The Francis Crick Institute (formerly UKCMRI) Update

September 2011

(Note: Previous report August 2010)

A Joint Venture involving MRC, Cancer Research UK, the 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

The Francis Crick Institute
In May 2011 UKCMRI was given a new and permanent name, The Francis Crick Institute (abbreviated to 'The Crick'). The Crick is named after the British scientist, Francis Crick, the co-discoverer of DNA.

Imperial College and Kings College
In April 2011 Imperial College and Kings College signed a Memorandum of Understanding stating their intention to join The Crick. If these leading academic institutions become full partners they will each contribute £40m towards The Crick. The relevant legal agreements should be ready for signing by the end of September 2011, following approval by BIS.

Funding:
In February 2011 the Government approved the MRC Final Full Business Case. The approval is limited to MRC expenditure of £253m on construction costs and £30.7m on transitional costs. £220m of this funding will be provided by the Department of Health, as announced in the October 2010 Spending Review settlement. The MRC’s receipts from the sale of the National Temperance Hospital and Mill Hill (NIMR) sites will be used towards the capital costs of this project, subject to approval from BIS and the Treasury. Current projections are that the construction will be completed within budget. HMRC has agreed with UKCMRI that VAT is not payable on the building. Accession of the new partners will bring approximately £70m towards the set up costs of the new institute, adding considerable value to the MRC funding.

Major Projects Review Group (MPRG):
In January 2011 UKCMRI was subjected to a Project Assessment Review (PAR) by a team drawn from members of the Cabinet Office, Ministry of Justice and BIS. The resulting PAR report concluded a delivery confidence of ‘amber-green’ for the UKCMRI project. The report recommended that the project did not need upwards
referral to the Major Projects Review Group or the Major Projects Authority at that stage. A further PAR review is intended to take place early in 2012.

The Crick has been included in the Government Major Projects Portfolio, with the first quarterly return being submitted in June 2011 together with an Integrated Approvals & Assurance Plan as required by the Major Projects Authority.

**Governance Arrangements:**
In November 2010 The Joint Venture Agreement (JVA) was signed by the UKCMRI chairman Sir David Cooksey and the four founding partners’ Chief Executives. The signing was witnessed by David Willetts, Lord Howe and Sir Paul Nurse. In February 2011 UKCMRI was designated as a charitable company. A Deed of Accession for the two new participants to the Joint Venture has been prepared and will be signed by the partners once approved by BIS. The Crick is governed by a Board with Director representation from each of the founding partners. The construction project is overseen by a Construction Project Board (CPB) that meets monthly. Members of the CPB include Directors from the founding partners and representation from BIS.

**The Building:**
In November 2010 tenders were returned by four contractors for the contract to construct The Crick. Following an extensive evaluation process and approval of the MRC Final Full Business Case, the contractors Laing O’Rourke were appointed in February 2011 to undertake pre-construction services for the UKCMRI project. In June 2011 Laing O’Rourke were appointed to undertake initial construction works as part of a two-stage contract. The final stage of the construction contract is planned to be executed in June 2012. Currently site works are progressing in accordance with the Project programme, and basement construction is underway. The design has progressed to a detailed stage and it has been confirmed that the building will accommodate at least the minimum number of researchers required. Practical completion of the construction works is scheduled for 2015.

**Planning and Public Relations:**
The London Borough of Camden (LBC) gave planning consent for UKCMRI in December 2010, subject to conclusion of a ‘section 106’ agreement. The ‘section 106’ agreement was concluded in March 2011. The judicial review period was completed in June 2011 with no significant objections raised. Public relations are a key component of the construction contractor’s duties. Laing O’Rourke and The Crick have both engaged full-time staff to address community relations, and joint working parties with the local community have been established. Initiatives to support community relations include the development of a permanent ‘living centre’ within the new building, provision of a temporary public visitor centre on site during the construction period and active participation in the ‘Considerate Contractors’ scheme.

**Programme Planning:**
The Crick has recruited a Transition Director, who will lead the planning and implementation of the transition from the existing institutes to the new one. Plans are being developed to create a ‘Virtual Institute’ to facilitate the successful transition to The Francis Crick Institute. Co-ordination and planning has been improved by closer working relationships between The Crick, Cancer Research UK and MRC across more disciplines and at various management levels.

**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 Crick’s risk management process. Two risks are currently
classified as ‘red’ within the MRC Risk Register; managing cash flow in accordance with the funding profile and keeping transition costs within the approved envelope. Both risks are being actively managed and a revised funding profile has recently been approved, which will significantly reduce the first of these.

Sir John Savill
Chief Executive, Medical Research Council
9th September 2011