



Oriel

Creating the centre for
advancing eye health

Oriel Board update

24 November 2022



Full Business Case Approval

- This is the final approval we needed to turn Oriel from a proposal into a reality.
- With full planning permission from Camden Council granted in August, this means construction can start next year.
- This is a really significant milestone for Oriel, our partnership with the UCL Institute of Ophthalmology and Moorfields Eye Charity. Tessa and Martin expressed their appreciation to everyone who has been involved in getting us to this point, many colleagues have provided support and expertise over the past decade. It's been a real team effort!



Oriel
Creating the centre for
advancing eye health

Full approval now allows us to progress the following

- Land acquisition at St Pancras Hospital Site
- JDV Agreement with UCL
- Main Contract award with BYUK for the construction of the new site
- Sales agreement of City Road with Derwent London

Progress update

Land acquisition at St Pancras Hospital Site

- MEH have a pre-existing option agreement to procure up to 2 acres of land at the St Pancras hospital from the freeholder Camden and Islington Mental Health Foundation Trust (C&I)
- The agreement allows MEH to trigger our option following Treasury approval of our Oriel FBC and payment of a 10% deposit (£4m)
- The option completes within one month of exercise or the provision of full vacant possession of the site by C&I currently anticipated to be 31 January 2023, when the full purchase price (£40m) is due
- Partial vacant possession of the new site was achieved on 31 October. Our preferred contractor now occupies part of the site and has started enabling works.

Progress update

JDV Agreement with UCL

- MEH has negotiated a joint development agreement with our partners UCL which contains provisions for UCL to pay a premium for land acquisition (£10m) and an agreement for lease (AFL) for their virtual freehold space within the Oriel Development
- Following Treasury approval, we can now move forward to complete this agreement in advance of signing a construction contract for the Oriel Building.

Progress update

Main Contract award with BYUK for the construction of the new site

- MEH and UCL propose to enter into a main contract agreement between the newly incorporated JDV and main contractor (BYUK)
- Approval of our FBC allows the partners to negotiate the final agreed contract sum and exact scope of work to be undertaken for construction of the Oriel building to include for the effects of construction price inflation, value engineering and client changes from the original tendered sum submitted last December in support of our FBC submission
- Local Camden residents and businesses were consulted on a draft Construction Management Plan prior to submission to LB Camden
- Our preferred contractor's design team has commenced RIBA Stage 4 design with our clinical and academic staff groups. This is due to be completed in Summer 2023.



Oriel
Creating the centre for
advancing eye health

Progress update

Sales agreement of City Road with Derwent London

- Our sales contract of City Road agreed with Derwent London is wholly conditional upon the Trust securing full Treasury approvals and being able to execute a construction contract for the new Oriel Building at St Pancras. Treasury Approval of our FBC does not allow us to confirm full approval to Derwent until such time as we can enter a Construction Contract.
- Treasury Approval of our FBC now allows the Trust to significantly advance each of the above transactions through to financial close. We will continue to work closely with our professional advisors over the next reporting periods to advance each transaction to enable the realisation of our Oriel redevelopment.
- Early proposals for the future development of the City Road site, once the partners have vacated, are currently under public consultation, prior to Derwent submitting their planning application in spring 2023. Patients, staff, and students will have an opportunity to have their say at a number of events on site.



Oriel
Creating the centre for
advancing eye health

Key risks

Risk	Mitigation	Update
Securing St Pancras site full vacant possession – risk that this is delayed	Active engagement with Camden & Islington; NCL ICS; London Region team	Engagement ongoing
Contractor procurement – risk that tender prices do not align with FBC assumptions	Completion of contractor procurement process and confirmation of preferred bidder, with confirmed price by December 2022	Final tender report approved at Oriel Joint Executive Board Likely to be key area of Regulator review