



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

BUSINESS BOARD	AGENDA ITEM No: 4.3
25 NOVEMBER 2019	PUBLIC REPORT

UNIVERSITY OF PETERBOROUGH – PROGRESS UPDATE PAPER

1.0 PURPOSE

- 1.1 The purpose of this update paper is to highlight progress made to date following approval by the Combined Authority Board on the 29th May 2019 to adopt the University Action Plan to deliver the University of Peterborough (UoP). There is a 3 year window to deliver Phase 1 of this project, on time and within budget, to achieve opening the doors to 2,000 students by September 2022 in an iconic building. The UoP Action Plan is being managed by Mace via a team of expert Project Management Consultants, the Combined Authority programme management team and the Peterborough City Council (PCC) project team. Mace were appointed to lead on project delivery, feasibility and delivery management. Mace are providing Project and Cost Management support lead to a consortium of consultants consisting of Architects (Murdoch Cameron Williams), Planning Consultants (Pegasus), Civil and Structural Engineers (Smith and Wall work), Curriculum/HE experts (CPB Projects), IT consultants (PTS), Landscape design Consultants (Landscape Use Consultants) and Mechanical, Electrical and Environmental Consultants (Couch Perry Wilkes).
- 1.2 To achieve the goals set out in the Action Plan a number of activities/deliverables are linked to the RIBA stages and workstreams, namely the design and build of the physical infrastructure and the education element through the HE partner and curriculum. A copy of the project plan detailing the whole programme is at **Appendix A**.
- 1.3 This report provides the Board with the information required to update members of the progress made thus far and confirm delivery is on track and compliant with the Combined Authority/PCC constitutions, legal and financial obligations.

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Interim Chair of the Business Board
Lead Officer:	John T Hill – Director of Business & Skills
Forward Plan Ref: N/A	Key Decision: No
<p>The Business Board are recommended to:</p> <ol style="list-style-type: none"> 1. Note the progress made to date on the programme of delivery for the New University of Peterborough. 2. To note the decision of Skills Committee to 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. 	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND AND CONTEXT TO DATE

- 2.1 The new University of Peterborough 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 our ability to grow and retain local talent alongside attracting and retaining the area. The new University of Peterborough will support the raising of personal and community aspirations along with improving social mobility as well as contributing to inclusive social and economic growth. It will collaborate with business and industry to promote and support employer demand to motivate learners and their families to build prosperous futures for themselves and their communities as well as bringing wealth and prosperity to the region in the scope of new jobs and opportunities.
- 2.2 Significant efforts have been made over 15 years to establish a University in Peterborough. The planned model for the new University will be ‘genetically’ similar to that of the University partner selected but adapted to be appropriate for the CPCA economy and our economic growth ambitions (to attract more companies offering high value jobs and improving productivity and prosperity).

- 2.3 Currently levels of skills in Peterborough are in the bottom 10% in the UK. Skills growth has not kept up with rapid employment and population growth, and this lack of skills has discouraged companies to Peterborough offering high value jobs. As a result, GVA per head has declined as has overall prosperity in the city and surrounding areas.
- 2.4 A market comparison of potential academic partners to work with the Combined Authority and PCC to deliver the University, between now, September 2022 and beyond to 2030 has commenced. It is imperative that the delivery of a curriculum that meets the needs of both students and employers, with new and progressive delivery models, such as degree apprenticeships and two-year degree programmes is embedded within the curriculum offer – see Appendix B - Shadow Curriculum Model.
- 2.5 The Action Plan also includes strategies to potentially raise the amount of revenue and capital funding currently available for the project (£12.6M from the Combined Authority) to as much as £20M.

3.0 SELECTION OF THE HIGHER EDUCATION PARTNER

- 3.1 Procurement to select the HE Partner for the new University of Peterborough began in August 2019. It is envisaged that the procurement process will be concluded by February 2020 with the HE Partner being awarded the contract in March 2020; this will be dependent on the negotiated procedure progression and should be considered as a long stop date by which this is concluded. The University project was successful in attracting more than 10 registrations for further information in a “Call for Competition” including interest from 5 Universities. This resulted in a shortlist through the Expressions of Interest and Due Diligence/SSQ phase which ran to the end of September 2019. Based on the current target procurement programme, the Invitation to Tender went live on 24th October 2019 and we are expecting to commence open dialogue with the interested parties at the beginning of November to negotiate further the terms of the contract and the model of delivery for the University before entering into the final stage in December 2019. A full curriculum specification has been produced based on academic research from the CPIER and Skills Strategy, backed up by robust survey results from businesses in Peterborough.

4.0 EMBANKMENT SITE

- 4.1 The original Embankment site covers approximately 55 acres. It was envisaged that Phase 1 of the University campus will be developed around the Wirrana

car park next to the Bishops Road Car Park within an initial 6 acre site. Work has been carried out through the various land use surveys commissioned on the whole site – see Appendix C for the list of surveys commissioned. Peterborough City Council own the land, however, there are various covenants and leases within the entire site resulting in a draft Masterplan of the development for the campus currently being produced. The Combined Authority are working with PCC to obtain full planning permission for the initial plot of land for phase one (size to be determined) by June 2020. As part of the planning strategy we are undertaking an external stakeholder event for public consultation to share the conceptual drawings and proposals with the people of Peterborough will be held at the Cathedral week commencing 13th January 2020. It is envisaged that the planning application will be made in February/March 2020 dependent on consultation events and outcome of the land use surveys. Monthly planning meetings are held to achieve this timeframe.

5.0 DESIGN AND BUILD OF PHASE 1

5.1 The first phase will include the preparation of an area of land for development of phase one building to support 2,000 students by September 2022 in a “Signature” building, a collection of campus buildings (teaching and learning space) and student accommodation will follow.

- The Architects are now starting to design a building based on a £20M cost envelope.
- Meetings have been held between Pegasus, the Combined Authority and PCC. PCC are key to project success process and have agreed to assemble an in-house project team working with and lead by the Head of Planning for the City Council to ensure that all aspects of this planning process are covered off.

Currently, the Combined Authority has committed £12.6M of funding to support the development of this project. The land identified along Bishops Road on the Embankment site will be PCC’s contribution, with the land associated with the Phase 1 build being valued at around £4M. In addition, we are preparing an application to the Business Board’s Local Growth Fund for £12.5M as an equity investment into a Joint Venture. Investing the LGF as equity, provides the opportunity to include revenue as part of the total £25.1M fund, rather than just capital. Our designers are confident that for a £20M build budget we can realise a “signature building” of around 3,500 – 4,000 sqm. The master plan identifies all the Phases, namely, 1, 2 & 3 of the campus. The drawings of the Phase 1

building will be available in November ahead of the external stakeholder event in December.

6.0 Governance and Legalities

- 6.1 In order to govern and develop the University project further it is proposed Joint Venture. Initially this will consist of the Combined Authority as investors and PCC as capital investors through land value as capital. It is envisaged that investors into the project going forward will seek equity investments. Members will be required to make decisions around the relative shares and levels of investment in the JV to build the university premises and lease them to the University partner. The subscription agreement will be the pre-cursor to the JV in the formation of a company limited by shares. Initially the shareholders within the company will be the Combined Authority and PCC, however, it is envisaged that the HE Partner will be invited to be part of the company as will potential investors, including the Business Board's Local Growth Fund.

7.0 Funding Strategy for Phase 2

- 7.1 It is proposed that a much larger project, of at least twice the size will be developed for a Phase 2 build to progress the university towards 12,500 students. This is likely to include;

1. Combined Authority investment through the impending Shared Prosperity Fund from 2023.
2. Business and other commercial private sector investment
3. Possible HMT funding via the 2020 Spending Review to fund new universities in both Peterborough and Milton Keynes

8.0 FINANCIAL AND INVESTMENT IMPLICATIONS

- 8.1 In May 2019 the CPCA authorised the release of £449,000 for the Project Management Contract with Mace. The sum of £449,000 approved relates to the Consultant Project management work only and not the activities and services required to mobilise the agreed action plan for the project. In order to mobilise the activities and deliverables within this financial year, the Skills Committee, at its meeting on 11 November 2019, approved the draw down of £364,854.54 from the 19/20 budget to mobilise activities and services. The £364,854.85 is made up of £294,110.55 capital and £70,744.30 revenue – see Appendix C for Finance and Fees Schedule.

9.0 LEGAL IMPLICATIONS

- 9.1 The Combined Authority have instructed private practice solicitors to act on their behalf to draw up the Subscription document, Heads of Terms and to draft the Joint Venture documents. This paperwork is fundamental to the progression of the project and will form part of the negotiated procurement process for the selection of the HE Partner.

10.0 SIGNIFICANT IMPLICATONS

- 10.1 There are no other statutory matters to bring to the Board's attention, however the governance arrangements will be set out in the Subscription document.

11.0 APPENDICES

- 11.01 Appendix A - Project Plan
Appendix B - Shadow Curriculum Model
Appendix C (I) and (II) - List of Surveys and Finance & Fees Schedule

<u>Background Papers</u>	<u>Location</u>