House of Commons Science & Technology Committee

UKCMRI Update

24th August 2010

(Note: Previous report January 2010)

A Joint Venture involving MRC, Cancer Research UK, Wellcome Trust, University College London

Location: Central London (adjacent to British Library and St. Pancras Station)

Total Construction Budget: £541m (all parties)
Total Land Acquisition Cost: £85m (all parties)
MRC Construction Budget: £253m
MRC Portion of Land Cost: £47m
Forecast Completion: 3Q 2015

Funding:
In March 2010, the then Prime Minister Gordon Brown announced that £250m would be allocated to the UKCMRI Project in 2010/11. Following the General Election, the new Government announced that this funding would not be provided in full during 2010/11. However, funding will be spread over 5 or 6 years, with the amount this year being in line with expected expenditure. Future funding will remain contingent on approval of the full business case once planning permission has been granted.

The Business Case and Major Projects Review Group (MPRG):
The Project was subject to the Government’s Major Projects Assessment Review in July 2010, when it achieved a delivery confidence of “amber-green”, which MRC consider as further endorsement of the project. It was not referred to an MPRG Panel for consideration as part of the review process.

A MPRG Review was conducted in March and April 2010 and it was confirmed that a single stage business case approval would be provided rather than a two-stage process that had been planned to reflect the procurement strategy.

The MRC expect there to be continued MPRG involvement in the project. Construction works are being procured in two stages, the first for Pre-Construction Services to be let in January 2011 and the second for Construction of the building in April 2012. MRC has recommended early 2012 as the most appropriate time for further review.

Governance Arrangements:
Heads of Terms for a joint venture between the four founding partners and UKCMRI were signed in February 2010, and the Science Vision for the new institute was launched in June 2010. Sir Paul Nurse has been appointed as the Chief Executive of UKCMRI, to start in January 2011.

Negotiations on a Joint Venture Agreement are drawing to a conclusion and will be signed by MRC’s CEO on receipt of BIS approval. Following this the UKCMRI charitable entity will be established in late summer enabling UKCMRI to fulfil the role of “Employer” in construction project contracts.

The Building:
RIBA Work Stage C Re-design will be signed off and Design Stage D commenced in August 2010. All professional services have been procured to ensure delivery of the design on time. Current cost forecasts are within budget.

New architects were employed for external envelope design and the external appearance of the building has been extensively re-worked to provide a design that is more acceptable to the planning authorities and the Joint Venture partners.

**Planning and Public Relations:**
Formal consultation with London Borough of Camden (LBC), Greater London Authority (GLA) and the Commission for Architecture in the Built Environment (CABE) has obtained positive feedback on the design. The Planning Application is due to be submitted in early September 2010.

Although design consultations with LBC are going well, there remains a risk that the planning application will be deferred to the GLA for the Mayor to decide. LBC has requested a Section 106 settlement to pay for affordable housing in the Camden area. Planning determination by GLA would take 10 to 15 weeks longer than it would if LBC granted permission.

A series of external stakeholder meetings and community consultation events have taken place and further events to gauge local opinion and promote the new institute will follow throughout 2010. MRC have agreed with UKCMRI and the other partners for the site to be used temporarily for a London Wildlife Trust community garden project, and a permanent exhibition for UKCMRI has also been set up on site. A parliamentary reception is planned for Autumn 2010.

**Programme Planning:**
UKCMRI are recruiting an Operations Manager, who will lead the planning and implementation of the transition from the existing institutes to the new one. Cost estimating assumptions are being tested to ensure best value for money in view of current financial constraints.

**Risk Management:**
Major risks are covered in detail in risks registers that are regularly reviewed by the MRC Monitoring Committee for the Project. In addition, MRC provide support and input to the UKCMRI risk management process.

The MRC Risk Register continues to record one ‘very high’ risk arising from UKCMRI, which is “If the UKCMRI project fails then MRC will not be able to maximise the value of its largest intramural investment”. Signing the Joint Venture Agreement and Full Business Case approval will make this less likely.

Sir Leszek Borysewicz
24 August 2010