S 40 [redacted]

From: S 40 [redacted]
Sent: 01 April 2021 09:09
To: S 40 [redacted]
Subject: FW: DESK IMMEDIATE Urgent: QUB Integrated Student Centre

Please TRIM

From: McFarlane, Iain
Sent: 31 March 2021 18:07
To: Neeson, Patrick (DoF) S 40 [redacted]
Cc: DfE Accountability and Casework Branch S 40 [redacted] Hetherington, Sharon S 40 [redacted] Woods, Colin (DfE) S 40 [redacted] Vance, Garey S 40 [redacted] S 40 [redacted] Cromie, Philip S 40 [redacted] Cooper, Trevor S 40 [redacted] O'Callaghan, Jonathan S 40 [redacted]; Malcolm, David S 40 [redacted]
Subject: RE: DESK IMMEDIATE Urgent: QUB Integrated Student Centre

Thanks Patrick for confirmation, much appreciated

From: Neeson, Patrick (DoF)
Sent: 31 March 2021 18:04
To: McFarlane, Iain S 40 [redacted]
Cc: DfE Accountability and Casework Branch S 40 [redacted] Hetherington, Sharon S 40 [redacted] Woods, Colin (DfE) S 40 [redacted]; Vance, Garey S 40 [redacted] S 40 [redacted] Cromie, Philip S 40 [redacted]; Cooper, Trevor S 40 [redacted] O'Callaghan, Jonathan S 40 [redacted]; Malcolm, David S 40 [redacted]
Subject: RE: DESK IMMEDIATE Urgent: QUB Integrated Student Centre

Iain
Thanks for the responses below.
I will communicate this formally in the coming days but I'm content to approve on the basis of the responses provided.
Regards
Patrick

From: McFarlane, Iain
Sent: 31 March 2021 16:27
To: Neeson, Patrick (DoF) S 40
Cc: DfE Accountability and Casework Branch S 40 Hetherington, Sharon S 40 ; Woods, Colin (DfE) S 40 Vance, Garey S 40 ; S 40 Cromie, Philip S 40 Cooper, Trevor S 40 O'Callaghan, Jonathan S 40 Malcolm, David S 40
Subject: FW: DESK IMMEDIATE Urgent: QUB Integrated Student Centre
Importance: High

Patrick,
Hi. Please see below responses to your queries in red. If you need anything else, please let me know
Thanks
Iain

From: Neeson, Patrick (DoF)
Sent: 31 March 2021 13:16
To: McFarlane, Iain S 40
Cc: Hetherington, Sharon S 40 >; Woods, Colin (DfE) S 40 ; Farmer, Cris S 40 ; S 40 Vance, Garey S 40 ; S 40
Subject: Urgent: QUB Integrated Student Centre

Iain

We have a number of points around the business case. I will follow this email up with a later email providing a more comprehensive note setting out our comments and issues for you to consider, including points to bear in mind for future business cases. However, in the meantime I thought it best to set out below the key issues that we would like some assurance around before granting approval.

Budget/Affordability

The documentation suggests that DfE believe the project is currently unaffordable. There is therefore a high risk that the total funding will not be granted. The University have indicated that it is willing to reprioritise other capital projects to ensure that this is completed, should the required funding from DfE not be provided. On the other hand, the additionality assessment suggests the project may not be completed at all in the absence of Govt funding: ", in the absence of external capital funding, it is likely that this programme will be significantly delayed, with the potential that the programme may not be completed at all in the current financial climate". Has the University given any further detail around what projects it would delay or stop if this reprioritisation was needed, particularly given the Management School for which approval has recently been granted? Might the project not proceed as envisaged?

In relation to the reprioritisation which would be required, this will be in relation to future capital projects. The current University's Estates Strategy runs to 2022, and the impact of potentially lower capital grant funding from Government than originally anticipated will be reflected within a future Estates Strategy which would include a number of other strategic projects., including the University's contribution to Belfast Region City Deal.
These projects are proceeding and the University has no plans to slow or stop any of the projects that the Department is supporting and in particular the City Deal projects for which they have reserves already earmarked.

Have DfE considered how they are going to prioritise this along with other priorities such as the QUB Management School Expansion in term of future year's funding?
Capital budgets are yet to be finalised. This will be a decision for the Minister based on the final Departmental allocation received. The University is aware and content that it will have to meet the balance of funding not provided for.

In terms of project risks, in the casework committee minutes. David Malcolm notes that the risk register appeared to have 4 OS risks that remain red, even after mitigation. Have the concerns identified around these been alleviated?

The programme is progressing well within budget and delivery timelines. Queen's has a strong track record in delivering capital projects of this scale within budget

3.07 Agreed Design exceeds the budget-A Target Cost has been agreed with the Main Contractor based on a full package of tender information from the appointed design team. We retain appropriate contingency sums within our overall capital project budget for the entire project. The figures agreed represent the design aspirations and are contained within the budget expected. As you would expect we continue to monitor cost and progress in monthly meetings with the main contractor. In addition, as with any project, cost control will be an ongoing standing item and the University is very confident that the agreed overall design will remain with budget.

3.08 Design unable to achieve programme dates with impact on delivery requirements.-. A construction programme has been agreed with the appointed main contractor and achieves the dates expected by the University. In line with comments above, the management of this programme also forms part of the monthly meetings with the main contractor.

4.05 Key sub-contractor going in to liquidation.-*Due diligence undertaken prior to award of contract.* The main contractor has now completed the appointment and financial checks across the large majority of the supply chain works packages carried by the key sub-contractors. Risks on this matter are clearly substantially reduced as the packages are processed and let by the main contractor.

4.22 Potential risk of music systems causing ductwork vibrations due to hitting resonant frequencies. This is a minor operational risk to the mechanical installations in the building and is of limited relevance. It has little impact on the financial aspects of the project and is impossible to fully mitigate until such time as the systems are fully installed and able to be tested to the relevant sound levels.

Need

Has the University ensured that the need for space in the proposed building is consistent with the future space demands post-Covid (working and studying from home/blended approach, etc)? Are DfE still content with the need for the Integrated Student Centre as proposed?

The Student Centre will provide, at the core of the Campus ,a central hub for Student focused services and the increased student body.
The Department is content that given the nature of this project, once opened it will not be impacted with reduced space demands as its intention is around creating collaborative space for students on campus, and the current studying from home issues are very much part of current prevailing Public Health guidance and not the on campus experience the university and indeed the student body will seek to see in place.

Government Funding

The University is required to commit £10.86m – it is fully committed to the project and will meet these costs from its capital reserves. Should the contribution to government funding be less than 90%?

As noted in the QMS case, the actual amount funded is always subject to the Department's capital allocation, and Ministerial priorities for its use in future years. The additionality points expressed in the casework papers justify intervention up to this level dependent on future Ministerial priorities and future budget availability.

Regards

Patrick