



SKILLS COMMITTEE

Date: Friday, 17 January 2020

Democratic Services
Dermot Pearson
Interim Monitoring Officer

10:00 AM

The Incubator
Alconbury Weald
Cambridgeshire
PE28 4WX

**Meeting Room 1
Incubator 2, Alconbury Weald Enterprise Campus,
Huntingdon, Cambridgeshire, PE28 4WX**

AGENDA

Open to Public and Press

Part 1 - Governance

1.1 Apologies for Absence and Declarations of Interest

1.2 Minutes - 11 November 2019

5 - 10

1.3 Public Questions

Arrangements for public questions can be viewed in Chapter 5,
Paragraphs 18 to 18.16 of the Constitution which can be viewed here
- [Cambridgeshire and Peterborough Combined Authority: Constitution](#)

1.4 Skills Committee - Agenda Plan - January 2020

11 - 12

1.5	Forward Plan - 6 December 2019	13 - 26
 Part 2 - Reports to Combined Authority Board		
2.1	University of Peterborough - Outline Business Case - Phase 1	27 - 122
 Part 3 - Delivery		
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Part 4 - Date of next meeting

9 March 2020

The Skills Committee comprises the following members:

Councillor John Holdich

Councillor David Ambrose-Smith

Councillor Mike Davey

Councillor Lis Every

Councillor Jon Neish

Cllr Chris Seaton

Councillor Eileen Wilson

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

Clerk Name: Tamar Oviatt-Ham

Clerk Telephone: 01223 715668

Clerk Email: Tamar.Oviatt-Ham@cambridgeshire.gov.uk

The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY
SKILLS COMMITTEE: MINUTES

Date: Monday 11 November 2019

Time: 10:00am to 11:17am

Present: Councillors John Holdich (Chairman), David Ambrose-Smith, Mike Davey, Neil Gough (substituting for Eileen Wilson) and Jon Neish

Apologies: Councillors Lis Every, Eileen Wilson and Chris Seaton.

40. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies were received from Councillors Lis Every, Eileen Wilson (substituted by Councillor Neil Gough) and Chris Seaton. No declarations of interest were made.

The Chairman announced that there would be a two minutes silence at 11am in remembrance of those that had lost their lives in conflict.

The Chairman brought the Committees attention to item 2.3 on the agenda, Adult Education Budget Commissioning Strategy. The Chairman proposed a motion to defer the report to the next meetings so that the proposal could be developed further.

It was resolved unanimously to:

defer the Adult Education Budget Commissioning Strategy report to the January Committee meeting.

41. MINUTES – 10 JULY 2019

The minutes of the meeting held on 10 July were agreed as a correct record and signed by the Chairman.

42. PUBLIC QUESTIONS

No public questions received.

43. SKILLS COMMITTEE – TERMS OF REFERENCE

The Committee considered a report detailing the new governance arrangements of the Committee agreed at the Combined Authority Board meeting on 25 September 2019.

In presenting the report officers explained that the new governance arrangements had come into effect on 1 November 2019 and that that matter reserved to the Combined Authority Board were summarised under 2.2 - 2.4 of the report and matters delegated to the Skills Committee were detailed under points 2.5 – 2.7 of the report



In discussing the report Members questioned how the governance arrangements would work in terms of the tracking and reporting of the performance of the Growth Service Management Company. Officers explained that the company would adopt a business plan, which would go to the Combined Authority Board for approval. Reporting on performance against the business plan would go through the Skills Committee and Business Board and the Overview and Scrutiny would also have a role in scrutinising performance. There were five element within the Business Growth Service and the key element that the Skills Committee would have oversight of was in relation to the Skills Brokerage Service.

It was resolved unanimously to:

- a) Note the new governance arrangements for the Committee.

44. AGENDA PLAN

The agenda plan was noted.

45. UNIVERSITY OF PETERBOROUGH – PROGRESS UPDATE PAPER

The Committee received a report highlighting progress made to date following approval by the Combined Authority Board on 29 May 2019 to adopt the University Action Plan to deliver the University of Peterborough.

In presenting the report officers explained that the project had been re-profiled in May 2019 and that Mace had been commissioned to lead on the project delivery. Since June 2019 the project had moved forward quickly and a project management team had been brought together involving a consortium of consultants, including local businesses. Currently a procurement exercise was underway to seek to provide an experienced Higher Education (HE) partner to deliver the curriculum for the University. The report sought approval for the authorisation of the release of £364, 854.85 of funding to mobilise phase 1 of the project in relation to the design and build. Planning permission was due to be considered at the end of February 2020 and the HE partner would be announced at the end of February 2020, beginning of March.

In discussing the report Members:

- Queried whether all of the constituent authorities and neighbouring authorities had been consulted adequately to ensure the progress of the University. Officers explained that the Business survey had given the team a flavour of the curriculum required but that there was a plan to talk to every constituent authority in January - February 2020, in more detail regarding curriculum requirements. Officers were also consulting authorities within a 45 minute commute of the University. Through the Skills Brokerage team they would also be consulting with over 200 businesses and the team had received an 80 responses to their initial consultation with businesses.



- Questioned whether the funding requested was in line with what had been anticipated at this stage of the project. Officers confirmed that the funding requested was not over and above what had been anticipated.
- Sought clarification on what the HE partner would be asked to deliver. Officers explained that the HE Partner would provide the teaching and learning at the University and would develop the curriculum. The aim was to have a teaching status of Silver and move to Gold very quickly.
- Questioned what the length of the contract with the HE partner would be. Officers clarified that the contract would be for 8 years, with the CPCA funding the University Building. There would then be a review as to whether there should be an Independent University at the end of the 8 years. Members highlighted that there would be complications if the Combined Authority asked the HE Partner to exit from a company at the same time. Officers acknowledged that this could be an issue and would be taken into consideration.

It was resolved unanimously to:

- 1) Note the progress made to date on the programme of delivery for the New University of Peterborough.
- 2) To approve the release of £364,854.85 from the 2019/20 budget to mobilise activities and services. The £364,854.85 is made up of £294,110.55 capital and £70,744.30 revenue.

46. LOCAL INDUSTRIAL STRATEGY DELIVERY PLAN: THE BUSINESS GROWTH SERVICE

The Committee considered a report that gave an overview of the wider business and skills programme being introduced as an economy-wide Business Growth Service. The report provided an overview of the financial strategy to fund the new Business Growth Service and seek the Committees approval for the allocation of £150,000 of the £450,000 Skills Strategy Implementation budget within the Combined Authority's Medium Term Financial Plan 2020/21 to 2022/23.

In presenting the report, officers explained that the Skills Strategy, approved by the Combined Authority Board on 29 May 2019 identified a Skills Talent and Apprenticeship Recruitment Hub, a brand which has been simplified to Skills Brokerage, as one of the key interventions in the strategy. The Local Industrial Strategy, approved by the Combined Authority on 27 March 2019, identified the Business Growth Service as bringing together a suite of interventions into a new, targeted approach to business growth support, evolving from the Growth Hub and Skills Brokering pilots funded by the Combined Authority. The report sought to gain approval from the Committee to the allocation of £50,000 pa for three years starting in 2020/21 from the £150,000 pa Skills Strategy Implementation budget, for the part funding of the Skills Brokerage element of the proposed new Business Growth Service. Officers explained that 87% of the Apprenticeship Levy of larger employers had been going straight back to the Treasury and the Combined Authority had estimated that there was around £20 million available to fund apprenticeships. Since the introduction of the levy, apprenticeships had



dropped in the area from 6,000 a year in 2012 to 3,500 when the levy came in. The Skills Brokerage Service would connect business with the money to pay for apprenticeships.

In discussing the report Members;

- Sought further clarity that the funding requested was solely for Skills Brokerage. Officers clarified that this was the case and that the total budget for Skills Brokerage was £4 million.
- Queried how business would be engaged with Skills Brokerage in terms of identifying the relevant apprenticeships to suit their future needs. Officers explained that the Skills Brokers would be the human element of the system connecting stakeholders together and that they would be working with businesses to identify apprenticeships that would fit their future aspirations.
- Questioned whether the European Regional Development funding would be available in future years. Officers clarified that the Treasury had underwritten the funding until 2022.

It was resolved unanimously to:

- a) Note the Outline Business Case and the proposal for the establishment of a Growth Service Management Company initially to be a wholly owned subsidiary of Angle Holdings Limited as set out in the Financial Implications.
- b) Subject to all the remaining public funding set out at paragraph 4.7 below being secured, to approve the allocation of £50,000 pa for three years starting in 2020/21 from the £150,000 pa Skills Strategy Implementation Budget set out in the Combined Authority's Medium Term Financial Plan, for the part funding of the Skills Brokerage element of the proposed new Business Growth Service.

47. EMPLOYMENT & SKILLS BOARD CREATION AND RECRUITMENT UPDATE PAPER

The Committee received a report that gave an update on the creation of the new Combined Authority Employment and Skills Board and on recruitment of Board Members.

In presenting the report officers explained that Employment and Skills Boards were also known as Skills Advisory Panels. The aim of the Board was to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges. The Department for Education had published an analytical toolkit to support Skills Advisory Panels with a one off block funding of £75,000 to grow the analytical capability. Officers clarified that the first meeting of the Board was due to take place on 11 December and the Combined Authority had already recruited a number of Board Members including Pat



Carrington, the Principal of City College Peterborough and Assistant Director Employment and Skills – Peterborough City Council and Cambridgeshire County Council, an NHS Trust representative, a Department for Work and Pensions representative and representatives from a number of companies including Marshalls Metalcraft and Cambridge Ahead. Officers were currently seeking a representative from the voluntary sector.

In discussing the report members;

- Queried how the Board would report in to the Skills Committee. Officers explained that there would be a standing item at each Committee meeting for officers to report back from the Board.
- Questioned whether there was any duplication with the work of constituent authorities. Officers explained that they worked closely with the constituent authorities to avoid duplication as far as possible.
- Discussed how the analytical work would be undertaken. Officers explained that the Combined Authority had a Service Level Agreement with Cambridgeshire Insight for data analysis and had recruited a new analyst to ensure that robust data was available to the Authority, which had already been hugely beneficial.

It was resolved unanimously to:

- a) Note the formation of the new Employment & Skills Board and reporting structure.
- b) Note the recruitment of Board members.
- c) Note the overview of support to the Employment & Skills Board for the Analytical Capability.

48. APPRENTICESHIP LEVY POOLING SERVICE UPDATE PAPER

The Committee considered a report that gave an update on the launch of the new Combined Authority Apprenticeship Levy Pooling Service.

In presenting the report officers explained that a Levy Pledge letter that had been signed by the Mayor which was a joint letter from the Education Skills Funding Agency and the Combined Authority as a letter of indemnity and assurance to Levy Employers, to commit up to 25% of their unspent levy, known as Levy Transfer. This would support small and medium size enterprises (SMEs) microbusinesses and non-levy employers who would not otherwise have had funding to recruit apprentices and support providers who were low on non-apprenticeship levy funding. The Combined Authority had appointed a Levy Advisor and were currently recruiting another to go out to businesses to support them with the process.



In discussing the report Members queried whether other authorities had similar services. Officers explained that other authorities were looking to the Combined Authority as an exemplar to support them in utilising their levy as part of the Levy Pooling Service.

It was resolved unanimously to:

- a) Note the launch of the CPCA Apprenticeship Levy Pooling Service.
- b) Note the Mayors Levy Pledge to support Levy transfer.

49. BUDGET AND PERFORMANCE REPORT

The Committee received a report that provided a proposal for future budget and performance reporting to the Committee.

In discussing the report Members:

- Queried the current set of performance indicators and how they would be developed. Officers explained that a significant piece of work to review the whole of the Combined Authorities Key Performance Indicators was currently underway and the outcome of this work would be presented at a future committee meeting. Officer clarified that there would be a more granular level of activity captured within the new set of indicators.
- Requested that the impact of climate change on growth be taken in to consideration when developing the indicators. Officer confirmed that this was being considered as part of the review.

It was resolved unanimously to:

- a) Note the November budget and performance monitoring update.
- b) Agree to take reports in the format proposed for future meetings.

50. DATE OF THE NEXT MEETING

Members noted the date of the next meeting as 8 January 2020

Chairman

SKILLS COMMITTEE AGENDA PLAN

Updated on 8 January 2020



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

Notes

Committee dates shown in bold are confirmed.

Committee dates shown in italics are TBC.

The definition of a key decision is set out in the Combined Authorities Constitution in Chapter 6 – Transparency Rules, Forward Plan and Key Decisions, Point 11 <http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/CPCA-Constitution-.pdf>

- * indicates items expected to be recommended for determination by Combined Authority Board
- + indicates items expected to be confidential, which would exclude the press and public.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. eight clear working days before the meeting.
The agenda dispatch date is five clear working days before the meeting.

The following are standing agenda items which are considered at every Committee meeting:

- Minutes of previous meeting and Action Log
- Agenda Plan
- Budget and Performance Report
- Employment and Skills Board Update

Committee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Deadline for reports	Agenda despatch date
17.01.20	University of Peterborough Outline Business Case	Kim Cooke	Yes	N/A	03.01.20	09.01.20
	Careers Progression and Work Readiness (Hampton Academies Trust pilot) – Update Paper	Kim Cooke	No	N/A		

Committee date	Agenda item	Lead officer	Report to CA Board for decision	Reference if key decision	Deadline for reports	Agenda despatch date
	Skills Brokerage Extension	Fiona McGonigle	No	N/A		
	Business Support Services – Promotional Campaign	Brian Hyland	No	N/A		
09.03.20	Adult Education Budget Allocations for Academic Year 2020/21	Neil Cuttell	No	2020/007	21.02.20	28.02.20
	Adult Education Budget Commissioning Strategy 2020/21 and Redistribution System	Neil Cuttell	No	2019/055		
	University of Peterborough – Full Business Case	Kim Cooke	Yes	N/A		
	University of Peterborough – Future Funding Strategies for further phases of the University of Peterborough	Kim Cooke	No	N/A		
27.04.20					09.03.20	17.03.20

To be programmed:

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY'S FORWARD PLAN OF EXECUTIVE DECISIONS

PUBLISHED FRIDAY 6 DECEMBER 2019

FORWARD PLAN

PURPOSE

The Forward Plan sets out all of the key decisions which the Combined Authority Board and Executive Committees will be taking in the coming months. This makes sure that local residents and organisations know what key decisions are due to be taken and when.

The Forward Plan is a live document which is updated regularly and published on the [Combined Authority website](#) (click the Forward Plan' button to view). At least 28 clear days' notice will be given of any key decisions to be taken.

WHAT IS A KEY DECISION?

A key decision is one which, in the view of the Overview and Scrutiny Committee, is likely to:

- i. result in the Combined Authority spending or saving a significant amount, compared with the budget for the service or function the decision relates to (usually £500,000 or more); or
- ii. have a significant effect on communities living or working in an area made up of two or more wards or electoral divisions in the area.

NON-KEY DECISIONS

For transparency, the Forward Plan also includes all non-key decisions to be taken by the Combined Authority Board and Executive Committees.

ACCESS TO REPORTS

A report will be available to view online one week before a decision is taken. You are entitled to view any documents listed on the Forward Plan after publication, or obtain extracts from any documents listed, subject to any restrictions on disclosure. There is no charge for viewing the documents, although charges may be made for photocopying or postage. Documents listed on this notice can be requested from Dermot Pearson, Interim Monitoring Officer for the Combined Authority at Dermot.Pearson@cambridgeshirepeterborough-ca.gov.uk

The Forward Plan will state if any reports or appendices are likely to be exempt from publication or confidential and may be discussed in private. If you want to make representations that a decision which it is proposed will be taken in private should instead be taken in public please contact Dermot Pearson, Interim Monitoring Officer at Dermot.Pearson@cambridgeshirepeterborough-ca.gov.uk at least five working days before the decision is due to be made. A definition of exempt and confidential information is set out at the end of this document.

NOTICE OF DECISIONS

Notice of the Combined Authority Board's decisions and Executive Committee decisions will be published online within three days of a public meeting taking place.

STANDARD ITEMS TO COMMITTEES

The following reports are standing items and will be considered by at each meeting of the relevant committee. The most recently published Forward Plan will also be included on the agenda for each Executive Committee meeting:

Housing and Communities Committee

1. £100m Affordable Housing Programme Update
2. £70m Cambridge City Council Affordable Housing Programme: Update
3. £100k Homes and Community Land Trusts Update

Skills Committee

1. Budget and Performance Report
2. Employment and Skills Board Update

Transport and Infrastructure Committee

1. Budget Monitor Update
2. Performance Report

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
Transport and Infrastructure Committee									
1.	Local Transport Plan	Transport and Infrastructure Committee	9 January 2020	Decision	To consider the draft Local Transport Plan and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Paul Raynes, Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
2.	Coldhams Lane Roundabout	Transport and Infrastructure Committee	9 January 2020	Key Decision 2019/063	To seek approval for the release of allocated funding for the detailed design and construction of Coldhams Lane Roundabout improvements.	Relevant internal and external stakeholders	Paul Raynes, Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
3.	Air Quality Management Areas	Transport and Infrastructure Committee	9 January 2020	Decision	To set out the implications of the statutory Air Quality Management regime for the Combined Authority's transport activities	Relevant internal and external stakeholders	Paul Raynes, Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
4.	Cambridge Autonomous Metro (CAM) Core Outline Business Case – Public Consultation	Transport and Infrastructure Committee	9 January 2020	Decision	To recommend that the Combined Authority Board approve an initial non-statutory public consultation on the CAM Programme Outline Business Case for the core Cambridge city centre tunnelled sections.	Relevant internal and external stakeholders	Paul Raynes, Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
5.	Cambridge Autonomous Metro (CAM) – Regional Extensions	Transport and Infrastructure Committee	9 January 2020	Decision	To request permission to begin work earlier than planned on developing a brief and tender documents for the Regional Extensions of the CAM with the intention of producing a Strategic Outline Business Case for the Alconbury Regional Extension in particular. Additional funding is required to progress this.	Relevant internal and external stakeholders	Paul Raynes, Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

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6.	Transport Levy and Transport Delegations	Transport and Infrastructure Committee	9 January 2020	Decision	To consider the 2020-21 Transport Levy and Transport Delegations and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Paul Raynes, Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
7.	Huntingdonshire Transport Strategic Study	Transport and Infrastructure Committee	9 January 2020	Decision	To strategically review the relationship of a number of transport studies in the Huntingdon area and their potential recommendations in relation to solutions for future movement of people and services via road, rail and public transport.	Relevant internal and external stakeholders	Paul Raynes, Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
Housing and Communities Committee									
8.	Election of Chair for the meeting	Housing and Communities Committee	13 January 2020	Decision	To elect a chairperson for the duration of the meeting.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
9.	£100m Affordable Housing Programme Scheme Approvals – January 2020 [May include exempt appendices]	Housing and Communities Committee	13 January 2020	Key Decision 2020/001	To consider and approve allocations to new schemes within the £100m Affordable House Programme	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
10.	Housing and Communities Committee Terms of Reference – Update	Housing and Communities Committee	13 January 2020	Decision	To receive an update on the Committee Terms of Reference as requested at the previous meeting.	Relevant internal and external stakeholders	Dermot Pearson Interim Monitoring Officer	Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Skills Committee									
11.	University of Peterborough – Future Funding Strategies for further phases of the University of Peterborough	Skills Committee	17 January 2020	Decision	To recommend the development of future funding strategies for further phases of the University of Peterborough to the Combined Authority Board for approval.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
12.	University of Peterborough Outline Business Case	Skills Committee	17 January 2020	Decision	To recommend the Outline Business Case for the new University of Peterborough to the Combined Authority Board for approval.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
13.	Careers Progression and Work Readiness (Hampton Academies Trust pilot) – Update Paper	Skills Committee	17 January 2020	Decision	To receive an update on the Careers Progression and Work Readiness (Hampton Academies Trust pilot)	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
14.	Contract Extension for the Skills Brokerage Contract	Skills Committee	17 January 2020	Decision	To seek approval for an extension of the Skills Brokerage Contract from March to July 2020. This will support the continuation of the Brokerage Service to schools and businesses, while the CPCA await the decision on funding being approved via European Social Fund (ESF).	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
15.	Business Support Services Promotional Campaign	Skills Committee	17 January 2020	Decision	To approve the planned activities within 2020/2021 Business Support Services Promotional Campaign.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Combined Authority Board Governance and Finance Items									
16.	Minutes of the meeting on 18 December 2019	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Decision	To agree the minutes of the previous meeting.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
17.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

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18.	Membership of the Combined Authority Board and Appointment of the Lead Member for Housing and Chair of the Housing and Communities Committee	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Decision	To note changes to the membership of the Combined Authority Board and to appoint the Lead Member for Housing and Chair of the Housing and Communities Committee.	Relevant internal and external stakeholders	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
19.	Appointment of Monitoring Officer	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Decision	To appoint the Monitoring Officer.	Relevant internal and external stakeholders	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
20.	Revenue and Capital Budgets for 2020/21 and the Medium Term Financial Plan for 2020-2024	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Key Decision 2020/009	To recommend the revenue and capital budgets for 2020/21 and the Medium Term Financial Plan for 2020-2024 for approval.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
21.	Mayor's Budget 2020/21	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Key Decision 2020/010	To recommend the 2020/21 Mayor's budget for approval.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
22.	Combined Authority Business Plan 2020/21	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Decision	To secure Board agreement to the 2020/21 Combined Authority business plan.	Relevant internal and external stakeholders	Paul Raynes, Director of Strategy and Assurance	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
23.	Transport Levy and Transport Delegations	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Key Decision 2020/019	To agree the 2020/21 Transport Levy and Delegations for the forthcoming year.	Relevant internal and external stakeholders	Paul Raynes, Director of Strategy and Assurance	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
24.	Risk Management Strategy	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Decision	To consider the adoption of a revised Risk Management Strategy.	Audit and Governance Committee	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
25.	Data Protection Policy	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Decision	To consider the adoption of a revised Data Protection Policy.	Audit and Governance Committee	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

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26.	Performance Monitoring Report	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Decision	To note performance reporting updates.	Relevant internal and external stakeholders	Paul Raynes, Director of Strategy and Assurance	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
Combined Authority Board Decisions									
27.	£100m Affordable Housing Programme (Non-Grant)	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Key Decision 2020/011	Requesting Board approval of a scheme that forms a part of and will require an investment from the £40m revolving fund.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
28.	Community Land Trusts and £100k Homes Outline Business Case	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Decision	To update the board on the proposition for £100k Homes and Community Land Trusts	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
29.	Market Towns Programme - Approval of Masterplans for Fenland	Cambridgeshire and Peterborough Combined Authority Board	29 January 2019	Key Decision 2019/068	To approve Market Town Masterplans for Fenland (Wisbech, March, Chatteris and Whittlesey)	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
BY RECOMMENDATION TO THE COMBINED AUTHORITY BOARD									
Recommendation/s from the Transport and Infrastructure Committee									
30.	Local Transport Plan	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Key Decision 2020/008	To approve the Local Transport Plan.	Relevant internal and external stakeholders	Paul Raynes, Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
31.	Cambridge Autonomous Metro (CAM) Core Outline Business Case – Public Consultation	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Decision	To seek approval to undertake an initial non-statutory public consultation on the CAM Programme Outline Business Case for the core Cambridge city centre tunnelled sections.	Relevant internal and external stakeholders	Paul Raynes, Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
Recommendations from the Skills Committee									
32.	University of Peterborough Outline Business Case	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Key Decision 2020/013	To approve the Outline Business Case for the new University of Peterborough.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
Recommendation/s from the Business Board									
33.	Business Board Membership Update	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Decision	To update the CA Board on Business Board membership, including member composition and representation.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Interim Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
34.	For approval as Accountable Body: Local Growth Fund Project Proposals January 2020	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Key Decision 2020/005	To review and approve the recommendations from the Business Board for individual project funding.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Interim Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
35.	For approval as Accountable Body: Local Growth Fund Programme Management: January 2020	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Key Decision 2020/020	To review the Local Growth Fund Budget and amend as necessary.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Interim Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
36.	Eastern Agri-Tech Growth Initiative funding review	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Key Decision 2020/016	To approve a reduction in the Local Growth Fund allocated to the Eastern Agri-Tech Growth Initiative scheme on 31.3.20.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Interim Chair of the Business Board	It is not anticipated that there will be any documents other than the report and relevant

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								Councillor John Holdich Lead Member for Economic Growth	appendices to be published
37.	Small Business Capital Grant scheme funding allocation	Cambridgeshire and Peterborough Combined Authority Board	29 January 2020	Key Decision 2020/017	To approve allocation from the recycled Local Growth Fund of £9m to the Small Business Capital Grant scheme.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Interim Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	Relevant internal and external stakeholders
Combined Authority Board Governance and Finance Items									
38.	Minutes of the meeting on 29 January 2020	Cambridgeshire and Peterborough Combined Authority Board	26 February 2020 <i>[Reserve meeting date]</i>	Decision	To agree the minutes of the previous meeting.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
39.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	26 February 2020 <i>[Reserve meeting date]</i>	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
40.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	26 February 2020 <i>[Reserve meeting date]</i>	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Housing and Communities Committee									
41.	£100m Affordable Housing Programme Scheme Approvals – March 2020 [May include exempt appendices]	Housing and Communities Committee	9 March 2019	Key Decision 2020/003	To consider and approve allocations to new schemes within the £100m Affordable House Programme Page 21 of 172	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
Skills Committee									
42.	Adult Education Budget Allocations for Academic Year 2020/21	Skills Committee	9 March 2019	Key Decision 2020/007	To outline and recommend approval of Grant and Procured Funding to Providers operating within the CPCA area for the provision of Adult Education Budget for academic year 2020/21.	Relevant internal and external stakeholders	John T Hill, Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
43.	University of Peterborough – Full Business Case	Skills Committee	9 March 2020	Decision	To recommend the full business case for the new University of Peterborough to the Combined Authority Board for approval.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
44.	Adult Education Budget - Data to Payments System Business Case	Skills Committee	9 March 2020	Decision	To propose options for a data to payment system for the Adult Education Budget and a recommendation to provide a system in the future.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
45.	Adult Education Budget Commissioning Strategy 2020/21 and Redistribution System	Skills Committee	9 March 2020	Key Decision 2019/055	To consider proposals for the Adult Education Budget Commissioning Strategy 2020/21 and Redistribution System.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	
Combined Authority Board Governance and Finance Items									
46.	Minutes of the meeting on 26 February 2020	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To agree the minutes of the previous meeting.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
47.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

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48.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
49.	Performance Monitoring Report	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To note performance reporting updates.	Relevant internal and external stakeholders	Paul Raynes, Director of Strategy and Assurance	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
Combined Authority Decisions									
50.	£100m Affordable Housing Programme (Non-Grant)	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Key Decision 2020/012	Requesting Board approval of a scheme that forms a part of and will require an investment from the £40m revolving fund.	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Lead member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices.
51.	Market Towns Programme – Approval of Masterplans for Huntingdonshire	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Key Decision 2020/015	To approve Market Town Masterplans for Huntingdonshire (Huntingdon, St Ives and Ramsey)	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
BY RECOMMENDATION TO THE COMBINED AUTHORITY BOARD									
Recommendation/s from the Business Board									
52.	For approval as Accountable Body: Local Growth Fund Project Proposals March 2020	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Key Decision 2020/006	To review and approve the recommendations from the Business Board for individual project funding.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Interim Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
53.	For approval as Accountable Body: Local Growth Fund Programme Management: March 2020	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Key Decision 2020/021	To review the Local Growth Fund Budget and amend as required.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Interim Chair of the Business Board Councillor John Holdich	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

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								Lead Member for Economic Growth	
54.	Local Enterprise Partnership Partnering Strategy	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To approve the Local Enterprise Partnership Partnering Strategy	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Interim Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
55.	Strategic Partnership Agreements: March 2020	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To recommend Memorandums of Understanding with the remaining seven neighbouring Local Enterprise Partnerships.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Interim Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
Recommendations from the Skills Committee									
56.	University of Peterborough – Full Business Case	Skills Committee	25 March 2020	Key Decision 2020/014	To approve the full business case for the new University of Peterborough to the Combined Authority Board for approval.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
Housing and Communities Committee									
57.	£100m Affordable Housing Programme Scheme Approvals – April 2020 [May include exempt appendices]	Housing and Communities Committee	27 April 2020	Key Decision 2020/004	To consider and approve allocations to new schemes within the £100m Affordable House Programme	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
58.	Housing Market Assessment Update	Housing and Communities Committee	27 April 2020	Non-Key	To receive an update on the study into the Housing Needs of Specific Groups commissioned by the local authorities.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant

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									appendices to be published
Combined Authority Board Governance and Finance Items									
59.	Minutes of the meeting on 25 March 2020	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020 <i>[Reserve meeting date]</i>	Decision	To agree the minutes of the previous meeting.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
60.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020 <i>[Reserve meeting date]</i>	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
61.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020 <i>[Reserve meeting date]</i>	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Combined Authority Board Annual Meeting Governance Items									
62.	Minutes of the meeting on 29 April 2020	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To agree the minutes of the previous meeting.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
63.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
64.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Combined Authority Decisions									
65.	Market Towns Programme – Approval of Masterplans for East Cambridgeshire	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/018	To approve Market Town Masterplans for East Cambridgeshire (Littleport, Ely and Soham)	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

**SUBMIT YOUR COMMENTS OR QUERIES TO
CAMBRIDGESHIRE AND PETERBOROUGH COMBINED
AUTHORITY**

Please send your comments or queries to Dermot Pearson, Interim Monitoring Officer at
Demot.Pearson@cambridgeshirepeterborough-ca.gov.uk

Your comment or query:

How can we contact you with a response?
(please include a telephone number, postal and/or e-mail address)

Name

Address

Tel:

Email:

Who would you like to respond?



SKILLS COMMITTEE	AGENDA ITEM No: 2.1
17 JANUARY 2020	PUBLIC REPORT

UNIVERSITY OF PETERBOROUGH – OUTLINE BUSINESS CASE – PHASE 1

1.0 PURPOSE

- 1.1. Following the University of Peterborough update paper tabled at the last Committee meeting which outlined the recent progress made to mobilise the project in line with the Action Plan adopted in May 2019, an Outline Business Case (OBC) has been produced by CPCA and Mace to demonstrate the economic impact and educational need for the creation of the new University of Peterborough. The Outline Business Case comprises of the Strategic, Economic, Commercial, Financial and Management cases modelling the Green Book in line with the HM Treasury Central Government guidance on appraisal and evaluation.
- 1.2 This report provides the Committee with the information required to make recommendations to the Combined Authority Board to approve and agree the Outline Business Case. The Outline Business Case incorporates an Options Appraisal which will require approval on the preferred option.
- 1.3 As part of the Outline Business Case, it is necessary for the Combined Authority and Peterborough City Council [PCC] to sign up to the Subscription Agreement which is a pre-cursor to the Special Purpose Joint Vehicle (SPJV) to agree terms of investment on capital and land. Approval is sought for delegated authority to the Director of Business and Skills to enter into negotiations with PCC to agree the Subscription Agreement.

<u>DECISION REQUIRED</u>	
Portfolio Holder for Skills:	Councillor John Holdich
Lead Officer:	John T Hill – Director of Business and Skills
Forward Plan Ref: N/A	Key Decision: No
The Skills Committee are invited to recommend to the Combined Authority Board that it:	Voting arrangements A simple majority of members

<ol style="list-style-type: none"> 1. Approve the preferred option as part of an Options Appraisal and adopt the Outline Business Case for the new University of Peterborough as a Combined Authority priority and key element of the Local Industrial Strategy and Skills Strategy. 2. Approve the development of a Subscription Agreement between the Combined Authority and Peterborough City Council for the capital investment into the development of Phase 1 and the land required and delegate to the Director of Business and Skills, in consultation with the Lead Member for Skills, the Chief Financial Officer and the Monitoring Officer, authority to negotiate and complete the Subscription Agreement. 3. Approve the commitment to invest the £12.3M capital budget into the Phase 1 build and draw down the funding to mobilise the activities and milestones identified within the Outline Business Case to achieve the target of opening the University in September 2022 to 2000 students. 	
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2.0 BACKGROUND AND CONTEXT TO DATE

- 2.1 Following the reprofiling of the University of Peterborough project in 2019, it was agreed in May 2019 that an Outline Business Case be prepared from the evidence base/data and research available to the Combined Authority, including the Cambridgeshire and Peterborough Economic Review (CPIER), the Local Industrial Strategy (LIS) and the Skills Strategy (SS). This evidence base demonstrated the need to create the University of Peterborough to address the cold spot in HE Education within the City and wider area including the two sub-economies The Fens and Peterborough/North Huntingdonshire. Due to tight timescales and the need to maintain momentum the OBC has been written for approval alongside the work being undertaken within the current workstreams;
- the HE Academic Partner selection process which is in train with an OJEU compliant negotiation process and likely to run for 6 months; and

- the Build Contractor procurement workstream which is due for procurement in Spring 2020 following a Tenderers' conference to be arranged for January/February 2020.

It is proposed that following the adoption of the Outline Business Case, a Full Business Case will be produced for approval at the Skills Committee and Combined Authority Board in March 2020.

- 2.2 Key to the success of the new University will be our ability to grow and retain local talent as well as ensuring that the HE academic offer meets the current and future demand of business in the City and wider area as well as attracting new high value businesses to the region. The priority areas namely professional services, agriculture, engineering, advanced manufacturing, IT & digital, logistics & distribution, health & social care, life sciences identified in the CPIER which are further endorsed by the People Pillar of the LIS are redefined within the Skills Strategy in more detail. These areas have underpinned the development of an innovative business-led curriculum. The Curriculum modelling identified in the Outline Business Case and the Shadow Curriculum planned for Phase 1, also takes account of the findings of the Combined Authority commissioned business survey of May 2019 which was carried out by Opportunity Peterborough. The plan for the courses to be provided, space required and staffing levels has been developed in the Shadow Curriculum Model referred to above to support the sub-economies of the region:

- a. Business, Innovation, Entrepreneurship and Professional Services.
- b. Creative & Digital Arts and Sciences.
- c. Agriculture, Environment and Sustainability.
- d. Health and Social Care
- e. Engineering
- f. Manufacturing and Advanced Materials
- g. Logistics and Distribution;

- 2.3.1 The infrastructure for the Phase 1 building location was identified following an options appraisal of the 55 acre site on the Embankment to ascertain the best location for the Phase 1. Prior to the undertaking of this detailed assessment, it was agreed that all feasible options must:

- be deliverable within the title constraints of the site in the given timescales;
- be located with land zoned in the Local Development Framework as reserved for University;
- avoid substantive alterations to existing infrastructure or facilities;
- be able to accommodate 3,500m² of space (space driven by assumed budget referred to in financial case); and
- be deliverable with the assumed budget of £20 million.

From the appraisal annotated within the Outline Business Case for the new University of Peterborough, Option A, the Werrana Car Park, has been selected as the preferred option, having the following clear benefits:

- 3,500m² building which achieves outcomes within the assumed budget of £20 Million.
- Maximises available capital for building.
- Good visibility (identity) and accessibility to/ from the city centre.
- Minimises expenditure on infrastructure and external works.
- Minimises impact on adjacent residences
- Supports a logical growth of the campus in future phases.

In order to summarise the Outline Business Case for your information, the Executive Summary is below:

3.0 EXECUTIVE SUMMARY

3.1 Strategic Case

3.1.1 Peterborough is a recognised cold spot for Higher Education. To address this, Cambridgeshire and Peterborough Combined Authority (CPCA) and Peterborough City Council (PCC) are committed to securing a new University for the City in readiness for the Academic Year 2022/23. This Outline Business Case is concerned only with the Phase 1 development of the new University:

- Development of a Phase 1 university building on the Embankment site in Peterborough.
- Procurement of an Academic Delivery Partner (ADP) to provide the skills, knowledge, experience and resources to make a practical reality of the new higher education provision.

3.1.2 The intention is for the new University be fast-growing between 2020 and 2028 (supported by subsequent phases of infrastructure development), at which point there will be an independent review to evaluate the benefits and feasibility of the University becoming independent from the ADP. The strategic policy framework within which CPCA works and the rationale for the University for Peterborough project flows from the Cambridgeshire and Peterborough Independent Economic Review and related documentation including in the CPCA skills strategy and Local Industrial Strategy. The project supports national policy as expressed in the Augar Review of Post-18 Education funding, the review of Higher Technical Education and the Government's Industrial Strategy.

3.1.3 A new University will make a substantial positive economic impact in Peterborough and the wider sub-region, enabling the region and the UK to compete in an ever more dynamic global economy through innovation and creating knowledge-intensive businesses. It will deliver significant cultural

and social benefits. It is a Mayoral priority within CPCA's Business Plan and a key intervention within the Local Industrial Strategy and Skills Strategy, to address the current disconnect between work and qualifications. Expanded HE provision will be an essential component in realising ambitions to:

- establish the foundations for raising aspirations and attainment;
- support business skills needs;
- improve productivity;
- stimulate structural economic change; and enhance well-being.

3.1.4 The top-line objectives for the new University are:

- Accelerating economic growth in the local economy.
- Increasing productivity by job-ready degrees that support the local economy.
- Increasing GVA through meeting business, student and employer aspirational needs.
- Creating an effective progression route for technical learning.
- Re-skilling and up-skilling the workforce to meet technical skills market needs.

3.1.5 Peterborough and the wider region are under-served by current providers and there is a net-outflow of students from the East of England. Current HE provision consists of Peterborough Regional College (around 500 qualifications per annum) and Anglia Ruskin University (bespoke provision of around 400 qualifications per annum). There is no HE provision in Fenland or North Huntingdonshire, largely due to their dispersed rural character and poor transport networks. Addressing provision to under-represented and under-employed groups will be critical in meeting local labour market demand and provides an uncontested HE market space (unemployment rates in the sub-region are higher than the national average, the local population has grown at a faster rate than the national average and a lower proportion of 18-24-year olds are in full-time education).

3.1.6 The University, therefore, has the opportunity to provide a unique offer to serve the cold spot, attract under-represented groups and redress the imbalance with the rest of the CPCA region. Various efforts over the last 20 years to produce a commercially viable HE provision of sufficient scale and quality have failed and a different approach is required. The intention of the new University is to address the cold spot through an increase in the number of HE entrants from the sub-region by attracting and retaining students locally, in particular people who do not currently participate in HE but who would participate and remain locally if suitable provision was available. Based on the CPIER and related analyses it is clear that the first tier of University strategy must be to craft a sustainable portfolio of taught courses that addresses the characteristics of the cold spot before building research expertise.

3.1.7 CPCA is determined to make these investments, to encourage others to make such investments and to bring the positive benefits of HE to the people of the

sub-region. This will not only address the labour market needs of the sub-region, it will give the area an opportunity to reinvent its economy; raising aspirations locally and supporting business skills needs.

- 3.1.8 The main benefits of the new University stem from establishing a Phase 1 University Campus in Peterborough, for 2,000 students by September 2022 and include:
1. 10,000 new learners assisted (Levels 5 and 6 over five years)
 2. 50 temporary construction jobs, 170 university jobs initially (rising to 467), 300 initial supply chain jobs (rising to 900), 14,000 indirect jobs and 1800 apprenticeships over 3 years.

3.2 Economic Case

- 3.2.1 Four options have been identified for consideration in the economic case as follows:
1. **Business as Usual**: continuation of the current local provision described above.
 2. **Do Minimum**: investment in capability building of Peterborough Regional College to achieve Taught Degree Awarding Powers (and perhaps University Title for the current University Centre Peterborough in due course).
 3. **Recommended Option**: investment to tackle the characteristics of the addressable component of the current market failures in HE provision in Peterborough, targeted at infrastructure provision and capacity building.
 4. **Do Maximum**: investment scaled to found, ab initio, a new University on a model similar to those founded in the 1960s (the so-called Robbins Institutions).
- 3.2.2 Do Maximum can be ruled out on the grounds it is unaffordable and unachievable within the constraints of the project. Quantitative economic appraisals of the remaining three options show that the Recommended option has by far the highest Benefit Cost Ratio (46, compared with 3 for the Do minimum option and zero for the Business as Usual). When coupled with the qualitative analysis of each option against the project objectives, this confirms the Recommended option as the preferred option and this conclusion easily survives sensitivity testing of assumptions on the scale of the costs and benefits of the Recommended option.

3.3 Commercial Case

- 3.3.1 This is a complex project that requires careful sequencing and coordination if the objectives are to be met. Given the need to proceed with the development of the site and procurement of the ADP in parallel (to meet the overall programme) a Shadow Curriculum Model has been developed, which has informed the Strategic Brief for the Phase 1 building development.
- 3.3.2 The Combined Authority and PCC will form a special purpose vehicle, (PropCo) under a Subscription Agreement, to build the new campus on the Embankment site. Conditions Precedent in the Subscription Agreement state

that the completion of the overall project is conditional on: agreement of the ownership structure for delivery of the project; Local Growth Fund (LGF) funding being awarded; planning permission being obtained; and the Building Contract being successfully procured.

- 3.3.3 Procurement (following approval of this Outline Business case) of the infrastructure will involve selection of a Main Contractor to deliver the physical capital works via a Design & Build procurement route utilising a competitive tender and an industry standard form of contract (JCT or NEC). There is a wealth of potential main contractors and subcontractors who operate in the region and therefore interest in this scheme is expected to be high, which will typically result in competitive pricing.
- 3.3.4 The property will be leased to a new special purpose vehicle (UniCo). The ADP will provide the skills, knowledge, experience and resources to make a practical reality of UniCo as the new higher education provider and ultimately a university with degree awarding powers. The preferred procurement strategy for the ADP involves publication of a Prior Information Notice (PIN) and Advert as a call for competition followed by either negotiation with a single provider or a Competitive Procedure with Negotiation. The PIN elicited responses from 11 parties. Three prospective bidders submitted Expressions of Interest, one of which was disqualified early in the process but two remain in contention. At the time of writing this procurement has progressed to negotiations with two bidders, expected to conclude in January 2020. At the point of signing Heads of Terms, the ADP will assume responsibility for operation of the University, pending securing ultimate independence.

3.4 Financial Case

- 3.4.1 A key project objective is to create a sustainable operating model for the University such that, after initial start-up costs, it will operate on a self-sufficient basis. The financial model developed for the project, in line with the Shadow Curriculum Model shows that the key risks to achieving this are: timing of repayment of the LGF investment; the impact of the anticipated increase in specialist teaching and research activities over phases 2 and 3; and how the ADP will bridge the working capital gap in the start-up phase. It is anticipated that these will be overcome during the current negotiations with the prospective ADPs.
- 3.4.2 Based on the funding position set out in the table, given Combined Authority funding is in place project affordability is critically dependent on: securing the LGF investment; and agreeing with the prospective ADP methodology to fund the working capital gap. Therefore, at this stage of development, the project is affordable within the assumptions made in this Outline Business Case.

Funding Source	Amount (£)
CPCA	12,300,000
LGF investment Funding	12,500,000
Land Acquisition (gifted)	1,600,000
Total Budget	26,400,000
Construction Works (Phase 1 building)	20,000,000
Financial deal secured with ADP and/or contingency for changes in the Phase 1 building specification	4,800,000
Total Expenditure	24,800,000
Balance (Land acquisition – to be donated by PCC)	1,600,000

3.5 Management Case

- 3.5.1 The project has a number of stakeholders including: planning consultees; neighbours; Members of Parliament; and PCC and the Combined Authority. These key internal and external stakeholders will be managed under a strategy agreed between PCC and the Combined Authority outlined in the established communications strategy and underpinned by the Subscription Agreement.
- 3.5.2 The project is led by the Combined Authority in partnership with PCC and this relationship will be formalised through the Subscription Agreement. The Combined Authority will agree Heads of Terms for operation of the University with PCC and the ADP and will provide funding to support development of the university through existing capital monies and grants. PCC is working with the Combined Authority to support the delivery and in particular is providing the land valued currently valued at £1.6M for Phase One.
- 3.5.3 The Combined Authority and PCC have put in place the resources needed, however, if there is a capital funding gap to manage methodology to do so will need to be explored further. CPCC and PCC have agreed the work streams required to deliver the project, based on an understanding of the shared goals (set out in the Subscription Agreement). CPCA have appointed external consultants to ensure the necessary capacity and capability is available for successful implementation of the project.
- 3.5.4 Project governance (set out the Subscription Agreement) has been established to reflect the current arrangements within each organisation and specific terms of reference for the project will be mandated by each organisation as part of the sign off of the Outline Business Case and Subscription Agreement. Responsibility for the project will be mandated to the Transition Board and Project Management Board, up to completion of the Conditions Precedent within the Subscription Agreement and Heads of Terms. The strategy, framework and plan for dealing with change is embedded within the project governance arrangements.
- 3.5.5 Completion of the Full Business Case, will be presented for agreement by PCC and Combined Authority following the procurement of the HE partner and a satisfactory outcome of all negotiated conditions. This will include terms of reference for the project and its governance from that point onwards.

- 3.5.6 The project plan has been developed around the following key dates: spade in the ground (commencement of Phase 1) Q4 2020; and completion of Phase 1 (for occupation) September 2022. To achieve these milestones there are two key work streams: develop brief and procure the ADP; and develop, design and procure a Main Contractor to deliver Phase 1 infrastructure. To meet the key dates, it is necessary to parallel track these workstreams, which come together into one unified workstream at the end of Q1 2020, after which the project will be progressed under the agreed Heads of Terms and associated requirements.
- 3.5.7 Responsibility for benefits realisation under the Subscription Agreement will sit with Combined Authority and PCC. Once the Heads of Terms are signed then responsibility will be transferred to PropCo and UniCo to realise the project objectives. The agreed infrastructure milestones and targets will be reported against at monthly project board meetings until execution of the Heads of Terms, after which this will be reported to PropCo. Milestones, targets and KPIs will be agreed with the ADP as part of the procurement. These will be audited under the terms of the UniCo agreement and will be independently reviewed at key milestones. The project board nominated officer will update the Skills Committee and the CA Board.
- 3.5.8 A detailed project risk register (including control strategies) has been developed based on the following risk categories: surveys and site constraints; commercial; design; legal; procurement; operational; and governance. The project team holds quarterly risk workshops and the risk register is reviewed monthly at the Project Management Board.
- 3.5.9 Project assurance will initially be conducted under the Subscription Agreement and responsibility for project assurance will transfer to PropCo and UniCo for the building and HE operations respectively.
- 3.5.10 The project will adopt the Business Services Research and Information Association (BSRIA) Soft Landings framework and follow the Stages of the Soft Landings process.
- Stage 1: Inception and Briefing,
 - Stage 2: Design Development is predicated on Stage one;
 - Stage 3: Pre-handover requires follow-through with;
 - Stage 4: Initial Aftercare. This will help solve any performance gap between design intentions and operational outcomes.

4.0 THE SUBSCRIPTION AGREEMENT - Governance and Legalities

- 4.1. It is necessary for the CPCA to enter into a Subscription and Project Management Agreement (Subscription Agreement) with Peterborough City Council (PCC) to establish a robust methodology for and the parameters within which the Combined Authority and PCC will create and manage a newly formed company limited by shares, which will be a Special Purpose Joint Venture (SPJV), with both the Combined Authority and PCC as

shareholders, for the building and management of the university campus. It is referred to in this paper as “PropCo”.

- 4.2. The Subscription Agreement should be finalised and entered into as soon as possible (and in any event before the end of the procurement processes) to provide certainty in the process for all stakeholders, as it commits both the Combined Authority and PCC to the project jointly and protects their capital investments.
- 4.3. The Academic Partner and/or the Developer may subsequently become investors in PropCo, subject to negotiation as part of the procurement processes, in the event that either or both include investment in PropCo in their procurement proposals in respect of the build and development phase.
- 4.4. The Subscription Agreement is the pre-cursor to a detailed Joint Venture Agreement and Articles of Association for Propco, which will in turn be shaped and informed by negotiation and agreement with the Academic Partner (and/or the Developer) during and as a result of the ongoing procurement processes.
- 4.5. Strategic Heads of Terms have been drafted and included in the tender pack for the procurement of the Academic Partner, which set out the key objectives and requirements of the project in terms of the delivery of the academic, regulatory and operational aspects of the new University and those terms are also summarised in this paper.
- 4.6 It is envisaged that the future buildings for Phase 2 and Phase 3 will be 7,800 sqm for Phase 2 and 18,500 sqm for Phase 3 totalling 29,800 sqm for the entire campus. This will be developed over 11 acres and housed in 3 to 4 campus buildings. The site plan is annotated within the Masterplan being developed by Mace.

5.0 FINANCIAL AND INVESTMENT IMPLICATIONS

- 5.1 The Combined Authority has approved the overall budget figure of £12.3M as capital investment to the project. This finance model is annotated within the OBC. The aims and objectives for Phase 1 include securing the £20M build costs, as well as, securing additional funding that, subject to negotiation with the HE Delivery Partner being procured, will be used for either;
 - A subsidy to operational costs in the early years or
 - To meet specific requests of the HE Provider through increases to the size and features of the building; or both.

Therefore the funding arrangements of Phase 1 are:

Funder	Amount	Purpose
CPCA	£12.3M	Mobilisation of the University Programme of delivery, land preparation, planning permissions and capital investment into the

		building of Phase 1 to opening in September 2022.
LGF loan	£12.5M	Capital investment in Stage 1 of Phase 1 building.
PCC	£1.6M	4 acres of land for the Phase 1 site to be invested at a value of £400,000 per acre.
TOTAL	£26.4M	

5.1.1. It should be noted that there is a cash deficit in financial years 2021-22 and 2022-23 before the break-even point in 2023-24. This short term cashflow issue will need to be resolved to make the project viable. A potential solution to this could be via a short-term loan, the interest charges on this are not included in the model and would reduce the overall return of the project.

5.1.2 As Phase 1 funding is on progress and on track, it is necessary for us to explore further funding options for the Masterplan to achieve campus growth.

6.0 LEGAL IMPLICATIONS

6.1. The University of Peterborough is a key project identified in the Combined Authority's Business Plan 2019/20. The proposed legal arrangements for the delivery of the project are set out at Section 4 above.

6.2 The Combined Authority has a general power of competence granted by Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017.

7.0 APPENDICES

7.1 Appendix A – Outline Business Case [The Annexes to the Outline Business Case are not reproduced here due to their volume but are available via the page for the meeting on the Combined Authority's website with the exception of Annexes 6.2 [Shadow Curriculum Model] and 6.7 [Facilities Management Strategy] which are commercially sensitive].

7.2 Appendix B – Draft Subscription Agreement

<u>Background Papers</u>	<u>Location</u>
Combined Authority Board Report May 2019	CA Board Report May 2019 [Item 5.3]
Combined Authority Board Minutes May 2019	CA Board Minutes May 2019 [Minute 367]
Skills Committee Report November 2019	Skills Committee Report November 2019 [Item 2.1]
Skills Committee Draft Minutes November 2019:	Skills Committee Draft Minutes Nov 2019 [Minute 45]

A new University for Peterborough

Outline Business Case

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Executive summary

Strategic Case

Peterborough is a recognised cold spot for Higher Education. To address this, Cambridgeshire and Peterborough Combined Authority (CPCA) and Peterborough City Council (PCC) are committed to securing a new University for the City in readiness for the Academic Year 2022/23.

This Outline Business Case is concerned only with the Phase 1 development of the new University:

1. Development of a Phase 1 university building on the Embankment site in Peterborough.
2. Procurement of an Academic Delivery Partner (ADP) to provide the skills, knowledge, experience and resources to make a practical reality of the new higher education provision.

The intention is for the new University be fast-growing between 2020 and 2028 (supported by subsequent phases of infrastructure development), at which point there will be an independent review to evaluate the benefits and feasibility of the University becoming independent from the ADP.

The strategic policy framework within which CPCA works and the rationale for the University for Peterborough project flows from the Cambridgeshire and Peterborough Independent Economic Review and related documentation including in the CPCA skills strategy and Local Industrial Strategy. The project supports national policy as expressed in the Augar Review of Post-18 Education funding, the review of Higher Technical Education and the Government's Industrial Strategy.

A new University will make a substantial positive economic impact in Peterborough and the wider sub-region, enabling the region and the UK to compete in an ever more dynamic global economy through innovation and creating knowledge-intensive businesses. It will deliver significant cultural and social benefits. It is a Mayoral priority within CPCA's Business Plan and a key intervention within the Local Industrial Strategy and Skills Strategy, to address the current disconnect between work and qualifications. Expanded HE provision will be an essential component in realising ambitions to: establish the foundations for raising aspirations and attainment; support business skills needs; improve productivity; stimulate structural economic change; and enhance well-being.

The top-line objectives for the new University are:

- Accelerating economic growth in the local economy.
- Increasing productivity by job-ready degrees that support the local economy.
- Increasing GVA through meeting business, student and employer aspirational needs.
- Creating an effective progression route for technical learning.
- Re-skilling and up-skilling the workforce to meet technical skills market needs.

Peterborough and the wider region are under-served by current providers and there is a net-outflow of students from the East of England. Current HE provision consists of Peterborough Regional College (around 500 qualifications per annum) and Anglia Ruskin University (bespoke provision of around 400 qualifications per annum). There is no HE provision in Fenland or North Huntingdonshire, largely due to their dispersed rural character and poor transport networks.

Addressing provision to under-represented and under-employed groups will be critical in meeting local labour market demand and provides an uncontested HE market space (unemployment rates in the sub-region are higher than the national average, the local population has grown at a faster rate than the national average and a lower proportion of 18-24-year olds are in full-time education).

The University, therefore, has the opportunity to provide a unique offer to serve the cold spot, attract under-represented groups and redress the imbalance with the rest of the CPCA region.

Various efforts over the last 20 years to produce a commercially viable HE provision of sufficient scale and quality have failed and a different approach is required. The intention of the new University is to address the cold spot through an increase in the number of HE entrants from the sub-region by attracting and retaining students locally, in particular people who do not currently participate in HE but who would participate and remain locally if suitable provision was available. Based on the CPIER and related analyses it is clear that the first tier of University strategy must be to craft a sustainable portfolio of taught courses that addresses the characteristics of the cold spot before building research expertise.

CPCA is determined to make these investments, to encourage others to make such investments and to bring the positive benefits of HE to the people of the sub-region. This will not only address the labour market needs of the sub-region, it will give the area an opportunity to reinvent its economy; raising aspirations locally and supporting business skills needs.

The main benefits of the new University stem from establishing a Phase 1 University Campus in Peterborough, for 2,000 students by September 2022 and include:

1. 10,000 new learners assisted (Levels 5 and 6 over five years).
2. 50 temporary construction jobs, 170 university jobs initially (rising to 467), 300 initial supply chain jobs (rising to 900), 14,000 indirect jobs and 1800 apprenticeships over 3 years.

Economic Case

Four options have been identified for consideration in the economic case as follows:

1. **Business as Usual:** continuation of the current local provision described above.
2. **Do Minimum:** investment in capability building of Peterborough Regional College to achieve Taught Degree Awarding Powers (and perhaps University Title for the current University Centre Peterborough in due course).
3. **Recommended Option:** investment to tackle the characteristics of the addressable component of the current market failures in HE provision in Peterborough, targeted at infrastructure provision and capacity building.
4. **Do Maximum:** investment scaled to found, *ab initio*, a new University on a model similar to those founded in the 1960s (the so-called Robbins Institutions).

Do Maximum can be ruled out on the grounds it is unaffordable and unachievable within the constraints of the project. Quantitative economic appraisals of the remaining three options show that the Recommended option has by far the highest Benefit Cost Ratio (46, compared with 3 for the Do minimum option and zero for the Business as Usual). When coupled with the qualitative analysis of each option against the project objectives, this confirms the Recommended option as the preferred option and this conclusion easily survives sensitivity testing of assumptions on the scale of the costs and benefits of the Recommended option

Commercial Case

This is a complex project that requires careful sequencing and coordination if the objectives are to be met. Given the need to proceed with the development of the site and procurement of the ADP in parallel (to meet the overall programme) a Shadow Curriculum Model has been developed, which has informed the Strategic Brief for the Phase 1 building development.

CPCA and PCC will form a special purpose vehicle, (PropCo) under a Subscription Agreement, to build the new campus on the Embankment site. Conditions Precedent in the Subscription Agreement state that the completion of the overall project is conditional on: agreement of the ownership structure for delivery of the project; LGF funding being awarded; planning permission being obtained; and the Building Contract being successfully procured.

Procurement (following approval of this Outline Business case) of the infrastructure will involve selection of a Main Contractor to deliver the physical capital works via a Design & Build procurement route utilising a competitive tender and an industry standard form of contract (JCT or NEC). There is a wealth of potential main contractors and subcontractors who operate in the region and therefore interest in this scheme is expected to be high, which will typically result in competitive pricing.

The property will be leased to a new special purpose vehicle (UniCo). The ADP will provide the skills, knowledge, experience and resources to make a practical reality of UniCo as the new higher education provider and ultimately a university with degree awarding powers.

The preferred procurement strategy for the ADP involves publication of a Prior Information Notice (PIN) and Advert as a call for competition followed by either negotiation with a single provider or a Competitive Procedure with Negotiation.

The PIN elicited responses from 11 parties. Three prospective bidders submitted Expressions of Interest, one of which was disqualified early in the process but two remain in contention. At the time of writing this procurement has progressed to negotiations with two bidders, expected to conclude in January 2020. At the point of signing Heads of Terms, the ADP will assume responsibility for operation of the University, pending securing ultimate independence.

Financial Case

A key project objective is to create a sustainable operating model for the University such that, after initial start-up costs, it will operate on a self-sufficient basis. The financial model developed for the project, in line with the SCM, shows that the key risks to achieving this are: timing of repayment of the LGF investment; the impact of the anticipated increase in specialist teaching and research activities over phases 2 and 3; and how the ADP will bridge the working capital gap in the start-up phase. It is anticipated that these will be overcome during the current negotiations with the prospective ADPs.

Based on the funding position set out in the table, given CPCA funding is in place (subject to final approval), project affordability is critically dependent on: securing the LGF investment; and agreeing with the prospective ADP how the working capital gap will be funded. Therefore, at this stage of development, the project is affordable within the assumptions made in this Outline Business Case.

Funding Source	Amount (£)
CPCA	12,300,000
LGF investment Funding	12,500,000
Land Acquisition (gifted)	1,600,000
Total Budget	26,400,000
Construction Works (Phase 1 building)	20,000,000
Financial deal secured with ADP and/or contingency for changes in the Phase 1 building specification	4,800,000
Total Expenditure	24,800,000
Balance (Land acquisition – to be donated by PCC)	1,600,000

Management Case

The project has a number of stakeholders including: planning consultees; neighbours; Members of Parliament; and PCC and CPCA. These key internal and external stakeholders will be managed under a strategy agreed between PCC and CPCA, outlined in the established communications strategy and underpinned by the Subscription Agreement.

The project is led by CPCA in partnership with PCC and this relationship will be formalised through the Subscription Agreement. CPCA will agree Heads of Terms for operation of the University with PCC and the ADP. CPCA will provide funding to support development of the university through existing capital monies and grants. PCC is working with CPCA to support the delivery and in particular is providing the land for phase one.

CPCA and PCC have put in place the resources needed to manage the work streams required to deliver the project, based on an understanding of the shared goals (set out in the Subscription Agreement). CPCA have appointed external consultants to ensure the necessary capacity and capability is available for successful implementation of the project.

Project governance (set out the Subscription Agreement) has been established to reflect the current arrangements within each organisation and specific terms of reference for the project will be mandated by each organisation as part of the sign off of the Outline Business Case and Subscription Agreement. Responsibility for the project will be mandated to the Transition Board and Project Management Board, up to completion of the Conditions Precedent within the Subscription Agreement and Heads of Terms. The strategy, framework and plan for dealing with change is embedded within the project governance arrangements.

Satisfaction of the Conditions Precedent will enable completion of the Full Business Case, which will then be presented for agreement by PCC and CPCA. This will include terms of reference for the project and its governance from that point onwards.

The project plan has been developed around the following key dates: spade in the ground (commencement of phase one) Q4 2020; and completion of phase 1 (for occupation) September 2022. To achieve these milestones there are two key work streams: develop brief and procure the ADP; and develop, design and procure a Main Contractor to deliver phase 1 infrastructure. To meet the key dates, it is necessary to parallel track these workstreams, which come together into one unified workstream at the end of Q1 2020, after which the project will be progressed under the agreed Heads of Terms and associated requirements.

Responsibility for benefits realisation under the Subscription Agreement will sit with CPCA and PCC. Once the Heads of Terms are signed then responsibility will be transferred to PropCo and UniCo to realise the project objectives. The agreed infrastructure milestones and targets will be reported against at monthly project board meetings until execution of the Heads of Terms, after which this will be reported to PropCo. Milestones, targets and KPIs will be agreed with the ADP as part of the procurement. These will be audited under the terms of the UniCo agreement and will be independently reviewed at key milestones.

A detailed project risk register (including control strategies) has been developed based on the following risk categories: surveys and site constraints; commercial; design; legal; procurement; operational; and governance. The project team holds quarterly risk workshops and the risk register is reviewed monthly at the Project Management Board.

Project assurance will initially be conducted under the Subscription Agreement and, once the Conditions Precedent are satisfied, responsibility for project assurance will transfer to PropCo and UniCo for the building and HE operations respectively.

The project will adopt the BSRIA Soft Landings framework and follow the five Stages of the Soft Landings process. Stage 1: Inception and Briefing, Stage 2: Design Development is predicated on Stage one; while Stage 3: Pre-handover requires follow-through with Stage 4: Initial Aftercare. This will help solve any performance gap between design intentions and operational outcomes.

1 Strategic Case

1.1 Introduction

Peterborough has been recognised for many years as a cold spot for Higher Education. Cambridgeshire and Peterborough Combined Authority (CPCA), working with Peterborough City Council (PCC), is committed to securing a new University for the City in readiness for the Academic Year 2022/23. The project is defined as follows:

“The University of Peterborough will be a high-quality employment-focused University for the city and region. It will acquire an international reputation for innovative technological approaches to face to face learning and in applied technology and science. It will be characterised by outstanding student satisfaction and response to local needs. The curriculum will be led by student and employer demand as well as developing opportunities in the technological, scientific and business areas. Its buildings will be architecturally leading, flexible and environmentally friendly. The curriculum, academic community and buildings will reflect a desire to be the greenest university possible”.

This document provides the Outline Business Case for Phase 1 of the proposed approach to secure a viable, new University for Peterborough, prior to the main procurement phases of the project. A Full Business Case will be produced following the conclusion of those procurements. Phase 1 comprises:

1. Development of the first university building on the Embankment site in Peterborough.
2. Procurement of an Academic Delivery Partner (ADP) to provide the skills, knowledge, experience and resources to make a practical reality of the new higher education provision.

The intention is for the new University be fast-growing between 2020 and 2028 (supported by further infrastructure development phases). An independent review expected to take place in 2028 will evaluate the benefits and feasibility of the University becoming independent from the ADP with University Title and its own degree awarding powers.

1.2 Strategic context

1.2.1 About CPCA

CPCA was established in 2017 under a Devolution Deal with central Government. Its purpose is to ensure Cambridgeshire and Peterborough is **a leading place in the world to live, learn and work**.

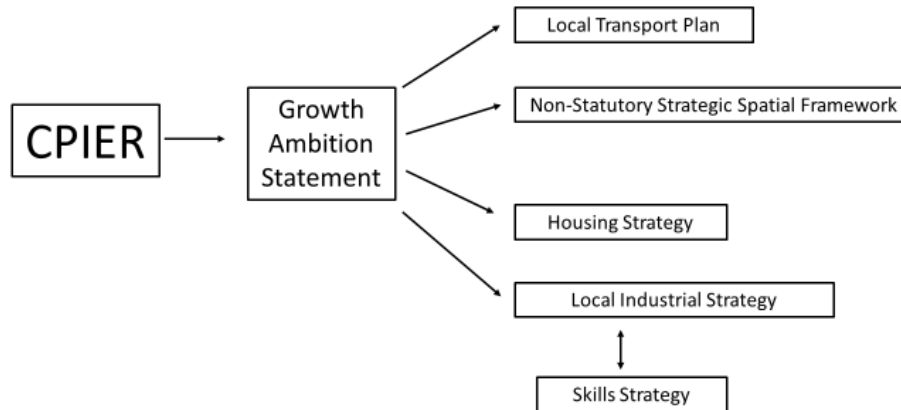
It brings together the area’s councils and is chaired by a directly elected Mayor. The Mayor and Combined Authority have statutory powers and a budget for transport, affordable housing, skills and economic development, made up of funding devolved from central Government. The Mayor also has powers to raise monies through local taxes, although these have not been used to date. CPCA’s 2017/18 accounts are available at cambridgeshirepeterborough-ca.gov.uk/news/combined-authority-draft/.

The Devolution Deal for Cambridgeshire and Peterborough sets out key ambitions for the Combined Authority; CPCA’s mission statement is **“to deliver a leading place to live, learn & work by 2030”**. The Deal, which runs for 30 years, also sets out a list of specific projects which CPCA and its member councils will support over that period. CPCA is publicly accountable for how it uses its devolved funding to meet the Devolution Deal commitments.

CPCAs’ business plan can be found at cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/CPCA-Business-Plan-2019-20-dps.pdf and includes the following strategic goals and business aims:

- Doubling the size of the local economy.
- Accelerating house building rates to meet local and UK need.
- Delivering outstanding and much needed connectivity in terms of transport and digital links.
- Providing the UK's most technically skilled workforce.
- Transforming public service delivery to be much more seamless and responsive to local need.
- Growing international recognition for our knowledge-based economy.
- Improving the quality of life by tackling areas suffering from deprivation.

The strategic policy framework within which CPCA works is summarised below (CPIER is the Cambridgeshire and Peterborough Independent Economic Review).



CPCA's Board brings together the Leaders of the councils in the area under the chairmanship of the Mayor and is also attended by the Police and Crime Commissioner, Chairman of the Fire Authority, Chairman of the Business Board and a representative of the NHS. Further details of CPCA's formation, structure, partners and ambitions can be found at cambridgeshirepeterborough-ca.gov.uk/about-us and cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Constitution-2019-10-24.pdf. CPCA's governance includes a number of Committees and the Business Board:

- **Overview and Scrutiny Committee:** to scrutinise decisions by the Combined Authority or the Mayor.
- **Audit and Governance Committee:** to review the Combined Authority's financial affairs, internal control, corporate governance arrangements and risk management.
- **Employment Committee:** formed following September 2017's Combined Authority Board meeting to provide a focus on employment initiatives in the region.
- **Housing and Committees Committee:** to make recommendations to the Combined Authority Board on: Housing Strategy; the Housing Investment Fund; and the programme of housing projects.
- **Skills Committee:** to make recommendations to the Combined Authority Board on the Skills Strategy and the skills budget, innovation fund and Adult Education Fund.
- **Transport and Infrastructure Committee:** to make recommendations to the Combined Authority Board on: the Local Transport Plan; Bus Strategy; the transport revenue budget, including any transport levy; the annual programme of strategic transport projects and the associated capital investment budget; borrowing powers exercised as the Local Transport Authority; and creation of the key route network

- **Business Board:** constituted in September 2018, the Business Board is the Local Enterprise Partnership (LEP) for the region. It gives commerce a stronger voice in developing CPCA's plans and decision making, particularly the Local Industrial Strategy (LIS) and advising CPCA on achieving its growth ambition.

1.2.2 Policy alignment

National Policy

The UK needs a dual training system where vocational education and training is well known and highly recognised worldwide due to its combination of theory and applied training, embedded within real-life work environments. Central Government has outlined in its Industrial Strategy the need to see more people equipped to acquire intermediate and higher-level technical skills that the economy needs now and in the future. A simplified qualifications system is needed that everyone understands and has confidence in is key to this reform.

The Government's proposed Post 16 reforms aim to streamline qualifications for students through the Post 16 Review of qualifications at level 3 and below in England (www.gov.uk/government/consultations/review-of-post-16-qualifications-at-level-3-and-below-in-england) to create a coherent system with clear, high quality progression routes for students of all ages, including the National Retraining Scheme. These need to support the recommendations of the Augar Review into Post-18 Education funding and the review of Higher Technical Education. The Government's Level 4 and 5 reforms (www.gov.uk/government/publications/review-of-level-4-and-5-education-interim-evidence-overview) present an opportunity to ensure that technical/vocational learning is available in Peterborough.

It is clear that Government HE policy is concerned with increasing the supply of higher-level technical skills, ensuring genuine inclusiveness in higher education provision and participation and supporting the expansion of agile modes of learning including distance and virtual learning approaches to enable increased participation. All of these are strong drivers for the approach to be adopted for the development of a new University for Peterborough.

This in turn supports the UK Government's Industrial Strategy (www.gov.uk/government/topical-events/the-uks-industrial-strategy) which articulates the national strategy to achieve a vision of:

- The UK having the world's most innovative economy.
- Good jobs and greater earning power for all.
- A major upgrade to the UK's infrastructure.
- The UK being the best place to start and grow a business.
- Prosperous communities across the UK

A new University will make a substantial positive economic impact not only in the City but in the wider sub-region supporting these national policy frameworks, enabling the region and the UK to compete in an ever more dynamic global economy through innovation and creating knowledge-intensive businesses. At the same time it will deliver significant cultural and social benefits that are inherent in the aims of these national policies.

CPCA Skills Strategy

The CPCA Skills Strategy provides a framework for expenditure against strategic priorities focused on learning that delivers sustained job outcomes, productivity and economic growth. Devolution of skills budgets provides scope to embed an approach that coordinates local resources and establishes priorities.

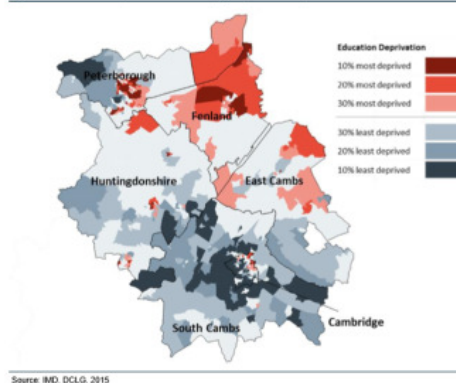
The Cambridgeshire and Peterborough region plays an important role in the UK economy. Although the area is home to large and globally significant businesses, small/medium businesses dominate the local landscape. The region comprises three distinct economies with differing sector specialisms and differing social and economic skills needs:

- Peterborough and surroundings (including north Huntingdonshire).
- The Fens (including Fenland, some of East Cambridgeshire and part of Huntingdonshire).
- Greater Cambridge (Cambridge and South Cambridgeshire, including southern parts of Huntingdonshire and East Cambridgeshire)

Broadly speaking, Greater Cambridge has the highest levels of skills and the best educational outcomes; Greater Peterborough and the surrounding area experiences lower levels of employment and greater economic inactivity (suggesting an economy marked by longer term issues relating to engagement and long-term alienation) and the Fens has lower labour market performance, related to the accessibility of both jobs and training. Levels of education deprivation are shown in the figure below and are concentrated in the north and north-east of the region in particular.

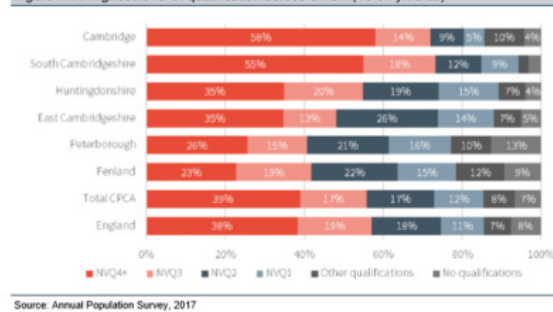
Education deprivation is concentrated in the north-eastern areas of the CPCA. Peterborough and Fenland in particular although there are small clusters in Huntingdon and Cambridge. By contrast significant areas of Huntingdonshire, South Cambridgeshire and Cambridge are lowest in education deprivation.

Figure 4.17 Education, Skills and Training Deprivation Map



Distribution of qualification outcomes

Figure 4.14 Highest level of qualification across CPCA (16-64 yr. olds)



Peterborough is a recognised cold spot for HE provision in the region, which results a higher level skills gap amongst the working population (see section 1.2.5 below):

It is imperative that, to achieve inclusive growth, CPCA concentrates efforts on closing the skills gaps, and overcomes the barriers and challenges to progression by developing bespoke life-long learning for all ages through a tailored approach. Key to success will be growing local talent (alongside attracting new talent to the area). The CPCA Skills Strategy, therefore, sets a strategic direction to enable sustainable futures by creating a culture of positive change within the skills arena following three key themes:

1. Achieve a high-quality offer tailored to the needs of the three sub-economies.
2. Empower local people to access education and skills to participate fully in society, to raise aspirations and enhance progress into further learning or work.
3. Develop a dynamic skills market that responds to the changing needs of local business.

The University will be catalyst for action under all three themes. It is a Mayoral priority within CPCA's 2019-20 Business Plan as well as a key intervention within the Local Industrial Strategy and the Skills Strategy, to address the current disconnect between work and qualifications. Furthermore, expanded higher education provision will be an essential component in realising the ambitions set out in the Cambridgeshire and Peterborough Independent Economic Review (CPIER www.cpiier.org.uk/final-report/) to: establish the foundations for raising aspirations and attainment in Peterborough and the surrounding region; support business skills needs; improve productivity; stimulate structural change in the sub-regional economy; and enhance the well-being of the local population.

Moreover, young people in Peterborough and surrounding areas often leave school/college/university without possessing some of the practical skills to function in the modern workplace. There is concern also that the teachers/academics lack knowledge of vocational career pathways and technical curriculums and that there is currently a disconnect there is between schools/colleges and employers/businesses. CPCA's strategies focus on activity-based transitions that are outcome based and business-focussed within the key sectors of Construction, Logistics, Agriculture/Food, Life Sciences, ICT/Digital, Health and Social Care to create pathways to further study in either FE or HE.

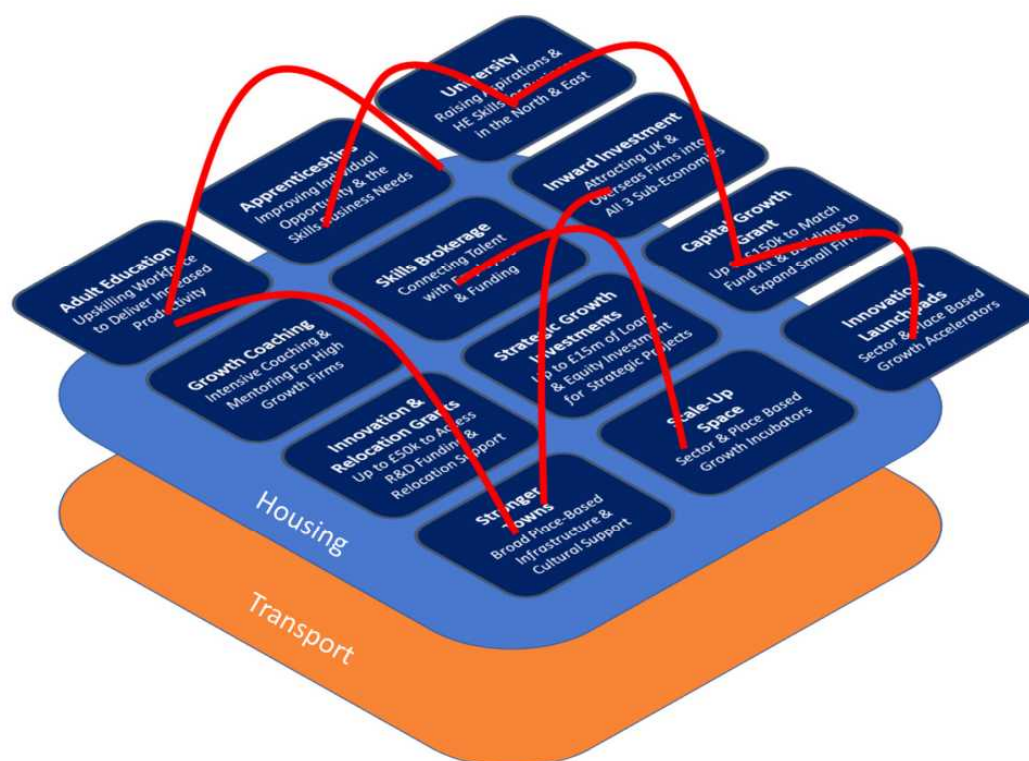
Based on recent economic data/evidence collected from the CPIER and the Hatch Regeneris' Skills Strategy Evidence Base Report (www.cambridgeshirepeterborough-ca.gov.uk/assets/Employment-and-Skills/Cambridgeshire-and-Peterborough-Combined-Authority-FINAL-DEC-2018-Appendix-A.pdf), CPCA's Skills Strategy (www.cambridgeshirepeterborough-ca.gov.uk/assets/Employment-and-Skills/Skills-Strategy-Final-Version-5.6.19.pdf) has identified a need for a University for Peterborough. CPCA is committed (as a devolution priority) to supporting the establishment of expanded HE provision in Peterborough, with a course mix driven by the requirements of local residents and businesses.

The University curriculum offer needs to support raising aspirations to grow the student numbers from the local area, meet student expectations and meet the needs of the local economy. CPCA's policy is to prioritise skills interventions, including supporting the establishment of a new University for Peterborough with provision driven by local employer demand for skills in both public and private sectors, encouraging apprenticeships. Through the LIS, CPCA is also working to activate employer demand and motivate learners and their families to raise their aspirations.

The establishment of a new University is, therefore, an integral element of the wider CPCA Skills Strategy and Local Industrial Strategy implementation, as illustrated in the diagrams below.



The new University project has no direct delivery dependencies on the CPCA's other skills and economy interventions, although a number of these other programmes will support the University curriculum offer; e.g. Skills Brokerage (linking) business with schools, the CEC contract (linking careers advice in schools with Enterprise Advisors in schools), delivery of the Adult Education Budget linked to the National Retraining Scheme and the DWP Health and Care Sector Work Academy.



1.2.3 Objectives

CPCA's ambition is to create a new University for Peterborough that will deliver a step-change in life-chances for young people in Peterborough and beyond. Key to the success of the new University will be its ability to grow and retain local talent alongside attracting and retaining new talent to the area. Through this project, CPCA is committed to raising personal and community aspirations along with improving social-mobility and contributing to inclusive social and economic growth. CPCA will continue to promote and support skills provision that meets employer demand and motivates learners and their families to aspire to building prosperous futures for themselves and their communities, harnessing lifelong learning.

The top-line objectives for the new University are:

- Accelerating economic growth through an increase in student numbers educated for higher value jobs which CPCA intends to stimulate and grow in the local economy.
- Increasing productivity by job-ready degrees that support growth in the local economy.
- Increasing GVA through meeting business, student and employer aspirational needs.
- Creating an effective progression route for technical learning maximising the variety of providers and funding sources.
- Re-skilling and up-skilling the workforce to meet technical skills market needs.

Specific quantitative objectives for the new University include:

- Registration of new HE provision with the Office for Students in the 2022/23 academic year.
- Subject to the conclusions of an independent review, securing Unlimited Degree Awarding Powers following the 2028/29 academic year and securing university title (as the 'University of Peterborough') following the 2029/30 academic year.
- 2,000 students on roll by 2022, rising to 5,000 by 2025 (in the scope of Phase 1) and potentially to 12,500 by 2030 (the latter is not in scope of phase 1 and subject to negotiation with the ADP during procurement).
- The proportion of local students progressing to HE to increase to 2% by 2022, rising to 5% by 2025 and 10% by 2030.
- An increase of 1200 graduates employed in appropriate professional/graduate level jobs in the local economy by 2025, with a further 13,000 by 2030 and 30,000 by 2035.

CPCA further anticipates that the new University will have:

- a substantial positive economic impact on Peterborough City and the surrounding region such that investment in the new University will generate direct, indirect and induced impacts across a wide range of industries, supply chains and the wider consumer economy;
- a positive regenerative effect to support the transformation of Peterborough itself into a regional centre improving the experience of all citizens and visitors to the area, including generating new opportunities for graduate-level employment and encouraging both local participation in HE and the local retention of graduates to benefit the wider economy;
- a transformational effect on the life-chances and well-being of its students and raise aspiration more broadly within Peterborough and the surrounding region. We anticipate that this will include:
 - Improving life-chances, health and well-being outcomes of students and, over time, the wider community;

- building confidence and capability among the graduates of the new university and potentially encouraging innovation and entrepreneurship;
- enhancing the capabilities of those graduates who continue to live and work in and around Peterborough to improve their productivity and earning potential; and
- attracting and retaining investment locally to create more opportunities for the people of Peterborough and the surrounding region to benefit from higher education and contribute to the on-going success of the region.

1.2.4 Current position

While the CPCA region has an enviable HE profile thanks in part to the presence of institutions and universities that have a world-class reputation, Peterborough has been recognised for many years as a cold spot for Higher Education (e.g. Peterborough and Fenland have around a quarter of the number of HE entrants of South Cambridgeshire)¹.

Current HE provision in Peterborough consists of:

1. **Peterborough Regional College:** has around 4,500 students and a broad course offering with particular HE teaching specialisms in engineering and construction, primarily at the Park Crescent campus, including **University Centre Peterborough (UCP)**, a 100% owned subsidiary of Peterborough Regional College, providing around 500 qualifications per annum across business, engineering, digital, finance, construction management and accounting disciplines. The curriculum is modelled on education pathways and not sufficiently linked to employment or business needs, despite there being a number of applied degrees on offer. UCP does not have degree awarding powers and currently degrees are validated by Anglia Ruskin University.
2. **Anglia Ruskin University:** a satellite campus located in Guild House, Peterborough, with bespoke provision of around 400 qualifications per annum in health, social care and education.

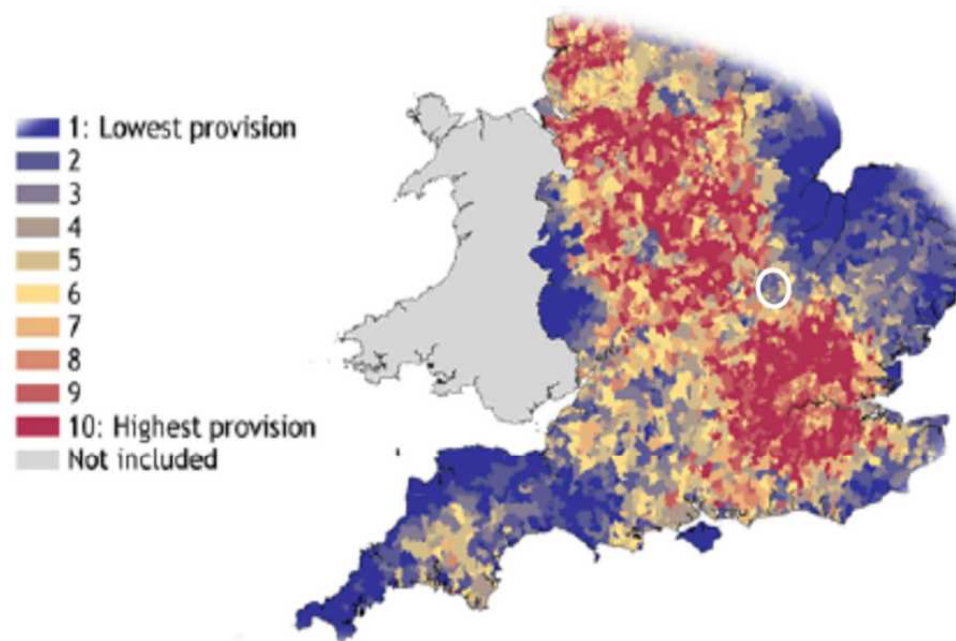
There is no HE provision in Fenland or North Huntingdonshire. The dispersed rural character of, and poor transport networks in, Fenland in particular make it challenging to establish HE operations in these areas. The sparsity of population and travel to learn times (rather than distances) have tended to inhibit the creation of viable provision, in the absence of flexible modes of delivery to compensate for these characteristics of the region.

1.2.5 Case for change

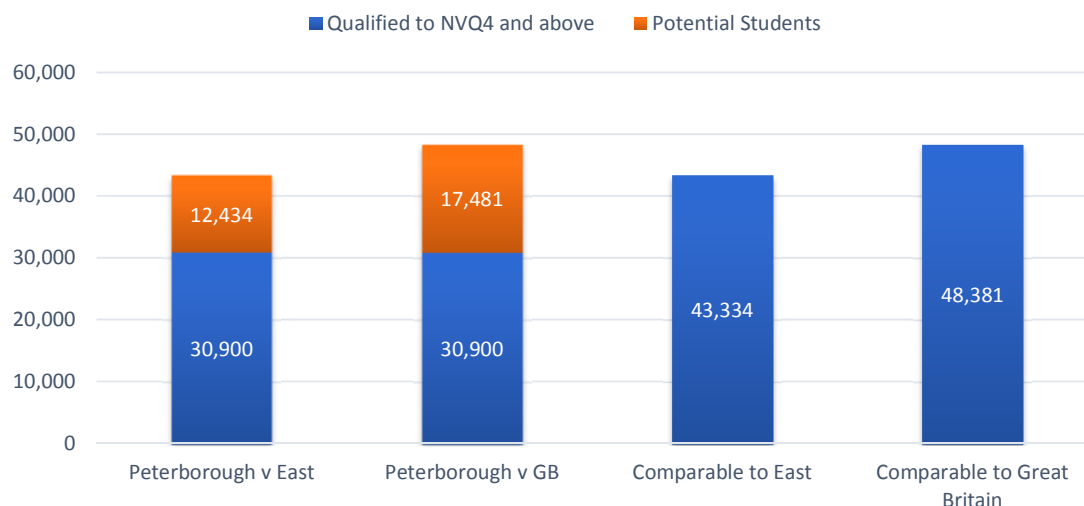
A Higher Education “cold spot”

To be effective the University must address the characteristics of the higher education cold spot in the region (see figure below, sources: HESA and ILR 2012/13).

¹ Hatch Regeneris CPCA Skills Strategy Evidence Base, December 2018



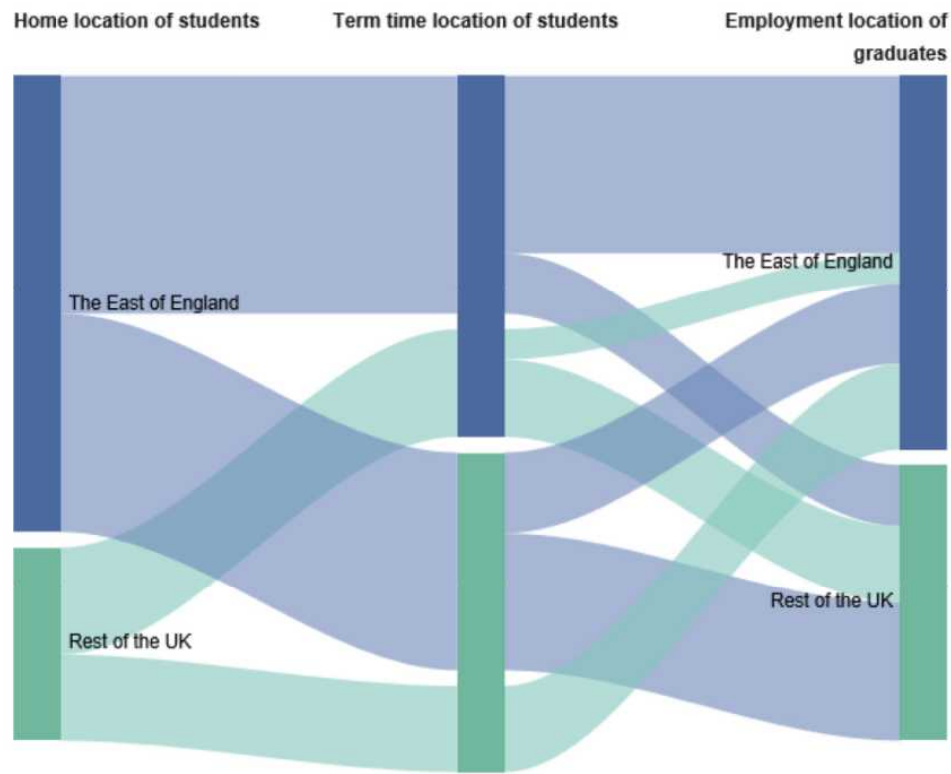
If Peterborough matched the East of England an additional 12,000 people aged 16-64 would have an NVQ Level 4 qualification or above and if Peterborough matched the UK, 17,000 more people would have such a qualification (see chart below).



There is no doubt, therefore, that, as a higher education cold spot, Peterborough and the wider CPCA region north of Cambridge is under-served by current providers. Furthermore, there is a net-outflow of students from the East of England with many fewer local students returning to the region after graduation; and, equally, many fewer students who study in the East settling in the region after studying here, effectively denuding the region of graduate talent (see HESA Destination of Leavers Survey figure below with additional interpretation in the footnote²).

² The groupings from top to bottom on destination:

1. East of England (EE) students, who study in the East and stay after graduation
2. UK students (out of EE region) who study in the East and stay after graduation
3. EE students who study out of region but return after graduation



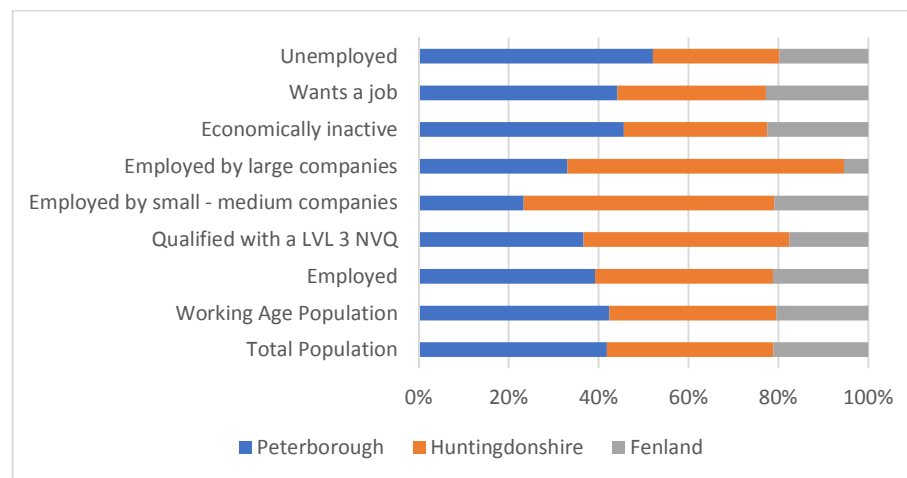
Source: HESA Destination of Leavers Survey, 2014/15

Note: Populations cover those HE graduates in employment who have had a postcode in the selected region during their time in HE. This includes their home address, term-time address and employment location.

Peterborough has a working age population of c 125,000 of whom 95,300 are employed. Unemployment rates in Peterborough are 4.7%, which is higher than the national average of 3.5%; approximately 5,000 people are unemployed and approximately 24,400 are economically inactive, of whom approximately 6,500 would want a job. These proportions are broadly mirrored in Huntingdonshire and Fenland; the chart below gives more detail on the labour market position across the sub-region.

4. UK students (out of EE region) who study out of region but move into region after graduation
5. EE students who study in the East and leave the region after graduation [Net Loss]
6. UK students (out of EE region) who study in the East and leave after graduation
7. EE students who study out of region and do not return to the region after graduation [Net Loss]

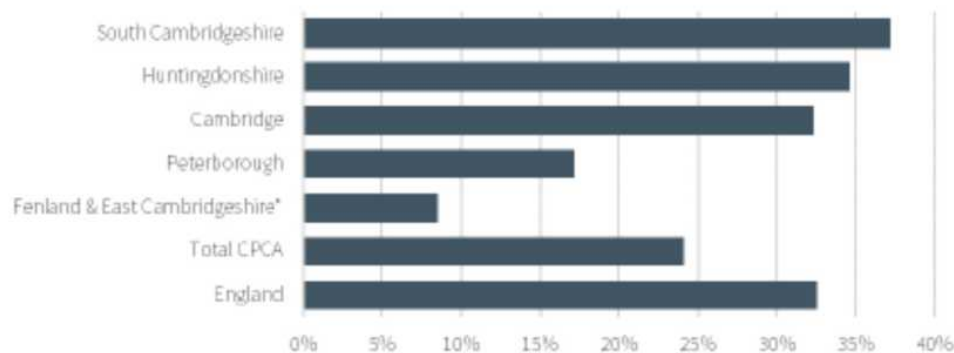
Categories 5 and 7 outweigh categories 2 and 4. The net effect is a drain on the region. However, these groups are not the target market for the University—these students are already travelling in/out of region for a specific higher education experience which is already available. To compete directly for these students with their current institutions of choice would be fool-hardy given the imbalance in resources, infrastructure and brand equity. This route would lead to a “Red Ocean” of brutal competition.



Peterborough/Huntingdonshire/Fenland labour market demographics [Source: Official Labour Market Statistics]

NB the population with NVQ level 3 qualifications will overlap with several other sub-sets.

The local population has grown at a faster rate than the national average, which will in due course translate to a bigger local market for students. Moreover, the CPCA area has only 24% of 18-24-year olds in full-time education, compared to 33% nationally and in Peterborough the proportion is very much lower than any other part of the region except Fenland and East Cambridgeshire.



Proportion of Young People aged 18-24 in full-time education

Source: Hatch Regeneris CPCA Skills Strategy Evidence Base

Addressing provision to under-represented and under-employed groups is critical as there may already be unfilled vacancies and employment opportunities within the region for which there is a dearth of suitably qualified applicants. This is uncontested market space where competition in HE (which is burgeoning) is largely irrelevant. The University has the opportunity to provide a unique offering to serve the cold spot, to attract under-represented groups and to redress the balance between Peterborough and the rest of the region. The economic impact of developing a strategy to serve this need would in turn be very considerable.

During the last four decades, Peterborough's population has doubled, and with it, the level of employment available. However, due to the much lower than average (nationally) supply of Level 4-6 skills, it has proved impossible to grow or attract in, sufficient high-value firms to maintain the city's productivity levels. This has created a degradation in the average value of jobs, wages and health outcomes that has significantly retarded the north of the CPCA region's economic growth potential, and its ability to contribute to region-wide productive growth.

The need for a new approach

After failed efforts over the last 20 years, to produce a commercially viable HE provision, of sufficient scale and quality, to attract sufficient volumes of students to meet demand for higher value skills to enable productive growth, a different approach is required.

University Centre Peterborough/Peterborough Regional College

In June 2016 UCP/PRC was awarded £720,000 of Greater Cambridge and Greater Peterborough LEP funding to support the development of the University; £120,000 to support project management and £600,000 to develop Taught Degree Awarding Powers (TDAP). In September 2017 CPCA awarded UCP/PRC a further £668,604 to support project management, curriculum development and marketing. In March 2018 a further £9.7 million was approved towards validation of the UCP/PRC Business Case bringing the total funding approved by March 2018 to £13.53 million.

The project then entered a period of considerable turbulence and challenging relationships between key stakeholders. By July 2019 £1.1 million had been invested without good evidence of progress and significant concerns arising that the goal of increasing student numbers to 2,000 by 2022 would not be achieved. CPCA, therefore, commissioned independent reviews commissioned to look at the progress made. While significant progress had been achieved³, there were significant risks and implications of continuing with the programme without a review of progress and strategy (further reinforced by changes in the HE landscape and the need to future-proof on-going investment and ambitions for the University).

Gleeds were commissioned to perform a Technical Review as to whether the Strategic Outline Business Case submitted to the CPCA in 2018 was fit for purpose and whether a sufficiently robust assessment could be produced, detailing the options for establishing a new University, to allow the commitment of CPCA funds into a procurement of new buildings and facilities on the Embankment site.

The Gleeds Review suggested the project set out in this Outline Business Case as a credible way forward to deliver CPCA and PCC aims, highlighting the following in particular:

- A robust plan in place to deliver the University on time on the Embankment site with 2,000 students by 2022 in an iconic building.
- The plan will allow the delivery of a curriculum that meets the needs of both students and employers, and with new and progressive delivery models, such as degree apprenticeships and 2 year degree programmes.
- The plan includes strategies to raise the amount of revenue and capital funding currently available for the project (£13.83 million from the CPCA) to as much as £20 million.

³ Progress identified included:

- Registration to Office for Students to apply for Degree Awarding Powers.
- An agreed high-level vision across all stakeholders providing an underpinning for the new university, and a definition for the new University.
- CPCA has instituted very rigorous and robust monitoring and evaluation of UCP's programme delivery.
- CPCA has instituted rigorous and robust accountability systems for financial awards made to UCP.
- Shadow University governance arrangements were in place (chaired by Sir Les Ebdon).
- Restoration of positive working relationships with between CPCA and UCP, PRC and PCC.
- The development of 28 curriculum courses that have been validated by ARU.
- A draft joint (CPCA/UCP/PCC) Communications Strategy developed.
- Three credible strategic reviews of the project by independent 3rd Parties.

To achieve these goals the plan includes a market comparison of potential academic partners to work with the CPCA and PCC to deliver the University by September 2022 and on to 2030.

Accordingly, the conclusion drawn was that UCP/PRC cannot continue to be considered the preferred or exclusive Academic Delivery Partner without challenge and comparison with the market due to:

- The challenges of the FE Sector, which have deepened in recent years, may put a strain on any FE partner, and PRC in particular, given their need to invest to strengthen their recent FE performance.
- Significant investment in the development of the HE offer and associated IT and business systems will be required between now and 2025.
- PRC's mix of financial priorities may create pressure to offer a HE curriculum which may not optimally match CPCA's Skills Strategy & Local Industrial Strategy, due to the prohibitive cost of developing some new specialist courses designed to meet the needs of employers.
- Student growth has been impacted by a competitive marketplace and without degree awarding powers PRC's ability to develop curriculum has been restricted.
- PRC's current curriculum offer may need to be strengthened - illustrated by 65,000 website hits translating to 227 actual students, suggesting that while the marketing strategy is strong the curriculum offer needs to be developed further.
- Currently as a smaller provider operating in an area of low HE participation, UCP receives a high proportion of students through UCAS Extra/Clearing.

Institute of Technology

There has been previous discussion about the option of an Institute of Technology (IoT) to fill the gaps in technical provision, particularly to develop STEM (science, technology, engineering and mathematics) skills. Successful IoTs are built on successful FE/Technical Colleges and successful school provision of vocational learning and these conditions are not currently present in Peterborough. Peterborough already has the Greater Peterborough University Technical College (14-19) and IMET (Innovation, Manufacturing, Engineering and Technology) at Alconbury. The UTC specialising in Engineering and with strong business engagement recently received a "Requires Improvement" rating from Ofsted at its first inspection with lack of pedagogy and teaching specialism in technical delivery cited as a key factor. IMET opened in September 2019 to 15 students and is operated by Peterborough Regional College and Cambridge Regional College. PRC was also rated "Requires Improvement" by Ofsted in June 2019 and student numbers in vocational learning have fallen significantly.

The way forward

The only viable solution to the cold spot, therefore, is to increase HE provision in Peterborough and the intention of the new University for Peterborough is, accordingly, to increase the number of HE entrants from the north and north-east of the CPCA region by attracting and retaining students locally (after graduation). In particular, it will need to engage people who do not currently participate in HE but who would participate and remain locally if suitable provision was available (i.e. not compete for students who migrate out of region and do not return, nor for students who already migrate into the region but do not stay). Furthermore, flexible modes of HE delivery will be necessary to compensate for the characteristics of the region (particularly sparsely populated rural areas) and this is a critical reason why the University must establish itself on an agile basis and not be entirely concentrated in Peterborough.

The Cambridgeshire and Peterborough Independent Economic Review (CPIER), makes direct reference to the development and scale of investment required in the new University.

“...the purpose of the University in Peterborough ought to be strongly rooted in the local and sub regional economy. This should mean drawing on existing strengths in manufacturing and engineering... local economic benefits of university research tend to be magnified when local firms are technologically close to the university.”

Such effects inevitably develop over time and are not to be expected from an institution in its first phase of development, although the long-term vision, mission and growth trajectory must be lay the foundations for this critical link between research and business (current and future). CPIER continues:

“As the UK moves towards the digitalisation of industry, new types of jobs are being created at the interface between manufacturing and IT. Artificial intelligence is also likely to revolutionise manufacturing. There are niches to be found here, [that] local businesses ... would be keen to support. Water management is another area where Peterborough has specialisms, and is particularly relevant for fen areas. We warn those planning for the university to resist the temptation to try to develop an outstanding university on a shoestring – any such institution will require high-levels of investment in advanced machinery to be credible. Putting clear financial heft behind the proposal and hiring excellent people from successful universities will be needed to prevent the university from languishing in mediocrity, or failing given the present apparent increased supply of university places relative to demand.”

It is important to be realistic about the early phases of development of the new University. In particular, research strength has been concentrated selectively in fewer universities over the last 20 years (in reality, the top 6 institutions account for the vast majority of research funding and activity). The creation of an *ab initio* research strategy for the new University must recognise this fundamental dynamic. The scale of research activity will, therefore, initially be modest and flow from the investment of time by the new University in developing the necessary human capital, infrastructure and resources to address this longer-term strategic ambition. Staff recruitment is correctly identified in the CPIER analysis as a critical success factor. However, both time and investment will be needed to recruit and engage those staff. Most critically, such development must flow from an established sustainable model of provision that can underpin the recruitment of researchers and address the demographic challenges that make Peterborough a cold spot in the first place.

It is, therefore, necessary to be clear that the first tier of University strategy must be to craft a sustainable portfolio of taught courses that addresses the characteristics of the cold spot and then to recruit and build the human capital, infrastructure and research expertise. The University’s future graduates may be among those who fundamentally re-shape the business landscape of the region and collaborate on exactly the type of research/industry challenges which CPIER recognises. To reach that point, the University itself will need visionary leadership to attract top academic talent and a sustainable business model to attract and underpin substantial levels of future investment. The critical challenge facing the new University for Peterborough will be to provide a firm foundation for an ambitious longer-term strategy and investment programme.

Research by Opportunity Peterborough has helped identify a broad scope of discipline areas that the new University will need to consider, including:

- Agri-tech;
- Business
- Education and Professional Services;
- Construction;
- Engineering
- IT and Digital;
- Life Sciences
- Science
- Mathematics
- Sustainability
- Arts and Creative
- Health and Social Care
- Law
- Manufacturing and Advanced Materials
- Logistics and Distribution;
- Travel, Leisure and Hospitality.

It is clear from the scale and scope of these sectors that the new University has a range of opportunities to consider (without spreading itself too thinly during the initial phases of its development).

Wider impacts

A higher education experience is one of the most powerful and transformational investments which can be made both by individual students and by civil society more broadly. CPCA is determined to make these investments, to encourage others to make such investments and to bring the positive benefits of higher education to the people of Peterborough and the surrounding region.

A new University will, therefore, offer much more to the people of Peterborough and the region. It will give Peterborough and surrounding areas an opportunity to reinvent its economy as the city continues to grow in population, creating a virtuous circle for continued growth of the economy and the new University, raising aspirations locally and supporting business needs for skills.

1.3 About the project

1.3.1 Scope

Recognising the resource and timescale constraints and the very high risks that would accompany any attempt to found a new University of Peterborough on a model similar to those founded in the 1960s (the so-called Robbins Institutions), the core strategy for the University is based on directly tackling the characteristics of the addressable component of the current market failures (the “cold spot”) without unnecessary direct competition with existing providers. The hallmarks of this strategy, based on a clear understanding of the market needs in and around Peterborough and by balancing resource constraints, include:

- A clear focus on under-represented groups and those “left behind” i.e. those who cannot or will not travel to existing providers.
- A solution based on a limited physical experience i.e. the capital available will support only a modest campus development (at least) initially.
- A phased approach which evolves with the needs of the region and is facilitated by successive successful phases of development i.e. a model in which viable provision is established early and becomes the foundation for reinvesting in later phases.
- The development of highly effective, collaborative and cooperative relationships between education providers to build a clear pipeline of opportunities, to raise aspiration, to identify and promote role models and to create a source of competitive advantage.

This Outline Business Case is concerned only with the phase 1 development of the new University for Peterborough comprising:

1. Development of a phase 1 university building on the Embankment site in Peterborough city centre (this site will be built in phases as the University establishes and grows).
2. Procurement of an Academic Delivery Partner to provide the skills, knowledge, experience and resources to make a practical reality of the new higher education provision and ultimately a university with degree awarding powers.

CPCA and PCC will form a special purpose vehicle, (PropCo) under a Subscription Agreement to be submitted for approval alongside this Outline Business Case (see Annex 6.1), to build the new campus on the Embankment site. This property will be leased to a new special purpose vehicle (UniCo), which will be the higher education provider (see section 3.1 below for more detail).

This is a complex project that requires careful sequencing and coordination if the objectives are to be met (see section 1.2.3 above). The critical elements are:

- The formal process for developing a new University with all its attendant functions and services – the complexity of such a development requires that CPCA procures a suitably capable Academic Delivery Partner (ADP) with the know-how and capabilities to join with CPCA to realise its objectives (the procurement process for the ADP is a complex and substantive undertaking in its own right).
- The scoping, design and construction of the new HE building on the Embankment site; while this is a relatively small scale construction project, there are two fundamental challenges:
 - the site is largely undeveloped with potential infrastructure issues (and costs) to resolve; and
 - to maintain the overall programme, the physical development must precede ADP appointment, leaving design and development risks with CPCA for a period.
- The development of a Masterplan for the Embankment Site is essential to underpin future phases of development to support the development and growth of the new University. Future phases (not in scope for this Outline Business Case) are expected (subject to available capacity on the Embankment site) to be:
 - Phase 2.1: possible commercial R&D expansion either within the University or via a commercial/third party with associated increased campus capacity.
 - Phase 2.2: growth of the University beyond 5,000 students on roll with associated additional campus capacity with increased specialisation (built by September 2025 to facilitate student growth to at least 8,600 students by 2028).
 - Phase 3: potential further growth of the University beyond 8,600 students on roll with associated increased campus capacity (built by September 2028 to facilitate potential student growth up to 12,500 students on roll by September 2030 subject to demand and growth in student numbers).
- The contractual and commercial relationships necessary to assemble resources between the public authorities partnering to develop the University and between those public authorities and the ADP (see section 3 below).

Given the need to proceed with the development of the site and procurement of the ADP in parallel (to meet the overall programme) a Shadow Curriculum Model (SCM) has been developed (see Annex 6.2) focused on broad discipline groupings, delivery models and forecasts of student numbers. The output of the SCM has in turn informed a preliminary Space Model (also included at Annex 6.2 together with a theoretical model for the ultimate research-led university of potentially 12,500

students, subject to progress and demand for growth in student numbers) and the Strategic Brief for the Phase 1 Embankment site development (see Annex 6.3).

1.3.2 Benefits

The main Benefits of the project stem from establishing a Phase 1 University Campus in Peterborough, for 2,000 students by September 2022, with a curriculum and delivery model that is designed to meet the skills needs that growth in the Greater Peterborough business base will generate. The plan for the courses to be provided, space required and staffing levels has been developed in the Shadow Curriculum Model referred to above to support Greater Peterborough and the Fen's key sectors. The key benefits to be delivered by the project include:

1. New learners assisted (on courses to full qualification) 10,000 (Levels 5 and 6 over five years).
2. Employment
 - a. Number of temporary jobs created: 50 in construction
 - b. Number of jobs created: 170 University staff initially.
 - c. Number of indirect jobs created: 300 in the University supply chain rising to 900.
 - d. A further 297 directly employed staff as the University Faculties grow.
 - e. Number of indirect jobs to be created: 14,000⁴
 - f. Number of Apprenticeships to be established:
 - i. Level 4 (over 3 years) – 1200.
 - ii. Level 5 (over 3 years) – 600.
 - iii. Level 6 (over 3 years) – 300

Sections 2.2 and 5.5 describe how these benefits will be assessed and (where applicable) quantified.

1.3.3 Risks, constraints and dependencies

The main risks associated with achieving the project outcomes are set out in the risk register at Annex 6.4 together with measures to mitigation and manage them. The top 5 risks are summarised in the tables below for each of the phase 1 infrastructure works and the Academic Delivery Partner procurement and delivery.

⁴ Comprising jobs created in;

- Businesses supplying the University, its staff and students.
- Spin-out/start-up businesses created by University staff and students.
- 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.
- 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.

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 at least 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:

- Advanced manufacturing firms from across the UK and Europe.
- Government departments and professional services firms from London, capitalising on the new 39 minute train journey time to Kings Cross.

Infrastructure top five risks

Risk Register

Project: New University of Peterborough

Date: 10/10/2019

Version: 1

Risk Identification																Assessment						Mitigation			
ID	Title / Description (Cause)	Phase	CATEGORY Infrastructure or Higher Education Partner	Effect	Category	Risk Owner	Likelihood	Cost Effect	Time Effect	Quality	Assessment	Management Plan	Action Owner	Due Date	Status										
004	Contamination of land - Contamination / spend capital not recoverable from Land deal - impacting on the affordability of the phase one scheme.	Phase 1	Infrastructure	Additional works impacting time and cost from main building budget	7. Surveys & Site Conditions	CPCA	5	5	4	2	65	Site contamination survey is currently in progress. Result due Jan 2020 for preferred plot. Progression of the phase 2 survey in order to fully understand the contamination on site. Engagement with contractor during procurement phase	Mace	01 Jan 20	1 On Track										
007	Increased costs to site infrastructure - Service Infrastructure spend capital not recoverable from Land deal - impacting on the affordability of the phase one scheme.	Phase 1	Infrastructure	reduces available budget beyond minimum expectations	2. Commercial - Viability	CPCA	3	5	4	3	75		CPCAMace/Procurement Mace	01 Mar 20	1 On Track										
009	Comprehensive funding clarification and LGF grant approval.	Phase 1	Infrastructure	Lack of budget for the building expectations	3. Commercial - Funding	CPCA	4	4	4	4	84	CPCA to advise	CPCA	01 Jan 20	1 On Track										
039	Availability of the plot to allow Phase 1 and Future development (Reflected in HDT)	Phase 1	Infrastructure	Makes current and future phases not viable	2. Commercial - Viability	CPCA	2	2	5	2	50	The land has been provided by the FCC free of charge and the ability to obtain future phases through adequately dating HDT	CPCA	01 Mar 20	1 On Track										
030	Transport strategy: Highways require offsite improvements	Phase 1	Infrastructure	Potential extra time and cost from budget	6. Design	CPCA	2	5	3	2	50	Dialogue with planners to realign use of current capital access based on reduced car journey than current capital.	CPCAMace	01 Mar 20	1 On Track										

Higher Education Partner (HEP) top five risks

Risk Register

Project: New University of Peterborough

Date: 10/10/2019

Version: 1

Risk Identification					Assessment						Mitigation				
ID	Title / Description (Cause)	Phase	CATEGORY: Infrastructure or Higher Education Partner	Effect	Category	Risk Owner	Likelihood	Cost Effect	Time Effect	Quality	Assessment	Management Plan	Action Owner	Due Date	Status
002	HEP not signing up to the shadow curriculum model prepared in line with CPCA policy, in terms of total head count and 50 on and off campus	Phase 1	HEP	Impacts on building design, cost and timescales to accommodate potential additional HEP requirements - might require re design.	8. Procurement	CPCA/HEP	5	4	3	2	60	Early engagement with HEP, agree revised accommodation schedule and financial model and economic case with HEP.	CPCA/HEP	01 Mar 20	1 On Track
003	HEP not buying into the ICT strategy outlined	Phase 1	HEP	Impacts on building design, cost and timescales to accommodate potential additional HEP requirements	8. Procurement	CPCA/HEP	3	3	2	2	27	Early engagement with HEP	CPCA/HEP	01 Mar 20	1 On Track
010	Lack of staff recruitment in key areas.	Phase 1	HEP	Staff shortages - key personnel missing	15. Operational	HEP	2	3	2	3	16	Early engagement with HEP, advertisement of the necessary roles in advance.	AEP	01 Sep 22	1 On Track
013	HEP request large exam space to be accommodated into the design	Phase 1	HEP	Larger space requirements would have a knock affect to the design, but also may need additional acoustics and ventilation creating extra project costs.	6. Design	CPCA/HEP	3	3	3	2	27	Early engagement with HEP	CPCA/HEP	01 Mar 20	1 On Track
016	Marketing of the new university - Phase 1 new university and phase 2 site constraints fail to attract students	All phases	HEP	Not enough students will create difficulties in justifying the business case for future phases	15. Operational	CPCA	3	2	2	1	10	HEP to manage student recruitment	HEP	01 Sep 22	1 On Track

The table below summarises the key constraints that have been placed on the project and within which it must be delivered:

Constraints	
Timing	A requirement to start on site in Q4 2020 and deliver the scheme by September 2022. This has led to the need to find a site for phase 1 that can be secured and has few development constraints.
Procurement	Timing of the project requires overlap of Academic Delivery Partner procurement and development of the design for the phase 1 building.
Capital funding	Design of phase one assumed to be to budget of £20 million pending securing funding based on assumptions of CPCA funding and LGF bid approval.
Outcomes	initial intake of 2,000 rising to potentially 12,500 by 2030 etc
Design	Design has been based on an assumed accommodation strategy driven by the shadow curriculum and constrained by the available capital budget.

The table below summarises the key dependencies that are outside the scope of the project on which its ultimate success depends:

Dependencies	
Adjacent development	Local transport projects and third party development on land earmarked for future phases of the University.
Heads of Terms (land)	PCC ability to agree heads of terms (land) to allow future phases of the development to be procured on the embankment site. Sign off of the heads of terms to secure the land for phase one and ability to have future say in land for future phases
Funding	CPCA ability to secure funding for future phases to allow future growth of the campus

2 Economic Case

2.1 Option identification

2.1.1 Critical success factors

Critical success factors (CSFs) for the project can be grouped into three broad headings:

- Factors relating to the selection of an Academic Delivery Partner (ADP) of appropriate standing.
- Factors relating to the development of the University (after appointment of an ADP)
- Factors relating to the design and delivery of the physical infrastructure.

ADP Selection CSFs

1. **Academic Standing:** The Academic Partner must be able to demonstrate means of compliance with the full requirements of “Securing Student Success: Regulatory Framework for Higher Education in England” published by the Office for Students (www.officeforstudents.org.uk).
2. **Commitment to CPCA Vision: scale, scope, reach, focus:** The aspirations of CPCA for the new University are extensive and include characteristics relating to:
 - a. the character of the provision (outward-looking and industry-focused);
 - b. scale (rising from an initial intake of 2,000 to potentially 12,500 by 2030, subject to demand and growth in student numbers);
 - c. the ability to achieve independence after 2028 should that be concluded as the preferred option in the planned independent review; and
 - d. the need to achieve University Title at the earliest opportunity.
3. **Achievement of a Viable Operating Model and Sustainable Funding Structure:** The new University will focus on a limited number of initial discipline choices to create a portfolio of courses which can achieve critical mass. This will ensure that:
 - a. Each discipline area is underpinned by a minimum scale staff team to avoid the challenge of having staff spread over too many disciplines and being too few in number in some disciplines to build a critical mass of teaching and research capability (the “minimally viable department size”).
 - b. Each discipline will be able to recruit a viable cohort of students such that the numbers of students recruited when all years of provision are running will be economically viable and capable of supporting an efficient staff to student ratio (the “minimally viable intake”).
 - c. Each discipline is supported by the physical resources necessary to maintain the quality of the experience and to enable the new University to establish a clear funding model to underpin investment in, and maintenance of, its facilities.
4. **Commitment to the Phase 1 Brief and Design:** CPCA leading on developing the University for Peterborough Building at the Embankment Site but the ability of the chosen ADP to work within a brief and a design solution which was substantively defined and frozen prior to its appointment will be significant to the overall usage of the building.

Factors relating to the development of the University

5. **Ability to Recruit Staff:** The quality of the University will be critically dependent on the calibre of its staff. Recruiting and retaining staff will be the first critical challenge for the ADP.
6. **Ability to Recruit Students:** Student recruitment, marketing and admissions processes and systems to include UCAS support, direct entry and employer-sponsored routes are vital to the success of the new venture. 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 the University
7. **Ability to engage with local businesses and industry:** Large corporates represent a significant group of stakeholders with which the new University will need to interact as a priority and will present an opportunity for both course development, industrial collaboration/placement opportunities and future employment destinations for graduates. Building effective networks with these large corporates will be a critical success factor for the University.
8. **Curriculum Development to Fit the Target Market:** The ADP will need to support fully 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.
9. **Creation of the Academic Infrastructure:** Student and academic services and systems will need to be established to provide a full range of transactional, advisory, welfare and other student-facing services along with regulatory and academic policy support including assessment, examinations, graduation. Library and learning resources, operational and support functions all need to be provided.
10. **Establishment of systems and processes locally to achieve independence:** Strategic planning, finance and governance services and systems development – full Head Office/Vice-Chancellor's Office functions – need to be established to lead the new University through its start-up and establishment phases and to prepare the ground for independence.

Factors relating to the design and delivery of the physical infrastructure

11. **Meeting the Budget:** The Phase 1 building including the external landscape and supporting infrastructure must be delivered within the approved project budget of £20m. This will need to be achieved by balancing the quantum, time and quality aspects of the project to ensure that the size of the building is maximised to accommodate the necessary student and staff numbers with reasonable space standards; is of a good quality to attract students, academics and create a strong identity within the city and region; perform well sustainably and in-use minimise operational costs and can be built efficiently within the set programme.
12. **Meeting the Programme:** The Phase 1 building must to open for business to students in September 2022. This will need to be achieved by a detailed programme management that will correlate all key interdependencies, such as achieving planning consent, design freeze, tendering and procurement etc, in addition to delivering an efficient building form and utilising readily available components that will minimise the risk of construction over-runs.
13. **Delivering the Spatial Brief:** The Phase 1 building must deliver the spatial requirements and the student and staff capacities emerging from the shadow curriculum model ensuring that

the spatial standards used deliver a good quality student and staff experience and support pedagogic innovation.

14. **Ability to Expand:** The Phase 1 building must be designed and located to enable a clear strategy for future expansion as the campus grows to capacity by 2030. The project must deliver a clear logistics strategy that seeks to minimise impact on operational buildings during the building of future phases, and critically the experience of students and staff using these buildings.
15. **Respond Positively to Stakeholder Consultation:** The Phase 1 building, and wider masterplan, must respond to the output from a wider stakeholder consultation to ensure a project that can be delivered successfully and one that achieves a high-level of 'buy-in' within the city and region without detriment to budget, programme or operational aspects of the project. This will be critical both for the successful delivery of all phases of the project to 2030 and to ensure that partners in the city and region are supportive of the University as it develops.
16. **Obtaining Planning Consent:** The Phase 1 building must achieve planning consent by end of June 2020 to meet the inter-related requirements of the project programme and open for business in September 2022. This will need to be achieved through a close and collaborative working partnership with the local planning authority identifying issues early to inform the design process and minimise the risk of a refusal and pre-commencement conditions.
17. **Attract and Retain Students and Staff:** The Phase 1 building – including its external landscape and supporting infrastructure – must be designed to a good quality and have a strong identity or 'brand' that will attract and retain students and staff. This will be achieved through good quality architecture, building services, IT/AV systems and landscape and will be critical to ensure good feedback from the early student intake to support the growth of the University in the years ahead.
18. **Be Adaptable and Flexible:** The Phase 1 building, including its environmental systems, must be designed to be adaptable to respond the changing needs in the future, including the input of the HE provider, and changes in the spatial requirements as the University grows and develops. In addition, the building should be designed to be flexible providing 'generic' spaces that can accommodate a range of functions – from teaching and learning spaces to administrative spaces – and support a range of capacities, pedagogical styles and working environments with minimal alterations to the physical asset.

2.1.2 Options

Academic delivery options

Four options have been identified for consideration in the economic case in the Outline Business Case as follows:

5. **Business as Usual:** in this option the public sector stakeholders adopt a passive role in the development of university level education in Peterborough. The two current providers of Level 6 qualifications in Peterborough (see section 1.2.4 above) would continue to develop course provision and student numbers unassisted by local public sector stakeholders. These current local providers include: (i.e. UCP providing around 500 qualifications per annum and ARU providing around 400 qualifications per annum).

6. **Do Minimum:** in this option the public sector stakeholders would invest in capability building of Peterborough Regional College, to build both course content and delivery capability, as well as systems and processes to enable PRC to achieve Taught Degree Awarding Powers (and perhaps University Title in due course), but without any capital investment in new facilities on the Embankment site.
7. **Recommended Option:** in this option the public sector stakeholders' investment is targeted to tackle the characteristics of the addressable component of the current market failures in HE provision in Peterborough (the "cold spot"). That investment will be targeted at infrastructure provision and capacity building, by procuring an experienced Higher Education (HE) Provider, with the know-how to facilitate the development of an independent University for Peterborough, with capital investment focused on the provision of the premises from which to provide both direct and indirect curriculum delivery.
8. **Do Maximum:** in this option the public sector stakeholders' investment would be scaled to found, *ab initio*, a new University of Peterborough on a model similar to those founded in the 1960s (the so-called Robbins Institutions).

The following subsections present a summary analysis of these options against the project aims and objectives, including indicating:

- Any options likely to fail to deliver the project objectives or sufficient benefits.
- Any obvious impracticalities inherent in any of the options.
- Any options that are clearly unfeasible, unaffordable or too risky

Business as Usual

The economic analysis of this option includes no local public sector stakeholder investment and forecasts student number growth at levels commensurate with those observed in the two local providers over the last 5 years. However, it is considered highly unlikely that without any investment or wider strategic leadership, the incumbent and existing providers can change direction sufficiently to meet the needs of the City and region as set out in the strategy case above. It would continue the current disjointed provision and suffers from the limited local capability and capacity highlighted in the Ofsted finding that PRC "Requires Improvement". It would not therefore achieve the objectives adopted for the project and is included in the economic appraisal primarily as the baseline against which to assess other options. In reality there is no do-nothing option that has any credible possibility of achieving the desired economic and social impacts.

Do Minimum

This option is based on the previous strategy of investment in building the capability of UCP/PRC to develop Taught Degree Awarding Powers, without accompanying capital investment in new facilities. It includes support for project management, curriculum development and marketing. Based on the findings of the Gleeds review, it is considered likely to under-perform against the project objectives, thus perpetuating the HE "cold spot" and not addressing regional needs. As with the Business as Usual option it would continue the current disjointed provision and, given the Ofsted findings regarding PRC's capability and capacity issues it is questionable whether investment in PRC would be an acceptable use of public sector investment in HE provision in Peterborough. Nevertheless, this option must be included in the economic appraisal as the only available do minimum option.

The economic analysis of this option includes revenue investment from the CPCA in PRC capability building at a level of £1,000,000 per annum over the next three years. This is based on the levels of

investment previously committed to develop Taught Degree Awarding Powers for PRC, which had anticipated approximately £2.73 million further investment in PRC over the next 3 years (with an uplift for optimism bias and contingency). The quantifiable costs and benefits of this options are explained in further detail in the economic appraisal presented below.

Recommended Option

This option is as described in the strategic case sections above and includes both capital investment in new facilities on the Embankment site and potential revenue investment to mitigate commercial risks of the start-up and scale-up phase of a curriculum that meets local economic needs and local student demand. The focus of the strategy underpinning this option is to increase HE provision in Peterborough and increase the number of HE entrants from the north and north-east of the CPCA region by attracting and retaining students locally (after graduation). In particular, it aims to engage people who do not currently participate in HE but who would participate and remain locally if suitable provision was available and to use flexible modes of delivery to compensate for the characteristics of the region (particularly sparsely populated rural areas). As described above the key characteristics of the new University in this option include:

- A clear focus on under-represented groups and those who do not travel to existing providers.
- A limited physical experience on a modest initial campus development.
- A phased approach which evolves with the needs of the region.

This option does not target conventional markets.

In practice, serious resource constraints are not a barrier to success indeed most innovation is born in the balancing and breaking of constraints. This principle is fundamental to the design of the New University.

The approach is to secure the involvement of a new ADP to bring the know-how to create a new University experience, to invest modestly in a new University building on the Embankment site and to focus attention on engaging with the local businesses to design an offer that addresses the needs of the region. This option has arisen from the Gleeds review referred to above, which concludes that it is a credible and viable option for delivering the new University objectives within the required timeframes.

The economic analysis of this option includes new capital investment from all three local public sector stakeholders to the level of £24,800,000 over the next three years to fund the building of a university building and to support the early stages of the business plan. Revenue and working capital requirements will be matters for the ADP to finance based on anticipated revenues from tuition fees and other income. The intention is that the initial capital investment will fund the establishment of a financially sustainable new university without the need for on-going subsidy. The quantifiable costs and benefits of this options are explained in further detail in the economic appraisal presented below.

The capital costs associated with the provision of new teaching space and associated infrastructure is estimated to be £20m with the remaining £4.8m available to subsidise the ADP's start-up costs and/or provide additional building size and features identified in the procurement and negotiation with the prospective ADPs. The initial £24.8m will cover the bulk of the investment to enable the University to be functional by 2022/23, however there remains a working capital gap which CPCA will seek to close in negotiations with the bidders. If this should prove not to be negotiable with the bidders, alternative sources of finance will need to be sought and a proposed solution put forward

and tested in the Full Business Case. The underlying objective is to ensure fee income generated from the intake of students will be sufficient to sustain ongoing operations and will permit short-term financing of the working capital requirement.

Do Maximum

It is conceivable that the new University of Peterborough could be developed on a model similar to those founded in the 1960's, the so-called Robbins Institutions. The target markets for the University would include those students who already travel out of region (and potentially, a proportion of the national market which currently travels to study) and who would consider a new offer based in Peterborough; i.e. the conventional market for HE which has evolved over the last decade with increased participation rates, a focus on progression routes and a balance between local recruitment and, usually, a residential experience. Competition for these students is very intense and recruitment routes via UCAS and marketing methods are exceptionally well-developed. The new University would need to establish itself very rapidly to compete directly within this market.

The following factors in particular consideration rule this option out of further consideration in the economic appraisal:

1. The new University would need to have a prospectus ready by April 2021 to meet the timescales set out in the objectives for the project. Applications for entry in September 2022, will open in September 2021 and close around mid- January 2022. Any student seeking to attend a UK University will have been exploring options during 2021. The period from April to September 2021 is a critical marketing window for the 2022/3 intake. To be able to make a competitive offer, the new University would need to have its core provision established to a high level of detail. It is not considered possible that the development work on a new University of this scale could be completed in sufficient detail and with adequate rigour to have a credible prospectus ready during the early months of 2021.
2. To compete directly with established providers, the new University would have to offer a minimum level of staff and facilities to attract the attention of prospective applicants (this is not the same as attracting entrants given that there is considered to be over-supply in the sector now that student number controls have been removed). At the very least, there would be an expectation among prospective students about the range of facilities to be provided on campus including general and specialist spaces, social learning and library spaces, campus catering and retail outlets. A high standard of competitive residential accommodation would be necessary, and students are increasingly expecting a level of service from campus-based services both transactional/regulatory (Registry functions) and pastoral (counselling, well-being etc.). While many of these functions will be necessary in any institution, the critical challenge would be to establish a critical mass of such facilities to compete with established providers. The reference point is the “competitive set” and, for students already travelling, the “evoked set” will include a large number of institutions with a well-established, well-resourced and highly credible offer. It should also be noted that staff expectations of the new University will also be relevant here in that competing directly for staff with established providers will inevitably raise questions of providing from the outset the research infrastructure to support their work.
3. There are severe resource constraints that limit the strategic scope for developing a new University. While competing directly for students would reflect a trajectory recognisable to most Universities today, many established institutions and those formed in the 1960s

benefited from an ambition to raise participation rates. They did not directly compete but benefited from a general expansion of the market. Moreover, their development timescale was very much longer and it is only comparatively recently, and with the benefit of a legacy of generous funding, that Universities are experiencing challenging open market competitive dynamics. Space requirements is one example of this phenomenon. Many universities benefit from an academic estate which reflects a traditional model of higher education (more elite, less consumerist) and is a legacy of the associated funding model (generous public capital and revenue funding). A full-service institution serving c 2,000 students would likely need a campus area of c. 19,000 m² on opening to appear competitive with established providers (not including onsite residential provision which could easily reach a similar scale). The underlying capital required to invest on this scale would be at least need £94 million and, in all probability, a lead time of at least 5 years to ensure that all aspects of the provision were planned to a competitive and credible standard. To expand the new University to potentially 12,500, as envisaged in the medium-term vision for a new University of Peterborough, would therefore, likely require around £500 million of up-front investment.

Therefore, the Do Maximum option can be ruled out on the grounds of affordability (only a fraction of the required funding is available), inability to meet the required timescales and lack of credible strategy (the above strongly suggest that the initial strategy should not be designed with a view to importing students to Peterborough; the competitive dynamics and resource implications are far too severe).

Infrastructure (phase 1 building location)

An option appraisal has been undertaken to assess the best location for the Phase 1 building within the overall site boundary of 55 acres. Prior to undertaking the detailed assessment, it was agreed that all feasible options must:

- be deliverable within the title constraints of the site in the given timescales;
- be located with land zoned in the Local Development Framework as reserved for University;
- avoid substantive alterations to existing infrastructure or facilities;
- be able to accommodate 3,500m² of space (space driven by assumed budget referred to in financial case); and
- be deliverable within the assumed budget of £20 million.

The infrastructure options appraisal has been undertaken is only in relation to the cost of the physical infrastructure to enable the plot (services to the plot, decontamination of the plot and the area of the land for accommodating car parking and landscaping) on the basis that the other costs of the build will be the same in all options⁵.

All options considered deliver the desired outcomes of the project given that the use/scale of the building is the same for each option. A summary of the appraisal of the site options considered is provided below.

Given that the variable across all options is constrained by the available budget and only varied by the site infrastructure any option that might exceed the budget has not been considered. Infrastructure options have, therefore, been assessed based on their ability to meet some or all of

⁵ given the structure of the Heads of Terms (see below) any saving on the land value purchase will not increase the available capital to spend on the building; however this does detract from the available capital to deliver phase one building.

the criteria described below. These requirements identified that four possible locations were feasible:



- A - Worrina Car Park;
- B – Bishops Road;
- C – NW corner
- D- Opposite the Regional pool

The assessment was informed by a full desk top analysis of the constraints and opportunities of the site and each option was assessed against several key criteria agreed by the project team as noted below:

1. Heritage impact
2. Title impact
3. Visibility / Identity
4. Access to city amenities
5. Cost impact (infrastructure + public realm)
6. Landscape impact
7. Geotechnical
8. Impact on residential
9. Campus growth
10. Logistics (Construction)

Option A

- Meets the spending objectives for the physical infrastructure to enable the plot (services to the plot, decontamination of the plot and the area of the land for accommodating car parking and landscaping) pending confirmation of assumptions on contamination and services infrastructure capacity (surveys currently underway).
- Meets or exceeds all other criteria over the other options.
- Good opportunity to allow expansion of future phases.
- Well served by existing infrastructure with services available within the site vicinity and an existing “bell mouth” road access in place. The site is serviced by an existing car park that provides the opportunity for re-use or repair thus reducing the financial impact.

Option B

- Meets the spending objectives for the physical infrastructure to enable the plot (services to the plot, decontamination of the plot and the area of the land for accommodating car

parking and landscaping) to reduce expenditure further site investigation not being tested for this option.

- Incoming services are available within the site curtilage but are currently located through the site and their existing easements, which restrict building zones, would not permit the building to be placed over the buried infrastructure. Therefore, this site is likely to require service diversions likely to raise costs by at least £360,000. A new vehicular "bell mouth" access would be required for access, which would also add costs.
- Greater impact on residential area which may impact on ability to determine planning in time available.
- Good opportunity to allow expansion of future phases.

Option C



- Meets the spending objectives for the physical infrastructure to enable the plot (services to the plot, decontamination of the plot and the area of the land for accommodating car parking and landscaping) to reduce expenditure further site investigation not being tested for this option.
- Greater impact on residential area which may impact on ability to determine planning in time available.
- Limited ability for Future campus growth.
- The site provides adjacent services infrastructure that are generally located in the nearby road and do not run across the site thus reducing the risk of additional costs for diversions. It Extension to communications services may be required as would a new vehicular entrance and parking provision, both of which would add costs.

Option D

- Does not meet spending objectives for the physical infrastructure to enable the plot (services to the plot, decontamination of the plot and the area of the land for accommodating car parking and landscaping) mainly due to proximity from existing infrastructure.
- The site would require new vehicular access parking provision, both of which may not be feasible given the site constraints.
- Limited ability for Future campus growth.
- Construction logistics more complex reducing available capital for build.

Infrastructure option selection

The outcome of the assessment of each option against the above criteria is outlined below:



From this appraisal, Option A, the Wirrina Car Park, has been selected as the preferred option, having the following clear benefits:

- 3,500m² building which achieves outcomes within the assumed budget of £20 Million.
- Maximises available capital for building.
- Good visibility (identity) and accessibility to/ from the city centre.
- Minimises expenditure on infrastructure and external works.
- Minimises impact on adjacent residences
- Supports a logical growth of the campus in future phases, minimising disruption to phase 1.

2.2 Value for money

2.2.1 Economic appraisal

There are broadly three direct quantifiable benefits from the proposed options:

1. Increased employment as a direct result of the creation of the University as staff are recruited by the new institution.
2. Employment created in the wider economy as an indirect result of the creation of the new University.
3. Graduate level employment that rises as new graduates enter the workforce and graduate level jobs are created or attracted to the region.

Economic appraisals of the Business as Usual, Do Minimum and Recommended options have, therefore, been conducted on the following basis:

- a. Direct staff employment follows the forecasts of the Shadow Curriculum Model and the scaling of the University to reflect student growth targets. For the purposes of the appraisal, all forecasts plateau at the end of Phase 1 although the scale of University operations is expected to continue and be sustainable at that point.
- b. Indirect employment is anticipated to be 200% of the direct employment reflecting the buying power of the institution, its staff and its students.
- c. Average GVA per employee for direct and indirect jobs created is estimated at £42,000.
- d. Average GVA per employee in a graduate role has been estimated at £25,000 inflating at 4% per annum over the period of the appraisal.
- e. Baseline graduates currently qualifying at UCP and ARU are assumed to continue in all options with a +2% growth factor applied to the baseline in the Business as Usual option.
- f. For the Do Minimum option, further growth is projected arising from the proposed intervention (+1%) making the combined growth factor +3% above the baseline.
- g. Growth in the Recommended option is in line with the Shadow Curriculum Model and combined growth in this option is substantially higher than in either of the other two options.
- h. The expectation is that 60%⁶ of qualifying graduates will enter a graduate level job and thereby contribute the associated GVA (total cumulative GVA is forecast on this basis).
- i. Additional corporation tax revenues from enhanced GVA are forecast at 1.36% of the GVA generated.
- j. Tax from new jobs created has been estimated at £4,700 per graduate level job.
- k. National Insurance Contributions from new jobs has been estimated at £4,223 per graduate level job.

⁶ The 60% allowance is based on consideration of the October 2018 Report by Prospects (the graduate employment and careers experts) entitled “*What do graduates do? 2018/19*”. This report reflects a buoyant labour market for graduates and high levels of entry into the professions.

The key Inputs for each option are summarised in the table below:

Input Costs (Fiscal Costs)	Business as Usual	Do Minimum	Recommended
Capital Investment	£0.00	£0.00	£24,800,000
Revenue Investment	£0.00	£3,000,000	£0.00
Land Value	£0.00	£0.00	£1,600,000
Total Fiscal Costs	£0.00	£3,000,000.00	£26,400,000.00

The economic appraisal analyses and the outputs from each are provided at Annex 6.5. The key outputs from these appraisals are summarised in the table below:

Appraisal Outputs	Business as Usual	Do Minimum	Recommended
Total Net Present Benefits	0	£7,793,658	£1,179,156,494
Total Net Present Costs	0	£2,844,500	£25,702,319
Net Present Value	0	£4,949,158	£1,153,454,175
Benefit Cost Ratio⁷	N/A	3	46

2.2.2 Risk appraisal

The key risks with respect the economic appraisal all lie in the ability of CPCA to procure an ADP able to meet the requirements of the project that is the subject of this Outline Business Case. Of particular concern will be acceptance of, and commitment to deliver, the intake targets by the ADP Partner.

The economic appraisal may, in particular, be vulnerable to fluctuations in the numbers of students recruited and graduated by the University. The ability to recruit staff may also be a factor that erodes the impact of the new University. A further concern could be the extent to which graduate level employment is available locally and whether the new University is able to generate the scale and quality of graduates required to meet local economic needs. These sensitivities have been tested and the net impacts reported below.

The risks associated with the preferred infrastructure option (which is common to all appraised options) are presented in the risk register at Annex 6.4 and summarised 1.3.3 above. As with all new build projects there is risk of overspend, although the cost estimates are in-line with benchmark data for similar academic facilities, providing confidence of budget. Unlike the investment from CPCA, payback of the LGF investment funding will be required, anticipated to commence in 2028 and span a three-year period.

2.2.3 Preferred option

The economic appraisal of the three options presented above shows that the BCR for the Recommended option far outstrips the alternatives. When coupled with the qualitative analysis of each option outlined in section 2.1.2, this confirms the recommended option as the preferred option based on the strategic and economic cases presented in this Outline Business Case.

2.2.4 Sensitivity analysis

In light of the risks outlined above, sensitivity testing has been carried out by adjusting key variables as follows:

⁷ Given by Net Present Total Benefits/Net Total Costs

- 50% reduction in staff and student numbers (NB: as staffing levels are forecast on a student-staff ratio, a change in one variable inevitably affects the other). There are further consequences for indirect employment that are also a function of the scale of the University.
- Complete elimination of the effects of new graduates entering the market.

The economic appraisal analyses and the outputs from each of these analyses are provided at Annex 6.6. The key outputs from these appraisals are summarised in the table below:

Sensitivity Tests	Recommended Baseline	Sensitivity to 50% drop in numbers	Sensitivity to failure to create graduate jobs
Total Net Present Benefits	£1,179,156,494	£598,651,393	£166,827,860
Total Net Present Costs	£25,702,319	£25,702,319	£25,702,319
Net Present Value	£1,153,454,175	£597,949,074	£141,125,541
Benefit Cost Ratio⁸	46	23	6

Therefore, even allowing for these significant risks, the preferred option outperforms the other options and a strongly a positive net present value and BCR is sustained. Therefore, while CPCA would not wish to compromise on the scale of the new University before more in-depth marketing and needs analyses are completed by the ADP, there is a strong economic case for investing in the new University in line with the Recommended option to generate direct and indirect benefits for the region that will comfortably repay the investment.

Further testing has been carried out to determine the impact of a substantial cost over-run on the construction of the Phase 1 Building. The outcomes from this appraisal, which tested a doubling of the construction costs, are set out in the table below:

Sensitivity Tests	Recommended Baseline with Construction Costs Doubled	Sensitivity to 50% drop in numbers with Construction Costs Doubled	Sensitivity to failure to create graduate jobs with Construction Costs Doubled
Total Net Present Benefits	£1,179,156,494	£598,651,393	£166,827,860
Total Net Present Costs	£51,404,638	£51,404,638	£51,404,638
Net Present Value	£1,127,751,856	£547,246,755	£151,423,222
Benefit Cost Ratio⁹	23	12	3

The benefits are not particularly sensitive to even very significant rises in the cost of the Phase 1 building (although naturally any cost over-runs will challenge the basic affordability of the scheme).

A critical point to note is that the proposed model for the University is not reliant on the Phase 1 building to such an extent that cost over-runs would be material (except to affordability). This is largely a function of the ambitious student growth projections (which reflect market needs) and the innovative nature and scale of the off-campus delivery model envisaged in Phase 1 in particular. These factors are expected to generate a significant supply of new graduates with a direct and positive economic impact. The critical sensitivity is therefore the extent to which a prospective bidder can commit to delivering the project objectives and bringing the know-how and capabilities necessary to deliver this ambitious agenda.

⁸ Given by Net Present Total Benefits/Net Total Costs

⁹ Given by Net Present Total Benefits/Net Total Costs

3 Commercial Case

3.1 Structure of the deal

3.1.1 Procurement strategy

Academic Delivery Partner (ADP)

Procurement of the ADP is required for the new University. The ADP 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 and as a minimum are expected to include:

- **Staff recruitment:** an initial Development Team should be formed by the ADP to work with CPCA and key stakeholders. The Development Team should include senior leadership, academic subject specialists and professional service support. The ADP will be responsible for recruiting for UniCo a full complement of staff and procuring relevant services;
- **Curriculum design and development including development of a learning and teaching strategy with reference to the Shadow Curriculum Model and programme validation arrangements** (with the ADP expected to award its degrees to students of UniCo pending UniCo being awarded degree awarding powers): the ADP will need fully to 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.;
- **Staff workload planning, resource scheduling and timetabling:** linked to curriculum modelling and business model prototyping;
- **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 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;
- **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 and graduation. It is anticipated that these will be fit for purpose to meet the diverse needs of the student population;
- **Library and learning resources services/systems:** physical and virtual resources and associated services including licensing;
- **Strategic planning, finance and governance services and systems development:** full Head Office/VCO functions;
- **Full range of 'soft' FM and ICT services and resources required to operate UniCo effectively** (see Annexes 6.7 and 6.8 respectively): to deliver an excellent student experience, taking into account the FM Strategy and ICT Strategy. 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.
- **Information technology (IT) scope of works to be agreed during negotiation with the ADP:** the project will require the procurement of a main contractor to construct the physical infrastructure for the phase 1) building, roads/ car park and services infrastructure. The ADP will operate the building and the ICT infrastructure will require input of the ADP during the negotiated procedure, the table below summarises the assumed that approach to

procurement and maintenance of physical infrastructure/software to ensure compliance with procurement rules/law.

IT Infrastructure	Main Contractor (phase 1)	Academic Delivery Partner (ADP)	UniCo
Core ICT Infrastructure ICT (data) cabling and ancillary items such as distribution frames and equipment racks			
Ongoing Maintenance of core ICT Infrastructure			
Other ICT packages Network Wireless 4G/5G mobile Phone enhancement Digital /Audio Visual systems Local Server and storage systems (Design input from ADP)			
Ongoing maintenance of other ICT Packages			
Software Business and academic software solutions and licences (Input from ADP)			
End User Devices laptops, printers and PCs (Input from ADP)			
External Connectivity Internet and HE network (JANET)			

Selection of the procurement strategy for the ADP followed consideration of the following procurement options:

1. **Open** – a procedure often used for the procurement of commodity products which do not require a complex tender process
2. **Restricted** – which has no opportunity to alter the specification or tenders through negotiation with tenderers. All interested parties may express an interest in tendering for the contract but only those meeting the selection criteria will actually be invited to do so. The Restricted procedure is always available for use. It should be selected where the procedure would benefit from the introduction of a separate qualification and/or shortlisting stage and an award stage involving a limited number of tenderers.

The use of any pre- and post-tender negotiation under the Open and Restricted procedures is strictly prohibited under the Regulations. As a result, it is considered that the Open and Restricted procedures are not an option for the procurement of the ADP

3. **Competitive Dialogue** – this procurement option can be used where:
 - a. a 'readymade' solution does not exist;
 - b. the Client requires design services or 'innovative' solutions;
 - c. the contract requires negotiation due to the specific nature, complexity or legal or financial make-up of the contract or the risks attaching to it;
 - d. a technical specification cannot be established with sufficient precision; or

- e. a prior tender process was operated under the Open or Restricted procedure, but only irregular or unacceptable tenders were submitted.

The scope of negotiations with the preferred bidder is limited in that this cannot involve changes to essential aspects of the tender, or of the needs and requirements set out in the OJEU notice or descriptive document.

4. **Competitive Procedure with Negotiation** – as with Competitive Dialogue, this procedure can only be used in the specific circumstances described above. It specifies the extent to which the Client can change its requirements during the process. The Regulations specifically preclude making changes to:
 - a. the description of the procurement;
 - b. the minimum requirements;
 - c. the award criteria, which must be set out the procurement documents from the outset.

Other important points to note include:

- The minimum number of tenderers to be invited to negotiate is three, subject to the outcome of the call for competition.
- The ability to hold an accelerated procedure, currently limited to the Restricted Procedure, will be extended this procedure making its use possible in urgent cases.
- A tenderer's solution or other confidential information is not to be revealed to other tenderers without specific consent.

The first phase solutions under Competitive Dialogue are developed until the Client considers that it has identified one or more solutions capable of meeting its needs and then seeks to formalise positions in a tender. In the Competitive Procedure with Negotiation, tenders are submitted initially, are then subject to negotiation and then resubmitted to finalise positions.

The Regulations provide some limited scope for negotiations with the preferred tenderer in prior to entering into the contract, however, under the Competitive Procedure with Negotiation, once a preferred tenderer has been selected, no further negotiations with that tenderer can take place. Therefore, where it might be necessary to negotiate with tenderers after final tender submissions (e.g. to confirm financial commitments, particularly when third party funders are involved), the Competitive Procedure with Negotiation may be less suitable; and a prior information notice can be used as a 'call for competition' if applying the Competitive Procedure with Negotiation.

5. **Innovation partnership** - the purpose of this procedure is to establish long term partnerships which allow for both the development and subsequent purchase of new and innovative products, services or works. The idea appears to be that high level project proposals are submitted during the tender process and the solutions are developed after entering into the contract(s) with the successful tenderer(s).

The preferred strategy for the procurement of the ADP has been developed based on the following:

1. Timeframe, CPCA require the procurement of the ADP at the earliest opportunity to inform the design of the phase 1 building and for approval of Full Business Case.
2. Public procurement process in line with CPCA procurement guidelines.

3. Seeks formal feedback from the marketplace to ensure formal expression are received on which the procurement process can be progressed prior to end of Stage 1.
4. Provides the best opportunity to allow dialogue with the bidders on the final solution.
5. Allows sufficient time to prepare documentation to publish formal procurement process. (which includes details of the tender process at publication).
6. Establishes an option should only one tenderer be interested. As a general rule, the procurement of goods, services and works non-competitively directly from a sole provider must be avoided where at all possible. However, it is recognised that in some instances, a single source tender is appropriate and can be justified in the context of the Regulations. The Regulations permit Clients to negotiate contracts otherwise caught by those rules without placing a contract notice or running any form of competition in certain limited, very narrowly defined, circumstances in which it is considered not appropriate, or not practicable, to have a competition. This is referred to as “the Negotiated procedure without prior publication”. The specific exemptions are contained within Regulation 32 and permit Clients to negotiate the purchase with a single provider.
7. A procurement that allows negotiation due to the specific nature, complexity or legal or financial make-up of the contract or the risks attaching to it.

Of the five options Open, Restricted and Innovation partnership have been discounted due to their unsuitability for procurement of the ADP and the following procurement route for the procurement of the ADP has been adopted:

- **Publication of a Prior Information Notice (PIN)** and associated Advert in the Education press (see cambridgeshirepeterborough-ca.gov.uk/news/hunt-for-higher-education-partner-to-support-development-of-new-trailblazer-university-of-peterborough/) as a call for competition requiring all interested operators to inform the contracting authority of their interest in the Contract. Stating that the Contract will be awarded without publication of a further call for competition. CPCA also published the PIN notice.
- Following expiry of the PIN the Combined Authority will either progress with negotiation with a single provider under Regulation 32 or progress a **Competitive Procedure with Negotiation**.
- The Competitive Procedure with Negotiation is proposed for the selection of the ADP on the basis that:
 - Suppliers can be prequalified based on their financial standing and technical/ professional capability.
 - Ability to specify the entire requirement now such that the bidders will be able to tender and deliver the fully proceed bid without the need for negotiation.
 - Meets CPCA selection requirements

The benefits of this approach are:

- a. Use of a PIN notice ensures that the procurement process can be determined by likely number of bidders without abortive process based on a call for competition.
- b. It provides more time for CPCA to conclude actions/ decisions required to inform the procurement action.
- c. It provides time for PCC to review and approve tender documentation and procurement action prior to publication.

- d. It provides opportunity for CPCA to consider procurement with one provider if only one bidder expresses interest.
- e. It maintains publication of formal Expression of Interest within the Original CPCA 1 timeframe and subject to successful competitive dialogue procedure maintains award of the preferred ADP at the end of Q1 2020.
- f. It allows for requirements of the tender to be agreed as part of a negotiated procedure.
- g. It allows the timeline for procurement of the ADP procurement and the development of the design and planning submission for building one to be separated, to allow more time for the procurement of the ADP, accepting the low risk that the ADP seeks changes to the design of the building which requires redesign or delays submission of planning.

To date the following progress has been made in procurement of the ADP:

- CPCA published the Prior Information notice (call for competition) on 13th August 2019 and placed an Advertisement (3rd September 2019) to procure an ADP for the new University.
- Following the response from the call for competition, the Standard Selection Questionnaire (SSQ) was published on 17th September 2019 with responses received from three tenderers on 30th September 2019.
- In response to the SSQ three responses were received, CPCA carried out due diligence on the SSQ responses and on the 14th October 2019 concluded that one bidder would not be taken forward to tender stage (ITN1).
- CPCA published the Invitation to Negotiate 1 (ITN1) on 25th October 2019 and have carried out bidders' days with both bidders between 7th and 30th November 2019 to induct both bidders into the process.
- Bidders have provided initial responses to the ITN 1 and, at the time of writing, have commenced initial negotiation which is expected to be concluded in January 2020; after which a timetable will be published by CPCA to outline the next steps of negotiation process. A draft timetable of the procurement process is outlined below taken from (ITN1). Dates in grey may change during the procurement process.

Event/ Stage	Target date
Issue ITN 1	25 th October 2019
Initial Meeting to discuss process	7 th -30 th November 2019
Submission of Initial Tenders	26 th November 2019
Review of tenders and preparation for meetings	Negotiation Meetings taking place between December 2019 and January 2020
Negotiation Meeting 1 – legal & Governance	
Negotiation Meeting 2 - Finance	
Negotiation Meeting 3 – Academic Requirements	
ITN 2	Dates Pending sign off of this Outline Business Case and conclusion of negotiation 1 with Bidders
Issue ITN 2	
Submission of ITN 2	
Review of tenders and preparation for meetings	
Negotiation Meeting 2 – legal & Finance	
Negotiation Meeting 2 – Presentation & Academic	
Issue ITN Final	

Event/ Stage	Target date
Submission of ITN Final	
Issue of Standstill Letter	
Award to ADP	

Infrastructure

The procurement of the infrastructure is split into two categories:

1. **Land:** the proposed development plot 'The Embankment, off Bishops Road Peterborough' forms part of the agreement between Cambridge and Peterborough Combined Authority (CPCA) and Peterborough City Council (PCC) where PCC will commit to providing land for use in the development of the new University. At the time of writing the Heads of Terms are being drafted with necessary due diligence and valuation for Phase 1 of the University. It is proposed that the agreement will also allow for future growth of the University beyond phase one on the Embankment site and that the Heads of Terms will reflect how this is achieved. The procurement of the land from PCC may require an Advertised Sale via a notice in the local press (public owned land for disposal under reg: 1972).
2. **Main Contractor:** procurement of the main contractor will be required to deliver the physical capital works, which will broadly include:
 - a. Off plot Utilities, highways works associated with Phase 1.
 - b. On plot infrastructure works, utilities, road, car parks, landscape and ancillary buildings.
 - c. Building and internal fit out (including IT and AV).
 - d. Procurement of infrastructure for use in operation of the building by the ADP.

Procurement of the main contractor will not commence until after the approval of this Outline Business Case. Following approval of this Outline Business Case it is intended to hold a supplier event to look at the market opportunity for developer led delivery and operation of the asset for phase one or delivery by the main contractor and operation by the academic partner. The opportunity for both routes has been allowed for in the ADP procurement.

3.1.2 Service streams and required outputs

Annex 6.9 sets out the selection criteria for the ADP as published in the call for Expressions of Interest, which in turn reflect the project's required services and outputs. Other related matters such as required implementation timescales, the structure of the potential deals, procurement plan etc are set out elsewhere in this Outline Business Case. In summary the selection criteria are:

1. Formal definition of the ADP to meet the ultimate objective of establishing an independent University of Peterborough with degree awarding powers and University Title.
2. Commitment to the Vision for an Independent University in Peterborough including the growth trajectory set out in the project objectives.
3. Commitment to develop the operational capabilities of the University including staff and student recruitment and support, curriculum design and development and all support functions.
4. Commitment to the long-term success of the University including branding and performance requirements

5. Commitment to resourcing and addressing working capital requirements.
6. Commitment to the programme for establishing and growing the new University.

3.1.3 Potential risk apportionment

Academic Delivery Partner

The risk register at Annex 6.4 provides details of the risk apportionment between CPCA/ PCC (PropCo) and the Academic Delivery Partner (ADP). The basis of this will be developed and agreed through negotiation during the procurement process as part of the Heads of Terms.

In summary:

- all risk associated with the procurement of the ADP; acquisition of the land; design procurement and delivery of phase one building; and hard facilities management will be the responsibility of CPCA/PCC; and
- the ADP, at the point of signing the Heads of Terms, will assume responsibility for operation of the University including soft facilities management services, pending securing the independence ultimate sought for the University.

Infrastructure

The apportionment of risk for the infrastructure construction phase will be agreed as part of the procurement strategy prior to the procurement of the main contract and sub-contract packages. The apportionment of risk (yet to be agreed) will allocate risk appropriately to mitigate risk to the client by whom the contractor is appointed (PropCo).

3.1.4 Potential payment mechanisms

Academic Delivery Partner

The payment mechanism for the ADP will be a matter for negotiation with prospective ADPs as part of the competitive negotiation process adopted for this procurement. The current proposal is that CPCA/PCC will work together under a subscription agreement and payment will be made to parties involved in the project by CPCA.

On agreement of the Heads of Terms, CPCA and PCC will enter into a Joint Venture (PropCo) which will hold the property from PCC, LGF investment monies and CPCA funding contribution. Payment will be made to the ADP for start-up subsidy, the amount and cash flow of this which is currently under negotiation with the prospective ADPs as part of the procurement process.

A separate Special Purpose Vehicle will be established (UnicCo) from which the ADP will commit to delivery of the University and to which it will pay over all associated monies (subsidy including the LGF investment in full). The agreement of rent and rent-free period and the basis on which these will be paid by UniCo to PropCo will be agreed between parties through the ADP negotiated procurement.

Infrastructure

PropCo will appoint the main contractor and make payment under the agreed standard form of contract. PropCo will pay for the design procurement and delivery of the phase 1 building under contract to the consultant team and the Main Contractor.

The payment mechanism for the construction works associated with the provision of the new buildings will set out in the form of contract used, and subsequently in accordance with the payment terms dictated under the Housing Grants Construction and Regeneration Act 2011. It is typical for such payments to be based on monthly valuations of progress completed on site and applied for via

Interim Applications for Payment. These applications will be verified by CPCA's Quantity Surveyor's valuation/inspections on site and paid in monthly intervals.

3.1.5 Contractual issues and accountancy treatment

Academic Delivery Partner (ADP)

Procurement of the ADP is taking place in parallel with preparation of this Outline Business Case through a negotiated process that includes an Invitation To Negotiate (ITN1) with Draft Heads of Terms drafted by Pinsent Masons (CPCA legal advisers). A copy of the Heads of Terms is attached at Annex 6.10 and includes details of the proposed structure of the contractual arrangements.

The purpose of these Heads of Terms is to form the basis of negotiation between the ADP, CPCA and PCC up to contract award. The ownership structure of the new university will reflect the commitment of resources by CPCA, PCC and the ADP. The anticipated structure for delivery, to be agreed between the ADP, PCC and CPCA in negotiation is outlined below:

- 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 Local Growth Funding (LGF) and the CPCA PropCo Contribution (capital and revenue funding from CPCA). PropCo will develop on the Property the Building and campus intended to be used for the purpose of the Project.
- A separate new special purpose higher education vehicle ("**UniCo**") will be created, which it is intended will eventually be the University of Peterborough, subject to the outcomes of the independent review planned for 2028. 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 (operating subsidy) to UniCo.
- 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.

The conditions precedent state that the completion of the overall project is conditional on:

- Agreement of the ownership structure for delivery of the project;
- The LGF funding being awarded;
- Planning permission being obtained.
- The Building Contract being successfully procured.

The ADP 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 and as a minimum are expected to include the requirements outlined in section 3.1.1 above.

Building/Infrastructure procurement

The construction works are proposed to be delivered via a Design & Build procurement route utilising a competitive tender and an industry standard form of contract (JCT or NEC). A design and build procurement route typically offers a fixed price lump sum offer for the construction of the works, which will reduce CPCA's exposure to potential overspend within the construction works and give comfort in financial certainty of the works.

Accountancy Treatment

On agreement of the Heads of Terms, CPCA and PCC will enter into a Joint Venture (PropCo), which will hold the property from PCC, LGF investment monies and CPCA contribution. All the assets will sit within PropCo which will be a local authority-controlled company and therefore, be incorporated into the financial statements of the local authorities accordingly.

3.2 Market acceptability

3.2.1 Market ability to provide

Academic Delivery Partner

The procurement process described above elicited responses from 11 parties who showed interest in the ADP opportunity when first advertised. Owing to the extensive, complex and stringent requirements it was always likely that some of the smaller entities would be unable to submit even an Expression of Interest and, accordingly, many felt unable to submit formal expressions of interest and did not participate further in the procurement.

Three prospective bidders did submit Expressions of Interest, which demonstrated reasonable levels of engagement with the substantive requirements included in the Call for Competition Notices and associated documentation. Owing to technical short-comings, one bidder was disqualified early in the process but two remain in contention. CPCA, therefore, concludes that there is sufficient interest and competency in the market to secure an agreement with an ADP.

Infrastructure

The design proposals for the phase 1 building are based on a 3500m² Gross Internal Area multi-use educational facility suitable for a mixed use of working, learning, teaching, and eating with collaborative space. The building will include associated external landscaping and infrastructure, all delivered within the available cost envelope (currently assumed to be £20m). An elemental summary of how the £20m budget (Inc VAT) is built up is shown below, which has been benchmarked against known data for similar educational buildings.

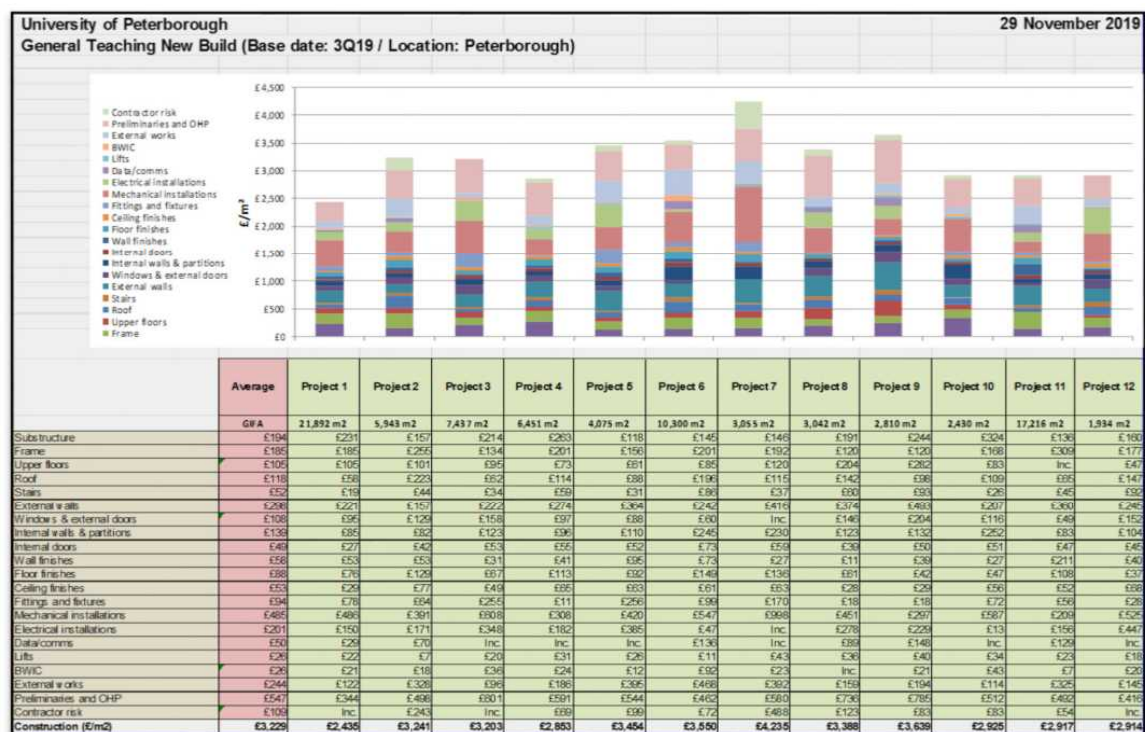
Order of Cost Estimate		University of Peterborough - Phase 1 Development	
Elemental Summary		27 November 2019	
		Cost Target £	£/m ²
0	Facilitating Works	110,000	31
1	Substructure	536,030	153
2	Superstructure	3,517,346	1,005
3	Internal Finishes	699,573	200
4	Fittings, Furniture & Equipment	332,500	95
5	Services	2,835,840	810
6	Prefabricated Buildings & Building Units	N/A	-
7	Works to Existing Buildings	N/A	-
8	External Works	1,184,320	338
		-	-
	Sub-Total	9,215,610	2,633
9	Main Contractor's Prelims	13%	1,200,000
			343
10a	Main Contractor's OH&P	5%	520,000
			149
10b	Main Contractor's Risk	3%	330,000
			94
10c	Detailed Design (RIBA Stages 3-7)	6%	680,000
			194
	Construction Total (Exc. Inflation)	11,945,610	3,413
11a	Project / Design Team Fees - CPCA Stages 1-4		450,000
			129
11b	Project / Design Team Fees - CPCA Stages 5-6 (monitoring role only)	3.4%	410,000
			117
11c	Surveys, Statutory and Additional Services		300,000
			86
12	Client Project Costs		1,543,400
			441
13	Risk	9.7%	1,427,656
			408
14	Inflation; to 4Q21 (applied to 0-10 and 12)	4.4%	590,000
			169
	Total (Exc. VAT)	16,666,666	4,762

Classification - Restricted

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This benchmarking indicates an average build cost (£Nett/m²) of approximately £3,229/m² (excluding site facilitating costs), and the average cost of buildings under 5000m² GIFA is approximately £3390/m². The initial elemental cost estimate is £3382/m² for the proposed Phase 1 building, which supports the conclusion that the proposed phase 1 building can be delivered to a suitable standard within the current budget, and within typical cost parameters for a HE building. The benchmarking exercise undertaken by Mace Cost Consultancy Ltd is shown below.



The procurement route proposed is typical for a project of this size and nature and there is appetite and a wealth of experience from the construction market for delivering similar schemes through this procurement model. The site location is well served by key transportation links and the site itself is generally unrestricted, which bodes well for acquisition of labour and materials. There is a wealth of main contractors, and subcontractors who operate in the region and therefore interest in this scheme is expected to be high, which will typically result in competitive pricing. We, therefore, expect a high level of interest for the project from a large number of suitable whom have a strong portfolio of construction projects in HE. An initial review of key Contractors with suitable experience of design and build Higher Education projects is identified below:

Contractor	Regional Office Location
Balfour Beatty	Manchester
BAM Construct	Birmingham
Bouygues (U.K.)	Birmingham
Bowmer & Kirkland	Derby
Galliford Try	Leicester
Interserve	Leicester
ISG Plc	Cambridge
John Sisk	St Albans
Kier	Corby
McAlee & Rushe	London
McLaren Construction	Birmingham
Morgan Sindall	Rugby
Multiplex Construction	London
Vinci Construction	Cambridge
Wates Group	Cambridge
Willmott Dixon	Milton Keynes

3.2.2 Attractiveness of the proposed deal

Academic Partner

The attractiveness of the proposed deal with the ADP cannot be fully appraised until further on in the procurement process. However, CPCA considers it is reasonable to draw the following observations from progress to date:

- There is competition for the opportunity and the procurement is a live negotiation.
- While CPCA's requirements are demanding, both bidders are engaging with the substance.
- There is a risk that the 'ask' is too great and that a variety of alternative delivery options will need to be appraised to determine whether the benefits can be achieved by routes other than those anticipated to date.
- There is already clear evidence of eagerness of prospective ADPs to engage with CPCA and to begin work in earnest on the development.

In summary, the opportunity is, at this stage, attractive to the market as reflected in the competitiveness observed. Nonetheless, given the complex and specialised nature of the opportunity and, the limited number of appropriately qualified bidders, the response to date validates the choice to pursue a Competitive procedure with Negotiation route to ensure the optimal deal is secured that both delivers the project benefits and is attractive to the bidders.

Infrastructure

As indicated within section 3.2.1, construction projects of this nature are desirable to a Main Contractor within the current construction market, and a high level of competition is expected. The project construction timescales are achievable, and the works are generally viewed as low risk, which should be reflected in the Main Contractor's commercial offer. CPCA does not propose any novel structure for the construction deal (whether this will ultimately be developer led delivery and operation of the phase 1 asset or delivery by the Main Contractor and operation by the ADP – the opportunity for both has been allowed for in the ADP procurement).

4 Financial Case

4.1 Financial model and appraisal

4.1.1 Project budget

The budget identified by CPCA and PCC for the Phase 1 of the new University has been described in previous sections and is £26,400,000, comprising the following:

Item	Amount (£)
Construction Works (Phase 1 building)	20,000,000
Financial deal secured with ADP and/or contingency for changes in the Phase 1 building specification	4,800,000
Land acquisition	1,600,000
Total Budget	26,400,000

All figures are inclusive of VAT and other tax requirements.

4.1.2 Financial model

A key project objective is to create a sustainable operating model for the University such that, after initial start-up costs, the University will operate on a self-sufficient basis. The fundamental principles of a sustainable operating model include:

- Effective control of costs in relation to tuition fee income (this is at the core of the operating model).
- Recognition that estates/asset maintenance must be prioritised to avoid backlog maintenance liabilities that add to corporate risk profiles and undermine the core of the operating model.
- Generation of surpluses at a scale sufficient to underpin substantial reinvestment in new facilities to support further growth (creating a virtuous circle).

The operating model for the new University has been developed based on the Shadow Curriculum Model (SCM) forecasts of student and staff numbers and includes the following working assumptions:

- academic staff will be provided on a 20:1 student to staff ratio and professional services staff on a 30:1 ratio;
- tuition fee income will be on average £9,000 per student FTE (after allowing for both premium fee levels and bursaries/hardship grants and other fee discounting practices);
- staff costs will be on average £68,000 for academic staff (full cost) and £38,000 for professional services staff (full cost), allowing for staff at different grades and levels of seniority;
- operational non-pay costs will be limited to 30% of income and include allowance for planned IT/AV spend;
- facilities management and long-term maintenance costs have been included based on the assumptions described below; and
- a target surplus of 10-12% will be necessary to pay off capital provided by the LGF investment and to build up appropriate reserves.

The financial model attached at Annex 6.11 forecasts revenues and expenditure for the period to 2030/31 in line with the SCM and the longer-term ambitions of CPCA. Initial start-up costs are anticipated to exceed the budget and it is expected the prospective Academic Delivery Partner will

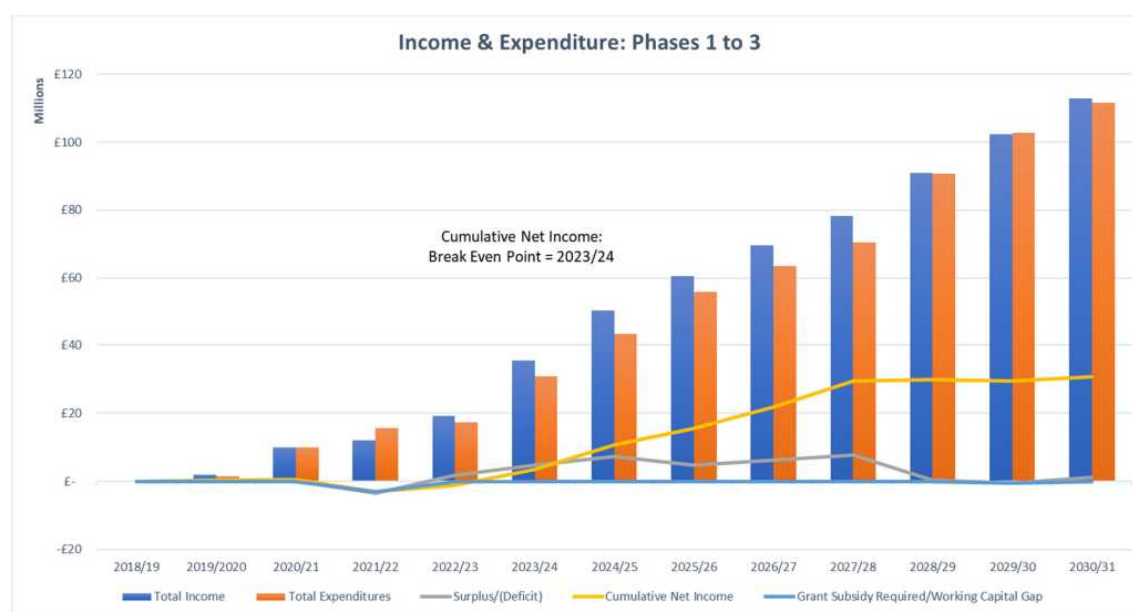
provide some working capital in advance of the receipt of fees. Provided that the broad scale of recruitment envisaged by the SCM is achieved and costs are controlled, this should simply be a matter of effective cashflow management and short-term financing. CPCA is working on the basis that its commitment is to be capital funding of the building plus a pump-priming investment and that it will not have any responsibility or obligation for underwriting operating cashflows.

The costs associated with facilities management have been provided by Mace FM Limited using internal cost data and benchmarked against reputable and well-established independent industry data, allowing the calculation of occupancy costs. The costs associated with facilities management include all aspects of facilities management, incorporating: insurances; routine maintenance; security; cleaning and waste management; energy usage; telephone communications; and general real estate management.

Mace FM Limited have advised that as a rule of thumb a cost of 1% of capital expenditure per has historically been applied to public sector projects under a design, develop, construct and operate contract to determine affordability prior to going into contract. This relates to major replacements only and is in addition to the routine maintenance costs incurred in preserving the assets so they reach their optimum life expectancy (covered by the facilities management costs). In this financial appraisal long term maintenance have been based on 5% of Insurance Replacement Value (IRV), which gives a more prudent and cautious prediction of cost and is more widely recognised as a benchmark across the HE Sector.

CPCA is currently in negotiations regarding the potential use of the building, which will need to be flexible to meet requirements of the ADP and the portfolio of courses they intend to offer. It is possible that there will be an opportunity to review the costs associated with long term maintenance that will result in an improvement on the current forecast figures.

Project expenditures include the capital costs of the Phase 1 building and an allocation to support the initial start-up costs of the ADP. The forecast breakeven point is reached in the year 2023/24 with a continual surplus thereafter as larger student numbers and incomes are realised (see figure).



4.1.3 Risk analysis

The operating model is adversely affected by the repayment of LGF investment and the anticipated increase in specialist teaching and research activities over phases 2 and 3 will tend to erode margins unless countervailing strategies are employed. The primary risk is that the operating model does not generate sufficient cash to build reserves and capital to fund Phases 2 and 3.

The model is also sensitive to the anticipated working capital to be provided by the ADP and which is necessary to off-set the associated start-up costs that are higher than the current budget allowance of £4.8m (set aside to subsidise the start-up costs and/or provide additional building size and features identified through negotiation with the prospective ADPs). This is to be addressed in negotiations to rectify the negative cash flow impact at 2021/22. There is scope to eliminate this deficit as negotiations develop with the prospective ADPs. There is also an opportunity to manage the repayment of the LGF investment over a period of several years. Where the initial LGF bid dictates repayment of the £12.5m grant in full in the year 2028/29, it is possible that some extension of these terms could be agreed with repayment phased over three years commencing 2028/29 (which will positively impact the financial model).

4.2 Affordability assessment

The current project funding position is outlined in the table below, with project funds generated from a combination of CPCA's own funding and Local Growth Fund grant (to be confirmed – a decision is expected from central government in early 2020). CPCA currently has approval to spend £800,000 (in pre-award costs) and will require approval for expenditure of the remaining £24 million should the recommended option and LGF funding be secured.

Funding Source	Amount (£)
CPCA	12,300,000
LGF investment Funding	12,500,000
Land Acquisition (gifted)	1,600,000
Total Budget	26,400,000
Construction Works (Phase 1 building)	20,000,000
Financial deal secured with ADP	4,800,000
Total Expenditure	24,800,000
Balance (Land acquisition)	1,600,000

All figures are inclusive of VAT and other tax requirements.

The land is expected to be donated by PCC with an approximate value of £400k per acre, totalling £1.6m. At the time of writing the value of the land is being determined, pending survey of contamination and site infrastructure costs.

The capital expenditure for the construction project is to be capped at £20m (inclusive of VAT) with the remaining funding utilised for negotiation of a deal with the ADP. The table below demonstrates how the Phase 1 £20m capital spend will be utilised. As described in section 3.2.1 above, benchmarking against other similar HE projects supports the conclusion that the proposed Phase 1 building can be delivered to a suitable standard within this budget, and within typical cost parameters for a HE building.

Order of Cost Estimate

University of Peterborough - Phase 1 Development

Project Summary


27 November 2019

Elem Ref			Cost Target £	£ / m ² GIFA
0	Facilitating Works		110,000	31
1-10	Building Works		11,835,610	3,382
	Works Cost Estimate	£	11,945,610	3,413
11	Fees & Surveys		1,160,000	331
12	Client Project Costs		1,543,400	441
13	Risk	10%	1,427,656	408
	Cost Limit (Excluding Construction Inflation)	£	16,076,666	4,593
14	Inflation; to 4Q21 (applied to 0-10 and 12)	4.4%	590,000	169
	Cost Limit (Including Construction Inflation)	£	16,666,666	4,762
	VAT Assessment (applied at the prevailing rate)	20%	3,330,000	951
	Estimated Outturn Costs	£	19,996,700	5,713
	"Say"		20,000,000	

GIFA
3,500 m2

Classification - Restricted

Page 4



Conclusions

Project affordability is, therefore, critically dependent on:

1. securing the LGF investment capital funding; and
2. agreeing with the prospective ADP (through the current negotiations) how the working capital cash-flow gap indicated in the financial model will be funded and identifying any alternative sources of funding to bridge the negative cashflows.

It should be noted that there is a cash deficit of approximately £3m in the financial year 2021-22 which needs to be addressed before the break-even point is reached in 2023-24. This short-term cashflow issue will need to be resolved to make the project viable. A potential solution to this could be a short-term loan, the interest charges and repayment profile are not included in the model and would reduce the overall return of the project. The eventual solution will be put forward and tested in the Full Business Case, including reworking of the economic and financial appraisals to explore any impacts of the revised financing on the Benefit Cost Ratio and affordability. Subject to these considerations, at this stage of project development and implementation, it is anticipated that funds will be available (as described above) to meet both the project budget and the requirements of new University operating model.

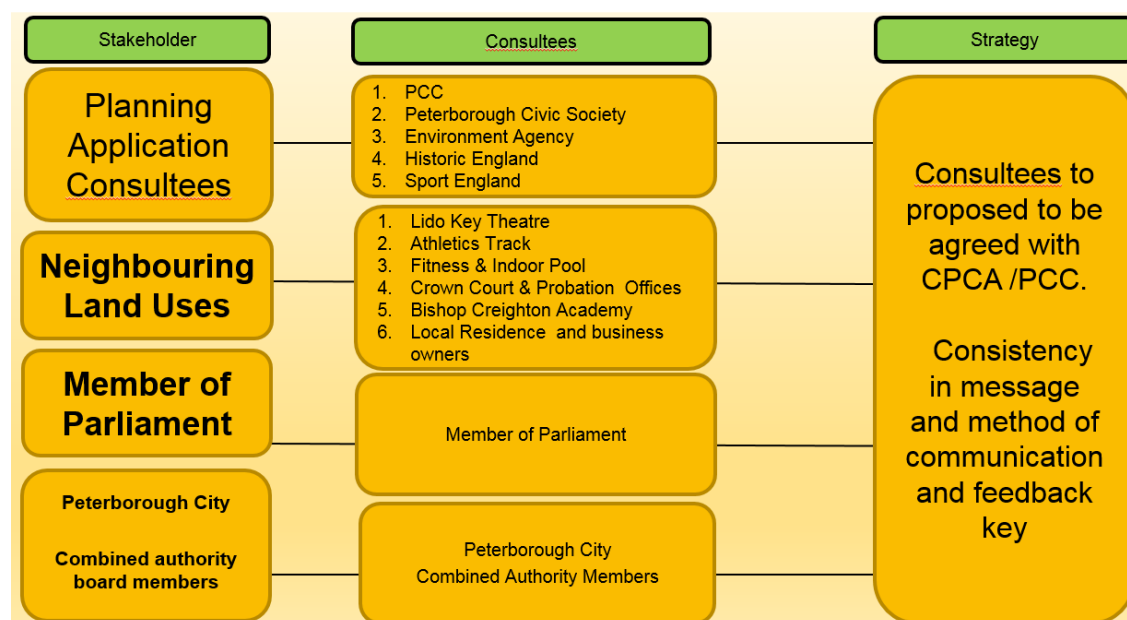
With respect to the infrastructure works, no cash-flow implications are anticipated for CPCA or PCC as all funding to be provided by them (including LGF grant) will be in place before the construction phase goes ahead (securing the LGF funding is a Condition Precedent in the Subscription Agreement and Heads of Terms). Any cashflow implications of resolving the working capital gap will be resolved during development of the Full Business Case.

5 Management Case

5.1 Stakeholders

The project has a number of stakeholders, summarised in the table below with the following categories.

1. Planning Consultees
2. Neighbours
3. Members of Parliament
4. Peterborough City Council (PCC) & Cambridge and Peterborough Combined Authority (CPCA)



These key internal and external stakeholders will be managed under a strategy agreed between PCC and CPCA, outlined in the communications strategy and underpinned by the Subscription Agreement (which establishes how CPCA and PCC will work together). Internal stakeholders are consulted in line with the governance arrangements set out in this Management Case and will follow the communication strategy set out in the Subscription Agreement. A communications strategy has been agreed for the project and is attached at Annex 6.12.

At the time of writing the current status of consultation is as below. This will be further developed and built upon up to submission of the full planning application. On appointment of the Main Contractor and the Academic Delivery Partner, further communications will be required to support the management of the construction, delivery and occupation and operation of the physical asset. This will be developed and reflected in the Full Business Case.

	Consulted to date	To be Consulted
1	Planning Consultees PCC Planning meeting 12-12-2019 Peterborough Civic Society 23-11-2019 Sport England 14-11-2019 Environment Agency – no objections 14-11-2019 Historic England – no objections 14-11-2019	
2	Neighbours and Land owners Fitness & Indoor Pool 14-11-2019 Vivacity 14-11-2019 Lido Key Theatre (Vivacity) Athletics Track (Vivacity)	Crown Court & Probation Offices – Date to be agreed Bishop Creighton Academy - Date to be agreed Local Residence and business owners – February 2020 Public Consultation
3	Members of Parliament	Consultation planned in January 2020
4	Peterborough City Council members	Consultation planned in January 2020

5.2 Achievability

CPCA and PCC have put in place the resources needed to manage the work streams required to deliver the project, based on an understanding of the shared goals. Those goals and the resource requirements for CPCA and PCC are set out in the Subscription Agreement and both organisations have to date provided resources in line with those requirements. The two authorities are, therefore, confident that the project is achievable based on their readiness and the available resources

CPCA have appointed external consultants, where required, to ensure the necessary capacity and capability is available for successful implementation of the project including:

- Design, project and cost management and education specialists: as described with in the project management section below
- Legal support: Pinsent Masons.
- Fundraising: Dayton Bell who wrote LGF bid.

Further external support or internal resources will be secured and deployed should any capacity/capability shortfalls be identified, subject to governance approvals, to ensure the project is fully resourced for successful delivery. At the time of writing the only additional resource requirement identified is for post-project Evaluation.

PCC have provided resources to support the project, including through their Interim Development Director and internal legal support.

5.3 Project management

5.3.1 Structure and Governance

Project governance (outlined in the Subscription Agreement) has been established to reflect the current arrangements within each organisation and specific terms of reference for the project will be mandated by each organisation as part of the sign off of the Outline Business Case and Subscription Agreement:

- CPCA governance requires all decisions to be mandated by the CPCA Board. All decisions required for the project will be submitted to the CPCA Skills Committee and the Business Board and then taken to the CPCA Board for final approval.

- PCC governance arrangements require all decisions to be mandated by PCC Board in the same way that CPCA do.

Once project governance arrangements have been approved, responsibility for the project will be mandated to the Transition Board and Project Management Board, the terms of reference of which are outlined in the Subscription Agreement; this will remain in place up to completion of the Conditions Precedent within the Subscription Agreement and Heads of Terms.

Satisfaction of the Conditions Precedent will enable completion of the Full Business Case, which will then be presented for agreement by PCC and CPCA. This will include terms of reference for the project and its governance from that point onwards.

5.3.2 Subscription Agreement

The Subscription Agreement to be presented to CPCA and PCC for approval alongside this Outline Business Case describes the commitment between parties who will work together toward realisation of the new University. It will constitute the formal agreement between PCC and CPCA up to satisfaction of the Conditions Precedent.

After the Academic Delivery Partner is appointed and the Conditions Precedent have been satisfied, the structure of the project will change, triggered by signing of a Joint Venture (JV) agreement and the associated governance. The terms of the JV will be developed through negotiation between the Academic Delivery Partner, PCC and CPCA and, therefore, remain to be determined at the time of writing (these will be detailed in the Full Business Case). What follows, therefore, focuses on the project management structure put in place project up to the signing of the JV.

Prior to execution of the Subscription Agreement PCC and CPCA have been working together to share information and attend monthly project meetings to review project progress, under delegated authorities from each Authority. Where decisions are required outside those delegated authorities these have been made within the decision-making arrangements for each respective organisation.

Following execution of the Subscription Agreement the project structure will be as summarised in the following extracts from the Subscription Agreement:

Extract from Subscription agreement:

*CPCA and PCC have agreed to work together on a project (the "**Project**") to establish a new "University of Peterborough" and facilitate the delivery of its campus (the "**Campus**") on a site known as the Embankment lying to the north of the River Nene and south of Bishops Road, Peterborough (the "**Property**"). The key objectives of the Project are set out at Schedule 3. It is intended by the Parties that the Company will be the vehicle through which the Project is delivered, alongside a second new corporate entity ("**UniCo**") that will eventually become a new independent University of Peterborough.*

Further extract from the Subscription agreement (Schedule 5 Part 1); PCC and CPCA will adhere to these governance arrangements:

OVERVIEW

The Project's governance will:

- *provide strategic oversight and direction;*
- *be based on clearly defined roles and responsibilities at organisation, group and, where necessary, individual level;*

- align decision-making authority with the criticality of the decisions required;
- be aligned with Project scope and each Project stage (and may therefore require changes over time);
- leverage existing organisational, group and user interfaces;
- provide coherent, timely and efficient decision-making; and
- correspond with the key features of the Project governance arrangements set out in this Schedule 5.

REPORTING

Project reporting shall be undertaken at three two levels:

- *Project Management Board: Minutes and actions will be recorded for each Project Management Board meeting and reports to Transition Board shall be monthly. Any additional reporting requirement shall be at the discretion of the Project Management Board or as required by the Transition Board.*
- *Subscribers' Transition Board: Reporting to principals (CPCA and PCC) shall be monthly, based on the minutes from the Project Management Board highlighting:*
 - *progress this period;*
 - *issues being managed;*
 - *issues requiring help (that is, escalations to the Subscribers' Transition Board); and*
 - *progress planned next period and/or aligned with the frequency of the Subscribers' Transition Board meetings.*
- *The Project Management Board members shall be responsible for drafting reports into their respective sponsoring organisation as required for review by the Project Management Transition Board before being issued.*

PART 2 TRANSITION BOARD

OVERVIEW

The Transition Board provides overall strategic oversight and direction to the Project.

This group will consist of:

- *PCC: Dave Anderson, Interim Development Director and Peter Carpenter, acting*
- *Corporate Director: Resources and S151 Officer, Peterborough City Council.*
- *CPCA: John T Hill, Director Business and Skills, Kim Cooke, Strategic Investment Programme Manager*

The Transition Board shall be managed in accordance with the terms of reference set out below.

TERMS OF REFERENCE OF SUBSCRIBERS' BOARD

- *The Transition Board will meet [monthly] and at least [insert] days' notice of a meeting shall be given to members, together with an agenda and relevant papers identifying in reasonable detail the matters to be raised at the meeting.*
- *The quorum for meetings of the Transition Board will be [XXX], of which at least one must be a representative from CPCA and one from PCC.*
- *[insert name] shall be responsible to preparing and circulating agendas, papers and minutes for each meeting.*
- *The Transition Board will be chaired by John T Hill, who will have a second or casting vote.*

- *Meetings may take place in person or by telephone conference or other form of communication equipment provided that all parties participating in the meeting are able to speak to and hear each other.*

PART 3 PROJECT MANAGEMENT BOARD

OVERVIEW

The Project Management Board will provide management oversight at Project and workstream level. It will provide assurance to the Transition Board that the Key Objectives are being met and that the Project is performing within the boundaries set by the Transition Board. The Project Management Board shall be managed in accordance with the terms of reference set out below.

TERMS OF REFERENCE

The Project Management Board consists of representatives from each of the Subscribers and Mace. The Project Management Board shall have responsibility for the creation and execution of the Action Plan and deliverables, and therefore it can draw technical, commercial, legal and communications resources as appropriate into the Project Management Board. The core Project Management Parties are:

- *[insert names and positions of members].*

The Project Management Board; will report monthly to the Transition Board, such reports to be provided within [14] days of the date of the relevant meeting.

The Project Management Board will meet monthly and at least [insert] days' notice of a meeting shall be given to members, together with an agenda and relevant papers identifying in reasonable detail the matters to be raised at the meeting. [Insert details of standing agenda items]

The quorum for meetings of the Project Management Board will be [XXX], of which at least one must be a representative from CPCA, one from PCC and one from Mace.

[insert name] shall be responsible to preparing and circulating agendas, papers and minutes for each meeting and for providing reports to the Transition Board.

The Project Management Board will be chaired by [insert name], who will [not] have a second or casting vote.

Meetings may take place in person or by telephone conference or other form of communication equipment provided.

The structure outlined within the Subscription Agreement can be summarised in the governance structure arrangements diagram below, which shows the ADP who will join PCC and CPCA in a Joint Venture following satisfaction of the Conditions Precedent. The Main Contractor to deliver the physical infrastructure will be procured by Mace who sit on the Project Management Board and will act based on the authority given to them in the terms of reference of the Project Management Board in respect of the management of the Main Contractor. The governance structure is summarised in the chart at Annex 6.13.

5.3.3 Roles and Responsibilities

Cambridge and Peterborough Combined Authority (CPCA)

The new University project is led by CPCA in partnership with PCC and this relationship will be formalised through the Subscription Agreement. CPCA will agree Heads of Terms with PCC and the ADP.

CPCA (led by Kim Cooke, Skills Strategy Manager/Lead for new University) is providing leadership for development of this project and to ensure a professional team is in place to support the procurement of the ADP and for delivery of the infrastructure for the new University.

CPCA will provide funding to support the development of the new university through existing capital monies and grants and further grant applications to be made to support future phases.

Peterborough City Council (PCC)

PCC is working with CPCA to support the delivery of the new university and in particular is providing the land for phase one of the project. The Heads of Terms include clauses regarding land opportunities for future phases of the project and will be agreed between PCC, CPCA and the ADP.

Consultant team

CPCA and PCC are supported by professional team of consultants, procured by CPCA to develop the master plan for the proposed site and support procurement of the Academic Delivery Partner and Main Contractor. The Consultant team consists of:

1. **Mace Limited** – project management, cost management and facilities management
2. **Moses Cameron Williams** – architecture
3. **Couch Perry Wilkes** – mechanical and electrical engineering, environmental
4. **Smith and Wallwork** – structural and civil engineering
5. **Land Use Consultant's** – landscape design
6. **CPB Projects** – education
7. **PTS Consulting** – IT consultancy
8. **Pegasus** – planning consultant

5.3.4 Project Plan

The project plan has been developed around the following key dates:

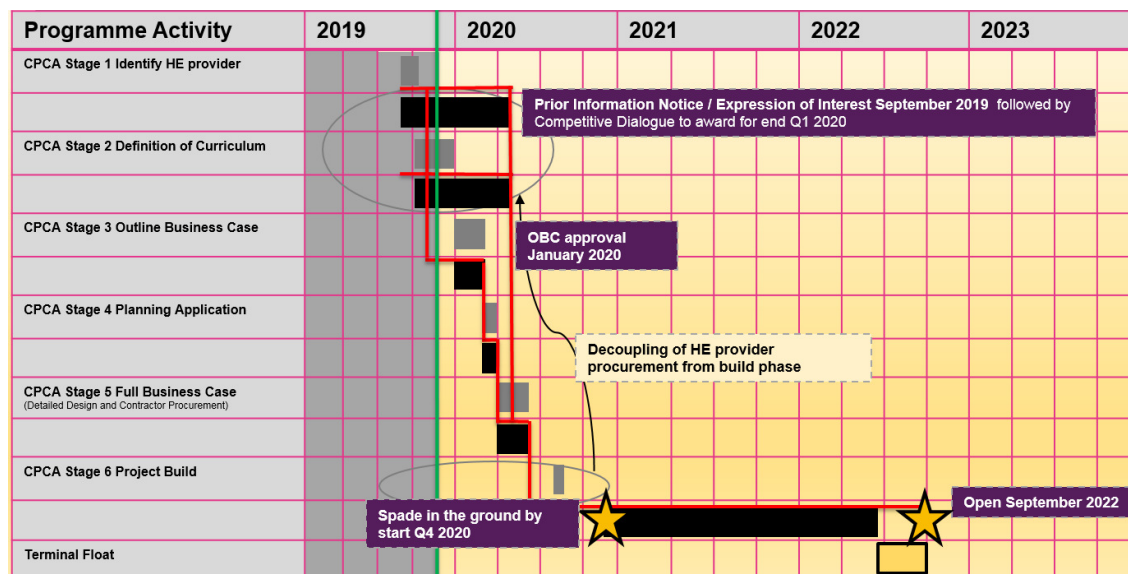
1. Spade in the ground (commencement of phase one) Q4 2020.
2. Completion of phase 1 (for occupation) September 2022.

To achieve these milestones there are two key work streams:

1. Develop brief and procure the Academic Delivery Partner.
2. Develop, design and procure a Main Contractor to deliver phase 1 infrastructure.

To meet the key dates it is necessary to twin track these workstreams, in particular development of the brief for, and procurement of, the Academic Delivery Partner and development of the design and planning determination for Phase 1. These two work streams come together into one unified workstream at the end of Q1 2020, after which the project will be progressed under the agreed Heads of Terms and associated requirements.

The Illustrative programme below shows the current work streams and critical path (in red) to achieve the key project milestones. The full project plan is attached at Annex 6.14.



5.4 Change management

The strategy, framework and plan for dealing with change is embedded within the project governance arrangements set out in the Subscription Agreement to be submitted for approval alongside this Outline Business Case. On agreement of the Subscription Agreement CPCA and PCC will manage change within their delegated authorities within those terms.

5.5 Benefits realisation

Various objectives/benefits of the project will be realised at certain of key milestones in the project as follows:

1. Completion of the subscription agreement, satisfaction of the conditions precedent and execution of the Heads of Terms with the ADP will result in the formation of PropCo and UniCo. At this point a strategy will be established for identifying, planning and tracking the detailed benefits (outlined in earlier sections of this Outline Business Case), including assigning responsibilities for the benefits realisation.
2. Meeting KPIs, milestones and targets alongside the operational plan as agreed with the ADP prior to opening in 2022.
3. Meeting the agreed milestones and targets for design and delivery of the physical Infrastructure.
4. Following opening, maintaining agreed KPIs, milestones and targets within the operational plan agreed with the ADP.

Responsibility for benefits realisation under the Subscription Agreement will sit with CPCA and PCC, Once the Heads of Terms are signed then responsibility will be transferred to PropCo and UniCo to realise the project objectives.

Infrastructure

The agreed infrastructure milestones and targets will be reported against at monthly project board meetings until execution of the Heads of Terms, after which this will be reported to PropCo up to the point of handover and completion of the twelve month defects period.

Academic Delivery Partner Benefits Realisation

Milestones, targets and KPIs will be agreed with the ADP as part of the procurement. These will be audited under the terms of the UniCo agreement and will be independently reviewed at key milestones (such as transition to independence).

5.6 Risk management

A detailed project risk register (including risk control strategies) has been developed (attached at Annex 6.4) based on the following risk categories:

1. Surveys and Site Constraints
2. Commercial
3. Design
4. Legal
5. Procurement
6. Operational
7. Governance

The top-level risks and control measures are outline in preceding sections of this Outline Business Case. The project team, led by the Project Manager, holds quarterly risk workshops and the risk register is reviewed monthly at the Project Management Board.

5.7 Project assurance

CPCA's Assurance Framework can be found at cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Cambridgeshire-and-Peterborough-Combined-Authority-Assurance-Frameworkv3final-002.pdf. It sets out how the seven principles of public life shape the culture, processes and practice within CPCA in discharging its responsibilities in the administration of the Cambridgeshire and Peterborough Investment, incorporating the Single Pot funding.

At project level, project assurance (phase 1 onwards) will initially be conducted under the Subscription Agreement and, once the Conditions Precedent are satisfied, responsibility for project assurance will transfer to PropCo and UniCo for the building and HE operations respectively.

5.8 Post-project evaluation

The project will adopt the BSRIA Soft Landings framework and follow the five Stages of the Soft Landings process. Stage 1: Inception and Briefing, Stage 2: Design Development is predicated on Stage one; while Stage 3: Pre-handover requires follow-through with Stage 4: Initial Aftercare.

The benefit of this approach is that it will help solve any performance gap between design intentions and operational outcomes by appointing soft landing champions who will agree the roles and responsibility of the client, contractor and professional team.

This process will commence from Royal Institute of British Architect (RIBA) stage 2 and run through to completion of the construction of phase 1 and into the occupation and aftercare stages.

Design

Workshops will be held with the project team to review learning from previous projects and develop a design that will work from the point of view of the manager and users. This will include agreement and review of an energy strategy and commissioning (for incorporation into relevant tenders) as well as review of proposed systems for usability and maintainability.

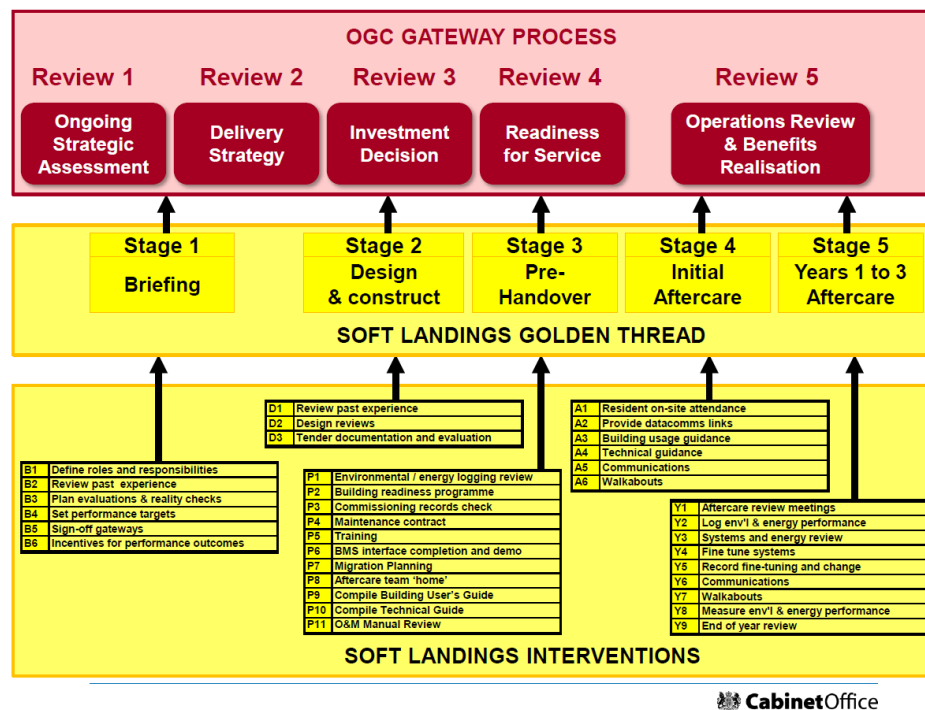
Construction

Soft landings considerations will be incorporated into the project plan, employer's requirements and the role and responsibilities of the contractor's soft landing champion up to and following completion of the phase 1 building.

Operation in use

The contractor will be required to provide: comprehensive operation and maintenance manuals; escorted tours of completed facilities to demonstrate functionality; Building Information Modelling models to assist with future maintenance; and aftercare for an agreed period post-handover. The contractor will carry out post occupancy evaluation.

Key Milestones for Stage reviews of the Soft Landing Process



6 Annexes

6.1 Subscription Agreement

6.2 Shadow Curriculum Model

6.3 Strategic Brief for Phase 1 Building

6.4 Project Risk Register

6.5 Baseline Economic Appraisals

6.6 Economic Appraisals: Sensitivity Analyses

6.7 Facilities Management Strategy

Full strategy to be agreed during negotiation with Academic Delivery Partner through commercial dialogue procurement process.

6.8 ICT Procurement Strategy

Full strategy to be agreed during negotiation with Academic Delivery Partner through negotiated procurement process.

6.9 Academic Delivery Partner Selection Criteria

6.10 Academic Delivery Partner Heads of Terms

6.11 Financial Model

6.12 Communications strategy

6.13 Governance Structure Arrangements

6.14 Project Plan

DATED 2019

- (1) **[PROPCO] LIMITED**
- (2) **CAMBRIDGE AND PETERBOROUGH COMBINED AUTHORITY**
- (3) **PETERBOROUGH CITY COUNCIL**

**SUBSCRIPTION AND PROJECT MANAGEMENT
AGREEMENT IN RESPECT OF
[PROPCO] LIMITED**



CONTENTS

[TO BE INSERTED]

BETWEEN:

- (1) **[PROPCO LIMITED]** incorporated in England and Wales under number **[insert company number]** whose registered office is at **[insert address]** (the "**Company**"),
- (2) **CAMBRIDGE AND PETERBOROUGH COMBINED AUTHORITY** of 1st Floor, The Incubator, Alconbury Weald Enterprise Centre Campus, Huntingdon, Cambridgeshire, PE28 4WX ("**CPCA**"), and
- (3) **PETERBOROUGH CITY COUNCIL** of Sand Martin House, Bittern Way, Fletton Quays, Peterborough, Cambridgeshire, PE2 8TY ("**PCC**")

(each being a "**Party**" and together the "**Parties**").

BACKGROUND:

- (A) CPCA and PCC have agreed to work together on a project (the "**Project**") to establish a new "University of Peterborough" and facilitate the delivery of its campus (the "**Campus**") on a site known as the Embankment lying to the north of the River Nene and south of Bishops Road, Peterborough (the "**Property**"). The key objectives of the Project are set out at Schedule 3. It is intended by the Parties that the Company will be the vehicle through which the Project is delivered, alongside a second new corporate entity ("**UniCo**") that will eventually become a new independent University of Peterborough.
- (B) The Company is a company limited by shares, brief particulars of which, including details of the legal and beneficial ownership of the share capital of the Company immediately prior to Completion are set out in Schedule 1.
- (C) CPCA wishes to subscribe for additional shares in the capital of the Company and PCC wishes to subscribe for shares in the capital of the Company on and subject to the terms and conditions of this Agreement.
- (D) The Parties also intend to appoint through a public procurement process a higher education provider partner and a developer/contractor partner to collaborate in the delivery of the Project; one or both of these parties may also become shareholders in the Company, subject to the terms agreed with them through the respective procurement processes.
- (E) Pending Completion, CPCA and PCC will continue to collaborate and cooperate with each other in respect of the development and implementation of the Project on and subject to the terms of this Agreement.

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, unless the context otherwise requires the following expressions shall have the following meanings:

"Action Plan" means the action plan and deliverables developed by the Subscribers for the purpose of meeting the Key Objectives and which will be subject to scrutiny and oversight from the Transition Board and the Project Management Board;

"Board" means the board of directors of the Company as constituted from time to time;

"Business Day"	means a day, other than a Saturday, Sunday or public holiday, on which clearing banks are open for non-automated commercial business in the City of London;
"Completion"	means completion of the matters described in this Agreement by the performance of the Parties of their respective obligations in accordance with clause 4;
"Completion Conditions"	means the conditions set out in Schedule 2;
"Completion Date"	means the date no later than the third Business Day after the date on which the last of the Completion Conditions is satisfied or waived or the date to which Completion is deferred, in each case in accordance with clause 3;
"Confidential Information"	means: <ul style="list-style-type: none"> (a) this Agreement; and (b) all data or information (whether technical, commercial, financial or of any other type) in any form acquired under, pursuant to or in connection with, this Agreement and any information used in or relating to the Parties in connection with the Project (including, without limiting the foregoing, information relating to products, services, operations, processes, formulae, methods, plans, strategy, product information, know-how, design rights, trade secrets, market opportunities, customer lists, commercial relationships, marketing, sales materials and general business affairs), and which are for the time being confidential to the Parties;
"Higher Education Partner"	means the third party higher education provider that is to be appointed following a public procurement exercise to collaborate with the Parties to facilitate the development and operation of the Company including its application to the Office for Students for registration as a higher education provider, its obtaining of its own degree awarding powers and ultimately university title;
"ITN1"	means the Invitation to Negotiate issued by the Parties on 25 October 2019 in respect of the procurement of the Higher Education Partner;
"Key Objectives"	means the key objectives for the delivery of the Project set out in Schedule 3;
"Joint Venture Agreement"	means a joint venture agreement to be entered into between the Parties and such other parties as are appropriate on Completion, in terms to be agreed between the Parties, setting out the terms and conditions under which the Company will carry on business and the rights of the Subscribers and other shareholder(s) in relation to the Company. The Company shall carry on business in accordance with the terms and conditions of this Agreement;
"LGF Grant"	means the Local Growth Fund grant in the sum of £12,500,000 that was applied for jointly on [date] October 2019 by CPCA and PCC in connection with and for the purposes of the Project;
"Long Stop Date"	means 31 March 2020 or such later date as may be agreed between the Subscribers; [date takes into account award date for HE partner procurement (i.e. 6 March 2020) plus additional time should procurement timetable slip]

"New Articles"	means the new articles of association of the Company in the agreed form to be adopted on or prior to Completion;
"New Shares"	means the Shares subscribed by the Subscribers pursuant to clause 2.1;
"Planning Permission"	means [outline OR full][please confirm] planning permission for the Campus in accordance with the terms of the planning application to be submitted by the Parties, whether granted by the local planning authority or the Secretary of State
"Property Transfer"	means duly executed transfers, assignments and other documents vesting title of the Property in the Company;
"Project Management Board"	means the committee comprising representatives of the Parties, which will provide operational oversight and management of the Project, the details and terms of reference for which are set out at Part 3 of Schedule 5;
"Project Management Principles"	means the principles pursuant to which the Subscribers shall manage the Project pending Completion, as set out at Schedule 4;
"Resolutions"	means the resolutions in agreed form to be passed by the Company by written resolution as specified in paragraph 1 of Schedule 2;
"Share"	means a share in the capital of the Company;
"Subscribers"	means CPCA and PCC, or either of them as appropriate;
"Transitional Board"	means the committee comprising representatives of the Parties, which will provide strategic oversight for the Project until such point in time that it becomes self-governing , the details and terms of reference for which are set out at Part 2 of Schedule 5;
"Warranties"	means the warranties set out in clause 5.2.

1.2 In this Agreement, unless the context otherwise requires:

- 1.2.1 each gender includes the other genders;
- 1.2.2 the singular includes the plural and vice versa;
- 1.2.3 references to this Agreement include its Schedules;
- 1.2.4 references to clauses, sub-clauses and/or Schedules are to clauses and/or sub-clauses of and Schedules to this Agreement and references in a Schedule or part of a Schedule are to a paragraph of that Schedule or that part of that Schedule;
- 1.2.5 references to persons include individuals, unincorporated bodies and partnerships (in each case whether or not having a separate legal personality), governments, government entities, companies and corporations and any of their successors, permitted transferees or permitted assignees;
- 1.2.6 the words 'include', 'includes' and 'including' are deemed to be followed by the words 'without limitation';
- 1.2.7 the words and phrases 'other', 'including' and 'in particular' or similar words shall not restrict the generality of any preceding words or be construed as being limited to the same class, acts, things or matters as the preceding words where a wider construction is possible;

- 1.2.8 the contents table, if any, and the descriptive headings to clauses, Schedules and paragraphs in this Agreement are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of this Agreement;
- 1.2.9 references to legislation include any modification or re-enactment of it but exclude any re-enactment or modification after the date of this Agreement to the extent they make any Party's obligations more onerous or otherwise adversely affect the rights of any Party;
- 1.2.10 references to this Agreement, any specified clause in this Agreement, any other document or any specified clause in any other document are to this Agreement, that document or the specified clause as in force for the time being and as amended, varied, novated or supplemented from time to time; and
- 1.2.11 references to time shall mean London time, unless otherwise stated.

- 1.3 If there is a conflict between the terms of the body of this Agreement and the terms of the Schedules, the terms of the body of this Agreement will prevail over the Schedules.

2. SUBSCRIPTION FOR SHARES

- 2.1 Subject to the provisions of clauses 4.1 to 4.2, each of the Subscribers shall subscribe (or shall procure that its nominee subscribes) in cash for, and the Company shall allot and issue fully paid to the Subscribers (or their respective nominees) the following New Shares as set out in column 2 of the table below at a subscription price set out in column 3 of the table below in accordance with the terms and conditions of this Agreement (which allotment shall be proportional to the value committed by each Party to the Company).

Subscriber	Number of New Shares	Total subscription monies
CPCA	[XXX] Shares	£[XXX]
PCC	[XXX] Shares	£[XXX] [to be satisfied by the transfer by PCC to the Company of the Property in accordance with clause 4.2.3 – valuation TBC]

- 2.2 CPCA agrees to vote in favour of the Resolutions and hereby irrevocably waives all and any pre-emption rights they or their nominees may have pursuant to the Company's articles of association or otherwise so as to enable the issue of any shares in the capital of the Company contemplated by this Agreement to proceed free of any such pre-emption rights.

3. CONDITIONAL COMPLETION

- 3.1 Completion is conditional on the Completion Conditions being satisfied or waived in accordance with clause 3.4.
- 3.2 The Subscribers shall use their respective reasonable endeavours to procure that the Completion Conditions are satisfied no later than the Long Stop Date.
- 3.3 If at any time any Party become aware:
- 3.3.1 of any fact or circumstance that might prevent any of the Completion Conditions being satisfied; or

3.3.2 that any of the Completion Conditions has been satisfied,

it shall immediately inform the other Parties in writing.

3.4 The Subscribers may waive any of the Completion Conditions by agreement in writing not later than 12.00 pm on the Long-Stop Date.

3.5 If the Completion Conditions have not been satisfied or waived in accordance with this Agreement by 12.00 pm on the Long-Stop Date, the Long-Stop Date may be extended by agreement in writing between the Subscribers to a date falling no later than 20 Business Days after the Long-Stop Date.

3.6 If the Completion Conditions have not been satisfied or waived by the Subscribers (where applicable) by 12.00 pm on the Long-Stop Date and the Long-Stop Date has not been extended pursuant to clause 3.5, this Agreement shall terminate automatically at 12.01pm on the Long-Stop Date.

3.7 If this Agreement terminates pursuant to clauses 3.6, each Party's further rights and obligations cease immediately on termination, save that clauses 1 (Definitions and interpretation), 9.7 (Entire agreement), 9.11 (Costs), 10 (Notices), 8 (Confidentiality and announcements) and 11 (Governing law and jurisdiction) shall remain in full force and effect and termination shall not affect any Party's accrued rights and obligations at the date of termination (including for breach of this Agreement).

4. COMPLETION

4.1 Subject to the Completion Conditions having been satisfied or waived by the Subscribers and unless this Agreement is previously terminated in accordance with its terms, Completion shall take place on the Completion Date once the events set out in clause 4.2 have occurred.

4.2 At Completion the following events shall occur:

4.2.1 CPCA shall pay (or shall procure that CPCA's Solicitors shall pay) the sum set out against CPCA's name in column 3 of the table in clause 2.1 (being the aggregate subscription price for the New Shares to be subscribed by it) by electronic funds transfer to the bank account of the Company as set out below and payment made in accordance with this clause 4.1 shall constitute a good discharge for CPCA of its obligations under this clause 4.1:

Account name	:	[REDACTED]
Bank	:	[REDACTED]
Account number	:	[REDACTED]
Sort code	:	[REDACTED]

4.2.2 The Parties (together with such other parties as applicable) will enter into the Joint Venture Agreement;

4.2.3 subject to due diligence satisfactory to the company, PCC will deliver the Property Transfer to the Company;

4.2.4 the LGF Grant shall be assigned to the Company by way of a loan on terms to be agreed between the Company and the Parties; **[have the terms of the intra-group loan been finalised?]**

4.2.5 a meeting of the Board shall be held at which the Company shall:

(a) subject to:

(i) payment by CPCA in accordance with clause 4.2.1; and

(ii) the assignment by CPCA to the Company of the LGF Grant in accordance with clause 4.2.4,

approve the issue of the number of New Shares set out in column 3 of the table at clause 2.1 credited as fully paid to CPCA and enter its name in the register of members in respect thereof and execute and deliver to CPCA a certificate for those New Shares;

- (b) subject to completion of the Property Transfer in accordance with clause 4.2.3, approve the issue of the number of New Shares set out in column 3 of the table at clause 2.1 credited as fully paid to PCC and enter its name in the register of members in respect thereof and deliver to PCC a certificate for those New Shares;
- (c) pass any such other resolutions as may be required to carry out the obligations of the Company under this Agreement.

5. WARRANTIES

- 5.1 Each Party warrants to the other Party (for itself and as trustee for any successors in title and assigns) that as at the date of this Agreement it has full power and authority to enter into and perform this Agreement which constitutes, or when executed will constitute, valid and binding obligations on each of them enforceable in accordance with their respective terms, conditions and provisions.
- 5.2 CPCA warrants to PCC (for itself and as trustee for any successors in title and assigns) in relation to the Company that as at the date of this Agreement:
 - 5.2.1 the Company has full power and authority to enter into and perform this Agreement which constitutes, or when executed will constitute, valid and binding obligations on each of them enforceable in accordance with their respective terms, conditions and provisions; and
 - 5.2.2 the information in Schedule 1 is true, complete and accurate and CPCA is the sole legal and beneficial owner and the sole registered holder of the one issued Share.

6. BUSINESS UNDERTAKINGS

The Company shall apply the proceeds of the subscriptions by CPCA and PCC for the New Shares in the furtherance of the Project.

7. PROJECT MANAGEMENT AND AUTHORITY

- 7.1 Pending Completion, the Subscribers shall undertake the Project for the purpose of achieving the Key Objectives in accordance with the Project Management Principles and the governance arrangements set out in Schedule 5.
- 7.2 Following Completion, the Parties will continue to undertake the Project in accordance with the terms of the Joint Venture Agreement.

8. CONFIDENTIALITY AND ANNOUNCEMENTS

- 8.1 Subject to clause 8.2, each Party shall keep confidential and shall not disclose any Confidential Information to any person (other than such of the Party's professional advisers as are required in the course of their duties to receive and consider it for the purposes of the transaction contemplated by this Agreement), except where the Confidential Information is:
 - 8.1.1 publicly available, other than as a result of a breach by a Party of this Agreement;
 - 8.1.2 lawfully available to a Party from a third party who was not subject to any confidentiality restriction prior to the disclosure of such Confidential Information; or
 - 8.1.3 required to be disclosed by law, regulation or by order or ruling of a court or administrative or regulatory body of a competent jurisdiction provided that the disclosing Party shall use its reasonable endeavours to the extent permitted to do so by law, the court or the authority

requiring disclosure, to first consult fully with the other Parties to establish whether and, if so, how far it is possible to prevent or restrict such enforced disclosure and take all reasonable steps to achieve prevention or restriction.

- 8.2 No Party shall issue any announcement relating to or in connection with this Agreement or any matters contained in it, without the prior written consent of the other Parties (such consent not to be unreasonably withheld or delayed).

9. MISCELLANEOUS

9.1 Variation

No amendment or variation of this Agreement shall be effective unless made in writing and signed by or on behalf of all Parties.

9.2 Severability

9.2.1 Each provision of this Agreement is severable and distinct from the others. If any provision of this Agreement is or becomes illegal, invalid or unenforceable, that shall not affect the legality, validity or enforceability of any other provision of this Agreement.

9.2.2 If any provision of this Agreement is or becomes illegal, invalid or unenforceable but would be legal, valid and enforceable if some part of the provision was deleted or modified, the provision in question shall apply with such deletions and modifications as may be necessary to make it legal, valid and enforceable.

9.3 Waiver

9.3.1 No failure, delay, indulgence, act or omission by a Party in exercising any claim, remedy, right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any claim, right, remedy, power or privilege prevent any future exercise of it or the exercise of any other claim, right, power or privilege.

9.3.2 Any rights or remedies conferred upon a Party by this Agreement, shall be in addition to and without prejudice to all other rights and remedies available to it.

9.4 Further assurance

Each Party (at its own cost) shall, and shall use its reasonable endeavours to procure that any necessary third parties shall, execute and deliver to the Parties such other instruments and documents (including deeds) and do all such further things as may be reasonably necessary to carry out, evidence and give effect to the provisions of and the matters contemplated by this Agreement.

9.5 Rights of third parties

A person who is not a Party to this Agreement shall not be entitled to enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

9.6 Assignment

No Party shall be entitled to assign the benefit or burden of any provision of this Agreement (or any of the documents referred to herein) without the consent of the other Parties (such consent not to be unreasonably withheld conditioned or delayed).

9.7 Entire agreement

9.7.1 This Agreement sets out the entire agreement and understanding between the Parties relating to the matters contemplated by this Agreement and supersedes all previous agreements (if any and whether in writing or not) between the Parties in relation to such matters.

9.7.2 This Agreement shall not be construed as creating any partnership or agency relationship between any of the Parties.

9.8 Succession

This Agreement shall be binding upon, and enure to the benefit of, each Party and their respective successors and assigns. Subject to and upon any succession and assignment permitted by this Agreement, any successor and/or assignee shall in its own right be able to enforce any term of this Agreement in accordance with its terms as if it were in all respects a Party to this Agreement, but until such time, any such successor or assignee shall have no rights whether as a third party or otherwise.

9.9 Time of the essence

Each time, date or period referred to in this Agreement (including any time, date or period varied by the Parties) is of the essence.

9.10 Counterparts

This Agreement may be signed in any number of separate counterparts. Each, when executed and delivered by a Party, will be an original; all counterparts will together constitute one instrument.

9.11 Costs

- (a) Subject to clause 9.11 **Error! Reference source not found.**, each Party shall pay its own costs and expenses incurred in connection with the preparation, negotiation and completion or rescission of this Agreement.
- (b) The Parties acknowledge that CPCA has incurred and will incur significant external legal and project management costs in connection with the Project. If during the term of this Agreement PCC:
 - (i) breaches the terms of this Agreement and CPCA chooses as a result to terminate this Agreement; or
 - (ii) unilaterally withdraws from the Project,

PCC must reimburse CPCA **[insert agreed proportion]** of the aggregate external costs, fees and expenses incurred by CPCA in connection with the Project (including without limitation legal and project management costs) together with any irrecoverable VAT incurred on them.

10. NOTICES

10.1 Notices under this Agreement will be in writing and sent to the person and address in clause 10.2. They may be given, and will be deemed received:

10.1.1 by first-class post: two Business Days after posting;

10.1.2 by airmail: seven Business Days after posting;

10.1.3 by hand: on delivery; [and]

10.1.4 [by email: on receipt of a [delivery OR read] return mail from the correct address.]

10.2 Notices will be sent:

10.2.1 to CPCA at: **[insert name]**, **[insert title]**, **[insert address]**, **[insert email]**, **[insert any persons to whom a copy should be sent]**;

10.2.2 to PCC at: [insert name], [insert title], [insert address], [insert email], [insert any persons to whom a copy should be sent]; and

10.2.3 to the Company at: [insert name], [insert title], [insert address], [insert email], [insert any persons to whom a copy should be sent].

10.3 A Party may change the address or facsimile number to which such notices to it are to be delivered by giving not less than five Business Days' notice to the other Parties.

10.4 [No notice given under this Agreement shall be validly served if sent by e-mail.] **[Please confirm CPCA policy on receiving notices by email]**

11. GOVERNING LAW AND JURISDICTION

11.1 This Agreement 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.

11.2 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, this Agreement, its subject matter or formation (including non-contractual disputes or claims).

AGREED by the Parties on the date set out on page 1.

[Insert execution blocks – please provide appropriate blocks for CPCA and PCC]

SCHEDULE 1

THE COMPANY

Name:	[insert details]
Date and place of incorporation:	[insert details]
Previous names and date of change:	[insert details]
Registered number:	[insert details]
Registered office:	[insert details]
Issued share capital:	[insert details]
Directors:	[insert details]
Secretary:	[insert details]
Accounting reference date:	[insert details]

SCHEDULE 2

COMPLETION CONDITIONS

1. The passing of directors' and shareholders' resolutions in the agreed form at a duly convened Board meeting and by shareholders' written resolution to:
 - 1.1 authorise the allotment of the New Shares;
 - 1.2 waive pre-emption rights in respect of the allotment and issue of the New Shares;
 - 1.3 adopt the New Articles
2. The Parties entering into the Joint Venture Agreement and it having become unconditional in all respects save as to any condition in such agreement as to completion of this Agreement;
3. The LGF Grant having been awarded and it having become unconditional in all respects save as to any condition in the confirmation of grant as to completion of this Agreement;
4. **[Other funding? – insert details if required]**
5. The Higher Education Partner having been appointed.
6. In respect of the Property:
 - 6.1 Planning Permission having been obtained;
 - 6.2 the Property Transfer having been delivered to the Company.
7. the Warranties being true and accurate in all respects and not misleading as if given them at Completion by reference to the facts and circumstances existing as at Completion.

SCHEDULE 3

PROJECT KEY OBJECTIVES (PHASE 1)

[To be inserted by Mace as per discussion at meeting on 16 October]

SCHEDULE 4

PROJECT MANAGEMENT PRINCIPLES

1. Collaborate and co-operate. Establish and adhere to the Project governance requirements set out in Schedule 5 to ensure that activities are delivered and actions taken as required in accordance with the Action Plan;
2. Be accountable. Take on, manage and account to each other for performance of the respective roles and responsibilities set out in this Agreement and the Action Plan;
3. Be open. Communicate openly about major concerns, issues or opportunities relating to the Project;
4. Learn, develop and seek to achieve full potential. Share information, experience, materials and skills to learn from each other and develop effective working practices, work collaboratively to identify solutions, eliminate duplication of effort, mitigate risk and reduce cost;
5. Adopt a positive outlook. Behave in a positive, proactive manner;
6. Adhere to statutory requirements and best practice. Comply with applicable laws and standards including EU procurement rules, data protection and freedom of information legislation (if applicable);
7. Act in a timely manner. Recognise the time-critical nature of the Project and respond accordingly to requests for support;
8. Manage stakeholders effectively;
9. Deploy appropriate resources. Ensure sufficient and appropriately qualified resources are available and authorised to fulfil the responsibilities set out in this Agreement and in the Action Plan. In particular the parties agree to make the contributions detailed in clause 4.2;
10. Act in good faith to support achievement of the Key Objectives and compliance with these Project Management Principles.
11. Each Party accepts its obligation to work in good faith and for mutual benefit to secure the delivery of an independent University of Peterborough and agrees to adhere to the principle of fair play in bearing any burdens that may arise from the pursuit of the Project;
12. The Parties agree to conduct the business of the Company in an open and transparent manner subject to specific constraints of commercial confidentiality where these may need to apply e.g. in the course of agreeing commercial transactions and during the conduct of procurement exercises.
13. The Parties agree not to pursue projects that would directly compete with the Project within the Peterborough City Council and Cambridgeshire and Peterborough Combined Authority administrative geography.
14. Where decisions made by the Board of the Company may need to be subject to consultation with its member bodies the Parties undertake to use their best endeavours to expedite their response in a timely and considered manner

SCHEDULE 5

PROJECT GOVERNANCE

PART 1 OVERVIEW AND GUIDING PRINCIPLES

1. OVERVIEW

The Project's governance will:

- 1.1 provide strategic oversight and direction;
- 1.2 be based on clearly defined roles and responsibilities at organisation, group and, where necessary, individual level;
- 1.3 align decision-making authority with the criticality of the decisions required;
- 1.4 be aligned with Project scope and each Project stage (and may therefore require changes over time);
- 1.5 leverage existing organisational, group and user interfaces;
- 1.6 provide coherent, timely and efficient decision-making; and
- 1.7 correspond with the key features of the Project governance arrangements set out in this Schedule 5.

2. REPORTING

Project reporting shall be undertaken at two levels:

- 2.1 Project Management Board: Minutes and actions will be recorded for each Project Management Board meeting and reports to Transition Board shall be monthly. Any additional reporting requirement shall be at the discretion of the Project Management Board or as required by the Transition Board.
- 2.2 Transition Board: Reporting to principals (CPCA and PCC) shall be [monthly], based on the minutes from the Project Management Board highlighting:
 - 2.2.1 progress this period;
 - 2.2.2 issues being managed;
 - 2.2.3 issues requiring help (that is, escalations to the Transition Board); and
 - 2.2.4 progress planned next period and/or aligned with the frequency of the Transition Board meetings.
- 2.3 The Project Management Board members shall be responsible for drafting reports into their respective sponsoring organisation as required for review by the Transition Board before being issued.

PART 2 TRANSITION BOARD

1. OVERVIEW

- 1.1 The Transition Board provides overall strategic oversight and direction to the Project. This group will consist of:
- 1.1.1 PCC: Dave Anderson, Interim Development Director and Peter Carpenter, acting Corporate Director: Resources and S151 Officer, Peterborough City Council.
 - 1.1.2 CPCA: John T Hill, Director Business and Skills, Kim Cooke, Skills Strategy Manager
- 1.2 The Transition Board shall be managed in accordance with the terms of reference set out below.

2. TERMS OF REFERENCE OF SUBSCRIBERS' BOARD

- 2.1 The Transition Board will meet [monthly] and at least [insert] days' notice of a meeting shall be given to members, together with an agenda and relevant papers identifying in reasonable detail the matters to be raised at the meeting.
- 2.2 The quorum for meetings of the Transition Board will be [XXX], of which at least one must be a representative from CPCA and one from PCC.
- 2.3 [insert name] shall be responsible to preparing and circulating agendas, papers and minutes for each meeting.
- 2.4 The Transition Board will be chaired by John T Hill, who will have a second or casting vote.
- 2.5 Meetings may take place in person or by telephone conference or other form of communication equipment provided that all parties participating in the meeting are able to speak to and hear each other.

PART 3 PROJECT MANAGEMENT BOARD

1. OVERVIEW

The Project Management Board will provide management oversight at Project and workstream level. It will provide assurance to the Transition Board that the Key Objectives are being met and that the Project is performing within the boundaries set by the Transition Board. The Project Management Board shall be managed in accordance with the terms of reference set out below.

2. TERMS OF REFERENCE

- 2.1 The Project Management Board consists of representatives from each of the Subscribers and Mace. The Project Management Board shall have responsibility for the creation and execution of the Action Plan and deliverables, and therefore it can draw technical, commercial, legal and communications resources as appropriate into the Project Management Board. The core Project Management Parties are:
- 2.1.1 [insert names and positions of members].
- 2.2 The Project Management Board will report monthly to the Transition Board, such reports to be provided within [14] days of the date of the relevant meeting.
- 2.3 The Project Management Board will meet monthly and at least [insert] days' notice of a meeting shall be given to members, together with an agenda and relevant papers identifying in reasonable detail the matters to be raised at the meeting. [Insert details of standing agenda items]
- 2.4 The quorum for meetings of the Project Management Board will be [XXX], of which at least one must be a representative from CPCA, one from PCC and one from Mace.

- 2.5 [insert name] shall be responsible to preparing and circulating agendas, papers and minutes for each meeting and for providing reports to the Transition Board.
- 2.6 The Project Management Board will be chaired by [insert name], who will [not] have a second or casting vote.
- 2.7 Meetings may take place in person or by telephone conference or other form of communication equipment provided that all parties participating in the meeting are able to speak to and hear each other.



SKILLS COMMITTEE	AGENDA ITEM No: 3.1
17 JANUARY 2020	PUBLIC REPORT Appendix 1 to this report is exempt from publication because it contains information relating to an individual under paragraph 1 of Part 1 of Schedule 12A of the Local Government Act. It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information.

WORK READINESS AND CAREERS ASPIRATION PILOT – HAMPTON ACADEMIES TRUST UPDATE PAPER

1.0 PURPOSE

- 1.1. The purpose of this report is to update the Skills Committee on the progress to date within the Work Readiness and Careers Aspiration pilot currently being undertaken at the two secondary academies within Hampton, namely the Hampton Academies Trust (Hampton College and Hampton Gardens School).
- 1.2 The strategic benefits of this pilot to be assessed include:
- Activity based transition that is outcome based.
 - Aligned to and embedded within, the Skills Strategy.
 - A pilot that helps to inform and design a delivery plan.
 - A shift from Combined Authority funding to explore future funding mechanisms.

<u>DECISION REQUIRED</u>	
Portfolio Holder for Skills:	Councillor John Holdich
Lead Officer:	John T Hill – Director of Business and Skills
Forward Plan Ref: N/A	Key Decision: No
The Skills Committee are asked to:	Voting arrangements A simple majority of all members.

<ul style="list-style-type: none"> a) Note the progress made to date and acknowledge that the funding for this pilot finishes in August 2020. b) Discuss and agree the decoupling of 2 of the 3 workstreams within this programme: c) Raising awareness of STEM activities. Widen careers promotion and advice across the schools. d) Agree to embed both the STEM activities and Careers Advice activities into the Skills Hub programme of works. e) Reprofile workstream 3. Work Readiness pilot to include bespoke and personalised learning packages to support young people to overcome barriers to participation, attainment, achievement and progression. 	
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2.0 BACKGROUND

2.1 Strategic Case

- 2.1.1. The rationale for the pilot includes the reference within the Skills Strategy Evidence Review that too often school leavers have a disconnect between work and qualifications. They leave school without possessing some of the practical skills to function in the modern workplace. There is concern also that the teachers and pupils lack knowledge of vocational career pathways. To that end the Work Readiness Pilot, - agreed to in principle by the Combined Authority Board in July 2018, seeks to address this situation by engaging more with local businesses.

3.0 THE PROJECT

- 3.1 The Work Readiness and Careers Promotion Pilot was agreed by the Combined Authority Board on 25th July 2018. The original aim of this project was to be a 3-year targeted project that seeks to remedy the emerging concern that too often school leavers do not possess some of the practical skills to function in the modern workplace, and that teachers and pupils lack knowledge of vocational career pathways. Following a review of projects within the Combined Authority in October 2018, the project was reprofiled by the Combined Authority in December 2018. It was agreed that a pilot would take place over 5 terms (18 months) instead of the original 3 years and a

funding agreement was put in place on this basis. The proposed work with the whole school cohort aims to:

- a. Raise the profile of Apprenticeships at all levels.
 - b. Promote STEM careers.
 - c. Promote a parity of esteem between technical and academic pathways
 - d. Build links with local employers, to further develop our work shadowing/experience offer and establish progression routes to local traineeships/apprenticeships.
- 3.2 Careers education is a whole school responsibility (teachers, pupils, parents) and this pilot creates the opportunity for this to happen. The project identified above is not to be confused with the work currently being undertaken in schools through the Careers Enterprise Company which concentrates solely on linking schools with businesses and monitoring employer engagement linked to the Gatsby Benchmarks which underpin the Careers Strategy 2017. Peterborough is in a unique position with a strong employer engagement brokerage offer delivered by The Skills Service (TSS) Opportunity Peterborough. TSS ensure that employer engagement is broader across the area than just meeting the Gatsby Benchmarks and as a result, has the ability to be more focused/tailored in the future to enable work encounters to lead to job opportunities/apprenticeships and/or further training.
- 3.3. An outcome of the pilot was to develop an innovative programme for a group of targeted learners aged 13-16 to:
- a. Develop student confidence, resilience and the personal skills required to flourish in the workplace.
 - b. Identify and support learners who could become Not in Employment, Education or Training [NEET] after 16 by tracking their progress for 3 years through stakeholders and multi-disciplinary teams.
 - c. Develop a supported and personalized learning pathway for vulnerable learners, with progression routes to local training/further study/local employment opportunities.
 - d. Optimise learners' progress from their starting points and support them to gain recognized qualifications for work at 16 and beyond.
 - e. Identify potential barriers to progression from schools to by exploring transitional programmes.

The outcomes of this project will be used to inform and align the findings to The Hampton Academies Trust's CEIAG Strategies and pilot, in brief, supports the schools intention to start work early with identified learners in year 9, with the aim of establishing a long-term intervention. Year 1 has been completed with a small group of Year 11 students, who's needs are most acute and who are in immediate danger of becoming NEET within 12 months. Years 2 and 3 of the original pilot was to focus on the KS4 intervention group being established for both years 10 and 11. The schools plan to build meaningful and lasting partnerships with local employers, to create opportunities for a supported transition from school into training for some of

the learners in the intervention group and/or from the wider school cohort
There is clearly a case from the Hamptons Academies Trust to embed careers promotion and work readiness within the ethos of the schools.

4.0. PROJECT REVIEW, MONITORING AND EVALUATION

4.1 The project has been running for 3 school terms (12 months) now from December 2018 to December 2019. The project has been monitored and evaluated through monthly monitoring and highlight reports. The project has always achieved a green status with claims in on time and activities mapped to the outcomes of the project.

4.2 Success criteria and (anonymized) monitoring data have related to:

- Progress and attainment data of participating students (benchmarked against school, local and national expectations).
- Post 16 and Post 18 destination data for participating students
- Student conduct data – attendance, attitude, behaviours for the workplace.
- Whole cohort Post 16 and Post 18 destination data.
- Performance against agreed apprenticeship participation targets
- “Student Voice” feedback
- Teacher/Programme Coordinator Feedback
- Parent/carer feedback
- Workplace partner feedback

4.3 The project is on course to meet its strategic aims in the following ways:

4.3.1 Workstream One: STEM and STEM career promotion

- A STEM coordinator has led employer and STEM provider engagement in the schools
- In June 2019 a high profile STEM event has hosted at Hampton Gardens School for ALL Year 8 pupils at Hampton Gardens and Hampton College (i.e. event experienced by 420 students)

4.3.2 Workstream Two: Careers advice and the promotion of apprenticeships and technical and vocational pathways

- Member of staff trained in careers guidance
- Member of staff trained as an Apprenticeship Ambassador
- Apprenticeships promoted in both schools in assemblies and at high profile events (e.g. the Hampton College/Hampton Gardens Post 16 Information Evening)
- Numerous events detailed in the monitoring reports

4.3.3 Workstream Three – Work readiness project for a targeted cohort

Intervention provision known as *The Bridge* opened in January 2019. A targeted cohort identified as being vulnerable to becoming NEET were identified and supported through the provision January to June 2019. The support offered in *The Bridge* had the aims of retaining the students in school (some were at risk of permanent exclusion), trying to optimise attainment and progress in the final months of school and to prepare explicitly for the next education/training destination. Ultimately, The Bridge was preparing the students for the adult world and the expectations of the workplace. From July 2019 *The Bridge* has been working with a new cohort (students now in Year 10 and Year 11).

4.4 The project is on course to meet the outcomes by:

4.4.1 **Workstream One: STEM and STEM career promotion**

- Planning for a future high-profile STEM event in 2020
- The project is reaching a point where effective practice can be shared with practitioners in other schools

4.4.2 **Workstream Two: Careers advice and the promotion of apprenticeships and technical and vocational pathways**

- Strong progress is being made towards the Gatsby Benchmarks
- Practice is becoming embedded and the schools will be in a strong position to continue this work when the project ceases, having made good use of the funding to pump-prime work in this area
- Interim student destination data shows a reduction in NEETs and a strong uptake of technical/vocational pathways at 16+ and 18+

4.4.3 **Workstream Three – Work readiness project for a targeted cohort**

The schools feel that transformative impact can be evidenced within the core Bridge cohort (January 2019-June 2019). The strongest area of impact can be seen in the prevention of permanent exclusion from school and in NEET prevention. Appendix A includes Case Studies and impact. Due to the sensitive nature of the information contained therein – this will be an exempt appendix.

5.0 **IMPACT AND FUTURE OF WORKSTREAM 3 – THE BRIDGE**

5.1 The school leaders and teacher involved in *The Bridge* project believe that it has been highly successful in terms of NEET prevention and the prevention of exclusion from school. Feedback from *The Bridge* parents and pupils in the 2019 is compelling and validates this assessment. Whilst the provision is relatively expensive, the costs to the public purse and society when young people completely disengage from education/employment can be huge. The case study overviews demonstrate that a timely intervention before the point of transfer from school to Post 16 provision can be very effective in terms of NEET prevention and in fostering the skills required in the adult world/ workplace (inter-personal skills, motivation, strong attendance and punctuality etc.)

- 5.2 HAT and school leaders believe that the work of *The Bridge* needs to continue and request that the Combined Authority consider whether it might be possible to extend the funding of this aspect of the project. The trust would be keen to share effective practice with other schools in Peterborough/ Cambridgeshire and to work with the Combined Authority to seek other funding streams for this valuable work going forward.

6.0 GOVERNANCE AT THE ACADEMIES TRUST

- 6.1 The Hampton Academies Trust (HAT) is subject to detailed financial scrutiny and operates in accordance with the *Academies Financial Handbook*. As part of its own procedures, funding and spending in relation to this project have been submitted to and discussed by the HAT Finance Committee. The trust is externally audited and submits its accounts to the Education and Skills Funding Agency (ESFA).
- 6.2 The work of *The Bridge* has been reported to and discussed by the Local Governing Body of Hampton College and the Trust Board and Members of the Hampton Academies Trust. Stakeholders at all level of governance are keen to see the provision continue and fully support the Executive Headteacher's attempts to secure future funding.

7.0 FUTURE OF THIS PROJECT

- 7.1 A range of options has not been explored at this stage and there is no clear plan as to how the findings of this pilot will transform the lives of those participating. In order, for this work to continue work readiness and careers promotion needs to be an inherent part of the school curriculum mapped across all qualifications and it also needs to be part of the school fabric, a culture change to ensure that all learners within the school benefit from the outcomes of this pilot. This is an expensive pilot, however, dependent on the number of potential NEETs, this pilot could end up saving public money in the long term, if we see a decrease in unemployment figures within the area as a result of this pilot. As well as an increase in work rate and economic contribution to the growth of the area to support increasing GVA. The two schools in the Hamptons Academic Trust have submitted a viability plan which includes investment in both capital and revenue funding.
- 7.2 Dependent on the outcomes of this pilot, we could not afford to recreate this model across 110 secondaries within the Combined Authority area. This model is predicated on additional staffing costs which is not sustainable going forward. The findings of this pilot need to be transformational and innovative enough for us to target central government for more devolution powers and access to funding.

8.0 FINANCIAL AND INVESTMENT IMPLICATIONS

- 8.1. Funding for Year 1 and 2 has been provided by the Combined Authority from the Revenue budget, however there is no budget allocated to this pilot for Year 3. The funding for this project is due to end in August 2010. There is a high risk of non-continuation and impact on not achieving deliverables/outcomes if funding is not secured around factors such as added value, deliverability, affordability, value for money assessment, efficiency and effectiveness.

9.0 LEGAL IMPLICATIONS

- 9.1 There are no direct legal implications

10.0 APPENDICES

- 10.1 Appendix A – Exempt – Case Study Findings

<u>Background Papers</u>	<u>Location</u>
None	



SKILLS COMMITTEE	AGENDA ITEM No: 3.2
17 JANUARY 2020	PUBLIC REPORT

SKILLS BROKERAGE CONTRACT EXTENSION

1.0 PURPOSE

- 1.1. This report is to request that the Skills Committee approve a 5-month extension for the Skills Brokerage contract delivered by Opportunity Peterborough on behalf of Cambridgeshire and Peterborough Combined Authority.
- 1.2. To note that a European Social Fund bid has been submitted by Officers for 3 years of funding to support the continuation of the Skills Brokerage activities via the Skills Talent Apprenticeship & Recruitment (STAR) Hub.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor John Holdich
Lead Director:	John T Hill - Director of Business and Skills
Forward Plan Ref: N/A	Key Decision: No
<p>The Skills Committee is recommended to:</p> <ol style="list-style-type: none"> a) Agree a four month extension to the Skills Brokerage contract with Peterborough City Council as accountable body for Opportunity Peterborough at a cost of £75,000 to the Skills Brokerage CX0095 budget line. b) To note a European Social Fund (ESF) bid has been submitted to support the continuation and connectivity to Skills Brokerage activities. 	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 2.1 A significant part of the Combined Authority's emerging role in the skills system will be to ensure there is a coordinated and holistic approach to apprenticeships, education and training that makes it easier for businesses to engage with.
- 2.2 Opportunity Peterborough (OP) has been an effective delivery agent for Skills Brokerage in Peterborough, Huntingdonshire, Fenland and East Cambridgeshire. OP aim to support schools, and colleges in signposting between providers, employers and partners to implement strategic and operational plans. This includes a range of activities as outlined within the current contract such as work experience, mentoring, CV writing and careers fairs. This report recommends approving an extension of up to 4 months for the Skills Brokerage Contract with OP.
- 2.2 OP covers and delivers services to the north of the Combined Authority area, Peterborough, Fenland, East Cambridgeshire and Huntingdonshire. The Greater Cambridge Partnership (GCP) Brokerage 'Form the Future' provides a brokerage model in Cambridge and South Cambridgeshire. The Skills Strategy Evidence Base 2018 has stated that two different services allow the opportunity to tailor responses to appropriate geographies, sectors and learners, and therefore this model should also be considered when deciding on the future structure of delivery.
- 2.3 The Skills Strategy recommends that the brokerage and facilitation role bringing employers, learners and providers together is an important intervention for the Combined Authority to undertake. The Combined Authority and its partners already have strong collaboration with Schools, Colleges, Providers, Universities, Business and Local Networks. The Combined Authority now need to build on that success to make it a more sustainable model.
- 2.4 Creating a 'one stop shop' Skills Talent Apprenticeship & Recruitment (STAR) Hub that connects all these partners will help us achieve our targets and outcomes. This will strengthen and add real value to what is already happening in our region. Coming together as an integrated offer to all students, parents, businesses and skills providers will help increase supply and better match it to business and learner demand to better equip our young people and those looking for work with the skills for success.

3.0 ESF BID AND EXTENSION

- 3.1 Whilst consideration has been given to the future delivery of a skills brokerage funded by the Combined Authority and a decision taken to fund a three-year programme from July 2020 to June 2023 through an application for ESF funding, it is vital that the ongoing work undertaken by OP is continued in the short term between their current contract end of Feb 2020 and the beginning of the newly procured contract. This will allow time for the Combined Authority to receive confirmation of the European Social Fund (ESF) bid submitted on

the 20th August 2019 to move to a new joined-up progressive Skills Brokerage Service to support the delivery of skills from July 2020 and beyond.

- 3.2 Officers have negotiated a short extension to the contract with Opportunity Peterborough to cover Peterborough, Huntingdonshire, Fenland and East Cambridgeshire areas for up to 4 months at a cost of £75k.
- 3.3 If the ESF bid is secured during that time, the newly procured Skills Brokerage Service will take over the continuation of the contract, either from Opportunity Peterborough, if they are successful in the procurement, or under TUPE transfer to an alternative supplier, if applicable/ required. This would provide a Skills Brokerage offer for the Peterborough, Huntingdonshire, Fenland & East Cambridgeshire area, whilst Form the Future (FTF) would continue with Skills Service delivery in South Cambridgeshire and Cambridge for the remaining year of their contract with GCP, after which a joined-up provision would be offered through the newly procured all-Cambridgeshire service.

4.0 MATCH FUNDING AGAINST THE SKILLS BROKERAGE CONTRACT TO SUPPORT THE CAREERS AND ENTERPRISE COMPANY (CEC) CONTRACT

- 4.1 If the Skills Committee decide to support the extension of the current Skills Brokerage Contract with Opportunity Peterborough to fill the gap to the new procured contract, they are also supporting the provision and support provided by the Careers and Enterprise Company (CEC). The Skills Service providers in both areas have now expanded their offer with the inclusion of the Careers and Enterprise Company (CEC) programme, also managed by Officers at the Combined Authority.
- 4.2 The CEC contract is a 50% funded contract via CEC, that is 50% match funded by each Skills Brokerage Provider.
- 4.3 The match funding for the remaining 50% for the 1.5 FTE in Opportunity Peterborough is drawn from within the Skills Brokerage contract funding being provided by the Combined Authority to Peterborough City Council. The match for the 1.5 FTE in Form the Future is provided by GCP.
- 4.4 Officers have identified that in providing this resource and ensuring that the continued programme of activities can be undertaken by a mobilized service provider in OP, a contract with Peterborough City Council (PCC) will be made. PCC are sole shareholders of OP, and the CPCA can continue a strategic commissioning contract with PCC through a 'public service to public service' contract. This would allow OP to continue the work and avoid a disruption to service provision.

5.0 A SKILLS STRATEGY FOR THE FUTURE

- 5.1 The Skills Strategy has identified a need for the Skills Brokerage and the CEC Programmes to continue and become more targeted in achieving the outcomes required. An agreement has been reached with the Combined

Authority continuing to contract manage the CEC contract through our Brokerage partners. This will provide a bespoke service achieving the aims of all parties.

- 5.3 The Business and Skills Manager will continue to work to ensure value for money and target efficiencies within contract management of OP and the CEC. A monthly review of the programme performance will continue to be made to ensure that the programme is being successfully delivered.
- 5.3 The future service to be procured and start in July 2020 will include a Brokerage Service to support the promotion of Apprenticeships to connect employers, providers and learners; Brokering opportunities to encourage and increase work experience, T Level Industry placements, traineeships, apprenticeships, and graduate placements particularly through wider employer engagement and involving supply chains
- 5.4 The new service will also include growing Apprenticeships by creating a Levy Pooling Marketplace by working with Levy Employers to support SME's in Priority Sectors using the 25% Levy Transfer to create a Levy pot that SME's can access in partnership with our Training Providers and Levy Specialists trained to support with knowledge of Apprenticeships and Training and able to support employers to use their levy.

6.0 DEVELOPING AN OUTLINE BUSINESS CASE FOR THE STAR HUB SUPPORTED WITH AN ESF BID

- 6.1 Combined Authority officers are currently developing the business case and funding strategy that will allow the delivery of a three-year pilot of the STAR Hub.
- 6.2 As set out above, the STAR Hub brings together a set of activities into a single entity that delivers value through its central coordination. As such the funding strategy will be built up from a variety of sources. At this stage these are anticipated to include:
- Revenue funding allocated within the Combined Authority 2019-23 Budget for the implementation of the Local Industrial Strategy and Skills Strategy
 - Capital funding sought from the remaining Local Growth Fund (LGF) allocated the Business Board
 - In-kind contributions from key partners
- 6.3 These funding sources can be maximised through the development of a bid to the European Social Fund (ESF) to allocate matched revenue funding, as the outcomes of the STAR Hub align closely with the objectives of Priority Axis below;
- 6.3.1 brokering opportunities to encourage and increase work experience, work placements, traineeships, apprenticeships, and graduate placements particularly through wider employer engagement and involving supply chains

- 6.3.2 building capacity in SMEs to provide project/placement/ internship opportunities and enhance the contribution of advanced skills to SME growth, including programmes to specifically engage the most disadvantaged groups or those who face particular local disadvantages in utilising advanced skills

7.0 OUTLINE TIMELINE FOR THE NEXT STAGES IN DEVELOPING THE SKILLS BROKERAGE SERVICE VIA THE STAR HUB (MAYOR'S GROWTH SERVICE)

- 7.1 As an overview to the Committee of developments for the future Skills Brokerage Service via the STAR Hub within the Mayor's Growth Service the key stages of development are as follows:

- (i) SOBC – July 2019
- (ii) OBC – November 2019
- (iii) FBC – January 2019
- (iiii) Procurement of Skills Brokerage (STAR Hub as part of the Mayors Growth Service) between Jan and April 2020, with contract start on 1st July 2020

8.0 FINANCIAL IMPLICATIONS

- 8.1 If approved, the £75k funding for the contract extension with PCC will be met from the Skills Brokerage Budget Line CX0095 in the 2020/21 budget as this extension is purely to the end of this academic year, and has no financial impact on the current financial year. The budget that is currently being consulted on has a £98k Subject to Approval line within Skills Brokerage CX0095. If this budget is approved by the Board, the £75k will be covered by this funding.

9.0 LEGAL IMPLICATIONS

- 9.1 The proposed extension to the Contract is in accordance with the Combined Authority's Contract Procedure Rules.

10.0 SIGNIFICANT IMPLICATIONS

- 10.1 The skills landscape is going through many changes; in particular the reforms in Technical Education with the introduction of the Apprenticeship Levy, Trailblazers and T Levels. This has created a more complex system to an already complicated skills eco-system. The Combined Authority needs to ensure it future-proofs its investment and ambitions for a skills solution fit for purpose to support the Skills Strategy, LIS and CPIER recommendations.

<u>Background Papers</u>	<u>Location</u>
Skills Committee 3 April 2019	Skills Committee Reports 3 April 2019 Room; Large Meeting Room 1 Cambridgeshire and Peterborough Combined Authority, The Grange, Nutholt Lane, Ely CB7 4EE



SKILLS COMMITTEE	AGENDA ITEM No: 3.3
17 JANUARY 2020	PUBLIC REPORT

EMPLOYMENT & SKILLS BOARD UPDATE PAPER

1.0 PURPOSE

- 1.1 To give an update to the Skills Committee on the newly established Combined Authority Employment & Skills Board
- 1.2 To give an update and advise on the appointment of members to the Employment & Skills Board.

DECISION REQUIRED	
Chair of the Committee:	Councillor John Holdich
Lead Officer:	John T Hill - Director of Business and Skills
Forward Plan Ref: N/A	Key Decision: No
The Skills Committee is recommended to: a) Note the newly established Employment & Skills Board. b) Note the appointment of Board members.	Voting arrangements

2.0 BACKGROUND TO THE EMPLOYMENT & SKILLS BOARD

- 2.1 This paper is to give an update and overview to the Skills Committee on the newly established Cambridgeshire & Peterborough Combined Authority Employment & Skills Board (ESB), which is a Skills Advisory Panel (SAP) for the purposes of government guidance.

2.2. BACKGROUND

The purpose of Employment & Skills Boards is to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges. If a Local Enterprise Partnership [LEP] or Mayoral Combined Authority [MCA]

already have an Employment & Skills Board in place, this can become the Skills Advisory Panel.

- (i) This includes both immediate needs and challenges and looking at what is required to help local areas adapt to future labour market changes and to grasp future opportunities. This will help colleges, universities and other providers deliver the skills required by employers, now and in the future.
- (ii) The introduction of Skills Advisory Panels will help MCA's and LEP's achieve this by ensuring all areas have strong governance arrangements in place for their employment and skills boards (or alternative bodies taking the Skills Advisory Panel role), meaningful analytical capability and access to the right data.

3.0 NEWLY ESTABLISHED EMPLOYMENT & SKILLS BOARD (ESB)

- 3.1 The advert for the Employment and Skills Board went live on the 23rd August on the Combined Authority website and social media channels to recruit Board Members.
- 3.2 There has already been interest from key stakeholders with a strong interest in skills to join the ESB from business, public sector and Further Education.
- 3.3 Panel Interviews were conducted by the Business & Skills Manager, Strategic Funds Manager and HR Advisor. They were held on the 18th and 29th October with representatives from business, FE, HE and Independent Training Providers.
- 3.4 The first meeting of the Employment and Skills Board took place on the 11th December 2019. The agenda's for meetings of the ESB will have standing items for Apprenticeships, Adult Education Budget, University of Peterborough and the Growth Service.
- 3.5 The Business and Skills Manager is the Lead Officer for the ESB and will be the link to the Skills Committee, Combined Authority Board, Business Board and any other committees.

4.0 NEW BOARD MEMBERS

- 4.1 As part of the guidelines and expectations from the Department for Education (DfE) there is a requirement to ensure that all groups are represented on the Board.
- 4.2 One of the gaps identified is representation from the community/voluntary sector. The ESB has been asked to forward any recommendations to the Lead Officer.
- 4.3 Gaps identified by the Lead Officer are representation for Agritech, Life Science and business in Peterborough. The ESB members have been asked to forward any recommendations to the Lead Officer for review and due diligence.

5.0 ESB BOARD MEMBERSHIP

5.1 The Employment and Skills Board currently comprises the following members:

Name	Title	Organisation
John T Hill	Director Business and Skills	Combined Authority
Fiona McGonigle	Business and Skills Manager and Lead Officer for the ESB	Combined Authority
Kim Cooke	Skills Strategy Manager/ UoP Lead	Combined Authority
Neil Cuttell	Programme Manager Skills	Combined Authority
Pat Carrington	Executive Principal Assistant Director Skills and Employment	City College Peterborough Cambridgeshire County Council Peterborough City Council
Martin Lawrence	Commercial Director	Stainless Metalcraft
Mark Robertson	Principal and CEO	Cambridge Regional College
Jane Paterson-Todd	Chief Executive	Cambridge Ahead
Claire London	Programme Manager Workforce	Cambridgeshire and Peterborough Sustainability and Transformation Partnership System Delivery Unit (STP)
Bob Ensich	Area Director	Morgan Sindall
Rebecca Tarbox	Head of Funding & Vocational Training	Marshall ADG
Stuart Searle	Managing Director	First Mailing Co.
Joe Crossley	Chief Executive	Qube Learning Ltd.
Julia Nix	District Manager	Dept for Work & Pensions (DWP/ JCP)
Catherine Condie	External Affairs Manager	The Welding Institute (TWI)
Bev Moxon	Intermediaries Engagement Manager-North	Education Skills Funding Agency (ESFA Standing Invite)
Mark Coulson	National Account Manager	Education Skills Funding Agency (ESFA Standing Invite)

6.0 PUBLICATION OF EMPLOYMENT & SKILLS BOARD DOCUMENTS; Including ToR, Minutes and Agenda

6.1 The Terms of Reference for the Employment & Skills Board together with agenda and minutes for meetings are available on the Combined Authority's website.

7.0 EMPLOYMENT & SKILLS BOARD TIMETABLE

7.1

Recruitment Timetable for Board Members	
<ul style="list-style-type: none">(i) Recruitment opened on the 23rd August 2019(ii) Closed on 30th November(iii) Due diligence undertaken / Review applications September 2019(iv) Shortlist candidates on 28th September(v) Interviews held on 18th/29th October 2019(vi) Appointments confirmed in October/November 2019(vii) New Board members sought in 3rd sector, Agritech and Life Science via recommendations from the ESB members	

8.0 FINANCIAL IMPLICATIONS

- 8.1 There are no financial implications associated with the activities outlined in this report.

9.0 LEGAL IMPLICATIONS

- 9.1 Government guidance on the role and governance of Skills Advisory Panels [December 2018] expects panels to have a membership that represents:
- All types of skills providers:
 - Employers (large and small, and representing both the private and public sectors)
 - The voluntary and community sector
 - Other key local stakeholders
- 9.2 The guidance also expects panels to adhere to the standards of transparency, conflicts of interest, accountability and diversity expected of Local Enterprise Partnerships.

Background Papers	Location
<p>List background papers:</p> <ol style="list-style-type: none"> 1. Analytical toolkit for Skills Advisory Panels created by DfE 2. Skills Advisory Panels roles and governance 3. The Terms of Reference for the Employment & Skills Board together with agenda and minutes for meetings are available on the Combined Authority's website. 	<p>https://www.gov.uk/government/publications/skills-advisory-panels-analytical-toolkit</p> <p>https://www.gov.uk/government/publications/skills-advisory-panels-saps-role-and-governance</p> <p>https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1961/Committee/74/SelectedTab/Documents/Default.aspx</p> <p>Room: Meeting Room 1 Cambridgeshire and Peterborough Combined Authority, The Grange, Nutholt Lane, Ely CB7 4EE</p>



SKILLS COMMITTEE	AGENDA ITEM No: 3.4
17 JANUARY 2020	PUBLIC REPORT

BUSINESS SUPPORT SERVICES PROMOTIONAL CAMPAIGN

1.0 PURPOSE

- 1.1. This report requests that the Skills Committee considers and approves the proposal for a proactive promotional campaign for 2020-2021 to:
- (a) raise the profile of all Business & Skills services to our target audiences across the Business and Educational Communities.
 - (b) create a strategy which attracts an increased level of engagement from our target clients and end users.
- 1.2. This report will also be presented to Business Board for their approval at the forthcoming Business Board Meeting on 27 January 2020.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor John Holdich
Lead Director:	John T Hill - Director, Business and Skills
Forward Plan Ref: N/A	Key Decision: No
The Skills Committee is recommended to: <ul style="list-style-type: none">a) Note the requirement to improve the profile of the full range of Skills and Adult Education Services in the external network.b) Approve the planned activities detailed within the Promotional Campaign (Appendix 2).c) Note the revised budget re-allocations as detailed in Section 6.2d) Note the subsequent benefits of mobilising this campaign alongside the launch of the Business Growth Service	Voting arrangements Simple Majority of all Members

and its new STAR Hub (Skills, Training, Apprenticeship, Recruitment).	
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2.0 BACKGROUND

- 2.1. The external profile of the Business Board and its Business & Skills services requires improvement in the marketplace, including those services relating to Adult Education, Skills Brokerage and Apprenticeships. Anecdotal feedback from Business Board members, colleagues, clients and partners supports this.
- 2.2. This low profile is further demonstrated in Appendix 1 which shows the Combined Authority's LinkedIn Following compared with (a) other Local Business Networks and (b) other Mayoral Combined Authorities.
- 2.3. This means that a basic awareness and knowledge of each of our services are not on the radar of our target clients. Therefore, our target clients are not engaging with us proactively.
- 2.4. Major changes are planned for the delivery of Business & Skills services under the new Business Growth Service in Spring 2020. As described in its Outline Business Case, this includes the requirement to engage high volumes of Businesses in and outside our region on a variety of matters such as:
 - (a) enrolling onto our new growth coaching service
 - (b) accessing our grants for capital investment, innovation and relocation
 - (c) relocating into all of our three sub-economies and five Enterprise Zones
 - (d) implementing apprenticeships programmes
 - (e) developing their workforce through Adult Education Budget
 - (f) partnering with local schools to promote vocational pathways
 - (g) participation in the new University of Peterborough eg. course development, student sponsorship, R&D venturing
- 2.5. With the requirement to improve our profile, coupled with the future challenges (and opportunities) to achieve our goals for the Business Growth Service, it is now appropriate to proactively engage our target audiences.

3.0 PROMOTIONAL CAMPAIGN 2020/2021

3.1 We have therefore devised a 12-month Promotional Campaign during which we will use a variety of methods to find, engage, educate and assist our target clients.

3.2 We are proposing that the campaign will be divided into two themes:

(a) The first theme is a comprehensive set of Pan-Directorate Promotional Activities which will benefit the entire Directorate and include:

- i. Procuring or/and Recruiting Expert Resource
- ii. Website Review & Overhaul
- iii. Event Strategy
- iv. Social Media Campaign
- v. Promotional Webinars, Podcasts and Videos
- vi. Partnership Collaboration
- vii. Marketing Collateral
- viii. Advertising & Optimising PR opportunities

(b) The second theme of the campaign is a set of specific promotional plans for each service line within Business and Skills. These plans will be coordinated with the pan-team activities and will zone in on the specific target client groups for each service line. Examples of these plans for AEB & Skills are in Appendix 3.

(c) We envisage that both themes will commence in April 2020 in the new financial year to coincide with the launch of the Business Growth Service.

4.0 IMPORTANT CONSIDERATIONS

4.1 To achieve the desired outcomes and optimum value for money, it is imperative that all activities are conducted with high levels of precision, organisation and professionalism.

4.2 This will also avoid there being any potential damage to the external reputation and image of the services available. Conversely, this campaign has the potential to greatly enhance the external profile of these services – if executed well.

4.3 Therefore, it is important to commit dedicated and specialist resource to this campaign.

4.4 Taking no action is a risk as it is vital that our Business Community utilise the support services that we have available – which can only happen if they are aware of them.

5.0 BENEFITS OF THE 2020/21 PROMOTIONAL CAMPAIGN

5.1 This Promotional Campaign will bring the following key benefits:

- (a) The profile of the Business Board and the various offerings from within the Business & Skills team will be raised to higher, more appropriate levels across our Business and Learner communities.
- (b) This strengthened profile across our diverse group of target clients will provide a strong foundation from which to launch the new Business Growth Service in July 2020.
- (c) This campaign will aid the early construction of the client pipeline for our respective services within the new Business Growth Service.
- (d) The service-line specific plans will focus on defined target partner and client groups where greater detail can be imparted with the audiences – raising knowledge and awareness levels even further.
- (e) A significantly stronger profile across the region will also ensure that all future promotional activity from the Business Board and wider Combined Authority will have greater impact because the audience will be better educated on our role, responsibilities and goals.
- (f) Ultimately, the most significant benefit of this campaign is that we will help more Businesses to locate here and grow as well as upskill their workforces and raise productivity across our region. This is directly in line with our Local Industrial Strategy.

6.0 ANTICIPATED BUDGET REQUIREMENTS

6.1 To deliver this plan, a budget of £125,000 is required to cover anticipated costs as outlined in Appendix 2 to cover items such as:

- (a) Recruitment/Procurement of specialist Marketing Resource
- (b) Recruitment of Partnership Co-ordinator
- (c) Website rebuild/overhaul
- (d) Events & Trade Shows costs
- (e) Memberships and Sponsorships

6.2 This has been factored into the 2020/21 budget being proposed to the Combined Authority Board at its January meeting and has been built from the following sources:

- (a) Three virements of £25,000, from each of the Local Industrial Strategy Implementation, Skills Strategy Programme Delivery, and Market Towns revenue budgets.

- (b) The remaining £50,000 will be met from two £25,000 recharges to the Adult Education Budget programme costs, for the AEB elements of the promotion (for links between AEB delivery through our Grant Providers and ITPs and the skills brokerage service), and the Local Growth Fund Costs, for the promotion of small grant and innovation grant schemes.

7.0 FUTURE REPORTING

- 7.1 Given the scale and intended pace of this campaign, we propose providing regular updates at future Business Board and Skills Committee meetings or quarterly briefings.
- 7.2 Future feedback can include progress against our plans, activities conducted, events attended and/or initiated along with an overview of the businesses and partners engaged.

8.0 SIGNIFICANT IMPLICATIONS

- 8.1 This proposal includes the possible recruitment on a fixed term (12 month) of a Marketing & Communications Specialist and also a Partnership Co-ordinator.

9.0 FINANCIAL IMPLICATIONS

- 9.1 The costs of this workstream has been included in the budget proposed to the CA Board, there are thus no broader financial implications should the budget be adopted.

10.0 LEGAL IMPLICATIONS

- 10.1 There are no direct legal implications.

11.0 IMPLICATIONS FOR NATURE

- 11.1 See Appendix 2 for guidance.

12.0 OTHER SIGNIFICANT IMPLICATIONS

- 12.1 There are no other significant implications

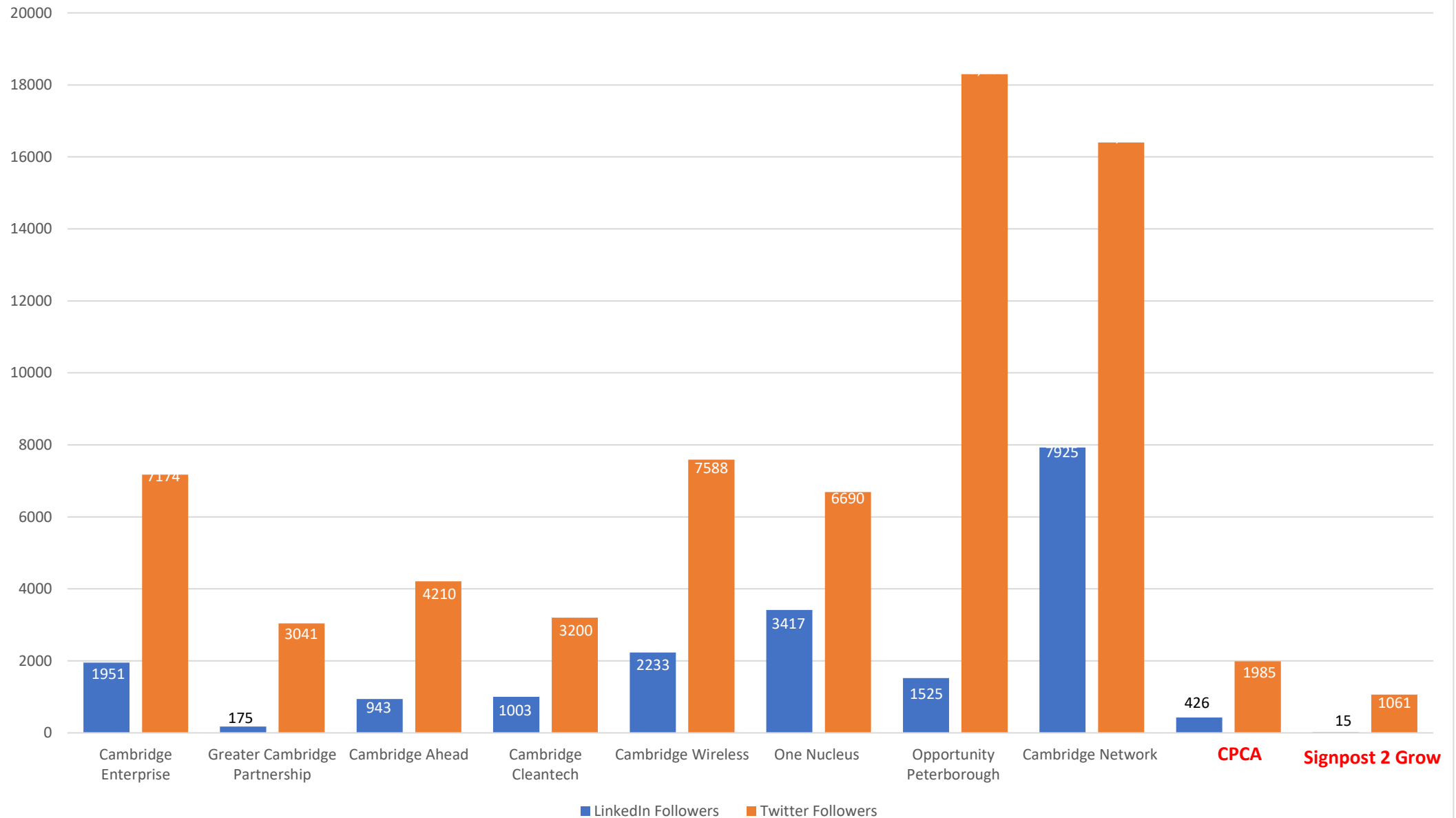
13.0 APPENDICES

- Appendix 1 – CPCA LinkedIn and Twitter Statistics
- Appendix 2 – Pan-Team Promotional Activities

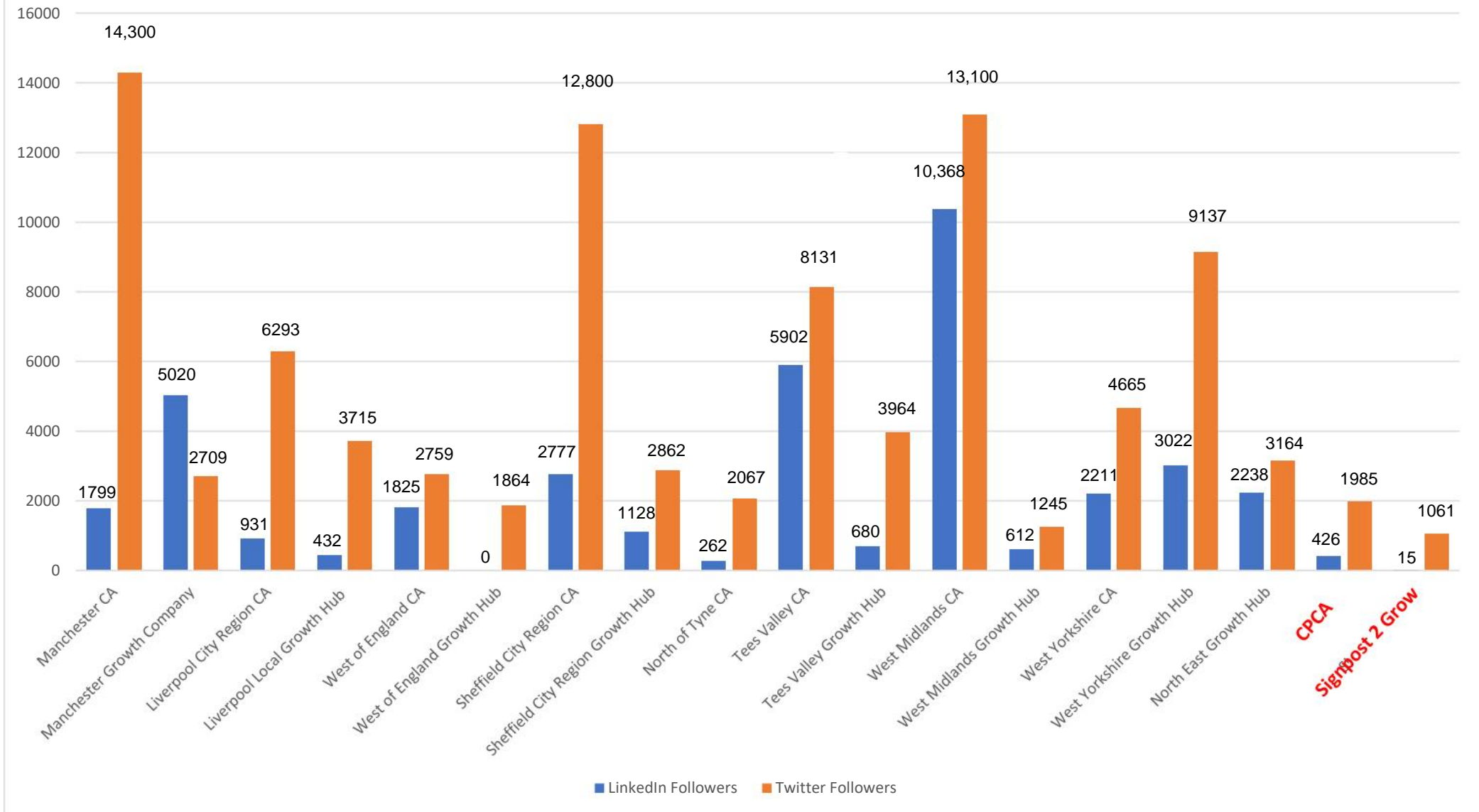
- Appendix 3 – Skills and AEB Detailed Promotional Plans

<u>Source Documents</u>	<u>Location</u>
None	

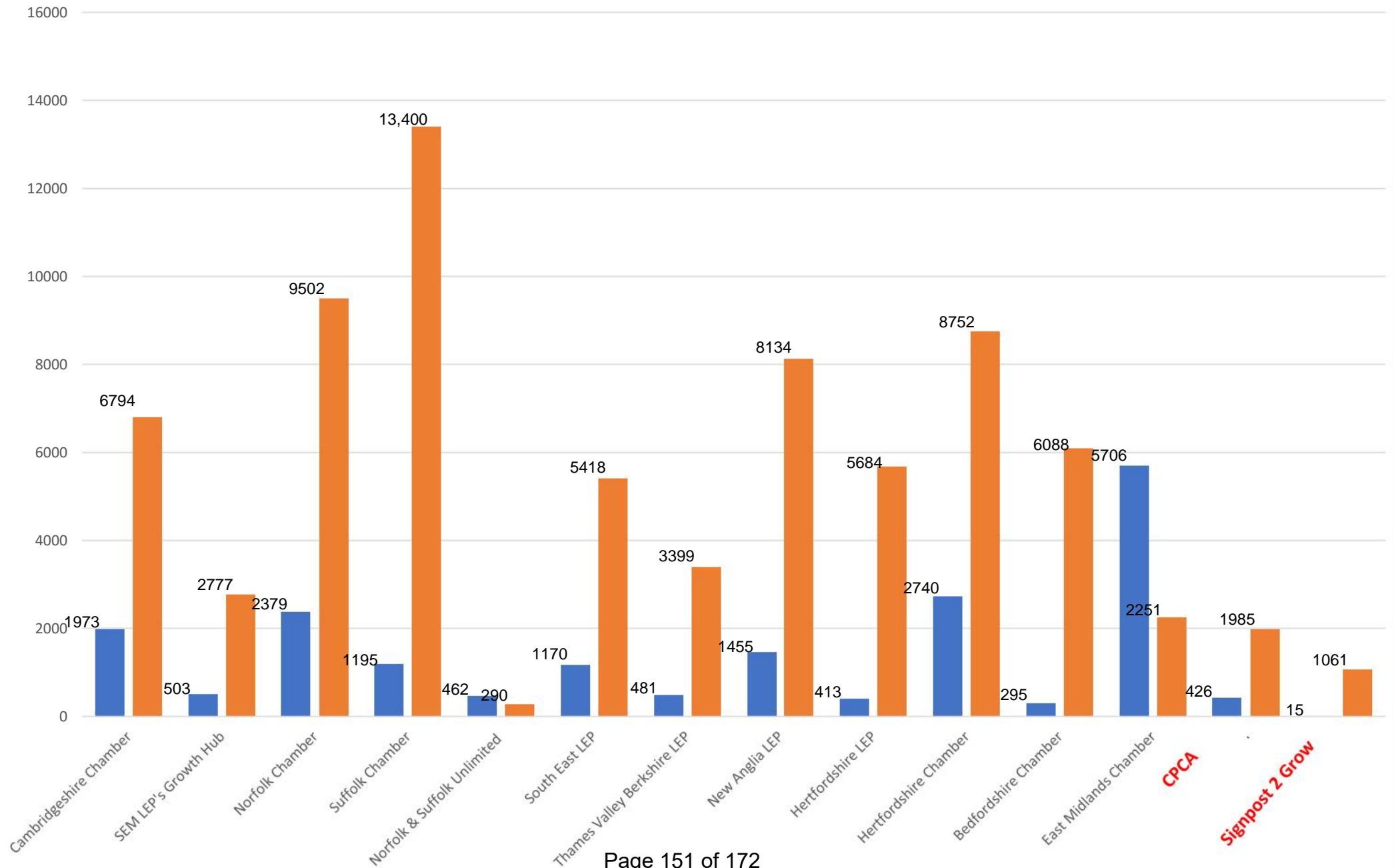
LinkedIn & Twitter Followers - Business Support Companies in the Cambridgeshire & Peterborough Area



LinkedIn & Twitter Followers - Mayoral Combined Authorities & Growth Companies



LinkedIn & Twitter Followers - Local Chambers and LEPs



Activity	Purpose & Objectives	Estimated Financial Costs
Procure/Recruit Expert Resource	<ul style="list-style-type: none"> • Expert Communications & Marketing Resource will be required to help us implement all our plans with optimum impact. • There is a large and diverse series of workstreams at pan-team level and also within individual team plans which will need to be conducted professionally and accurately • This additional and expert resource will help realise these plans quickly and effectively • We will therefore procure a specialist service provider or recruit a dedicated Business & Skills colleague on a 1-year fixed basis or a combination of the two. 	£40,000 Marketing & Comms Resource
Website Review & Overhaul	<ul style="list-style-type: none"> • Our website is unclear, complex and difficult to navigate • A re-structure or complete rebuild should be considered to separate governance pages from client-related content • Client related content needs to be easily found and straightforward • Target clients for our respective services must be intuitively drawn to the pages aimed at them • The features and benefits of all our services and workstreams should be clear, punchy and unambiguous • Use of videos, animation and graphics will also provide a more enjoyable experience • This will result in longer visits to our website, more engagement and a better educated client • Client Case Studies would also be compelling • The client must then be given a clear and direct gateway to the appropriate CPCA colleagues • Any restructured content must also adapt with any new online plans relating to the new Business Growth Service by the successful contractor(s) 	£10,000
Social Media /Linked IN Communities	<ul style="list-style-type: none"> • These are key communication channels to our audiences. 	These activities will be cost-neutral and will be

	<ul style="list-style-type: none"> • Our current levels of LinkedIn and Twitter followers (and our engagement with them) are very low compared to our various Peer Groups (see Appendix 1). • We can build a loyal following comprising of partners, advocates and clients/end users. • Therefore, a concerted campaign to drive up the numbers of our followers on LinkedIn, Twitter, etc will take place • Once achieved, this audience would be regularly stimulated with new content, updates, announcements and even surveys. • This channel will also transmit links back into the website that accommodates new Webinars, Podcasts and other content. • CPCA Team colleagues within this LinkedIn group will also share this content onward to their own LinkedIn connections to spread the messages even wider • We will adopt the same approach for Twitter where currently we are totally inactive. 	undertaken by our new dedicated Marketing Resource and CPCA colleagues
Webinars, Podcasts, Videos	<ul style="list-style-type: none"> • We must use all available methods to generate our messages • To reach all clients, we can adopt the use of regular Webinars to conduct virtual Presentations • These can still be fully interactive sessions with our clients • CPCA already possesses Webinar software and hardware in 2019 • We can also use Podcasts to push out excerpts of our Webinars • Podcasts can also be used for brief and urgent messages – particularly useful for a new Grant fund being released for example • Wider use of promotional and informative video should be considered (such as the Business Board Recruitment video) • All this content could be stored on our website and social media channels for viewing by our clients and sharing/re-distribution by our colleagues, followers and partners 	<p>Webinars and Podcasts – cost neutral</p> <p>Videos - £2,500</p>
Event Strategy	<p><u>Our Events</u></p> <ul style="list-style-type: none"> • Embarking on a regional roadshow, we will initiate our own events and target the right invitees 	Travel/Subsistence of CPCA colleagues attending these

	<ul style="list-style-type: none"> We will promote our various services equipped with uniform, compelling, clear Powerpoint slide-decks – delivered By CPCA colleagues professionally The Group Sessions can be informative tutorials on all our offerings We can also conduct in depth sessions focussed solely on a particular service with a specific client group To draw in our audience further, we can also conduct 1-2-1 Clinic-style Events after these Group Presentations These events can be held at cost-neutral venues using our partners/stakeholders locations But we will also hire appropriate space to deliver these sessions where necessary <p><u>Third Party Events</u></p> <ul style="list-style-type: none"> We will also proactively engage other local networks to secure guest speaker slots at their events to address their members Examples of these networks include BAP Events, Chamber of Commerce Events, etc. We can also develop a smart strategy around Event Sponsorship to raise our visibility to our target clients eg, Business Awards Events (the Growth Hub already sponsors some events, but this can be raised up a level) Sponsorship of some events will incur costs – some of which would come from existing Growth Hub budget Trade Shows (outside the region) will also be considered where there may be Registration Fees We may also exhibit at these Events too 	<p>events will be covered within existing budgets</p> <p>£2,500 Space Hire/Refreshments</p> <p>£10,000 Sponsorship (in addition to existing sponsorships)</p> <p>Trade Show Attendance/Exhibition Costs £10,000</p>
Partnership Network & Collaboration	<p><u>Partnership Network</u></p> <ul style="list-style-type: none"> Building on a common goal of Business and Economic growth, we will collaborate with a diverse group of Partners to help raise our profile Educating these groups on our services will create a large network of advocates Both Public Sector and Private Partners can echo our messages through their channels These Partners will also be gateway to our target clients 	<p>This proactive engagement will be covered within usual Travel & Subsistence Budgets</p>

	<ul style="list-style-type: none"> • Industry Networks such as IoD, etc can be a stepping stone to the appropriate target audience • With greater clarity on our proposition, these Partners will also be source of quality client referrals • In the Private Sectors, groups such as Accountants, Lawyers, Banks should be targeted who can refer their clients directly to us. • Consideration should also be given to creating a semi-formal Partners Community to create a team spirit across this network <p><u>Memberships</u></p> <ul style="list-style-type: none"> • A similar approach should be taken with our memberships of local business networks across the region • Being members will give automatic access to events and the entire membership community • A review of existing memberships (currently via the Growth Hub) will take place with a view to renewing with those networks where we can find our target clients • We should also consider new membership of other networks where these target clients exist • With all our future memberships going forward, we must leverage them much more effectively to (a) raise our profile and (b) engage our target clients <p><u>New Partnership Coordinator</u></p> <ul style="list-style-type: none"> • To assess, coordinate and harness the potential of all these potential relationships, we will recruit a Partnership Coordinator/ Manager who will manage this group 	<p>£7,500 New Memberships</p> <p>£40,000 for dedicated Partnership Manager/Coordinator</p>
Marketing collateral	<ul style="list-style-type: none"> • Refreshed Marketing Collateral for existing services • New Collateral will be required for new service lines. • Standard items include Leaflets in both soft and hard copy, Brochures, Posters, Event Pop-Ups 	<p>From existing Marketing Budgets</p>

	<ul style="list-style-type: none"> We will also peruse the market for novel ways of sharing information 	
Advertising and Optimising PR opportunities	<ul style="list-style-type: none"> We aim to use local press across our region to raise our profile with a combination of informative articles, interviews and advertorials. We will also target local Business media such as Business Weekly for this purpose. Consideration could also be given to raising our profile over Radio (eg. BBC Radio Cambs) We will use the PR Team as a way of profiling our significant news, achievements and other important messages. We can also enlist Ministerial advocacy at appropriate junctions such as when the Business Growth Service is launched We will work fully with the Ely PR Team on to maximise coverage and impact 	From Existing Marketing Budgets

CPCA Service/Initiative	Key Messages	Target Audience Groups	Delivery Channels & Timing
STAR Hub Apprenticeships (Both are linked to the STAR Hub) Skills Brokerage	<ul style="list-style-type: none"> To attract interest in Levy Employers sharing their underspend in the Levy To create awareness around the Levy Pot being available to non-levy employers and Providers who have run out of non-levy funding Good news on creating a sizable Levy Pooling Pot Successful good news stories for successful Levy Transfers to SME's/ Start-ups / non levy employers Mayor photo opportunities to promote the Levy Pooling and Transfers to SME's Possible promotion of Levy Employers involved in sharing their Levy – e.g. Cambridge University, Cambs & Pboro NHS Trusts, DfE, LA's, Banks, Power Station, Recruitment Companies etc 	<ul style="list-style-type: none"> Students – Secondary Schools Learners – FE Colleges/Providers Providers Employers paying the levy, categorised by size Higher Education Institutions (HE) Teachers Parents/ Guardians Community Local Authorities Community Organisations CA Board Business Board Skills Committee Employment and Skills Board Colleagues Brokerage Teams STEM Learning St Neots Manufacturing Club Construction Forum Logistics Forum SEN Engagement via Schools Networks; E.g. Chamber of Commerce FSB Cambridge Network IoD Opportunity Peterborough Bondholders One Nucleus 	<ul style="list-style-type: none"> Launch Event to promote the Levy Pooling Service Business Awards Apprenticeship Awards Networking Events Dinners with Stakeholders Social Media Twitter LinkedIn Facebook Roadshows Networks Business Events School Events Careers Fairs Presentations – Levy Pooling Service to send out regionally and nationally to promote and attract levy employers and SME's Speaking slots at meetings/conferences Newsletters Via Partners Newsletters Via Partners sending emails to their Networks Webinars Videos Levy Pooling video Podcasts

	<ul style="list-style-type: none"> • Encourage strategic relationships to levy share e.g. local authorities into colleges or HEI's in the region • Skills Brokerage teams linking business with education to create a more sustainable workforce of the future • Working with businesses across all sectors to reinforce the key messages in priority sectors to support skills gaps 	<ul style="list-style-type: none"> • Government DfE Careers & Enterprise Company BEIS DWP Other LEP's/ Combined Authorities Education Skills Funding Agency (ESFA) National Apprenticeship Service National Careers Service National Groups 	<ul style="list-style-type: none"> • Website • Direct – email, telephone, mailshot etc. • Surveys • Press Releases • Research papers i.e. via RAND Europe undertaking a Careers Advice research paper with all the schools • CITB complete research on Construction Skills analysis • Press releases with photo opportunities, case study stories. Social media (Ongoing activity from November 2019 through 2020) • Supply Chain Events • Q&A Slots at Conferences (attending Form the Future Annual Conference in Cambridge 2/12/19 – on the Panel). • Guest Speaker slots • Business Breakfasts • Informal Networking events • Business Cluster events • Cornerstone Employer events • Roundtables • Skills Boards
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			<ul style="list-style-type: none"> • Skills Groups • Board of Governors – CCC Cambridgeshire • Enterprise Adviser Network • Cornerstone Employers • Engineering UK
CPCA Service/Initiative	Key Messages	Target Audience Groups	Delivery Channels & Timing
Adult Education Budget (in general)	<ul style="list-style-type: none"> • Awareness of the statutory entitlements for 19 to 23 years and the unemployed to access free education and the offer from the providers to all adults and employers 	<p>17 AEB Providers</p> <ul style="list-style-type: none"> • Cambridge Regional College • Peterborough Regional College • City College Peterborough • College of West Anglia • College of West Suffolk • Bedford College • North Hertfordshire College • Rutland County Council • Central Bedfordshire Council • New College Stamford • Hills Road Sixth Form College • Steadfast • NACRO • The Skills Network • Back2Work • The Consultancy Home Counties Ltd <p>Local employers</p> <p>Local community groups – e.g. Cambridge Arts, GLADCA,</p>	<ul style="list-style-type: none"> • Monthly newsletter – (first Friday of every month) The purpose is to inform the Providers of present and future activity that includes policy developments, strategic intent, data changes, available data reports, relevant CPCA initiatives and promotional opportunities. • Quarterly Review meetings – November, February, May. It provides an opportunity to seek promotional joint activities and to highlight successes between residents and employers • Monthly performance visits from AEB contract lead (notes of visits recorded including opportunities for potential Mayor visit)

<p>Funding Consultation (proposed changes to CPCA</p>	<p>We would like to review the communication strategies of the 17 providers in attracting demand from residents, local employers and community groups</p> <ul style="list-style-type: none"> • Inform employers, education and training sector and community groups 	<ul style="list-style-type: none"> • Adults from aged 19 – attracting 19 to 23 year olds without a level 2 or level 3, employed increasing their skills and qualifications, the unemployed and those furthest from the labour market. • Politicians – skills committee members • 17 AEB Providers – education and skills • All local authorities including District Councils 	<ul style="list-style-type: none"> • A quarterly or termly letter (sending a letter signed can be very powerful) from the AEB team to the 17 AEB Provider leaders on performance so far and exciting future expectations • Articles in local newspapers on adult education entitlement (in consultation with 17 providers) including focus on Peterborough and Fenlands • Articles in the local newspaper on new digital adult entitlement from August 2020 • Termly gatherings on AEB (3 a year) – discuss strategic and operational developments – remove myths, misconceptions, tensions and contradictions • Two consultation events in early and late January 2020
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<p>AEB Funding that will better enable the meeting of our strategic priorities)</p>	<p>of proposed changes to ensure a co design of the final funding changes</p>	<ul style="list-style-type: none"> • Local Community Groups • Employer and Business Groups • Individuals • Learners, local employers, community groups and 17 AEB providers 	<ul style="list-style-type: none"> • Involve local communities through social media – including twitter and LinkedIn
<p>Adult Education Budget (celebrate the achievements of learners, employers and Providers who were successful in the achievement of progression through utilising AEB – FE or education, pay, promotion, sustainable employment, increased self confidence)</p>	<ul style="list-style-type: none"> • Celebratory 	<ul style="list-style-type: none"> • 17 AEB Providers • Local authorities • Community groups • Governance Boards – Skill Committee, • Internal relevant staff 	<ul style="list-style-type: none"> • End of term CPCA celebratory event – September / October 2020 <p>Requires an action plan to publicise the event, agree on achievement topics, attendees, venue and date.</p>
<p>Adult Education Budget</p>	<ul style="list-style-type: none"> • Review (of communication) 		<ul style="list-style-type: none"> • Questionnaire



SKILLS COMMITTEE	AGENDA ITEM No: 3.5
17 JANUARY 2020	PUBLIC REPORT

BUDGET AND PERFORMANCE REPORT

1.0 PURPOSE

1.1. This report provides budget and performance reporting to the Skills Committee.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor John Holdich
Lead Officer:	John T. Hill, Director, Business and Skills
Forward Plan Ref: n/a	Key Decision: No
The Skills Committee is recommended to: a) Note the December budget and performance monitoring update.	Voting arrangements Simple Majority of all Members

2.0 BACKGROUND

- 2.1. Budget and performance reporting should be seen in the round, in order to keep the Committee updated of progress and deliverables for Business and Skills projects and funding commitments
- 2.2. At its meeting on 25th September 2019 the Combined Authority Board approved a refreshed Medium-Term Financial Plan (MTFP), including balanced revenue and capital budgets for 2019/20. This report shows the actual expenditure to date and forecast outturn position against those budgets.
- 2.3. The outturn forecast reflects costs incurred to date, accrued expenditure and the impact on the current year assumptions made on staffing, overheads and workstream programme delivery costs as set out in the revised MTFP.

3.0 BUDGET

Revenue Budget

3.1 A breakdown of the Business & Skills Directorate 'Revenue' expenditure for the eight-month period to 30th November, is set out in the table below.

Business & Skills Revenue 2019/20							
Para. Ref.	Revenue	MTFP Refresh Budget	Budget Adjustments	Revised 19-20 Budget	Actuals to 30 Nov 2019	Forecast Outturn (Nov)	Forecast Outturn Variance
		£'000	£'000	£'000	£'000	£'000	£'000
	Business and Skills						
3.3.a	Work Readiness Programme (Hamptons)	110.00		110.00	83.21	83.20	26.80
	Skills Brokerage	344.20		344.20	61.36	344.20	0.00
3.3.b	University of Peterborough Taught Degree Awarding Powers	0.00	201.90	201.90	92.81	190.00	11.90
	University of Peterborough	235.00		235.00	110.16	235.00	0.00
	Skills Strategy Programme Delivery	150.00		150.00	153.98	150.00	0.00
	AEB Devolution programme - Grant	5576.33		5576.33	3451.53	5576.33	0.00
3.3.c	AEB Devolution programme - ITP	1282.29		1282.29	136.09	1000.00	282.29
3.3.d	AEB Programme Costs	115.40		115.40	46.08	100.00	15.40
	Health and Social Care Work Academy	1500.00		1500.00	0.00	1500.00	0.00
	EU Exit Funding	90.91		90.91	82.68	90.91	0.00
3.3.e	Growth Company Development	63.00		63.00	20.68	55.00	8.00
	Total Business and Skills	9467.13	201.90	9669.03	4238.58	9324.64	344.39
	Economic Strategy						
	Growth Hub	92.20		92.20	35.59	92.20	0.00
3.3.f	Market Town Strategy Implementation	200.00		200.00	61.68	150.00	50.00
3.3.g	Energy Hub	615.41		615.41	12.86	500.00	115.41
3.3.g	Rural Communities Energy Fund	1052.50		1052.50	0.00	800.00	252.50
	St Neots Masterplan Revenue	171.90		171.90	2.74	171.90	0.00
3.3.h	Trade and Investment Programme	100.00		100.00	7.68	50.00	50.00
3.3.i	CPCA LIS Implementation	200.00		200.00	67.33	150.00	50.00
3.3.i	LEP Capacity Funding	400.00		400.00	14.82	350.00	50.00
	Skills Advisory Panel (SAP)	75.00		75.00	10.58	75.00	0.00
	Total Economic Strategy	2907.01	0.00	2907.01	213.29	2339.10	567.91
	Total Revenue Expenditure	12374.14	201.90	12576.04	4451.87	11663.74	912.30
	Capital						
		MTFP Refresh Budget	Budget Adjustments	Revised 19-20 Budget	Actuals to 30 Nov 2019	Forecast Outturn (Nov)	Forecast Outturn Variance
		£m	£m	£m	£m	£m	£m
	Peterborough University - Business case	1.52		1.52	0.00	1.52	0.00
	Total Committed Direct Control Expenditure	1.52	0.00	1.52	0.00	1.52	0.00
	Market Town Pump Priming	0.50		0.50	0.00	0.50	0.00
	Costed but not Committed	0.50	0.00	0.50	0.00	0.50	0.00
	Total Capital Expenditure	2.02	0.00	2.02	0.00	2.02	0.00

3.2 The Forecast Outturn as set out in the table above shows a reduction in expected costs for the year of £912.3k compared to the budget. 'Actual' figures are based on payments made and accrued expenditure where known. The year to date costs may therefore be understated due to the delay between goods and services being provided by suppliers, and invoices being raised and paid. This also includes Service Level Agreements and other similar arrangements where invoices are received once a year.

3.3 Variances between the predicted revenue outturn position and the annual budget for the main budget headings are set out below:

- (a) The £26.8k in the Work Readiness Programme is due to the reprofiling of the budget according to academic years. The unspent balance will be applied to be carried forward into 2020/21.
- (b) University of Peterborough Taught Degree Awarding Powers budget line has now been completed and the final meetings were held in December to agree the outcomes. It is likely that the project will be brought in under the original budget by at least £11.9k, however, the figures are not definite as invoices have not yet been received.
- (c) AEB – ITP budget line will come under budget as the initial profile has been amended further to better clarity and understanding of provision. The underspend will be applied to be carried forward to 2020/21 as the expenditure will take place during the academic year.
- (d) AEB programme costs will come under budget due to expenditure spread over a two-year period for areas such as research and market intelligence. The amount will be applied to be carried forward into 2020/21 to account for this.
- (e) Current expenditure indicates that there will be an underspend on the Growth Company Development compared to the initial forecast. However, should this occur, then the balance will be applied to be carried in the Growth Service budget for future years.
- (f) The £50k forecast underspend for the Market Town Strategy Implementation is due to timing delays with local district councils carrying out the feasibility studies. Any underspend will be applied to be carried into 2020/21 as it is required to continue the work.
- (g) Both the Energy Hub and the Rural Communities Energy Fund have experienced delays due to new governance arrangements. The forecast expenditure has dropped significantly but as this is a grant awarded by government the money will be carried forward into next year. There are also further delays due to both areas being relocated to a different council which will occur towards the end of this financial year.
- (h) The delivery of the Trade & Investment Programme has been outsourced to Peterborough City Council, and the work is being undertaken. However, to date no invoices have been received and it is not clear whether the full amount forecast will be required. This is being discussed with PCC to establish more accurate figures. Any possible underspend will be applied to be carried into 2020/21 and used for the Growth Service.
- (i) Local Industrial Strategy (LIS) Implementation and LEP Capacity Funding are both currently showing a potential underspend, but it is likely that new opportunities will arise in the coming months that may utilise the budget. Should there be any underspend, this will be applied to be carried into 2020/21 to further continue the LIS implementation and enhance the Growth Service.

Capital Budget

3.4 A breakdown of the Business & Skills Directorate 'Capital' expenditure for the eight-month period to 30th November 2019, is set out in the table below.

Capital	MTFP Refresh Budget	Budget Adjustments	Revised 19-20 Budget	Actuals to 30 Nov 2019	Forecast Outturn (Nov)	Forecast Outturn Variance
	£m	£m	£m	£m	£m	£m
Peterborough University - Business case	1.52		1.52	0.00	1.52	0.00
Total Committed Direct Control Expenditure	1.52	0.00	1.52	0.00	1.52	0.00
Market Town Pump Priming	0.50		0.50	0.00	0.5	0
Costed but not Committed	0.50		0.50	0.00	0.5	0
Total Capital Expenditure	2.02	0.00	2.02	0.00	2.02	0.00

3.5 The University of Peterborough project is proceeding as planned and is the subject of a separate paper being presented to this Committee.

3.6 Market Town Pump Priming is dependent on the outcomes from the revenue section of the project before spending commences.

4.0 PERFORMANCE REPORTING

4.1 The Cambridgeshire and Peterborough Devolution Deal is about delivering better economic outcomes for the people of our area and commits us to specific results. The Combined Authority needs to monitor how well it is doing that.

4.2 Appendix 1 shows the current Performance Dashboard, with the RAG status' tailored for Skills projects. This is accurate as at the end of November 2019.

4.3 Also provided as part of Appendix 1 is an update on the delivery against the following growth outcomes at the heart of the Devolution Deal, of which outcomes are embodied in the business cases which the Board and Committees consider:

- Prosperity (measured by Growth Value Added (GVA))
- Housing
- Jobs

These metrics will be updated to align with the Board updates.

5.0 FINANCIAL IMPLICATIONS

5.1. There are no other financial implications other than those included in the main body of the report.

6.0 LEGAL IMPLICATIONS

- 6.1 The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.

7.0 SIGNIFICANT IMPLICATIONS

- 7.1 There are no implications for nature.

8.0 APPENDICES

- 8.1. Appendix 1 – Performance Dashboard.

<u>Background Papers</u>	<u>Location</u>
None	N/A

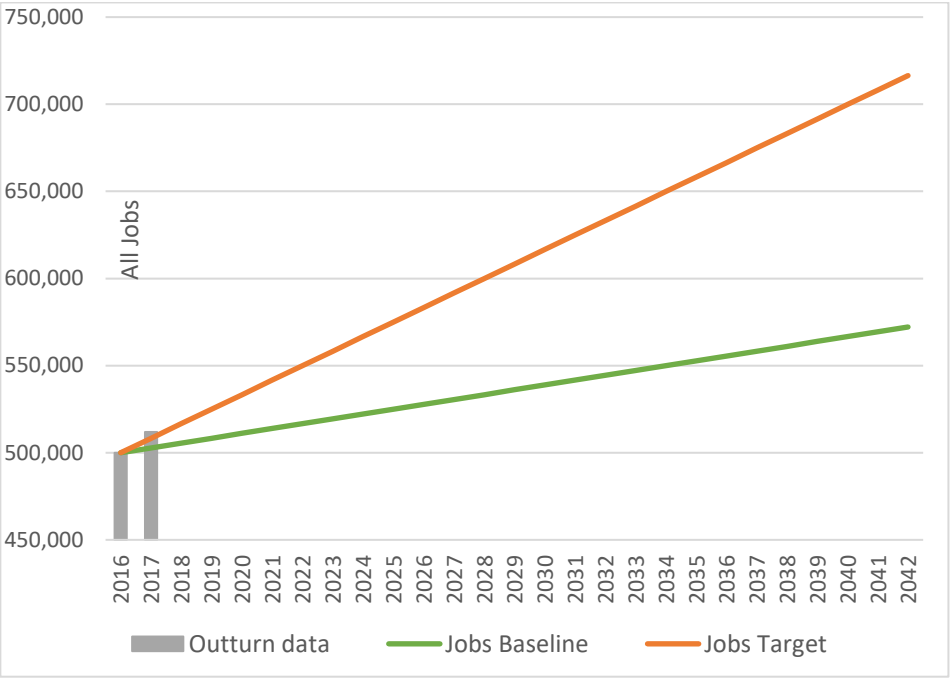
SKILLS COMMITTEE

PERFORMANCE DASHBOARD
Combined Authority Devolution Deal Trajectory

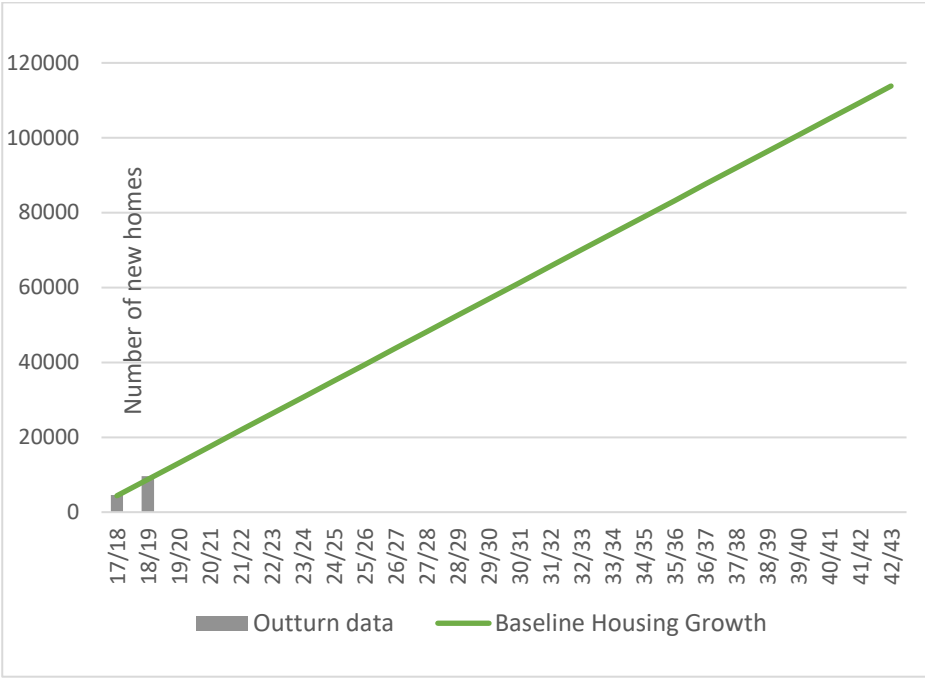
GVA TRAJECTORY V BASELINE



JOBS TRAJECTORY V BASELINE

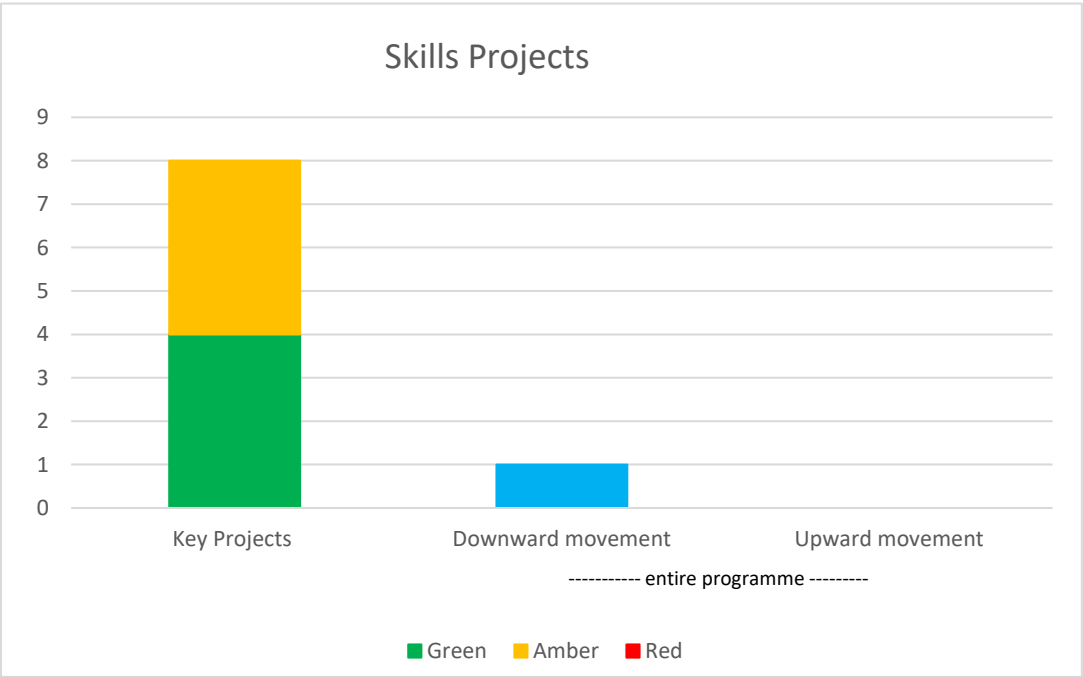


HOUSING PERFORMANCE (*cumulative figures)



Trajectory: CPIER/Devolution Deal doubling GVA and housing/jobs implications
Baseline: Current trend without Devolution Deal interventions
Outturn data: Source – GVA and Job: Office of National Statistics (ONS); Housing: Council Annual Monitoring Reports/CambridgeshireInsights.

Combined Authority Project Profile:



Transport Key projects	
Name of project	RAG status
AEB – Adult Education Budget	Green
Apprenticeships	Green
HAT Work Readiness Programme	Green
University of Peterborough	Green
Apprenticeship Grant for Employers (AGE)	Amber
Careers & Enterprise Company (CEC)	Amber
Health and Care Sector Work Academy (HCSWA)	Amber
Skills Brokerage	Amber

Data as of end of November 2019

