

**Role of Strategic Investment and Development Advisor (SIDA)** **in respect of the Culham Science Centre, Oxfordshire**

**Background**

The United Kingdom Atomic Energy Authority (UKAEA) is an executive non-departmental public body, sponsored by the Department for Business, Energy and Industrial Strategy.

UKAEA’s research is focused on fusion energy and related technologies, with the aim to lead the delivery of sustainable fusion power and maximise scientific and economic benefit.  It owns and operates the Culham Campus which is the UK's national laboratory for fusion research. Please see the location plan shown in Annex 1 of this document.

The Campus’ origins lay in its former use as a naval airfield.  In 1959, the UKAEA began to look for a site for a new laboratory for plasma physics and nuclear fusion research.  The site needed to be within easy reach of the UKAEA’s existing facilities at Harwell and Aldermaston and in close proximity to Oxford University.  The old naval airfield at Culham came nearest to meeting those requirements and on 29 January 1960, the UKAEA secured planning permission from Oxfordshire County Council (OCC) for the development of the site as a research establishment with access.

Culham Campus covers circa 80 hectares and was conceived, planned and built as a whole, and today large parts remain largely as they were when construction was completed in the mid 1960’s.  The original complex of buildings extended to approximately 59,000 square metres.  In recent years there has been significant development on site, expanding UKAEA’s fusion capabilities.  There are also c 40 commercial tenants based on site.

Culham Campus now forms a key part of the Science Vale and the Oxfordshire Knowledge Spine and is one of the largest employment centres in the county.  Employment levels, which have been stable and in excess of 3,000 for many years, are now rising with a growing community of commercial science and technology enterprises and the significant investment in the UKAEA’s programmes and facilities.

Our goals are to:

* Be a world leader in fusion R&D
* Drive economic growth and high tech jobs in the UK in fusion and related technologies
* Create places that accelerate innovation & develop skilled people for industry to thrive
* Enable the delivery of sustainable fusion power plants

Our values drive everything we do, and we strive to be:

* Innovative - seeking out ways to do things better, be that designing fusion systems or how we operate our organisation.
* Committed - we believe wholeheartedly in the importance and value of our mission and will do what we can to achieve it.
* Trusted - we strive to be open, transparent and inclusive, so that everyone we work with believes and values what we say and do.
* Collaborative - we believe in the power and importance of working in partnership and will strive to be high collaborative in our partnerships.

We are embarking on an ambitious programme for redevelopment in line with our Framework Masterplan (<https://culham.org.uk/consultations/>) which will see the campus transformed to create a fusion cluster and global centre of excellence for research, collaboration and innovation.  The catalyst for this has been the site’s status within the adopted South Oxfordshire Local Plan and strategic designation STRAT8. Linked to this, and part of the UK’s national fusion strategy, UKAEA are seeking to transition the site from primarily a public sector research complex into a public-private partnership which can help the UK remain at the forefront of fusion energy and be a global leader in its commercialisation. To this end, UKAEA has received circa £200m of public sector investment to deliver its ‘Fusion Foundations Programme’. Under the auspices of the programme UKAEA have successfully agreed two significant commercial transaction- the first being the agreement to deliver a private sector funded R&D building being developed to expand the commercial cluster and the second is in reaching agreement with General Fusion to build their next R&D facility at Culham.

UKAEA is now looking to appoint a consultant to support the delivery of the Framework Masterplan and to enable its commercial ambitions as a Strategic Investment and Development Advisor with a primary focus on the Culham Campus.

**Opportunity**

The appointed firm will, through a long-term partnering approach, act as the Strategic Investment and Development Advisor (SIDA) to the Campus Development Team in respect of UKAEA’s property assets.

The total site extends to c 80 hectares and is a combination of greenfield and brownfield land.  We are seeking the SIDA’s assistance to develop a strategy for the effective phasing of development.  This will include assisting in the appropriate relocation of existing tenants, identification of existing buildings to be demolished/repurposed in line with our Sustainability Strategy and developing appropriate investment strategies to deliver new commercial and UKAEA facilities. The appointed party will be expected to focus on the property and development aspects of delivering this ambition and work in partnership with a design team (currently being appointed) who will assist with the planning aspects of the brief.

UKAEA has many unique characteristics as an occupier given their specialism in Fusion Energy. We are also home to around 40 tenants.  Our Joint European Taurus (JET) experiment is due to come to an end in December 2023 and will then be subject to a 12 year decommissioning period.  UKAEA would like to retain ultimate freehold ownership across all buildings and land.

**Role**

The successful bidder will supplement our existing planning, valuation and rating adviser and work closely with the Campus Development Team and wider stakeholders to help plan and co-ordinate the journey towards our 2050 vision.

The appointment will be for an initial period of three years with the two options to extend of a further two years (3+1+1 = 5 years) which will be capable of being extended by mutual consent.

In more detail, the advice will include

1. Providing the Campus Development Team with ongoing advice on the implementation of the Framework Masterplan and ensuring that any plans or proposals produce the optimal result in meeting UKAEA’s strategic objectives noted above.  Provide advice on potential massing, size, location, floor plates and the demand from occupiers for the proposed accommodation.
2. Provide advice on the structuring of JV agreements, funding options, development finance and generally assist the UKAEA in the selection of preferred development partners.  In the short term the appointed party will advise on the funding of a further commercial R&D building to be delivered on a lease and leaseback strip income arrangement analogous the recently commenced new R&D facility.
3. Assist UKAEA in their discussions and negotiations in respect of potential acquisitions and funding arrangements.
4. Work with the Campus Development Team and other stakeholders and appointed advisors on the provision of a sequential approach to the demolition and, where appropriate, repurposing of the existing estate in terms of audit, design and utilities
5. Advise on emerging construction and built environment technology considerations for future proofing development proposals.
6. The provision of up-to-date commercial and other land use market research and intelligence across all property sectors. The appointed firm must have strong knowledge of the Oxford market.
7. Provide advice on rental and market values and likely trends across all property types, potential occupiers, terms of lease or disposal and how these might impact on the development proposed.
8. In partnership with UKAEA develop a strategy for and support the delivery of an occupancy strategy to enable growth of the fusion cluster and deliver commercial growth. Introduce potential occupiers for all buildings in line with UKAEA Gateway Policy.   Note- target sectors will be those relevant to the fusion cluster supply chain most likely in the fields of advanced engineering, material, robotics and control systems.
9. Provide a full range of appraisals and analysis including valuation, investment and development advice, feasibility studies and supporting information in respect of business cases and other submissions to be made by the Campus Development team to the UKAEA ExCo.
10. Work with the other professional advisors and UKAEA team members as appointed by the Campus Development team in the development of and delivery of this strategy.

**Invitation to provide a proposal**

UKAEA now invites proposals from parties to prepare a submission demonstrating (but not limited to) the following:-

1. Parties should clearly demonstrate their expertise and experience at a local and or national level in the following property area.
 - Science and innovation parks with a mixed use of office / collaboration space / incubator accommodation.
 - Amenity space including hotels.
 - Student accommodation.

Parties should also demonstrate sector awareness in technology areas allied to fusion and its supply chain (e.g. advanced materials, engineering, robotics and control systems).

Parties should provide a full written submission as to their methodology and how they would approach and successfully deliver the role as outlined above.

1. Parties should include full details of the team proposed, where they are based and who would be responsible for the delivery of service.
2. Please provide details of your firms’ track record and any relevant case studies of similar projects which support your proposal.

Fee proposal  - See Appendix 9

Parties should submit a fee proposal based on the following

* Monthly retainer for ongoing strategic investment and development consultancy advice -  £ per month
* A fee structure for providing advice on establishing an income strip financing arrangement for a commercial facility at Culham. The facility will comprise of Office and engineering hall space with a GIA of approx. 8,000 m2 and will have a construction cost of £30m and a total funding requirement of £40m. UKAEA will lease a plot to the funder who will lease it back to UKAEA to construct the building and will then carry occupational responsibility for the facility. The term of the funding arrangement will be circa 30 years. The chosen adviser will assist UKAEA in assessing and advising on the financial viability of the scheme and in working with UKAEA and its legal partner in the preparation of all documents relating to the transaction. The appointed adviser will separately advise on and assist UKAEA in the identification, shortlisting and selection of the funding partner and in securing all relevant agreements with the partner (lease and leaseback and project development agreement). The fee proposal presented by be a combination of day rates or fixed (caped) fees or milestone payments.
* An indicative fee structure for supporting UKAEA in the identification and negotiation / agreement with prospective occupiers for commercial facilities at Culham Campus.
* An indicative fee structure to support UKAEA in identifying options to structure potential JV’s for the future development of the Culham Campus and advising and supporting UKAEA to identify and select of potential JV partners Together with UKAEA’s legal advisers, assist in negotiating and agreeing a JV agreement with the preferred partner.

The Authority's Contract Project Manager (CPM) for the contract will be Iain Wallace, Head of Campus and Property Development. A list of Authority staff authorised to commission work under the contract will be provided at contract start.

All instructions must be confirmed in writing with an estimate of cost provided by the adviser. No services should be undertaken by the adviser until a specific order has been received. The order will specify the financial limit of expenditure that can be incurred on the particular instruction, and any timescale requirements that must be met. If the financial limit is reached or if it is clear that the agreed timescale is not going to be achieved, the CPM or authorised representative must be contacted before any further expenditure is incurred.

The appointed party will be expected to:

* Participate in regular and ongoing discussions with the client and any third parties relevant to executing the delivery of this brief.
* Attend a regular contract review meeting with the UKAEA (frequency to be agreed) and provide a report tracking progress with instructions underway;
* Work with the UKAEA’s in-house professionals and other consultants retained by the UKAEA (e.g. legal advisor, planning adviser, transport adviser, etc.), and attend other meetings as required;
* Provide clear invoices with back-up schedules covering fees, disbursements, and any other costs incurred on each instruction. It is anticipated that invoices will be provided monthly in arrears. Invoices must quote the UKAEA’s contract and work order reference numbers.
* The appointed party is expected to have the necessary in-house resource to deliver this brief. Sub-contracting will however be permitted in exceptional circumstances where specialist expertise is required by permission of the UKAEA.