

ITN1 – HEADS OF TERMS

These heads of terms are intended to form the basis for negotiation only and are not intended to be legally binding; following the negotiation phase the proposed terms of the final contractual arrangements will be published with ITN2.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Heads of Terms:

"Building"	means the building forming part of the Property, to be constructed by PropCo to house the proposed new university
"Building Contract"	means the contract(s) to be entered into by PropCo with a development/construction partner(s) following successful procurement for design, build, facilities management and IT services in respect of the Building.
"CPCA PropCo Contribution"	means £11,035,000 capital and revenue contribution to the Project to be provided by CPCA (terms to be finalised as part of the negotiation)
"CPCA UnlCo Contribution"	means £5,000,000 operating subsidy for years 1-3 of the Project to be provided by CPCA (terms to be finalised as part of the negotiation)
"Shadow Curriculum Model"	means the preliminary assessment of market needs, student number forecasts and space requirements developed on behalf of CPCA as the basis of the brief for the development of Phase 1 of the Project;
"HERA"	means the Higher Education and Research Act 2017
"LGF Grant"	means the Local Growth Fund loan in the sum of £12,500,000 that has been applied for jointly by CPCA and PCC in connection with and for the purposes of the Project, which funds (if the application is successful) will be applied in respect of the development and build costs for the proposed Building.
"OfS"	means the Office for Students, a non-departmental public body of the Department for Education and the principal regulator of higher education providers in England pursuant to HERA
"Planning Permission"	means a written planning permission for the Building (or a duplicate or revised application) granted by PCC (as planning authority) or the Secretary of State
"Practical Completion"	means practical completion of the construction of the Building in accordance with the terms of the Building Contract.
"Project"	means a project to establish a new "University of Peterborough" and facilitate the delivery of its campus at the Property
"Property"	means the site known as 'the Embankment' lying to the north of the River Nene and south of Bishops Road, Peterborough, on part of which the Building is to be constructed.
"Proposed Contract"	means the formal written contract to be entered into by the parties at the end following completion of the procurement process on issue of Notification to Intention to Award.
"Regulatory Framework"	means the Regulatory Framework for Higher Education in England published by the OfS.

2. **PROPOSED STRUCTURE**

2.1 The ownership structure of the new University should reflect the commitment of resources by the CPCA, PCC and the Academic Partner to the project. Set out below is the anticipated structure for delivery:

2.1.1 CPCA and PCC will be joint venture partners in respect of a new special purpose vehicle ("**PropCo**") into which the Property will be transferred by PCC, together with the LGF Funding and the CPCA PropCo Contribution. PropCo will develop on the Property the Building and campus intended to be used for the purpose of the Project.

2.1.2 A separate new special purpose higher education vehicle ("**UniCo**") will be created, which will eventually be the University of Peterborough. Depending on the outcome of negotiations, this vehicle could either be a company limited by shares or a charitable company limited by guarantee. The current intention is that CPCA will provide the CPCA UniCo Contribution to UniCo.

2.1.3 It is intended that PropCo will grant a lease of the Building to UniCo, the terms of which can include a rent-free element during the start-up phase.

3. **CONDITIONS PRECEDENT**

Completion of the overall Project including this procurement is conditional on:

3.1.1 The arrangements described at paragraph 2 above being completed;

3.1.2 The LGF Funding being awarded;

3.1.3 Planning Permission being obtained.

3.1.4 The Building Contract being successfully procured.

4. **KEY TERMS AND REQUIREMENTS OF ACADEMIC PARTNER**

4.1 The Academic Partner will be committed to the development and delivery of UniCo as a higher education provider which:

4.1.1 is eligible for registration with the OfS as a higher education provider, meeting all of the initial conditions of registration and capable of achieving complete independence within a period of 5-10 years from opening in Academic Year 2022/23;

4.1.2 is eligible to apply to OfS for Unlimited Degree Awarding Powers (as defined in the Regulatory Framework) by the end of the 2028/29 academic year;

4.1.3 is eligible to apply to OfS for university title (as the 'University of Peterborough') in accordance with the Framework by the end of the 2029/30 academic year;

4.1.4 is capable of recruiting an initial student population of 2,000 students for the 2022/23 academic year and rising to 5,600 students by the 2025/26 academic year and for those numbers to be maintained thereafter, noting that there is potential, subject to the availability of additional capital funding, to increase to 12,500 students by the 2030/31 academic year, (to reflect a net increase in the region's student population, in addition to the offering of existing providers).

4.1.5 offers a breadth of provision and opportunities for learning including campus-based provision, in-work, life-long learning opportunities through digital, accelerated, modular degrees and higher level apprenticeships;

- 4.1.6 creates a City Centre Campus in Peterborough while also extending the reach of the University to under-represented areas of the Peterborough region;
 - 4.1.7 is focussed on teaching excellence with an aspiration to achieve TEF Gold at the earliest opportunity; and
 - 4.1.8 has a very strong, focused and responsive relationship with local businesses designed to enhance local industrial capabilities and capacity
- 4.2 The Academic Partner will provide the skills, knowledge, experience and resources to make a practical reality of UniCo as a new higher education provider and ultimately a university with degree awarding powers. The full scale and scope of the requirements will be shaped in negotiation but as a minimum are expected to include:
- 4.2.1 Staff recruitment – an initial Development Team should be formed by the Academic Partner to work with CPCA and key stakeholders. The Development Team should include senior leadership, academic subject specialists and professional service support. The Academic Partner will be responsible for recruiting for UniCo a full complement of staff and procuring relevant services;
 - 4.2.2 Curriculum design and development work including development of a learning and teaching strategy with reference to the Shadow Curriculum Model and programme validation arrangements (with the Academic Partner expected to award its degrees to students of UniCo pending UniCo being awarded degree awarding powers). The Academic Provider will need to fully support the curriculum from inception to maturity and retirement/renewal of individual courses and the support required may also include learning technologists and materials production services to support blended and distance learning, enabling of virtual learning environments etc.;
 - 4.2.3 Staff workload planning, resource scheduling and timetabling – linked to curriculum modelling and business model prototyping;
 - 4.2.4 Student recruitment, marketing and admissions processes and systems to include UCAS support, direct entry and employer-sponsored routes to be developed. It is anticipated that the focus of these services will be positive, proactive, out-going and engaging to reach out to under-represented groups, to engage with their needs and win their active participation in UniCo;
 - 4.2.5 Student and academic services and systems development – a full range of transactional, advisory, welfare and other student-facing services along with regulatory and academic policy support including assessment, examinations, graduation. It is anticipated that these services will be fit for purpose with respect to the diverse needs of the student population (segmentation) – the service orientation should be capable of responding to the “segment of one”;
 - 4.2.6 Library and learning resources services/systems – physical and virtual resources and associated services including licensing;
 - 4.2.7 Strategic planning, finance and governance services and systems development – full Head Office/VCO functions;
 - 4.2.8 Full range of ‘soft’ FM and ICT services and resources required to operate UniCo effectively and to deliver an excellent student experience, taking into account the FM Strategy and ICT Strategy documents included in the ITN1 tender pack. Such soft FM/ICT services to include cleaning, security, catering and reception services, network connectivity and infrastructure (Janet), business and academic IT and AV systems and software. It is anticipated that PropCo will deliver ‘hard’ FM services.
- 4.3 The Academic Partner will commit to working with CPCA and PCC to:

- 4.3.1 establish an investment model for UniCo to meet the initial start-up costs of the new entity and fund/finance the working capital requirements;
- 4.3.2 establish a viable business model and financial framework for UniCo which will secure its independence;
- 4.3.3 create a strategy for UniCo which will ensure that it is able to maintain the quality of its estate and underlying assets;
- 4.3.4 ensure the financial model can support:
 - (a) the annual repayment requirements; and
 - (b) the capital repayment of the LGF Grant by 2028as set out in the financial model included in the ITN1 pack;
- 4.3.5 ensure that, save for the CPCA UniCo Contribution, UniCo is not reliant upon levels of financial support beyond tuition fees and earned income and that to the extent that it is required to borrow, its gearing does not adversely affect its ability to maintain a sustainable and viable financial model as required to meet the initial and ongoing conditions of registration as a higher education provider with the OfS; and
- 4.3.6 Create a sustainable growth strategy based on reinvesting surpluses to identify and leverage new opportunities for taught programmes, research and knowledge transfer.

5. **GOVERNING LAW**

These Heads of Terms and any contract entered into as part of this procurement and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England and Wales.

6. **JURISDICTION**

The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, these Heads of Terms and any contract entered into as part of this procurement, its subject matter or formation (including non-contractual disputes or claims).