranged in flats	12.5	200
Student Accommodation		
Self-contained studios - not arranged in flats	16	150
En-suite bedrooms arranged in flats of six (108)	12.6	650
Kitchens/social areas in the flats of 6 en-suite rooms above	30	108
Student resident only social area	300	1
Teaching space		
Lecture theatres	1254	varies
Computer rooms	1050	varies
General teaching space	2980	varies
General areas (sizes not specified)		
Reception area with offices, cleaners cupboards, circulation space, kitchenettes for staff use, toilets etc.		
Ground level		
Street facing café open to public	125	1



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Kitchen - back of café to service café and conference dining space above	275	1
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