

1.0 Executive Summary & Introduction

- 1.1 This update provides a high-level summary of progress on the Health Innovation Dudley (HID) project for the Towns Fund Board meeting of the 16 September 2022.
- 1.2 Land Assembly issues progress but are currently stalled whilst budget implications are clarified and an agreement can be reached on what size of scheme is included in the CPO submission. On this basis the programme has been adjusted slightly to give more time to properly consider the options. This has not impacted on the overall timeline but it has removed any remaining float in the programme.
- 1.3 Design and cost issues have not seen any real movement in the period and will be managed within the final agreed constraints by the Alliance Team once onboard.
- 1.4 Progress on procurement issues moves in line with the project programme and the Alliance delivery team Competitive Dialogue process is moving into the detailed stages.

2.0 Land Assembly

- 2.1 *Dudley Zoo*. Discussions continue in relation to land access issues and possible transfer. At this stage these are expected to be concluded amicably but there are a number of interfaces that need careful management and understanding to make sure that the interests of all parties are properly accounted for.
- 2.2 *Hippodrome*. The Hippodrome is owned by DMBC and the key constraints to securing the land required relate to the completion of historic surveys as well as being unable to commence demolitions until the new construction contract is in place. Both matters are Planning Condition requirement and are being managed as part of the overall programme.
- 2.3 *Banqueting Suite / Martial Arts Buildings*. Negotiations continue with both owners. Given current indications it may be possible that the Title for the Martial Arts building can be negotiated without resorting to a CPO process. If this is not the case the CPO process for the building will be run in tandem with the Banqueting Suite which is more likely to require a CPO to secure.

3.0 Third Parties & Stakeholders

- 3.1 *Dudley College*. Discussions are underway with Dudley College with a view to securing formal Heads of Terms for the formal lease required for the new Building.
- 3.2 *University of Worcester*. Whilst at this stage it is not expected that DMBC will have a formal legal relationship with the University and they will likely have a sub-lease / operational agreement with Dudley College, it is still anticipated that some form of Memorandum of Understanding / agreement will be entered into to establish the working relationship between the parties.
- 3.3 *Midlands Metro*. Given the proximity of the proposed WBHE route to the east of the new HID building there will need to be some interface management and the project team have made initial contact to start dialogue.
- 3.4 The other known stakeholders at this time are discussed in the *Land Assembly* section of this update.

4.0 Design

- 4.1 The design of the scheme remains unchanged from that submitted for and approved by the Planning Authority.
- 4.2 The design will need to be reviewed and challenged by the Alliance team once on board to achieve optimum design and budgetary constraints referred to elsewhere.
- 4.3 Landscape design around the proposed new building has been progressed to support in the Land Assembly negotiations.

5.0 Programme

5.1 *The current programme is attached.*

5.2 The critical path for the programme currently runs through the Land Assembly / CPO programme albeit the procurement timeline is not far behind. It had been planned for the required CPO authority to be sought from DMBC Cabinet during summer of 2022 however, based on advice received from the retained consultants this is now planned for November 2022. This has had a minimal impact on the overall programme previously circulated but has used all the programme float that existed so further movements may impact on the overall delivery programme.

5.3 Key critical dates are as below.

5.3.1 Land Assembly

CPO Cabinet Sign Off	November 22
Final title acquired	November 23

5.3.2 Procurement

Alliance Delivery Team Procurement Complete	December 22
Alliance Contract Signed	January 23
Commercial Alignment	April 23
Project Validation / Optioneering	July 23
Project Solution	August 23 – June 24

5.3.3 Construction Activities

Demolition – Hippodrome	January 23 – March 23
Demolition – Banqueting Suite	November 23 – February 24
Construction HID	February 24 – August 25

6.0 Financial

- 6.1 The project budget of £25m is dictated by available Town's Fund Grant.
- 6.2 This may limit the size of the building constructed given anticipated cost increases and the extended CPO timeline.
- 6.3 At this time it is expected that the building for which planning has been received will need to be reduced by the omission of one floor unless further funding is identified.
- 6.4 In the absence of additional funding being identified the Alliance team will develop the design in line with the available budget and deal with any associated Planning amendments to the scheme.
- 6.5 DMBC and partners are working NHS on further potential funding linked to the community diagnostic hub.

7.0 Risks

- 7.1 ***The current risk register is attached.***
- 7.2 This is being reviewed by the wider team and will be updated and circulated prior to the next update report. The key risks are picked up as part of the content of this update note.

8.0 Procurement

HID Building

- 8.1 Alliance – with the support of IPI Initiatives Limited, the procurement process for the Alliance team members has started and progresses well in line with the programmed timeline.
- 8.2 Prequalification submissions were due to be received on the 8 August 2022 and 19 respondents submitted against the 7 Lots advertised. The evaluation process has now been completed and moderation undertaken with a total of 15 companies being taken into the Competitive Dialogue process.
- 8.3 Presentations and interviews are scheduled for the 20th, 21st and 22nd September 2022 as well as the 5th and 6th October 2022.

Hippodrome Demolition

- 8.4 Demolition works are being managed by DMBC's Corporate Landlord Services team. Asbestos removal works have been procured and commencing on site at the end of September 2022. Demolition tenders are due to be returned mid-October 2022.

Banqueting Suite Demolition

- 8.5 To be procured during 2023.