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| <b>CITY OF<br/>WOLVERHAMPTON<br/>COUNCIL</b> | <b>Cabinet (Resources) Panel</b><br>20 October 2021 |
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| <b>Report title</b>                            | Progressing the City Learning Quarter                               |   |
| <b>Decision designation</b>                    | AMBER   |   |
| <b>Cabinet member with lead responsibility</b> | Councillor Stephen Simkins<br>Deputy Leader: Inclusive City Economy |   |
| <b>Key decision</b>                            | Yes   |   |
| <b>In forward plan</b>                         | Yes   |   |
| <b>Wards affected</b>                          | All Wards   |   |
| <b>Accountable Director</b>                    | Richard Lawrence, Director of Regeneration                          |   |
| <b>Originating service</b>                     | City Development  |   |
| <b>Accountable employee</b>                    | Zareena Ahmed-Shere<br>Tel<br>Email                                 | Regeneration Manager<br>07890397677<br>Zareena.ahmed-<br>shere@wolverhampton.gov.uk |
| <b>Report to be/has been considered by</b>     | Regeneration Leadership Team<br>Strategic Executive Board           | 28 September 2021<br>7 October 2021   |

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### Recommendations for decision:

That Cabinet is recommended to:

1. Delegate Authority to the Leader of the Council and Deputy Leader: Inclusive City Economy in consultation with the Directors for Regeneration and Finance to:
  - a. Approve the Council entering into a Grant Agreement in order to secure a grant of £7.75 million from the West Midlands Combined Authority's Investment Programme for implementation of the City of Wolverhampton Technical Centre, Phase 1 of the City Learning Quarter.
  - b. Approve the Council entering into the required Development Agreement and Fixtures, Fittings and Equipment / Information Communication Technology Agreement with the City of Wolverhampton College to enable the tender, procurement and delivery of building works to complete Phase 1 City Learning Quarter.

- c. Approve the Council entering into (subject to confirmation of funding award and the associated full terms and conditions) any future Levelling Up Fund Grant Agreement for the City Learning Quarter Phase 2.
  - d. Approve the Council entering into various legal agreements with the City of Wolverhampton College to facilitate the procurement of the required contracts (to include Construction, Fixtures, Fittings and Equipment, Information Communication Technology, and multiple moves) for the delivery of City Learning Quarter, Phase 2.
  - e. Award contracts for the delivery of the City of Wolverhampton Technical Centre, Phase 1 of the City Learning Quarter to the preferred contractor identified following a competitive tender and procurement exercise.
2. Approve the increase to the capital budget for the Phase 1 project to a total budget of £8.1 million, funded in full by grant, as per the details in the financial implications.
  3. Authorise the Council to extend Consultant contracts to provide ongoing Project Management, Commercial Advice and Cost Management services through to completion of the City Learning Quarter Phase 1 and Phase 2.

### **Recommendations for noting:**

That Cabinet is asked to note:

1. That the Council has submitted to a grant application seeking £20 million from the Government's Levelling Up Fund to support City Learning Quarter, Phase 2 and that the outcome is awaited.
2. That proposed changes to the funding strategy for City Learning Quarter, Phase 2 will be the subject of a future Cabinet report.

## **1.0 Purpose**

- 1.1 The City Learning Quarter (CLQ) comprising Phase 1, The City of Wolverhampton College Technical Centre (CoWTechC) and Phase 2 (City Centre Learning Hub) is the Council's biggest regeneration priority as it is fundamental and instrumental in helping the City to Level Up. CLQ is a City of Wolverhampton College led programme that is being supported by the Council to facilitate a comprehensive scheme. CLQ will significantly contribute to the Council's Relight Recovery Plan by stimulating learning and economic activity. CLQ also supports Wolverhampton's New Horizon 2030 Vision that sets out the ambition to address the current mismatch in existing skill levels and those required by local employers and in economic growth sectors. CLQ will be a key driver to close the productivity gap in relation to increasing resident skills levels and employability by providing technical education in economic growth areas.
- 1.2 The report seeks approval to enter into a Grant Agreement with the WMCA (West Midlands Combined Authority) and increase the project budget, following the successful award of a £7.75 million grant that will enable CoWTechC, CLQ, Phase 1 to proceed to delivery stage. Delegated approval is sought to enter into the appropriate agreements as the final terms are still to be determined and these will be detailed within the Individual Executive Decision Notice (IEDN).
- 1.3 In line with the Project Board decision, to deliver a comprehensive scheme, it was agreed that the Council will take responsibility for the tender and procurement of all projects in the CLQ Programme. Delegated approval is sought to approve the award of a contract when the evaluation process is complete. The CoWTechC facility will be created on College owned land at its Wellington Road, Bilston Campus. The Council and College will enter into a Development Agreement and Fixtures, Fittings and Equipment / Information Communication Technology Agreement to enable the tender, procurement and implementation of building contracts for CoWTechC including fitting out.
- 1.4 As well as highlighting the successful outcome of the above WMCA grant funding application, the report also provides an update on the overall status of the CLQ Programme and the various external funding applications that have been submitted to support CLQ Phase 2 during 2021. These are the Council's submission to Government on 17 June 2021 of a Levelling Up Fund (LUF) bid that covers the Wolverhampton South West Parliamentary Constituency area and the College's Stage 1 grant application submitted in March 2021 to the Further Education Capital Transformation Fund (FECTF).
- 1.5 The report also updates the proposed CLQ funding package which has been developed with the College in light of the recent Government announcements of funding opportunities and provides an account of progress and associated scheme costs.
- 1.6 Consultants were appointed by the Council in January 2019 and have provided programme, project and cost management consultancy advice consistently since that point in time including commercial and procurement advice conditioned with formal market feedback.

## **2.0 Background**

- 2.1 The Council is leading on the ambitious CLQ programme in partnership with City of Wolverhampton College supported by external consultants.
- 2.2 The two phased CLQ Programme includes consolidation of the College's three campuses (Paget Road, Wellington Road, and Metro One) into two centrally located and accessible College campus sites; City Centre (Metro One) and Wellington Road, Bilston that will provide modern learning facilities. Phase 1 of the Programme will create a standalone purpose built Technical Centre that will provide advanced engineering and motor vehicle (traditional / hybrid / electric) courses. Phase 2 will create lifelong learning hub in the City Centre around the Old Hall Street and St. George's Parade at the Metro One College building site and will enable provision of integrated education services that meets Post 16 learner and employer demands through the co-location of:
- City centre campus for the City of Wolverhampton College
  - Modernised, reconfigured, accessible and digitally enabled Central Library
  - Centralised and expanded Adult Education provision

The creation of the above outstanding and sustainable learning facilities and improved public realm at two accessible sites will address the challenges of the current College's inefficient estate which is spread across three campuses in Wolverhampton, thereby providing an inflexible and disparate offer. The main Paget Road campus buildings are considerably outdated, requiring high maintenance and its city fringe location makes access particularly difficult by public transport. The College campuses are also in variable states of repair and increasingly unsuitable for modern learning environments, contributing to a decline in student intakes in recent years, as well as undermining its financial viability. The Council's Adult Education offer is also spread across several buildings around the city and in variable states of repair. The Central Library is a Grade II listed building in urgent need of upgrade, renovation and modernisation to meet the needs of existing and future users.

- 2.3 CLQ will create two learning hubs at City Centre and Bilston (connected by bus and tram links) that will support lifelong learning and civic participation for people of all ages, backgrounds and ensure future vitality of Library and Adult Education provision. The project will also help unlock plans for a city-wide collaborative commissioning model of Post 16 provision meeting employer and learner demands enabling further opportunities for joined up curriculum planning.
- 2.4 Post completion CLQ will enable the release of multiple sites including the existing outdated and inaccessible main 1950's College campus at Paget Road for the development of much needed new homes to meet local demand in this prime location.

- 2.5 On 20 September 2017, Council approved a capital budget of £50 million for the City Learning Quarter and approved that authority be delegated to Cabinet to approve final business case and funding strategy.
- 2.6 On 31 July 2019 Cabinet was updated on the CLQ programme and approved the delivery of the scheme in line with the business case and funding strategy. A funding application to the Black Country Local Enterprise Partnership was submitted during 2019 to fund advanced development works for CLQ Phase 1 and Phase 2.

### **3.0 Progress**

- 3.1 CLQ remains a top priority for the Council to transform learning and skills in the City by creating jobs, providing professional qualifications, and linking with local businesses as well as providing environment and regeneration benefits - all of which are vital for Covid-19 recovery.
- 3.2 Across the wider CLQ programme the Council were successful in securing a grant of £0.4 million from the Black Country Local Enterprise Partnership which together with the Council funding contribution of £6 million has enabled progression of advanced development works.
- 3.3 The CLQ programme will be delivered on two sites (City Centre and Bilston) both of which have been fully acquired and assembled. Technical surveys, detailed design, intrusive ground investigations, demolition of existing structures, site clearance and other enabling works are all complete. Both Phases 1 and 2 now benefit from planning permission that was secured in 2020 and 2019 respectively and the majority of the pre development commencement planning conditions have already been discharged. Both Phases 1 and 2 have been designed to RIBA Stage 3 for inclusion in a tender pack that is ready to be issued to the market. A high level CLQ project delivery programme has established, and Project Management and Governance Structure are in place and will be adapted as each Phase moves into the implementation stages.

#### CLQ Phase 1, CoWTechC

- 3.4 In March 2021, the Council were made aware of funding available from WMCA's Investment Programme for eligible delivery ready projects. Subsequently the Council made a funding application to WMCA seeking £7.75 million to deliver Phase 1 CoWTechC. Following rigorous assessment process and further clarifications submitted to WMCA, CoWTechC was considered by WMCA's Investment Panel on 11 May and subsequently the funding sought of £7.75 million was approved at Investment Board and WMCA Board on 29 June and 23 July respectively. This decision has enabled full funding for this standalone project to be secured enabling progression to delivery phase.
- 3.5 The brand new purpose build CoWTechC facility will be situated at the rear of the College's existing Wellington Road campus. As part of this project the existing Motor Vehicle and Engineering departments will be relocated from their current location at

Paget Road to the new CoWTechC building which will provide state of the art bespoke learning / teaching spaces. The accommodation will include an engineering workshop, welding bay, motor vehicle workshop, fabrication workshop, paint spray bay, motor vehicle and engineering, Computer Aided Design and robotics teaching spaces and associated external works. As part of the vision to develop STEM Centre of Excellence, CoWTechC will offer learners pathways into obtaining high level technical skills in Advanced Engineering and Automotive Electric Vehicle (EV) Centre of Excellence / Green Technologies under the Work Academy Programmes (SWAPs) in response to specific skill requirements / skill shortages reported by local employers (only 3% of existing Motor Vehicle engineers are qualified to work on electric vehicles). The project responds to the Government’s announcement to end new petrol and diesel car production by 2030. The curriculum will ensure that Post 16+ training meets local business needs and provides the skills required for economic growth by providing a pipeline of talented candidates to local employers who face challenges in recruitment of skilled workers. The improved status and image of the College with employers and learners will further improve College / industry collaboration capitalising on the College’s partnership with KIA Motors UL, Lucas-Nulle GmbH and the Institute of Motor Industry (IMI) to target learners and local residents into employment.

- A. CoWTechC will enable the following benefits to be realised 5 years post completion. In line with the WMCA funding agreement there are is a requirement to report on the progress of these outputs at specific dates.

| Scheme Outputs                              |                        |
|---|------------------------|
| Jobs created at the College                 | 5                      |
| Jobs safeguarded in the College             | 65                     |
| Jobs created and safeguarded in the economy | 137                    |
| Learner Assists by Year 5                   | 2,444                  |
| Apprenticeships Started by Year 5           | 458                    |
| Business Assists by Year 5                  | 90 (including 45 SMEs) |
| New Learning Floorspace                     | 2,415 sq. m            |
| Brownfield Land Regenerated                 | 0.67 hectares          |
| Gross Value Added                           | £46 million            |

- B. The intent (informed by market intelligence of current conditions) is to procure the project through an open market competitive tender process seeking a lump sum tender price as an alternative to relying on selecting a contractor through a Construction Framework such as SCAPE and West Midlands Construction Framework. This route is likely to take a similar amount of time albeit generate more competition. Procurement rules for the Most Economically Advantageous Tender will be observed and costs will be benchmarked prior to contract let to ensure value for money is secured. Delegated approval is sought to approve the award of a contract when the evaluation process is complete.

C. The Council will be procuring the building contract (that includes fixtures, fittings and equipment / Information Communication Technology) for CoWTechC. As the project will be delivered on College owned land, to construct this scheme, the Council will be required to enter into a Development Agreement and all other legal agreements necessary to facilitate delivery. If this report is approved CoWTechC will be progressed in accordance with the high level indicative delivery programme below:

| <b>Key Activity</b>                                     | <b>Duration</b> |
|---|-----------------|
| Contractor Procurement / Contract Award                 | 5 months        |
| Contractor Site Mobilisation                            | 2 months        |
| Construction Period                                     | 12 months       |
| Building Fit Out / Information Communication Technology | 40 Months       |

3.6 On 17 September 2021 WMCA issued to the Council for review an initial draft Grant Agreement for £7.75 million for delivery of Phase 1 CoWTechC project. The Council is required enter into a Grant Agreement with WMCA to formally accept the award and receive these funds, the terms of which are currently being finalised and will be approved under the delegations requested above. Draft terms of the Grant Agreement are detailed in Appendix 2.

#### CLQ Phase 2, City Centre College Campus / Learning Hub

3.7 Funding Applications to support CLQ Phase 2 FECTF (£25.4 million) and LUF (£20 million) were submitted on 22 March and 17 June 2021 respectively. CLQ met the Government’s gateway criteria for these funding programmes as the business case is well advanced / development ready; the project enjoys the support of local Member of Parliament for Wolverhampton South West, Black Country LEP, WMCA, Council Leader and key Cabinet Members and wider stakeholders. The project is also able to commence expenditure of such grants during the 2021-22 financial year and meet the requirement for the project to be delivered in its entirety and financially complete by March 2024.

3.8 The funding application to the LUF is under consideration and Government’s announcements of awards is expected in Autumn 2021. Whilst the FECTF funding application has not been successful, the Council is currently in dialogue with the Department for Education to explore alternative funding routes. Following the outcome of these discussions and the LUF decision, the project scope, costs and funding strategy will be reviewed and reported to Cabinet.

#### **4.0 Evaluation of alternative options**

4.1 The option to do nothing is not recommended this will result in a missed opportunity to fully fund and deliver the CoWTechC project and realise the direct economic, social and environmental benefits arising from the scheme.

- 4.2 The Project Board has considered the refurbishment of the main Paget Road College campus and other buildings at a cost of over £40 million as an alternative to the CLQ programme. This option was discounted as it would not enable growth in learner numbers, and poor access of this site by multiple public transport modes may result in decline in student numbers negatively impacting the financial position of the College.
- 4.3 The Project Board identified CoWTechC at the Bilston College Campus as the preferred option, as it creates a well-connected and efficient technical campus with a modern building that will appeal to learners and employers, deliver increased and improved learning that will drive the College's financial revival. As a result, the College will be able to safeguard existing jobs and employ more teaching and non-teaching staff. The new facilities / specialist trade workshops will imitate workplace environments which will improve learning outcomes with more learners attaining better results and the skill required by employers. The scheme will deliver economic benefits – jobs created and safeguarded, businesses assisted and improved skills, environmental benefits - improved efficiency of the campus, reduced private transport and traffic congestion and social benefits - enhanced learning experiences of young people and workforce members, plus the increased access in terms of both location and opening hours.

## **5.0 Reasons for decisions**

- 5.1 The recommendation to enter into the Grant Agreement with WMCA for the funding of £7.75 million will enable the delivery of CoWTechC, Phase 1 CLQ to be secured and the project to proceed, funded in full by grants.
- 5.2 Although part of the overall CLQ Programme, this report is seeking approval to proceed with Phase 1 CoWTechC independently as at this point in time full funding for this scheme has been confirmed. CoWTechC is a standalone project, its delivery is not reliant on the outcome of funding applications for Phase 2 CLQ (City Centre) or any other third-party capital funding.
- 5.3 The Council will be procuring the building contract for CoWTechC which is situated on land at Wellington Road in College ownership. The recommendation to sign the required Development Agreement and Fixtures, Fittings and Equipment / Information communication Technology Agreement with the College will allow the commencement of activities leading to the procurement of a building contractor during Autumn/Winter 2021 and the delivery of the programme to planned timeframes to facilitate the opening of CoWTechC in late 2023 / Spring 2024.
- 5.4 The Council is confident that subject to the availability of WMCA grant funding, the CoWtechC scheme can be procured and is able to be fully completed within the timeframes required by the Grant Agreement.
- 5.5 CoWTechC will provide significant benefits in education, technical skills improvement, jobs, contributing to Wolverhampton's Relight Recovery Commitment and aligning to the Government's long term ambition to support post Covid economic recovery. CoWTechC



will improve the sustainability of the College and facilitate its expansion. The relocation of Advanced Engineering and Motor Vehicle (traditional / hybrid / electric) training from outdated and inaccessible 1950's Paget Road premises to a modern purpose built facility, featuring new workshops equipped with cutting edge machinery and equipment, replicating workplace environments will ensure an improved experience for all learners. CoWTechC is also better connected by greener and more sustainable transport modes (bus, tram, cycle, foot) which will help reduce private car use. This will attract additional student numbers, improve technical qualification attainment rates which allow learners to secure high value and better paid jobs that respond to employers demands, increasing labour productivity outcomes. If WMCA's grant offer is not accepted, then the opportunity to secure investment to commence the delivery of the CLQ Programme will be lost.

## 6.0 Financial implications

6.1 The CLQ programme (Phases 1 and 2) will require a total revised forecast investment of £59.5 million. The funding strategy has moved forward as illustrated in the table below and noted within the report.

| <b>Funding Source</b>   | <b>£ Million</b> | <b>Status</b>   |
|---|------------------|---|
| Council Contribution  | 6.0              | Approved  |
| BC LEP  | 0.4              | Approved  |
| WMCA Investment Programme   | 7.7              | Approved  |
| Levelling Up Fund   | 20.0             | Bid submitted 17th June / decision expected Autumn 2021   |
| Further Education Capital Transformation Fund / Department of Education Funding | 25.4             | Stage 1 Bid Submitted March 2021 was unsuccessful. Alternative funding routes are being explored with Department of Education |
| <b>Total</b>  | <b>59.5</b>      |   |

6.2 The WMCA grant of £7.75 million as detailed in the paper will fund the remaining expenditure to deliver CLQ Phase 1 (CoWTechC). The total project budget of £8.1 million was informed by a cost plan developed by Cost Management Consultants following feasibility, design and costing work to Royal Institute of British Architects Stage 3 and includes construction of the new facility, Information Communication Technology, fixtures, fittings and equipment and professional fees. The cost estimate is based on market rates, the most up to date RICS Building Cost Information Service indices and includes project contingency based on a priced risk register and an allowance for inflation. It is anticipated that the full cost of delivering this phase will be fully funded through the BCLEP and WMCA grants.

- 6.3 Based on a delivery programme commencing late October 2021, the total expenditure for Phase 1 is profiled over financial years 2021-2022 to 2024-25; this fits within the terms of the grant funding.
- 6.4 The revised CLQ Phase 2 funding strategy now relies on securing external funding of £45.4 million, as detailed in the table above. Phase 2 CLQ could be at risk if funding from LUF and Department for Education are not realised as it is uncertain when new funding opportunities will come forward. In this event the Project Board will review programme costs, reconsider the work scope and alternative funding options, with appropriate approvals if required being sought through a future Cabinet report.
- 6.5 It is acknowledged at this stage the funding package for the main campus site is uncertain, however it should be noted that to date investment by the Council in Phase 2, the main site campus, has principally been incurred to bring forward the site for development. The expenditure incurred includes site assembly, demolition costs, site investigation and associated fees, along with design costs. The forward funding of this element of the project by the Council continues to be monitored and the intention is to recover any expenditure over and above the £6 million Council investment funded through borrowing from the grants should they be secured.  
[HM/11102021/C]

## **7.0 Legal implications**

- 7.1 By signing a Grant Agreement with WMCA, the Council will formally accept the grant award of £7.75 million for CoWTechC, together with the agreed terms and conditions including the requirement to report on the physical and financial progress of the scheme.
- 7.2 There is a risk that WMCA may require the Council to repay the grant funds if project works and financial expenditure are not completed by the 31 March 2025. Similarly, the WMCA could exercise the right to claw the funding back, withhold or suspend grant payments if there is a breach of the terms and conditions of the Grant Agreement and / or they are of the opinion that the project is not likely to deliver by 31 March 2021.
- 7.3 To mitigate against potential risk identified at 7.2 above the project timescales/milestones will be kept under review together with close monitoring of the Council's obligations under the grant agreement.
- 7.4 There is an increased risk of project delays due to the Covid-19 virus and the volatility of the construction market with shortages of building materials reported that may result in higher contract prices. Provisions to manage delays and a contingency sums is in place to take account of price rises.
- 7.5 By signing a Development Agreement and the Fixtures, Fittings and Equipment / Information Communication Technology Agreement with the College, the Council will be in a position to procure and commission building works for CoWTechC on College owned land.

7.6 As the Council is subject to the Freedom of Information Act and potential judicial review all necessary legal agreements must be entered into to protect the Council from financial and reputational harm.

[LMC/04102021/K]

## **8.0 Equalities implications**

8.1 This report principally asks for delegations of authority; for an increase in budget and has other recommendations for noting. The equality implications of these are minimal, Equality Analysis is an ongoing requirement under Section 149 of the Equality Act and future iterations of the analysis will be developed in a timely fashion to support those decisions yet to be made.

8.2 Moving forward and in terms of the wider equalities implications of the project itself; the Council will ensure that the CLQ programme (including CoWTechC) will comply with the Equality Act 2010, ensuring that the buildings have the appropriate facilities and equipment to enable equality of access and provision of training that addresses the needs of different groups in the local community and enables all to benefit from employment opportunities in key economic growth sectors. The CoWTechC facility will advance equalities for a range of learners including disabled learners who will benefit from improved access to better learning facilities. CoWTechC will provide learning / apprentice opportunities in Science Technology Engineering Mathematics (STEM) sectors to people of all ages and backgrounds. It will not negatively impact groups such as children, young people, care leavers, veterans, Black, Asian and Minority Ethnic (BAME) communities, women and people with disabilities. By responding to the skills deficit and recruitment barriers reported by employers, CoWTechC will forge new pathways that take people from low skills and low aspirations to high value jobs and higher education.

8.3 CoWTechC is more easily reached by public transport and therefore provides an opportunity for individuals (who may have struggled to access an out-of-city centre course) to take up learning opportunities offered. There is also better connectivity by bus and tram between the CoWTechC and Metro One campus which will provide learners and College staff better access to more opportunities across both sites.

8.4 It is anticipated that the CLQ programme will deliver a growth in Post 16 student numbers by approximately 50% in 5 years, providing seamless opportunities for individuals to work, learn and professionally progress throughout their careers. The project aims to address gender and equal opportunity issues by aiming to reduce the number of Black Country adult residents with no qualifications, increase the number of residents participating in apprenticeships, increase the number of adult residents qualified to Level 4 or above and reduce the number of Not in Education Employment or Training (NEETs) by approximately 15%.

8.5 The four most deprived wards with respect to unemployment claimants (St Peters, East Park, Ettingshall and Bushbury South Low Hill) have double the national average unemployed. These wards will be targeted as part of the marketing for the new technical workshops at CoWtechC.

## **9.0 Covid 19, Health and Well-Being implications**

- 9.1 The challenge of low skills, achievement, high unemployment and productivity gap that Wolverhampton faces have been further exacerbated by Covid 19. CLQ will help alleviate these challenges through skills improvement, enhancing people's employment prospects so that they are able to secure high skilled and high paid jobs in STEM sectors (where skill deficits) are reported by employers and in the Electronic Vehicle / green technologies growth industries.
- 9.2 Covid 19 implications on the building supplies and labour for the construction element of the project and potential price increases have been taken into account and reflected in the updated programme and built in project contingencies.
- 9.3 Learners and local employers will have an opportunity to benefit from the Kick Start scheme for young people and Apprenticeship Grant that was announced by Government on 4 October 2021 as part of the ongoing Covid 19 support package to help individuals, including the long-term unemployed and those made redundant after the end of furlough.
- 9.4 The brand new CoWTechC building, with its flexible teaching and learning spaces will allow the College to adapt the new facilities accordingly to deliver both face to face and virtual learning in response to Government's changing / new Covid guidelines relating to social distancing and workplace practices so that the College's curriculum may be provided in a healthy and safe environment that impacts positively on physical and mental well-being.

## **10.0 All other implications – Risks and Mitigations**

- 10.1 A comprehensive risk assessment has been undertaken as part of the preparation of the Business Case submission to the LEP / WMCA / LUF and recorded in a risk register. The risk register will be maintained and updated as the programme progresses, and risks will be managed accordingly.
- 10.2 The CoWTechC project has been de-risked as much as is practically possible with sub ground investigation and enabling works completed to clear the site. While the budget has been informed by consultant's knowledge of historic market information, RICS Building Cost Information Service indices and a Risk Register, there still is a risk that the CoWTechC building tenders may exceed current estimates. This is due to the impact of Brexit, Covid and increased regional activities fuelled by High Speed 2 (HS2) and Commonwealth Games which have created building supply and labour shortages and resulted an increase in labour and building materials costs (particularly steel). This volatility of the market may cause a delay in procurement of the project.
- 10.3 The most significant risk to the CLQ programme is failure to secure external funding for Phase 2. This would result in a delay to the delivery programme and inflationary cost escalation due to the requirement to rethink the scope and funding strategy and possibly abortive costs if Phase 2 is unable to proceed. The College will continue to retain and occupy the main Paget Road College campus where it will not be able to expand. Without additional learner numbers the College financial viability will be undermined

possibly resulting job losses and negative impact on local education provision and business needs.

## **11.0 Schedule of background papers**

11.1 Full Council, 20 September 2017 – [City of Wolverhampton City College](#)

11.2 Cabinet – 31 July 2019 – [City Learning Quarter](#)

## **12.0 Appendices**

12.1 Appendix 1 - WMCA Board – 23 July 2021 - City Learning Quarter (Phase 1) - City of Wolverhampton Technical Centre Business Case (Private)

12.2 Appendix 2 – WMCA Draft Grant Agreement Terms for City Learning Quarter, Phase 1 (Private)