



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 5.1

## University of Peterborough Phase 3 Business Case

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 24 March 2021

Public report: Yes

Lead Member: Councillor L Nethsingha, Lead Member for Skills

From: John T Hill, Director of Business and Skills

Key decision: Yes

Forward Plan ref: KD2021/064

Recommendations: The Combined Authority Board is recommended to:

1. Approve the University of Peterborough *Phase 3 Business Case*
2. Approve the use of option a) in section 4.2, to use the existing special purpose vehicle Peterborough HE Property Company Ltd (Prop Co 1), for the delivery of Phase 3 of the University Programme, as the owner and developer of the second teaching building.
3. Consent, as shareholder, to modification of the Shareholders Agreement relating to Peterborough HE Property Company Ltd (Prop Co 1), on such terms as the Chief Executive of the CPCA in consultation with the Chief Legal Officer (Monitoring Officer), and the Deputy Chief Finance Officer (s73 Officer) may agree, to include at a minimum the maintenance by the CPCA of the *drag along* rights, described at paragraph 4.2 of the report to the Skills Committee of 17 January 2022 (link below) and in order to reflect the share allotments as noted in paragraph 4 below.
4. Consent, as shareholder, to Peterborough HE Property Company Ltd (Prop Co 1):
  - a) issuing the following shares:

- i. To Peterborough City Council, shares to the value of £20m (in consideration of it investing £20m of Levelling Up Fund (LUF) funding)
- ii. To CPCA, shares to the value of £2m (in consideration of it investing £2m of Local Growth Fund funding)
- iii. To Anglia Ruskin University, shares to the value of £4m in consideration of it investing £4m)

and note that the share issue should be completed by 31 March 2022

- b) Agreeing revisions to the Development Management Agreement to extend the delivery specification in relation to the project management and delivery services and associated support services to relate also to Phase 3.
  - c) Entering into a land transfer with PCC to acquire the Phase 3 land and then enter into an agreement for lease, and lease with ARU Peterborough in respect of the Phase 3 Building, and such consequential and other ancillary agreements on such terms as the Chief Executive of the CPCA in consultation with the Chief Legal Officer (Monitoring Officer), and the Deputy Chief Finance Officer (s73 Officer) may agree.
  - d) Adopting a revised Business Plan, including such changes as are necessary to reflect the construction works and agreement for lease, and lease to ARU-Peterborough of the Phase 3 building in addition to the Phase 1 building.
5. Delegate authority to the Chief Executive of the CPCA in consultation with the Chief Legal Officer (Monitoring Officer), and the Deputy Chief Finance Officer (s73 Officer) to agree:
- a) such changes to the Collaboration Agreement providing that changes to the delivery obligations (and respective timings) are made as described in 5.2 of this report.
  - b) In respect of the Collaboration Agreement, such changes in respect of increased target for student numbers, the curriculum model, and the site and building plan as described in paragraph 5.2 of this report.
  - c) The Development Management Agreement, such changes in respect of the provision of programme management services to Propco1, related to the Phase 3 construction project, are made as described in 5.2 of this report.

d) and to create or modify any such other documents as the Chief Legal Officer (Monitoring Officer) advises are necessary to give effect to the recommendations.

Voting arrangements:

A simple majority of all Members present and voting

Any vote in favour must include the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor, to be carried.

## 1. Purpose

- 1.1 The Board's approval is sought for a range of actions which are necessary to achieve the objectives and outputs of the University of Peterborough Phase 3 Business Case.
- 1.2 These include the development and agreement of several project documents which the Cambridgeshire and Peterborough Combined Authority (CPCA) is or will be a direct party to, and also giving shareholder consent to Peterborough HE Property Company Ltd (Prop Co 1) (the special purpose vehicle established to deliver and own the university teaching buildings) in respect of various Shareholder Protection Matters (matters which, for Prop Co 1, requires prior shareholder consent) - in particular the issue of shares in respect of further financial contributions from the CPCA, Peterborough City Council (PCC) and Anglia Ruskin University (ARU), to fund the construction of Phase 3 of the university project – a second teaching building.
- 1.3 These proposals were considered by the Skills Committee on 17 January 2022. Following discussion, the Committee resolved unanimously to recommend the proposals to the Combined Authority Board for approval.
- 1.4 The report and appendices presented to the Skills Committee can be viewed via the link below. Item 2.1 refers:

[Skills Committee - 17 January 2022](#)

## 2. Considerations

- 2.1 None

## 3. Appendices

- 3.1 Appendix 1 – Full Business Case
- 3.2 Appendix 2 - Shareholders Agreement Protection Matters
- 3.3 Appendix 3 - Governance Arrangements for the Development and Delivery

## 4. Background Papers

- 4.1 None