

PROJECT INITIATION DOCUMENT

(June 2017)

**Design and Fit out of Training Centre - at the former London Fruit
and Wool Exchange development (LFWE)**

Version Control

[Please log the versions of the PID as it moves through the IDF process. This is to ensure that the correct/final version is signed and submitted for reporting.]

Version Number	Author and Job Title	Purpose/Change	Date
0.1	Joyce Ogunade, Economic Benefits Manager	<i>E.g. Initial draft to IDSG Finance Subcommittee</i>	2 nd June 2017
0.2	Joyce Ogunade, Economic Benefits Manager	<i>E.g. Second draft to IDSG</i>	18 th June 2017
1.0		<i>E.g. Final version</i>	

Project Initiation Document (PID)

Project Name:	Design and Fit Out of Training Centre at the former London Fruit and Wool Exchange development (LFWE)		
Project Start Date:	September 2017	Project End Date:	July 2018
Relevant Heads of Terms:	TRNG		
Responsible Directorate:	Place		
Project Manager:	Joyce Ogunade		
Tel:	020 7364 2864	Mobile:	07904160847
Ward:	Spitalfields and Banglatown		
Delivery Organisation:	Growth and Economic Development LBTH		
Funds to be passported to an External Organisation? ('Yes', 'No')	No		
Does this PID involve awarding a grant? ('Yes', 'No' or 'I don't know')	No		
Supplier of Services:			
Is the relevant Lead Member aware that this project is seeking approval for funding?	Yes		
Is the relevant Corporate Director aware that this project is seeking approval for funding?	Yes		

Does this PID seek the approval for capital expenditure of up to £250,000 using a Recorded Corporate Director's Action (RCDA)? (if 'Yes' please append the draft RCDA form for signing to this PID)	No
Has this project had approval for capital expenditure through the Capital Programme Budget-Setting process or through Full Council? ('Yes' or 'No')	No
<u>S106</u>	
Amount of S106 required for this project:	£500,000
S106 Planning Agreement Number(s):	PA/11/02220 and PA/11/02221
<u>CIL</u>	
Amount of CIL required for this project:	N/A
Total CIL/S106 funding sought through this project	£500,000
Date of Approval:	28 March 2013

This PID will be referred to the Infrastructure Delivery Steering Group (IDSG):

Organisation	Name	Title
LBTH – Place	Aman Dalvi	Corporate Director
LBTH – Place	Owen Whalley	Divisional Director Planning & Building Control
LBTH – Resources	Paul Leeson	Business Manager
LBTH – Place	Andy Scott	Divisional Director for Growth & Economic Development
LBTH – Place	Matthew Pullen	Infrastructure Planning Manager
LBTH –	Fleur Francis	Team Leader, Planning Legal

Organisation	Name	Title
Governance		
LBTH – Governance	Marcus Woody	Planning Lawyer
LBTH – Governance	Andy Simpson	Business Improvement & S106 Programme Manager
LBTH – Governance	Vicky Allen	S106 Portfolio Coordinator
LBTH – Governance	Tope Alegbeleye	Strategy, Policy & Performance Officer
LBTH – Governance	Thorsten Dreyer	Strategy & Business Development Manager - Culture, Public Realm and Spatial Planning
LBTH – Health, Adults and Community	Tim Madelin	Senior Public Health Strategist
LBTH – Children’s	Pat Watson	Head of Building Development
LBTH – Place	Adele Maher	Strategic Planning Manager
LBTH – Place	Paul Buckenham	Development Manager
LBTH – Place	Alison Thomas	Head of Housing Strategy, Partnerships and Affordable Housing Strategy, Sustainability and Regeneration
LBTH – Place	Richard Chilcott	Head of Asset Management
LBTH – Place	Jonathan Taylor	Sustainable Development Team Leader
LBTH – Place	Abdul J Khan	Service Manager, Energy & Sustainability
LBTH – Place	Christopher Horton	Team Leader, Infrastructure Planning

Related Documents

ID	Document Name	Document Description	File Location
If copies of the related documents are required, contact the Project Manager			

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1.0 Purpose of the Project Initiation Document

- 1.1 As part of the S106 Agreement and employment obligations for the development at the former London Fruit and Wool Exchange, there is a commitment for the developer to provide a new temporary space for the Council for a 10 year rent and service charge free period. After the 10 year period, the space is to be handed back to the landlord. The space will provide an opportunity to establish a local skills and jobs service that will enhance local engagement of workless residents, and assist them on their journey towards economic activity and employment. It is anticipated the new training and employment facility will lead to an increased volume of local residents taking up job vacancies.
- 1.2 The facility is to be used as an employment and skills centre and will be located on the lower ground floor within a commercial and residential site at the former London Fruit and Wool Exchange permitted under planning references PA/11/02220 and PA/11/02221. The confirmed floor space for the facility is 500 square metres (Gross Internal Area). The training centre will be offered as a shell and core space.
- 1.3 This Project Initiation Document (PID) is concerned with the procurement of a contractor to undertake 'design and fit-out' of the training centre premises. The developer is providing a s106 financial contribution of £500,000 to cover the fit-out of the training centre. This funding has been agreed within the Heads of Terms and is ring fenced for the work associated with the fit out of this centre.
- 1.4 As a result of the timeline for receipt of the financial contribution in November 2017, and the tight time frame for delivery, the Growth and Economic Development Service is requesting the funds be agreed in advance to enable the project to start on time in line with the planned procurement process. There is no tangible risk involved in this.
- 1.5 At present, the Council's tenancy is due to begin in April 2018. The Council has requested a three month grace period to allow fit out works to be completed. In the event that payments and/or the procurement for the fit out is delayed, the Council will be liable for all costs associated with the space whilst it is empty including business rates and insurance payments. We are currently awaiting these costs from the developer and our internal teams. These payments will be the responsibility of the Council until the training provider moves into the space.

2.0 Section 106

Background

- 2.1 Section 106 (S106) of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation with a developer over a related issue. Planning Obligations/S106 agreements are legal agreements negotiated between a LPA and a developer, with the intention of making acceptable development which would otherwise be unacceptable in planning terms.
- 2.2 On the 5th January 2016, the Mayor in Cabinet agreed the implementation of a new Infrastructure Delivery Framework which will help ensure the process concerning the approval and funding of infrastructure using CIL/S106 will be appropriately informed and transparent.

S106

- 2.3 This S106 PID is part of the Tower Hamlets Council S106 Delivery Portfolio and is aligned with the agreed Heads of Terms (HoT) for the Deed creating Planning Obligations and undertakings for the development at the former London Fruit and Wool Exchange - with address in Brushfield St, 99-101 Commercial Street, 54 Brushfield St & Whites Row Car Park permitted under planning references PA/11/02220 and PA/11/02221. The site is Grade II listed, however, this will not impact the fit out works of the facility.
- 2.4 The agreement dated 28th March 2013 obliged the developer to pay the Council a total of £1,200,000. This is broken down as follows; £700,000 for financial contributions towards employment, skills and training and an additional contribution of £500,000 towards the fit-out and provision of the training centre, to be paid to the council in November 2017, which is six months before practical completion is anticipated.

Planning Application	Site Address	Date Received	Expiry Date	Expiry Note	Funding Requirement	Amount Received	Amount Requested
PA/11/02220	London Fruit and Wool	22/06/16	TBC	Within 10 years from the date of practical completion of whole development	Provision of local training employment and enterprise initiatives in connection with the construction and operation phases of the development	Due Nov 2017	£500,000

CIL

2.5 This PID does not seek approval for the expenditure of CIL funding

3.0 Legal Comments

3.1 Legal Services considers the design and fit out of the Training Centre at the former London Fruit and Wool Exchange to satisfy the terms of the S106 agreement set out at paragraph 2.6 above.

3.2 This PID seeks to use the contribution for the procurement of a contractor to undertake the 'design and fit-out' of the Employment and Skills Centre. Legal Services is satisfied this clearly reflects the various parties' intentions at the time the agreement was entered that the financial contribution would be used for the Council to spend on setting up the Employment and Skills Centre. Furthermore, this obligation has been specifically worded so that it can only be used for this purpose and as such if the money was not used for this project it would need to be repaid to the party who paid the original contribution.

3.3 The Council should be mindful of the risk of entering into a contract before the relevant contribution is received. Whilst it is anticipated that the contribution will be received in November 2017, should the timeline for practical completion be delayed for any reason or the developer default on the agreement then this could impact on the project. Legal therefore supports the fact that this has been identified as a risk in paragraph 14.0.

3.4 When approving this PID, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who

share a protected characteristic and those who do not (the public sector equality duty). A proportionate level of equality analysis is required to discharge the duty.

3.5 These comments are limited to addressing compliance with the terms of the S106 agreement mentioned above (as based on the information detailed in the PID) and advice on any other legal matters (such as advice on procurement) should be sought separately if appropriate.

4.0 Overview of the Project

4.1 The Council requested and secured a 500sqm commercial space as part of the development of the former London Fruit and Wool Exchange through S106 agreement. This was identified by the Growth and Economic Development Service as an opportunity to develop and expand training and employment provision in central key areas of Tower Hamlets.

4.2 The proposed use for the premises is for a training centre (office) under class B1 use. The duration of the lease is 10 years and will be rent and service charge free; with business rates, insurance of the premises and all associated costs for the space being the responsibility of the sub-tenant. The total rent costing for the location of the premises is of an estimated value of £1,000,000 for the 10 years. The site will be available for the contractors to begin the fit out of the space from April 2018, with the chosen occupier moving in from July 2018.

4.3 It is anticipated that the space will require a medium specification fit-out (suspended floor and ceilings, power stations, lighting, etc.) The Growth and Economic Development Service has already consulted with the Council’s architectural team to obtain estimated costs for fitting-out the premises as well as the timeline of works required.

4.4 Through S106 contributions the developer will pay the Council an additional £500,000 to support workspace fit-out and related set up costs. The estimated costs known at present are as follows;

Table 1: Costs breakdown	
Main Works	£325,000
Feasibility Design for project approval	£5,500
Acoustic Consultants	£4,000
Mechanical & Electrical design	£4,500
Structural Engineers	£4,500
Building Compliance Approvals/Building Control Submission	£2,000
Planning Application	£385
CDM / Principle Designer	£3,000

Architecture Team fee @ 11.5% incl; <ul style="list-style-type: none"> • Project Architect - all design and specification's translated from Client requirements • Contract Administrator - between Client and Contractor utilising traditional standard construction contract • Design Manager – managing all external designers for e.g. M&E designers to create a fully coordinated design 	£31,875
<ul style="list-style-type: none"> • External QS fees 6.5% Quantity Surveyor (subject to appointment and their fee agreement) to ensure project meets within the clients budget 	£37,375
Fire Fighting Equipment	£20,000
Porterage	£20,000
Legal costs for land searches	£780.26
Contingency	£41,084.74
Total	£500,000

**All of the above are estimated*

- 4.5 The £325k main works is an estimation provided by our internal architectural team, based on the feasibility study carried out. This work will include but is not limited to;
- Structural reconfigurations if necessary, Such as new door openings within the existing structure.
 - New internal reorganisation to the main space, to the client's needs i.e. new rooms created.
 - Toilet provisions required by the end tenant, number to be confirmed.
 - M&E works essential for the end tenants needs – air con, lighting, sockets, mechanical fittings, sinks, kitchen, vent extract etc.
 - All fixtures and fittings required by the end tenant – meeting rooms, fixed storage etc.
 - All decorative works – painting, carpets, need to take the space beyond the supplied shell & core specification.

The information above is an estimate of the work to be provided and final information will only be known once the end tenant has been identified.

- 4.6 The design costs and fees are based upon a percentage of the overall construction costs. This has been based on CDAT scale of fee charges.
- 4.7 The council intends to sublet the premises, as agreed in the Heads of Terms to an external training and employment provider during the agreed period. The provider will be selected through the council's procurement process. The provider will be expected to access funding for training from external funding sources such as Skills

Funding Agency or European Social Funding as appropriate. The council will not provide delivery funding to the chosen provider and all bidding organisations will be expected to outline and discuss their business model and sustainability within their tender.

- 4.8 The risk of not successfully accessing the funds would delay the chosen provider from occupying the site in July 2018. The council will be liable to cover all costs and expenses whilst the building is empty which will result in a cost to the Council.
- 4.9 In addition to the financial costs to the council should the works be delayed, the chosen provider will have a shorter tenancy within the site, as the 10 year tenancy is due to begin in April 2018, however, negotiations are underway to delay this until July 2018 to allow the fit out works to be completed.

5.0 Business Case

5.1 Overview/General

- 5.1.1 Investment in training and skills opportunities are advantageous for residents, employers and the council as they assist with the integration of the development within the borough, and in improving relationships with residents.
- 5.1.2 Tower Hamlets has a strong and successful local economy with just over 5% of London's total employment concentrated within the borough. The borough also accounts for some 30% of all jobs in East London.
- 5.1.3 Recent development work has identified a large number of workless residents in and/or around the Spitalfields and Whitechapel area of Tower Hamlets. The Employment and Enterprise team within the Council has explored extending the provision of its employment and brokerage services to assist local people into jobs.
- 5.1.4 The service would focus its engagement on the local residential area of the West of the borough. It would also tap into the local employment market which includes the retail, hospitality and hotels sectors. The facility and its advisers would work alongside other services including WorkPath and local partners to co-ordinate the service offer and form part of the Council's overall response to low employment rates and high unemployment rates.
- 5.1.5 The project is intended to help the council and partners respond to the changes in the economy and labour market, by providing a strategic and coordinated local resource-offer for a wide range of workless residents.
- 5.1.6 The chosen provider will work in partnership with WorkPath and other relevant partners to ensure the necessary outputs are delivered. The training to be delivered from this new service will be classroom based but the service to be provided will not be known until the training provider has been selected.

5.1.7 The successful delivery of this project contributes towards the Borough's Community Plan corporate themes. They are also in line with national priorities with respect to educational attainment and to tackling worklessness, with a particular focus on vulnerable and excluded communities:

- Creating and sharing prosperity – by increased educational and vocational training routes into employment.
- Excellent public services – by a greater targeting of services to the most vulnerable and excluded communities as well as greater engagement opportunities.

5.1.8 The two themes are considered as key drivers for 'One Tower Hamlets' agenda and are translated into the Employment Strategy via the following five strategic objectives:

1. Making mainstream services work better for residents
2. Engaging workless residents detached from the labour market and complement the work of the mainstream.
3. Encouraging increased aspiration towards engaging with the labour market, particularly for economically inactive groups.
4. Ensure economic investment is co-ordinated and focused.
5. Capture employment opportunities for Tower Hamlets residents within the borough and wider London labour market.

The appointed training provider will be expected to deliver training and employment support services in order to achieve the following out puts over the ten year period;

- 1000 unemployed residents to be engaged per year
- 305 residents trained/upskilled per year
- 150 residents placed into jobs per year (1,500 residents placed into employment over the lifetime of the project)

The exact nature of the outputs to be delivered will be discussed with training providers at tender stage. We do not wish to be prescriptive with outputs. This will allow suitable recommendations from those bidding and provide the opportunity for them to expand on what is to be delivered and how they will achieve this.

The training to be delivered at the facility is currently unknown. The training provider tender will be open to all bidders who are able to provide a classroom based training facility with the outputs required.

5.2 Project Drivers

5.2.1 An independent consultant was engaged in November 2015 to undertake a comprehensive review of employment support provision across the borough. The report was taken to Cabinet in April 2016 and made a number of recommendations. The key message was that, "...the council should strengthen its strategic role and lead on the establishment of a clearer, better coordinated and more efficient local employment and skills system..." to better enable all services to address the needs of residents, to maximise the use of ever dwindling resources whilst making significant savings to the public purse; and to ensure that local people can benefit directly and personally from the projected growth of the borough.

5.2.2 The planning obligations being provided with specific commitments to delivering local job creation and training, through the establishment of the employment and skills centre, offer a major public benefit to the Borough.

5.2.3 The landlord will ensure that they and future tenants of the surrounding space will make a commitment for occupiers to work with the chosen provider- for example, by committing to providing advanced information on all employment opportunities to the chosen provider.

5.3 Deliverables, Project Outcomes and Benefits

5.3.1 The design and fit out of the London Fruit and Wool training centre will be produced in partnership with the winning provider. This will enable the facility to be ready for service delivery of employment support to the boroughs residents.

5.3.2 This project will convert the provided shell and core space into a dedicated training facility for local residents. Bespoke training courses, developed in partnership with employers, will be delivered from the centre, with training courses linked to live vacancies or in anticipation of forthcoming opportunities.

5.3.3 The selected supplier will respond to a specific brief for the design and fit out provision to be delivered, and work on behalf of the council.

5.3.4 Table 1 (section 4.1) shows the breakdown of the deliverables this PID is expected to deliver.

5.4 Other Funding Sources

As per the section 106 agreement, the sum of £500,000 is to be used by the council towards the cost of setting up the new facility. There are no other funding sources available for this project and there is no requirement or expectation for match funding.

5.5 Related Projects

5.5.1 Prior to the procurement of the contractor for the fit-out, a training and employment provider will be procured to occupy and deliver training and employment support services, secured through the S106 in relation to the redevelopment of London Fruit and Wool Exchange. The procurement of the training provider is necessary in advance of the design and fit out to ensure the correct specification is provided for the services to be delivered. Funding is not required for the training provider element of this contract.

5.5.2 The procurement of the training provider will be subject to OJEU procurement rules, and we will ensure the Councils procurement policies and guidelines are followed, including ensuring a transparent process and equal opportunities are provided. In order to allow a fair procurement process, it will be open to all providers, not just locally registered organisations.

5.5.3 The winning provider will work in partnership with the Councils WorkPath-Integrated Employment Service, as well as other local partners and council services. We wish to ensure partnership working where possible with established local organisations, rather than them working in competition.

5.5.4 The training provider is expected to be appointed by 18 September 2017, with the design and fit out tender to be advertised before the end of October 2017. This timeline will enable contractor works to begin on site in April 2018.

5.5.5 The winning provider will be expected to meet the Councils safeguarding requirements.

5.5.6 The winning provider will be able to move into the facility from July 2018.

6.0 **Approach to Delivery and On-going Maintenance/Operation**

6.1 We will apply effective public procurement, prioritising good design outcomes to

maximise the social, environmental and economic benefits of the development. The delivery approach will utilise competitive tenders, due to the unique requirements of the site, the cost of the development and high end finish required. A publicly advertised tender (rather than framework) will be used to maximise the potentiality for a specialised contractor. Once designed with LBTH client, selected tenant and architect, the Quantity Surveyor will compile a tender package utilising LBTH standard requirements and produce a pre-tender estimate for projection/comparison analysis. (Appendix G) All compliant tender returns will be evaluated by the design team and QS. The selected contractor will be engaged using a construction contract, the work will be monitored by our internal architectural team on-site who will be project managing the design and fit out of this facility. The architectural team will ensure the project is delivered on-time and in budget. Once completed, all works to be inspected and a standard retention withheld from the contractor for one year defects liability period, to return to the site to remedy defects, if required.

- 6.2 The facility will be maintained by our asset and facilities management team. All costs will be passed to the chosen provider for the duration of the lease. Should the facility be handed back to the council or be empty at any point, the Council will be responsible for repairs and maintenance on top of business rates and insurances.
- 6.3 The role of the Asset Management team is to set up the property relationships between the Council and the building owner and between the Council and the training provider, which will occupy the building. The relationships will be documented in leases. The terms of the lease between the Council and the owner have been agreed and a draft lease is being negotiated. The terms of the lease between the Council and the provider are yet to be determined. The Council will have the opportunity to set out the proposed lease terms as part of the process for procuring the provider. It is open to the Council to propose a structure of responsibilities and costs liabilities within the lease in relation to the maintenance that will fall to the Council under its lease. The options include;
- Making the provider responsible for carrying out maintenance,
 - The Council carrying out maintenance, with or without cost recovery,
 - A split of responsibilities between the Council and provider

7.0 Infrastructure Planning Evidence Base Context

One Employment and Enterprise related project has been identified in the current Evidence Base. This is for Employment, Training and Information Outreach Sites to enable the delivery of facilities offering employment and training support and

information, in locations accessible to key target groups in areas with high levels of economic/employment inactivity. This project could be considered to meet this objective, but it also fulfils a very specific S106 planning obligation, which the council is obligated to comply with. The proposed training centre would enable the delivery of a local skills and jobs service that would enhance local engagement of workless residents, and assist them on their journey towards economic activity and employment. This objective is in line with the Council's adopted Employment Strategy and the Community Plan 2015.

8.0 Opportunity Cost of Delivering the Project

The project is fulfilling a specific S106 obligation for the design and fit out of a new employment and skills centre at London Fruit and Wool Exchange. The funds provided are ring-fenced for the fit out of this facility and are unable to be used for anything else.

9.0 Local Employment and Enterprise Opportunities

This project is specifically designed to create and enhance training and employment services and opportunities for local residents looking for work, and as such meets the council's criteria in relation to the securing of economic benefits within its project delivery. The training facility will be designed in partnership with the appointed training provider to ensure that services are delivered in a flexible way, accessible and fit for purpose.

The facility will enable the Council to extend its reach into an area of the borough where it does not have a dedicated facility. By working closely with the training provider we are able to generate more work experience placements, apprenticeships, and employment opportunities for local residents with which they may not have originally been able to access. The training assists in bridging the gap between local employers and the community by developing working partnerships that meet the requirements of businesses and the unemployed residents.

10.0 Financial Programming and Timeline

Project Budget

Table 2
Financial Resources

Description	Amount	Funding Source	Funding (Capital/ Revenue)
Main Construction Works	£325,000	S106	Capital
Design Team costs (Architectural, QS, Acoustic, CDM, Planning Structural, M&E,)	£110,000	S106	Capital
Contingency (unanticipated overspend on fit out costs, legal fees)	£65,000	S106	capital
Total including VAT	£500,000		

Any monies not spent will be returned to the S106 portfolio.

Project Management

The design and fit out will be managed by the LBTH Architectural team with Growth & Economic Development Service overseeing the project.

Financial Profiling

Table 3									
Financial Profiling									
Description	Year 2017/8				Year 2018/9				Total
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Main Construction Works					£325,000				£325,000
Design Team costs (Architectural, QS, Acoustic, CDM, Planning Structural, M&E,)			£33,000	£33,000	£44,000				£110,000
Contingency, legal costs, other costs					£65,000				£65,000
Total									£500,000

Outputs/Milestone and Spend Profile

Table 4			
Project Outputs/Milestone and Spend Profile			
ID	Milestone Title	Baseline Spend	Baseline Delivery Date
1	Procurement of design and fit out contactors		October 2017
2	Contract Awarded		November 2017
3	Tender Report	<ul style="list-style-type: none"> • 65% of design fees 	December 2017
4	On Site	<ul style="list-style-type: none"> • 70% of design fees 	April 2018
5	Works 50% Complete	<ul style="list-style-type: none"> • Further 20% of design fees (85% total) • 50% of construction fees 	Mid – late May 2018
6	Practical Completion	<ul style="list-style-type: none"> • Further 10% of design fees (95% total) • Further 45% of construction fees paid (95% total) 	End of June / early July 2018
7	Final Accounts	<ul style="list-style-type: none"> • Remaining 5% of design fees • Remaining 5% of construction fees 	End of June / early July 2019
Total		£500,000	

11.0 Project Team

11.1 Information regarding the project team is set out below:

- Project Sponsor: Aelswith Frayne
- Project Manager: Joyce Ogunade

12.0 Project Reporting Arrangements

Table 5			
Group	Attendees	Reports/Log	Frequency
IDSG Sub Group	Numerous – defined in terms of reference (ToR).	Monitoring Report	Quarterly

Table 5			
Group	Attendees	Reports/Log	Frequency
IDSG	Numerous – defined in ToR.	Monitoring Report	Quarterly
IDB	Numerous – defined in ToR	Monitoring Report	Quarterly
Project Partnership Board	Nominated representatives from LBTH, Exemplar and appointed contractor and Training Provider	Update Reports	Monthly

13.0 Quality Statement

The construction project will be balanced between cost, time and quality. The aim is to have high quality and low cost, within the tight timescales allocated. The success of the project will be measured on providing a bespoke space for a particular client, which will maintain the high standards, set out throughout the ten year lease of the space, ensuring a positive contribution to the borough.

During the design phase, following design meetings, proposed works will be presented to the chosen provider for approval before being submitted to the QS and then bidding contractors for pricing. When the tenders are returned they will be reviewed by the architectural team, QS and Economic Development. Once a suitable contractor is appointed, in budget, we will use a standard building contract to enable us to mediate between the client and contractor, QS to monitor the costs, as the build progress, through a series of valuations, based upon the works done on-site. When the project is completed, it will be snagged by the architect, evaluated by the QS and the client is consulted to approve the finished works, accordingly. A retention fee will be kept from the contractor (2.5% of the entire construction as standard) for one year after the agreed practical completion date, in order for the contractor to return to repair any latent defects.

The chosen provider will be heavily involved in the design and fit out of the space. The building will be handed over to the chosen provider on completion of fit out. They will be expected to accept the building as delivered and in the event of any fit out issues, this would be managed through a dispute resolution process.

14.0 Key Risks

14.1 The key risks to this project are set out in the Table 6 below:

Table 6							
Risk No.	Risk	Triggers	Consequences	Controls	Likelihood	Impact	Total
1	S106 funding delayed	Unable to draw down funding in advance	Delayed start on site, which will delay the chosen provider moving in within the specified timeframe. Should this occur, the council will be liable for all costs whilst the building remains empty	IDSG forward fund	2	3	6
2	Procurement of training provider not completed within timeframe which will delay the fit out work	Delayed procurement process	Delayed fit out start, resulting to late occupation of the facility. The council will be liable for all costs when facility is empty	Partnership working with procurement and asset management	2	3	6
3	Site not available in time	Contractors delay	Delayed start on-site & opening date- no cost to the council should this occur as the developer will pick up costs	Ongoing communication with developer (landlord)	2	2	4
4	Budget	Training tenant requirements	Overspend or Value Engineering	Communication with tenant, designer and QS to manage design and cost, contingency allowed for in tender package	1	2	2

15.0 Key Project Stakeholders

15.1 The principal stakeholders are shown in Table 6 below and will be engaged from the earliest stages of the project and through to project closure. The key stakeholders will be engaged as required, after delivery is completed.

Table 7			
Key Stakeholders	Role	Communication Method	Frequency
LBTH Economic Development	Lessee	Project Steering Group Meetings	Bi-monthly and more frequently if needed
Exemplar	Landlord/Lessor	Project Steering Group Meetings	Bi-Monthly and more frequently if needed
Contractor	Delivery Partner	Project Steering Group Meetings	Bi-monthly and more frequently if needed
Training Provider	Sub-tenant	Project Steering Group Meetings	Bi-Monthly and more frequently if needed
LBTH Asset Management	Property Services	Project Steering Group Meetings	Bi-monthly and more frequently if needed

16.0 Stakeholder Communications

16.1 LBTH, Exemplar (landlord), the successful contractor, and the training provider will nominate representatives to sit on a Project Steering Group that will oversee the project. Employer representatives will be sought in order to ensure that the project remains truly reflective of employer needs. The Steering group will meet bi-monthly and will ensure consistent and regular information flow between key partners.

16.2 In the event of dispute resolutions, the dispute will attempt to be resolved at these meetings in the first instance.

16.3 Following completion of the fit out and during the operational phase of the chosen provider, the winning provider, landlord and construction contractor will provide a dedicated 'liaison officer' who will work with the Council to ensure the employment and training outputs are delivered.

16.4 Each organisation will relay project progress/success to its respective management bodies via its reporting mechanisms.

17.0 Project Approvals

The PID has been reviewed and approved by the Chair of the IDSG and the Divisional Director for the Directorate leading the project.			
Role	Name	Signature	Date
IDSG Chair	Ann Sutcliffe		
Divisional Director, Growth & Economic Development	Andy Scott		

Project Closure

[Please note that once this project has been completed a Project Closure Document is to be completed and submitted to the Infrastructure Planning Team and the S106 Programme Manager.]

Appendices

[Amend as necessary]

- Appendix A: Recorded Corporate Director's Action Form;
- Appendix B: Risk Register;
- Appendix C: Project Closure Document
- Appendix D: Shell & Core Specification
- Appendix E: draft LFWE Lease Agreement
- Appendix F: LFWE Heads of terms
- Appendix G: Programme timetable

Project Closure Document

1.	Project Name:						
2a.	Outcomes/Outputs/Deliverables I confirm that the outcomes and outputs have been delivered in line with the conditions set out in the any Funding Agreement/PID including any subsequently agreed variations.	Please Tick ✓ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%;"></td> </tr> </table>		Yes		No	
Yes		No					
2b.	<ul style="list-style-type: none"> • Key Outputs <i>[as specified in the PID]</i> • Outputs Achieved <i>[Please provide evidence of project completion/delivery e.g. photos, monitoring returns / evaluation]</i> • Employment & Enterprise Outputs Achieved <i>[Please specify the employment/enterprise benefits delivered by the project]</i> 						
3a.	Timescales I confirm that the project has been delivered within agreed time constraints.	Please Tick ✓ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%;"></td> </tr> </table>		Yes		No	
Yes		No					
3b.	<ul style="list-style-type: none"> • Milestones in PID <i>[as specified in the PID]</i> • Were all milestones in the PID delivered to time <i>[Please outline reasons for any slippage encountered throughout the project]</i> • Please state if the slippage on project milestone has any impacts on the projects spend (i.e. overspend) or funding (e.g. clawback) 						
4a.	Cost I confirm that the expenditure incurred in delivering the project was within the agreed budget and spent in accordance with PID	Please Tick ✓ <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%;"></td> </tr> </table>		Yes		No	
Yes		No					
4b.	<ul style="list-style-type: none"> • Project Code • Project Budget <i>[as specified in the PID]</i> • Total Project Expenditure <i>[Please outline reasons for any over/underspend]</i> • Was project expenditure in line with PID spend profile <i>[Please outline reasons for any slippage in spend encountered throughout the project]</i> 						

5.	Closure of Cost Centre I confirm that there is no further spend and that the projects cost centre has been closed. <ul style="list-style-type: none"> • Staff employment terminated • Contracts /invoices have been terminated/processed 	Please Tick ✓			
		Yes		No	
		Yes		No	
6.	Risks & Issues I confirm that there are no unresolved/outstanding Risks and Issues	Please Tick ✓			
		Yes		No	
7.	Project Documentation I confirm that the project records have been securely and orderly archived such that any audit or retrieval can be undertaken.	Please Tick ✓			
		Yes		No	
These records can also be accessed within the client directorate using the following filepath: <i>[Please include file-path of project documentation]</i>					
8.	Lessons learnt				
	<ul style="list-style-type: none"> • Project set up <i>[Please include brief narrative on any issues faced/lessons learned project set up]</i> <p>-----</p> <p>-----</p>				
	<ul style="list-style-type: none"> • Outputs <i>[Please include brief narrative on any issues faced/lessons learned in delivering outputs as specified in the PID, including the management of any risks]</i> <p>-----</p> <p>-----</p>				
	<ul style="list-style-type: none"> • Timescales <i>[Please include brief narrative on any issues faced/lessons learned in delivering project to timescales specified in PID]</i> <p>-----</p> <p>-----</p>				
	<ul style="list-style-type: none"> • Spend <i>[Please include brief narrative on any issues faced/lessons learned regarding project spend i.e. sticking to financial profiles specified in the PID, under or overspend]</i> <p>-----</p> <p>-----</p>				
	<ul style="list-style-type: none"> • Partnership Working <i>[Please include brief narrative on any issues faced/lessons learned re: internal / external partnership working when delivering the project]</i> <p>-----</p> <p>-----</p>				
<ul style="list-style-type: none"> • Project Closure <i>Please include brief narrative on any issues faced/lessons learned project closure]</i> <p>-----</p>					

	<p style="text-align: center;">-----</p>		
9.	<p>Comments by the Project Sponsor including any further action required <i>[Use to summarise project delivery and any outstanding actions etc]</i></p> <hr style="border-top: 1px dashed black;"/> <hr style="border-top: 1px dashed black;"/>		
10.	<p>The Project Sponsor and Project Manager are satisfied that the project has met its objectives and that it can be formally closed.</p>		
	Sponsor (Name)		Date
	Project Manager (Name)		Date