
Report to: West Yorkshire and York Investment Committee

Date: 5 September 2018

Subject: **Leeds City College, Quarry Hill - Project Update**

Director: Melanie Corcoran, Director of Delivery

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1. Purpose of this report

1.1 To update on the current status of the Leeds City College Quarry Hill Skills Capital Project and to consider the following, subject to the conditions outlined in the exempt Appendix 1:

- The proposal to release the remaining grant balance (less retention).
- The approval for the College to drawdown against the previously approved loan facility for a loan of up to £6.5 million.
- The lifting of the Combined Authority's restriction on the Technology Campus.

2. Information

2.1. On 1 December 2016 the Combined Authority approved the full business case and funding for the Leeds City College, Quarry Hill project. The approval was for a £33.4 million grant with an in principle agreement for a cash flow (loan) facility of up to £8.8 million.

2.2. Once completed the project will deliver 15,000 sqm of new build floor space at Quarry Hill and 6,000 sqm refurbished floor space to the College's existing Park Lane campus, and will include disposal of a number of assets.

2.3. The Combined Authority's funding package was subject to the College addressing some outstanding risks and completing legal negotiations, including the requirement for the College to repay to the Combined Authority

any funding surplus realised from the three assets to be disposed of as part of the project.

2.4. Construction work for the 11-storey development began in July 2017. The new Quarry Hill campus will become the college's Creative and Digital Arts and Health and Social Sciences departments. It will also house new space for the expansion of Leeds College of Music (LCoM) recording studio facilities for music courses. Construction work is expected to be complete by August 2019, ready for use in the 2019/20 academic year.

2.5. An update on the project is outlined in exempt **Appendix 1**.

3. Financial Implications

3.1. The financial implications are explained in exempt **Appendices 1 and 2**.

3.2. The indicative drawdown and repayment schedule for the £6.5m loan facility is outlined in **Appendix 2**.

4. Legal Implications

4.1. The information contained in **Appendix 1 and Appendix 2**, is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

5. Staffing Implications

5.1 There are no staffing implications

6. External Consultees

6.1 The College and external legal advisors have been consulted.

7. Recommendations

7.1 That the update on the current status of the Leeds City College Quarry Hill Skills Capital Project be noted.

7.2 The Investment Committee recommend delegation to the Combined Authority's Managing Director that:

- (i) The remaining grant balance (less retention) is released, subject to the conditions outlined in paragraph 8 of exempt Appendix 1.
- (ii) Approval be given for the College to drawdown against the previously approved loan facility for a loan of up to £6.5 million, subject to the conditions outlined in paragraph 10 of exempt Appendix 1.

- (iii) The Combined Authority's restriction on the Technology Campus be lifted, subject to the conditions outlined in paragraph 8 of exempt Appendix 1.

7. Background Documents

7.1 None

8. Appendices

Exempt Appendix 1 – Leeds City College, Quarry Hill – Detailed project update

Exempt Appendix 2 - Summary of financial drawdown and repayments