

## FINAL TENDER – 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 terms of the final contractual arrangements will be agreed in accordance with the timeline set out in Schedule 2.

Notwithstanding any other provision of these Heads of Terms below, the parties acknowledge that (a) the timings of achieving the Roadmap, Steps, Milestones (all as defined below) and the completion of the final contractual arrangements; (b) the targets for the students population in clause 5.1.4; and (c) other relevant provisions of the Heads of Terms will all be subject to reasonable adjustment to reflect issues arising from Covid-19 and be reflected in the final contractual arrangements.

THESE HEADS OF TERMS are entered into on the

2020

**BETWEEN:**

- (1) **[The Academic Delivery Partner]" ("ADP" or "Academic Partner");**
- (2) **Cambridgeshire and Peterborough Combined Authority** of 1st Floor, Incubator 2, Alconbury Weald Enterprise Campus, Huntingdon, Cambridgeshire, PE28 4WX ("**CPCA**"); and
- (3) **Peterborough City Council** of Sand Martin House, Bittern Way, Fletton Quays, Peterborough, Cambridgeshire, PE2 8TY ("**PCC**"),

(together "**parties**" and "**party**" shall be construed accordingly).

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In these Heads of Terms:

"Building(s)"	means the building(s) 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 and build in respect of the Building(s);
"Collaboration Agreement"	means the collaboration agreement to be entered into between the parties and UniCo;
"CPCA PropCo Contribution"	means a £12,300,000 capital contribution to PropCo to be provided by CPCA in order to develop the Building(s) as part of the Project (terms to be finalised as part of the negotiation);
"Data Protection Legislation"	means any data protection legislation from time to time in force in the UK including the Data Protection Act 2018 or any successor legislation and (for so long as and to the extent that the law of the European Union has legal effect in the UK) the General Data Protection Regulation ((EU) 2016/679) and any other directly applicable European Union regulation relating to privacy;
"Curriculum Model"	means the curriculum model (including student number forecasts and space requirements) to be used by the ADP in connection with the delivery of the Project, as has been amended by ADP and appended to their bid submission;
"HERA"	means the Higher Education and Research Act 2017;

"Lease"	means the lease of the Property to be agreed and entered into between PropCo and Unico;
"LGF Funding"	means the Local Growth Fund capital grant funding in the sum of £12,500,000 that has been awarded jointly to CPCA and PCC in connection with and for the purposes of the Project, which funds will be invested or deemed (having already been applied towards the costs of the Project) to be invested in PropCo and applied for the development and build costs for the proposed Building;
"Milestone"	means milestones agreed by the parties and expressly designated as such in these Heads of Terms;
"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 Phase 1 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;
"Roadmap"	means the roadmap setting out the intended corporate and academic governance arrangements regarding the delivery of higher education courses by UniCo and moving towards registration with the OfS, degree awarding powers and university title. The Roadmap agreed by the parties at this date is set out in Schedule 1 to these Heads of Terms; and
"Step"	means the steps agreed by the parties and expressly designated as such in the Roadmap.

## **2. STATUS OF THESE HEADS OF TERMS**

- 2.1 Neither these Heads of Terms nor any discussions between the parties to date are intended to give rise to, nor are to be construed as giving rise to any legally binding obligations on any party in relation to the Project, with the exception only of the provisions set out in this clause 2 (Status of these Heads of Terms), and those in clauses 6 (Data protection), 7 (General provisions), 8 (Governing law), 9 (Jurisdiction).
- 2.2 These Heads of Terms may however provide the basis of instructions to lawyers for the drafting and completion of a legally binding agreement between the parties in due course.

## **3. PROPOSED STRUCTURE**

- 3.1 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:

- 3.1.1 CPCA, PCC and the ADP will enter into agreements under which a new special purpose vehicle ("PropCo") will be incorporated. The Property currently valued at £1.6m (which will be finalised following an independent valuation) will be transferred by PCC to PropCo in exchange for its ownership stake in PropCo. The LGF Funding and the CPCA PropCo Contribution of £24.8m along with the ADP's investment of up to £6.5m will be the maximum investment amounts for CPCA and the ADP respectively. Following and subject to the investments being made in the amounts as stated above, PropCo will be owned as to 75.38% by CPCA, 19.76% by the ADP and 4.86% by PCC. For the avoidance of doubt, the ADP's and PCC's actual contributions (and therefore the corresponding ownership percentages) are subject to change dependent on, in the ADP's case, the final costs and capital expenditure for the project subject to a maximum investment by the ADP in PropCo of £6.5m and, in PCC's case, the final independent valuation of the land. The ADP's minority interest will be protected as per a list of restrictions to be appended to the joint venture agreement along with a copy of the agreed capital expenditure budget.
- 3.1.2 Once CPCA has assembled the necessary financial package to fund the proposed development of the land for the future phases, PCC will make available the land for Phases 2 and 3 (13.5 acre site for Phases 1, 2 and 3 as detailed in paragraph 3.2 below and in Schedule 4) and Phases 2 and 3 shall be transferred to either PropCo, or such other property investment vehicle as may be incorporated for the purpose, at the current market value as at the time of transfer (noting today's value for the entire site for Phases 1, 2 and 3 is £5.4M).
- 3.1.3 PropCo will develop on the Property the Building(s) and campus intended to be used for the purpose of Phase 1 of the Project which will include the fit out of the Building(s) and the capacity to enable the increased student numbers the ADP requires, particularly if students currently studying at the ADP's premises in Peterborough ("**the Existing Premises**") are to be housed on campus. PropCo, as recipient of the LGF Funding, will be responsible for ensuring to CPCA (via a sub-grant agreement) that the deliverables, milestones and outputs required for the LGF Funding are achieved as set out in Schedule 3.
- 3.1.4 A separate new special purpose higher education vehicle ("**UniCo**"), to be called '[Acronym of ADP name] Peterborough' in the first instance, will be created by the Academic Partner as a company limited by guarantee and which will eventually become the "University of Peterborough". The ADP will have responsibility for UniCo, including the academic governance of UniCo from September 2022 until UniCo has the ability to deliver its own awards.
- 3.1.5 It is intended that PropCo will grant the Lease to UniCo, for an initial rent-free period of 10 years. The Lease will include a right for PropCo to terminate it or step into UniCo if UniCo or the ADP are making insufficient progress towards the implementation of the Roadmap, the Milestones or the Steps. The parties shall make arrangements in the Collaboration Agreement to ensure an organised termination of the ADP's involvement with UniCo (in accordance with the provisions of Schedule 1), provided always that UniCo shall remain entitled to occupy the Property on a rent-free basis during the period required to teach out students enrolled on the ADP courses in Peterborough. The parties agree to negotiate in good faith any extension of the Lease required to (i) accommodate changes agreed by the parties to the Roadmap and/or (ii) the continued operation of UniCo beyond the initial ten year period in a manner which allows it to comply with all OfS ongoing conditions of registration.
- 3.2 The CPCA and PCC acknowledge that:
- 3.2.1 any building(s) that form 'Phase 2' of the Project when constructed will be an 'Advanced Manufacturing and Materials Research Centre/Innovation Hub' used for educational research and development (with no teaching taking place in the Phase 2 building(s)). The CPCA and PCC shall, subject to UniCo and the ADP undertaking to comply with confidentiality restrictions, notify UniCo and the ADP of any proposed buyer / occupier of Phase 2 enabling them to make representations to the CPCA and PCC on the suitability of any such proposed buyer/occupier to achieve the stated purpose for the building(s), with UniCo and the ADP acknowledging that the CPCA and PCC's decision making shall not be fettered by such representations; and

- 3.2.2 'Phase 3' of the Project comprises plans for two further teaching focused buildings to be constructed in two sub-phases (with, subject to the necessary funding being obtained, the first projected to be opening in 2025 and the second in 2028), provided that UniCo (or at its direction PropCo or the ADP) shall be given the first option to acquire the freehold / lease of Phase 3. If such option is not exercised, the CPCA and PCC shall, subject to UniCo and the ADP undertaking to comply with confidentiality restrictions, notify UniCo and the ADP of any proposed buyer / occupier of Phase 3 enabling them to make representations to the CPCA and PCC on the suitability of any such proposed buyer/occupier to achieve the stated purpose for the buildings, with UniCo and the ADP acknowledging that the CPCA and PCC's decision making shall not be fettered by such representations.
- 3.3 With regard to property arrangements, the parties further agree as follows:
- 3.3.1 there will be an agreement for lease between PropCo and UniCo to enter into the Lease on the terms set out under 3.1.5;
- 3.3.2 if PropCo wishes to sell the freehold in the Property, UniCo shall be offered the Property in the first instance, at fair market value which has been determined by an agreed property valuation professional at the relevant time, (the "FMV") before any third parties are approached;
- 3.3.3 if CPCA and PCC wish to sell their ownership stake in PropCo, such stake shall be offered first to the ADP on a valuation based on the net asset value of PropCo, with the Property included at the FMV, before any third party offers are sought;
- 3.3.4 if UniCo does not exercise its right to acquire the Property under 3.3.2 or if the ADP does not exercise its right to purchase the ownership stake in PropCo under 3.3.3, PropCo, the members of PropCo (as applicable) shall be entitled to sell the Property or the ownership stake in PropCo (as applicable) to a third party provided that the price is not less than 95% of the FMV provided that:
- a) the ADP's consent shall be required in respect of any third party buyer before any sale can become legally binding. The ADP shall act reasonably and in a timely manner when considering any request for such consent with consent being deemed to have been given if notification has not been received of a decision within 45 days of request from either PropCo or the members of PropCo (as applicable); and
  - b) If the ADP's consent is granted (or deemed to have been granted) and the sale of the membership of PropCo or the sale of the Property by the PropCo (as the case may be) has not been completed within 6 months from the date of the request of the ADP's consent in the paragraph above, then the ownership stake in PropCo or the Property (as the case may be) shall be offered again to the ADP but at 90% of the FMV and, if the ADP does not wish to take up such offer, the consent process above shall apply *pari passu*.
- 3.4 The parties agree that any commercial activities carried out by UniCo on the Property must not be subsidised either directly or indirectly from public funds, including via the rent-free period received by UniCo under the Lease. Where UniCo carries out commercial activities, these must be conducted on a self-funding basis and a full economic charge must be applied for the use of the Property, where these are used to carry on such commercial activities. UniCo must charge market rates to customers of any commercial activities carried out on the Property. UniCo must maintain separate accounts for any commercial activities carried out.
- 3.5 The ADP acknowledges that it plans to dispose of its interest in the Existing Premises and confirms that, in the event that the ADP does not dispose of the Existing Premises, it will not be used for the purposes of the delivery of higher education that materially competes with UniCo for so long as the ADP is the sole member of UniCo. If the ADP proposes to develop the Existing Premises for the purpose of the provision of business incubator units or student residential accommodation, the ADP will consult with CPCA regarding possible partnership and investment.

#### 4. CONDITIONS PRECEDENT

- 4.1 Completion of the legal agreements listed in Schedule 2 are conditional on:

- 4.1.1 the LGF Funding being awarded;
- 4.1.2 Planning Permission being obtained; and
- 4.1.3 the Building Contract being successfully procured.

## 5. KEY TERMS AND REQUIREMENTS OF ACADEMIC PARTNER

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

- 5.1.1 is eligible for registration with the OfS as a higher education delivery provider by the beginning of the academic year 2025/26, meeting all of the initial conditions of registration and capable of achieving degree awarding powers / university title within a period of 10 years from opening in Academic Year 2022/23;
- 5.1.2 is eligible to apply to OfS for full taught Degree Awarding Powers (as defined in the Regulatory Framework) by the beginning of the academic year 2028/29;
- 5.1.3 is eligible to apply to OfS for university title (as the "University of Peterborough") in accordance with the Framework by the beginning of the academic year 2031/32;
- 5.1.4 uses its reasonable endeavours to recruit the following student populations:
  - (a) up to 2,000 students for the 2022/23 academic year ("**Milestone 1**");
  - (b) 3,000 students by the 2024/25 academic year ("**Milestone 2**");
  - (c) 4,000<sup>1</sup> students by the 2025/26 academic year ("**Milestone 3**"); and
  - (d) Aspirational target (but not a Milestone): subject to the availability of the necessary capital funding, up to 12,500 students by 2030/31,

such student populations are based on head count and not full time equivalent and all recruitment intentions remain subject to further discussion by the parties depending on the outcome of a range of factors including the financial modelling which is being undertaken by the ADP.

- 5.1.5 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;
  - 5.1.6 creates a campus on 'the Embankment' site in Peterborough while also extending the reach of the University to under-represented areas of the Peterborough region;
  - 5.1.7 is focused on teaching excellence with an aspiration to achieve TEF Gold at the earliest opportunity; and
  - 5.1.8 has a very strong, focused and responsive relationship with local businesses designed to enhance local industrial capabilities and capacity.
- 5.2 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 parties will negotiate and agree the terms under which the following services will be provided by the ADP. The full scale and scope of the requirements will be shaped in negotiation but as a minimum are expected to include:
- 5.2.1 Staff recruitment – an initial Development Team should be formed by the Academic Partner to work with CPCA and key stakeholders following award of the Proposed Contract. The Development Team should include senior leadership, academic subject specialists and professional service support. The Academic Partner will be responsible

for making available for UniCo a full complement of staff and procuring relevant services, subject to the parties' negotiations regarding the Roadmap as set out in Clause 5.3 with further detail to be agreed by the parties;

- 5.2.2 Curriculum design and development work including development of a learning and teaching strategy with reference to the Curriculum Model of teaching and learning to take place off-campus as initially required by the CPCA), and programme validation arrangements (with the Academic Partner expected to award its degrees to students of UniCo pending UniCo being awarded degree awarding powers). From the award of the contract the Academic Partner will undertake full market research and product development to ensure the curriculum portfolio meets the vision for a University in Peterborough. Depending on the outcomes of such market analysis, the Academic Partner will need to fully support the curriculum from inception to maturity and retirement/renewal of individual courses. The support required may also include learning technologists and materials production services to support blended and distance learning, enabling of virtual learning environments etc.
- 5.2.3 Intellectual Property - The Academic Partner will retain all rights in its background intellectual property rights. The Academic Partner and UniCo, both acting reasonably and in good faith, will enter into binding arrangements regarding the licence of the Academic Partner's background intellectual property rights to UniCo during the term of the Proposed Contract and during UniCo's transition to an independent University of Peterborough on terms to be agreed by the ADP and UniCo. If UniCo requires use of the Academic Partner's background intellectual property beyond its transition to an independent University of Peterborough, the ADP and UniCo shall negotiate in good faith and acting reasonably the terms of the required licence. All foreground intellectual property rights in materials developed by the Academic Partner exclusively for UniCo shall belong to the Academic Partner and the Academic Partner shall grant a perpetual, royalty free, non-exclusive licence to UniCo to use such foreground intellectual property rights. The parties acknowledge that if UniCo develops its own foreground intellectual property rights by its own staff or third party contractor (excluding the ADP) then if it licenses such intellectual property to the ADP such license will be on market terms to be agreed by UniCo.
- 5.2.4 Staff workload planning, resource scheduling and timetabling – linked to curriculum modelling and business model prototyping;
- 5.2.5 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;
- 5.2.6 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";
- 5.2.7 Library and learning resources services/systems – physical and virtual resources and associated services including licensing;
- 5.2.8 Strategic planning, finance and governance services and systems development (including full Head Office / VCO functions) – to be transitioned from the Academic Partner to an independent "University of Peterborough" as part of the Roadmap as set out in Clause 5.3 with further detail to be agreed by the parties;
- 5.2.9 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 final tender pack. Such soft FM/ICT services may include cleaning, security, catering and reception services, network connectivity and infrastructure (Janet), business and academic IT and AV systems and

software; and

- 5.2.10 UniCo will be responsible for 'hard' FM services under the Lease. Such hard FM services may include signage (external and internal), future maintenance registers, asset registers, statutory inspection records etc, project works move and churn, QHSE control of works / permits, risk management, statutory compliance, structure and fabric, MEP installations, 'life safety systems', fixtures fittings and equipment, ICT installations, highways and paths and external hard landscaping. In order to ensure UniCo's compliance with its maintenance obligations, the Lease will contain a schedule of maintenance and obligations on UniCo and PropCo to conduct an annual review of the condition of the Building. In the event that UniCo fails to remedy any maintenance issues following the annual review, the Lease will contain a right for PropCo (acting reasonably and following an appropriate process) to step-in and perform the required maintenance together with a contractual requirement for UniCo to reimburse PropCo for the costs of it undertaking such maintenance by way of service charge.
- 5.3 The Academic Partner shall be committed to achieving the milestones and timelines set out in the Roadmap, with further detail to be agreed in the Proposed Contract. The Roadmap will also need to detail the intended consequences and remedies to be available under the Proposed Contract for failing to achieve the relevant milestones, which shall for the avoidance of doubt include forfeit of the Lease.
- 5.4 The Academic Partner will commit to working with CPCA, PCC and PropCo to:
- 5.4.1 establish an investment model for UniCo to meet the initial start-up costs of the new entity and fund/finance the working capital requirements;
  - 5.4.2 establish a viable business model and financial framework for UniCo which will secure its independence;
  - 5.4.3 create a strategy for UniCo to be implemented by PropCo which will ensure that it is able to maintain the quality of its estate and underlying assets;
  - 5.4.4 ensure the financial model can support any annual repayment requirements;
  - 5.4.5 ensure that 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 subject always to the ADP remaining compliant at all times with its own ongoing conditions of registration as a higher education provider with the OfS; and
  - 5.4.6 create a sustainable growth strategy based on reinvesting surpluses to identify and leverage new opportunities for taught programmes, research and knowledge transfer.
- 5.5 The parties' aspiration is that there is long term continuing relationship between the UniCo and the ADP beyond the achievement of University title to support the long-term sustainability of UniCo as a university.

## **6. DATA PROTECTION**

- 6.1 To the extent that the parties process any Personal Data (as defined under Data Protection Legislation) of the other party in connection with these Heads of Terms, each party shall be acting as a Controller (as defined under Data Protection Legislation) and shall comply with its obligations under the Data Protection Legislation.

## **7. GENERAL PROVISIONS**

- 7.1 **Announcements** - No announcement or other public disclosure concerning these Heads of Terms or any of the matters contained in it shall be made by, or on behalf of, a party without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed), except as required by law, any court, any governmental, regulatory or supervisory authority (including any recognised investment exchange) or any other authority of competent jurisdiction.

- 7.2 **Variation** - No variation of these Heads of Terms shall be valid or effective unless it is in writing, refers to these Heads of Terms and is duly signed or executed by, or on behalf of, each party.
- 7.3 **Assignment** - No party may assign, subcontract or encumber any right or obligation under these Heads of Terms, in whole or in part, without the other's prior written consent.
- 7.4 **No partnership or agency** - Nothing in these Heads of Terms constitutes, or shall be deemed to constitute, a partnership between the parties nor make any party the agent of another party.
- 7.5 **Equitable relief** - Each party recognises that any breach or threatened breach of these Heads of Terms may cause the other party irreparable harm for which damages may not be an adequate remedy. Accordingly, in addition to any other remedies and damages available to the other party, each party acknowledges and agrees that the other party is entitled to the remedies of specific performance, injunction and other equitable relief without proof of special damages.
- 7.6 **Severance** - If any provision of these Heads of Terms (or part of any provision) is or becomes illegal, invalid or unenforceable, the legality, validity and enforceability of any other provision of these Heads of Terms shall not be affected.
- 7.7 **Waiver** - No failure, delay or omission by either party in exercising any right, power or remedy provided by law or under these Heads of Terms shall operate as a waiver of that right, power or remedy, nor shall it preclude or restrict any future exercise of that or any other right or remedy. No single or partial exercise of any right, power or remedy provided by law or under these Heads of Terms shall prevent any future exercise of it or the exercise of any other right, power or remedy.
- 7.8 **Third party rights** – These Heads of Terms are for the benefit of the parties to them and are not intended to benefit, or be enforceable by, anyone else.
- 7.9 **Costs** - Each party is responsible for their own costs and expenses in connection with the Proposed Contract, whether or not it proceeds, (including (without limitation) the preparation and negotiation of these Heads of Terms, the agreements implementing the Heads of Terms and any documents contemplated by them) and any party may end negotiations in relation to the Proposed Contract at any time without having to give reason for doing so or incurring any liability to any third party.
- 7.10 **No representations or warranties** - The parties acknowledge that no representations or warranties have been or will be given by the parties or their respective representatives concerning, and that neither the parties nor any such representatives shall have any liability as a result of reliance on any information supplied to the parties in connection with the Proposed Contract, except as set out in any legally binding agreement entered into between the parties.
- 7.11 **Counterparts** - These Heads of Terms may be signed in any number of separate counterparts, each of which when signed and dated shall be an original, and such counterparts taken together shall constitute one and the same agreement. Each party may evidence their signature of these Heads of Terms by transmitting by fax or by email a signed signature page of these Heads of Terms in PDF format together with the final version of these Heads of Terms in PDF or Word format, which shall constitute an original signed counterpart of these Heads of Terms. Each party adopting this method of signing shall, following circulation by fax or by email, provide the original, hard copy signed signature page to the other parties as soon as reasonably practicable.

## 8. 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.

## 9. 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).

These Heads of Terms have been entered into on the date stated at the beginning of the document.



**Signed for and on behalf of ADP**

**Signature:** .....

**Name/ position:**

**Date:**

**Signed for and on behalf of Cambridgeshire and Peterborough Combined Authority**

**Signature:** .....

**Name/ position:**

**Date:**

**Signed for and on behalf of Peterborough City Council**

**Signature:** .....

**Name/ position:**

**Date:**

## Schedule 1 to Final Tender Heads of Term – Roadmap, Milestones, Steps

The parties agree that the roadmap below sets out, at a high level, the intended corporate and academic governance arrangement regarding the delivery of higher education courses by UniCo in Peterborough, subject to the assumptions set out below. The parties agree that more detailed timetables will be put into place to break down the various steps required to prepare for and implement each phase.

Timeline	UniCo's Legal Name	Governance	Academic arrangements	Key activities
2020	Pre-incorporation of UniCo	the ADP to establish <b>shadow governance board</b> comprising: <ul style="list-style-type: none"> <li>ADP trustees</li> <li>ADP executives</li> <li>CPCA/PCC members</li> <li>independent members</li> </ul>	Set up activities to be undertaken at ADP in order to prepare for arrangements regarding admission of first cohort students in 2022 (see below).	<ul style="list-style-type: none"> <li>contract awarded to ADP</li> <li>preparing for incorporation of UniCo</li> <li>ADP to notify OfS of its involvement in UniCo to OfS as a reportable event</li> <li>launch informal discussions with OfS</li> </ul>
2020	<b>UniCo is incorporated</b> (" <u>Step 1</u> ") ADP to incorporate UniCo with initially at least 2 directors.			
2021	[Acronym of ADP] Peterborough	<b>Board of directors</b> of UniCo to comprise 9-13 members, including <ul style="list-style-type: none"> <li>up to 3 ADP trustees</li> <li>up to 3 ADP Executives</li> <li>up to 3 CPCA/PCC members</li> <li>Principal of UniCo ex officio</li> <li>up to 3 Co-opted members from employers, businesses, post 16 education providers or local community.</li> </ul> <p>The composition of the Board shall be such that:</p> <ul style="list-style-type: none"> <li>it ensures efficient and adequate governance arrangements.</li> <li>a majority of ADP trustees &amp; ADP Executives is in place</li> </ul>	Set up activities to be undertaken by ADP at UniCo in order to prepare for arrangements regarding admission of first cohort students in 2022 (see below).	<ul style="list-style-type: none"> <li>Set up activities and put into place arrangements to meet initial and ongoing registration conditions of OfS</li> </ul>

### **Milestones (see clause 5.1.4)**

Milestone 1: up to 2,000 students for the 2022/23 academic year  
Milestone 2: 3,000 students by the 2024/25 academic year  
Milestone 3: 4,000 students by the 2025/26 academic year

2022

(the “Balance”)

**Members:** ADP to hold 100% membership interests in UniCo.

2022

Unico starts provision of education to students at the start of the academic year 2022 (“Step 2”)

2022

[Acronym of ADP]  
Peterborough

**Board of directors** of UniCo to comprise 9-15 members, including

- up to 3 ADP trustees
- up to 3 ADP Executives
- Principal of UniCo ex officio
- up to 3 CPCA/PCC members
- up to 3 Co-opted members from employers, businesses, post 16 education providers or local community
- 1 student representative (arrangements to be made gradually during this phase)
- 1 staff representatives ((arrangements to be made gradually during this phase)

so as to achieve the Balance,

subject to any adjustments which may be necessary to comply with OfS eligibility and initial registration conditions.

**Members:** ADP to hold 100% membership interests in UniCo, subject to any changes being required to obtain OfS registration (see below).

• **ADP courses:** students enrolled with ADP on ADP courses

• **ADP awards** conferred on successful students

• **ADP Tier 4 licence:** international students are sponsored by ADP

• **ADP’s Senate** responsible for the maintenance of academic standards and quality assurance of courses taught in Peterborough

• **Academic Board of UniCo** to be established and start operating gradually during this phase in preparation for application to OfS

• Prepare application for registration with OfS

• Submit application to OfS

• Engage with OfS on any feedback or follow up questions, noting in particular the OfS considering new ‘group’ structures involving several registered providers

• Prepare for next stage

2025

**2025 UniCo is registered with OfS by the start of the academic year 2025/26 ("Step 3")**

2025	[Acronym of ADP] Peterborough	<p><b>Board of directors</b> of UniCo to comprise 9-15 members, including</p> <ul style="list-style-type: none"> <li>• up to 3 ADP trustees</li> <li>• up to 3 ADP Executives</li> <li>• Principal of UniCo ex officio</li> <li>• up to 3 CPCA/PCC members</li> <li>• up to 3 Co-opted members from employers, businesses, post 16 education providers or local community</li> <li>• 1 student representative</li> <li>• 1 staff representative</li> </ul> <p>so as to achieve the Balance,</p> <p>subject to any adjustments which may be necessary to comply with OfS eligibility and initial registration conditions.</p> <p><b>Members:</b> ADP to hold 100% membership interests in UniCo, unless any changes were implemented under previous step.</p>	<ul style="list-style-type: none"> <li>• <b>UniCo courses:</b> new students enrolled with UniCo on UniCo's courses</li> <li>• <b>ADP validation:</b> ADP validates UniCo's courses. ADP will enter into validation agreement with UniCo in line with its standard validation agreement from time to time.</li> <li>• <b>ADP awards</b> conferred on successful students</li> <li>• <b>UniCo's Tier 4 licence:</b> international students are sponsored by UniCo (as soon as UniCo has secured own licence)</li> <li>• <b>ADP's Senate</b> ultimately responsible for the maintenance of academic standards and quality assurance of courses taught at UniCo through validation arrangements</li> <li>• <b>Academic Board of UniCo</b> responsible for management of quality assurance processes at UniCo and compliance with validation conditions</li> </ul>	UniCo to operate in accordance with OfS Regulatory Framework and start working towards achieving conditions for TDAPs.
2028				

**2028 UniCo is granted unlimited TDAPs by the start of the academic year 2028/2029 ("Step 4")**

2028	[Acronym of ADP] Peterborough  OR	<p><b>Board of directors</b> of UniCo to comprise 9-15 members, including</p> <ul style="list-style-type: none"> <li>• up to 3 ADP trustees</li> </ul>	<ul style="list-style-type: none"> <li>• <b>UniCo courses:</b> students enrolled with UniCo on UniCo's courses</li> <li>• <b>UniCo awards</b> granted to</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensive review of success of ADP Peterborough project by ADP and CPCA</li> <li>• Evaluation whether UniCo shall apply for University Title</li> </ul>
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2032

“Peterborough HE”  
(or other name which  
does not include the  
term “university”)  
under which UniCo  
issues its own  
degrees  
  
(to be agreed by the  
parties)

- up to 3 ADP Executives
- Principal of UniCo ex officio
- up to 3 CPCA/PCC members
- up to 3 Co-opted members from employers, businesses, post 16 education providers or local community
- 1 student representative
- 1 staff representative

so as to achieve the Balance,  
  
subject to any adjustments which  
may be necessary to comply  
with OfS eligibility and initial  
registration conditions.

**Members:** ADP to hold 100%  
membership interests in UniCo,  
unless any changes were  
implemented previously or under  
early exit arrangements.

- successful students enrolled  
from 2028/29
- **UniCo’s Tier 4 licence:**  
international students are  
sponsored by UniCo (as soon  
as UniCo has secured own  
licence)
  - **Academic Board of UniCo**  
ultimately responsible for the  
maintenance of academic  
standards and quality  
assurance at UniCo for all  
students enrolled from  
2028/29

- If not, step-in/exit arrangements to be considered by CPCA/PCC
- If so, submission of application for UT to OfS and engaging with OfS on its feedback or follow up questions.

2032  
”)

**UniCo is granted University Title by the start of the academic year 2032/2033 (“Step 5”)**

**Future relationship between UniCo and ADP to be agreed by the parties**

**Post  
2032**

University  
Peterborough of

- Board of directors** of UniCo to  
comprise 9-15 members,  
including
- up to 3 ADP trustees
  - up to 3 ADP Executives
  - Principal of UniCo ex officio
  - up to 3 CPCA/PCC members
  - up to 3 Co-opted members from employers, businesses, post 16 education providers or local community
  - 1 student representative
  - 1 staff representative

so as to achieve the Balance,

- **UniCo courses:** students  
enrolled with UniCo on  
UniCo’s courses
- **UniCo awards** granted to  
successful students
- **UniCo’s Tier 4 licence:**  
international students are  
sponsored by UniCo (as soon  
as UniCo has secured own  
licence)
- **Academic Board of UniCo**  
ultimately responsible for  
maintenance of academic  
standards and quality  
assurance at UniCo

- collaborations (student exchange, joint/dual degrees, other academic collaborations)
- provision of back office services by ADP to UniCo
- help develop UniCo’s research capacity to apply for Research Degree Awarding Powers in the longer term

**Members:** ADP to hold 100% membership interests in UniCo, unless any changes were implemented previously or under early exit arrangements.

### **Assumptions underpinning the Roadmap, the Milestones and Steps:**

1. ADP agrees to use all reasonable endeavours in order to implement this Roadmap and to achieve the Milestones and the Steps.
2. The parties agree to review each of the Roadmap, the Milestones and Steps on an annual basis in order to consider whether it remains:
  - a) achievable in light of all applicable circumstances, including any circumstance not within a Party's reasonable control including, without limitation negative change in Government or higher education funding, regulation, policy or other force majeure type event; and
  - b) compliant with all applicable legislation and regulation.
3. If the parties conclude that any of the Roadmap, the Milestones or the Steps is no longer achievable or compliant, they will engage, in good faith, in discussions with a view to agree what changes are to be made. The parties will seek to resolve any differences between themselves in an amicable manner as quickly as possible and, if necessary by escalating their differences to their most senior executive officers. .
4. If the parties cannot resolve their differences quickly (if applicable following an escalation procedure), the following provisions shall apply:
  - a) the parties shall engage in good faith in a dispute resolution process (to be agreed) involving an independent third party who shall assist the parties finding a mutually acceptable and agreed position within a timeframe to be agreed;
  - b) if ADP fails to comply with the mutually agreed position within the agreed timetable:
    - i) CPCA shall have step in rights (including the right to be admitted as a member or director and weighted voting rights) allowing CPCA to steer UniCo so as to take the necessary action to implement the agreed timetable or the agreed remedial actions.
    - ii) the parties shall engage in good faith in early exit discussions in order to ensure an organised termination of ADP's involvement with UniCo (and PropCo, as the case may be) while safeguarding the interests of the students enrolled on ADP courses in Peterborough or at UniCo (as the case may be).
5. The parties agree that ADP shall hold 100% of the membership interests in UniCo and that it shall retain such interests, unless OfS considers (following discussions with ADP and/or UniCo) that doing so constitutes a significant obstacle to:
  - a) UniCo registering with the OfS;
  - b) UniCo securing unlimited taught degree awarding powers;
  - c) UniCo securing university title; or
  - d) ADP remaining compliant with its own ongoing conditions of registration with OfS (each an **"OfS Concern"**).
6. If there are any OfS Concerns, ADP will:
  - a) keep CPCA and UniCo informed at each stage;
  - b) act in good faith towards CPCA and UniCo at all times;
  - c) consider in consultation with CPCA and UniCo what changes shall be made to the membership structure of UniCo in order to alleviate any OfS Concerns; and
  - d) implement such reasonable changes to the membership structure of UniCo (including reducing its membership interest or voting rights in UniCo) as are required to alleviate OfS Concerns

it being understood that the parties will negotiate in good faith and make any changes to the legal arrangements as are reasonably required in order to mitigate the consequences of the following factors on UniCo or ADP:

- a) UniCo ceasing to be a member of ADP's group for VAT purposes;
- b) a potential loss of exempt charitable status;
- c) the impact of any changes on ADP's compliance with its own ongoing conditions of registration with the OfS; and
- d) any other reasonable protections which ADP may require to protect its charitable assets (other than its membership interest in UniCo).



**Schedule 2 to Final Tender Heads of Term – Document List**

No	Title	Parties
1.	UniCo Articles of Association	n/a
2.	Collaboration Agreement (a schedule to the agreement will include key term for the facilities and services agreement between (1) ADP and (2) UniCo) and will include an obligation on ADP to provide Unico with a validation agreement materially in the same terms as ADP is offering to other third parties in England in 2025 or other relevant date)	(1) ADP, (2) CPCA, (3) PCC, (4) UniCo
3.	PropCo Articles of Association (if required)	n/a
4.	PropCo Subscription and Shareholders' Agreement/Membership Agreement	(1) CPCA, (2) ADP, (3) UniCo (4) Propco
5.	Agreement for Lease with Lease annexed	(1) PropCo, (2) UniCo

### Schedule 3 to Final Tender Heads of Term – LGF Funding Deliverables, Milestones and Outputs

**Purpose of Grant** - The project will establish the first phase of a new University Campus in Peterborough, for 2,000 students by September 2022.

**Amount of Grant and %** - £12,500,000 (37.99%) in addition to the £12,300,000 (37.39%) the CPCA has already allocated (total CPCA contribution 75.38%) (percentages subject to Clause 3.1.1 above).

**External funding** - £1,600,000 from PCC (Land Value) and up to £6,500,000 from ADP (subject to clauses 3.1.1 and 3.1.2 above).

**Start and finish dates of Project** – start 1st March 2020 finish 31st March 2021 (funding timescales only).

**Number of proposed new jobs: 2,195.** The project is expected to create 100 new jobs directly employed by the University once the number of students reaches its full potential. Over 90% of apprenticeships lead directly into work, therefore 1,890 jobs should be created. Indirect employment via multipliers would equate to a further 60 new jobs; and full-time construction jobs created would equate to a further 145 new jobs. Overall cost per job to the CPCA at £10,722 is within acceptable limits.

**Sustainability, Environmental and Health and Safety Policy** - The CPCA will impose the Sustainability, Environmental and Health and Safety policies of the organisation onto both PropCo and UniCo. These policies should also feature in the Outline Business Case.

**Annual Return on Investment** – There will be no annual return during the rent free period of the Lease. Thereafter the annual return will be based on the market rent received by PropCo for the Property. The 10 year rent free period has been agreed through the negotiated procurement process and the fact that the LGF investment is technically a grant allows for flexibilities on return of investment as long as it still delivers the approved outputs/outcomes as per the business case with the expression of interest and full application for the funding.

PROJECT OUTPUTS 2020/21
Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.
<b>Employment</b>
Number of temp jobs to be created
<b>50 building jobs</b>
<b>Skills</b>
Area of learning/training space improved (m2)
<b>4500 sqm building size increased to 5300 sqm through procurement negotiations*</b>
<b>*The increase in building size from 4500 sqm to 5300 sqm represents better value for money for the LGF/CPCA investment.</b>

PROJECT OUTPUTS 2021/22				
Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.				
Employment				
Number of permanent jobs to be created		Number of indirect jobs to be created		
100 (University staff)		500 in supply chain		
PROJECT OUTPUTS 2022 onwards				
Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.				
Employment				
Number of permanent jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 4 (over 3 years)	Number of apprenticeships to be established – Level 5 (over 3 years)	Number of apprenticeships to be established – Level 6 (over 3 years)
A further 100 directly employed staff as the University faculties grows to fully utilise the 5300 m2 building	14,000 See evidence base below	1200	600	300
<p>Comprising jobs created in:</p> <ul style="list-style-type: none"> <li>Businesses supplying the University, it's staff and students</li> <li>Spin-out/start-up businesses created by University staff and students</li> <li>Inward Investors re-locating/starting business in the CPCA area due to the enhanced attractiveness of the talent pool and improved availability of required skills</li> <li>Indigenous businesses achieving faster and more sustained growth resulting from the lowering of the highest barrier to growth reported by local businesses – poor availability and challenges in recruiting “out-of-area” suitably qualifies staff.</li> </ul> <p>The employed population of Peterborough is 94,000, supplemented by a further 50,000 in its wider commutable catchment area. Current growth is at 3.3% in the city creating up to 15,510 new jobs over the coming five years. With 10,000 additional graduates being pumped into the workforce over the same period there is the potential to shift this growth towards higher-value jobs to raise productivity. To support this, the CPCA is launching its Growth Service to create a further 4,692 high-value jobs over the same 5 years, through access to growth coaching for higher-value indigenous companies as well as attracting-in new inward investing firms targeting:</p> <ul style="list-style-type: none"> <li>Advanced manufacturing firms from across the UK and Europe</li> <li>Gov depts and professional services firms out from London, capitalising on the new 39minute train journey time to Kings Cross.</li> </ul>				
Skills				
New learners assisted (on courses to full qualification)				
10,000 level 5 and 6 over five years				



#### Schedule 4 to Final Tender Heads of Term – Plan for Phases 1, 2 and 3

For information and guidance only, this is not the final plan for Phases 1, 2 and 3.

