



SKILLS COMMITTEE	AGENDA ITEM No: 3.2
DATE: 14 SEPTEMBER 2020	PUBLIC REPORT

UNIVERSITY OF PETERBOROUGH PHASE 2 UPDATE

1.0 PURPOSE

- 1.1 This report focuses on the progress made to date with Phase 2 of the University of Peterborough campus buildings proposals.
- 1.2 The Phase 2 project is to complement the 2020-22 investment of £30.47m from the CPCA, PCC and private sector into a Phase 1 Academic Teaching Building for a new University of Peterborough, to produce 3,000 p.a. graduates. There was a Mayoral Decision on the 15 July 2020 following recommendation from an Extraordinary Business Board on the 9 July 2020. Those decisions were to progress the Phase 2 project proposal and appraisal. Phase 1 planning has been submitted for approval in October 2020 and Phase 2 planning, based on the agreed City Master Plan and related University Campus Master Plan, will be submitted in December 2020 for approval in March 2021. The timescales for Phase 2 planning permissions are expected to benefit from the already agreed Master Plans and the common building designs for both Phase 1 and Phase 2. The Manufacturing and Materials Research Centre will open its doors at the end of January 2022.

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 progress made to date on the University of Peterborough Phase 2 building.	Voting arrangements Simple majority of all members

2.0 BACKGROUND

2.1 The University of Peterborough Phase 1 teaching facility is to be created to address the Higher Education Cold Spot by generating more level 5, 6, 7 & 8 skills, focused on key and higher value growth sectors such as high-value manufacturing and digital. In comparison to the average city in the UK, and within a workforce of 103,000, Peterborough needs to be able to mobilise 17,000 more workers at these higher skills levels, to become competitive as a place, and arrest four decades of decline in prosperity and health outcomes.

2.2 But filling the higher-level skills gap in Peterborough and The Fens, will have limited impact without effective measures to significantly grow the business and industrial demand for those skills. This will require, concurrent development of the innovation and business support eco-system to grow indigenous high-value firms and attract new ones to the city. Such an eco-system, using the new university as its hub, Phase 1 has been designed and substantially funded through the CPCA, to be mobilised over the next year. This includes:

- New business clusters and networks, especially manufacturing in the north
- £20m of growth coaching, mentoring and capital for innovation-based firms
- A new local Foreign Direct Investment agency to connect into Department for International Trade to attract high value firms globally
- A skills brokerage to connect learners, and those retraining, with growth firms
- A network of new Tech Accelerators and Incubators connecting the Cambridge knowledge base with the north of the area.

The Research Centre will act as the enabling core for an innovation eco-system to connect firms locally with global partners, knowledge and opportunities for growth.

3.0 CREATING AN INNOVATION ECOSYSTEM INCLUDING BUSINESS SUPPORT

3.1 Improving the higher-level skills and the knowledge capacity within the human capital of a place, is to no effect, without the parallel stimulation and supply of higher value jobs to provide opportunity for the increased number of higher-level skilled people. One component of such a stimulation and supply system is an innovation eco-system.

3.2 The evidence for best practice in developing and managing place-based innovation ecosystems, lays a blue-print for the CPCA to use in building one for Peterborough and the Fens. It must include actors and components able;

- **To build on a regional master plan.** In our case provided by the LIS, that identifies the threats and challenges facing a place economy and its key sector-clusters, along with the potential skills and innovation interventions to overcome those challenges. It must have clear targets for ecosystem-level innovation outcomes in terms of inputs, such as volume of R&D and knowledge generation, and outputs such as the value and volume of new

products and services created and launched into market, plus delivering outcomes in terms of new, higher value, jobs created.

- **To connect research through formalised innovation partnerships** such as membership of broad R&D programmes, or individual projects, innovation alliances such as joint R&D centres jointly staffed by business and universities. Such innovation creation platforms must, however, extend into commercialisation partnerships and market-entry joint ventures and hubs, to ensure market-specific products and service launch and innovation-based growth. In our case through the development of a new Catapult Centre for Battery Technology to be the potential largest tenant.
- **To provide a clear central coordinating service**, facilitating cross-industry collaboration and providing professional services in both management advice and technology applications. This key player should be capable of managing the ecosystem-level service provision, e.g. the use of facilities and management of an extensive portfolio of R&D, as well as the provision of commercialisation, incubation and growth services

4.0 MANUFACTURING AND MATERIALS RESEARCH CENTRE

- 4.1 A Manufacturing & Materials Research Centre will act as the enabling core for an innovation eco-system to connect firms locally with global partners, knowledge and opportunities for growth. This will provide the fundamental platform for a Peterborough and Fenland, high value manufacturing innovation eco-system with a Technical University at its core, based on the German Fraunhofer-Gesellschaft Model, that has enabled university academic inventions to be translated into commercial innovations, far more effectively in Germany, than in the UK over the last fifty years.
- 4.2 In turn, place-based sector-cluster growth based on technological innovation will result that will transform the knowledge intensity of products, services and jobs, arresting four decades of decline in prosperity to reset the city's potential rate of recovery. It will transform the local economy having suffered from extremely low levels of R&D activity and a complete absence of any research and innovation eco-system. This can turnaround an erosion in productivity and high value knowledge industry, leading to new aspirations, opportunities, wages growth, increased well-being and health outcomes.
- 4.3 The Research Centre will be a 2200 sqm build and consist of 3 floors with a mix of high-quality technical laboratory and office space for incubations and start-ups. The £14.6m of funding for the project has been allocated to the CPCA by MHCLG and the formal application process for our Innovation Delivery Partner, and their partners, to apply for and utilise the funding is currently underway. Planning is due to be approved in Spring with a spade in the ground March/April 21 and completion of the build by 31 January 22. The

timeframe on this project is extremely tight with a build programme of 41 weeks following procurement of the main contractor.

5.0 FINANCIAL IMPLICATIONS

5.1 The GBF fund in the sum of £14.6M will support this building programme along with private investment from the prime applicant as well as monies in support of the slip roads required by planning for this scheme. The funding break-down for this project is:

- £12.0m GBF grant contribution to the building costs
- £2.9m prime applicant contribution to the building costs to create an R&D Centre for additive manufacturing and battery technology.
- £1.9m supporting applicant (PCC) contribution to the slip roads needed to secure planning permission
- £2.4m GBF grant contribution to the slip roads needed to secure planning permission
- £19.2m total project cost

6.0 LEGAL IMPLICATIONS

6.1 There are no legal implications at this point. This may change once the form of the Getting Building Fund financing into the Phase 2 Centre is known.

7.0 APPENDICES

7.1 None

<u>Source Documents</u>	<u>Location</u>
Cambridgeshire and Peterborough Independent Economic Review (CPIER)	http://www.cpier.org.uk/final-report/