



THE BUSINESS BOARD

BUSINESS BOARD

Monday, 10 January 2022

Democratic Services

Robert Parkin Dip. LG.
Chief Legal Officer and Monitoring Officer

14:30 PM

72 Market Street
Ely
Cambridgeshire
CB7 4LS

Virtual Meeting

AGENDA

PUBLIC MEETING

Part 1 - Governance

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Membership

The Business Board comprises

Private Sector Members

Member	Sector
Austen Adams (Chairman)	Advanced Manufacturing

Tina Barsby	Agri-Tech
Faye Holland	Communications
Aamir Khalid	Advanced Manufacturing, Research & Development, and Small & Medium-sized Enterprises
Al Kingsley	Digital & Education
Jason Mellad	Life Science
Andy Neely (Vice-Chairman)	Skills & Education
Nitin Patel	Advanced Manufacturing and Small & Medium-sized Enterprises
Rebecca Stephens	Digital & Communications

Co-opted Members

Member	Sector
Mike Herd	Business & Professional Services
Dr Andy Williams	Life Sciences

Public Sector Members

Member	Position	Body
Mayor Dr Nik Johnson	Mayor of Cambridgeshire and Peterborough	Cambridgeshire and Peterborough Combined Authority
Councillor Wayne Fitzgerald	Lead Member for Economic Growth	Cambridgeshire and Peterborough Combined Authority
Councillor Anna Bailey (substitute)		Cambridgeshire and Peterborough Combined Authority

The Business Board is committed to open government and supports the principle of transparency. With the exception of confidential information, agendas and reports will be published 5 clear working days before the meeting. Unless where indicated, meetings are not open to the public.

For more information about this meeting, please contact Nick Mills at the Cambridgeshire County Council on 01223 699763 or email nicholas.mills@cambridgeshire.gov.uk.



Business Board: Minutes

(Draft minutes published on 22nd November 2021)

Date: 8th November 2021

Time: 2:30pm – 4:00pm

Present: Austen Adams (Chair), Andy Neely (Vice-Chair), Tina Barsby, Councillor Wayne Fitzgerald, Mike Herd, Faye Holland, Mayor Dr Nik Johnson, Aamir Khalid, Al Kingsley, Jason Mellad, Nitin Patel, Rebecca Stephens and Andy Williams

45. Apologies for Absence and Declarations of Interest

There were no apologies for absence.

There were no declarations of interest.

The presence of the Business Board's Section 73 Officer was noted.

46. Minutes – 14th September 2021

The minutes of the meeting held on 14th September 2021 were approved as a correct record and signed by the Chair.

The Business Board noted the Minutes Action Log.

47. Public Questions

The Chair confirmed that no public questions had been received.

48. Budget and Performance Report

The Business Board received the latest budget and performance report, which provided an update and overview of the revenue and capital funding lines within the Business and Skills directorate. Attention was drawn to the new energy revenue expenditure budgets table at paragraph 3.6 of the report, and members were advised that the figures in the table would change significantly over the coming months, mainly due to changes to the public sector decarbonisation budget, which would be reprofiled in 2022. Some of the Market Town projects could also be reprofiled following the Combined Authority Board meeting on 26th January 2022, due to delays caused by impacts of

Covid-19, as well as the fact that some local authorities had not been able to spend the funds as quickly as had been anticipated. The Business Board was informed that although confirmation had been received that funding would be received back from the Wisbech Access Strategy, OneCam and iMET projects, it had not been included in the figures within the report, as the funding had not yet been received.

While discussing the report, the Business Board:

- Expressed concern about the significant shortfall indicated in table 7 of the report for the Green Home Grant Capital Programme. Noting that similar concerns had also been raised by the other five energy hubs in the country, the Finance Manager informed members that it was anticipated that the Department for Business, Energy and Industrial Strategy would extend the current deadline of 31st March 2022. It was explained that previous extensions granted by BEIS to earlier stages of the programme had led to subsequent supply chain issues and that, while the government was working to retrofit houses with green technology, the supply chain was currently unable to deal with the demand. The Director of Business and Skills informed members that proposals would be made in January 2022 for the Business Board's terms of reference to be amended to enable the Business Board to advise the Combined Authority Board on this particular activity, as well as the Market Towns programme.
- Suggested that the quicker development and commissioning of the Ely Market Town project than other Market Town schemes should be analysed in order to identify whether lessons could be learnt that would benefit the other schemes. It was observed that the Ely scheme took a different approach due to starting later than other schemes, and it was confirmed that the projects were being reviewed in order to improve processes if the programme was continued.
- Queried whether the Market Town studies were being commissioned independently from one another or whether they could be integrated together. The Business Programmes and Business Board Manager confirmed that it had been considered early in the project whether there were opportunities for the local authorities to work together to make savings, but the various authorities had been at different stages of their delivery and timelines for it to be effective. The Director of Business and Skills noted that although a group procurement exercise had not been carried out, they had been coordinated and Metro Dynamics had been contracted by a few of the schemes, which had in turn led to some savings.
- Sought clarification on the timeline for the repatriation of funds from the Wisbech Access Strategy, OneCam and iMET projects. The Finance Manager confirmed that a figure for the repatriation of funds from Cambridgeshire County Council for Wisbech Access Strategy had been confirmed, although it was not possible to confirm when the funds would be available. Funds would be returned from the OneCam project once the company had been put into dormancy.
- Established that the Enterprise Zones would receive continued funding as a 25-year project, although the Business Programmes and Business Board Manager clarified that the business rates relief offered to Enterprise Zone business to locate onto the sites had terminated nationally at the end of March 2021. He informed members that it was being investigated with landowners and developers to see whether alternative

incentives or support could be put in place. A future report to the Business Board would provide an update on this, as well as an overall review of the Enterprise Zones and their impact.

- Confirmed that equity investment data would be included in the January iteration of the budget and performance report.

It was resolved unanimously to:

Note the outturn financial position relating to the revenue and capital funding lines within the Business & Skills Directorate for the 20/21 financial year.

49. Strategic Funds Management Review – November 2021

The Business Board received the November iteration of the Strategic Funds Management Review, which included an update on strategic funding programmes and their progress to 1st October 2021, a project change request for the University of Peterborough Phase 2 Car Park Infrastructure Project, and a proposed strategy for the investing Business Board recycled funds. Noting that a £2m award had previously been approved by the Business Board to the University of Peterborough Phase 3 project, subject to securing a funding package the Levelling Up Fund (LUF), the Senior Responsible Officer (SRO) for LGF and Market Insight and Evaluation informed members that the funding package had been secured since the report had been published. Attention was drawn to the project change request for the University of Peterborough Phase 2 Car Park Infrastructure project, which proposed a reduction in the match funding to be provided by Peterborough City Council from £1.9m to a maximum of £500k, as set out in section 5.2 of the report.

Following publication of the report, the government had announced that two of the seven bids submitted by the Combined Authority to the Community Renewal Fund (CRF) had been successful, with 'Start and Grow', a support programme for entrepreneurs, and 'Turning Point', a skills and employment transition project, being the successful applications. It was noted that the projects put forward by the Combined Authority had been awarded £3.4m, which represented 2.7% of the total fund nationally, with 'Start and Grow' being the largest successful bid of the 477 that had been awarded. The project delivery date was 30th June 2022, with a first tranche of funding being provided to the Combined Authority at the end of December 2021 and a second tranche in July 2022, upon completion. The Combined Authority would therefore cashflow the projects and retrospectively claim back the funds, including a 2% fee for the management, monitoring and contracting of the projects. The Business Board was also informed that it had been confirmed that the £20m bid to the Levelling Up Fund (LUF) for the University of Peterborough Phase 3 project had been successful.

The Business Board was asked to consider options for where to target and allocate its recycled funding, with three options set out in section 7.1 of the report. It was proposed that 85% of the funds be allocated to Option B and 15% of the funds to Option C. Members were informed of a minor alteration to the recommendation (b) that was published in the report, with the word "Officers" being replaced by "the Monitoring Officer".

While discussing the report, the Business Board:

- Welcomed the approval for CRF funding for the 'Start and Grow' and 'Turning Point', but expressed concern about the long-term strategy of the projects, given the delivery date of June 2022, and sought clarification on what would happen to the projects after the funding had been concluded. Acknowledging that the delay in announcements by the government had hindered the process, the Director of Business and Skills informed members that the CRF was intended as a pilot programme, with successful projects potentially suitable candidates for receiving further support from the forthcoming UK Shared Prosperity Fund (UK SPF).
- Established that the bids had been submitted in consultation and cooperation with Gateley. The SRO agreed to circulate the bids to Business Board members. **Action required**
- Expressed concern that the reduction in size and scope of the University of Peterborough car park would result in an increased cost per parking space of the smaller development, and considered whether it would be cheaper in the long-term to construct a larger car park now, rather than redevelop a smaller car park. Acknowledging the higher cost per parking space and the fact that the change could be more costly in the long-term, the SRO emphasised that it was based on the level of funding that was currently available, and the requirement to have a car park ready for Phase 2 of the project. Although fewer spaces were required for Phase 2, the Director of Business and Skills observed that this requirement would increase significantly in later phases of the project, and the previously planned number of spaces for Phase 2 would not have been sufficient either. It was confirmed that an extension would be able to be constructed on the site of the current car park.
- Suggested that when deciding whether to fund projects in the future, the Business Board should consider how they align with its overall strategy, particularly with regard to sustainability.
- Expressed concern about the wording of Option B for the allocation of recycled funds, noting that the UK SPF and LUF were targeted at particular parts of the region, which would constrain access for the rest of the region. The SRO clarified that the proposal included three strategies, including the Business and Skills Strategy, in order to provide additional leverage and increase the chances of obtaining funding from the UK SPF and LUF.
- Queried why Option C included a maximum of £400k for bids. The SRO informed members that if there was £1m available for funding, it would be preferable to support more than one project, while noting that bids tended to be around that level before increasing substantially. He also noted that within the current process, bids for £500k and above were required to go through the Entrepreneurs Panel, and that a lower limit would therefore avoid that additional stage in the application process.
- Confirmed that if a bid for over £400k was received, which was considered to be a particularly good bid, it could still potentially be considered.
- Expressed concern about not receiving sufficiently ambitious and largescale project bids to provide leverage through Option B and asked officers to work with local

authorities to encourage them to be ambitious in developing bids. Acknowledging the concern, the Director of Business and Skills highlighted the ambitiousness of projects by observing that the full £20m that was available through the LUF had been obtained, with only 5 bids requesting the full amount. He also noted that one of the CRF bids that had been successful was the largest one in the country, while the unsuccessful bids had been smaller projects.

It was resolved unanimously to:

- (a) Recommend that the Combined Authority approves the project change request for the University of Peterborough phase 2 Car Park infrastructure project;
- (b) Recommend the Combined Authority Board approves the proposed strategy for investing Business Board recycled funds, and for the Monitoring Officer to make any relevant changes to the Local Assurance Framework; and
- (c) Note all programme updates outlined in this paper.

50. Agri-Tech Sector Strategy – Action Plan

The Business Board received a report presenting the Agri-Tech Sector Strategy and Action Plan, which had been prepared by Agri-TechE, prior to its consideration by the Combined Authority Board. In preparing the strategy, Agri-TechE highlighted that the Cambridgeshire and Peterborough area was internationally renowned for its position in the agri-tech sector, and that it was therefore important to establish how to move forwards from the status quo. Five key recommendations had been made along with the identification of fourteen possible interventions, and these were set out in section 4 of the Agri-Tech Action Plan. They included providing an enabling environment for supporting agritech start-up and scale up, with specific support for farmers, derisking the cost of using and developing new technology, skills development and accelerating the journey to achieving net zero. It was also emphasised that the strategy would benefit from closer alignment to the Combined Authority's other sector strategies, rather than being considered in isolation.

While discussing the report, the Business Board:

- Paid tribute to the success of the Eastern Agri-Tech Growth Initiative Programme for providing otherwise unavailable funding that enabled farmers and derisked some of the technology applications, while helping research projects to progress.
- Suggested that successful interventions by the Combined Authority in other sectors, such as accelerators in the life sciences sector, could be replicated in the agri-tech sector.
- Welcomed how the strategy had been developed since it had last been discussed by the Business Board.
- Sought clarification on the financial implications and the level of certainty that the Business Board would receive the funding necessary to respond to proposals. The Director of Business and Skills observed that it was an example of how recycled

LGF funds would be allocated, with all project proposals being considered together for LGF funding or an alternative funding mechanism. An implementation plan would be presented in March 2022 as part of the Business and Skills Plan, following which an assessment of each project would be carried out in order to establish which ones would receive support.

- Suggested that it would be beneficial to approach different government departments with the proposals, such as the Department for Environment, Food and Rural Affairs (DEFRA) on the issue of peat in Fenland. It was noted that communication was already ongoing with DEFRA, particularly regarding the peat situation.
- Argued that requiring both the technology and pilot areas for proposals to be based within the Cambridgeshire and Peterborough area would restrict opportunities for investments, with the suggestion that it would be preferable to establish the region as an attractive place to carry out pilots with technology that has been developed elsewhere, thus bringing innovation to the region and subsequently inward investment in the long-term. The Director of Business and Skills acknowledged the suggestion and noted that the Illumina Accelerator had attracted companies from all over the world to come into Cambridgeshire and receive seed capital funding. The Agri-Tech Lead also observed that the Eastern Agri-Tech Growth Initiative had received successful applications from outside the region for projects taking place inside the region.

It was resolved unanimously to:

- (a) Approve the Agri-Tech Sector Strategy and Action Plan; and
- (b) Recommend that the Combined Authority Board approves adoption of the Agri-Tech Sector Strategy/Action Plan.

51. Business Board Annual Report 2020-2021

The Business Board received the Annual Report for the period 2020-2021, which illustrated the Business Board's achievements over the past year, demonstrated its successes and looked ahead to future interventions. To further showcase the Business Board's work, a microsite was being developed on the Combined Authority's website for clients and customers to easily navigate, thus improving levels of accessibility and governance. A budget of £15k had initially been approved for the design work of the Annual Report and to develop a digital dashboard, although a further £15k would be required due to the greater scope of the microsite. A virement of £15k from the forecast underspend on the ongoing Business Board Effectiveness Review into the Business Board Annual Report budget was therefore proposed.

While discussing the report, the Business Board:

- Confirmed that hard copies of the Annual Report had been circulated to Business Board members, as well as other interested people within the Combined Authority, and that it would be published on the website following its presentation to the Combined Authority Board.

- Sought clarification on what readership the Annual Report was targeted towards. The Director of Business and Skills identified three main target groups, with the main one being the stakeholders that provided the Business Board with financial resources, for whom it would reinforce the Business Board's achievements and credibility when accompanying funding applications or bids. A second target group was local stakeholders, including local authorities, businesses and business representative organisations, while a third group was the wider public.
- Acknowledged the need for further funding for the microsite but expressed concern about the budget doubling in size, and suggested that the additional £15k could instead be spent on publicity. The Business Programmes and Business Board Manager assured members that the procurement process had been carried out correctly, and agreed to arrange a meeting between some Business Board members and the Business & Marketing Engagement Officer to further discuss the matter. **Action required**
- Noted the microsite would be more attractive and useful to many people than a written report, as it could be continuously updated to reflect the current situation.
- Proposed that the microsite could integrate the various dashboards currently being produced, including one for Growth Works, one for Business Insight and one for Local Growth Fund (LGF) projects.

It was resolved unanimously to:

- (a) Note the Business Board Annual Report 2020-2021; and
- (b) Note the need for further funding beyond the current allocation for the Annual Report to develop the Business Board microsite, and the intention to request a virement from the forecast underspend on the Business Board Effectiveness Review to meet this need.

52. Business Board Headlines for Combined Authority Board

The Business Board noted the headlines that the Chair would convey at the Combined Authority Board meeting on 24th November 2021, with particular emphasis to be given on encouraging large and ambitious applications for funding.

53. Business Board Forward Plan

Noting that the next meeting would be held on 10th January 2022, the Business Board noted the Forward Plan.

Chair
10th January 2022



THE BUSINESS BOARD

Business Board Minutes Action Log

This Action Log captures the actions arising from the recent Business Board meetings and updates members of the Board on compliance in delivering the agreed actions. It does not include approved recommendations requiring immediate action (which are recorded on the Decision Log) or delegated decisions (which are recorded separately and held by the Monitoring Officer).

Business Board Meeting Held on 12 th January 2021					
Minute	Report Title	Officer	Action	Comments	Status
202.	LEP Partnering Strategy	J T Hill	Organise a workshop session for members to identify what could be gained from the LEP collaboration and how they could contribute.	Postponed, pending potential Government announcement of a further review of LEPs and their future access to funding and role in bidding for funds.	Action Ongoing (Completion target: January 2022)
Business Board Meeting Held on 16 th March 2021					
212.	Business Growth Service (Growth Works)	A Downton	Consider reviewing the £150k maximum grant limit following a presentation from Gateley's at the Business Board update meeting on 14th April 2021.	At present, the applicant is in a pilot phase with several major US and UK businesses. Should they move from pilot to contract, a further review of the maximum grant limit will be undertaken.	Action Ongoing (Completion target: March 2022)

		A Downton	Form a working group and sign the relevant NDAs in order to work with officers and Gateley's to assess the investment decision related to the request to increase the maximum grant limit in greater detail.	Should they move from pilot to contract, then an NDA will be circulated to the four Business Board members who put themselves forward to be part of a wider group to scrutinise the detail before it returns to the Business Board for a final decision.	Action Ongoing (Completion target: March 2022)
Business Board Meeting Held on 19 th May 2021					
3.	Future Funding Strategy	Domenico Cirillo / Steve Clarke	Consider how public health could be further integrated into the Business Board's agenda.	Public health impacts can be further integrated and assessed as part of the bid evaluation process around future funding streams – details of which are expected by the Spring Budget. How public health and environmental impacts are reported to Boards will also feature as part of the corporate governance review of the Board/Committee process.	Action ongoing (Completion target: March 2022)
5.	Cambridgeshire and Peterborough Priority Sector Strategies	Steve Clarke	Conduct a complete review of the digital strategy, in light of the impacts of Covid-19 and present to the Business Board later in 2021.	The Strategy will incorporate the work underway with the High Performance Computing (HPC) Roadmap (it is anticipated that this will be presented to the Business Board at its meeting in March 2022). A Digital Infrastructure Strategy is being presented to the Combined Authority's Housing Committee in January 2022, plus the new Economic Growth & Skills Strategy for Business & Skills due for completion in March 2022. It is proposed that this strategy refresh be pushed back to May	Action ongoing (Completion target: May 2022)

				2022 or even reviewed if still necessary to be completed for current strategy work at this stage.	
10.	Business Advisory Panel Update	Domenico Cirillo	Consider whether the Trade Unions Congress could either itself become involved with the BAP or recommend a representative of trade unions to participate.	A formal proposal of extended membership and updated Terms of Reference was presented to the Economic Recovery Sub-Group on 30 th November 2021. The BAP will resume in January 2022 and includes Trade Union representatives in its membership (including TUC).	Action Complete
13.	Business and Market Engagement Update	Ed Colman / Alan Downton	Provide members with presentations that would be made at upcoming Growth Works meetings.	Growth Works performance statistics and development of a portal utilising HubSpot CRM have been developed with user testing currently taking place.	Action complete
Extraordinary Business Board Meeting Held on 9 th June 2021					
18.	University of Peterborough Phase 3 Funding	Steve Clarke	To consider a review of the Local Assurance Framework so that it could accommodate recent bid opportunities with a short timeline without compromising the robust process currently implemented	A review of the Local Assurance Framework is currently being undertaken across the Combined Authority with legal colleagues.	Action ongoing (Completion target: March 2022)

Business Board Meeting Held on 19th July 2021

21.	Budget and Performance Report	Vanessa Ainsworth	Identify a timeline for the potential exit plans of each equity investment project and present the findings to the Business Board for discussion.	Work has begun with Steve Clarke and Rob Emery, but information is required from individual projects on the timelines for exit.	Action ongoing (Completion target: March 2022)
27.	Business Board Nomination to the Greater Cambridge Partnership Joint Assembly	Domenico Cirillo	Review current arrangements of representation on the Greater Cambridge Partnership in 6 months.	To be reviewed in January 2022.	Action ongoing (Completion target: January 2022)
30.	Business and Market Engagement Update	Emily Martin	Provide a link to the digital dashboard.	A license is now in place with the supplier of the digital dashboard.	Action ongoing (Completion target: January 2022)

Business Board Meeting Held on 14th September 2021

36.	Strategic Funding Management Review – September 2021	Steve Clarke	Provide the Business Board with a summary of the lessons learned from failed and aborted projects.	Lessons learned from the Wisbech Access project were reported to the Business Board at its meeting on 8 th November (Item 2.2, Appendix 2). A further project lessons learned piece will	Action Ongoing (Completion target:
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				be shared with the Business Board and Overview & Scrutiny Committee.	February 2022)
Business Board Meeting Held on 8 th November 2021					
49.	Strategic Funds Management Review – November 2021	Steve Clarke	Circulate the CRF bids to Business Board members.	The bids were circulated to Business Board members on 25 th November 2021.	Action Complete
51.	Business Board Annual Report 2020-2021	Domenico Cirillo	Arrange a meeting between some Business Board members and the Business & Marketing Engagement Officer to further discuss development of the microsite.	A meeting took place on 25 th November and actions were agreed to take the microsite / dashboard forward.	Action Complete

Budget and Performance Report

To: Business Board

Meeting Date: 10 January 2022

Public report: Yes

Lead Member: Chair of the Business Board, Austen Adams

From: Finance Manager, Vanessa Ainsworth

Key decision: No

Recommendations: The Business Board is recommended to:

Note the outturn financial position relating to the revenue and capital funding lines within the Business & Skills Directorate for the 20/21 financial year.

1. Purpose

- 1.1. To provide an update and overview of the revenue and capital funding lines that are within the Business & Skills Directorate to assist the Business Board to enable informed decision making regarding the expenditure of these funds.

2. Background

- 2.1 The Business Board has requested a summary of the revenue and capital funding lines available within the Business & Skills Directorate, to assist in ensuring financial decisions relating to the revenue and capital funding lines under their control are well informed, financially viable, and procedurally robust.
- 2.2 At the January 2021 Combined Authority Board Meeting, the Combined Authority Board approved a Medium-Term Financial Plan (MTFP) which includes balanced revenue and capital budgets for 2021/22. 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 MTFP.

3. 2021/22 Revenue Budget

- 3.1 A breakdown of the Business & Skills Directorate 'Business Revenue' income for the period to 30 November 2021, is set out in Table 1 below.

Table 1. Business Board Revenue Income Budgets 2021/22							
	Nov Budget	Board Adjusts	Revised Budget	Budget to 30 Nov 2021	Actuals to 30 Nov 2021	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Enterprise Zone Receipts	(1,208.8)	-	(1,208.8)	-	-	(1,208.8)	-
ERDF - Growth Service Grant	(1,500.0)	-	(1,500.0)	-	-	(1,500.0)	-
ESF Growth Service Grant	(600.0)	-	(600.0)	-	(14.2)	(600.0)	-
Growth Hub Grants	(536.5)	-	(536.5)	-	(248.2)	(536.5)	-
LEP Core Funding	(500.0)	-	(500.0)	(250.0)	(250.0)	(500.0)	-
Total Business Board Revenue Income	(4,345.3)	-	(4,345.3)	(800.0)	(378.0)	(4,345.3)	-

- 3.2 The forecast outturn shows no change in expected income for the year compared to the budget. 'Actual' figures are based on payments made and accrued income where known.
- 3.3 A breakdown of the Business & Skills Directorate 'Business Revenue' expenditure for the period to 30 November 2021, is set out in Table 2 below.

Table 2. Business Board Revenue Expenditure Budgets 2021/22							
	Nov Budget	Board Adjusts	Revised Budget	Budget to 30 Nov 2021	Actuals to 30 Nov 2021	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Business Board Annual Report	15.0	-	30.0	-	9.7	30.0	-
Business Board Effectiveness Review	35.0	-	20.0	-	-	20.0	-
Economic Rapid Response Fund	150.0	-	150.0	75.5	79.4	117.2	(32.8)
Enterprise Zone Investment	50.0	-	50.0	-	-	50.0	-
Growth Co Services	3,331.7	-	3,331.7	1,376.0	167.9	3,131.7	(200.0)
HPC study & roadmap	46.0	-	46.0	-	-	46.0	-
Insight & Evaluation Programme	82.5	-	82.5	42.5	28.0	82.1	(0.4)
Local Growth Fund Costs	560.2	-	560.2	247.6	253.4	450.3	(109.9)
Market Town & Cities Strategy	120.9	-	120.9	80.6	23.1	97.4	(23.5)
Marketing & Promotion of Services	97.8	-	97.8	18.5	94.7	102.7	4.9
Peterborough University Quarter Masterplan	100.0	-	100.0	-	-	100.0	-
Shared Prosperity Fund Evidence Base & Pilot Fund	100.0	-	100.0	45.0	-	55.0	(45.0)
St Neots Masterplan	224.0	-	224.0	-	7.7	77	(147.0)
Trade & Investment Programme	32.5	-	32.5	32.5	32.5	32.5	-
Visitor Economy & R&R Grants	7.6	-	7.6	7.6	7.3	7.3	(0.3)

Total Business Board Revenue Expenditure	4,953.2	-	4,953.2	1,925.8	703.7	4,399.2	(554)
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- 3.4 The forecast outturn shows a decrease in expected expenditure for the year of £554k compared to the budget. 'Actual' figures are based on payments made and accrued income where known.
- 3.5 Variances between the revenue outturn position and the annual budget are set out below:
- a) The Economic Rapid Response budget has been spent or committed with a small amount held in reserve to allow for quick reactive responses to emerging opportunities as per the title of the budget.
 - b) Growth Co. Services are showing a small spend so far this year which is due to the legal arrangements for the contracts and services still being drawn up to enable the transfer of funds from the CPCA to Growth Co. The CA Board approved the Service Level Agreement at its September meeting which enables the provision for administrative costs to be recharged between the companies. Now that this document has been approved, the other agreements will follow in quick succession. This budget line is also showing a potential underspend due to the delay in claiming which will be reprofiled into next year.
 - c) Local Growth Fund Costs is currently forecasting a £109.9k underspend for the year. Please see item 6 of this paper for further details.
 - d) The £23.5k potential underspend in Market Towns & Cities Strategy is due to potential work surrounding the Levelling Up Funds not yet being commissioned. It is likely this budget will spend to its limit.
 - e) Marketing & Promotion is currently forecasting a small overspend, however, this is being scrutinised to ensure it lands within budget limits.
 - f) St Neots Masterplan is currently going through revisions as part of the Market Town programme, and this will be reprofiled into next year.
 - g) Several projects were only approved recently and have therefore not yet spent any funds, but these have primarily been committed.
- 3.6 As requested at the last Business Board meeting, Table 3 below gives an overview of the Energy and Market Towns revenue budget lines.

Table 3. Energy & Market Towns Revenue Expenditure Budgets							
	Nov Budget	Board Adjusts	Revised Budget	Budget to 30 Nov 2021	Actuals to 30 Nov 2021	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Energy Hub	890.0	-	890.0	535.1	417.0	735.4	(154.6)
COP 26	195.0	-	195.0	-	66.1	195.0	-
Green Homes Grant Sourcing Activity	894.9	-	894.9	834.9	125.2	482.0	(412.9)
Green Homes Grant Sourcing Strategy	69.4	-	69.4	69.4	69.4	69.4	-
Public Sector Decarbonisation	1,372.3	-	1,372.3	457.4	-	290.0	(1,082.3)
Rural Community Energy Fund	735.0	-	735.0	490.0	250.1	822.8	87.8
St. Neots Masterplan	224.0	-	224.0	-	7.7	77.0	(147.0)
Total Energy Revenue Expenditure	4,380.6	-	4,380.6	2,386.8	935.5	2,671.6	(1,709.0)

3.7 The forecast outturn shows a decrease in expected expenditure for the year of £1,709k compared to the budget. 'Actual' figures are based on payments made and accrued income where known

3.8 Variances between the revenue outturn position and the annual budget are set out below:

- a) The Public Sector Decarbonisation project with a £1.08m underspend is being reprofiled into future financial years at the January CA Board meeting.
- b) The underspend on Green Homes Sourcing Activity is currently being reviewed as a decision from BEIS is currently awaited whether this funding will have to be partially returned alongside the capital funding.

3.9 The current approved Revenue MTFP is shown below in Table 4 below, enabling the Business Board to understand the current and future approved expenditure.

Table 4. 2021/22 Revenue Budget and MTFP				
	21/22	22/23	23/24	24/25
	£000's	£000's	£000's	£000's
Business Board Annual Report	30	-	-	-
Business Board Effectiveness Review	20	-	-	-
Economic Rapid Response	150	150	200	200
Enterprise Zone Investment	50	-	-	-
Growth Co Services	3,332	3,139	795	-
Growth Hub	-	-	25	246
HPC study and roadmap	46	-	-	-
Insight & Evaluation Programme	83	75	75	75

Local Growth Fund Costs	560	558	-	-
Market Towns & Cities Strategies	121	-	-	-
Marketing and Promotion of Services	98	90	90	90
Peterborough University Quarter Masterplan	100	-	-	-
Shared Prosperity Fund Evidence Base & Pilot Fund	100	-	-	-
St Neots Masterplan	224	-	-	-
Trade and Investment Programme	33	-	-	-
Visitor Economy and R&R Grants	8	-	-	-
Total Business & Skills Approved Budgets	4,953	4,012	1,185	611
Total Business & Skills Subject to Approval	-	-	-	-
Total Business & Skills Revenue Expenditure	4,953	4,012	1,185	611

4. 2021/22 Capital Budget

4.1 A breakdown of the Business & Skills Directorate 'Business Capital' income for the period to 30 November 2021, is set out in Table 5 below.

Table 5. Business Board Capital Income Budgets 2021/22							
	Nov Budget	Board Adjusts	Revised Budget	Budget to 30 Nov 2021	Actuals to 30 Nov 2021	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Getting Building Fund	(7,300.0)	-	(7,300.0)	(7,300.0)	(7,300.0)	(7,300.0)	-
Total Capital Income	(7,300.0)	-	(7,300.0)	(7,300.0)	(7,300.0)	(7,300.0)	-

4.2 A breakdown of the Business & Skills Directorate 'Business Capital' expenditure for the period to 30 November 2021, is set out in Table 6 below.

Table 6. Business Board Capital Expenditure Budgets 2021/22							
	Nov Budget	Board Adjusts	Revised Budget	Budget to 30 Nov 2021	Actuals to 30 Nov 2021	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
AEB Innovation Fund (LGF)	323.7	-	323.7	323.7	251.1	323.7	-
Cambridge Biomedical MO Building (LGF)	1,702.3	-	1,702.3	711.1	182.4	1,702.3	-
Cambridge City Centre (LGF)	691.2	-	691.2	478.9	86.9	691.2	-
CRC Construction & Digital (LGF)	910.8	-	910.8	910.8	910.8	910.8	-

Eastern Agritech Initiative (LGF)	100.0	-	100.0	100.0	128.6	195.9	95.9
Ely Area Capacity (Recycled)	-	-	-	-	-	-	-
Illumina Accelerator (Recycled)	1,000.0	-	1,000.0	-	100.0	1,000.0	-
March Adult Education (LGF)	313.9	-	313.9	313.9	313.9	313.9	-
Metalcraft (Adv. Mfctg) (LGF)	2,978.9	-	2,978.9	1,885.3	1,358.7	2,978.9	-
Peterborough City Centre (LGF)	680.8	-	680.8	514.5	581.0	680.8	-
South Fen Bus. Park (LGF)	997.0	-	997.0	450.0	25.3	997.0	-
Start Codon (Equity) (Recycled)	2,225.6	-	2,225.6	810.6	455.6	1,000.0	(1,225.6)
Growth Service - Grants	3,000.0	-	3,000.0	3,000.0	-	3,000.0	-
TTP Incubator (LGF)	33.2	-	33.2	33.2	33.2	33.2	-
University of Peterborough Phase 2 (GBF)	14,600.0	-	14,600.0	5,350.0	13,400.0	14,600.0	-
Total Business Board Capital Expenditure	29,557.4	-	29,557.4	14,882.0	17,827.5	28,422.7	(1,129.7)

4.3 The forecast outturn shows a decrease in expected expenditure for the year of £1,130k compared to the budget. 'Actual' figures are based on payments made and accrued income where known.

4.4 Variances between the revenue outturn position and the annual budget are set out below:

- a) Eastern Agritech is forecasting an overspend against budget of £95.9k. This is due to several projects being granted extensions beyond the original March 2021 funding deadline. These costs are covered by the corresponding underspend of these projects in 2020-21.
- b) Start Codon is currently forecast at spending half its budget this year; however officers are working closely with the project to ensure the forecast is accurate.

4.5 As requested at the last Business Board meeting, Table 7 below, gives an overview of the Energy & Market Towns capital budget lines.

Table 7. Energy & Market Towns Capital Expenditure Budgets

	Nov Budget	Board Adjusts	Revised Budget	Budget to 30 Nov 2021	Actuals to 30 Nov 2021	Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Green Home Grant Capital Programme	78,340.0	-	78,340.0	-	537.3	53,075.5	(25,264.5)
Mkt Town Chatteris	1,000.0	-	1,000.0	-	21.7	1,000.0	-
Mkt Town Ely	656.0	344.0	1000.0	-	117.5	656.0	(344.0)
Mkt Town Huntingdon	577.7	-	577.7	-	-	577.7	-
Mkt Town Littleport	-	-	-	-	-	-	-
Mkt Town March	1,000.0	-	1,000.0	-	-	550.0	(450.0)
Mkt Town Ramsey	1,000.0	-	1,000.0	-	-	1,000.0	-
Mkt Town Soham	200.0	-	200.0	-	18.0	200.0	-
Mkt Town St Ives	620.1	-	620.1	-	-	620.1	-
Mkt Town Whittlesey	1,000.0	-	1,000.0	-	57.5	500.0	(500.0)
Mkt Town Wisbech	1,000.0	-	1,000.0	-	-	601.3	(398.7)
St Neots Masterplan	190.0	-	190.0	-	19.5	190.0	-
Total Energy & Mkt Town Capital Expend	85,583.8	344.0	85,927.8	-	771.5	58,970.6	(26,957.2)

- 4.6 The forecast outturn shows a decrease in expected expenditure for the year of £26,957k compared to the budget. 'Actual' figures are based on payments made and accrued income where known.
- 4.7 Variances between the revenue outturn position and the annual budget are set out below:
- Green Home Capital Grant Programme has experienced significant issues with the supply chain and is in discussions with BEIS regarding the project outcome. It is likely that approximately £22m will need to be returned to BEIS, however this is awaiting a decision from ministers.
- 4.8 The current approved Capital MTFP is shown below in Table 8, enabling the Business Board to understand the current and future approved expenditure.

Table 8. 2021/22 Capital Budget and MTFP

	21/22	22/23	23/24	24/25
	£000's	£000's	£000's	£000's
AEB Innovation Fund	324	-	-	-
Cambridge Biomedical MO Building	1,702	-	-	-
Cambridge City Centre	691	-	-	-
CRC Construction & Digital Refurbishment	911	-	-	-
Eastern Agritech Initiative	100	-	-	-
Ely Area Capacity – (Recycled Funds)	-	-	-	-
Illumina Accelerator	1,000	1,000	-	-
March Adult Education	314	-	-	-
Metalcraft (Advanced Manufacturing)	2,979	-	-	-
Peterborough City Centre	681	-	-	-
South Fen Business Park	997	-	-	-
Start Codon (Equity)	2,226	-	-	-
Growth Service - Capital Grant & Equity Fund	3,000	3,000	3,000	-
TTP Incubator	33	-	-	-
Getting Building Fund – U. O. P. Phase 2	14,600	-	-	-
Total Approved Business & Skills Capital Projects	29,234	4,000	3,000	-
Total Business & Skills Capital Projects	29,234	4,000	3,000	-

5. Business Board Summary Funding Overview

5.1 A summary of the Business Board 'Recycled Capital & Revenue' funds for the next ten years, is set out in Table 9 below.

Table 9. Recycled Capital & Revenue Funds

Capital	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	Later Years
Opening balance	-	-	-	-	-	-	-	-	-	-
	10,491	-8,921	-2,954	-192	-0	-0	-0	-0	-27	-211
Forecast Expenditure	1,747	6,914	3,950	750	555	184	184	157	0	0
Forecast Income	-177	-947	-1,188	-558	-555	-184	-184	-184	-184	-2,024
Closing Balance	-8,921	-2,954	-192	-0	-0	-0	-0	-27	-211	-2,235
Revenue	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	Later Years
Opening balance	-3	-160	0	0	0	0	0	0	-63	-121
Forecast Expenditure	0	607	240	120	91	73	68	0	0	0
Forecast Income	-157	-447	-240	-120	-91	-73	-68	-63	-58	-321
Closing Balance	-160	0	0	0	0	0	0	-63	-121	-442

Combined	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	Later Years
Opening balance	- 10,495	-9,081	-2,954	-192	0	0	0	0	-90	-331
Forecast Expenditure	1,747	7,521	4,190	870	645	257	252	157	0	0
Forecast Income	-334	-1,393	-1,428	-678	-645	-257	-252	-247	-242	-2,345
Closing Balance	-9,081	-2,954	-192	0	0	0	0	-90	-331	-2,677

5.2 The table has not changed since it was last presented to the Business Board. There are three items which are expected to contribute to the Recycling Fund soon however the amounts are not yet finalised and so have not yet been recognised:

- a) Following the recommendation from the Business Board to reject the project change request for the Wisbech Access Strategy, Business Board officers are working with the Combined Authority's transport team to establish what the final amount spent on Wisbech Access Strategy attributable to Local Growth Funds is. This is expected to result in c.£3,272,654 being returned to the recycled fund hopefully in the current financial year.
- b) The Combined Authority Board has approved the sale of the iMet building as per the discussions at the last Business Board meeting. Once the sale of the building is completed this is expected to return c. £2.4m to recycled capital funds. It is understood this will exchange prior to Christmas 2021 and be completed during January 2022.
- c) The Combined Authority made the decision at its meeting on 27th October to reimburse the Business Board their investment into OneCAM Ltd company in full. This means that there will be an additional £995k returned to the recycled funds, although the timing of this will depend on the timeframe for putting the company into dormancy.

5.3 A summary of the Business Board 'Enterprise Zones' Reserve Fund for the next ten years, is set out in Table 10 below.

Table 10. Enterprise Zones Reserve Fund Summary										
£000's	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	Totals
Total CPCA EZ NNDR Income	236	549	660	972	1,009	1,009	1,009	1,009	1,009	2,617
Total Expenditure	-279	-274	-787	-692	-833	-415	-415	-415	-415	-4,238
Annual surplus (deficit)	0	274	-126	280	176	594	594	594	594	2,982
Cumulative Balance	0	274	148	429	605	1,199	1,793	2,387	2,982	

5.4 Income for the Enterprise Zones is for a 25-year period through to 2041/42, and should be viewed as long term. The Business Board is currently entering into the third year of revenue of this programme, with payments being made by local councils one year in arrears.

5.5 Expenditure is based upon the contribution to the Department for Transport for the A14 (in the region of £100k), an annual flat fee contribution of £250k to the Business Board's

running costs, three years of contribution to the Growth Service, 25% of Business Board members remuneration & expenses and other projects approved at Business Board meetings.

Significant Implications

6. Financial Implications

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

7. Legal Implications

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

Strategic Funds Management Review January 2022

To:	Business Board
Meeting Date:	10 January 2022
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams,
From:	Director Business and Skills, John T Hill
Key decision:	No
Recommendations:	<p>The Business Board is invited to:</p> <ul style="list-style-type: none">a) Recommend to the Combined Authority Board the revised strategic approach for targeting Category 1 of the Business Board recycled funds;b) Recommend the Combined Authority Board approve the criteria for the project scoring assessment of applications to the Business Board recycled funds;c) Recommend the Combined Authority Board approves the process for investing Business Board recycled funds as stated at Category 1 and 2; andd) Note all programme updates outlined in this paper.

1. Purpose

- 1.1 This report provides the Board with an update on the strategic funding programmes that it is responsible for, this report covers progress to 1 December 2021. This includes the following:
- (a) Spend performance of allocated funds
 - (b) Monitoring and spending performance of allocated funds
 - (c) Community Renewal Fund mobilisation Update
 - (d) Process for investing the Business Board recycled Funds
 - (e) Future Funds update

2. Background

- 2.1 The Local Growth Fund (LGF) £146.7m programme was closed and all spent by 31 March 2021, but programme outcomes are still being delivered beyond 2021. Local Growth Funds provided Grants, Loans or other forms of funding such as Equity Capital Investment.
- 2.2 The £14.6million Getting Building Funding (GBF) was awarded to the Cambridgeshire and Peterborough Combined Authority in July 2020 to be spent by end of March 2022 and projects delivered to completion during 2022. The Business Board awarded the £14.6m GBF to the Net Zero Manufacturing Research and Development Innovation Centre, University Phase 2 project.
- 2.3 The UK Community Renewal Fund (CRF) awarded a grant of £3,393,851 to the Combined Authority in November 2021 to deliver two projects by 30 June 2022. The Projects are Turning Point, which is a skills and employment support programme, and Start and Grow, which is an enterprise pre-start and start-up support programme. Both projects will be delivered through the existing Growth Works contractor.
- 2.4 In the Levelling Up Fund (LUF) round 1, Peterborough City Council were awarded £20m of capital grant for the ARU Peterborough Living Lab and University Cultural Quarter project. Fenland District Council are currently developing an LUF application ready for round 2 submission with support from the Combined Authority.

3. Programme Spend

- 3.1 The £146.7m Local Growth Fund programme closed on 31 March 2021, with all funding awarded to a portfolio of 51 projects including the grant schemes and included the allocated Combined Authority fund management costs. The project expenditure of the LGF programme totalled £141.4m at 1 December 2021.
- 3.2 The £14.6m GBF is fully awarded including the £827,000 grant to Peterborough City Council (PCC) for provision of a car park infrastructure to support this project. The grant funding agreement with PCC is ready to be signed off.
- 3.3 The Business Board awarded £2m from its future recycled fund in June 2021 to the University Phase 3 project. PCC have secured the balance of full funding package from the LUF of £20m and £4m from Anglia Ruskin University:-

4. Programme Monitoring

- 4.1 The Monitoring of all projects in delivery is conducted by the Strategic Funds team on a monthly and quarterly basis. The Business Board is asked to note the latest updated Monitoring report of all outputs at Appendix 1 for all projects, both completed and live.
- 4.2 The current monitoring update shows that there have been in total 4,865 actual jobs created reported from all projects by December 2021. The added graphs in Appendix 1 show the whole LGF programme jobs created cumulative to date, and also the current year relative performance each month against the forecast.
- 4.3 The Local Growth Fund dashboard with quarterly updated project outputs and outcomes can be viewed on the Combined Authority's website:
[Local Growth Fund | Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)](https://cambridgeshirepeterborough-ca.gov.uk)
- 4.4 The Business Board is also asked to note at Appendix 2 the six-monthly monitoring report on the LGF programme submitted in November 2021 to the Cities and Local Growth Unit (CLGU). This report is a draft at the time of writing this report, as CLGU had yet to confirm if they had any queries related to it.

5. Community Renewal Fund Update

- 5.1 The Combined Authority is the Lead Authority for the CRF and is therefore responsible for coordinating the bidding process, administering award and monitoring of funds once allocated from the Government.
- 5.2 The Grant funding Agreement from the Department for Levelling Up, Housing and Communities (DLUHC) has been received and grant agreement prepared for flow-down of the grant to the Cambridgeshire and Peterborough Business Growth Company (Growth Co) to enable Contract Change to be concluded with the Growth Works contractor.
- 5.3 Agreements have been prepared for each of the local authorities providing match funding into the Start and Grow CRF project, in order to transfer those funds into the Growth Co as part of the flow-down grant funding agreement.
- 5.4 The Mobilisation of the two projects being funded by the CRF has started before Christmas by the Growth Works contractor, as the window for delivery is very tight, with partnership meetings with key stakeholders, marketing preparations and recruitment of delivery team.

6. Recycled Funding Investment Process

- 6.1 At its meeting on 24 November 2021, the Combined Authority Board approved the Business Board's proposed strategy in relation to the award of its recycled Local Growth Funding. The strategy was a two-part approach with Category 1: 15% of the funds (£1million) for short-term, high impact adaptations or extensions to existing projects and services already funded by LGF and currently in delivery, and Category 2: 85% of recycled funds (up to £6million) targeted to support large scale LUF and SPF bids that have strong leverage and high impact outcomes.

The strategy agreed for Category 1 above has been tightened since last the last Business Board approval in respect of fairness and the required approach in the National Assurance Framework to run an open call so that a wider pool of projects have access to apply for the funding.

The Business Board is asked to note the change in strategy from its meeting for this particular Category and to recommend this revised approach for Category 1 to the Combined Authority Board.

6.2 Proposed Process and Criteria for Category 1

For Category 1: Short term extensions to Projects & Programmes or new projects ready to start immediately capable of satisfying significant needs that remain unfulfilled and generating greatly enhanced outcomes.

1. Host an open call on the Combined Authority website for projects to apply to the £1m being made available for project extensions with grant awards in the region of £400k for and possibly higher for exceptional projects.
2. Manage the front end of the process online, using web portal hosted project outline screening questions.
3. Assess candidate Project Outlines on the following criteria which will be communicated to project owners, within the invitation to apply:
 - a) Able to mobilise within 4 weeks and complete by December 2022 in order to contribute to the re-growth phase of post-pandemic recovery – similar to the recent CRF call logic.
 - b) Able to demonstrate significantly greater market demand than anticipated compared to the current project proposal, resulting in quantifiable and additional, new current high value job creation.
 - c) Able to generate higher value jobs targeting up to a 50% increase in the number and value for money (£k per job) of the outcomes being generated in their current project.
 - d) All applications must comply with new UK subsidy rules.
4. Invite candidates that pass assessment criteria for the EoI to complete a Full Application using revised application form based on previous LGF and CRF application forms.
5. Evaluate the Full applications using external independent appraiser and then bring the Officer internal assessment score of the full application and external appraisal report for projects to the Business Board for the final decision to recommend that the Combined Authority Board award the funding.
6. Officers will issue funding agreements to all successful projects prior to issuing any funds via satisfactory grant claims and then undertake monitoring and evaluation on each project as per the Combined Authority Monitoring and Evaluation Framework.

7. Projects will be encouraged to provide pilot data from their post project evaluation to inform the development of bids in the longer term for potential SPF (subject to grant award) applications.

The Business Board is asked to consider and recommend to the Combined Authority Board the further detail on the process and criteria in the Appendix 3 to this report, which also contains the Online Eol screening questions, full application form and project assessment plus scoring criteria details.

6.3 Proposed process and criteria for category 2

For Category 2: To provide leverage funding to Levelling Up (LUF) round 2 and Shared Prosperity Fund (SPF) applications subject to Government launching those calls OR High Value For Money projects linked to delivering the new Economic Growth & Skills Strategy (EG&SS).

1. Host an open call for project applications on the Combined Authority Website coinciding with the launch call of SPF and LUF Round 2, subject to obtaining the SPF criteria and guidance, offering grants in the region of £1million per project and possibly higher for exceptional projects to a maximum of £2million (capital only)
2. The process will be run as per the current Local Assurance for the LGF and the applicants will first be required to complete an Expression of Interest.
3. Assess candidate Expression of Interests (Eol) on the following criteria and communicate – making these clear to the project owners within the invitation to apply:
 - a) Must be used as leverage match funding for SPF or LUF or any other Government Funding applications being made in 2022/23, and therefore meet all criteria set out by government in those particular schemes or
 - b) Deliver priorities identified in the EG&SS and/or Sector Strategies
 - c) Projects must Score within the upper quartile for Value For Money against existing Growth output measures, deliverability & strategic fit when compared across all the project submissions received
 - d) All applications must comply with new UK subsidy rules
4. Mirroring the current LGF process, the initial Expression of Interest (EOI) will be evaluated by officers and candidates that pass assessment criteria will be invited to complete a Full Application using revised application form based on previous LGF and CRF application forms.
5. Evaluate the Full applications using an external independent appraiser to provide independent assessment reports including any recommended conditions that should be considered.
6. For any projects applying for more than £500,000 of recycled funds a requirement to give a presentation to the Entrepreneur Assessment Panel (EAP) who will assess and score the project.

7. The ~~combined~~, EAP collated score combined with the Full Application assessed score and external appraisal report for each project will be taken to the Business Board for the final decision to recommend that the Combined Authority award the funding.
8. Officers will standard funding agreements to all successful projects prior to issuing any funds via satisfactory grant claims and then undertake monitoring and evaluation on each project as per the Combined Authority Monitoring and Evaluation Framework.

The Business Board is asked to consider and recommend to the Combined Authority Board the further detail on the process, project call criteria and scoring criteria in the Appendix 4 to this report, which also contains the Expression of Interest form, full application form and project assessment details with the scoring criteria.

- 6.4 The process for Category 1 is to be immediately launched, subject to Combined Authority approval on 24th January 2022, but the process for Category 2 will not be launched until the Government announces the criteria and process for the Shared Prosperity Fund, likely to be alongside the spring budget in early March 2022.
- 6.5 The Business Board is asked to recommend that the Combined Authority Board approves the proposed process for investing Business Board recycled funds as set out in this paper and includes the change to the strategy that was agreed at the November Business Board meeting for the Category 1 to proceed with an open call .

7. Future Funding

- 7.1 Officers await full details and criteria for the UK Shared Prosperity Fund (SPF) which the Government is due to announce by Spring 2022. Officers have previously presented the pipeline of potential projects that could be developed further into applications to the new UKSPF when Government call for project shortlists to the new fund. The Business & Skills Directorate are developing the broader Economic Growth and Skills Strategy that will encompass the strategically important interventions and projects which the Business Board may wish to lead on when a call for projects for UKSPF is launched.
- 7.2 Combined Authority Officers continue to support the preparation work on an application for LUF round 2 regeneration projects planning to be submitted from Fenland District Council when the Government announces that LUF round 2 is open for bids.

Significant Implications

8. Financial Implications

- 8.1 The CRF award was noted by the CA Board in November and will be delivered through Growth Co. Below is a summary of the impact on the MTFP, subject to grant agreements being issued by DLUHC and accepted by the Combined Authority.

Financial change summary (£'000)			2021-22	2022-23	2023-24	2024-25
Change Requested	CRF – Start & Grow (new line)	Approved	1,400	1,400	-	-
		STA	-	-	-	-
	CRF – Turning Point (new line)	Approved	500	347-	-	-
		STA	-	-	-	-
Revised MTFP	CRF – Start & Grow	Approved	1,400	1,400	-	-
		STA	-	-	-	-
	CRF – Turning Point	Approved	500	347	-	-
		STA	-	-	-	

- 8.2 Approval of project assessment criteria do not have financial implications in themselves rather they set out the framework which will, alongside the assurance framework, ensure that the projects the Business Board are presented for consideration will deliver value for money. Detailed financial implications will be presented and considered on a project by project basis when they are considered by the Business Board.

9. Legal Implications

- 9.1 None.

10. Other Significant Implications

- 10.1 None.

11. Appendices

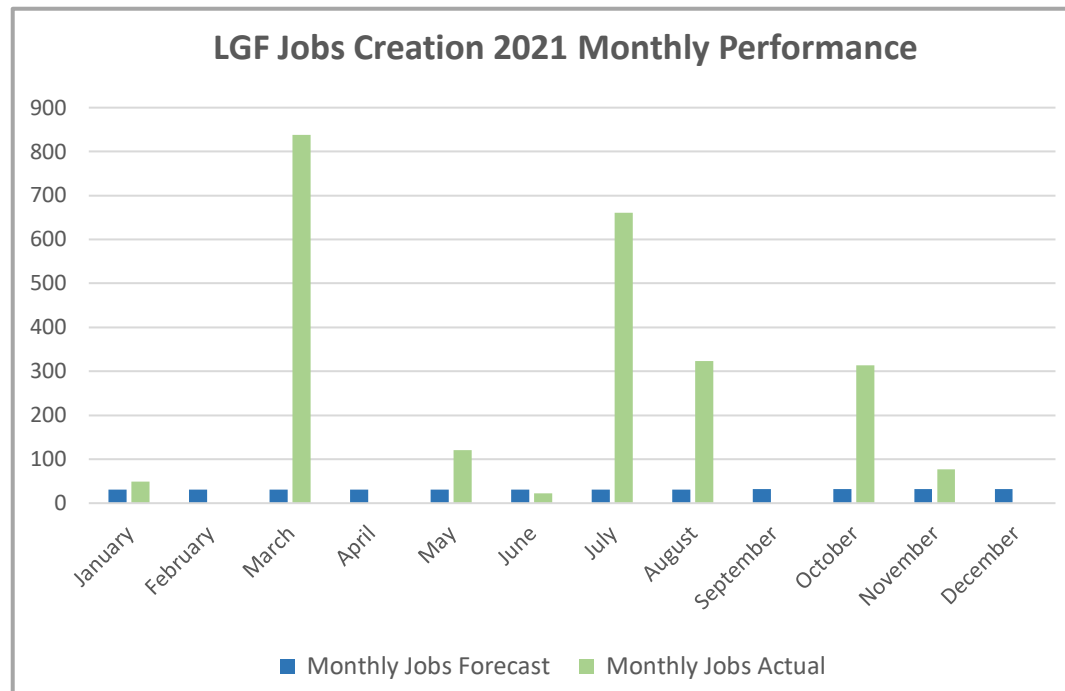
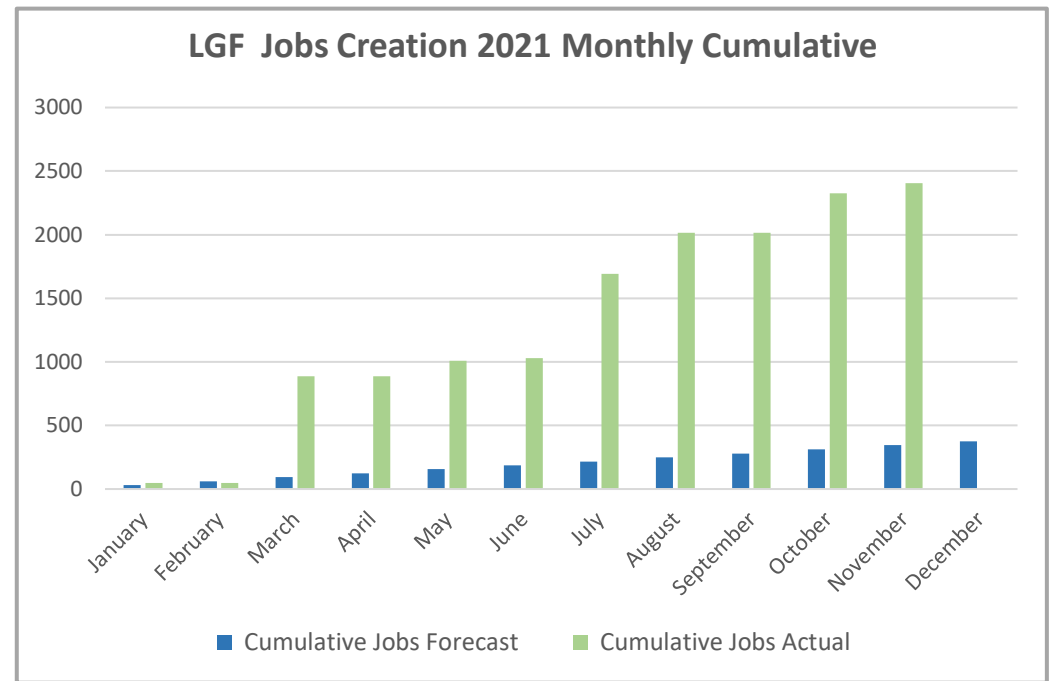
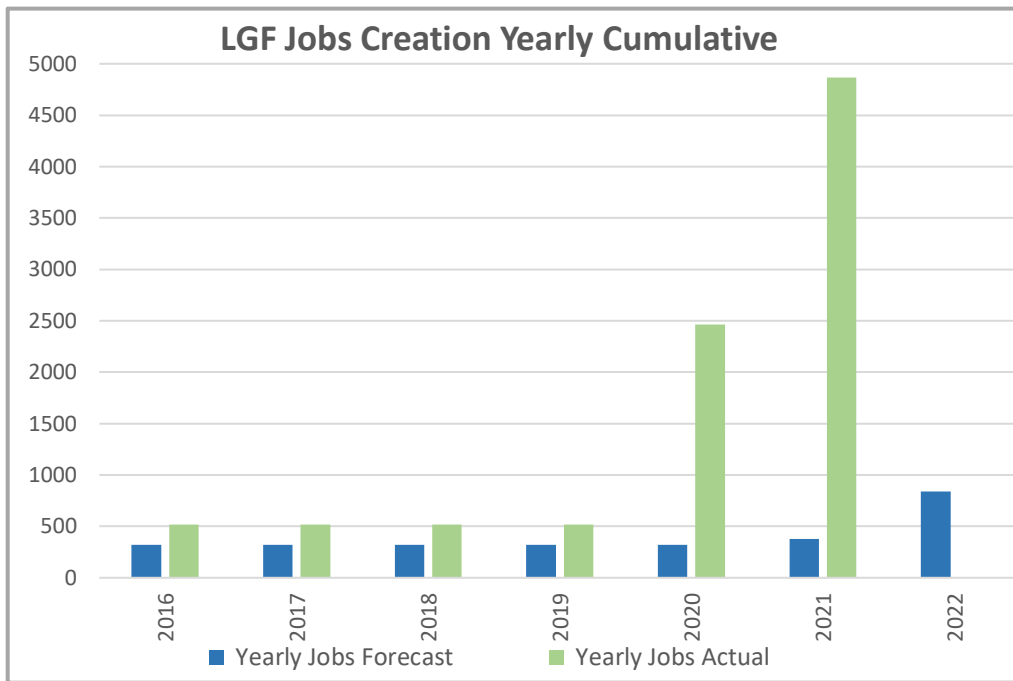
- 11.1 Appendix 1 – Business Board LGF Investment Monitoring Report (January 2022)
- 11.2 Appendix 2 – LGF Six-Monthly Monitoring Report to CLGU
- 11.3 Appendix 3 – Proposed Process Criteria Recycled Funds Category 1
- 11.4 Appendix 4 – Proposed Process Criteria Recycled Funds Category 2

12. Background Papers

- 12.1 Community Renewal Fund Award Approval
[Combined Authority Board 24 Nov 2021 Agenda item 3.6](#)
- 12.2 Strategic Funds Management Review November 2021
[Business Board 8 Nov 2021 agenda item 2.2](#)
- 12.3 Local Growth Fund Documents, Investment Prospectus, guidance and application forms,
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/>

- 12.4 List of funded projects and MHCLG monitoring returns,
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/opportunities/>
- 12.5 Local Industrial Strategy and associated sector strategies,
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/>

Appendix 1 – LGF Output monitoring January 2022



LGF Project	LGF Amount	Leverage Funding	Start Date	End of Project Monitoring	Years remaining	Direct Job Creation (Forecast)	Indirect Job Creation (Forecast)	Jobs Created (Forecast)	Actual	% completion	Apprenticeships (Forecast)	Actual	% completion	New Learners Assisted on Courses to Full Qualification (Forecast)	Actual	% completed
The Business Growth Service	£5,407,000	£26,083,556	2020	2030	9	47	4692	4739	3	0.06%	1800	1	0.06%	1800	1	0.06%
Illumina Genomics Accelerator	£1,000,000	£29,000,000	2020	2030	9	1033	0	1033	48	<div>4.65%</div>	4	2	<div>50.00%</div>			
Startcodon Life Science Accelerator	£3,342,250	£12,000,000	2020	2030	9	1730	3460	5190	145	<div>2.79%</div>	0	13	<div>100%</div>			
Ascendal Transport Accelerator	£965,000	£990,000	2020	2024	3	2	200	202	3	<div>1.49%</div>	2	2	<div>100%</div>			
Medtech Accelerator	£500,000	£700,000	2016	2026	5	0	0	0	9	<div>100%</div>						
Peterborough & Fens Smart Manufacturing Association	£715,000	£688,800	2020	2025	4	143	242	385	3	<div>0.78%</div>						
Teraview Company Expansion	£120,000	£554,070	2018	2023	2	15	0	15	3	<div>20.00%</div>	3	0	<div>0.00%</div>			
Aerotron Company Expansion	£1,400,000	£5,600,000	2020	2025	4	120	15	135	100	<div>74.07%</div>	0	6	<div>100%</div>			
Agri-Tech Growth Initiative	£3,600,000	£1,996,000	2015	2025	4	338	0	338	373	<div>110.36%</div>						
Growing Places Fund Extension	£300,000	£200,000	2015	2016	0	320	0	320	520	<div>162.50%</div>	0	58	<div>100%</div>	2	2	<div>100%</div>
Signpost to Grant - CPCA Growth Hub	£200,000	£0	2016	2017	0	0	0	0	0	<div>0.00%</div>						
COVID Capital Growth Grant Scheme	£5,993,934.70	£0	2020	2024	3	287	0	287	216.5	<div>75.44%</div>						
Peterborough Builds Back Better	£800,000	£0	2020	2023	2	100	200	300	500	<div>166.67%</div>						
Cambridge Visitor Welcome 2021	£710,000	£60,000	2020	2023	2	60	380	440	6	<div>1.36%</div>						
BGS Capital Grants Scheme	£2,043,178	£0	2021	2024	3	0	1200	1200	265	<div>22.08%</div>						
Hauxton House Incubation Centre	£438,000	£500,000	2019	2024	3	64	46	110	49	<div>44.55%</div>	210	0	<div>0.00%</div>			
South Fenland Enterprise Park	£997,032	£997,032	2020	2024	3	30	46	76	0	<div>0.00%</div>						
Photocentric 3D Centre of Excellence	£1,875,000	£5,625,000	2020	2024	3	616	61	677	14	<div>2.07%</div>	10	0	<div>0.00%</div>			
Cambridge Biomedical Campus	£3,000,000	£47,200,000	2020	2027	6	880	2204	3084	0	<div>0.00%</div>	19	0	<div>0.00%</div>			
NIAB - AgriTech Start Up Incubator	£2,484,000	£2,116,000	2020	2030	9	947	770	1717	7.5	<div>0.44%</div>	100	0	<div>0.00%</div>			
NIAB - Agri-Gate Hasse Fen extension	£599,850	£921,620	2020	2025	4	65	100	165	19	<div>11.52%</div>	40	4	<div>10.00%</div>			
TWI Engineering Centre	£2,100,000	£901,063	2015	2021	1	20	35	55	82	<div>149.09%</div>	4	0	<div>0.00%</div>			
Biomedical Innovation Centre	£1,000,000	£3,064,000	2015	2022	1	162	81	243	80	<div>32.92%</div>	80	30	<div>37.50%</div>	160	0	<div>0%</div>
Haverhill Epicentre - Jaynic	£2,700,000	£3,600,000	2019	2023	2	300	450	750	198	<div>26.40%</div>	5	0	<div>0.00%</div>			
TWI Ecosystem Innovation Centre	£1,230,000	£1,270,000	2020	2025	4	2	75	77	2	<div>2.60%</div>						
West Cambs Innovation Park	£3,000,000	£64,300,000	2020	2025	4	380	150	530	5	<div>0.94%</div>						
TTP Life Sciences Incubator	£2,300,000	£52,978,000	2020	2025	4	236	10	246	16	<div>6.50%</div>						
Aracaris Capital Living Cell Centre	£1,350,000	£1,350,000	2019	2024	3	200	0	200	46	<div>23.00%</div>	19	5	<div>26.32%</div>			
Whittlesey King's Dyke Crossing	£8,000,000	£21,981,478	2016	2022	1	0	0	0	8	<div>100%</div>						
Bourges Boulevard Phase 1 & 2	£11,300,000	£0	2014	2022	1	0	0	0	455	<div>100%</div>	280	100	<div>35.71%</div>			
A47/A15 Junction 20	£6,300,000	£0	2016	2022	1	0	0	0	47	<div>100%</div>						
Wisbech Access Strategy	£7,000,000	£227,434	2015	2026	5	0	1500	1500	13	<div>0.87%</div>	300	0	<div>0.00%</div>			
Lancaster Way Phase 1 Loan	£1,000,000	£126,760	2017	2025	4	1020	0	1020	1242	<div>100%</div>	720	20	<div>2.78%</div>			
Lancaster Way Phase 2 Loan	£3,680,000	£0														
Lancaster Way Phase 2 Grant	£1,445,000	£3,680,000														
Ely Southern Bypass	£22,000,000	£14,000,000	2016	2022	1	0	0	0	250	<div>100%</div>						
Manea & Whittlesea Stations	£395,000	£2,105,000	2017	2022	1	80	0	80	58	<div>72.50%</div>						
CAM Promotion Company	£995,000	£283,183	2021	2024	3	60	33	93	2	<div>2.15%</div>						
Soham Station	£1,000,000	£0	2019	2024	3	0	0	0	18	<div>100%</div>						
Metalcraft Advanced Manufacturing Centre	£3,160,000	£900,000	2020	2030	9	14	30	44	0	<div>0.00%</div>	105	0	<div>0.00%</div>			
University of Peterborough Phase 1	£12,500,000	£15,035,000	2020	2027	6	250	14000	14250	48	<div>0.34%</div>	2100	0	<div>0.00%</div>	10000	0	<div>0%</div>
March Adult Education Skills & Training Expansion	£400,000	£50,000	2020	2022	1	141	0	141	2	<div>1.42%</div>	68	23	<div>33.82%</div>	695	0	<div>0%</div>
PRC Food Manufacturing Centre	£586,000	£586,000	2015	2022	1	0	0	0	0	<div>0.00%</div>	327	167	<div>51.07%</div>	372	207	<div>55.65%</div>
IMET Skills Training Centre	£10,473,564		2015	2026	5	1	0	1	5	<div>500%</div>	752	48	<div>6.38%</div>	160	0	<div>0%</div>
CITB Construction Academy	£450,000	£496,324	2016	2021	0	1	0	1	2	<div>200%</div>	0	190	<div>100%</div>	511	511	<div>100%</div>
EZ Plant Centre Alconbury	£65,000	£89,000	2015	2016	0	0	0	0	0	<div>0.00%</div>						
Highways Academy	£363,784.30		2015	2016	0	0	0	0	0	<div>0.00%</div>				100	0	<div>0%</div>
CRC Construction Skills Hub	£2,500,000	£497,360	2020	2023	2	9	600	609	2	<div>0.33%</div>	180	0	<div>0.00%</div>	686	0	<div>0%</div>
AEB Innovation Grant	£323,700	£336,700	2020	2023	2	15	0	15	0	<div>0.00%</div>	30	0	<div>0.00%</div>	150	0	<div>0%</div>
Totals	£144,107,293	£323,089,380				9688	30580	40268	4865	<div>12.08%</div>	7158	669	<div>9.35%</div>	14636	721	<div>4.93%</div>

LGF Project	LGF Amount	Leverage Funding	Start Date	End of Project Monitoring	Years remaining	Housing Units Completed (Forecast)	Actual	% completed	New Homes with New or Improved Fibre Optic Provision (Forecast)	Actual	% completed	Length of Road Resurfaced (km) (Forecast)	Actual	% completed	Length of Newly Built Road (km) (Forecast)	Actual	% completed	Length New Cycle Ways (km) (Forecast)	Actual	% completed	Prior Estate Grade	Post Completion Estate Grade	% completed	Land with Reduced Likelihood of Flooding (m2) (Forecast)	Actual	% completed	Homes with Reduced Flood Risk (units) (Forecast)	Actual	% completed	Commerical Properties with Reduced Flood Risk (units) (Forecast)	Actual	% completed
The Business Growth Service	£5,407,000	£26,083,556	2020	2030	9																											
Illumina Genomics Accelerator	£1,000,000	£29,000,000	2020	2030	9																											
Startcodon Life Science Accelerator	£3,342,250	£12,000,000	2020	2030	9																											
Ascendal Transport Accelerator	£965,000	£990,000	2020	2024	3																											
Medtech Accelerator	£500,000	£700,000	2016	2026	5																											
Peterborough & Fens Smart Manufacturing Association	£715,000	£688,800	2020	2025	4																											
Teraview Company Expansion	£120,000	£554,070	2018	2023	2																											
Aerotron Company Expansion	£1,400,000	£5,600,000	2020	2025	4																											
Agri-Tech Growth Initiative	£3,600,000	£1,996,000	2015	2025	4																											
Growing Places Fund Extension	£300,000	£200,000	2015	2016	0																											
Signpost to Grant - CPCA Growth Hub	£200,000	£0	2016	2017	0																											
COVID Capital Growth Grant Scheme	£5,993,934.70	£0	2020	2024	3																											
Peterborough Builds Back Better	£800,000	£0	2020	2023	2																											
Cambridge Visitor Welcome 2021	£710,000	£60,000	2020	2023	2																											
BGS Capital Grants Scheme	£2,043,178	£0	2021	2024	3																											
Hauxton House Incubation Centre	£438,000	£500,000	2019	2024	3										0.01	0.05	500%				D	A	100%									
South Fenland Enterprise Park	£997,032	£997,032	2020	2024	3																											
Photocentric 3D Centre of Excellence	£1,875,000	£5,625,000	2020	2024	3										0.075	0	0%													1	0	0%
Cambridge Biomedical Campus	£3,000,000	£47,200,000	2020	2027	6																											
NAB - AgriTech Start Up Incubator	£2,484,000	£2,116,000	2020	2030	9																											
NAB - Agri-Gate Hasse Fen extension	£599,850	£921,620	2020	2025	4																			0	150	100%						
TWI Engineering Centre	£2,100,000	£901,063	2015	2021	1																											
Biomedical Innovation Centre	£1,000,000	£3,064,000	2015	2022	1																											
Haverhill Epicentre - Jaynic	£2,700,000	£3,600,000	2019	2023	2																											
TWI Ecosystem Innovation Centre	£1,230,000	£1,270,000	2020	2025	4																											
West Cambs Innovation Park	£3,000,000	£64,300,000	2020	2025	4																											
TTP Life Sciences Incubator	£2,300,000	£52,978,000	2020	2025	4							0.18	0.18	100%	0.716	0	0%	0.516	0.18	35%				84000	0	0%						
Aracaris Capital Living Cell Centre	£1,350,000	£1,350,000	2019	2024	3																											
Whittlesey King's Dyke Crossing	£8,000,000	£21,981,478	2016	2022	1	740	0	0%																								
Bourges Boulevard Phase 1 & 2	£11,300,000	£0	2014	2022	1	801	313	39.08%				14.96	14.96	100%	3	3	100%	17.45	17.45	100%												
A47/A15 Junction 20	£6,300,000	£0	2016	2022	1	2945	209	7.10%				1	1	100%	1	1	100%															
Wisbech Access Strategy	£7,000,000	£227,434	2015	2026	5							13	0	0%																		
Lancaster Way Phase 1 Loan	£1,000,000	£126,760	2017	2025	4																			42100	155300	100%				0	8	100%
Lancaster Way Phase 2 Loan	£3,680,000	£0																														
Lancaster Way Phase 2 Grant	£1,445,000	£3,680,000																														
Ely Southern Bypass	£22,000,000	£14,000,000	2016	2022	1	2000	1800	90%							1.7	1.7	100%															
Manea & Whittlesea Stations	£395,000	£2,105,000	2017	2022	1																											
CAM Promotion Company	£995,000	£283,183	2021	2024	3																											
Soham Station	£1,000,000	£0	2019	2024	3																											
Metalcraft Advanced Manufacturing Centre	£3,160,000	£900,000	2020	2030	9										0.07	0	0%	0.07	0	0%												
University of Peterborough Phase 1	£12,500,000	£15,035,000	2020	2027	6																											
March Adult Education Skills & Training Expansion	£400,000	£50,000	2020	2022	1																											
PRC Food Manufacturing Centre	£586,000	£586,000	2015	2022	1																											
IMET Skills Training Centre	£10,473,564		2015	2026	5																											
CITB Construction Academy	£450,000	£496,324	2016	2021	0																											
E2 Plant Centre Alconbury	£65,000	£89,000	2015	2016	0																											
Highways Academy	£363,784.30		2015	2016	0																											
CRC Construction Skills Hub	£2,500,000	£497,360	2020	2023	2																C	B	100%									
AEB Innovation Grant	£323,700	£336,700	2020	2023	2																											
Totals	£144,107,293	£323,089,380				6486	2322	35.80%	0	0	0%	29.14	16.14	55.39%	7.53	6.71	89.09%	18.04	17.63	97.75%	N/A	N/A	N/A	126100	155450	123.28%	0	0	0%	1	8	800%

LGF Project	LGF Amount	Leverage Funding	Start Date	End of Project Monitoring	Years remaining	Area of New or Improved Learning/ Training Floorspace (m2) (Forecast)	Actual	% completed	Floorspace Rationalisation (m2) (Forecast)	Actual	% completed	Commerical Floorspace Created (m2) (Forecast)	Actual	% completed	Commerical Floorspace Refurbished (m2) (Forecast)	Actual	% completed	Commerical Floorspace Occupied (m2) (Forecast)	Actual	% completed	Commerical Businesses with Broadband Access (Forecast)	Actual	% completed	Enterprises Receiving Grant Support (Forecast)	Actual	% completed	Businesses Receiving Other Grant Support (Forecast)	Actual	% completed	Businesses Receiving Non Financial Support (Forecast)	Actual	% completed
The Business Growth Service	£5,407,000	£26,083,556	2020	2030	9																		900	32	4%				5000	0	0%	
Illumina Genomics Accelerator	£1,000,000	£29,000,000	2020	2030	9								730	437	60%	730	437	60%					26	6	23%				0	4	100%	
Startcodon Life Science Accelerator	£3,342,250	£12,000,000	2020	2030	9				34.8	38	109%																48	13	27%	48	13	27%
Ascendal Transport Accelerator	£965,000	£990,000	2020	2024	3								246	204	82.99%	246	0	0%					3	0	0%	3	0	0%				
Medtech Accelerator	£500,000	£700,000	2016	2026	5																		0	8	100%				0	4	100%	
Peterborough & Fens Smart Manufacturing Association	£715,000	£688,800	2020	2025	4																								190	2	1.05%	
Teraview Company Expansion	£120,000	£554,070	2018	2023	2								991	991	100%	991	1023	103%														
Aerotron Company Expansion	£1,400,000	£5,600,000	2020	2025	4							6000	6000	100%	40000	40000	100%	48000	48000	100%												
Agri-Tech Growth Initiative	£3,600,000	£1,996,000	2015	2025	4																		55	85	155%							
Growing Places Fund Extension	£300,000	£200,000	2015	2016	0	40	40	100%				0	2647	100%																		
Signpost to Grant - CPCA Growth Hub	£200,000	£0	2016	2017	0																											
COVID Capital Growth Grant Scheme	£5,993,934.70	£0	2020	2024	3																											
Peterborough Builds Back Better	£800,000	£0	2020	2023	2							0	36	100%	2016	3000	149%				0	300	100%			0	30	100%	130	300	231%	
Cambridge Visitor Welcome 2021	£710,000	£60,000	2020	2023	2										5000	550	11%												55	35	64%	
BGS Capital Grants Scheme	£2,043,178	£0	2021	2024	3																		240	32	13%							
Hauxton House Incubation Centre	£438,000	£500,000	2019	2024	3	50	53	106%							350	349	99.7%	170	190	112%	10	0	0%									
South Fenland Enterprise Park	£997,032	£997,032	2020	2024	3							900	0	0%				900	0	0%	5	0	0%									
Photocentric 3D Centre of Excellence	£1,875,000	£5,625,000	2020	2024	3							5100	5100	100%				5100	5100	100%	1	0	0%	1	1	100%						
Cambridge Biomedical Campus	£3,000,000	£47,200,000	2020	2027	6							11398	0	0%				9290	0	0%	30	0	0%									
NAB - AgriTech Start Up Incubator	£2,484,000	£2,116,000	2020	2030	9							375	338	90%				375	368	98%	15	2	13%						15	41	273%	
NAB - Agri-Gate Hasse Fen extension	£599,850	£921,620	2020	2025	4										1100	375	34%	1100	375	34%	0	3	100%	1	3	300%	0	1	100%	130	8	6%
TWI Engineering Centre	£2,100,000	£901,063	2015	2021	1	858	858	100%							2480	2480	100%	2480	2480	100%										0	10	100%
Biomedical Innovation Centre	£1,000,000	£3,064,000	2015	2022	1							2780	2780	100%				2780	2780	100%										0	45	100%
Haverhill Epicentre - Jaynic	£2,700,000	£3,600,000	2019	2023	2							3000	3000	100%				3000	600	20%	0	28	100%	0	5	100%				50	4	8%
TWI Ecosystem Innovation Centre	£1,230,000	£1,270,000	2020	2025	4							644	0	0%	1944	2953	152%				0	1	100%									
West Cambs Innovation Park	£3,000,000	£64,300,000	2020	2025	4							4645	4647	100.04%				4645	0	0%												
TTP Life Sciences Incubator	£2,300,000	£52,978,000	2020	2025	4							8751	0	0%	3572	0	0%	12323	0	0%												
Aracaris Capital Living Cell Centre	£1,350,000	£1,350,000	2019	2024	3							12000	12000	100%		0		12000	12000	100%												
Whittlesey King's Dyke Crossing	£8,000,000	£21,981,478	2016	2022	1																											
Bourges Boulevard Phase 1 & 2	£11,300,000	£0	2014	2022	1							32000	32000	100%																		
A47/A15 Junction 20	£6,300,000	£0	2016	2022	1																											
Wisbech Access Strategy	£7,000,000	£227,434	2015	2026	5																											
Lancaster Way Phase 1 Loan	£1,000,000	£126,760	2017	2025	4	0	238	100%				19286	26104	100%		19286	26104	100%	0	8	100%	0	6	100%				0	6	100%		
Lancaster Way Phase 2 Loan	£3,680,000	£0																														
Lancaster Way Phase 2 Grant	£1,445,000	£3,680,000																														
Ely Southern Bypass	£22,000,000	£14,000,000	2016	2022	1							70000	0	0%																		
Manea & Whittlesea Stations	£395,000	£2,105,000	2017	2022	1							60	45	75%							1	1	100%									
CAM Promotion Company	£995,000	£283,183	2021	2024	3																											
Soham Station	£1,000,000	£0	2019	2024	3																											
Metalcraft Advanced Manufacturing Centre	£3,160,000	£900,000	2020	2030	9	1108	0	0%	1108	0	0%	1108	0	0%				1108	0	0%	1	0	0%									
University of Peterborough Phase 1	£12,500,000	£15,035,000	2020	2027	6	4500	0	0%																								
March Adult Education Skills & Training Expansion	£400,000	£50,000	2020	2022	1	1322	1087	82%																								
PRC Food Manufacturing Centre	£586,000	£586,000	2015	2022	1	420	420	100%																						0	10	100%
IMET Skills Training Centre	£10,473,564		2015	2026	5	2380	2380	100%																								
CITB Construction Academy	£450,000	£496,324	2016	2021	0	195	195	100%																								
E2 Plant Centre Alconbury	£65,000	£89,000	2015	2016	0																											
Highways Academy	£363,784.30		2015	2016	0	432	0	0%																								
CRC Construction Skills Hub	£2,500,000	£497,360	2020	2023	2	1000	1000	100%																								
AEB Innovation Grant	£323,700	£336,700	2020	2023	2																											
Totals	£144,107,293	£323,089,380				12305	6271	50.96%	1142.8	38	3.33%	178047	94697	53.19%	58429	51339	87.87%	124524	99457	79.87%	63	343	544.44%	1226	178	14.52%	51	44	86.27%	5618	482	

GBF Project	GBF Amount	Leverage Funding	Start Date	End of Project Monitoring	Years remaining	Direct Job Creation (Forecast)	Indirect Job Creation (Forecast)	Jobs Created (Forecast)	Actual	% completion	Apprenticeships (Forecast)	Actual	% completion	New Learners Assisted on Courses to Full Qualification (Forecast)	Actual	% completed
University of Peterborough Phase 2	£13,773,000	£1,900,000	2020	2030	9	150	390	540	61	<div><div></div></div> 11.30%						
ARU Peterborough Infrastructure Support	£827,000	£500,000	2020	2025	4											
Totals	£14,600,000	£2,400,000				150	390	540	61	<div><div></div></div> 11.30%	0	0	0%	0	0	0%

GBF Project	GBF Amount	Leverage Funding	Start Date	End of Project Monitoring	Years remaining	Housing Units Completed (Forecast)	Actual	% completed	New Homes with New or Improved Fibre Optic Provision (Forecast)	Actual	% completed	Length of Road Resurfaced (km) (Forecast)	Actual	% completed	Length of Newly Built Road (km) (Forecast)	Actual	% completed	Length New Cycle Ways (km) (Forecast)	Actual	% completed	Prior Estate Grade	Post Completion Estate Grade	% completed	Land with Reduced Likelihood of Flooding (m2) (Forecast)	Actual	% completed	Homes with Reduced Flood Risk (units) (Forecast)	Actual	% completed	Commerical Properties with Reduced Flood Risk (units) (Forecast)	Actual	% completed
University of Peterborough Phase 2	£13,773,000	£1,900,000	2020	2030	9							0.5	0	0%	0.5	0	0%															
ARU Peterborough Infrastructure Support	£827,000	£500,000	2020	2025	4																											
Totals	£14,600,000	£2,400,000				0	0	0%	0	0	0%	0.5	0	0%	0.5	0	0%	0	0	0%	N/A	N/A	N/A	0	0	0%	0	0	0%	0	0	0%

GBF Project	GBF Amount	Leverage Funding	Start Date	End of Project Monitoring	Years remaining	Area of New or Improved Learning/ Training Floorspace (m2) (Forecast)	Actual	% completed	Floorspace Rationalisation (m2) (Forecast)	Actual	% completed	Commerical Floorspace Created (m2) (Forecast)	Actual	% completed	Commerical Floorspace Refurbished (m2) (Forecast)	Actual	% completed	Commerical Floorspace Occupied (m2) (Forecast)	Actual	% completed	Commerical Businesses with Broadband Access (Forecast)	Actual	% completed	Enterprises Receiving Grant Support (Forecast)	Actual	% completed	Businesses Receiving Other Grant Support (Forecast)	Actual	% completed	Businesses Receiving Non Financial Support (Forecast)	Actual	% completed
University of Peterborough Phase 2	£13,773,000	£1,900,000	2020	2030	9							1820	0	0%				1820	0	0%	45	0	0%						45	0	0%	
ARU Peterborough Infrastructure Support	£827,000	£500,000	2020	2025	4																											
Totals	£14,600,000	£2,400,000				0	0	0%	0	0	0%	1820	0	0%	0	0	0%	1820	0	0%	45	0	0%	0	0	0%	0	0	0%	45	0	0%



Deliverables Progress						
	15-21	Financial Year				Total
		21-22	22-23	23-24	24-25	
Housing						
Houses Completed	1,179	0	0	0	0	1,179
Forecast for year	1,179	0	0	0	0	1,179
Progress towards forecast	100%	-	-	-	-	100%
Number of new homes with new or improved fibre optic provision	0	522	0	0	0	522
Forecast for year	0	522	1,179	1,209	1,100	4,010
Progress towards forecast	#DIV/0!	100%	0%	0%	0%	13%



Jobs						
Jobs Created	4,766	0	0	0	0	4,766
Apprenticeships Created*	168	2,521	0	0	0	2,799
Jobs including Apprenticeships	4,954	2,521	0	0	0	7,475
Forecast for year	4,954	3,163	4,216	4,274	4,028	20,635
Progress towards forecast	100%	80%	0%	0%	0%	36%

* Apprenticeships included within jobs totals prior to 2017



Skills						
Area of new or improved floorspace (m2)	4,044	1,418	0	0	0	5,462
Forecast for year	4,044	2,412	2,558	0	0	9,014
Progress towards forecast	100%	59%	0%	-	-	61%
Floorspace rationalisation (m2)	0	0	0	0	0	0
Forecast for year	0	0	0	0	0	0
Progress towards forecast	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Number of New Learners Assisted	1,068	76	0	0	0	1,144
Forecast for year	1,068	186	750	790	1,000	3,794
Progress towards forecast	100%	41%	0%	0%	0%	30%



Transport						
Length of Road Resurfaced	30.9	17.0	0.0	0.0	0.0	47.9
Forecast for year	30.9	16.5	0.0	0.0	0.0	47.4
Progress towards forecast	100%	103%	#DIV/0!	#DIV/0!	#DIV/0!	101%
Length of Newly Built Road	67.7	3.0	0.0	0.0	0.0	70.7
Forecast for year	67.7	3.0	0.0	0.0	0.0	70.7
Progress towards forecast	100%	100%	#DIV/0!	#DIV/0!	#DIV/0!	100%
Length New Cycle Ways	38.7	0.0	0.0	0.0	0.0	38.7
Forecast for year	38.7	0.0	0.0	0.0	0.0	38.7
Progress towards forecast	100%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	100%

Commercial						
Commercial floorspace created	87,339.0	8,050.0	0.0	0.0	0.0	95,389.0
Forecast for year	87,339.0	8,080.0	915.0	48,059.0	36,000.0	180,393.0
Progress towards forecast	100%	100%	0%	0%	0%	53%
Commercial floorspace refurbished	43,933.0	8,050.0	0.0	0.0	0.0	51,983.0
Forecast for year	43,933.0	8,080.0	915.0	8,072.0	0.0	61,000.0
Progress towards forecast	100.0%	99.6%	0.0%	0.0%	#DIV/0!	85.2%
Commercial floorspace occupied	95,165.0	53,461.0	0.0	0.0	0.0	148,626.0
Forecast for year	95,165.0	57,091.8	1,108.0	9,290.0	17,008.0	179,662.8
Progress towards forecast	100%	94%	0%	0%	0%	83%
Commercial Broadband Access	22.0	336.0	0.0	0.0	0.0	358.0
Forecast for year	22.0	34.0	29.0	0.0	0.0	85.0
Progress towards forecast	100%	988%	0%	#DIV/0!	#DIV/0!	421%

Flood Risk Prevention						
Area of Land with reduced likelihood of flooding as a result of the project (m2)	0.0	0.0	0.0	0.0	0.0	0.0
Forecast for year	0.0	0.0	0.0	0.0	0.0	0.0
Progress towards forecast	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Reduced Flood Risk Homes	0.0	0.0	0.0	0.0	0.0	0.0
Forecast for year	0.0	0.0	0.0	0.0	0.0	0.0
Progress towards forecast	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Reduced Flood Risk Commercial	0.0	0.0	0.0	0.0	0.0	0.0
Forecast for year	0.0	0.0	0.0	0.0	0.0	0.0
Progress towards forecast	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Business and Enterprise						
Number of enterprises receiving grant support	13.0	173.0	1.0	0.0	0.0	187.0
Forecast for year	13.0	135.0	165.0	340.0	378.0	1,031.0
Progress towards forecast	100%	128%	1%	0%	0%	18%
Number of enterprises receiving financial support other than grants	12.0	44.0	0.0	0.0	0.0	56.0
Forecast for year	12.0	13.0	18.0	15.0	5.0	63.0
Progress towards forecast	100%	338%	0%	0%	0%	89%
Number of enterprises receiving non financial support	11.0	484.0	0.0	0.0	0.0	495.0
Forecast for year	11.0	209.0	664.0	659.0	586.0	2,129.0
Progress towards forecast	100%	232%	0%	0%	0%	23%

Non-LGF Expenditure						
Actual	£ 35,256,308	£ -	£ -	£ -	£ -	35,256,308.0
Forecast for year	£ 46,331,645	£ -	£ -	£ -	£ -	46,331,645.0
Progress towards forecast	76%	-	-	-	-	76%

Financial Achieved

LGF Award	2015-16	2016-17	17-18	18-19	19-20	20-21	Total
	£21,100,000	£33,625,463	£23,664,705	£16,705,458	£15,876,346	£35,737,637	£146,708,609

LGF Expenditure			15-17	Financial Year				Total
				17-18	18-19	19-20	20-21	
Actual			£ 25,849,968	£ 15,750,540	£ 19,297,072	£ 10,956,366	£ 65,912,780	£ 137,766,726
Forecast for year			£ 25,849,968	£ 35,251,579	£ 9,729,834	£ 4,615,452	£ 71,261,776	£ 146,708,609
Progress towards forecast			100%	45%	198%	237%	92%	94%

Non-LGF Expenditure						
Actual	£ 11,050,401	£ 22,676,132	£ 682,302	£ -	£ 847,473	£ 35,256,308
Forecast for year	£ 10,941,645	£ 6,627,615	£ 7,320,385	£ 21,442,000	£ -	£ 46,331,645
Progress towards forecast	101%	342%	9%	0%	-	76%

Total LGF + non-LGF Expenditure						
Actual	£ 36,900,369	£ 38,426,672	£ 19,979,374	£ 10,956,366	£ 66,760,253	£ 173,023,034
Forecast for year	£ 36,791,613	£ 41,879,194	£ 17,050,219	£ 26,057,452	£ 71,261,776	£ 193,040,254
Progress towards forecast		+92%	+117%	+42%	+94%	90%

Contractual Commitments (manual entry)						
	1	2	3	4	5	
Forecast	£ 36,150,465	£ 26,928,836	£ 8,732,797	£ 17,977,685	£ 56,918,826	£ 146,708,609
Actual	£ 74,392,300	£ 5,530,000	£ -	£ 9,867,483	£ 56,918,826	£ 146,708,609
Variance	+106%	-79%	-100%	-45%	+0%	+0%

LGF Freedoms and Flexibilities

Total Local Growth Fund allocation	£137,766,726
Total F&F Used	£8,941,883.00

Commentary

We have had 2 projects cancelled:

Wisbech Access Strategy - cancelled due to costs and delivery issues - clawback being requested for outstanding amount and monies being re-invested**Cambridge Automated Metro** - cancelled due to changes in Mayoral priorities - all funds being returned to CPCA and re-invested**IMET** - has been closed due to lack of demand, we are currently in the process of selling the building having looked at options for using the building. The funds generated from the sale will be re-invested

All other LGF projects are on target and are being monitored through to delivery. A number go beyond the 2025 monitoring date on this form for monitoring purposes

Section 151 Officer Approved

Name: Robert Emery

Signature:

Signature Redacted

Date: 24/11/2021

Navigation													RAG Rating				Non – LGF Financials	Employment Outputs	Housing Outputs	Transport Outputs	Skills Outputs	Commercial Outputs	Flood Risk Prevention Outputs	Business and Enterprise Output
Project Details													Deliverables	Finances	Reputation	RAG Rating								
Project Number	Project Name	Project Status	LEP Name	Project Type	Date Work Started	Date Work Completed	Date of latest contract variation																	
LGFGCP01	Whittlesey Access Phase 1 King's Dyke Crossing	Physical Completion	Greater Cambridge and I	Original	01/07/2016	30/06/2018	00/01/1900	1	1	1	G	The project is on target to deliver the outcomes as anticipated as part of this year's forecast.												
LGFGCP02	Ely Southern Bypass	Total Completion	Greater Cambridge and I	Original	01/10/2016	01/06/2018	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected from the output delivered												
LGFGCP03	Bourges Boulevard Phase 1	Total Completion	Greater Cambridge and I	Original	04/01/2014	31/07/2015	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP04	Bourges Boulevard Phase 2	Total Completion	Greater Cambridge and I	Original	01/03/2016	31/03/2019	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP05	A17/A15 Junction 20	Total Completion	Greater Cambridge and I	Original	01/03/2016	31/03/2017	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP06	Wisbech Access Strategy	Physical Completion	Greater Cambridge and I	Original	01/05/2015	31/03/2021	00/01/1900	5	1	1	A	This project has been ended early reflecting increase costs and delivery issues. Checkback of the project is delivering the outcomes expected												
LGFGCP07	TWI (The Welding Institute) Expansion	Total Completion	Greater Cambridge and I	Original	01/09/2015	31/03/2018	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP08	Technical and Vocational Centre, Alconbury Weald	Total Completion	Greater Cambridge and I	Original	01/05/2015	31/03/2018	00/01/1900	5	1	1	A	We are in the process of selling the building and will be receiving the monies												
LGFGCP09	Agri-Tech Growth Initiative	Physical Completion	Greater Cambridge and I	Original	01/08/2015	31/03/2021	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP10	Cambridge Biomedical Innovation Centre	Total Completion	Greater Cambridge and I	Original	01/12/2015	31/10/2016	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP11	Haverhill Innovation Centre	Total Completion	Greater Cambridge and I	Original	01/04/2018	31/03/2019	00/01/1900	0	0	0	N/A	This project did not happen												
LGFGCP12	Peterborough Regional College Food Mfg Centre	Physical Completion	Greater Cambridge and I	Original	07/01/2015	31/07/2016	00/01/1900	2	1	2	AG	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP13	Growing Places Fund Extension	Total Completion	Greater Cambridge and I	Original	07/08/2015	31/03/2021	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP14	Highways Academy	Total Completion	Greater Cambridge and I	Original	01/03/2015	31/05/2016	00/01/1900	5	1	1	A	The project was cancelled, the company went into administration. We did not see a replacement of the project is no longer operating, the project delivered the outcomes anticipated apart from the												
LGFGCP15	CITB Construction Academy	Total Completion	Greater Cambridge and I	Original	10/01/2016	29/12/2017	00/01/1900	1	1	1	G	The project was cancelled, the company went into administration. We did not see a replacement of the project is no longer operating, the project delivered the outcomes anticipated apart from the												
LGFGCP16	EZ Plant Centre Alconbury	Total Completion	Greater Cambridge and I	Original	01/01/2016	31/03/2016	00/01/1900	5	1	1	A	The project was cancelled, the company went into administration. We did not see a replacement of the project is no longer operating, the project delivered the outcomes anticipated apart from the												
LGFGCP17	Signpost to Grant	Total Completion	Greater Cambridge and I	Original	01/02/2016	31/03/2021	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP18	Medtech Accelerator	Physical Completion	Greater Cambridge and I	New	30/12/2016	31/03/2021	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP19	Lancaster Way Phase 1 Loan	Total Completion	Greater Cambridge and I	New	01/12/2016	31/03/2021	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP20	Lancaster way Phase 2 Loan	Total Completion	Greater Cambridge and I	New	31/01/2017	31/03/2021	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP21	Lancaster way Phase 2 Grant	Physical Completion	Greater Cambridge and I	New	30/12/2017	31/03/2021	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP22	Manea & Whittlesea Stations	Physical Completion	Greater Cambridge and I	Original	31/01/2017	31/03/2021	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP23	M11 J8	Total Completion	Greater Cambridge and I	Original	02/04/2019	31/03/2021	00/01/1900	0	0	0	N/A	This project did not happen												
LGFGCP24	Terraviva Loan	Physical Completion	Greater Cambridge and I	New	01/12/2018	30/04/2019	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP25	Soham Station	Physical Completion	Greater Cambridge and I	Original	04/07/2019	31/03/2021	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP26	Haverhill Epicentre	Physical Completion	Greater Cambridge and I	New	01/07/2019	31/03/2021	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP27	Forecast	Total Completion	Greater Cambridge and I	New	01/03/2019	31/03/2021	00/01/1900				N/A	N/A												
LGFGCP28	COVID-19 Capital Growth Grant Scheme	Physical Completion	Greater Cambridge and I	New	14/10/2019	31/03/2021	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP29	Hauton House Incubator Development	Physical Completion	Greater Cambridge and I	New	15/07/2019	31/03/2020	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP30	N1AB - AgriTech Start Up	Physical Completion	Greater Cambridge and I	New	02/02/2020	31/03/2021	00/01/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP31	The Growth Service	Physical Completion	Greater Cambridge and I	New	4/1/2020	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP32	N1AB - Hasse Fen Extension	Physical Completion	Greater Cambridge and I	New	1/2/2020	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP33	TWI - Innovation Network Ecosystem	Physical Completion	Greater Cambridge and I	New	11/1/2019	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP34	Illumina Accelerator Global Expansion	Physical Completion	Greater Cambridge and I	New	3/1/2020	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP35	Advanced Manufacturing Facility - Living Cell	Physical Completion	Greater Cambridge and I	New	4/1/2020	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP36	Cambridge Northern Fringe - Sci Tech Container	Total Completion	Greater Cambridge and I	New	4/1/2020	3/31/2021	1/0/1900	0	0	0	N/A	This project did not happen												
LGFGCP38	LGF Topical	Ongoing	Greater Cambridge and I	New	3/1/2019	3/31/2021	1/0/1900				N/A	N/A												
LGFGCP37	Ascendal New Technology Accelerator	Physical Completion	Greater Cambridge and I	New	11/1/2020	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP39	3D Centre of Excellence	Physical Completion	Greater Cambridge and I	New	1/29/2020	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP40	Aerotron CAPEX Relocation Project	Physical Completion	Greater Cambridge and I	New	11/30/2019	5/31/2020	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP41	Start Codon - Healthcare & Life Science Accelerator	Physical Completion	Greater Cambridge and I	New	2/1/2020	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP42	Advanced Manufacturing Innovation Launchpad	Ongoing	Greater Cambridge and I	New	2/1/2020	9/30/2021	1/12/2021	1	1	1	G	The project is on target to be completed this financial year												
LGFGCP43	Smart Manufacturing Association	Physical Completion	Greater Cambridge and I	New	5/1/2020	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP44	Cambridge Biomedical Campus - Multi Occupancy	Physical Completion	Greater Cambridge and I	New	4/1/2020	8/29/2022	1/12/2021	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP45	TTP Life Science Incubator	Physical Completion	Greater Cambridge and I	New	5/1/2020	8/1/2020	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP46	Wisbech Construction Careers Hub	Total Completion	Greater Cambridge and I	New	1/1/2020	3/31/2021	1/0/1900	0	0	0	N/A	This project did not happen												
LGFGCP47	University of Peterborough	Physical Completion	Greater Cambridge and I	New	3/1/2020	9/1/2022	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP48	South Fens Enterprise Park Phase 3	Physical Completion	Greater Cambridge and I	New	2/1/2020	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP49	Skills & Training Space Expansion	Physical Completion	Greater Cambridge and I	New	4/1/2020	3/31/2021	1/12/2021	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP50	Brampton Hub - Mobility, Fuels & Logistics Launch	Total Completion	Greater Cambridge and I	New	5/1/2020	9/1/2022	1/0/1900	0	0	0	N/A	This project did not happen												
LGFGCP51	West Cambridge Innovation Park	Physical Completion	Greater Cambridge and I	New	4/1/2020	9/1/2023	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP52	AEB Innovation Scheme	Physical Completion	Greater Cambridge and I	New	5/1/2020	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP53	CAM Promoter Body	Physical Completion	Greater Cambridge and I	New	8/31/2020	3/31/2021	1/0/1900	5	1	1	A	This project has been cancelled and funds are being repaid and will be re-focused on new												
LGFGCP54	CRC Construction Hub	Physical Completion	Greater Cambridge and I	New	8/31/2020	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP55	Peterborough City Centre - COVID Recovery	Physical Completion	Greater Cambridge and I	New	9/30/2020	3/31/2020	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP56	Cambridge Visitor Welcome 2021	Physical Completion	Greater Cambridge and I	New	12/20/2020	3/31/2021	1/0/1900	1	1	1	G	Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
LGFGCP57	BGS - Capital Grants	Physical Completion	Greater Cambridge and I	New	2/1/2021	3/31/2021	1/0/1900					Completed and ongoing monitoring, currently the project is delivering the outcomes expected												
							2/28/1900																	

LEP Name: Greater Cambridge and Peterborough LEP

Total LGF Allocation:	2015 - 2021
	£146,708,609

LGF Spent to date (Projects only): £ 137,766,726

Freedom and Flexibilities Used: £8,941,883 Please indicate freedoms and flexibilities used to date

Total LGF Spent (Projects + F&F) £146,708,609

Allocation vs Spent + F&F £0

Please add comments below of what projects have been affected by using freedoms and flexibilities and a break down of amounts for each project.

A degree of freedoms and flexibilities were used at the end of March 2021 to ensure complete spend of the LGF within the conditions of the grant.
All but two of the projects are expected to be completed by the end of March 2022 with one due to complete in April 2022.

The final project - South Fens Business Park (£997k of F&F) - has encountered delays with their planning permission and the LGF team are having monthly update meetings with the project sponsor to monitor the ongoing deliverability of the project. Currently it is scheduled for completion between August and December 2022.

Recycled Local Growth Funds

Category One (£1m pot)

To provide additional funding to existing projects and programmes or new projects ready to start immediately satisfy unmet need & generate enhanced outcomes - **Grants in the region of £400,000**

Application Criteria & Process



Could be an existing live or very recently completed project or a ready to go project



A short open call will be made on CPCA Website:

Projects must still be in delivery mode and be able to evidence unmet market need and the ability to deliver enhanced outcomes linked to the current project or if a new project evidence of unmet need and clear outcomes will be required



Grants in the region of £400,000 per project (capital only)



Application & Evaluation process:

Mirrors the current CRF process with initial go/no go basic application followed by a detailed full application evaluated by internal officers, & External Due Diligence Sign off by Business Board & ratified by Combined Authority Board



Delivery Requirements for applicants



Criteria for applicants:

- Mobilise in 4 weeks
- Completed by December 2022
- Demonstrate market need
- 50% increase in VFM original outcome generation



Evaluation Requirements - projects will be pilots for the SPF



Monitoring & Evaluation:

Baseline evidence data will be required
Projects will be monitored monthly
Final evaluation report will be produced to feed into SPF bids

Cat 1 - Criteria go/no go – via HubSpot

What area/s will the proposed project be delivered in? (tick all that apply)

- Fenland
- Peterborough
- East Cambridgeshire
- South Cambridgeshire
- Huntingdonshire
- Cambridge City
- Region Wide

Strategic Fit

1. Is your project linked to an existing project still in delivery? (yes/no) if No then is the project ready to start immediately? (yes/no)
2. Do you project outcomes create additional Value for Money at a high rate? If yes, then please state which apply to the project as set out in either or both above documents (needs text box)

Finances

1. Does your project proposal require capital funding? (yes or no)
2. Will your project proposal will be delivered (including all expenditure incurred) by 31 December 2022? (yes or no)
3. Do you have match funding or leverage funding for the project proposal? If yes, how much?

Legal

1. Will the proposed project be delivered in partnership with another organisation? If yes, which sector does your partner organisation fall into:
 - Voluntary sector
 - Education
 - Private Business
 - Local Authority
 - Health

Recycled Funds Category 1 – Application Form

This form is to be used for project applicants applying for Category 1 recycled funds held by the Cambridgeshire & Peterborough Combined Authority Business Board.

The criteria for assessing applications is found here (insert link to website)

Applicant Name:

Lead Officer Name & Position:

Contact Telephone:

Contact Email:

Postal Address:

Website:

Company Registration Number (where appropriate):

Charity Number (where appropriate):

Type of Organisation (select from list below:

- Local Authority
- Private Sector
- Voluntary Sector
- University
- FE College
- other

Amount being requested (£):

The application investment priority (please select at least one from the list below) :

- Investment in Skills ☐
- Investment in Business ☐
- Supporting people into employment ☐

Part 1 – Project Summary

For questions 1b – 1f please use 500 words or less and be as concise as possible in your description

Project Name:

LGF Project

1b. What activities will take place?

--

1c. Who will deliver the activities?

--

1d. How will the activities be delivered?

--

1e. Who will be the beneficiaries of the project?

--

1f. Where will the project take place?

--

1g. Start Date

End Date

1h. Which places will benefit from the project? (Local Authority Areas)

--

1i. What are the project milestones?

Milestone

Target Month/Year

Part 2 – Project Impact

For questions 2a – 2d please use 500 words or less and be as concise as possible in your description

Project Name:

2a. What will be the short & long term benefits of the project on the beneficiaries?

--

2b. how does the project align with local need & strategic growth plans?

--

2c. How does the project demonstrate Value for Money?

--

2d. What market need has been identified?

--

2e. What impact will the project have?

(Annex A will include the detail impact indicators)

--

2f. What outcomes will the project deliver?

--

2g. How have the outcomes been estimated?

--

Part 3. Funding Package

3a. How much funding is being sought? (£)

Please complete Annex B – Funding Package & Profile

3b. Does this project include any match funding?

How much (£)

3c. What will the funding be spent on?

--

Part 4. Project Applicant Experience & Capacity

For questions 4a – 4d please use 500 words or less and be as concise as possible in your description

4a. What experience do you have of delivering this type of activity?

--

4b. Describe the resources (e.g. staff) you have to deliver the project

--

4c. If staff are to be recruited, how will you manage the risks associated?

--

4d. describe the systems you will use to ensure claims are only for costs associated with the project?

--

Part 5. Project Risk Management

For questions 5a – 5b please use 500 words or less and be as concise as possible in your description

5a. Summarise the key risks for the projects as identified in Annex C – Risk Register

--

5b. Describe the process for monitoring risks

--

Part 6. Evaluation

For questions 6a – 6b please use 500 words or less and be as concise as possible in your description

6a. How will the project be evaluated? (How it was delivered & its impact on clients)

--

6b. How will the findings be disseminated?

--

Part 7. Subsidy Control

For question 7b please use 500 words or less and be as concise as possible in your description

The project must deliver in line with Subsidy Control as per Government Guidance?

<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

7a. Does any of the project involve the issue of subsidy? Yes/No

7b. If yes, please explain how the subsidies are compliant with the UKs Subsidy control regime?

--

Part 8. Data Protection

Please note that the CPCA will be a Data Controller for all Recycled Funds Applications-related Personal Data collected with this form and submitted to the CPCA, and the control and processing of Personal Data.

The Lead Authority will process all data according to the provisions of the Data Protection Act 2018 and the UK General Data Protection Regulation 2018 (UK GDPR) all applicable laws and regulations relating to processing of Personal Data and privacy, including, where necessary, the guidance and codes of practice issued by the Information Commissioner and any other relevant data protection regulations (together “the Data Protection Legislation (as amended from time to time)”).

As a Processor of Recycled Fund-related Personal Data your organisation and the Lead Authority (when acting in Great Britain) must ensure that such Personal Data is processed in a way which complies with the Data Protection Legislation (as amended from time to time).

By proceeding to complete and submit this form, you consent that the CPCA and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the CPCA for funding, as well as in accordance with its privacy policies. For the purposes of assessing your application the CPCA may need to share your Personal Data with other organisations for due diligence checks and by submitting this form you are agreeing to your Personal Data being used in this way.

Data Controller, Personal Data, Personal Data and Processor all have the meaning given to them in the Data Protection Legislation (as amended from time to time).

You can find more information about how the CPCA deals with your data here:

<https://cambridgeshirepeterborough-ca.gov.uk/wp-content/uploads/documents/governance/transparency/codes-ofconduct-and-policies/Data-Protection-Policy.pdf>

Part 9. Project Applicant Statement

I declare that I have the authority to represent the project applicant in making this application. I understand that acceptance of this application form by the CPCA does not in any way signify that the project is eligible for funding under the Recycled Fund or that any such funding has been approved towards it.

On behalf of the project applicant and having carried out full and proper inquiry, I confirm to the CPCA that:

- the project applicant has the legal authority to carry out the project; and
- the information provided in this application is accurate.

I also confirm to the CPCA: I have informed all persons whose personal information I have provided of the details of the personal information I have provided to you and of the purposes for which this information will be used, and that I have the consent of the individuals concerned to pass this information to you for these purposes;

I consent to the Personal Data submitted with this form being shared as set out in this form and in accordance with the CPCAs.

I shall inform the CPCA if, prior to any Recycled Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the CPCA in deciding whether to fund the proposal;

Any match funding that has been set out in part 3 will be in place prior to any award of Recycled Funding; and

I am aware that if the information given in this application turns out to be false or misleading, the CPCA may demand the repayment of funding and/or terminate a funding agreement pertaining to this proposal.

I confirm that I am aware that checks can be made to the relevant authorities to verify this declaration and any person who knowingly or recklessly makes any false statement for the purpose of obtaining grant funding or for the purpose of assisting any person to obtain grant funding may be prosecuted. A false or misleading statement will also mean that approval may be revoked, and any grant may be withheld or recovered with interest.

I confirm that I understand that if the project applicant commences project activity, or enters into any legally binding contracts or agreements, including the ordering or purchasing of any equipment or services before the formal approval of the project, any expenditure is incurred at the organisation's own risk and may render the project ineligible for support.

Signed	
Date	
On behalf of:	
Position	

ANNEX A - PROJECT OUTPUTS 2021/22

Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.

Employment

Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3

Transport

Length of road to be resurfaced (meter)	Length of road to be newly built (meter)	Length of cycleway to be built (meter)			

Skills

Area of learning/training space improved (m2)	Prior Estate Grade (A-D)	Post Completion Estate Grade (A-D)	Floor space rationalise (m2)	New learners assisted (on courses to full qualification)	Specialist equipment (item)

Commercial

Commercial floorspace to be created (m2)	Commercial floorspace to be refurbished (m2)	Commercial floorspace to be occupied (m2)	Commercial businesses with broadband access		

Business & Enterprise

Number of enterprises receiving grant support	Number of businesses receiving other grant support	Number of businesses receiving non financial support			

PROJECT OUTPUTS 2022/23

Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.

Employment

Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3
	30				

Transport

Length of road to be resurfaced (meter)	Length of road to be newly built (meter)	Length of cycleway to be built (meter)			

Skills

Area of learning/training space improved (m2)	Prior Estate Grade (A-D)	Post Completion Estate Grade (A-D)	Floor space rationalise (m2)	New learners assisted (on courses to full qualification)	Specialist equipment (item)

Commercial

Commercial floorspace to be created (m2)	Commercial floorspace to be refurbished (m2)	Commercial floorspace to be occupied (m2)	Commercial businesses with broadband access		

Business & Enterprise

Number of enterprises receiving grant support	Number of businesses receiving other grant support	Number of businesses receiving non financial support			

Annex B – Funding Package and Profile			
	Amount		
(a) Recycled Fund Requested	£		
(b) Other Public Funding	£	In place	
(c) Private Funding	£	In place	
(d) Total Project Costs (a+b+c)	£		
Expenditure Profile. How much will be spent in:			
Quarter 1	£		
Quarter 2	£		
Quarter 3	£		
Total	£	Must equal (d)	

Project Risk Management

Summarise:

- the key risks to the delivery and success of the project
- who is responsible for managing the risk, the Owner
- the probability of the risk occurring, is it high, medium or low?
- what would be the impact of the risk, high, medium or low?
- The mitigation plans in place to manage the risk occurring or to deal with the risk if it does occur

Risks Description	Owner	Probability (H,M,L)	Impact (H,M,L)	Mitigation

Annex D – General Guidance for Completing the Application Form

The application must be completed and submitted in Word.

Provide describe the project as simply as possible. Do not use technical terms, explain any acronyms. If an assessor cannot understand the project it cannot be assessed against the selection criteria and the bid will be rejected.

Some sections of the form contain guidance on the number of words to be used. Additional information and text in excess of any limits will not be considered. If possible use fewer words. The assessment of bids will be based on the information provided in the Application Form only.

Part 1 - Project Summary

Full details of the investment priorities are set out in the Prospectus. Bids must demonstrate how they align with at least one of the priorities.

1 b – 1 f Clearly explain what the project intends to do and how it will be done. Be as straightforward as possible. If it helps to use diagrams these can be inserted into the application. When reviewing your bid consider the following questions from the point of view of someone who knows nothing about the organisation or the project:

- is it clear what the project would do?
- is it clear who will deliver the activities, who is involved and their roles?
- is it clear how, when and where the project will be delivered (ie. will the project deliver one to one support, one to many events/activities, will it be delivered in a specific location, on business or personal premises)?
- is it clear which individuals and businesses will benefit from the project, is there a focus on certain groups of people or types of businesses?
- is it clear how the project activities reflect the investment priorities?

If the project will work with people or businesses, you can summarise the customer journey using a flow chart showing specific project activities. A logic model or theory of change may also help explain your proposal.

A project may be delivered in a single area or cover several areas. A project may operate in all parts of a local authority area or focus on particular locations.

1 i. These key milestones must link to the proposed activities and demonstrate that the project is deliverable by December 2022. Do not include milestones relating to the approval of the bid.

Consider:

- securing internal approvals for the project or any other funding
- establishing the project team
- procurement for external services/suppliers
- project launch and recruiting beneficiaries
- key points on the beneficiary journey

Projects will be monitored against these milestones.

Part 2 - Project Impact

2 a. Consider the impact on the beneficiaries and what the organisations involved in delivering the project hope to learn from it. Summarise the objectives of the project. These should be specific, measurable, achievable and time constrained. Set out how the project responds to any market failure or delivery inefficiency.

In part 5 explain how performance against these objectives will be evaluated.

2 b. Describe how the project activities and expected impacts contribute to local priorities set out in local plans. When lead authorities invite bids, they will identify the key local growth priorities they have chosen to focus on.

2 c. This section is not a requirement for bids submitted entirely under the 'supporting employment' investment priority. Projects under the employment investment priority will not be disadvantaged during the assessment and prioritisation of bids because this criterion does not apply.

As a minimum projects should meet the clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.

2 d. Describe how the project demonstrates innovation in service delivery for example:

- introducing new delivery approaches
- new integrated approaches across policy themes or
- collaboration across areas
- testing existing approaches with different types of beneficiaries
- new ways of using digital technology to support beneficiaries

2 e. Complete Annex A of the application – Project Outputs/Outcomes.

Provide any further information on the groups or sub-groups of people or businesses the project would work with. Describe how the number in each group has been estimated.

2g. Complete Annex A of the application. Provide any further information on project outcomes and explain how the figures have been estimated. For example, explain the relationships between the number of intended final beneficiaries and the outcomes you intend to achieve?

Projects will be required to report on the number and type of beneficiaries supported and the outcomes achieved.

Part 3 - Funding Package

3a. Match funding is any funding other than funding from the Recycled Fund that will be used to meet project costs. This includes from the project applicant or other organisation including income from beneficiaries.

Please set out who match funding will come from, where relevant.

If the project relies on match funding and it is not secured, explain when it is expected to be secured and what the impact would be if it is not secured.

3c. Summarise the amount that will be spent under the main areas of expenditure. The breakdown must be detailed enough to demonstrate that the funding package and budget is appropriate to the proposed activities and sufficient to deliver the project.

Examples of the types of headings to use are:

- staff costs - salaries and contractual benefits, National Insurance and superannuation contributions
- overheads, at 15% of staff costs
- business travel, subsistence and accommodation
- fees of contractors and consultants
- costs of materials or venue hire
- marketing and publicity costs
- grants provided to end beneficiaries
- training participant costs e.g. allowances, travel expenses
- dependent care costs of training participants
- small items of equipment
- evaluation

VAT that cannot be recovered from HMRC as part of the VAT system is eligible for support. Estimate the amount of irrecoverable VAT the project would incur in section 3 c.

Part 4 – Project Applicant Experience and Capacity

4a - c. The deliverability of projects is significant element of the criteria that will be used to assess bids to the Recycled Fund. It is important that we can have confidence that organisations that are offered funding are able to implement their projects quickly and effectively

As the Recycled Fund is seeking innovation and new ways of working it is not essential that applicant organisations have a track record in delivering similar projects. It is however essential that organisations can draw on relevant experience and are able to demonstrate they have or will have access to the resources and expertise they need to deliver the project.

If the project will recruit staff or appoint contractors, this should be included in the project milestones. Describe the contingency plans that are in place to manage the risk if there are delays.

4 d. Project costs must be based on the actual expenditure incurred in delivering the project, evidenced through invoices or other transactions. Describe the process and controls the organisation would use to ensure only costs related to the project are included in grant claims.

Describe how the project will manage the risk of the project being defrauded by beneficiaries, contractors or members of staff. If the project involves grants, describe how fraud risk will be managed at key stages of the grant process. Recycled Fund projects may be selected for audit visits by the CPCA.

Part 5 – Project Risk Management

Complete Annex C. This should provide a clear summary of the key risks to delivering the project activity and achieving the project's objectives.

5b Describe how the risk identified in Annex C will be monitored, what systems will be used, who is responsible.

Be realistic, projects rarely run exactly as planned. The project must demonstrate that risks have been considered and appropriate plans are in place to keep the project on track.

Part 6– Evaluation

The project's evaluation budget must be set out in part 3c. of the application. This should be 1-2% of the amount of Recycled Fund requested, with a minimum threshold of £10,000.

6a. Describe how the project will be evaluated. Evaluation should consider both the impact of the project and lessons from the process of how the project was delivered.

Evaluators should generally be independent of the project and have appropriate evaluation expertise. However, in the case of smaller projects this may not be necessary or cost effective and

an evaluation could be undertaken in-house, in which case it should still be undertaken by someone with the necessary skills and be subject to independent review.

The approach will vary depending on the scale and nature of each project. However, all evaluations are expected to consider the following themes:

- appropriateness of initial design
- progress against targets
- delivery and management
- outcomes and impact
- value for money
- lessons learnt

Describe how the evaluation will be used to inform future activity and how it will be shared with others.

Part 7 – Subsidy Control

7a/b If the project will provide support to businesses or public / voluntary sector organisations that are operating in a commercial way there is potential for this support to represent a subsidy.

If the project would involve the award of subsidies explain how this will be managed in line with the UK's obligations. For example, small scale awards can be managed under the threshold for Special Drawing Rights

If the project provides support to businesses but you feel this does not constitute a subsidy explain why.

PROJECT OUTPUTS					
Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.					
Employment					
Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3
Transport					
Length of road to be resurfaced (meter)	Length of road to be newly built (meter)	Length of cycleway to be built (meter)			
Skills					
Area of learning/training space improved (m2)	Prior Estate Grade (A-D)	Post Completion Estate Grade (A-D)	Floor space rationalise (m2)	New learners assisted (on courses to full qualification)	Specialist equipment (item)
Commercial					
Commercial floorspace to be created (m2)	Commercial floorspace to be refurbished (m2)	Commercial floorspace to be occupied (m2)	Commercial businesses with broadband access		
Flood Risk Prevention					
Land with reduced likelihood of flooding (m2)	Homes with reduced flood risks (unit)	Commercial property with reduced flood risk (units)			
Business & Enterprise					
Number of enterprises receiving grant support	Number of businesses receiving other grant support	Number of businesses receiving non financial support			

PROJECT OUTPUTS 2020/21					
Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.					
Employment					
Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3
Transport					
Length of road to be resurfaced (meter)	Length of road to be newly built (meter)	Length of cycleway to be built (meter)			
Skills					

Area of learning/training space improved (m2)	Prior Estate Grade (A-D)	Post Completion Estate Grade (A-D)	Floor space rationalise (m2)	New learners assisted (on courses to full qualification)	Specialist equipment (item)
Commercial					
Commercial floorspace to be created (m2)	Commercial floorspace to be refurbished (m2)	Commercial floorspace to be occupied (m2)	Commercial businesses with broadband access		
Flood Risk Prevention					
Land with reduced likelihood of flooding (m2)	Homes with reduced flood risks (unit)	Commercial property with reduced flood risk (units)			
Business & Enterprise					
Number of enterprises receiving grant support	Number of businesses receiving other grant support	Number of businesses receiving non financial support			

PROJECT OUTPUTS 2021/22					
Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.					
Employment					
Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3
Transport					
Length of road to be resurfaced (meter)	Length of road to be newly built (meter)	Length of cycleway to be built (meter)			
Skills					
Area of learning/training space improved (m2)	Prior Estate Grade (A-D)	Post Completion Estate Grade (A-D)	Floor space rationalise (m2)	New learners assisted (on courses to full qualification)	Specialist equipment (item)
Commercial					
Commercial floorspace to be created (m2)	Commercial floorspace to be refurbished (m2)	Commercial floorspace to be occupied (m2)	Commercial businesses with broadband access		
Flood Risk Prevention					
Land with reduced likelihood of flooding (m2)	Homes with reduced flood risks (unit)	Commercial property with reduced flood risk (units)			
Business & Enterprise					

Number of enterprises receiving grant support	Number of businesses receiving other grant support	Number of businesses receiving non financial support			

PROJECT OUTPUTS 2022/23

Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.

Employment

Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3

Transport

Length of road to be resurfaced (meter)	Length of road to be newly built (meter)	Length of cycleway to be built (meter)			

Skills

Area of learning/training space improved (m2)	Prior Estate Grade (A-D)	Post Completion Estate Grade (A-D)	Floor space rationalise (m2)	New learners assisted (on courses to full qualification)	Specialist equipment (item)

Commercial

Commercial floorspace to be created (m2)	Commercial floorspace to be refurbished (m2)	Commercial floorspace to be occupied (m2)	Commercial businesses with broadband access		

Flood Risk Prevention

Land with reduced likelihood of flooding (m2)	Homes with reduced flood risks (unit)	Commercial property with reduced flood risk (units)			

Business & Enterprise

Number of enterprises receiving grant support	Number of businesses receiving other grant support	Number of businesses receiving non financial support			

PROJECT OUTPUTS 2023/24

Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.

Employment

Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3

Transport

Length of road to be resurfaced (meter)	Length of road to be newly built (meter)	Length of cycleway to be built (meter)			
Skills					
Area of learning/training space improved (m2)	Prior Estate Grade (A-D)	Post Completion Estate Grade (A-D)	Floor space rationalise (m2)	New learners assisted (on courses to full qualification)	Specialist equipment (item)
Commercial					
Commercial floorspace to be created (m2)	Commercial floorspace to be refurbished (m2)	Commercial floorspace to be occupied (m2)	Commercial businesses with broadband access		
Flood Risk Prevention					
Land with reduced likelihood of flooding (m2)	Homes with reduced flood risks (unit)	Commercial property with reduced flood risk (units)			
Business & Enterprise					
Number of enterprises receiving grant support	Number of businesses receiving other grant support	Number of businesses receiving non financial support			

PROJECT OUTPUTS 2024 onwards					
Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.					
Employment					
Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3
Transport					
Length of road to be resurfaced (meter)	Length of road to be newly built (meter)	Length of cycleway to be built (meter)			
Skills					
Area of learning/training space improved (m2)	Prior Estate Grade (A-D)	Post Completion Estate Grade (A-D)	Floor space rationalise (m2)	New learners assisted (on courses to full qualification)	Specialist equipment (item)
Commercial					
Commercial floorspace to be created (m2)	Commercial floorspace to be refurbished (m2)	Commercial floorspace to be occupied (m2)	Commercial businesses with broadband access		
Flood Risk Prevention					

Land with reduced likelihood of flooding (m2)	Homes with reduced flood risks (unit)	Commercial property with reduced flood risk (units)			
Business & Enterprise					
Number of enterprises receiving grant support	Number of businesses receiving other grant support	Number of businesses receiving non financial support			

Scoring Criteria

Broadly, for an individual element a score of 1 2 indicates a low rating, 3 4 indicates a medium and 5 a high positive rating. The total score will provide a priority ranking as follows:

1-2 **Low Impact**
3-4 **Moderate Impact**
4-5 **Positive Impact**

Project alignment to strategic fit locally & nationally:				
No Impact - 0	Minimal Impact - 2	Moderate Impact - 3	Good Impact - 4	Significant Impact - 5
No alignment with the objectives of the Recycled Fund.	Minimal alignment with the objectives of the Recycled Fund.	Some degree of alignment with the objectives of the Recycled Fund.	Good alignment with the objectives of the Recycled Fund.	Significant alignment with the objectives of the Recycled Fund.
The project shows no integration or alignment with existing LGF schemes.	The project shows minimal integration or alignment with existing LGF schemes.	The project shows some degree of integration or alignment with existing LGF schemes.	The project shows a good degree of integration or alignment with existing LGF schemes.	The project significantly integrates with other existing LGF schemes, referencing existing project demonstration how alignment will work in practice.
The project does not reference any form of Government Policy and in particular Clean Growth principles.	The project makes minimal reference to some forms of Government Policy but limited alignment to Clean Growth principles.	The project makes reference to some forms of Government Policy but limited alignment to Clean Growth principles.	The project makes good reference to some forms of Government Policy but limited alignment to Clean Growth principles.	The project strongly references Government Policy and demonstrates clear alignment to Clean Growth principles.
The project doesn't consider the local context in any great detail and demonstrates no positive impact to the region. The project does not mention partners or others who may work with the project	The project gives minimal consideration to the local context and is able to demonstrate a limited degree of positive impact to the region. There is minimal refemec to others working in the area/region	The project gives general consideration to the local context and is able to demonstrate a degree of positive impact to the region. The project has highlighted cross organisation working	The project gives good consideration to the local context and is able to demonstrate a good degree of positive impact to the region. The project works closely with partners across the region/area	The project actively works to address local need and strongly looks to significantly impact the region upon completion. The project is a joint application with partners across the region/area
Deliverability of project:				
No Impact - 0	Minimal Impact - 2	Moderate Impact - 3	Good Impact - 4	Significant Impact - 5
The project doesn't demonstrate that it can be delivered within set timelines	There is a minimal degree of confidence that the project can be delivered to high level timelines.	There is some degree of confidence that the project can be delivered to high level timelines but there may be some issues to achieving this	There is a good degree of confidence that the project can be delivered to high level timelines with minor potential issues to achieving this	There is every confidence that the project can be delivered on time with little / no issues presented that may delay the project
The project has not assessed risk.	The project has assessed limited risks and indicates a high- risk rating.	The project has a high to medium risk rating	The project has a medium risk rating.	The project has a low risk rating
Funding for project:				
No Impact - 0	Minimal Impact - 2	Moderate Impact - 3	Good Impact - 4	Significant Impact - 5
The project has no funding/spend taking place in CPCA	The project has less than 30% funding/spending taking place in CPCA area	The project has more than 30% but less than 50% funding/spending taking place in CPCA area	The project has more 50% but less than 80% funding/spending taking place in CPCA areas	The project is 100% spend/funding in CPCA areas
The project applies for revenue funding only, with no capital expenditure.	The project applies for mainly revenue funding, with a limited element of capital funding.	The project applies for primarily capital funding and an element of revenue funding to support this.	The project applies for only capital funding, though there are outstanding questions over its eligibility.	The project applies for only Capital funding, and there are no questions over its eligibility.
The project does not evidence any level of private sector support or other source of co-funding.	The project demonstrates a minimal degree of private sector support or co funding.	The project demonstrates some degree of private sector support or co funding but not in significant volume.	The project demonstrates a good degree of private sector support or co funding.	The project demonstrates significant levels of both private sector support and co funding.
Outputs & outcomes linked to the Recycled LGF objectives:				
No Impact - 0	Minimal Impact - 2	Moderate Impact - 3	Good Impact - 4	Significant Impact - 5
The project does not demonstrate any benefits to the skills and enterprise opportunities of residents.	The project demonstrates minimal skills and enterprise opportunities of residents.	The project demonstrates moderate skills and enterprise opportunities of residents.	The project demonstrates good skills and enterprise opportunities of residents.	The project demonstrates significant skills and enterprise opportunities for residents.
The project does not demonstrate any improvements to local businesses & entrepreneurs	The project demonstrates minimal improvements to local businesses & entrepreneurs	The project demonstrates moderate improvements to local businesses & entrepreneurs	The project demonstrates good improvements to local businesses & entrepreneurs	The project demonstrates significant improvements to local businesses & entrepreneurs
The project does not support improving employment opportunities for residents	The project demonstrates minimal support improving employment opportunities for residents	The project demonstrates moderate support improving employment opportunities for residents	The project demonstrates good support improving employment opportunities for residents	The project demonstrates significant support improving employment opportunities for residents

Cat 1 Recycled funds
Project Assessment Scoring Matrix
SELECT SCORE FROM DROP DOWNS

[illegible]

Recycled Local Growth Funds

Category Two

To provide leverage funding to Levelling Up (LUF) and Shared Prosperity Fund (SPF) applications **OR** High VFM delivering projects linked to the Economic Growth & Skills Strategy (EG&SS) - **Grants in the region of £1million**

Project Criteria & Process

1

Open call for projects coinciding with the launch of SPF and LUF Round 2



An open call will be made:

Funding will be offered by way of leverage funding for LUF & SPF projects or to create projects linked to the EG&SS and the associated Sector Strategies

2

Grants in the region of £1million per project (capital only)



Application & Evaluation process:

Mirrors the current LGF process with initial Expression of Interest (EOI) evaluated by officers
Full Application (FAF) evaluated by External Due Diligence & presentation to Entrepreneur Panel (EAP)
Approved by Business Board & ratified by Combined Authority Board

3

Delivery Requirements for applicants



Criteria for applicants:

- Must be used as leverage for SPF or LUF applications and therefore meet all criteria set out by government **or**
- Deliver priorities identified in the EG&SS &/or Sector Strategies **and**
- Score within the upper quartile for VFM, deliverability & strategic fit when compared across project submissions

4

Evaluation Requirements for projects



Monitoring & Evaluation:

- Leverage projects will link directly to government evaluation requirements for SPF & LUF
- All projects will be monitored as per current LGF guidance & CPCA evaluation requirements in addition to the above

Start date	
Completion date	
Describe the evidence of need & market failure – (250 words)	
Demonstrate how data, surveys and evidence support your bid (250 words)	
Describe the visible impact the project will have & how the project will address existing or future problems (250 words)	
Describe how you have engaged with wider stakeholders in developing the project (300 words)	

<p>PART 2 PROJECT DELIVERABLES</p> <p>Annex A – project impacts to be completed</p>
<p>Project Outcomes - please indicate how the project will deliver against job outputs and wider economic outcomes (300 words)</p>
<p>Describe how the economic benefits have been estimated (300 words)</p>
<p>Summary of the overall Value for Money of the proposal - refer to the HMTs Green Book: here</p>
<p>Is the project part of a wider development/programme/project? If so, please provide details</p>
<p>What is the status of your project? For example: feasibility, business case, planning approved, ready to start, already onsite, or project underway?</p>

Is Planning Permission required? If so, by when is this anticipated?
If the project includes development or redevelopment of land or premises, please indicate whether your organisation has control of the site or when you expect to have control or ownership

DELIVERABILITY	
Third Party Funding Partner	
Construction partner – if procured	
Describe the procurement arrangements for the project (250 words)	
Describe the arrangements for project management of construction works (250)	

SITE DETAILS	
Location	
Site Ownership	
Current Use	
Proposed Use	
Site Area (ha)	
Existing Built Floorspace (sqm)	
Planning Permissions?	
Section 106 Agreements?	
Existing Land Charges or Restrictions?	

PART 3 PROJECT FINANCIAL DETAILS						
Annex B – Financial Budget Sheet to be completed						
Total Project Costs						
Total Capital						
Total Revenue						
Total 3 rd Party Contribution						
Total Recycled Funds requested						
Please provide a financial summary for the project. All information should relate to the project for which Recycled Fund is being sought						
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
COSTS (£)						
TOTAL COSTS						

PART 4 PROJECT RISKS	
Annex C – Risk Register to be completed	
<p>What are the key risks associated with the project and identified mitigation measures? Include:</p> <ul style="list-style-type: none"> Financial risks Delivery risks Arrangements for management & mitigation Understanding of roles & responsibilities 	

Evidence your track record of delivering schemes of a similar scale (150 words)

PART 5 - MONITORING & EVALUATION

Set out how you will monitor and evaluate the project during and post delivery
• (500 words)

PART 6 – SUBSIDY CONTROL

For question 7b please use 500 words or less and be as concise as possible in your description

The project must deliver in line with Subsidy Control as per Government Guidance?

<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

7a. Does any of the project involve the issue of subsidy? Yes/No

7b. If yes, please explain how the subsidies are compliant with the UKs Subsidy control regime?

PART 7 - DATA PROTECTION

Please note that the CPCA will be a Data Controller for all Recycled Funds Applications-related Personal Data collected with this form and submitted to the CPCA, and the control and processing of Personal Data.

The Lead Authority will process all data according to the provisions of the Data Protection Act 2018 and the UK General Data Protection Regulation 2018 (UK GDPR) all applicable laws and regulations relating to processing of Personal Data and privacy, including, where necessary, the guidance and codes of practice issued by the Information Commissioner and any other relevant data protection regulations (together “the Data Protection Legislation (as amended from time to time)”).

As a Processor of Recycled Fund-related Personal Data your organisation and the Lead Authority (when acting in Great Britain) must ensure that such Personal Data is processed in a way which complies with the Data Protection Legislation (as amended from time to time).

By proceeding to complete and submit this form, you consent that the CPCA and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the CPCA for funding, as well as in accordance with its privacy policies. For the purposes of assessing your application the CPCA may need to share your Personal Data with other organisations for due diligence checks and by submitting this form you are agreeing to your Personal Data being used in this way.

Data Controller, Personal Data, Personal Data and Processor all have the meaning given to them in the Data Protection Legislation (as amended from time to time).

You can find more information about how the CPCA deals with your data here:

<https://cambridgeshirepeterborough-ca.gov.uk/wp-content/uploads/documents/governance/transparency/codes-ofconduct-and-policies/Data-Protection-Policy.pdf>

DECLARATION

I declare that I have the authority to represent the project applicant in making this application. I understand that acceptance of this application form by the CPCA does not in any way signify that the project is eligible for funding under the Recycled Fund or that any such funding has been approved towards it.

On behalf of the project applicant and having carried out full and proper inquiry, I confirm to the CPCA that:

- the project applicant has the legal authority to carry out the project; and
- the information provided in this application is accurate.

I also confirm to the CPCA: I have informed all persons whose personal information I have provided of the details of the personal information I have provided to you and of the purposes for which this information will be used, and that I have the consent of the individuals concerned to pass this information to you for these purposes;

I consent to the Personal Data submitted with this form being shared as set out in this form and in accordance with the CPCAs.

I shall inform the CPCA if, prior to any Recycled Funding being legally committed to the project applicant, I become aware of any further information which might reasonably be considered as material to the CPCA in deciding whether to fund the proposal;

Any match funding that has been set out in part 3 will be in place prior to any award of Recycled Funding; and

I am aware that if the information given in this application turns out to be false or misleading, the CPCA may demand the repayment of funding and/or terminate a funding agreement pertaining to this proposal.

I confirm that I am aware that checks can be made to the relevant authorities to verify this declaration and any person who knowingly or recklessly makes any false statement for the purpose of obtaining grant funding or for the purpose of assisting any person to obtain grant funding may be prosecuted. A false or misleading statement will also mean that approval may be revoked, and any grant may be withheld or recovered with interest.

I confirm that I understand that if the project applicant commences project activity, or enters into any legally binding contracts or agreements, including the ordering or purchasing of any equipment or services before the formal approval of the project, any expenditure is incurred at the organisation's own risk and may render the project ineligible for support.

Signature	
Name	
Position	
Date	

Annex D – General Guidance for Completing the Application Form

The application must be completed and submitted in Word.

Provide describe the project as simply as possible. Do not use technical terms, explain any acronyms. If an assessor cannot understand the project it cannot be assessed against the selection criteria and the bid will be rejected.

Some sections of the form contain guidance on the number of words to be used. Additional information and text in excess of any limits will not be considered. If possible use fewer words. The assessment of bids will be based on the information provided in the Application Form only. **Do not attach appendices or include links to websites.**

Part 1 - Project Details

Full details of the investment priorities are set out in the Prospectus. Bids must demonstrate how they align with at least one of the priorities.

Clearly explain what the project intends to do and how it will be done. Be as straightforward as possible. If it helps to use diagrams these can be inserted into the application. When reviewing your bid consider the following questions from the point of view of someone who knows nothing about the organisation or the project:

- is it clear what the project would do?
- is it clear who will deliver the activities, who is involved and their roles?
- is it clear how, when and where the project will be delivered (ie. will the project deliver one to one support, one to many events/activities, will it be delivered in a specific location, on business or personal premises)?
- is it clear which individuals and businesses will benefit from the project, is there a focus on certain groups of people or types of businesses?
- is it clear how the project activities reflect the investment priorities?

If the project will work with people or businesses, you can summarise the customer journey using a flow chart showing specific project activities. A logic model or theory of change may also help explain your proposal.

A project may be delivered in a single area or cover several areas. A project may operate in all parts of a local authority area or focus on particular locations.

The deliverability of projects is significant element of the criteria that will be used to assess bids to the Recycled Fund. It is important that we can have confidence that organisations that are offered funding are able to implement their projects quickly and effectively

As the Recycled Fund is seeking innovation and new ways of working it is not essential that applicant organisations have a track record in delivering similar projects. It is however essential that organisations can draw on relevant experience and are able to demonstrate they have or will have access to the resources and expertise they need to deliver the project.

These key milestones must link to the proposed activities and demonstrate that the project is deliverable by December 2022. Do not include milestones relating to the approval of the bid. Consider:

- securing internal approvals for the project or any other funding
- establishing the project team
- procurement for external services/suppliers
- project launch and recruiting beneficiaries
- key points on the beneficiary journey

Projects will be monitored against these milestones.

Part 2 - Project Impact

Consider the impact on the beneficiaries and what the organisations involved in delivering the project hope to learn from it. Summarise the objectives of the project. These should be specific, measurable, achievable and time constrained. Set out how the project responds to any market failure or delivery inefficiency.

Describe how the project activities and expected impacts contributes to local priorities set out in local plans. When lead authorities invite bids, they will identify the key local growth priorities they have chosen to focus on.

As a minimum projects should meet the clean growth principle and must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.

Describe how the project demonstrates innovation in service delivery for example:

- introducing new delivery approaches
- new integrated approaches across policy themes or
- collaboration across areas
- testing existing approaches with different types of beneficiaries
- new ways of using digital technology to support beneficiaries

Provide any further information on the groups or sub-groups of people or businesses the project would work with. Describe how the number in each group has been estimated.

Complete Annex A of the application. Provide any further information on project outcomes and explain how the figures have been estimated. For example, explain the relationships between the number of intended final beneficiaries and the outcomes you intend to achieve?

Projects will be required to report on the number and type of beneficiaries supported and the

outcomes achieved.

Part 3 - Funding Package

Match funding is any funding other than funding from the Recycled Fund that will be used to meet project costs. This includes from the project applicant or other organisation including income from beneficiaries.

Please set out who match funding will come from, where relevant.

If the project relies on match funding and it is not secured, explain when it is expected to be secured and what the impact would be if it is not secured.

Summarise the amount that will be spent under the main areas of expenditure. The breakdown must be detailed enough to demonstrate that the funding package and budget is appropriate to the proposed activities and sufficient to deliver the project.

Examples of the types of headings to use are:

- staff costs - salaries and contractual benefits, National Insurance and superannuation contributions
- overheads, at 15% of staff costs
- business travel, subsistence and accommodation
- fees of contractors and consultants
- costs of materials or venue hire
- marketing and publicity costs
- grants provided to end beneficiaries
- training participant costs e.g. allowances, travel expenses
- dependent care costs of training participants
- small items of equipment
- evaluation

VAT that cannot be recovered from HMRC as part of the VAT system is eligible for support.

Project costs must be based on the actual expenditure incurred in delivering the project, evidenced through invoices or other transactions. Describe the process and controls the organisation would use to ensure only costs related to the project are included in grant claims.

Part 4 – Project Risk Management

Complete Annex C. This should provide a clear summary of the key risks to delivering the project activity and achieving the project's objectives.

Describe how the risk identified in Annex C will be monitored, what systems will be used, who is responsible.

Be realistic, projects rarely run exactly as planned. The project must demonstrate that risks have been considered and appropriate plans are in place to keep the project on track.

Describe how the project will manage the risk of the project being defrauded by beneficiaries, contractors or members of staff. If the project involves grants, describe how fraud risk will be managed at key stages of the grant process. Recycled Fund projects may be selected for audit visits by the lead authority (GB) or the UK Government (GB & NI).

Part 5 – Evaluation

The project's evaluation budget must be set out in part 3c. of the application. This should be 1-2% of the amount of Recycled Fund requested, with a minimum threshold of £10,000.

Describe how the project will be evaluated. Evaluation should consider both the impact of the project and lessons from the process of how the project was delivered.

Evaluators should generally be independent of the project and have appropriate evaluation expertise. However, in the case of smaller projects this may not be necessary or cost effective and an evaluation could be undertaken in-house, in which case it should still be undertaken by someone with the necessary skills and be subject to independent review.

The approach will vary depending on the scale and nature of each project. However, all evaluations are expected to consider the following themes:

- appropriateness of initial design
- progress against targets
- delivery and management
- outcomes and impact
- value for money
- lessons learnt

Describe how the evaluation will be used to inform future activity and how it will be shared with others.

Part 6 – Subsidy Control

If the project will provide support to businesses or public / voluntary sector organisations that are operating in a commercial way there is potential for this support to represent a subsidy.

If the project would involve the award of subsidies explain how this will be managed in line with the UK's obligations. For example, small scale awards can be managed under the threshold for Special Drawing Rights

If the project provides support to businesses but you feel this does not constitute a subsidy explain why.

Part 7 – Data Protection Statement

Category 2 Recycled Fund Application Form

This form is for bidding entities, applying for funding from the Category 2 Recycled Fund details found here [\(insert link\)](#)

The level of detail you provide in the Application Form should be in proportion to the amount of funding that you are requesting.

One application form should be completed per bid.

Applicant & Bid Information

Local authority name / Applicant name(s)*:

**If the bid is a joint bid, please enter the names of all participating local authorities / organisations and specify the lead authority*

Bid Manager Name and position:

Name and position of officer with day-to-day responsibility for delivering the proposed scheme.

Contact telephone number:

Email address:

Postal address:

Senior Responsible Officer contact details:

Please provide the name of any consultancy companies involved in the preparation of the bid:

PART 1 GATEWAY CRITERIA

Failure to meet the criteria below will result in an application not being taken forward in this funding round

1a Gateway Criteria for **all bids**

Please tick the box to confirm that your bid includes plans for some expenditure in 2022-23

☐ Yes

☐ No

<i>Please ensure that you evidenced this in the financial case / profile.</i>	
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PART 2 EQUALITY AND DIVERSITY ANALYSIS

2a Please describe how equalities impacts of your proposal have been considered, the relevant affected groups based on protected characteristics, and any measures you propose to implement in response to these impacts. (500 words)

PART 3 APPLICATION SUMMARY

Please provide an update of your proposal, where changes may have occurred and current status (Limit 500 words).

Please set out the value of grant being requested (£). This should align with the financial case:

£

SITE DETAILS (FOR CONSTRUCTION PROJECTS)

Location	
Site Ownership	
Current Use	
Proposed Use	
Site Area (ha)	
Existing Built Floorspace (sqm)	
Planning Permissions?	
Section 106 Agreements?	
Existing Land Charges or Restrictions?	

PART 4 STRATEGIC FIT

Stakeholder Engagement and Support

See technical note Table 1 for further guidance.

Describe what engagement you have undertaken with local stakeholders and the community (communities, civic society, private sector and local businesses) to inform your bid and what support you have from them. (Limit 500 words)

Are any aspects of your proposal controversial or not supported by the whole community? Please provide a brief summary, including any campaigns or particular groups in support or opposition? (Limit 250 words)

Where the bidding local authority does not have the statutory responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support?

- ☐ Yes
- ☐ No
- ☐ N/A

The Case for Investment

Please provide evidence of the local challenges/barriers to growth and context that the bid is seeking to respond to. (Limit 500 words)

Explain why CPCA investment is needed (what is the market failure)? (Limit 250 words)

Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location. (Limit 500 words)

Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions. (Limit 500 words)

Annex A – Project Impacts Required

Alignment with the local and national context

Explain how your bid aligns to and supports relevant local strategies e.g. Economic Growth & Skills Strategy and local objectives for investment, improving infrastructure and levelling up. (Limit 500 words)

Explain how the bid aligns to and supports the UK Government policy objectives, legal and statutory commitments, such as delivering Net Zero carbon emissions and improving air quality. (Limit 250 words)

Where applicable explain how the bid complements / or aligns to and supports other investments from different funding streams. (Limit 250 words)

PART 5 VALUE FOR MONEY

Appropriateness of data sources and evidence

Please use up to date evidence to demonstrate the scale and significance of local problems and issues. (Limit 250 words)

Bids should demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased. (Limit 500 words)

Please demonstrate that data and evidence chosen is appropriate to the area of influence of the interventions. (Limit 250 words)

5.2 Effectiveness of proposal in addressing problems

Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should usually be forecasted using a suitable model. (Limit 500 words)

Please describe the robustness of the forecast assumptions, methodology and model outputs. Key factors to be covered include the quality of the analysis or model (in terms of its accuracy and functionality) (Limit 500 words)

5.3 Economic costs of proposal

Please explain the economic costs of the bid. Costs should be consistent with the costs in the financial case, but adjusted for the economic case. This should include but not be limited to providing evidence of costs having been adjusted to an appropriate base year and that inflation has been included or taken into account. In addition, please provide detail that cost risks and uncertainty have been considered and adequately quantified. Optimism bias must also be included in the cost estimates in the economic case. (Limit 500 words)

5.4 Analysis of monetised costs and benefits

Please describe how the economic benefits have been estimated. These must be categorised according to different impact. Depending on the nature of intervention, there could be land value uplift, air quality benefits, reduce journey times, support economic growth, support employment, or reduce carbon emissions. (Limit 750 words)

5.5 Value for money of proposal

Please provide a summary of the overall Value for Money of the proposal. This should include reporting of Benefit Cost Ratios. If a Benefit Cost Ratio (BCR) has been estimated there should be a clear explanation of how this is estimated ie a methodology note. Benefit Cost Ratios should be calculated in a way that is consistent with [HMT's Green Book](#). (Limit 500 words)

Please describe what other non-monetised impacts the bid will have and provide a summary of how these have been assessed. (Limit 250 words)

Please provide a summary assessment of risks and uncertainties that could affect the overall Value for Money of the bid. (Limit 250 words)

PART 6 DELIVERABILITY

Financial

Please summarise below your financial ask of the cat 2 Recycled Fund, and what if any local and third party contributions have been secured (please note that a minimum local (public or private sector) contribution of 10% of the bid costs is encouraged). Please also note that a contribution will be expected from private sector stakeholders, such as developers, if they stand to benefit from a specific bid (Limit 250 words)

Please also complete Tabs C and D in the **appended excel spreadsheet**, setting out details of the costs and spend profile at the project and bid level in the format requested within the excel sheet. The funding detail should be as accurate as possible as it will form the basis for funding agreements.

Please confirm if the bid will be part funded through other third-party funding (public or private sector). If so, please include evidence (i.e. letters, contractual commitments) to show how any third-party contributions are being secured, the level of commitment and when they will become available. The CPCA may accept the provision of land from third parties as part of the local contribution towards scheme costs. Where relevant, bidders should provide evidence in the form of an attached letter from an independent valuer to verify the true market value of the land.

☐ Yes

☐ No

Please explain what if any funding gaps there are, or what further work needs to be done to secure third party funding contributions. (Limit 250 words)

Please list any other funding applications you have made for this scheme or variants thereof and the outcome of these applications, including any reasons for rejection. (Limit 250 words)

Please provide information on margins and contingencies that have been allowed for and the rationale behind them. (Limit 250 words)

Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with (you should cross refer to the Risk Register). (Limit 500 words)

Commercial

Please summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted. The procurement route should also be set out with an explanation as to why it is appropriate for a bid of the scale and nature submitted.

Please note - all procurements must be made in accordance with all relevant legal requirements. Applicants must describe their approach to ensuring full compliance in order to discharge their legal duties. (Limit 500 words)

Management

Delivery Plan: Places are asked to submit a delivery plan which demonstrates:

- Clear milestones, key dependencies and interfaces, resource requirements, task durations and contingency.
- An understanding of the roles and responsibilities, skills, capability, or capacity needed.
- Arrangements for managing any delivery partners and the plan for benefits realisation.
- Engagement of developers/ occupiers (where needed)
- The strategy for managing stakeholders and considering their interests and influences.
- Confirmation of any powers or consents needed, and statutory approvals eg Planning permission and details of information of ownership or agreements of land/ assets needed to deliver the bid with evidence
- Please also list any powers / consents etc needed/ obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them.

Please summarise the delivery plan, with reference to the above (Limit 500 words)

Has a delivery plan been appended to your bid?

☐ Yes

☐ No

Can you demonstrate ability to begin delivery on the ground in 2022/23?

☐ Yes

☐ No

Risk Management: Places are asked to set out a detailed risk assessment which sets out (word limit 500 words not including the risk register):

- the barriers and level of risk to the delivery of your bid
- appropriate and effective arrangements for managing and mitigating these risk
- a clear understanding on roles / responsibilities for risk

Has a risk register been appended to your bid?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Please evidence your track record and past experience of delivering schemes of a similar scale and type (Limit 250 words)	
<p>Assurance: We will require Chief Financial Officer confirmation that adequate assurance systems are in place.</p> <p>This should include details around planned health checks or gateway reviews. (Limit 250 words)</p>	
Monitoring and Evaluation	
<p>Monitoring and Evaluation Plan: Please set out proportionate plans for M&E which should include (1000 word limit):</p> <ul style="list-style-type: none"> • Bid level M&E objectives and research questions • Outline of bid level M&E approach • Overview of key metrics for M&E (covering inputs, outputs, outcomes and impacts), informed by bid objectives and Theory of Change. Please complete Tabs E and F on the appended excel spreadsheet • Resourcing and governance arrangements for bid level M&E 	

PART 7 SUBSIDY CONTROL

The project must deliver in line with Subsidy Control as per Government Guidance?

<https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities>

Does any of the project involve the issue of subsidy?

Yes/No

If yes, please explain how the subsidies are compliant with the UKs Subsidy control regime?

PART 8 DECLARATIONS

Senior Responsible Owner Declaration

As Senior Responsible Owner for [*scheme name*] I hereby submit this request for approval to CPCA on behalf of [*name of organisation*] and confirm that I have the necessary authority to do so.

I confirm that [*name of organisation*] will have all the necessary statutory powers and other relevant consents in place to ensure the planned timescales in the application can be realised.

Name:

Signed:

Chief Finance Officer Declaration

As Chief Finance Officer for [*name of organisation*] I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that [*name of organisation*]

- has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs over and above the CPCA contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties
- accepts responsibility for meeting any ongoing revenue requirements in relation to the scheme
- accepts that no further increase in CPCA funding will be considered beyond the maximum contribution requested
- confirm that the authority commits to ensure successful bids will deliver value for money or best value.

<ul style="list-style-type: none"> - confirms that the authority has the necessary governance / assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to. 	
Name:	Signed:

Data Protection

Please note that the CPCA will be a Data Controller for all Recycled Funds Applications-related Personal Data collected with this form and submitted to the CPCA, and the control and processing of Personal Data.

The Lead Authority will process all data according to the provisions of the Data Protection Act 2018 and the UK General Data Protection Regulation 2018 (UK GDPR) all applicable laws and regulations relating to processing of Personal Data and privacy, including, where necessary, the guidance and codes of practice issued by the Information Commissioner and any other relevant data protection regulations (together “the Data Protection Legislation (as amended from time to time)”).

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<https://cambridgeshirepeterborough-ca.gov.uk/wp-content/uploads/documents/governance/transparency/codes-ofconduct-and-policies/Data-Protection-Policy.pdf>

APPLICATION CHECKLIST

Please check you have included copies the following with your completed application:

- A completed and signed application form
- A project cashflow spreadsheet (setting out all project costs and spend profile)
- A completed Project Plan setting out all key milestones
- A completed Risk Register
- A Business Management Plan (detailing the business history, future plans including a minimum of 3 years financial projections)
- Last 3 years Financial Account returns
- Lead organisation Health & Safety Policy
- Lead organisation Anti Slavery Policy
- Lead organisation Equal Opportunity Policy
- Directors and key staff CVs

Please note

- Submissions must be electronic
- Projects will require a detailed Business Case and full Independent Economic Appraisal will be carried out

ANNEX 1 – PROJECT IMPACTS

Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project.

Employment

Number of permanent jobs to be created	Number of temp jobs to be created	Number of indirect jobs to be created	Number of apprenticeships to be established – Level 1	Number of apprenticeships to be established – Level 2	Number of apprenticeships to be established – Level 3

Culture

Area of space improved (m2)	Area of space created (m2)	Number of visitors	Number of events	Improved perception of venue	

Regeneration & Town Centre

Remediation and/or development of abandoned or dilapidated sites(m2)	Development of residential or commercial space (m2)	Residential or commercial floorspace to be occupied (m2)	Commercial businesses with broadband access	Development of new public space (m2)	Increase in footfall
Increase land value (£)	Improved perception of the place	New cycleway created (km)	New footpath created (km)		

Net Zero and Flood Protection

Land with reduced likelihood of flooding (m2)	Homes with reduced flood risks (unit)	Commercial property with reduced flood risk (units)	Reduced CO2 emissions		

Expression Of Interest Appraisal Matrix - Recycled Funds Cat 2								
							#REF!	
Project:								
Name:		Score as per corresponding answer in marking guide. 0 to be used if no answer provided						
Date:								
Criteria	Definitions	Marking Guide (1-5)	Comments	Weighting		Mark - Edit		Total
Rationale	Does the application evidence strong rationale and offer aspects of resolving market failure?	1. No 2. Partially 3. Yes		0	x	#REF!	=	#REF!
Timescales	Does the implementation timetable fall within the Recycled funding timetable?	0. No the project extends beyond 31 Dec 2022 2. Yes project spend achieved by 31 Dec 2022 but outputs go beyond 3. Yes the project will be completed by 31 Dec 2022 including agreed outputs		0	x	#REF!	=	#REF!
Activities/Milestones	How well defined are the principal milestones and associated activities.	1. Not defined/inadequate 2. Activities broken down 3. Activities with key milestones identified		0	x	#REF!	=	#REF!
Delivery Arrangements	How developed is the project? – e.g. planning approved, ready to start, on site, underway. Does the project fit within the current finance arrangements	0. The project is still in planning stage and the project is likely to extend beyond 31 Dec 2022 2. Project will be commenced and possibly finalised but outputs/outcomes counted beyond 31 Dec 2022 3. The project is ready to start and will be completed by 31 Dec 2022		0	x	#REF!	=	#REF!
Outputs/Outcomes	Are outputs/outcomes specified?	1. Output information not clearly specified 2. Outputs detailed clearly specified		0	x	#REF!	=	#REF!
Strategic Fit	Does the application demonstrate good fit with the Economic Growth & Skills Strategy and priority sectors?	1. No 2. Yes		0	x	#REF!	=	#REF!
State Aid	Is the project compliant with Subsidy Control? Has information been submitted on why subsidy control does not apply?	1. No information 2. Information provided		0	x	#REF!	=	#REF!
Costs	Are costs realistic against recycled Cat 2 budget and Is there a cost breakdown?	1. Costs are unrealistic and exceed Recycled budget 2. Realistic project costs but exceed Recycled budget 3. Realistic project costs within Recycled budget		0	x	#REF!	=	#REF!
Resourcing	What is the call on Recycled funding and is this realistic? What is the leverage and/or match?	1. Within budget 0. Not within budget		0	x	#REF!	=	#REF!
VFM	Consider outputs/outcomes in relation to level of Business Board investment. Does the project offer sound Value for Money	1. Poor VfM 2. Good value for money		0	x	#REF!	=	#REF!
Funding	Is their match funding towards the Grant?	1. Match funding 0. No match funding		0	x	#REF!	=	#REF!
Risks	Is there a realistic assessment of risks?	1. Poor risk assesment 2. Risks identified and explained		0	x	#REF!	=	#REF!

Full Application Form Appraisal Matrix - Recycled Funds Cat 2								
							0	
5 = meets the criteria fully 4 = meets the criteria largely	3 = meets the criteria on balance 2 = meets the criteria partially	1 = does not meet the criteria.						
Criteria	Definitions	Marking Guide (1-5)	Comments	Weighting		0	Total	
Rationale	Does the application evidence strong rationale and/or market failure?	1. No evidence of market failure 2. Passing reference 3. Identifies link between market failure and the project. 4. Clear rationale with links to business Board priorities 5. Very strong evidence of market failure with strong linkages to Business Board priorities			x	0	= 0	
Strategic Fit	Does the application demonstrate good fit with the Economic Growth & Skills Strategy and priority sectors?	1. No meaningful correlation with strategies 2. Passing reference to strategies 3. Potential to make minor contribution to 1 priority 4. Potential to make a tangible impact on one or more priorities 5. Very well evidence and longer term contribution impact to strategies, CPCA priorities & central government strategies			x	0	= 0	
Activities	How well defined are the principal activities and what more development work is needed? Does the project demonstrate how it will actually achieve the changes identified?	1. Not defined/inadequate 2. Activities broken down 3. feasible attempt at likely activities to outputs and not well developed 4. Detailed breakdown of activities and how they will deliver the outputs 5. Clear information on cap/rev, exec able to have an understanding on the route forward, how outputs will be delivered			x	0	= 0	
Delivery Arrangements	How developed is the project? – e.g. planning approved, ready to start, on site, underway. Have any land ownership, planning and other approvals been secured? What is your track record of delivery? Are there any policy or communications issues that could impact in delivery of this project? <i>Deliverability to match call arrangements</i>	1. Does not meet call priorities 2. Project has suitable deliverables but not a priority for this call. 3. Some questions answered and land part owned or not ready to start 4. Project has a good track record, landownership and details present and ability to start. 5. All questions and a good track record of delivery and landownership in control of applicant, project ready to start. Delivery matches call priorities and timescales			x	0	= 0	
Governance Arrangements	Is there a strong governance structure/partnership in place or planned?	1. No governance in place or described 2. Some governance in place 3. Sufficient governance 4. Good level of governance 5. Robust and well established governance arrangements in place			x	0	= 0	
Resourcing	What is the call on Cat 2 funding and is this realistic? What is the leverage and/or match?	1. Unrealistic call on funding with no match 2. if some match and realistic call on funding 3. If match is 50% 4. If over 50% 5. If over 60%			x	0	= 0	
Costs	Are costs realistic and is the project financially viable? Is there a cost breakdown? Are costs primarily capital or revenue? Breakdown of Cap/Rev available? State rationale on cap/rev? Do costs include VAT? Suitable for loan, investment or grant?	1. No cost information 2. Realistic project costs 3. Low revenue identified, cost breakdown is clear, VAT , realistic costs identified 4. As 3 with cash flow included 5. As 4 with full financial breakdown			x	0	= 0	

Outputs/Outcomes	Are outputs/outcomes realistic? Profiled by year?	1. No output information 2. Outputs deliverable but 'nice to have' and not core 3. Realistic outputs additional outputs that would not appear if intervention did not go ahead. 4. Will help meet core targets and outputs 5. Will help meet or exceed high priority targets and outputs			x	0	=	0
Timescales and Milestones	What is the planned implementation timetable and what are the key milestones? Include post completion milestones to allow for the delivery of outputs.	1. No milestones or timetable, 2. Timescales fall within GD period 3. Timescales and milestones will be delivered early in GD period. 4. Full timeline and milestones included. Outputs matches priorities but not this call fully 5. Full timeline with milestones is included. Outputs Match the priority of this call and will be delivered early in the required timeframe			x	0	=	0
VfM	Consider outputs/outcomes in relation to level of investment. Does the project offer sound Value for Money based on the expected return of a minimum of £5K funding per new job?	1. No VfM information 2. More than £5K per new job 3. Indirect jobs less than £5K per new job 4. Direct and Indirect jobs combined less than £5K per job 5. Less than £5K per new direct job created			x	0	=	0
State Aid	Is the project compliant with subsidy control? Has information been submitted on why state aid does not apply?	1. No information 2. Very limited explanation 3. External letter commissioned and narrative added, 4. Low Risk of challenge 5. Clear exemption. Letter is included; confirmation project will apply with state aid advice and sufficient narrative on exemption			x	0	=	0
Risks	Is there a realistic assessment of risks?	1. No information 2. Sufficient risks are mentioned but not explained 3. Risks identified and explained 4. Risk register completed with some areas missing, mitigations included 5. A full risk register is included, all areas considered and mitigated			x	0	=	0
Procurement	Procurement information submitted? Dates and process included?	1. Insufficient or the process included is not transparent or in line with CPCA requirements 2. Sufficient procedure included 3. Draft policy in place and available if requested 4. Board approved procurement policy included 5. Open and transparent board approved policy in line with UK guidelines and CPCA requirements included in application			x	0	=	0
Evaluation	How do you plan to evaluate the project when it is completed?	1. No evaluation 2. Light one step internal evaluation, 3. KPIs in place for an internal evaluation 4. Multistep/year KPI guided evaluation 5. Full external evaluation paid for by applicant and will share with the LEP			x	0	=	0

Company Status	Reputational	Market Demand
1. What does the company do – description of product / service 2. Shareholding Structure – who / % held / previous investment 3. What is coo's stage of development – R&D / Product dev / early market entry / established market – timelines to market 4. Intellectual Property position 5. Performance to date 6. Customer list / market traction 7. Terms of Trade – Suppliers / Customers 8. Margins 9. Overhead structure 10. Pipeline 11. Growth forecasts – how will they be achieved 12. What is the strategy 13. What is required to deliver strategy 14. Funding required – total / FELM – other sources 15. Use of funds – how / when – tranching of CPCA loan/grant 16. Summary of forecasts	1. Any previous, current or on-going legal issues (Criminal or Civil) 2. CJ's, Court Orders 3. Creditor issue	1. Who is the Customer 2. Market size – Total Available Market 3. Target customers – Realistically Available Market 4. Market demand – Present pipeline analysis / sales lead times 5. Market competition – who / USP / compelling selling advantage

Entrepreneurs Assessment Panel Appraisal Matrix - Cat 2									
Criteria	Guidance	Marking Guide (1-5)	Comments	Weighting	Mark - Edit			Total	
Presentation - Did the presentation add value to the application?	Has the presentation met expectations in terms of: 1. Content 2. Applicants commitment to deliver the project	1 = No added value, no additional information 2 = Some additional information but no detail 3 = adequate information, some extra detail 4 = extra information and support for application 5 = detailed information adding extra information to support the application			x	0	=	0	
Strategic Fit - Does the application fit with the Economic growth & Skills Strategy and associated sector strategies?	Does the presentation demonstrate good fit with the Economic Growth & Skills Strategy? Does the project demonstrate good fit with any of the current sector strategies? Does the project fit with any of the central government priorities around Levelling Up, or Shared Prosperity?	1 = No added value, no additional information 2 = Some additional information but no detail 3 = adequate information, some extra detail 4 = extra information and support for application 5 = detailed information adding extra information to support the application			x	0	=	0	
Has the applicant demonstrated a strong level of market failure?	Does the presentation evidence strong rationale and/or market failure?	1 = No added value, no additional information 2 = Some additional information but no detail 3 = adequate information, some extra detail 4 = extra information and support for application 5 = detailed information adding extra information to support the application							
Does the project offer good Value for Money?	Does the project offer good value for money for the investment being requested? Is the project likely to produce excellent jobs numbers compared to the level of funding being requested? Does the project add value to the wider business plans of the applying organisation?	1 = No added value, no additional information 2 = Some additional information but no detail 3 = adequate information, some extra detail 4 = extra information and support for application 5 = detailed information adding extra information to support the application							
Activities & Outcomes - Will the applicant deliver the outcomes within the timeframes they have set out?	How well defined are the principal activities required to complete the project? Are the outcomes expected from the project reasonable, measurable and achievable? Will outcomes be delivered immediately or over a longer period - has the applicant demonstrated how they will be measured in the longterm?	1 = No added value, no additional information 2 = Some additional information but no detail 3 = adequate information, some extra detail 4 = extra information and support for application 5 = detailed information adding extra information to support the application			x	0	=	0	
Delivery Arrangements - Will the project be delivered within the timeframes set out?	Has the presentation demonstrated: How developed is the project? – e.g. planning approved, ready to start, on site, underway. Have any land ownership, planning and other approvals been secured? What is your track record of delivery? Are there any policy or communications issues that could impact in delivery of this project? Has the presentation demonstrated how the costs breakdown is realistic and that the project is financially viable? Will the project deliver within the timeframe 31 Dec 2022?	1 = No added value, no additional information 2 = Some additional information but no detail 3 = adequate information, some extra detail 4 = extra information and support for application 5 = detailed information adding extra information to support the application			x	0	=	0	
Risks - Has the applicant identified all relevant risks associated with delivery?	Does the presentation indicate the risks attached to delivery of the project? Is there evidence of reputational risk to the CPCA?	1 = No added value, no additional information 2 = Some additional information but no detail 3 = adequate information, some extra detail 4 = extra information and support for application 5 = detailed information adding extra information to support the application			x	0	=	0	
Final Score Total				Total Score				0	

Growth Works Management Review – January 2022

To:	Business Board
Meeting Date:	10 January 2022
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	Deputy Chief Officer Business Board and Senior Responsible Officer, Growth Works, Alan Downton, and Growth Co Chair, Nigel Parkinson
Key decision:	No
Recommendations:	<p>The Business Board is recommended to:</p> <p>Note the Growth Works programme performance up to 31st October 2021.</p>

1. Purpose

- 1.1 Note the financial and non-financial performance of Growth Works and request any required changes to reporting going forward.
- 1.2 To note and comment upon the programme performance up to 31st October 2021.

2. Growth Works Service Line Performance

- 2.1 The overall performance to 31st October 2021 service line leading indicators are reported in the dashboard table below - Programme Outcome & Top Leading Indicators

Dashboard Summary – Programme Outcome and Top Leading Indicators							Overall RAG Status ●	
Service Line / Whole of Programme View	Target Indicator	Q4 Target	Q4 Actual (31/10)	YTD Total at Q4	Year 1 Target	Actual Outcomes in Q4 as at 31/10	Progress against Year-1 Target (at 31/10)	
All Service Lines – Outcome	Jobs created (inc. Apprentices)	N/A	68	769.5*	589	Up 331.5** ↑	↑	130.6%
Top Leading Indicators - Growth Coaching	Businesses provided with (i.e. undertaken) a Growth Diagnostic	486	142	494	832	Up 142 ↑	↑	59.4%
	Businesses starting coaching assignments (Growth support following diagnostic)	105	30	157	193	Up 30 ↑	↑	80.1%
Top Leading Indicators - Inward Investment	Inward investors receiving information, diagnostics, and brokerage support)	9	10	104	18	Up 10 ↑	↑	577.7%
	Inward investor commitments to expand or for new investments	2	2	13	6	Up 2 ↑	↑	216.7%
Top Outcome and Leading Indicator – Skills	Additional training / learning outcomes (excludes apprenticeships)	129	25	123	209	Up 25 ↑	↑	58.8%
	CO23's / SME Engagement	20	4	18	33	Up 4 ↑	↑	54.5%
Top Leading Indicators - Grants & Equity	Companies receiving grants	10	7	39	28	Up 7 ↑	↑	139.3%
	Small Business Capital Growth Investment Equity (£000)	1,000	0	0	2,000	Level →	↓	0.0%

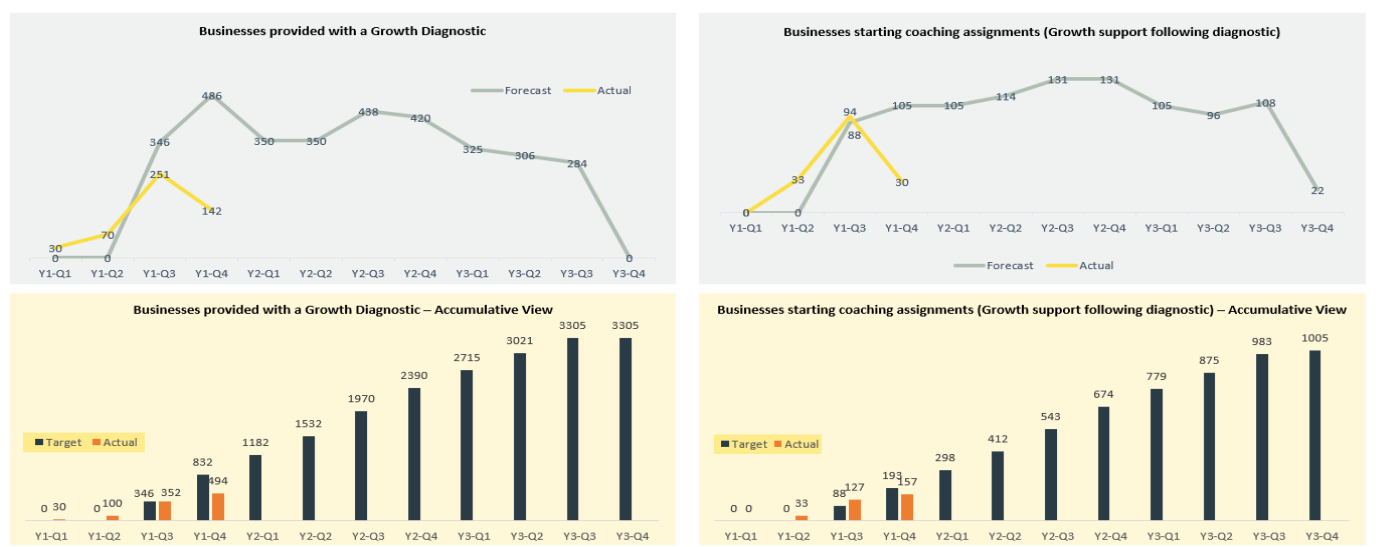
- 2.2 The project management team are highly confident that all Year 1 contractual outcomes will be met by 31st December 2021.
- 2.3 Highlights from year 1 achievements include:
 - Over 130% of jobs committed.
 - 577% of annual inward investors receiving support.
 - 216% of new/expanded inward investments.
 - Almost 140% of companies receiving grants.
 - Over 92% of apprenticeships.
 - Nil customer complaints received.
 - Equity pipeline is below forecast, although active with three EOIs in the pipeline for over £1.5m and more coming in at the run rate of £2m per quarter which would exceed year 1 and year 2 targets.

3. Growth Works Service Line Performance

3.1 Table breakdown of performance - Q4 targets are to 31st October

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	Q3 Actual	(Q4) This Quarter					Q4 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL				Q4 Target	Actual (31/10)	Actual (30/11)	Actual (31/12)	Q4 Total to 31/10	Target (31/12)	Actual (31/10)	% Q4 Actual / Q4 Target	Year-1 Target	YTD Actual	%YTD Actual / Yr-1 Target
Jobs created	46	1454	1723	3223	0	0	11	46	10.5			10.5	46	10.5	22.8% →	46	21.5	46.7% ↑
Businesses provided with (i.e. undertaken) a Growth Diagnostic	832	1558	915	3305	30	70	252	486	142			142	486	142	29.2% →	832	494	59.4% ↑
Businesses starting coaching journeys (enrolled in Get Set Accelerate)	154	385	466	1005	0	79	60	84	29			29	84	29	34.5% ↑	154	168	109.1% ↑
Businesses starting coaching assignments (Growth support following diagnostic)	193	481	331	1005	0	33	94	105	30			30	105	30	28.6% →	193	157	80.1% ↑
Businesses completing a coaching journey	44	327	634	1005	0	0	0	44	22			22	44	22	50% ↑	44	22	50% ↑

3.2 Performance shown as a line and bar chart - Q4 targets are to 31st October

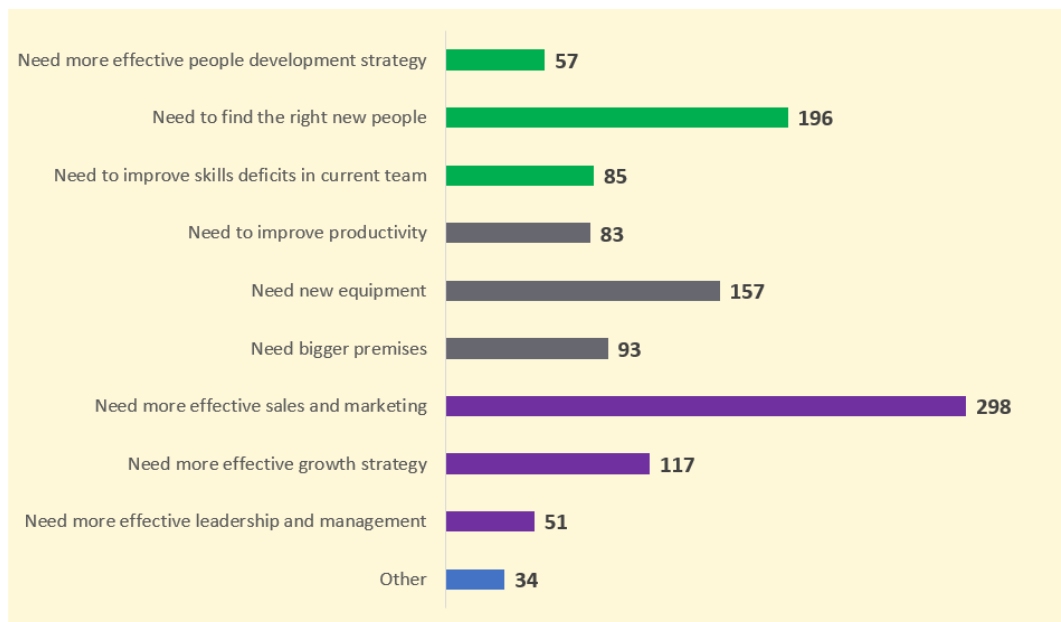


Diagnostics are behind forecast, however with increased marketing - as demonstrated in the latest 120-day plans shared by the service line with the Combined Authority and PMO - we maintain a high degree of confidence that this target will still be met.

3.3 Business enrolled by size

Number of employees	Count of Businesses	Profile
3-9	78	46.7%
10-49	60	35.9%
50-249	18	10.8%
TBD	11	6.6%

3.4 Business challenges cited by companies on their diagnostic forms. Data shown is to 31st October.



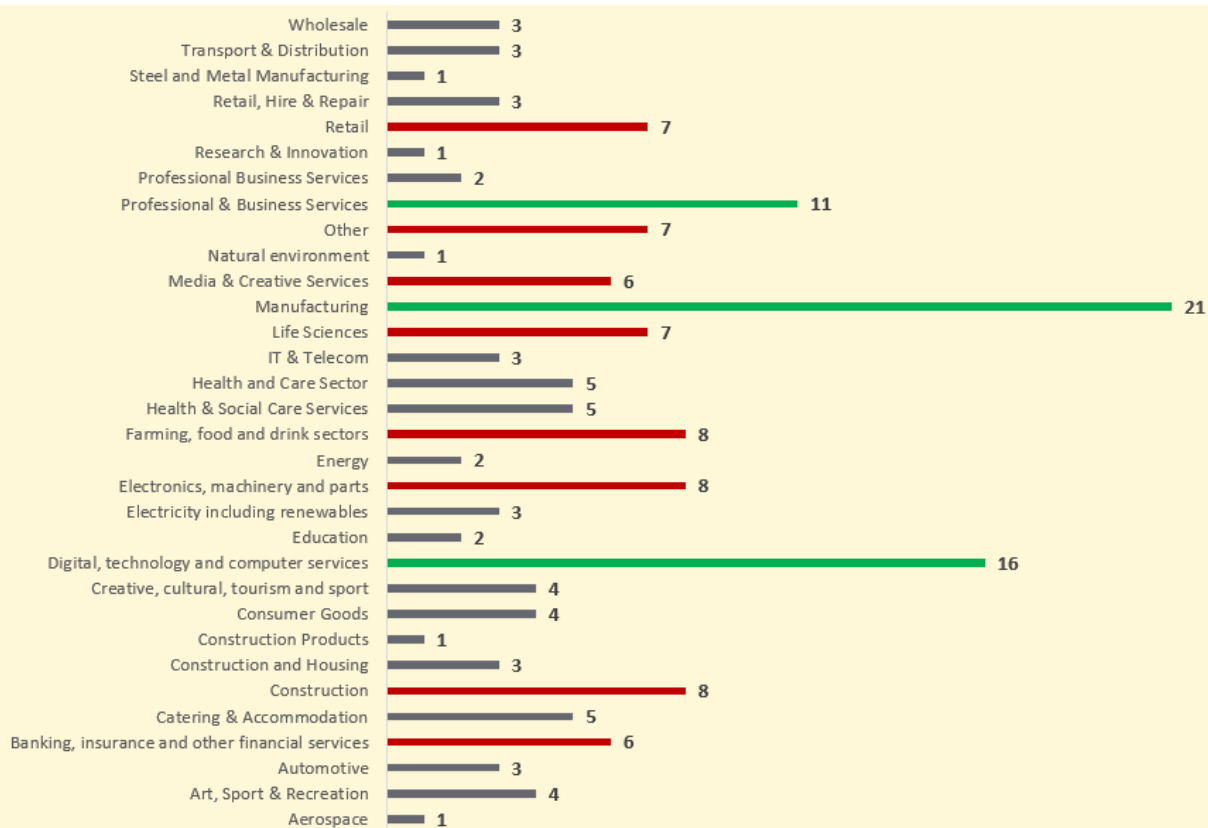
Businesses completing a diagnostic are asked to give their reasons for engaging with Growth Works with Coaching and share current business challenges and concerns they are faced with

The table opposite lists the reasons and the number of recorded entries against each (where a company may record more than one reason).

- Green bars indicate people and talent challenges.
- Grey bars indicate operational and infrastructure efficiency and effectiveness challenges.
- Purple bars indicate growth specific challenges.

Need more effective growth strategy will be broken down further from January 2022.

3.5 Businesses starting coaching journeys (enrolled in Growth Coaching) by sector. Data shown is to 31st October.



As of 31st October 2021, a total of 168 companies had started their coaching journeys. The table above lists the number of companies by sector.

- Green bars indicate sectors with more than ten companies.
- Brown bars indicate sectors with between six and ten companies
- Grey bars indicate sectors with between one and five companies.
- The total number of companies illustrated in the bar chart is 164. there are an additional four companies where we are still verifying their sector which, once confirmed, will be recorded in HubSpot.

3.6 The Growth Hub

The Growth Hub has 4 full time employees. Due to expanding scope and developer limitations our HubSpot' enhanced functional development wasn't completed to end of June 2021.

3.7 Growth Hub Performance – Table breakdown of performance

Activity		Comments
Calls	37	Positive aspect - the calls coming in are from leaders & owners of businesses and generally last 45+ minutes. Giving a lot more depth and breadth to the calls. It appears not all calls are logged. Dealing with as part of monthly contractual meetings
Emails	3908	This is what is registered on HubSpot. It appears lots of emails aren't registered as these are only the emails sent through HubSpot not emails gone out through outlook. As above, dealing with as part of monthly contractual meetings.

Replies	381	
Meeting with businesses	63	

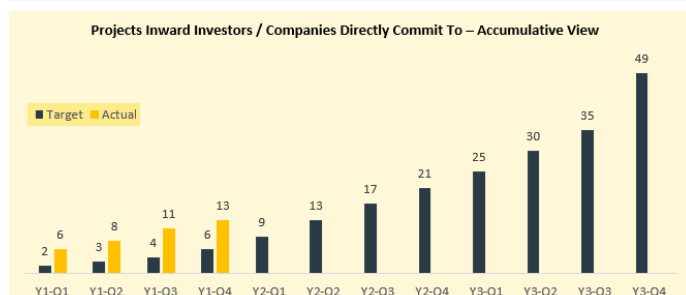
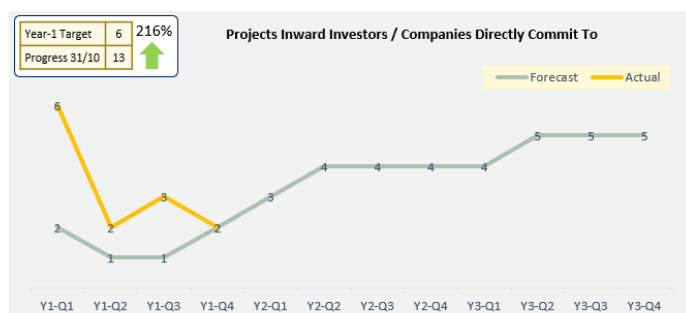
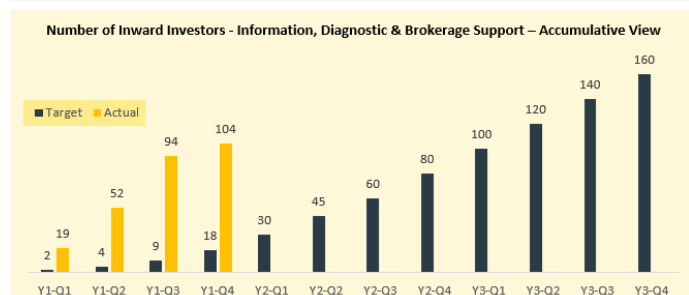
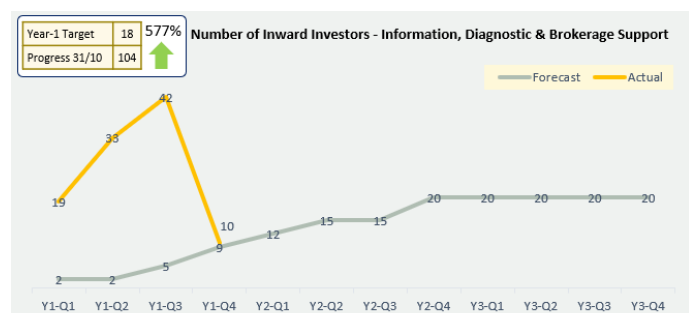
4. Inward Investment Service Line

4.1 The second Inward Investment supply chain event will take place from 13:00 to 16:00 on 8th December 2021 and is centered on artificial intelligence (AI). The Combined Authority region is already an internationally recognised center for AI, and our ambition, as set out in the Local Industrial Strategy, is to establish the region as the preferred global base for firms from across the world to create and adopt the technologies of tomorrow. To help us achieve this, Growth Works will be looking to maintain Greater Cambridge's global status as a leader in AI, while seizing untapped potential opportunities in the Fens and Peterborough. The full panel is made up of: Amadeus Capital, Deep Tech Labs, Cris Crespi (CTO of Cosworth – wanting to adopt AI tech into its presence in South Cambs) and will be moderated by Dr Chris Moore (DIT Tech/AI specialist).

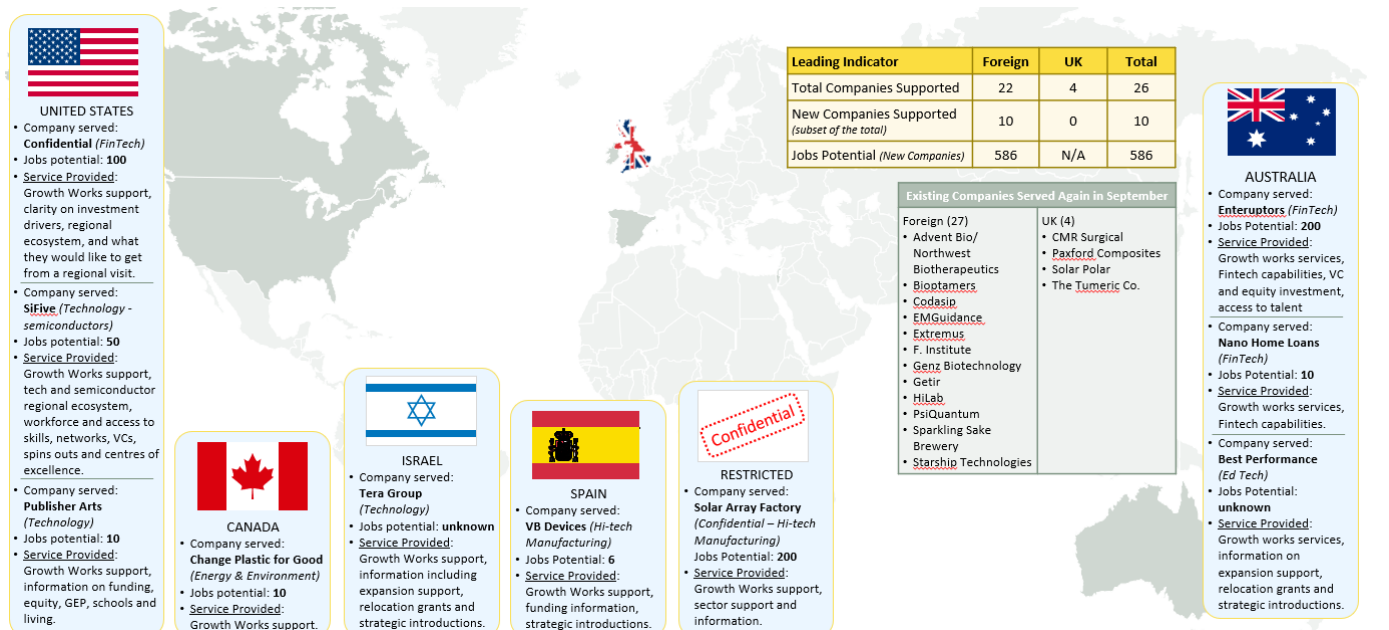
4.2 Table breakdown of performance - Q4 targets are to 31st October

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	Q3 Actual	(Q4) This Quarter					Q3 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL				Q4 Target	Actual (31/10)	Actual (30/11)	Actual (31/12)	Q4 Total to 31/10	Target (31/12)	Actual (31/10)	% Q4 Actual / Q4 Target	Year-1 Target	YTD Actual	% YTD Actual / Yr-1 Target
Jobs created	75	175	350	600	23	29	32	25	210			210	25	210	840%	75	294*	392%
Inward investors receiving information, diagnostics, and brokerage support)	18	62	80	160	19	33	42	9	10			10	9	10	111%	18	104**	577%
Inward investor commitments to expand or for new investments	6	15	19	40	6	2	3	2	2			2	2	2	100%	6	13	216%

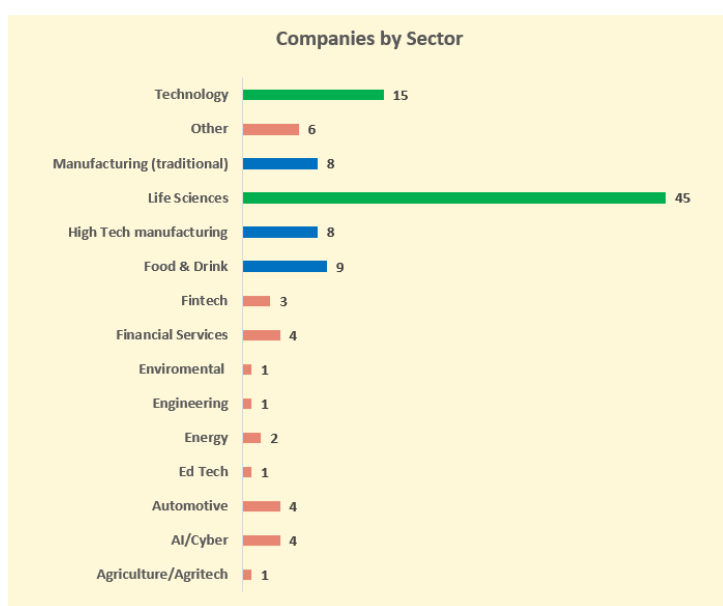
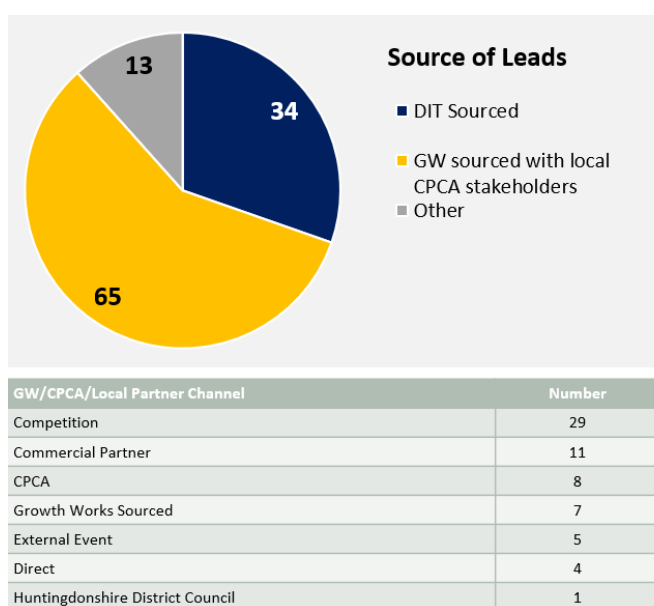
4.3 Performance shown as a line and bar chart - Q4 targets are to 31st October



4.4 Summary of International Investment Services (IIS) global enquiries for the period to 31st October

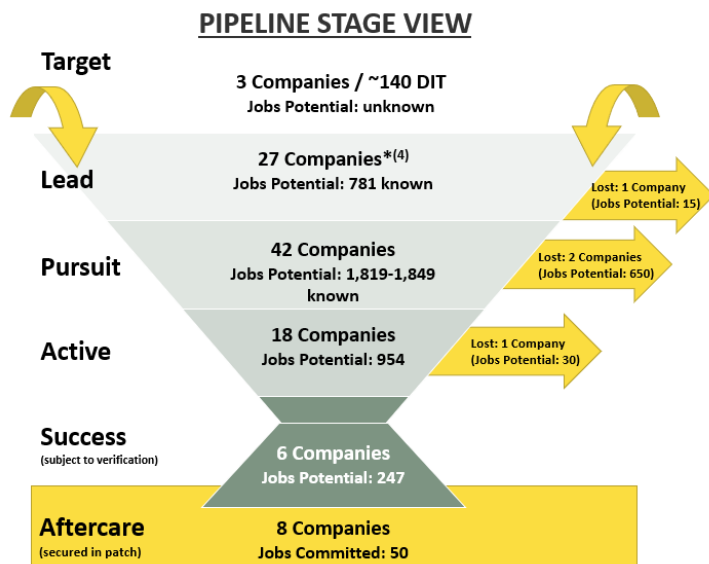


4.5 Inward Investment Service – origin of leads and sector coverage of leads for the period to 31st October.



- The data shows for every DIT inbound lead GW sources 2+ leads through its own efforts.
- The Life Sciences competition generated over 25% of all leads in the YTD
- Life Sciences companies account for over 40% of leads.

4.6 Inward investment – Pipeline for the period to 31st October



PIPELINE	
Stage	Notes
Target	3 companies: two remain to be actively engaged.
Lead	*Jobs potential on 16 of these is currently unknown. In addition, there are three (3) – Flusso, Better Origin, and Viva Arts – who were served but later qualified out as FDI clients and passed to other service lines, and one that has gone 'dormant' (RP Meats) – all four are shown here as *(4)..
Pursuit	Jobs potential on 16 of these is currently unknown, while the jobs potential on the top eight (8) of them is 1,461, as follows: Converting Technologies (261), Confidential DIT Food Manufacturing Company (240), Serum Institute (200), Enteruptors (200), Hong Leong Manufacturing Group (200), PsiQuantum (150), Global Gene Corp (110), and Guangzhou panana technology Ltd (100).
Active	Jobs potential on three (3) of account for 68% of the total, as follows: Ultimate Battery Company (321), Oatley (200), and Getir (130).
Success	The jobs are still reported as potential until such time as they land in patch on a payroll. Seven (7) of the wins reported have now moved into aftercare.
Aftercare	When companies have landed and set up successfully in patch they will be account managed through the IIS aftercare process – 1 company (Mibin) is being supported but not claimed as a 'win' because it landed through DIT (3 jobs).
NOTE	No wins or significant losses this month.

The pipeline of businesses is very healthy.

- 4.7 There is still a significant risk that without additional resources, the current team of two within International Investment Services will be overwhelmed by the volume of work and may not be able to respond as quickly and professionally as required. If a large, strategic inward investment opportunity lands in the pipeline, all resources will go to servicing this inward investment enquiry, and smaller opportunities will not be able to be supported, and the CPCA risks losing out on investment projects. Officers are currently working with Gateley Economic Growth Services Limited (GEG), Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) and the Combined Authority on potential solutions.
- 4.8 A significant amount of time and resource was invested by International Investment Services (IIS) in order to keep CMR within Cambridgeshire & Peterborough, with robust and comprehensive support, provided to pitches from three shortlisted locations - Alconbury, Lancaster Way and Bourn Airfield. A great success story, as CMR will relocate, within the Combined Authority Area.



11 October 2021

CMR Surgical to build new global manufacturing facility to meet Versius demand

- Growth Works began working with CMR in January 2021, part of the healthy pipeline we committed to bringing to CPCA ahead of contract commencement.
- 200+ skilled jobs to be created to 2023** – ranging from production, quality, manufacturing, engineering, supply, operations, and logistics.
- CMR is a 'conservative' company, so publicly reported 200 jobs at this moment in time, but 400 is achievable in the future.

- 11th October: CMR Surgical (a global surgical robotics business) announced plans for a new large-scale manufacturing facility in Ely.
- Ely was chosen from 14 potential locations – 9 in Europe, 5 in the UK.



Per Vegard Nersteth, CEO of CMR Surgical

(Photographer: Keith Heppell)

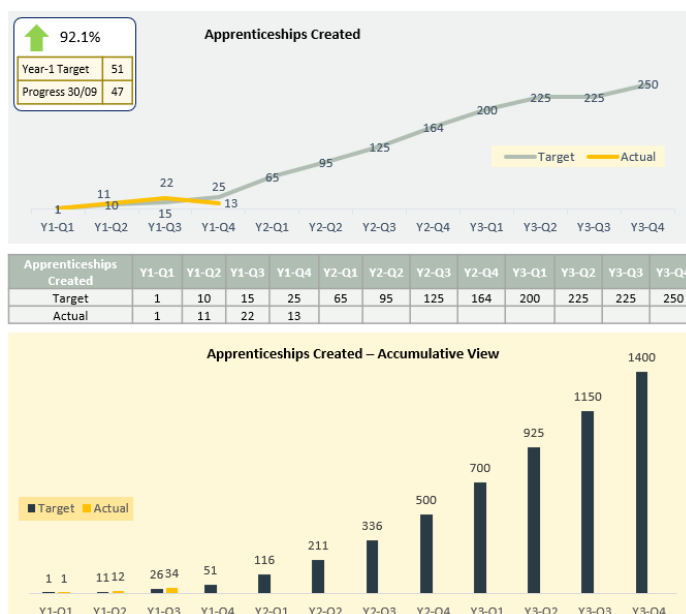
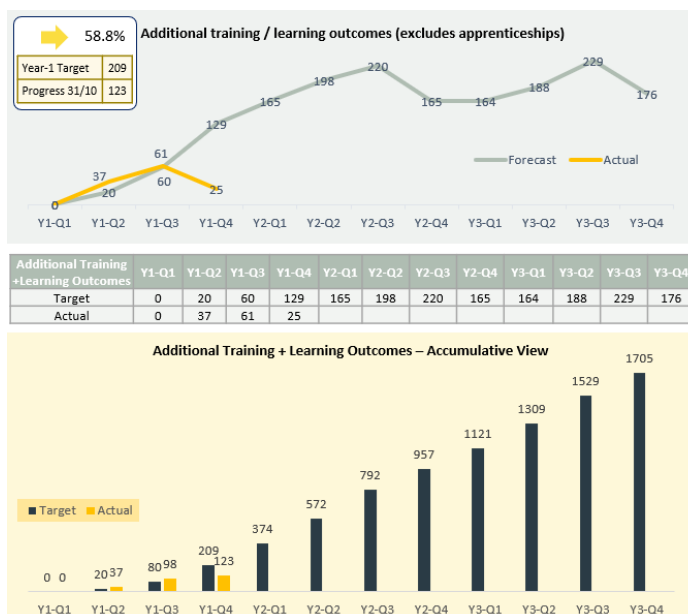
Picture sources: <https://cmrsurgical.com/> and <https://www.cambridgeindependent.co.uk/>

5. Skills Service Line

- 5.1 Growth Works with Skills are expected to meet or exceed Quarter 4 targets across all Leading Indicators.
- 5.2 There is a healthy pipeline for Quarter 1, Year 2. The team at Growth Works with Skills have now adopted a key account management system, where they have identified their top 60 companies to work with in addition to continuing their work engaging with SMEs across the Combined Authority Area.
- 5.3 European Social Fund (ESF) outputs are currently at 80% of their target. It is anticipated this target will be met by the end of the year.
- 5.4 The Digital Talent Platform following the refresh has attracted significantly more users. Work continues on a quarterly basis to update the content and improve its functionality.
- 5.5 A series of online events have been developed to engage businesses with their talent requirements. These events will continue into Year 2.
- 5.6 Through the Careers and Enterprise Company (CEC) contract, work continues to offer all 72 schools and colleges across the region support in achieving the Gatsby Benchmarks, to promote and facilitate the delivery of excellent careers provision for all young people.
- 5.7 A strong end to the 20-21 academic year resulted in the highest performing year of the CEC contract at the Combined Authority. This was a result of focused work to achieve contractual targets.
- 5.8 September saw the launch of the Careers Hub which contains 30 of the 72 schools and colleges within the region. Engagement with business and the schools and colleges remains challenging due to the instability caused by the growing covid cases within the region.
- 5.9 Table breakdown of performance - Q4 targets are to 31st October

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	(Q3) This Quarter					(Q4) Final Quarter Forecast	Q3 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL			Q3 Target	Actual (31/07)	Actual (31/08)	Actual (30/09)	Q3 Total to 31/07		Target (30/09)	Actual (31/07)	Variance (31/07)	Year-1 Target	YTD Actual	YTD Variance
Apprenticeships created*	51	449	900	1400	1	10	TBD	3			3	TBD	TBD	3	100%	51	14	27.4%
Jobs (via learning outcomes)***	50	100	200	350	0	1	TBD	0			0	TBD	TBD	0	100%	50	1	2.0%
Additional training / learning outcomes (excludes apprenticeships)	209	748	748	1705	0	23	60	21			21	129	60	21	38%	209	44	21.0%
GVA generated (£ 000)	TBD	TBD	TBD	15	TBD	TBD	TBD	TBD			TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
<u>Levy Employers signed up to pledge (£ 000)</u>	3,000	5,500	6,500	15,000	£0	564	1,000	0			0	1,000	1,000	0	0%	3,000	564	18.8%
<u>Levy Employers increasing utilisation of Levy (£ 000)</u>	2,170	3,272	4,008	9,450	£0	TBD	830	0			0	840	830	0	TBD	2,170	£0	0%
<u>SME's accessing Levy transfer (£ 000)</u>	1,750	4,690	6,040	12,480	£0	1.5	500	0			0	750	500	0	0%	1,750	1.5	0.08%

- 5.10 Performance shown as a line and bar chart - Q4 targets are to 31st October



6. Grants & Equity Line Service

- 6.1 The Investment Appraisal panel currently consists of two voting members and the secretariat. Voting members are currently Nigel Parkinson, Chair of Growth Co and Nitin Patel, Business Board member. A third voting member from Growth Co Directors will be added in January 2022 to provide a decisive vote. Alan Downton, who has now joined the Combined Authority as the Deputy Chief Officer of the Business Board and SRO of the Growth Works contract, has been appointed a director of the Cambridgeshire Peterborough Business Growth Company Limited (Growth Co) and will be the third voting member of the panel.
- 6.2 The Secretariat is Paul Webster, Programme Director Gateley Economic Growth Services, supported by Bev Hurley from YTKO, Jonathan Finlay (Compliance) and Martin Montgomery, external from Gateley Legal, a Corporate Advisory Legal Partner, and all are non-voting.
- 6.3 The Investment Appraisal Panel have met four times this financial year in July, August, October and November and further meetings are scheduled on a monthly basis going forward. This panel reviews and authorises or seeks more information / due diligence or turns down businesses either seeking capital grants of between £20k - £150k at 50% match or equity investment £50k - £250k. It is working very well, and in many respects, we are very pleased at current performance.
- 6.4 The Capital grant allocation for the whole of the programme was £4.8m of which £2.04m needed to be rapidly allocated before the 31st March 2021. The balance of £2.8m was planned to provide an average quarterly allocation of £350k to ensure the longevity of the fund to June 2023. As of end of October 2021, month 1 of Q4, there have been 39 grants awarded since the contract began (value £2.63m) against a forecast of 28 for the year (forecast at £2.2m). The average grant is £67k against an average of £77k, however the fund has used 31% of the overall £2.8m available fund in just 6-months owing to the higher volume of awards. In November, a further three projects were approved for £218k. In order

to ensure that capital expenditure funds remain available until mid-2023, there are a number of actions we propose to take with the current scorecard:

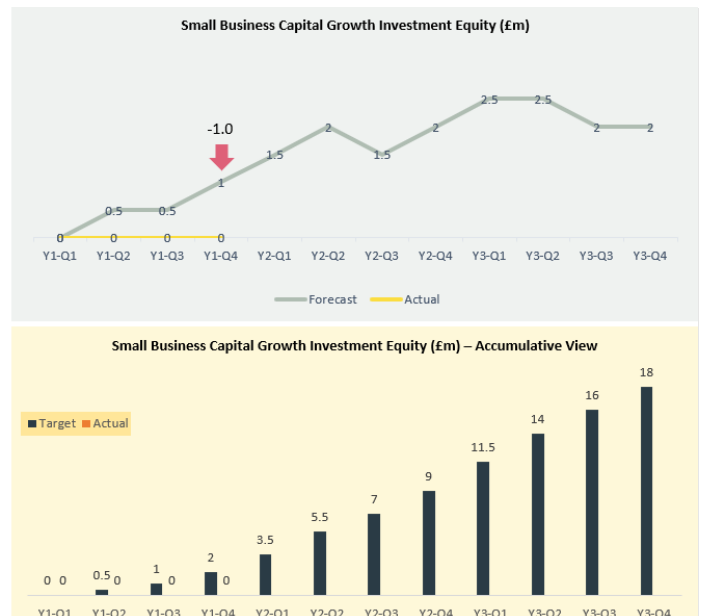
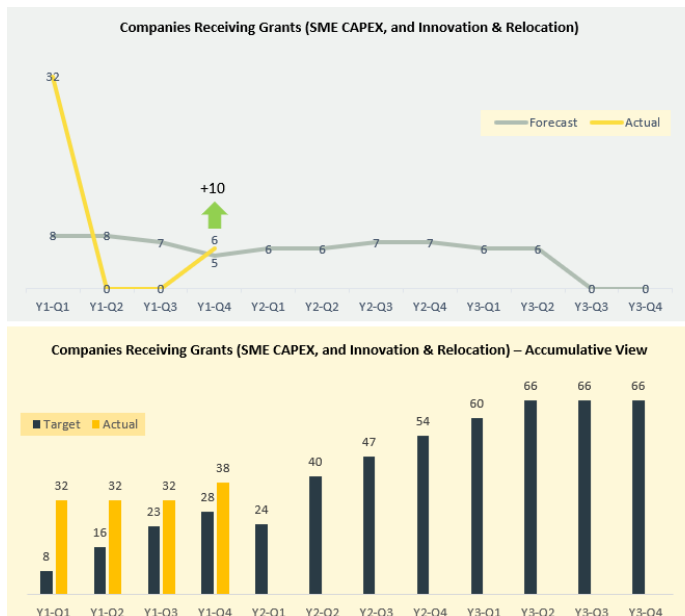
- a) Reduce the upper cap of £150k to £100k to avoid depleting the fund. This will support stating in target an average of £60k to £80k.
- b) Enhancement of the qualitative score card including positive actions for environmental weighting, social inclusion/return to work, living wage implementation and apprenticeship skill development.
- c) Directing businesses to exhausting all forms of available capital, including equity growth funding before a capital expenditure grant is requested. Where SME projects are restricted by internal budgets and investments outside of CPCA are outperforming relative to CPCA investments, we will work with the business' finance teams to provide the minimum grant required to lift the CPCA operation to the priority investment.

6.5 In addition, all marketing through Growth Works (YTKO delivery partner) of grants will be stopped with immediate effect to reduce demand focused on grant funding. Future capital expenditure grants will only be available once a business is signed up to coaching and it is then deemed / identified to be one of a number of barriers to growth and is on their growth plan.

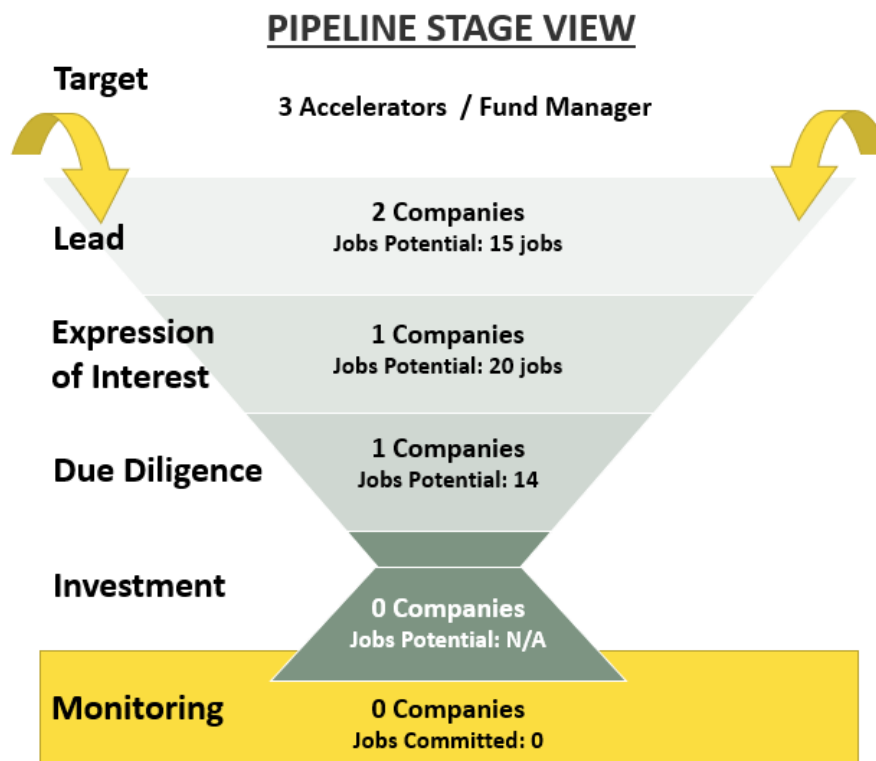
6.6 Table breakdown of performance - Q4 targets are to 31st October

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	Q3 Actual	(Q4) This Quarter					Q4 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL				Q4 Target	Actual (31/10)	Actual (30/11)	Actual (31/12)	Q4 Total to 31/10	Target (31/10)	Actual (31/10)	% Q4 Actual / Q4 Target	Year-1 Target	YTD Actual	%YTD Actual / Yr-1 Target
Jobs	397	474	584	1455	305 (baselined from 321)	0	0	397	98				0	98	+100%	397	403	+101.5%
Companies receiving grants*	28	26	12	66	32	0	0	5	7				0	7	+100%	28	39	+139.3%
Grants & Investments (Small Business Capital Growth Investment Fund)	18	26	12	56	32	0	0	5	7				0	7	+100%	18	39	+216.7%
Innovation & Relocation Grants**	10	0	0	10	0	0	0	0	0				0	0	0%	10	0	0%
Small Business Capital Growth Investment equity (£ 000)	2,000	7,000	9,000	18,000	0	0	0	1,000	TBD				0	0	0%	2,000	0	0%
Number of equity investment projects between £150k and £250k	4	19	17	24-40	0	0	0	2	TBD				0	0	0%	4	0	0%
GVA generated - (£ 000)	1,000	14,000	30,000	45,000	4,050 (est.)	0	0	TBD	X,XXX (est.)				TBD	TBD	0%	1,000	(4,050 est.)	+405%

6.7 Performance shown as a line and bar chart - Q4 targets are to 31st October



6.8 Equity pipeline as of 31st October 21



7. Performance Portal

- 7.1 Following our update in September 2021, Gateley Economic Growth Services are well advanced in the design and delivery of the Growth Works performance portal. The Software is SiteLantern and the Combined Authority has very recently had its first demonstration.
- 7.2 The aim of the portal is primarily to give our Local Authority partners, the Business Board, the Skills Committee, the Combined Authority and Cambridgeshire Peterborough Business Growth Company Limited (Growth Co) a means by which to monitor, review and drill down

into the five core service lines - Growth Hub, Skills, Capital Growth Fund investment (capital expenditure grants and equity), growth coaching and inward investment.

- 7.3 The portal will enable each stakeholder to design their own lens from the core common set of data. This means that each Local Authority and the Skills Committee will have open access to monitor and drill down on their respective geographical coverage in the style and format that suits them best. The Business Board, Combined Authority and CPCA Business Growth Co there will be a facility to do this with integration of the data sets and sources of data. Each user will be able to assess the data across different timelines, region, by sector, by company size, service received, etc.
- 7.4 Some of the data will be real time such as business customer movement in the pipeline, and some won't be by the very nature of the timelines in collecting such as grants disbursed.
- 7.5 GEG are at a stage where they are now looking for 1 representative from each Local Authority, 2 or 3 from the Business Board and the Skills Committee to undertake 'user testing' up to Christmas and be the "Champion" user of the SiteLantern for their group to shape and design their bespoke lens for what they would like to see from the programme.
- 7.6 The plan is for the portal to go live by 07th January 2022 and there will be a follow up communication to support this and training.

8. Qualitative Assessment

- 8.1 Growth Co and GEG want is to look at two key areas one being good quality performance assessed by both a NPS scoring system that will be within the December data with accompanying qualitative text, the other through robust contract management in order to show how well GEG and the consortia are delivering outcomes and the leading indicators. This plus our monthly contractual meetings, will hopefully amplify the evidence of our joint achievement and how meaningful partnerships can deliver better results.
- 8.2 Now that the services are beginning to deliver results, the plan now is to look in a lot more detail at the qualitative element, looking firstly at YTKO (delivery partner). The focus is to undertake more in-depth assessments of:
- Current return on investment from our marketing spend, what is our cost per acquisition and are we reaching the right people to convert
 - Are marketing budgets being fully exploited to generate the required pipeline of high quality businesses for Growth Coaching?
 - What is the feedback loop for companies receiving Growth Coaching, how are we monitoring client satisfaction and overall impact?
 - The quality and quantity of coaches / experts being deployed and looking at any gaps in our current pool or areas
 - Overall cost of the service line including a review of the organisational chart against the initial tender

- Deep dive into the ERDF grant schemes, focusing on the amount awarded, outputs from the grant, cost of administration and overall compliance

9. Forward Look

9.1 Schedule of upcoming reporting deadlines and meeting dates:

- Late December 120-day plans with activity to start year 2 are reviewed and signed off by Growth Co and the Combined Authority
- Late December 120-day marketing plans with events calendar identifying where GEG and the consortia are organising / hosting Growth Works events. To be published, so that Business Board members, Skills Committee members and Local Authorities are aware
- 7th Jan launch performance portal

Significant Implications

10. Financial Implications

10.1 There are no direct financial implications in the progress report.

11. Legal Implications

11.1 None.

12. Other Significant Implications

12.1 None.

13. Background Papers

13.1 None.

Peterborough University – Phase 3 Business Case

To:	Business Board
Meeting Date:	10 January 2022
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	SRO Higher Education & University Programme Director, Mahmood Foroughi,
Key decision:	Key Decision for Combined Authority Board on 26th January 2022
Forward Plan ref:	2021/064
Recommendations:	<p>The Business Board is invited to:</p> <ul style="list-style-type: none">a) Note the University of Peterborough Phase 3 Business Case; andb) Note that the Skills Committee will be asked to recommend to the Combined Authority Board the approval of a range of actions necessary to achieve the legal and contractual framework needed to deliver the phase 3 of the University project through the Peterborough HE Property Company Ltd (Prop Co 1).

1. Purpose

- 1.1 The purpose of this paper is to provide Business Board members with vision of the third phase of the University for Peterborough in the form of a Business Case, and for Business Board members to note the request to the Skills Committee for its recommendation to the Combined Authority for approval of a range of actions necessary to achieve the legal and contractual framework needed to deliver the phase 3 of the University project through the Peterborough HE Property Company Ltd (Prop Co 1),
- 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.

2. Background

The University Project & Progress So Far

- 2.1 Project partners CPCA, PCC, and ARU are collaborating to establish a new University for Peterborough to increase the skill levels of local people by completing the establishment of a range of teaching facilities, and to increase highly skilled employment opportunities by developing an innovation ecosystem around the university, focused on opportunities in the global net zero transformation.
- 2.2 The ambition to transform jobs and skills in Peterborough is central to the forthcoming CPCA's 2022 Employment and Skills Strategy, which recognises establishing a new higher education provider in Peterborough as an essential step to implement the strategy. The two objectives of the university programme, in order to support the city, its surrounding area and the people living there, are to simultaneously improve access to better quality skills and improve access to better quality employment. This will support local people to access opportunities for quality long-term employment and support local businesses to grow by making it easier to hire skilled employees and invest in innovation. A central feature of the programme's approach is that intervening to raise local skills levels at the same time as raising demand for skilled workers is more likely to succeed than trying to raise one at a time and helps ensure that more of the programme's benefits accrue locally. Intervening strategically to concurrently raise local skill levels and local demand for skilled workers will enable Peterborough to enact a step-change to a new equilibrium as a highly skilled and hi-tech economy, with local demand for skilled workers met by local residents. The establishment of a University for Peterborough is a 10-year programme to catalyse the region's transformation. It will provide improved access to better quality skills and improved access to better quality employment. The resulting increase in wellbeing, health and healthy life expectancy means people living happier, healthier lives.
- 2.3 The programme is already underway, with action happening at pace and scale. Three phases of the university campus creation have secured funding in just over two years, and

two are already under construction, with the first teaching building due to open to 2,000 students in September 2022. With multiple phases running in parallel and to tight schedules, this is a complex programme of work which requires careful sequencing and coordination in order to meet the objectives. These phases of the programme are:

- 2.3.1 Phase 1: First Teaching Building, currently under construction - Establish the ARU Peterborough campus in the city via the first teaching building, providing space for 2,000 students from September 2022 and 3,000 in total, studying Health, Social Care, Education, Management, Finance and Law.
- 2.3.2 Phase 2: Peterborough Research and Innovation Incubator, currently under construction - Build a base of innovative and collaborative start-ups to support bottom-up development of the innovation ecosystem: 20 hi-tech start-ups and scale-ups building an indigenous innovation ecosystem specialising in net zero technologies in an innovation incubator on the University campus with Photocentric as anchor tenant, generating jobs for graduates to enter in the local innovation ecosystem.
- 2.3.3 Phase 3: Second Teaching Building and Living Lab, for which funding has been secured - Grow the University campus via a second teaching building supporting 1,000 more students from 2024/25 and 1,750 more students in total, expanding its curriculum into STEM fields and embedding the University in Peterborough through the Living Lab and Cultural Quarter. The Living Lab will be a public-facing, high-quality interactive science centre for Peterborough with public space for exhibitions and events, designed to stimulate and inspire more young people into STEM sectors, particularly in net zero opportunities.

Phase 3

- 2.4 Peterborough City Council has secured £20m funding from the Levelling Up Fund for Phase 3 of the University campus, a second teaching building and Living Lab. Almost £8M of investment (see paragraph 3.1 for a full breakdown) has been secured from the other PropCo1 shareholder partners, the CPCA and ARU. This phase is due to be delivered in 2024 and will provide outstanding facilities for students and the local community, as well as the capacity needed to grow in line with the institution's growth plans and ambitions to achieve university status.
- 2.5 The Business Board, in consultation with the Combined Authority Board, approved on 9th June 2021, £2m of unallocated recycled Local Growth Funds for the University of Peterborough Phase 3 project.
- 2.6 Following the approval of the Levelling Up fund in October 2021, work on developing a Full Business Case (FBC) started by the Combined Authority in collaboration with PCC, reflecting input from ARU as the procured Academic Delivery Partner, to demonstrate the economic impact and educational need for the expansion of the University Project and campus in Peterborough. The Full Business Case comprises 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
- 2.7 Approval of the Business Case for Phase 3 of the University Project is necessary to expand the campus via a second teaching building and Living Lab, with space for 4,761 students by 2026, extending the curriculum to STEM fields and establishing a 'University Quarter'.

- 2.8 The level of success of the bid for the LUF was dependant on PCC (as the lead authority to bid) demonstrating a certain level of readiness and assurance of delivery of Phase 3. Therefore, it was proposed, as part of the LUF funding application, that delivery be enabled through the currently established jointly owned higher education property vehicle (PropCo1). Governance and project delivery arrangements for the development and delivery are set out at Appendix 3.
- 2.9 The programme to deliver the Phase 3 project has been drawn up. The terms set out in the funding offer from the Dept for Levelling Up, Housing & Communities stipulated that work and spend of the LUF funding should start by 31 March 2022 and complete by March 2024. To achieve this the Combined Authority, on behalf of PropCo1, have initiated the mobilisation works. These include the production of this Business Case and tendering process for the appointment of a multi-disciplinary design team. The appointment of the design team by 15th February to start the design work is on the critical path to meet the project start terms of the LUF funding offer. It is envisaged that the approval of the Business Case by the Combined Authority Board will allow for the Combined Authority to make the appointment of the multi-disciplinary design team on behalf of the PropCo1.
- 2.10 The total available funding will cover all components of cost required to deliver the Phase 3 project including construction works, support services from professional consultants and the design team, legal support, surveys, and investigations. Consideration of wider client related project costs including internal project management, project financial accounting and statutory contributions such as section 106 contributions and land purchase have also been factored in.

3. Funding for Phase 3

- 3.1 The financial arrangements to meet the £27.87m costs for Phase 3 of the University project are as follows:
- a) LUF £20m – (PCC contribution as the lead authority for the LUF)
 - b) ARU £4m
 - c) CPCA £2m – Approved recycled local growth funds
 - d) PCC Transfer of land valued at approximately £1.87m (land valuation yet to be completed)
- £27.87m total
- 3.2 Following the above investments to be made by each of the existing shareholders and the corresponding allocation of the new shares, the company's shareholdings will be as shown in Table 1 below.

Shareholding in The Peterborough Higher Education Property Company					
		PCC	CPCA	ARU	total
Phase 1	First teaching building	1.87	24.8	5.50	32.17
		5.8%	77.1%	17.1%	100.0%
Phase 3	Second Teaching building	21.87*	2	4	27.87
		78.5%	7.2%	14.3%	100.0%
	Total Shareholding in Propco1	23.74	26.8	9.5	60.04
		39.6%	44.6%	15.8%	100.0%

*Land value of £1.87m may change subject to independent valuation

Table 1: Joint shareholding following PCC land transfer, PCC contribution of LUF funding, CPCA contribution of Local Growth Funding and ARU contribution to Phase 3 costs.

- 3.3 A requirement in the terms of the LUF funding offer from the Dept for Levelling Up Communities & Housing, is that work and spend must start by 31 March 2022. To enable this a number of project milestones need to be met:
- For work and spend to start in March 22, a formal contract must be signed by PropCo1 in February 2022, with the procured multi-disciplinary consultant team so that the initial work packages of RIBA Stage 2 design to inform planning applications can commence.
 - For Propco1 to place the contract above, it must be in receipt of the Phase 3 funding of £26m. In consideration of the transfer from PCC, ARU and the CPCA of that funding there shall be a corresponding allotment of shares. There will be a consequential change to the original Shareholders Agreement between the parties to provide continuing shareholder protections to the CPCA as it moves from being a majority shareholder to a minority shareholder. Related to this, an Agreement for Lease and Lease for the second building to ARU-Peterborough from PropCo1, is required along with amendments to the Collaboration Agreement to accommodate the revisions to student numbers, curriculum model, and site and buildings plan.

Significant Implications

4. Financial Implications

- 4.1 As set out in the Business Case, the funding strategy to finance the Phase 3 Second Teaching Building, and in line with similar capital investments of Combined Authority devolved and delegated funding, into the Phase 1, the First Teaching Building, the Combined Authority will invest its £2m funding as an investment for shares into the PropCo1. As a result, the current Shareholder Agreement for the company, will be amended to reflect this additional investment for shares.

4.2 Recovery of CPCA Funding from Phase 1: The Combined Authority invested a total of £25.4m into the £30.5m Phase 1 project. Set out in the FBC for Phase 1, was the CPCA's strategy to allow rent-free provision of the Phase 1 building to ARU-Peterborough for a period of 10 years, at which point it would seek to recover and recycle its investment into new projects in pursuance of the Combined Authority's objectives. To enable this sale of shares at maximum market value, paragraph 17.1 of Shareholders Agreement states that:

"If a Shareholder or Shareholders who collectively hold Shares which, in aggregate, represent in excess of 75% of the votes which are capable of being cast at a general meeting of PropCo wish to transfer their shares at any time (the "Drag Seller(s)"), such Shareholders may (having first followed the procedure set out in Clause 15) give written notice (a "Drag Notice") to the continuing Shareholder or Shareholders (the "Continuing Shareholders") requiring it (or them) to sell all (but not some only) of its (or their) shares..."

This clause provides for the Combined Authority, which currently holds in excess of 75% of the total shares (votes), to drag PCC and/or ARU into the sale of a majority, controlling shareholding of a building, available to rent to a successfully operating university. Sale of a majority, controlling shareholding of a building, would generate maximum value on the market – investors being unlikely to wish to acquire only a share of a rental asset. In the event that PCC invest the £20m of LUF (and later upon conclusion of land transfer, the value of the land also) into PropCo1, the resulting dilution of the Combined Authority's shares will take it below the 75% trigger for drag rights. This in turn, will generate a significant negative impact on the potential value at sale of the Combined Authority's investment, as it will be able to sell only a minority share in the company. Hence, without modification to the Shareholders Agreement to protect and retain the Combined Authority's drag rights, below 75%, the Combined Authority could not agree to PropCo1 making any further allotment of shares. Two options are available to protect the Combined Authority's investment upon PCC transferring the LUF (and land) to PropCo1:

- a) For the Combined Authority Board to provide consent (as shareholder under protected matters in the Shareholders Agreement) for PropCo1 to undertake the further share allotment, only on condition that it will retain its drag rights in respect of all other shareholders, notwithstanding the diminution of its rights below the currently specified level of 75% of all shares (votes). This change will be drafted by the CPCA's legal advisors.
- b) For all partners' investment to be made into a third property company PropCo3

The tables below summarise the advantage and disadvantages of the two options and the mitigation that can be applied to address the risks (disadvantages), as follows:

Option	Advantages	Disadvantages	Proposed mitigation
A	Potentially less resource requirement to administer and manage (one company vs two companies)	Diminished control of CPCA at board level due to a PCC proposed condition to their additional share subscription being the appointment of an extra director on the PropCo1 board, resulting in CPCA having 2 out of 5 directors (rather than 2 out of 4)	Ensuring CPCA rights to veto, within the Shareholders Agreement protected matters are maintained, therefore retaining control on significant and matters

			of importance to CPCA
	<p>Less complexity and set up time of legal arrangements and documents as most of existing legal documents for PropCo1 can be utilised with exception of few that will need some amendments, such as</p> <ul style="list-style-type: none"> (1) Development Management Agreement (2) Shareholders Agreement (SHA) Relating to Peterborough H.E. Company Limited (Propco1). (3) Collaboration Agreement to set out revised targets 	<p>The CPCA losing its “drag right” in the event that CPCA decide to transfer their shares at any time, and to be able to “Drag” PCC and ARU to transfer their shares at the same time.</p>	<p>For the Combined Authority Board to provide consent (under protected matters in the Shareholders Agreement) for PropCo1 to undertake the further shares allotment, only on condition that it will retain its drag rights in respect of all shareholders, notwithstanding a diminution of its shares below the currently specified level of 75% of all shares (votes).</p>
		<p>The delay (from 2032 to 2034) in CPCA and PCC realisation of the capital receipts, generated from their exit as shareholders from PropCo1, caused by investing in both buildings through the same, single special purpose vehicle (PropCo1).</p> <p>The proposal was made in the LUF bid to government to use PropCo1 as the Phase 3 delivery vehicle, and offer ARU- Peterborough the same 10 year rent free period, as for the Phase 1 building. The proposal to use PropCo1 as the delivery vehicle was made in order to demonstrate to Government, the partners’ ability to meet the tight timescales for project start and completion, set out in the LUF call for proposals, through the use of an established and operational delivery vehicle. The commitment to offer ARU Peterborough a 10-year rent free period in the Phase 3 building,</p>	

		was based on the precedent set in Phase 1. However, it is not proposed to change the Shareholders Agreement to provide PCC and CPCA the option to sell their shares in PropCo1 after the 10 th anniversary of the completion of the Phase 1 building.	
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Option	Advantages	Disadvantages	Proposed mitigation
B	Clear and defined separation of the rights and controls for the two companies	Potentially more resource requirement to administer and manage (two companies vs one company)	To map out resource requirement and create efficiency within CPCA resourcing structure
	Insulates and protects CPCA rights in PropCo1	Potentially requires more time to set up and agree all the legal contracts and documents and potential to impact the critical timeline for approval of Board Paper and FBC in January 2022, consequent conclusion of a shareholder's agreement by mid-February is necessary to start work in March. Failure to do so will cause PCC to breach the terms of the LUF funding –	commitment from CPCA to ensure focussed and intense engagement of the project management, legal and financial teams to manage the timeline.
	Ability to sell shares in the two companies at different times, allowing CPCA to keep its anticipated exit date for PropCo 1 at 10 years from the completion of Phase 1 and move this to the completion of Phase 2		

- 4.3 For option a), since the delivery vehicle will be the existing PropCo1, we do not envisage any amendment to any of the existing property agreements, but we expect that PropCo1 will require legal advice in relation to the acquisition of the land from PCC including advice on the necessary documentation and upon PropCo1's agreement for lease and lease with ARU Peterborough. There will also be a later need for PropCo1 to receive advice in relation to the build contract
- 4.4 For option a), in the Shareholders Agreement of PropCo1 the decision-making process is defined in clause 6.1 which states that certain matters must be agreed by all shareholders as indicated in Schedule 3 to that agreement ('shareholder protection matters'). This clause

is not dependant on the percentage of Shareholding by each party to the Agreement. Therefore, the change in shareholding will not affect the “shareholder protection matters”. However, as part of the delegated authority approval sought by this paper, the amendment will review any decision making outside of these protection matters (i.e., for matters of less import), as each shareholder shall have voting rights in line with their percentage.

- 4.5 Both CPCA and PCC, as the majority investors in Phase 1 and Phase 3 respectively, consider their investments as helping to “pump prime” the university project, through the provision of two buildings (Phase 1 and 3) rent free for the first 10 years of each building’s occupancy by ARU-Peterborough. However, as it is planned that by the end of this 10 year period, ARU Peterborough will have grown to sufficient critical mass to address the HE skills shortage in the area, obtained university status, and reached a commercially sustainable position, sufficient to commence paying commercial rents for the building, both the CPCA and PCC jointly intend to exit Propco by selling their joint majority shareholding in PropCo1 which owns both buildings, on the market, to either a commercial property investor or ARU. The Shareholders Agreement will be modified to facilitate this intent, enabling either CPCA or PCC to trigger the sale of all of the shares in Propco1 after the Phase 3 Building’s 10th anniversary on occupancy by ARU Peterborough, using a mutual drag clause.
- 4.6 In order to support ARU-Peterborough in its start-up phase and the challenging student enrolment targets to 2030, PropCo1 will offer both the Phase 1 AND 3 buildings to ARU Peterborough on a rent-free basis for 10 years from the point that ARU-Peterborough takes occupancy of each building. The 10-year period for phase 1 will start from completion of the buildings and occupancy in September 2022 and for phase 3 it will be September 2024.
- 4.7 The current Business Plan for PropCo1, envisages investment of share capital, and the progressive expenditure of that capital on the construction of the Phase 1 building, with no income planned for a period of 10 years from the rental of the building. This will be modified in a new PropCo1 Business Plan to take into account the following:
- a) Investment of an additional £27.87m of share capital for the acquisition of land and construction of the Phase 3 building. The progressive expenditure of that capital on the construction of a building.
 - b) Income forecast is for rental income after the 10th anniversary of the Phase 1 building in 2032 and at the same points for the Phase 3 building in 2034.
- 4.8 Officers recommend option a) on the basis that the application for LUF funding to Government, proposed the partners would use PropCo1 and that on balance, it is the officers view that the advantages outweigh the disadvantages, and that it is the preference of the other parties.

5. Legal Implications

- 5.1 The delivery vehicle for phase 3 of the University programme can be via the two options described above at 4.2. It is noted that officers recommend Option A, the utilisation of PropCo 1.

5.2 In order to deliver phase 3 via PropCo 1, the following legal documents will need to be amended:

- a) Development Management Agreement, between the CPCA and PropCo1, which sets out the provision of Programme Management Services by the CPCA to PropCo1, for the management of the construction of the Phase 1 building. Changes will include amendments and confirmations resulting from a review of the expanded Programme Management Service, needed to deliver the new Phase 3 project in parallel with the current Phase 1 project. It should be noted that similar set of services are provided by the CPCA for the Phase 2 building, under a separate agreement with the Peterborough R&D Property Company Ltd (PropCo2). A resource plan will be put in place for the additional programme management activities and resources required for the Phase 3 project, feeding into a Draft Revised Development Management Agreement, which will include; the appointment of further resources including a Project Manager, the extension of the term of the agreement and related payments from PropCo1, to cover the phase 3 project, due for full building completion in September 2024. Costings for these services will be requested from the CPCA, and any other project partner wishing to provide the services. A review will take place to confirm, or otherwise, if the CPCA remains best placed to provide the services, resulting in a recommendation to the PropCo1 Board for signature of the Revised DMA.
- b) Shareholders Agreement (SHA) Relating to Peterborough H.E. Company Limited (PropCo1). Changes to include the provision of drag rights in respect of all shareholders to CPCA, notwithstanding a diminution of its shares below the currently specified level of 75% of all shares (votes) upon the sale of the shares in the company.
- c) Collaboration Agreement, between the CPCA, PCC, ARU and ARU-Peterborough, which sets out how the parties commit to work in partnership and co-operate with each other in order to deliver a successful University for Peterborough over the long term. Changes will include amendments to:
 - (i) Schedule 2, ARU Responsibilities, to reflect the increased obligations for student numbers, which as a result of the Phase 3 building, will rise to 4,761 student headcount by 2026/27 and on to 5,357 by 30/31.
 - (ii) Schedule 3, Curriculum Model, to reflect the extended range of courses that the Phase 3 building will enable.
 - (iii) Annex 1, Site & Buildings Plan, to reflect the addition of a second teaching building, including its size, features and location.

6. Climate & Nature Implications

- 6.1 The LUF bid indicated support for the Governments net zero objectives through building design and technologies. At early design stage (RIBA 1), several sustainability frameworks (BREEAM, Passive Haus etc) were discussed for suitability particularly towards achieving NZCiO¹. Consideration to materials selection/choice, use of passive building fabric design principles and potential renewable energy solutions to support the sustainability requirements.

¹ Net Zero **Carbon** in Operation

- 6.2 In regard to the Combined Authority's duties under the Natural Environment and Rural Communities Act 2006 to "conserve biodiversity" and the Cambridgeshire and Peterborough Vision for Nature, a full Natural Environment Analysis will be undertaken in parallel with the RIBA Stage 2 Design for phase 3. This will include opportunities for conserving biodiversity, restoring or enhancing species or habitats.

7. Appendices

- 7.1 Appendix 1 – Peterborough University Phase 3 Business Case
- 7.2 Appendix 2 – Shareholders Agreement Protection Matters
- 7.3 Appendix 3 – Peterborough University Phase 3 Governance Arrangements

University for Peterborough Project Phase 3

Living Lab, University Quarter Cultural Hub and expanded University campus and operations in Peterborough

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 (the Combined Authority) and Peterborough City Council (PCC) are committed to supporting the development of a new higher education provider for the City on its journey to becoming the University of Peterborough to:

- increase the skills levels of local people; and
- increase highly skilled employment opportunities, principally by generating and accelerating an innovation ecosystem centred on artificial intelligence, digital and advanced manufacturing technologies that enable new products and systems that contribute to a net-zero carbon and healthier future.

The principal partners in the phase 3 of the University of Peterborough development project are the Combined Authority, PCC and Anglia Ruskin University (ARU)(the Academic Delivery Partner (ADP) for the new University).

The new university campus is to be delivered in 5 phases:

- Phase 1: First Teaching Building.
- Phase 2: Peterborough Research and Innovation Incubator
- Phase 3: Second Teaching Building and Living Lab.
- Phase 4: Inward Investing Research Institute & SPF-Funded R&D Programme.
- Phase 5: Third Teaching Building & Sports Science Facility.

Phases 1 and 2 are underway. Phase 1, ARU-Peterborough will open the first teaching building to its first students in September 2022. This first teaching building was approved for funding in late 2019 and is under construction with completion confirmed for July 2022. It will provide space for 2,000 students from September 2022, rising to 3,000 by 2025, studying Health, Social Care, Education, Management, Finance and Law. Phase 2, Net Zero Innovation Incubator was approved for funding in mid-2020, received planning permission earlier this year and commenced construction in October 2021. Completion is forecast for December 2022.

This Business Case is concerned with the phase 3 development of the new University campus, which comprises a **Living Lab, University Quarter Cultural Hub and expanded university teaching space in Peterborough**, to meet cultural, regeneration and economic levelling up priorities for the region. Phase 3 will allow ARU Peterborough (the higher education provider which will become the University) (“the HEP”) via a second teaching building supporting 1,700 more students from 2024, expanding its curriculum into STEM fields and embedding the HEP in Peterborough through the Living Lab and Cultural Quarter. The Living Lab will be a public-facing, high-quality interactive science centre for Peterborough with public space for exhibitions and events, designed to stimulate and inspire more young people into STEM sectors.

The strategic policy framework within which the Combined Authority 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 Combined Authority Employment and Skills Strategy, Local Industrial Strategy and Local Economic Recovery Strategy. The project supports wider national objective including the Government's Industrial Strategy, Levelling Up, the UK Innovation strategy, Net Zero and the Oxford-Cambridge Arc.

As previously acknowledged as part of the CPCA's approvals for Phase 1, 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 the Combined Authority's Business Plan and a key intervention within the Local Industrial Strategy and Employment 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:

- Improve access to better quality jobs and improve access to better quality employment, helping to reverse decades of relative economic decline, and increasing aspiration, wages and social mobility for residents.
- Make a nationally significant contribution to Government objectives for levelling up, increase regional innovation, and accelerate the UK's net zero transformation.
- Accelerate the renaissance of Peterborough.
- Translate the resulting increase in individual opportunity, prosperity and social mobility into outcomes across wellbeing, health and healthy life expectancy from the programme, and on into people living happier, healthier lives.

The main benefits of establishing phase 3 of the University Campus in Peterborough, for an additional 1,700 students from September 2024 and include: 264 temporary construction jobs, 157 created over the first 4 years (98 academic staff and 59 professional services), 16 indirect and induced jobs created and as result of increased footfall and increased local economy spend by additional students and university employees: 67 jobs.

Economic Case

Three options have been considered in the economic case as follows:

1. **Phase 1 stand alone:** The first phase of the project to establish the new University Campus in Peterborough with capacity for 3,000 students by September 2022. As this Phase is currently under construction and fully committed to by the partners it is regarded as the 'Do minimum' option.
2. **Phase 3 stand alone:** this option compares the merits of investing in the Living Lab, University Quarter Cultural Hub and expanded University in Peterborough on its own merits (operating independently from Phase 1). This option reviews the costs and benefits solely attributable to Phase 3.

3. **Phase 1 and 3 combined:** this option reviews the proposal contained in this Business Case of establishing a second teaching building for occupation by ARU Peterborough and a high-quality interactive science museum for Peterborough (The Living Lab). For the purposes of this Business Case this is regarded as the 'Recommended option'.

Quantitative economic appraisals of the remaining three options show that the Recommended option has a Benefit Cost Ratio of 6.7 (compared with 10.1 for the Do minimum option and 2.7 for the Phase 3 standalone), based on four direct quantifiable benefits from the proposed options:

1. Increased employment as a direct result of the creation of additional teaching space for the University as staff are recruited.
2. Employment created in the wider economy as an indirect result of the creation of the new University.
3. The economic benefits from the salary uplift from studying on one of the additional HE courses which would be possible as a result of the Phase 3 expansion and gaining graduate level employment as new graduates enter the workforce and graduate level jobs are created, attracted or retained within the region.
4. Benefits to the exchequer from increase wages, personal and corporation taxes.

When coupled with the qualitative analysis of each option (which included student numbers, net present costs and benefits, and BCR calculations) 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 (including student numbers).

Commercial Case

Procurement of the phase 3 infrastructure is split into the following categories:

1. Land: the proposed development plot
2. Professional team procurement to be complete by mid-February 2022, following approval of this FBC.
3. Main Contractor: procurement of the main contractor will be required to deliver the physical capital works.

Procurement of the infrastructure will involve selection of a Main Contractor to deliver the physical works via a Design & Build procurement route utilising a competitive tender and an industry standard form of contract (JCT). 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. Signing of the contract with the Main Contractor for construction is scheduled to allow for start in March 2023 and completion by September 2024.

The building will be based on a 2,900m² Gross Internal Area (rounded up); a multi-use educational facility suitable for a mixed use of working, learning, teaching, collaborating inclusive of 1,000m² GIA Living Lab, and will include all associated external landscaping and infrastructure, delivered within the available cost envelope (currently £27.9m).

The land on which this phase 3 building will be located is notionally defined based on logical physical boundaries (back of footpath) etc. and logical extension of the current infrastructure strategy for phase 1 & 2. The actual red line will be subject to finalisation of RIBA 2 design by the appointed consultant team and legal due diligence.

The site location taken forward as part of this Business Case has been selected following evaluation of a number of options outlined in the RIBA 1 report, option 1 to the east of the current phase 1 and 2 developments and option 2 to the south of the phase 2 development emerged equal in overall scoring. Option 2 to the south of the phase 1 and 2 buildings remains the preferred option but given the planning difficulties option 1 (Regional Pool Car Park) is considered the most deliverable at this stage. This decision will be reviewed on appointment of the consultant team for phase 3.

Costings for the project have been benchmarked and the building, which is an appropriate size for a building of this nature and allows more flexible use as an adaptable asset for the future, is considered to be deliverable within the available budget.

Financial Case

The agreed budget of £28.87m the phase 3 capital build will be funded as follows

Funding Source	Amount (£)
LUF Investment Funding	20,000,000
Combined Authority	2,000,000
ARU Capital Investment	4,000,000
PCC– contribution of land	1,870,000
Total Funding (Phase 3 only)	27,870,000

Project affordability is critically dependent on:

1. Securing the transfer of LUF funding as well as all other investment capital funding.
2. Risks associated with income (student numbers) and expenditure being able to be mitigated through cost control, increased income and/or use of the contingency provision.
3. Risks associated with enabling works, Land transfer, planning approval and agreement of contract sum being able to be mitigated through management of each workstream within the required timeline and budget while continuing to meet the outcomes of the LUF.

Subject to these considerations, at this stage of project development and implementation, it is anticipated that funds will be available to meet the project budget. No cash-flow implications are anticipated for the Combined Authority or ARU as they have sufficient funds to meet the payments for shares in to PropCo1, relative to the cash demands on the Company required to pay its creditors associated with the construction of the Phase 3 building. However, PCC will need to negotiate terms with the Department of Levelling-Up Housing & Communities (DLUHC), to cash flow PCCs payments for shares, in to PropCo1, from the LUF funding. Currently the terms of the LUF funding are payments 6 months in arrears of actual expenditure on the project by PCC. This cashflow and capability to make

payments for shares will need to be resolved prior to conclusion of the amendments to the Shareholders Agreement.

No cash-flow implications are anticipated for the Combined Authority, ARU or PCC as all funding to be provided by them (including LUF grant) will be in place before the construction phase goes ahead.

A key project objective is to create a sustainable operating model for ARU Peterborough/the University such that, after initial start-up costs, it will operate on a self-sufficient basis. The operating model shows sufficient revenues are generated throughout to cover operational costs, on a broadly breakeven basis from 2022/23 and revenues generated appropriately thereafter to fund the ongoing operational expenditures, with a marginal profit delivered year on year.

The model shows that the key financial risks for the ADP and its ability to fully establish ARU Peterborough as a University are:

- The need to recruit at least the student numbers anticipated by the model and maintain target per student fee levels to generate sufficient income (particularly in the light of the impacts of Covid-19).
- Potential increased costs, particularly for asset maintenance.

The potential mitigations for these risks include contingency provision throughout the ten-year period, as well as a suite of measures to control costs and/or increase incomes. Subject to these considerations it is anticipated that funds will be available to meet the Phase 3 project budget.

To ensure appropriate funds are available, all necessary steps will be taken to ensure each party makes the required financial contribution into PropCo1 bank account by mid-February 2022. This will include negotiations on payment terms for the LUF funding from DLUHC to PCC. This will ensure that PropCo1 has the required funds to cover the construction costs, providing certainty of payment for the Main Contractor and their supply chain, and ensuring that cash funds are readily available for PropCo1 to make payments as required.

Following approval of this Business Case, should the members of PropCo1 require funding to be approved based on the required cashflow such that PropCo1 can continue to develop design, procurement, planning and secure legal advice up to contract award, the cashflow and apportionment of costs will, based on cash subscriptions outlined in this Business Case, for Phase 3 be ARU 15.4%, CPCA 7.7% and PCC 76.9%.

Management Case

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

The Combined Authority 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. The Combined Authority will appoint external consultants on behalf of PropCo1 to ensure the necessary capacity and capability is available for successful implementation of the project.

Project governance has been established to reflect the current arrangements within each organisation. Responsibility for the project will be mandated to the joint venture between the main Partners (PropCo1) and ultimately to the Combined Authority and subsequently the operation of the university by ARU Peterborough.

The key principles are that PropCo1 will delegate authority to the Combined Authority and its agent to manage the delivery of phase 3 under the Development Management Agreement, reporting to PropCo1. Should change be required then authority will need to be sought from PropCo1.

ARU Peterborough will occupy the Phase 1 and 3 buildings as tenant, reporting to PropCo1 on an annual basis in respect of the building condition and maintenance. The parties agree to review each of the roadmap, milestones and steps towards them on an annual basis to consider whether the build plan remains achievable and compliant and where it is not believed to be so, to agree changes to be made.

The project plan has been developed within the following constraints and assumptions:

- Delivery of the phase 3 building to be in operation for September 2024 in line with the LUF funding milestone, noting that the memorandum for agreement between Department for levelling up Housing and Communities and the local authority (currently being drafted) states in clause 4.10 that the Council must spend all grant funding by the end of the funding period, 31 March 2024.
- In alignment with the Planning strategy that considers the requirement for a full planning application for phase 3 only that is not reliant on any outline planning permission being determined being undertaken by the combined authority, by a date to be agreed (not part of this Business Case), and the wider masterplan for the embankment being undertaken by PCC for conclusion in Q1 2022.
- Approval of the Business Case in January 2022 to allow funds to be approved to maintain programme to achieve the delivery milestones outlined in the LUF.
- Appointment of the consultant team to commence design and legal advice at the start of February 2022

A detailed project risk register (including control strategies) has been developed based on the following risk categories: surveys and site constraints; commercial viability; design; legal; procurement; operational; governance; construction logistic and programme.

The responsibility for management of risk for the delivery of the Phase 3 building will lie with PropCo1, which will delegate authority to the Combined Authority for the management of risks associated with the design, procurement and delivery of the phase 3 building.

Authority for the management of risk will remain with PropCo1 up to completion of the phase 3 building. Day to day responsibility for risk management will be the responsibility of the Project Manager, who will hold quarterly risk workshops with members of the project

team. The risk register will be reviewed at least monthly by PropCo1. These monthly risk reviews will be an integral part of monthly reporting to PropCo1. Where management of risk requires interventions beyond the authority delegated to the Combined Authority by PropCo1, decisions will be referred by exception to PropCo1 for agreement on how risks are to be mitigated in line with the governance and agreed terms of reference outlined above and to be set out in the Development Management Services Agreement

Covid-19 impacts and opportunities

A wealth of established and emerging evidence predicts that as a result of the Covid-19 crisis Peterborough and the Fens, will be one of the hardest hit economies in the UK. This is partly due to education deprivation and partly due to the region's low-tech industrial base; factors that combine to increase risks of the region also being one of the slowest to recover.

Therefore, a more inclusive recovery and regrowth strategy is needed for region's economy; one which increases higher value, more knowledge intense and more productive growth and shifts the spatial distribution of economic growth and to support an increase in innovation-based business growth across the whole the Combined Authority economy. This will be more important than ever in the recovery following the Covid-19 crisis.

In common with a number of cities in the UK, the establishment of the university and associated innovation eco-system aims to produce the knowledge engine to drive these changes and ensure Peterborough is not one of the "left-behind" towns following the Covid-19 crisis.

ARU's business model is less exposed to the potential impacts of Covid-19 than other HEIs for a variety of reasons including pre-existing blended delivery, lower reliance on international students, low buildings overheads, low gearing and a broad curriculum offer that is likely to be more resilient to the impacts of Covid-19. ARU has developed the portfolio of courses for ARU Peterborough/the new University in Peterborough with due consideration of suitability post Covid 19, including engagement with key stakeholders. ARU's course portfolio and delivery model have proved extremely resilient to the effects of Covid thus far, such that ARU is currently showing an 18% yoy growth in its student population.

Local demographics indicate HE is about to enter a period of growth in the market, not least due to the latent demand in the "cold spot" identified in the strategic case. It will particularly target:

- First generation HE students of all ages.
- People who are unemployed, retraining or upskilling (esp. post COVID-19)
- Large Corporates and bespoke apprenticeship programmes.

ARU also has a strong track record in Degree Apprenticeships, built on a reputation for vocational based HE provision (ARU is the largest provider of Degree Apprenticeships in the UK and a thought leader in their development); a brand that will be further carried into Peterborough. They are undertaking a wide range of preparatory activities to develop the ARU-Peterborough offer taking full account of the impacts of (and opportunities presented by) Covid-19 as they become clearer which will encompass the growth targeted through Phase 3.

A key potential impact of Covid-19 is that it might make young people who live locally, more likely to study nearer to home; ARU-Peterborough is designed to fill the gap identified through the “cold spot” and Phase 3 will, therefore, enable more students in the region to study from home should they wish to do so.

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 (the Combined Authority), working with Peterborough City Council (PCC), is committed to supporting the development of a new higher education provider for the City, on its journey to becoming the University of Peterborough, to:

- increase the skills levels of local people; and
- increase highly skilled employment opportunities, principally by generating and accelerating an innovation ecosystem centred on artificial intelligence, digital and advanced manufacturing technologies that enable new products and systems that contribute to a net-zero carbon and healthier future.

These two objectives will support local people to gain access to long-term employment opportunities and support local businesses to grow by making it easier to hire skilled employees, invest in innovation and attract new high value firms to the city and surrounding area.

The University project (as defined below) is being developed in phases.

“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”.

The principal phases of development of the new campus to host the University are as follows:

- **Phase 1: First Teaching Building** - Establish the University campus in the city via the first teaching building, providing space for 2,000 students from September 2022, rising to 3,000 by 2025, studying Health, Social Care, Education, Management, Finance and Law.
- **Phase 2 Peterborough Research and Innovation Incubator** - Build a base of innovative and collaborative start-ups to support bottom-up development of the innovation ecosystem: 20 hi-tech start-ups and scale-ups building an indigenous innovation ecosystem specialising in net zero technologies in an innovation incubator on the campus with Photocentric Limited as anchor tenant.
- **Phase 3: Second Teaching Building and Living Lab** - Grow the University via a second teaching building supporting 1,700 more students from 2024, expanding its curriculum into STEM fields and embedding the University in Peterborough through the Living Lab and Cultural Quarter. The Living Lab will be a public-facing, high-

quality interactive science centre for Peterborough with public space for exhibitions and events, designed to stimulate and inspire more young people into STEM sectors.

- **Phase 4: Inward Investing Research Institute & SPF-Funded R&D Programme** – Establish an innovation ecosystem focused on net zero technologies by attracting a major Research Institute onto the university campus in Peterborough, and develop an R&D Programme which facilitates the dissemination of research from the Research Institute into local businesses, enabling collaboration in the ecosystem and creating opportunities for local businesses to link into the Research Institute's global network of major net zero-focused businesses, ultimately stimulating local business growth and demand for higher-level skills.
- **Phase 5: Third Teaching Building & Sports Science Facility** – Expand further the teaching capacity with space for an additional 2,250 students on the embankment campus for a total student headcount of 7,000 by 2031. This phase will include the relocation and enhancement of the current Embankment Athletics Track to an alternative site, with agreement of PCC and the Peterborough & Nene Valley Athletic Club (PANVAC), to produce a Sports Science Facility in Peterborough. Like the Living Lab within the Phase 3 building, these sports facilities will be open to the public and play an active role in increasing sports and fitness engagement across the city.

The intention is for the new University be fast-growing between 2022 and 2032 with a review to be undertaken by ARU and the Combined Authority expected to take place in 2028 to evaluate the benefits and feasibility of the University becoming independent from ARU with its own degree awarding powers and ultimately University Title. Progress has been made by ARU-Peterborough in relation to its governance arrangements and academic infrastructure, including the appointment of a Chair and set of governors, due to meet in February 2022. Also, the appointment of an Inaugural Principal and management team to lead operations of ARU-Peterborough and the development of the curriculum to be delivered in the Phase 1 building, including 27 courses registered with UCAS.

The building development programme is already underway:

- Phase 1 has begun, and ARU-Peterborough will open to its first students in September 2022. This first teaching building was approved for funding in late 2019 and is under construction with completion confirmed for July 2022.
- Phase 2 construction work has also commenced with Photocentric as joint venture partner and the building's anchor tenant. This Net Zero Innovation Incubator was approved for funding in mid-2020, received planning permission earlier this year and commenced construction in October 2021. Completion is forecast for December 2022.

This Business Case is concerned with phase 3 of the University campus development, which comprises a **Living Lab, University Quarter Cultural Hub and expanded university campus in Peterborough**, to meet cultural, regeneration and economic levelling up priorities for the region.

It is recognised that there remains uncertainty around a number of elements of the project that are the subject of this Business Case and robust mitigation measures are in place to ensure the costs will not exceed the allocated budget and that Phase 3 of the project will be delivered on time. These are described in other chapters of this Business Case.

1.2 Principal partners

1.2.1 Public sector partners

Cambridgeshire and Peterborough Combined Authority was established in 2017 under a Devolution Deal with central Government. Its purpose, defined by the Devolution Deal, is to ensure Cambridgeshire and Peterborough is a leading place in the world to live, learn and work. The Combined Authority's Devolution Deal, which runs for 30 years, also sets out a list of specific projects which the Combined Authority and its member councils will support over that period. A university for Peterborough is one of the major commitments in that list, and the Combined Authority has already invested £43.5m through its devolved Gainshare, Delegated Local Growth Fund and the Getting Building Fund, for which it was Local Lead Authority.

Peterborough City Council (PCC) was formed as a unitary authority in 1998, having previously been part of Cambridgeshire County Council. The council's strategic priorities are to: drive growth, regeneration and economic development; improve education attainment and skills; safeguard vulnerable children and adults; implement the Environment Capital agenda; support Peterborough's culture and leisure; keep communities safe, cohesive and healthy; and achieve the best health and wellbeing for the city. As well as a central role in the University Programme, PCC is leading the regeneration of Peterborough via a range of programmes, including through its Town Investment Plan, a £49 million programme of projects encompassing business and skills, regeneration and infrastructure and visitor attractions. During the creation of the Combined Authority, PCC was instrumental in ensuring that the inclusion of a university for Peterborough was specified in the Devolution Deal. As Local Lead Authority for the Levelling Up Fund (LUF), PCC secured the £20m of LUF that forms the majority of the financing for this Phase 3 Project.

1.2.2 Academic Delivery Partner

Anglia Ruskin University Peterborough (ARU) is the Academic Delivery Partner (ADP) for the University Project. ARU will work to develop a curriculum for ARU-Peterborough/the university with flexible modes of delivery to address the characteristics of the region, its communities and the Higher Education cold spot. Locally based, ARU is one of the fastest growing universities in the UK with strong performing Science and Technology and Business Faculties, several research institutions classified by the Research Excellence Framework as world-leading and has a wide range of established international partnerships. On the basis that ARU would be given the right to occupy both the first and second, majority public funded, teaching buildings rent free, to conduct the business of offering higher education in Peterborough, they were required to compete for the role of ADP through a procurement that took place in 2019.

1.3 Strategic context

1.3.1 About the Combined Authority

The Combined Authority has 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.

Under its new Mayor, the Combined Authority's strategy is driven by the values the Mayor wishes to be the hallmark of his term in office:

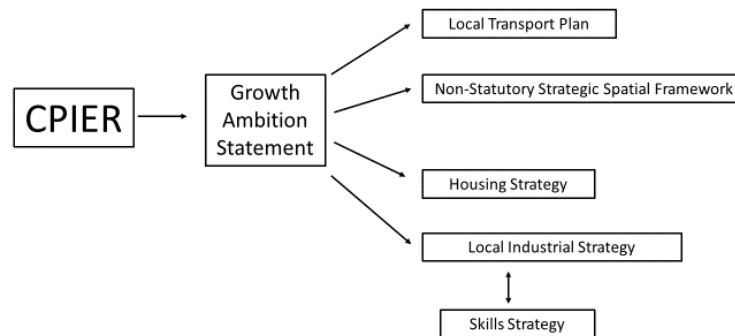
1. Compassion
2. Cooperation
3. Community

These frame how the Combined Authority will pursue the Devolution Deal's overall aim of achieving sustainable growth and integral human development, and give rise to an investment programme that has the following six themes:

1. **Health and Skills:** building human capital to raise both productivity and the quality of life.
2. **Climate and Nature:** restoring the area's depleted natural capital and addressing the impact of climate change on our low-lying area's special vulnerabilities.
3. **Infrastructure:** from digital and public transport connectivity, to water and energy, building out the networks needed to support a successful future.
4. **Innovation:** ensuring this area can continue to support the most dynamic and dense knowledge economy in Europe.
5. **Reducing inequalities:** investing in the community and social capital which complement skills and connectivity as part of the effort to narrow the gaps in life expectancy and income between places.
6. **Financial and systems:** improving the institutional capital which supports decision-making and delivery.

The university project supports all of these, with specific emphasis and impacts on 1, 4 and 5.

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



The Combined Authority'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.

1.3.2 About Peterborough City Council

Peterborough City Council is a unitary local authority for the City of Peterborough, which has a population of just over 200,000 people. PCC's five core values are:

- **Expertise** - recognise and value the differences, skills, knowledge and experience of all colleagues
- **Trust** - honest and open in all dealings and deliver on promises
- **Initiative** - proactive and use creativity to identify and resolve problems
- **Customer Focused** - understand and aim to meet customer's diverse needs, treating them fairly and with respect
- **Work together/One team** - work with colleagues and partners to deliver the best services possible.

PCC's constitution sets out how the council works, how decisions are made, and the procedures it follows to make sure its work is efficient and accountable to local people.

The council is made up of 60 councillors and has a leader and cabinet model of decision making. The Cabinet is responsible for running council services and ensuring best value is delivered. They are also responsible for implementing policies, delivering services, approving new policies other than major policies, playing a leadership role and generally promoting the economic, environmental and social well-being of the city.

PCC's vision is to **'create together a Peterborough resident are proud to live, work and grow up in and where services deliver what local people need and give value for money'**.

PCC's Corporate strategy 2021-25 signals a strong commitment to:

- Our communities – seeking engagement and contribution, ensuring everyone can play a part in improving their own lives and the lives of others and
- Our environment – which is central to how we think and act. Reversing the trend of increasing consumption and delivering on our commitments to becoming a truly sustainable city,

Priority outcomes for the Corporate Strategy include:

- Pride in our communities, our places and our environment
- First rate futures for our children and young people, quality support for our adults and elderly
- Better jobs, good homes and improved opportunities for all

PCC's Corporate Strategy 2021-2025 strategic priorities are:

1. Drive growth, regeneration and economic development

- To bring new investment and jobs
- To support people into work and off benefits
- To boost the city's economy and the wellbeing of all people

2. Improve educational attainment and skills

- To allow people to seize opportunities of new jobs and university provision
- To keep talent and skills in the city's economy

3. Safeguard vulnerable children and adults

4. Implement the Environment Capital agenda

- To position Peterborough as a leading city in environmental matters
- To reduce the city's carbon footprint

5. Support Peterborough's culture and leisure trust Vivacity

- To deliver arts and culture to all people

6. Keep all our communities safe, cohesive and healthy

7. Achieve the best health and wellbeing for the city

The new university programme particularly supports priorities on 1 and 2.

1.3.3 About Anglia Ruskin University

ARU is an innovative global university with students from 185 countries, based in Cambridge, with campuses in Chelmsford, London and Peterborough offering a wide range of courses in `computing and technology, engineering, law, business, economics, life sciences, health and social care, the arts and education.

ARU includes six high-profile research institutes, StoryLab (originally known as the Culture of the Digital Economy Research Institute), the Global Sustainability Institute, the Veterans and Families Institute for Military Social Research, the Policing Institute for the Eastern Region, the Cambridge Institute for Music Therapy Research and the Vision and Eye Research Institute. Alongside these institutes ARU is engaged in a range of research groups, dedicated to subjects as diverse as ecology, finance and economics, cyber security, and political history.

ARU's vision is **transforming lives through innovative, inclusive and entrepreneurial education and research** and its values are

- Ambition
- Innovation
- Courage

- Community
- Integrity
- Responsibility

ARU's 2017 strategy sets out a 10-year vision, priorities and ambitions and is built around three central themes.

- **Creating a leading learning and innovation ecosystem** to deliver an outstanding educational experience, combining the best of face-to-face and digital learning; increase work-based opportunities; and activities that enhance academic success and employability.
- **Building and nurturing vibrant university communities** that are inclusive and welcoming of all and with a particular focus on continuing to attract and retain international students and growing postgraduate student communities.
- **Strengthening the underpinning operations of the University**, building on its reputation for enterprise, to be known for use of innovative, user-focused approaches to problem-solving and putting the needs of those who study and work with ARU at the forefront of the way it designs its activities.

The ARU Peterborough/university project supports all of these.

1.3.4 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. The Combined Authority's Skills and Jobs Transformation Programme, of which the new University and its campus development is a key element, supports these wider national objectives including:

- **Levelling Up** is the government's pledge to increase opportunities in all parts of the UK, "levelling up" all regions to align them with those most prosperous regions of London and the South East. The specifics of the strategy are expected to be outlined in a Levelling Up White Paper by the end of 2021, however several funding initiatives aimed at Levelling Up have already been launched, including the Levelling Up Fund and the UK Community Renewal Fund. Innovation and R&D funding will play a significant role in rebalancing the economy, so addressing the existing innovation imbalance, by changing the approach to funding and support, will be crucial for the Government in delivering its levelling up agenda. The Council has secured £20m of funding from the Levelling Up Fund to invest in Phase 3 of the University for Peterborough project .
- **UK Innovation Strategy** - Released in July 2021, setting out the Government's ambition for an innovation-led economy. The primary objective is to boost private sector investment across the UK, creating the conditions for businesses to innovate across the UK, addressing the existing regional innovation imbalance and driving the

“levelling up” of the UK economy. As part of this, Government has committed to increasing UK investment in R&D to 2.4% of GDP by 2027. The UK Innovation Strategy states:

“We need to embed innovation across the country, drawing on geographical and sector strengths in places and creating markets on a scale large enough to have a global impact. To do this, we need to ensure more places in the UK host world-leading and globally connected innovation clusters, creating more jobs, growth and productivity in those areas.”

The model for place-based innovation developed in this programme will meet the challenge set through the Innovation Strategy, to help create “a surge of business-led innovation and an increase in firms’ adoption and diffusion of innovation”. In particular, phase 2 and phase 4 help to establish a place-based innovation ecosystem at pace and scale with the University at its centre: an innovation ecosystem that attracts, supports and retains innovative manufacturing businesses, enabling spin-out, start-up and scale-up firms to leverage technology and funding through a Joint R&D Programme, to grow and establish themselves in the Peterborough region. This is achieved by attracting global research institutions, currently located in successful innovation ecosystems like Cambridge and elsewhere, to relocate into left-behind cities with innovation potential, where they act as an integrator of large groups of global companies to fund research programmes linked to local industrial sector clusters. In the case of Peterborough, this will focus on AI, digital and advanced manufacturing technologies related to the enablement of net zero products, processes and power generation systems.

- **Net Zero** – including the recently announced 68% emissions reduction by 2030 and the Prime Minister’s 10 Point Plan for a Green Industrial Revolution through investment in innovative technologies and the creation of 250,000 green jobs.
- **Oxford-Cambridge Arc** – The Oxford-Cambridge Arc is already home to a booming and varied economy that contributes significantly to the success of Global Britain. Over the last 20 years, it has grown faster than any region outside London, and employment and wages are above the national average. It is home to some strong and innovative sectors, world-leading companies, internationally recognised research and development centres and research universities. Peterborough, the largest city in the Arc’s north, is important to unlocking future growth across the Arc, driven by the region’s strong sector clusters of advanced manufacturing and future energy technologies.

The Government’s proposed Post 16 education reforms aim to streamline qualifications for students through the Post 16 Review of 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 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 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.

Regional strategies

The new University project responds to key regional strategies, of which the following are particularly relevant for phase 3:

- **Cambridgeshire and Peterborough Independent Economic Review (CPIER)** – The 2018 CPIER made a clear recommendation for the development of a university for Peterborough and The Fens. The project is seen as crucial to addressing “uneven access to higher education” and lower educational attainment figures for areas geographically close to - but economically isolated from - existing centres of education, by creating more pathways to higher education for local communities. The CPIER stated that the university should be strongly rooted in the local and sub-regional economy by drawing on established strengths in manufacturing and engineering - citing the fact that the local economic benefits of university research are magnified when local firms are “technologically close” to a university. The CPIER also recommended high levels of investment to ensure a clearly defined educational offer centred around subjects that integrate with the local economy and embrace new technologies.
- The draft **2022 Cambridgeshire and Peterborough Combined Authority Employment and Skills Strategy** sets out a vision for Cambridgeshire and Peterborough to be a “successful, globally competitive economy offering high-skilled, well-paid, good quality jobs, delivering increased productivity and prosperity to support strong, sustainable and healthy communities and enabled by an inclusive, world-class local skills system that matches the needs of our employers, learners and communities.” The Strategy explicitly references the priority for a new University in Peterborough which raises regional higher education participation, and delivers

technical courses aligned to local employers' needs and jobs of the future. See below for further details.

- **Cambridgeshire and Peterborough Local Industrial Strategy (LIS)** – The 2019 Local Industrial Strategy identifies the northward expansion of the innovation clusters and networks from Cambridge, as the primary route to improving the knowledge intensity and quality of employment for Peterborough and the Fens. A specific goal within the LIS is to scale growth further to benefit the whole area, building on Cambridge's World class assets to create inclusive growth across the regional economy. The strategic approach the LIS defines to achieve this includes to:
 - Improve the long-term capacity for growth in Greater Cambridge to support the expansion of this innovation powerhouse and, crucially, reduce the risk of any stalling in the long-term high growth rates that have been enjoyed for several decades.
 - Increase sustainability and broaden the base of local economic growth, by identifying opportunities for high growth companies to accelerate business growth where there is greater absorptive capacity, beyond the current bottlenecks to growth in Greater Cambridge.
 - To do this by expanding and building upon the clusters and networks that have enabled Cambridge to become a global leader in innovative growth, creating an economy-wide innovation and business support eco-system for inclusive growth

A key intervention specified for enabling this is a new university for Peterborough to fill the higher-level skills gap in the north of the regional economy, support accelerated business growth and raise individual opportunity and prosperity

- **Cambridgeshire and Peterborough Local Economic Recovery Strategy (LERS)** – This 2021 strategy responds to the economic impacts of Covid-19 and establishes the goal for the region to make a leading contribution both to the UK's recovery from the Covid-19 pandemic and to its future global success. It sets out how CPCA will accelerate the recovery, rebound and renewal of the economy, helping people effected and achieving the ambition to double GVA by 2042 in a digitally enabled, greener, healthier and more inclusive way.

The Combined Authority 2019 Skills Strategy provided 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).

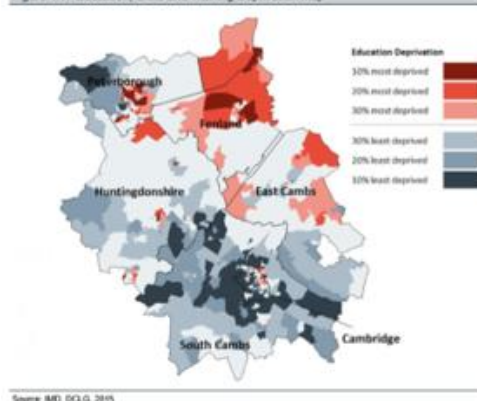
- The Fens (including Fenland, some of East Cambridgeshire and part of Huntingdonshire).
- Greater Cambridge (Cambridge and South Cambridgeshire, including southern parts of Huntingdonshire and East Cambridgeshire)

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.

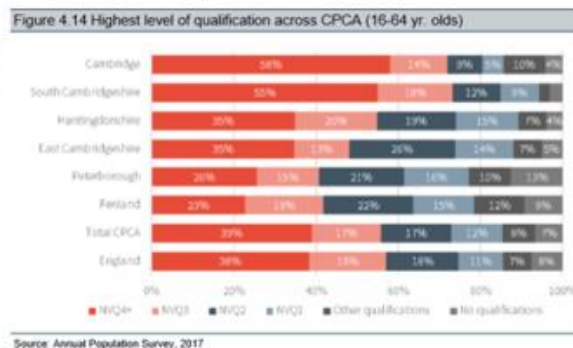
Based on recent economic data/evidence collected from the CPIER and the Hatch Regeneris' Skills Strategy Evidence Base Report, the Combined Authority's 2019 Skills Strategy identified a need for a University for Peterborough, which was included in the 2019 Skills Strategy and reinforced in the draft 2022 Skills Strategy. The Combined Authority 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 residents and businesses.

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



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 1.3.5 below):

It is imperative that, to achieve inclusive growth, the Combined Authority 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 Combined Authority 2019 Skills Strategy, therefore, set 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 draft **2022 CPCA Employment and Skills Strategy** sets out a vision for Cambridgeshire and Peterborough to be a *“successful, globally competitive economy offering high-skilled, well-paid, good quality jobs, delivering increased productivity and prosperity to support strong, sustainable and healthy communities and enabled by an inclusive, world-class local skills system that matches the needs of our employers, learners and communities.”*

Going further than the 2019 Skills Strategy, the draft 2022 Employment and Skills Strategy sets out what this vision means for each of the groups interacting with the skills system: people, employers, providers and place leaders:



People experience fulfilment and good physical and mental health with productive, quality working lives. They drive their own learning and career journeys and feel confident to enter and re-enter the labour market over the course of their lives. They can access support and learning to meet their personal and work ambitions when and how they need.



Employers are providing good quality jobs; have the skills they need in their staff and can recruit the right person for the right job. They understand their skills needs and their inputs shape an agile, responsive skills system that delivers a regional pipeline of talent, matched to job opportunities to support strong businesses and enable business growth.



Providers work collaboratively across Cambridgeshire and Peterborough in an integrated education and skills system to deliver learning, qualifications, careers education and support to enable people to enter the labour market in the ways that suit individual's needs and ambitions.



Place leaders secure outcomes for the whole place, convening and supporting collaboration between employers and the integrated skills system, as well as linking into other local services for people across Cambridgeshire and Peterborough to

lead healthy lives and fulfilling careers.

As an essential part of achieving this vision the 2022 Employment and Skills Strategy explicitly includes the priority for a new University in Peterborough which raises regional higher education participation, and delivers technical courses aligned to local employers' needs and jobs of the future. It also highlights the requirement to ensure that high-quality employment opportunities are created in the region which the university's graduates can then fill, if the Strategy's objectives for delivering increased productivity and prosperity are to be achieved.

The 2022 Employment and Skills Strategy finds that current participation in higher education varies across Cambridgeshire and Peterborough, including being just 6.7% in Peterborough and 3.2% in Fenland. It also notes that the region's education providers, whether on a campus or operating from a satellite site, play an important role as anchor institutions in their community, providing civic leadership, collaborating, driving investment to renew localities and raise aspirations. However, patchy engagement with post-16/18 education is exacerbated by education estate and access cold-spots – including in Peterborough – and physical and digital access challenges for rural and deprived communities. The 'Education Cold Spot' has long been recognised as a major challenge holding back prosperity in the Combined Authority's more deprived areas, particularly in the north around Peterborough.

These have been updated in the draft 2022 Skills Strategy which is built on four core themes:

1. Pre-work learning and formal education: ensuring people can access learning and experiences during formal education that provide a strong foundation for labour market entry and future working lives.
2. Employer access to talent: ensuring employers both drive and consume a dynamic market of skills provision, which shapes the current and future workforce.
3. Life-wide and lifelong learning: ensuring people are aware of their learning needs and opportunities and able to access provision that enables their development.
4. Support into and between work: ensuring coordinated support is available for those who need additional assistance to transition into or between work.

The university project will catalyse action under all these themes. It is a Council and Mayoral priority 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) 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. The Combined Authority'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.

The ARU Peterborough/University curriculum offer has been designed to support raising aspirations to grow the student numbers from the local area, meet student expectations and meet the needs of the local economy. Combined Authority'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 and LERS, The Combined Authority is also working to activate employer demand and motivate learners and their families to raise their aspirations.

1.3.5 Objectives

The Partners' (the Combined Authority, PCC & ARU) 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, the Partners are committed to raising personal and community aspirations along with improving social-mobility and contributing to inclusive social and economic growth. The Partners' 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:

- **Improve access to better quality jobs and improve access to better quality employment**, helping to reverse decades of relative economic decline, and **increasing aspiration, wages and social mobility** for residents.
- Make a nationally significant contribution to Government objectives for **levelling up, increase regional innovation, and accelerate the UK's net zero transformation**, while also helping to fulfil the growth ambitions of the Ox-Cam Arc and radiating prosperity northward from Cambridge into north Cambridgeshire, the Fens and Peterborough.
- Accelerate the renaissance of Peterborough as a knowledge-intensive university city, **increasing civic pride** and satisfaction with Peterborough as a place offering a good quality of life with improved public facilities, and **providing a tangible example of levelling up and a pilot for place-based innovation** in left behind cities, that could be adopted and adapted nationally.
- Translate the resulting increase in individual opportunity, prosperity and social mobility into outcomes across wellbeing, health and healthy life expectancy from the programme, and on into **people living happier, healthier lives**.

Specific quantitative academic objectives for the new University are to commence provision of education at the start of Academic year 2022/23 for a student headcount of 2,000, rising to 3,000 through the first building and then onto 4,700 through this second teaching building. The aspirational target is to rise further to a student headcount of 7,000 by the academic year 2027/28.

Improving higher-level skills and the knowledge capacity must be accompanied by parallel stimulation and supply of higher value jobs to provide opportunity for the increased number of higher-level skilled people, including development of an innovation eco-system in the region.

Replicating the “Cambridge Phenomenon” that has taken decades to evolve organically and develop requires a specifically designed and long-term programme of interventions that balance supply of improved human capital with demand for it. This in turn requires indigenous and inward business growth that is more knowledge intensive and higher value, requiring higher level skills.

In the case of Peterborough and The Fens, this means addressing the HE cold spot to generate more level 5, 6, 7 & 8 skills, focused on key, 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 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.

Filling the higher-level skills gap in Peterborough and The Fens, will have limited impact without effective measures to grow significantly 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.

Employers both drive and utilise a dynamic education and skills system, which shapes the current and future workforce. This will be addressed by establishing and expanding the new university for Peterborough through the delivery of Phase 3, providing an increased pipeline of graduates for employers.

There is considerable evidence of best practice in developing and managing place-based innovation ecosystems, which has been used by the Partners to build a strategy to develop such an eco-system for Peterborough and the Fens. It includes actors and components able to:

- build on the regional master plan provided by the LIS, which identifies the threats and challenges facing the regional economy and its key sector-clusters, along with the potential skills and innovation interventions to overcome those challenges. It has 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, delivering outcomes in terms of new, higher value, jobs created.
- operate locally with connectivity to a truly global, sector-based collaborative network in AI, digital and high value manufacturing sectors into which to connect;

- enable the flow of information, resources, talent, and solutions between complementary firms across networks, rolled out to Peterborough's local network of 200 manufacturing firms, managed by Opportunity Peterborough;
- connect firms through formalised innovation partnerships such as membership of a broad R&D programme, or individual projects, innovation alliances (e.g. joint R&D centres jointly staffed by business and universities). Such innovation creation platforms must extend into commercialisation partnerships and market-entry joint ventures and hubs, to ensure market-specific product and service launch and innovation-based growth; and
- provide a clear central coordinating service, facilitating cross-industry collaboration and providing professional services in both management advice and technology applications, 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.

The Partners further anticipate that the new University (as expanded by Phase 3) 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.

Local strategies

Further investment in a University for Peterborough as a means of regenerating the city is a priority reflected across several local plans and objectives. This includes the Peterborough City Council's Town Investment Plan (TIP), which aims to kick-start economic growth through urban regeneration, the development of skills infrastructure and improved connectivity. Specifically, the plan includes the development of "a university with the potential to transform the city" on 'Opportunity Site 5' as a means of regenerating city centre space.

There is also alignment with Peterborough City Council's long-term regeneration and investment priorities as identified in its Local Plan.

Phase 3 of the new University will support further in meeting the cultural, regeneration and economic levelling up priorities in Peterborough (see below).

This will deliver the vision of the City's Culture Board to upgrade, create and connect existing and new cultural and creative spaces – in this case three museums, an arts venue, two theatres and two libraries in 50 acres of renewed, open, green space in an enhanced natural environment. In so doing, it creates a University Quarter that becomes a central cultural hub for the city, attracting 50,000 visitors a year and creating a destination area greater than the sum of its parts. The Living Lab will be the centrepiece of Peterborough's new University Quarter Cultural Hub.

This catalytic investment to create the University Living Lab and additional teaching space, builds on and integrates £45m of prior and current investments made through the Local Growth Fund (towards earlier phases of the new university) and Towns Fund (towards the wider masterplan and infrastructure for the City). It will have a visible, tangible impact on people and places, and support economic recovery.

The regeneration of the river embankment will open up a key leisure area for the city centre. Opening up the embankment, clearing the scrub areas, illuminating it and populating it with hundreds of students moving between the university quarter and the city centre will improve public security and transform a poorly used city-centre site into a vibrant cultural, commercial and community hub that local people can be proud of.

1.3.6 Current position

While the Cambridgeshire and Peterborough 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. While its curriculum is modelled on education pathways it is moving into curricula linked to employment or business needs through development of a Green Technology Skills Centre with support from the Towns Fund. 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

¹ Hatch Regeneris CPCA Skills Strategy Evidence Base, December 2018

and education. It is intended that this provision will be transferred to the Phase 1 new University at the embankment site once completed for academic year starting September 2022/23.

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.

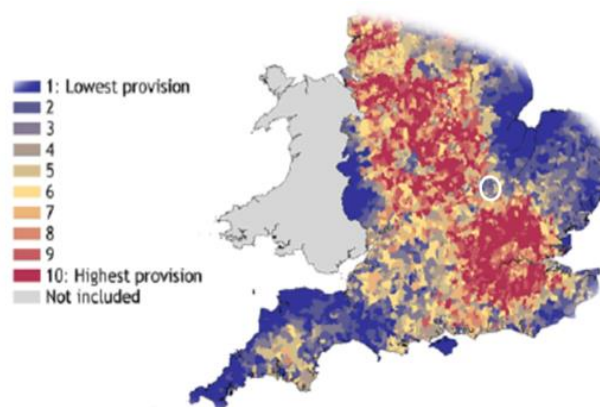
The result is that low skills levels have historically limited wages, progression and quality of life:

- In Peterborough, low skills levels have historically limited wages, progression and quality of life.
- The lack of a higher education provision in the region is a major contributor to poor economic, social and health outcomes.
- Peterborough's economy has been held back by a fragmented innovation ecosystem lacking a unifying focus.
- The region is changing, seizing opportunities in the UK's net zero transformation, particularly in growing Advanced Manufacturing businesses.
- Transplanting key elements of the Greater Cambridge innovation ecosystem into Peterborough, and creating an inherent connectivity into it, will help both places to grow, rebalancing growth across the Cambridgeshire and Peterborough region, and supporting ambitions for the Ox-Cam Arc.

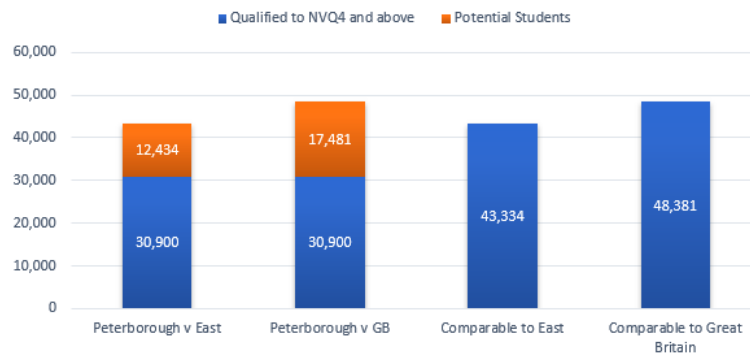
1.3.7 Case for change

A Higher Education "cold spot"

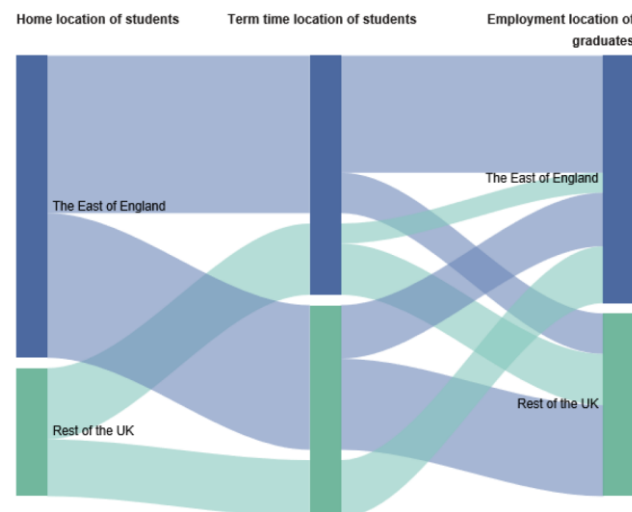
To be effective the University must address the characteristics of the higher education cold spot in the region (see figure below, sources: HESA and ILR 2012/13).



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 Cambridgeshire and Peterborough 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).



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.

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
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.

Qualification levels in Peterborough, Huntingdonshire and Fenland are below national averages, which contributes to limiting wages, progression and quality of life for residents and unemployment rates are higher than the national average. The vision set out in the Industrial Strategy notes that skills development is vital for growth in jobs and earning power. The table below sets out some key labour market indicators³

Indicator	Peterborough	East of England	GB
Proportion of 16-64s with no qualifications	7.6%	5.7%	6.4%
Proportion of 16-64s with NVQ 4+ ⁴	32.1%	39.2%	43.1%
Average Attainment 8 ⁵ score at KS4	46.3	-	50.2
Proportion of employees with jobs in managerial, professional & technical occupations (SOC group 1-3) ⁶	42.3%	48.9%	50.2%

In addition to the indicators above, in Peterborough:

- Wages are 9% lower than the England average.⁷
- Productivity per worker is 11% below the national average.⁸
- 41% of neighbourhoods (LSOAs) within Peterborough rank within the 20% most deprived in the UK.⁹
- Social mobility is low, with Peterborough ranked 191st and Fenland ranked 319th out of 324 local authority districts.¹⁰
- Healthy life expectancy is below retirement age in many neighbourhoods and is declining in the most deprived areas.¹¹

Long term structural problems in the labour market appear to have been exacerbated by the pandemic. Rates of Universal Credit claims in the city doubled in the 12 months from March 2020 to rise above 27,000 in a city with a workforce of 120,000.¹² Nearby Fenland shares many indicators of deprivation, with poor skills outcomes a key driver.

Peterborough ranks 34th lowest out of 650 constituencies for the highest levels of child poverty¹³, with one in three children living in relative poverty, despite most families containing at least one working adult. Improving access to skills and raising educational attainment has the potential to reduce deprivation as well as provide residents with better employment prospects.

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 Cambridgeshire and

³ Metro Dynamics analysis of ONS data

⁴ NVQ4+ is a measurement of qualification level which is broadly equivalent to an undergraduate degree.

⁵ 'Attainment 8' is a measurement which captures the progress a pupil makes from the end of primary school to the end of secondary school.

⁶ Standard Occupation Classification (SOC) groups 1 – 3 are workers in managerial, professional and technical occupations.

⁷ ONS (2021) Annual Survey of Hours and Incomes

⁸ ONS (2020) Subregional productivity: labour productivity indices by UK NUTS2 and NUTS3 subregions

⁹ Indices of Multiple Deprivation (2019).

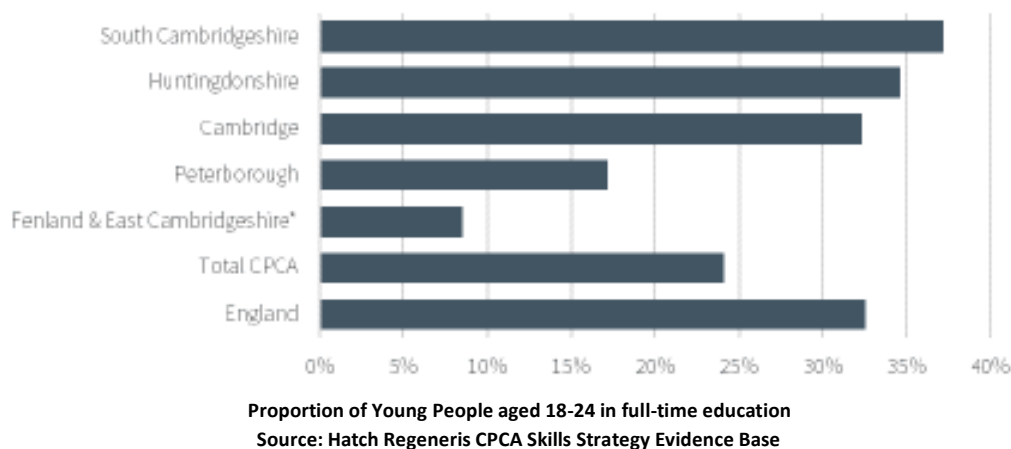
¹⁰ Social Mobility Index, 2016

¹¹ ONS Health and Life Expectancies, 2016-2018

¹² <https://cambridgeshirepeterborough-ca.gov.uk/what-we-deliver/resilience-2/>

¹³ Analysis of government and HMRC data shows that in 2019/20 9,524 children aged 0-15 in the Peterborough constituency were impoverished

Peterborough area has a much lower proportion of 18-24 year olds in full-time education than nationally and in Peterborough the proportion is very much lower than any other part of the region except Fenland and East Cambridgeshire.



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 can expand on its 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.

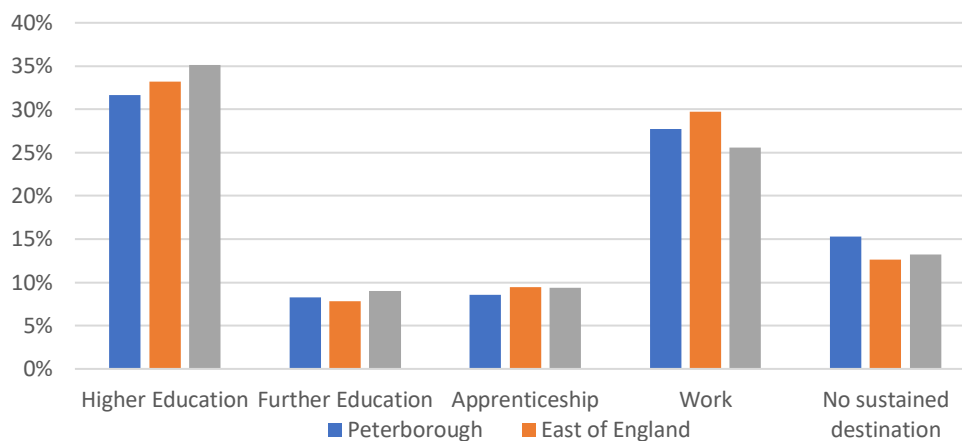
During the last four decades, Peterborough's population has doubled, and with it, the level of employment available. However, due to the much lower than average (nationally) supply of Level 4-6 skills, it has proved difficult to grow or attract in, sufficient high-value firms to maintain the city's productivity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

The lack of a higher education institution is a major contributor to poor economic, social and health outcomes: Peterborough is one of the largest cities in the UK without a university.¹⁴ This means higher education has felt inaccessible and irrelevant to many people, and low aspirations entrench poor outcomes. In many parts of Fenland and other rural areas around Peterborough drive times to the nearest university exceed 60 minutes, making higher education practically inaccessible.

The lack of higher education provision in northern parts of Cambridgeshire and Peterborough means fewer school leavers (at 18 years old) progress onwards to higher education than would otherwise. In Peterborough, 31% of school leavers progress onto higher education compared to 35% nationally, with more school leavers progressing directly into lower-skilled employment. Crucially, 15% of 18-year-olds in Peterborough record 'no sustained destination' six months after leaving school, compared to 13% nationally, indicating that more school leavers in Peterborough choose either not to enter education or

¹⁴ <http://lovemytown.co.uk/universities/universitiestable2.asp>

work, or are dropping out within six months. See figure below for destinations and progression rates for 18-year-olds, 2019¹⁵



ARU's analysis of demand for higher education in the Cambridgeshire and Peterborough region predicts an increase in the number of 18-year-olds over the next 5 years leading to a 13% increase in students entering HE by 2025 (up to 6,105) with a static participation rate of 44%, and a 20% increase (up to 6,521) if the participation rate grows to the England average of 47%. Demographic analysis suggests also that this new demand is likely to be from groups who are more likely to stay in the region to study and then subsequently to work.¹⁶

Encouraging more residents into higher value jobs will help to raise social mobility in Peterborough and especially Fenland which ranks in the bottom 1% of district councils on these measures. The Peterborough Town Investment Plan notes that more deprived residents tend to experience poorer health and educational outcomes and fail to progress to higher paid jobs and better housing, in part because there is no local higher education institution to enable social mobility. There is a danger of these residents becoming trapped in low skill, low pay employment and failing to reach their potential.

Peterborough has been held back by a fragmented innovation ecosystem lacking a unifying focus: disconnect between research and industry has hampered innovation in the digital and advanced manufacturing sectors that holds the key to a renaissance for the city and its region. Further, the lack of a higher education institution to act as a knowledge engine for the region means that local firms have been cut off from access to key research which could translate into business-level innovation. In recent years cities such as Rotherham, Coventry and Middlesbrough, which all share similar economic characteristics to Peterborough but are different in that they contain large scale research institutes to act as local knowledge engines, have surged ahead while Peterborough has not.

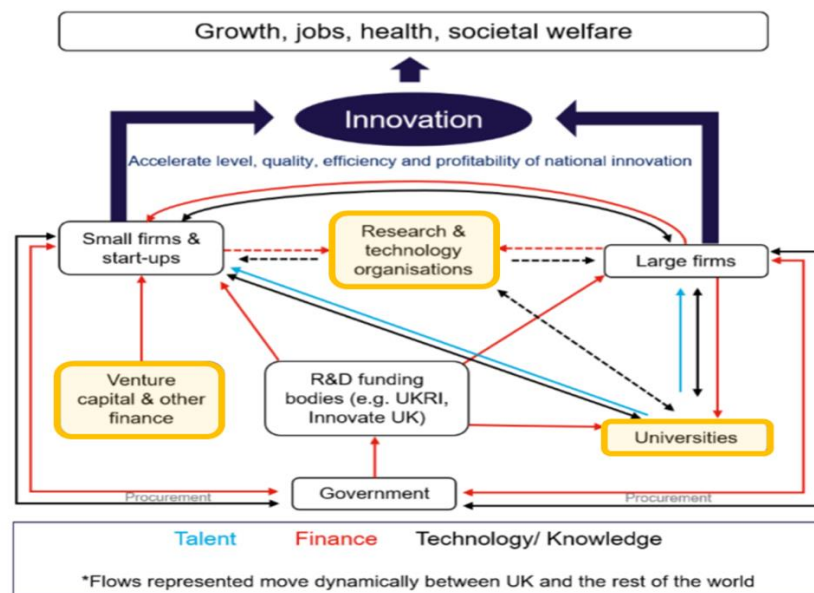
The UK Innovation Strategy highlights the vital nature of interactions between universities and businesses for spurring innovation. More broadly, the Innovation Strategy notes that *“innovation occurs in an ecosystem in which companies, research institutions, further education providers, financial institutions, charities, government bodies and many other players interact through the exchange of skills, knowledge and ideas, both domestically and*

¹⁵ Metro Dynamics analysis of DfE School Leaver Destinations data (2019)

¹⁶ ARU analysis conducted for Phase One Full Business Case

*internationally.*¹⁷ Without a university or research institution to act as a knowledge engine in a place it is unlikely that an innovation ecosystem will be able to form or flourish.

The diagram below from the UK Innovation Strategy presents a view of the components required to establish an effective innovation ecosystem in a place. Currently the Peterborough region is missing three (shown in orange) of the six necessary components. The figure below shows components and gaps of Peterborough's Innovation Ecosystem



Without deliberate intervention, these missing components are unlikely to form naturally.

Connections between Peterborough's innovation ecosystem and nearby Cambridge will help both places to grow, rebalancing growth across the Cambridgeshire and Peterborough region, and supporting ambitions for the Ox-Cam Arc: Peterborough and Cambridge are connected geographically, economically, socially and politically.

Peterborough is part of the Ox-Cam Arc and is on the northern edge of the 'Golden Triangle', with Cambridge as its northern-most point. The Ox-Cam Arc is one of the world's most successful innovation ecosystems, with Cambridge recognised as a world-leading centre of innovation. Over the last 20 years, The Arc has grown faster than any region outside London, and employment and wages are above the national average. It is home to some strong and innovative sectors, world-leading companies, internationally recognised research and development centres and research universities.¹⁸

Peterborough has a role to play in securing the ongoing success of Cambridgeshire and the Ox-Cam Arc by acting as a centre for new growth in advanced manufacturing, helping to unlock growth constraints which risk limiting the ongoing success of the Ox-Cam Arc.

The evidence base clearly shows that Peterborough and the north of the region more generally, while not conventionally thought of as being "in the north", has been "left behind". The CPIER notes that: *"In many ways, [Cambridgeshire and Peterborough] is a microcosm of the UK as a whole. It has a prosperous south, based around one principal city,*

¹⁷ UK Innovation Strategy, July 2021

¹⁸ Creating a Vision for the Oxford-Cambridge Arc: Consultation (2021)

which receives the majority of foreign investment and attracts high value companies and talent from across the world. International evidence increasingly shows that this concentration of growth leads to both high living standards and significant inequality. Further north, there is much industry and innovation, but while there are many success stories, business investment, skill levels and wages are lower.”

A more inclusive growth strategy is needed; delivering the region’s overall growth ambitions means that action must be taken to increase productivity in the north of the region, changing the spatial distribution of growth and supporting an increase in business growth and skills levels across the whole of the local economy (particularly growth in higher value businesses).

Core to this transition and future success is Peterborough’s growing cluster of green and environmental innovative engineering businesses, focussing increasingly on zero carbon technology, with the new University in Peterborough acting as the regional anchor institution and knowledge engine.¹⁹ Local firms in this sector and wider manufacturing base are integrated into the supply chains of the Midlands’ manufacturing sector, the energy and agri-food clusters of the East of England, and the Advanced Manufacturing and Future Energy clusters of the Oxford-Cambridge Arc.

Peterborough’s economic growth is therefore aligned with and will help drive the success of the OxCam Arc, East of England, Cambridgeshire and Peterborough and the wider Midlands / England’s Economic Heartland growth areas.

A new approach

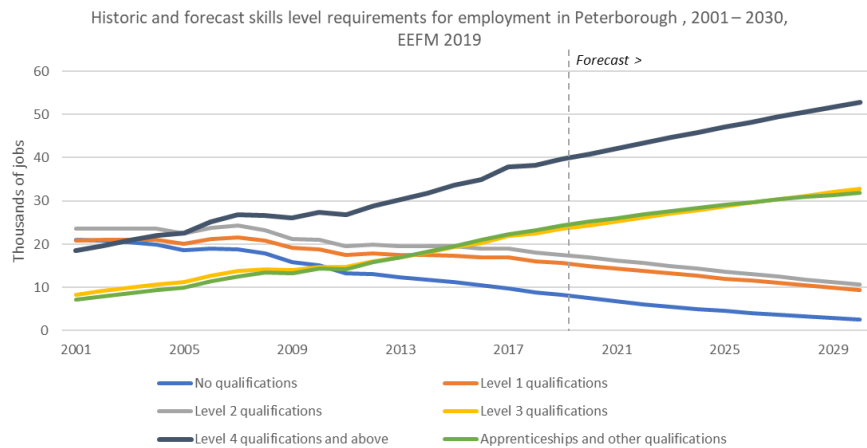
To reverse decades of relative economic decline in Peterborough and Fenland, the 2019 Combined Authority Skills Strategy identified a new higher education institution in Peterborough as the only viable solution to the HE Cold-Spot, while the Local Industrial Strategy identifies the northward expansion of the innovation clusters and networks from Cambridge, as the primary route to improving the knowledge intensity and quality of employment for Peterborough and the Fens.

The draft 2022 Employment and Skill Strategy acknowledges the progress made in implementing the new university and emphasises the importance of delivering the new university project.

To take part in and continue to support Peterborough’s knowledge intensive growth, residents need local education pathways to access high quality jobs. If those pathways are not available, then residents will miss out on the benefits of growth.

The chart below, from the East of England Forecasting Model, shows forecast skills level requirements for employment in Peterborough to 2030. It shows demand for an extra 12,000 degree-qualified residents by 2030 in the City. The figure below shows historic and forecast skills level requirements for employment in Peterborough, 2001 - 2030

¹⁹ Cambridgeshire and Peterborough Local Economic Recovery Strategy (2021)



Meeting future needs in Peterborough means establishing a university and accompanying innovation ecosystem at a pace and scale which generates impact as quickly as possible, while recognising the substantial difficulties faced in doing so.

The core strategy for developing the University is based on directly tackling the characteristics of the addressable component of the current market failures (the “cold spot” identified in the CPIER and LIS) 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.

The vision for the University is that it 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”.

The University will provide access to higher education for rural areas around Peterborough, including Fenland, where in many cases drive times to the nearest University currently

exceed 60 minutes. Establishing a new higher education institution in Peterborough will help to raise aspirations and skills levels in surrounding areas also.

Wider impacts

Phase 3 of the University project will deliver significant social value through the provision of a dedicated community cultural and learning space in a core area of the City Centre. It will help raise aspirations and awareness amongst local people of the new university offer and so will help attract local residents to study at the university. By enabling local higher education provision, it will ensure that more highly skilled young people in Peterborough remain in the city.

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. Moreover, universities in cities help build community cohesion and drive-up educational standards and attainment e.g. with lecturers/professors becoming governors at local schools.

The Partners are 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.

1.4 About the project

1.4.1 Scope

Phase 3 is to develop a second teaching building for occupation by ARU Peterborough/the new university with a Living Lab at its heart. This phase enables the university's growth to 4,700 students between 2022 and 2027, with future growth in student numbers to follow in Phase 5. This project is for investment in a 3,000m² second teaching building as part of the expanding university campus, 1,000m² of which will be available for use as a University Living Lab and public teaching space. The Living Lab will be a high-quality interactive museum for Peterborough with public space for exhibitions and events. Upper floors of the building will be provided exclusively as teaching space for Peterborough's expanding student cohort, hosting 1,700 students studying STEM subjects each year.

The Living Lab is designed to stimulate and inspire more young people into STEM sectors, including into the university's STEM-focused curriculum, which will be taught in the same building. Broadening Peterborough's cultural offer, it will provide a window into the city's net zero future through events, exhibitions and flexible learning, including festivals of ideas, immersive displays, hackathons, forums and evening classes. It will serve to increase skills provisions in these areas, offering a step change in local education provision and supporting the growth of net zero-focused industries and businesses in Cambridgeshire and Peterborough.

Project delivery in terms of work and spend on the Phase 3 building must begin in March 2022, to meet the terms of the LUF funding offer from the Department for Levelling Up, Housing & Communities, with initial procurement of the consultant team by the Combined Authority and commencement of the building RIBA 2 design. The building structure will be complete by end of March 24, also to comply with the terms set out in the LUF funding offer, noting that the memorandum for agreement between Department for levelling up Housing and Communities and the local authority (currently being drafted) states in clause 4.10 that the Council must spend all grant funding by the end of the funding period, 31 March 2024.

This Business Case is concerned only with the phase 3 development of the new University for Peterborough campus comprising:

1. Development of the third 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 a consultant team for the design, procurement and management of the delivery and aftercare of phase 3. The Peterborough HE Property Company (PropCo1) joint venture between the Combined Authority, PCC and ARU is an established and already operating, special purpose vehicle established to deliver the initial phase of the university development. PropCo1 will require the support of an appropriately skilled and resourced organisation to manage the delivery of this project. This will include the following key activities:
 - a. Initial designs to enable early planning discussions
 - b. Technical documents for the procurement process
 - c. Management of the design development with the contractor through to execution of a JCT D&B
 - d. Submission of planning application at the appropriate time
 - e. Practical management of the works as contract administrator/ clerk of works, including regular meetings, quality assurance and delivery against timescales.
 - f. Cost management and reporting
 - g. Compliance with funding obligations
3. Procurement of a main contractor to deliver the phase 3 University building for opening September of academic year 2024/25.

1.4.2 Benefits

The main Benefits of the project stem from establishing Phase 3 of the University Campus in Peterborough, for up to 1,700 more students from 2024/25, bringing the total number of students to 4700, 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 by ARU to support Greater Peterborough and the Fen's key sectors.

The key benefits to be delivered by this Phase 3 project include:

1. Number of temporary jobs created: 264 in construction²⁰.
2. Number of jobs created: 157 created over the first 4 years (98 academic staff and 59 professional services)²¹.
3. Number of indirect and induced jobs created: 16 indirect jobs in the University supply chain and 16 in the local economy as a result of increased employment in education²².
4. Number of indirect jobs as result of increased footfall and increased local economy spend by additional students and university employees: 67 jobs²³.
5. Increase in GVA associated with additional graduates in workforce, increased income earned from graduate roles and increased spend in the local economy over 10 years: £83m.

1.4.3 Risks, constraints and dependencies

The main risks associated with achieving the project outcomes are set out in the risk register at Annex 6.1 together with measures to mitigate and manage them. The main risks are summarised in the tables below for each of the phase 3 infrastructure works and delivery.

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

Constraints	
Timescales	<p>A requirement in the terms of the LUF funding offer to start in March 2022 with initial procurement of the multi-disciplinary team which will then provide design, procurement, planning and management of construction works to complete by end March 2024.</p> <p>This will require a site to be selected with fewest development constraints, which will be subject to further development of the design in RIBA 2 and due diligence on the selected plot.</p> <p>The selection of the procurement route for the main contractor will be critical in the ability to meet the timings required.</p> <p>The critical path runs through the appointment of the new consultant team, site selection, design, planning running in parallel with procurement, PropCo1 sign off, enabling works, construction and fit out prior to opening September 2024/25 with no programme float.</p>

²⁰ Based on (2012) Forbes D. at al, "Forecasting the number of jobs created through construction". 1 job per £75,000 of expenditure (2012 prices, 1 job per £90,600 at current prices). Assumed 1 year construction contracts. Construction costs assumed at 80% (20% design and professional fees) of capital costs and distributed over 4 years.

²¹ Assumed academic staff 5% of total students number; and professional services 3% of total students number (based on Phase 1 FBC)

²² The calculation is based on Type 1 Education industry employment multiplier for indirect (1.1) and Type 2 Education industry employment multipliers (1.2) for induced jobs and it is based on the direct jobs created in Education. Source: 2020, Scottish Government. Supply, Use and Input-Output Tables and Multipliers for Scotland 1998-2017.

²³ Based on £29,797,016 increase in local economy spend over 10 years (by additional students and University employees relocating in the area) and £44,378 GVA value per additional new job created in wholesale and retail industry

Constraints																														
Procurement	<p>Consultant team – The Combined Authority will procure the consultant team under an existing framework ready for appointment in February 2022 to comply with the LUF funding terms.</p> <p>Main Contractor phase 3 - Agreement of the procurement strategy for this phase will be agreed on award of the consultant team for the main contractor.</p>																													
Capital funding	<p>Phase 3 (£27.9m: for the Living Lab, university quarter and second teaching building, including a £20m investment from the Levelling Up Fund): Construction complete in 2024 for the Living Lab and second teaching building supporting additional 1,700 students (570 graduates per year), with potential for significant growth in student numbers in future.</p> <p>The £20m of Levelling Up Funds requested will be leveraged with £7.9m of local investment from the City Council, Combined Authority and ARU to help establish the university quarter.</p> <table><tr><th colspan="6">Investment into Living Lab, University Quarter and second teaching building</th></tr><tr><th>Contributor</th><th>LUF (PCC)</th><th>PCC</th><th>CPCA</th><th>ARU</th><th>Total</th></tr><tr><td>Value (£m)</td><td>20</td><td>1.87*</td><td>2</td><td>4</td><td>27.87</td></tr><tr><td>% of total</td><td>71.8%</td><td>6.7%</td><td>7.2%</td><td>14.4%</td><td>100%</td></tr></table> <p>*land value to be confirmed by red book valuation</p>						Investment into Living Lab, University Quarter and second teaching building						Contributor	LUF (PCC)	PCC	CPCA	ARU	Total	Value (£m)	20	1.87*	2	4	27.87	% of total	71.8%	6.7%	7.2%	14.4%	100%
Investment into Living Lab, University Quarter and second teaching building																														
Contributor	LUF (PCC)	PCC	CPCA	ARU	Total																									
Value (£m)	20	1.87*	2	4	27.87																									
% of total	71.8%	6.7%	7.2%	14.4%	100%																									
Outcomes	Up to 2,000 students for the 2022/23 academic year, rising to 3,000 by 2024/25 in phase 1 rising to 4,000 by 2025/26 and 4,750 by 2027/28 in phase 3 with an aspirational target (subject to availability of the necessary capital funding) of up to 7,000 students by 2030/31.																													
Design	The design will need to be developed within the overall funding envelope, in consideration of the enabling works costs and infrastructure costs.																													
Land	Clean title for land required to construct Phase 3 from PCC including indemnification from covenants etc. to be determined following plot selection and due diligence on the plot by the design team following award in February 2022.																													
Planning	The planning strategy for phase 3 has been tested with the Local Planning Authority through pre application discussions. The strategy involves a full planning application for phase 3 coming forward for determination ahead of a wider outline planning application (OPA) for the University campus. The OPA will be developed concurrently to ensure there is visibility of the long-term campus growth strategy. A masterplan commissioned by PCC and being developed out over winter 2021/22 will also inform both the full and OPA applications. This strategy will allow for the timely determination of a planning permission for phase 3, followed by an OPA for the longer term.																													
Budget	The budget for phase 3 has been tested at RIBA 1 for option 1 and the current assumptions made in this Business Case. However, any change in those assumptions will need to be managed by the consultant team in conjunction with PropCo1 within the agreed budget without deterrents to the outcomes required under the LUF. Further details of the risks and mitigation around these assumptions are stated in the Risk Register in Annex 6.1																													

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

Dependencies	
Adjacent development	<p>Local transport projects and third-party development on land earmarked for future phases of the University.</p> <p>Interface with other phases of the development phase 1 & phase 2 from logistics and potential for different contractor delivering infrastructure beyond current phases.</p>
Land	<p>At the time of writing this Business Case, a preferred location of phase 3 has been identified as part of a RIBA 1 design. The Business Case assumes a land value based on phase 1 valuation and actual size of plot, valuation and due diligence will be required after the approval of this Business Case.</p>
Funding for Phase 3	<p>A requirement in the terms of the funding offer from the Department for Levelling Up Communities & housing, stipulates that the project must deliver LUF expenditure by 31 March 2022. To enable this, a number of legal dependencies need to be satisfied as follows.</p> <p>For work and spend to start in March 22, a formal contract must be signed by PropCo1, by the 15 February 2022, with the procured multi-disciplinary consultant for the initial work packages of RIBA Stage 2 design to inform planning applications.</p> <p>For PropCo1 to place the contract above, it must be in receipt of the phase 3 funding of £26m. To enable transfer of that funding from PCC, ARU and Combined Authority, amendments will need to be made to the original Shareholders Agreement between the parties, reflecting the investment for shares from each party, constituting the additional £26m of cash invested (and later, the land transfer from PCC). Related to this, an Agreement for Lease for the second building from PropCo1 to ARU-Peterborough, is required to be signed as well as updates to the existing Collaboration Agreement.</p>
Enabling constraints	<p>The assumptions made in this Business Case regarding the site selection will need to be tested by the consultant team and the timeline / strategy for any enabling works following due diligence of that plot.</p>
Parking	<p>The location of phase 3 on the regional pool carpark (option 1) will require relocation of the 200 parking spaces into an alternative location – currently under review between the Combined Authority and PCC with one option being an adjacent council owned car park. It is only the 140 phase 1, 2 and 3 related spaces that will need to be re-provided from the overall 200.</p> <p>This will necessitate further parking capacity modelling, currently being undertaken through an update to the City Centre Parking Strategy, reporting Spring 2022, and a corporate decision and associated approvals to agree to any loss of income generating car parking spaces to the Council in favour of the university.</p> <p>As part of the agreement, it will also be necessary for the Combined Authority to agree with PCC and PropCo1 the relocation of spaces within the regional pool carpark attributable to PropCo1.</p> <p>The agreement and relocation of current parking on the regional pool car park will need to be undertaken by end Q4 2022 such that on entering into the</p>

Dependencies	
	<p>contract with the main contractor for the works in January 2023, the relocation can take place for construction, enabling and site set up works to begin prior to spade in the ground March 2023.</p> <p>It is also assumed as part of this Business Case that following the review of local parking capacity that the additional parking requirement for phase 3 (staff and students) could be accommodated in current parking provision post covid 19. This is subject to further review and agreement with PCC as corporate landlord and separately as the LPA and will require contribution to transport mitigation measures as part of Planning determination for phase 3.</p>

The table below summarises the **key Operational Risks**

Ability to Recruit Students:	<p>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, outgoing and engaging to reach out to under-represented groups, to engage with their needs and win their active participation in the University and PUFC.</p>
Development of an Arena on the embankment	<p>Following a review of the proposals put forward in the Peterborough Embankment Masterplan on Saturday 20th November and the public webinar on Monday 22nd November ARU area ware of the future proposals for an Arena on the Embankment. The dominant footprint of the stadium, so close to the University, will significantly jeopardise the effective operation and future growth of the University; undermine the economic and social returns on the investments already made; and, ultimately, limit the attractiveness, viability and future potential of the University.</p> <p>ARU and Partners remain dialogue with PCC and its representatives on the Masterplan which is benign developed for publication end of January 2022; although it is noted that this does not currently form part of any planning policy nor has a formal planning application come forward for the arena as of the date of the business case</p>

2 Economic Case

2.1 Option identification

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

- Factors relating to the continued development of the University.
- Factors relating to the physical regeneration and cultural development of the City.
- Factors relating to the design and delivery of the physical infrastructure.

2.1.1 Critical success factors

Factors relating to the development and success of the University

1. **Ability to Recruit Staff:** The quality of the University is critically dependent on the calibre of its staff. Recruiting and retaining high calibre staff is the first critical challenge. The development of the Living Lab, University Quarter Cultural Hub and expanded University will support this creating more teaching and research opportunities and inspire a wider group of learners.
2. **Ability to Recruit Students:** UK universities now operate in an environment that has many (though not all) of the characteristics of a market. They compete for students, compete for staff, compete for research funding, and league table standings. Phase 3 must be seen as relevant to not only the Peterborough community, but also the wider region and the whole country.
3. **Ability to engage with local businesses and industry:** Large corporate businesses represent a significant group of stakeholders and will present an opportunity for both course development, industrial collaboration/placement opportunities and future employment destinations for graduates. However, students are expected to foot most, if not all, of the costs of this vocational training. The success of STEM and apprenticeship programmes will be key to levelling up aspirations. To address the persistent local skills deficits which hold back Peterborough's growth aspirations will require businesses not only to engage but to support some of the costs of educating their future work force.
4. **Curriculum Development to Fit the Target Market:** Higher education is in a state of flux. Industries are changing, post-pandemic norms are adapting giving rise to increase expectations from students. Students no longer wish to sit in large classes for fixed periods of time at certain times of the year and want instead to move through the curriculum at their own pace and at a time their choosing. This will require adaptive learning tools and support for blended and distance learning so that students do not feel isolated and alone.
5. **Creation of the Academic Infrastructure:** To meet the expectations of the twenty-first century, requires not just excellence in teaching, but also in all the facilities and services that make up the expanded University. Student and academic services need to provide a full range of social, welfare and other student-facing services alongside that of academic assessment, examinations, graduation etc.

Factors relating to the physical regeneration and cultural development of the City.

6. **The Living Lab, University Quarter Cultural Hub** and expanded university in Peterborough, will meet cultural, regeneration and economic levelling up priorities in Peterborough by:
- Creating a new landmark cultural asset, The Living Lab.
 - Regenerating a dilapidated mixed brownfield site adjacent to the city centre to create a new destination space for Peterborough, the University Quarter Cultural Hub, with the Living Lab at its centre.
 - Providing facilities within the Living Lab building to: support 1,700 local students studying in STEM fields; supporting a critical stage in the expansion of the University of Peterborough; and addressing the persistent local skills deficits.

Factors relating to the design and delivery of the physical infrastructure

7. **Meeting the Budget:** The phase 3 building including the external landscape and supporting infrastructure must be delivered within the budget of £27,870,000 based on £20m of Levelling Up Funds, leveraged with £7.87m of local investment from Peterborough City Council, the Combined Authority and ARU. The timeline requires approval of the Business case in January 2022, and this has meant that it is not possible to meet the requirements of a Full Business Case and can only rely on the information available at the time of writing to present a deliverable strategy that will meet the outputs and timelines required in the LUF application. Further work is needed to test assumptions, develop the brief, and site response, in consideration of the ongoing consultation in parallel with the wider outline planning permission (not forming part of this Business Case). This will require a Full Business Case once contract close, land transfer, parking agreements (PropCo1) and shareholder agreements are in place for end Q4 2022.
8. **Meeting the Programme:** The phase 3 building must be open for business to students in September 2024. This will need to be achieved through 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. The master programme assumes the following critical path milestones are achieved to meet this key Milestone:
- a. Business Case approval January 2022.
 - b. Full Business Case and reviewed following RIBA stage 2 design and costings; and selection of contractor July 2022.
 - c. Planning application submitted in September 2022 for determination in January 2023.
 - d. Main Contractor enters into a pre-construction service agreement and commences design and agreement of contract sum in July 2022 (pending agreement of the procurement route on award of consultant team by the Combined Authority in February 2022).

- e. Legal agreements concluded by PropCo1 and sign Main Transactional Agreements for Phase 3 in December 2022.
 - f. Main Contractor agrees contract sum in January 2023.
 - g. Completion for operation in September 2024
9. **Delivering the Spatial Brief:** The spatial brief for the Living Lab is embryonic at this stage with the curriculum, course structure, timetabling etc remaining to be developed and agreed by ARU. It is anticipated this will be concluded in Q2 of 2022 and that the building will accommodate a spectrum of spaces including specialist teaching, general teaching, study, public engagement, and ancillary operational spaces to support the current specialisms of:
- Business and Innovation.
 - Creative Digital Art and Science.
 - Health Education and Social Care.
 - Engineering, AgriTech and the Environment.
10. **Masterplan:** An Outline Planning Application (OPA) for the University Quarter is currently being progressed, although phase 3 will be determined as a standalone application ahead of a decision on the OPA. The location of phase 3 will be taken into consideration by the OPA. An option appraisal study has been undertaken to assess the preferred site for phase 3, the Living Lab, within the overall Embankment site. Following this evaluation, option 2 – the Artificial Pitch site to the south of the phase 1 and 2 buildings – is the equal preferred option for the location of the Living Lab but this Business Case has been prepared on the basis of option 1 due to the potential programme and cost risk of option 2 associated with the relocation of the all-weather pitch. This decision will be reviewed prior to commencement of the next stage of the design process (RIBA 2) once further detail is known on the associated planning issues, as well as any implications for the loss of parking spaces necessitated by option 1. 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.
11. **Respond Positively to Stakeholder Consultation:** The phase 3 building, and wider masterplan, must respond to the output from a wider stakeholder consultation to ensure a project that can be delivered successfully. It must also achieve 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 2032 and to ensure that partners in the city and region are supportive of the University as it develops.
12. **Obtaining Planning Consent:** The phase 3 building must achieve planning consent by January 2023 to meet the inter-related requirements of the project programme and be open for business in September 2024. This will need to be achieved through a close and collaborative working partnership with the local planning authority and the project team via a Planning Performance Agreement, including a pre

applications service, identifying issues early to inform the design process and minimise the risk of a refusal and pre-commencement conditions.

13. **Levelling Up Priorities:** The co-location of the Living Lab within the university, and its integration into connected libraries, theatres, and museums, creates a Cultural Hub which will play an important role in bringing local people of all ages into the University Quarter. In this way, it will open the horizons of local people and better integrate the university with the city, producing wider economic benefits for local businesses and institutions. The Living Lab, part of the expanded University Quarter in Peterborough, will meet cultural, regeneration and economic levelling up priorities in Peterborough by:

- Creating a new landmark cultural asset, The Living Lab.
- Regenerating a dilapidated mixed brownfield site adjacent to the city centre to create a new destination space for Peterborough with the Living Lab at its centre.
- Providing facilities within the Living Lab building to support 1,700 local students studying in STEM fields, supporting a critical stage in the expansion of ARU Peterborough/the university, and enabling economic recovery and growth and levelling up by addressing the persistent local skills deficits.

14. **Be Relevant, Adaptable and Flexible:** The phase 3 building, including its environmental systems, must be designed to be adaptable to respond the changing needs in the future. The Living Lab will provide a window into the city's net zero future through events, exhibitions, and flexible learning, including festivals of ideas, immersive displays, hackathons, forums, and evening classes. Exhibitions and facilities at the Living Lab will explore green technologies, such as vertical farming, renewable energy, and green vehicles, making the University's STEM curriculum more accessible and relevant to local people.

2.1.2 Options

Living Lab, University Quarter Cultural Hub and expanded University in Peterborough development

No previous Outline Business Case has been undertaken for phase 3 aside from the Business Case for the Levelling Up Fund. The Value for Money assessment in the Levelling Up Fund application concluded that delivery of the Living Lab, University Quarter Cultural Hub and expanded University in Peterborough (the Recommended option), was the preferred way forward on the grounds of both affordability and economic impact. This Business Case has reviewed three options to test this impact as follows:

4. **Phase 1 stand alone:** The first phase of the project to establish the new University Campus in Peterborough with capacity for 3,000 students by September 2022. As this Phase is currently under construction and fully committed to by the partners it is regarded as the 'Do minimum' option.
5. **Phase 3 stand alone:** this option considers Phase 3 as if it were intended to function alone (i.e. completely separately and independently from Phase 1). It considers the

merits of investing in the Phase 3 based solely on its £28m cost to delivering capacity for 1014 students in September 2024, rising to 2347 by September 2030.

6. **Phase 1 and 3 combined:** this option reviews the cost and benefits of Phase 1 and 3 combined. It is the proposal contained in this Business Case of establishing a second teaching building for ARU Peterborough and a high-quality interactive science museum for Peterborough (The Living Lab). For the purposes of this Business Case this is regarded as the 'Recommended option'.

Having established this strategic approach to development of a University in Peterborough, the options considered are thus:

1. **Do minimum:** Deliver Phase 1 only with capacity for 3,000 students by September 2022.
2. **Phase 3 stand alone:** Review of the costs and benefits solely attributable to Phase 3
3. **Recommended option:** reviews the cost and benefits of Phase 1 and 3 combined. It is the proposal contained in the Business Case for the Levelling Up Fund to establish a second teaching building as an expansion of Phase 1 project and a high-quality interactive science museum (The Living Lab).

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

Do minimum (Phase 1 only - 2020/21 base year for prices)

- The key benefits to be delivered include (in summary):
 - £294.5 million in Net Present Benefits over a 10-year period.
 - £29.0 million in Net Present Costs over a 10-year period.
 - £265.5 million in Net Present Value over a 10-year period.
 - Benefit Cost Ratio of 10.1 over a 10-year period.
 - Total of 14,311 additional graduates by 2029/30.
 - Maximum students in any one year – reached at 3,010 from 2023/24 onwards.

Phase 3 stand-alone (2020/21 base year for prices)

- The key benefits to be delivered include (in summary):
 - £68.9 million in Net Present Benefits over a 10-year period.
 - £25.4 million in Net Present Costs over a 10-year period.
 - £43.6 million in Net Present Value over a 10-year period.
 - Benefit Cost Ratio of 2.7 over a 10-year period
 - Total of 3,510 additional graduates by 2029/30.
 - Maximum students in any one year – reached at 2,347 from 2030/31 onwards.

Recommended option

- The key benefits to be delivered include (in summary):

- £363.4 million in Net Present Benefits over a 10-year period.
- £54.4 million in Net Present Costs over a 10-year period.
- £309.0 million in Net Present Value over a 10-year period.
- Benefit Cost Ratio of 6.7 over a 10-year period.
- Total of 5,357 additional graduates by 2029/30.
- Maximum students in any one year – reached at 5,357 from 2030/31 onwards.

Phase 3 building locations

The site for the University Quarter is approximately 13 hectares and sits to the north of the Embankment site currently being master planned by Peterborough City Council (PCC). It also encompasses the consented phase 1 and 2 buildings and landscape. The University will be located on the Embankment, a 55-acre site located to the southeast of the city centre and within approximately a 5-minute walk from the centre.

The overall Embankment site stretches from the Cathedral to the north, southwards to the River Nene; and from the city Lido and Theatre in the west to the Frank Perkins Parkway, a primary highway accessing the city from the A1(M), to the East.

The site currently accommodates:

- a. Large open public space to the south that is used for temporary events in the city.
- b. A regional pool / gymnasium and associated parking.
- c. Athletics track and artificial pitch.
- d. A public car park.
- e. A small children's play area.

The site is substantially an open area used for social, recreational, leisure and cultural uses and buildings are limited to the regional pool and a single storey changing facility for the running track. The site has several overgrown poorly maintained tree belts, generally planted to screen sports facilities and car parks. The site is crossed by several foot / cycle paths particularly focused along the River Nene, the leisure facilities to the north and adjacent to the elevated Parkway to the east. The site affords good access to the city centre to the north-west; is linked to the east via an underpass and towpath below Parkway and to the west to existing footpaths around the Theatre, Lido, and Old Customs House.

An option appraisal study was undertaken to assess the preferred site for phase 3, the Living Lab, within the overall Embankment site. The requirement to locate the building within land designated within the Outline Planning Application, currently being developed, was a prerequisite for the optional appraisal. In addition, to deliver the project within the required timescale, the use of land currently accommodating the athletics' track and Regional Pool was deemed not feasible.

Following consultation, four strategic locations were identified:

- Option 1** –Artificial Pitch (South of Phase 2).
- Option 2** – Regional Pool Car Park.
- Option 3** – Bishops Park, north of the Regional Pool.
- Option 4** – Bishops Road / Parkway (North-east).



Option 1 – Regional Pool Car Park

Option 2 – Artificial Pitch (South of Phase 2)

Option 3 – Bishops Park, north of the Regional Pool

Option 4 – Bishops Road / Parkway (North-east)

Following this evaluation, option 1 and 2 emerged equal in overall scoring. Through the consultation both locations were considered to have good cohesiveness with the buildings delivered in phases 1 and 2 creating a strong sense of ‘campus’ and protects the student and staff experience during future phases of work. Option 1 – to the south of the phase 1 and 2 buildings – remains the preferred option for the location of the Living Lab.

However, given the planning policy requirements associated with the replacement of the Artificial Pitches, option 2 (Regional Pool Car Park) was considered the most deliverable in planning terms at this stage in meeting the LUF funding milestones. This decision will be reviewed on appointment of the consultant team for phase 3, prior to commencement of the next stage of the design process (RIBA 2) once further detail is known on the associated planning issues and parking strategy outputs. All options considered deliver the desired outcomes of the project given that the use/scale of the building is the same for each option.

This Business Case assumes delivery of the phase 3 building to the east of the current development on the former Wirrina Carpark (option 1). Although the preferred option is to the south of the current development (option 2), option 1 forms the basis of this Business Case due to the potential programme and cost risk of option 2 arising from the likely need to gain planning approval for relocation of the football pitch currently on the embankment prior to determination of an OPA. Option 1 is not without programme and risk and requires transport and parking strategy; to be developed on appointment of the consultant team in February 2022. However, this is considered to present less risk to the required timeline.

As a result of this, this Business Case has been developed based on the option that provides the least programme risk to meet the constraints outlined above. The assumptions made in the planning strategy to mitigate the programme risk, should therefore, be revisited in February 2022 with the consultants who will be appointed by the Combined Authority on 15th February 2022.

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).

2.2 Value for money

2.2.1 Economic appraisal

The main Benefits of the project stem from establishing a University Campus in Peterborough, for 2,000 students from September 2022 growing to 5,357 students by 2030 (see table below), with a curriculum and delivery model to meet the skills needs that growth in the Greater Peterborough business base will generate.

	Phase 1		Phase 3						
Year	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
On-campus	920	1533	2081	2345	2532	2666	2755	2821	2882
Off campus	1080	1477	1943	2080	2229	2308	2371	2422	2475
Total	2000	3010	4024	4425	4761	4974	5126	5243	5357

The plan for the courses to be provided, space and staffing levels required is to be developed to support Greater Peterborough and the Fens' key sectors. An initial economic appraisal of the teaching phases of the project (phases 1 and 3) has been developed based on the following parameters and assumptions:

- a. Phase 1 delivers 2000 students from September 2022 growing to 3010 students by September 2023 with a £30.3m grant contribution and an estimated £4m land contribution from PCC.
- b. Phase 3 requires an additional £28m of public sector monies (bringing total public expenditure up to £62.3m including the land contribution) with 1014 students starting in September 2024, rising to 2347 by September 2030.

The full impacts and costs have been applied over a 10-year period from 2020/21, with the following main assumptions:

- Fiscal costs are incurred as draw down of government grant in line with the capital expenditure profile for the project.
- Benefits of operations of the University from year 1 to 10 – staff and supply chain expenditure.
- GVA and fiscal benefits are estimated on the basis of uplift to salary from gaining a degree (i.e. the difference between graduate and non-graduate salary).

- Assumed that 50% of graduates who have attained a HE qualification and graduate salary, would have not otherwise done so in Peterborough and the surrounding area.
- GVA and fiscal benefits accrue from the salary uplift from non-graduate to graduate salaries – assumed can attribute 50% of these benefits to the University investment.
- Graduate salaries increase by 3.5% per year, non-graduate salaries by 2.5%.
- Increase in University staff salaries is set at 2% per year.
- Discount rate of 3.5% per year.
- GDP deflator of 2.0% per year.
- Local student expenditure is not modelled – it is assumed this would occur anyway if the individuals were instead not to go to university and chose to stay and work in Peterborough in non-graduate jobs.

Economic appraisals of the ‘**Do minimum**’, ‘**Phase 3 stand-alone**’, and ‘**Recommended**’ options have, therefore, been conducted on the following basis:

- Direct staff employment follows the forecasts from ARU’s Operating Model for phase 3 received on the 7th December 2021.
- Indirect employment is anticipated to be 200% of the direct employment reflecting the buying power of the institution, its staff and its students.
- Average GVA per employee for direct and indirect jobs created is estimated at £42,000.
- Average graduate salary in 2018 is £34,000, average non-graduate salary is £24,000. Grad salaries inflate at 3.5% per annum, non-graduate at 2.5%. GVA from graduate employment is calculated as 161% of total salary uplift (difference between graduate and non-graduate earnings).
- For the Do Minimum option, further growth is projected arising from the proposed intervention (+1%) making the combined growth factor +3% above the baseline.
- Additional corporation tax revenues from enhanced GVA are forecast at 1.36% of the GVA generated.
- PAYE from new jobs created has been estimated based on tax rates for 2019/20 per graduate level job.
- National Insurance Contributions from new jobs has been estimated at 11.1% of salaries per employee

A summary of the impact and value for money over 10 years is provided in the table below:

Appraisal Outputs	Phase 1 maximum 3,010 students per annum reached in 2023/24	Phase 3 – maximum of 2,347 students reached in 2029/30	Phase 1 + 3 combined
Total Net Present Benefits (10-year)	£294,504,261	£68,919,214	£363,423,475
Total Net Present Costs (10-year)	£29,020,967	£25,374,505	£54,395,472
Net Present Value (10-year)	£265,483,294	£43,544,709	£309,028,004
Benefit Cost Ratio (10-year)	10.1	2.7	6.7
Additional graduates to 2029/30	14,311	3,510	17,821

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

1. Increased employment as a direct result of the creation of additional teaching space for the University as staff are recruited.
2. Employment created in the wider economy as an indirect result of the creation of the new University.
3. The economic benefits from the salary uplift from studying the additional HE courses available as a result of Phase 3 and gaining graduate level employment as new graduates enter the workforce and graduate level jobs are created, attracted or retained within the region.
4. Benefits to the exchequer from increase wages, personal and corporation taxes.

2.2.2 Risk appraisal

The key risks with respect the economic appraisal all lie in the ability of ARU-Peterborough/the university to deliver the predicted 2,347 additional student numbers by 2030, as contained in their Operating Model for Phase 3 over and above those already agreed and committed to under phase 1 (i.e. the capacity for 3,010 students by September 2022).

The economic appraisal is vulnerable to fluctuations in the numbers of students recruited and graduated by the University as highlighted in the sensitivity analysis below. The ability to recruit locally based 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 majority of UK university applicants are still planning to start university in the autumn despite ongoing uncertainty around term times and course administration. While Covid-19 is a high risk for those over 60, traditional-aged university students face relatively low risks from the disease. However, in recent weeks, we have seen just how quickly the novel coronavirus can spread in areas with a high concentration of people – and university campuses are no exception. According to a recent survey by UCAS, almost nine out of every ten undergraduate applicants said they still plan to head to university in September or October.

The number of 18-year-olds in the UK is growing. More people tend to go to university during recessions, as job numbers shrink, and students look to 'up-skill'. For phase 1 ARU provided an analysis of HE demand in the region, which predicts an increase in the number of 18-year-olds over the next 5 years leading to a 13% increase in students entering HE by 2025. Nationally, the Higher Education Policy Institute, October 2020 stated that nationally even without increase in demand in participation, demographically there would be an increase in demand of 40,000 full time higher education places in England by 2035 due to the rises in the 18-year-old population. ARU's local demographic analysis suggests also that this new demand is likely to be from groups who are more likely to stay in the region to study and then subsequently to work.

According to the Higher Education Policy Institute, over 350,000 more higher education places will be needed in England by 2035 to keep up with demand²⁴. The report shows for England:

- if demography were the only factor, without any increase in participation, there would be an increase in demand of 40,000 full-time higher education places in England by 2035 due to rises in the 18-year-old population;
- if participation also increases in the next fifteen years at the same rate as the average of the last ten years, then this increases to a demand of 358,000 full time higher education places by 2035; and
- the greatest growth in demand will be seen in London and the South East, due to both demographic changes and patterns of participation. Their projections suggest that over 40% of demand for places will be in London and the South East.

2.2.3 Preferred option

The economic appraisal of the three options presented above shows that the Benefit Cost Ratio (BCR) for the recommended option still far outstrips the alternatives. This review confirms the Recommended option as delivering very good value for money (VfM).

The preferred option delivers a Benefit Cost Ratio of 6.7 based on current costings and student numbers. While this is a significant reduction from the value of delivering Phase 1 alone, it is still an exceptional return according to government guidance and benchmarks which defines the VfM category as:

- Poor VfM if the BCR is less than 1.0;
- Low VfM if the BCR is between 1.0 and 1.5;
- Medium VfM if the BCR is between 1.5 and 2.0;
- High VfM if the BCR is between 2.0 and 4.0; or
- Very high VfM if the BCR is greater than 4.0

However, reducing this project to a simple BCR number belies the fact that the success or failure of this investment in Peterborough, relies on many factors. Simply assuming that such a high BCR value assures its success can lead to a false sense of comfort. The Economic Analysis is only one part of a well-informed decision.

2.2.4 Sustainable Growth Ambition benefits

The Combined Authority has adopted six key themes to assess each supported by project.

Theme	Ambition	Contribution
Health and Skills	Building human capital to raise both productivity and the quality of life.	Improved resident wellbeing through access to culture, with positive benefits for physical and mental health.

²⁴ <https://www.hepi.ac.uk/2020/10/22/new-hepi-report-reveals-over-350000-more-higher-education-places-will-be-needed-in-england-by-2035-to-keep-up-with-demand-while-scotland-will-see-a-decline-in-demand-for-places-over-the-same-period/>

Climate and Nature	Restoring the area's depleted natural capital and addressing the impact of climate change on our low-lying area's special vulnerabilities.	Regeneration of open green space upcycled from a mixed brownfield site with cycle paths and pedestrian footpaths lined into broader Peterborough networks.
Infrastructure	From digital and public transport connectivity, to water and energy, building out the networks needed to support a successful future.	Improved cultural and heritage offer that is more visible and easier for residents and visitors to access.
Innovation	Ensuring this area can continue to support the most dynamic and dense knowledge economy in Europe.	Increase in graduate numbers working in the city leading to increase productivity through a higher skilled population.
Reducing inequalities	Investing in the community and social capital which complement skills and connectivity as part of the effort to narrow the gaps in life expectancy and income between places.	Reduced deprivation in a left-behind area with a persistent skills gap. Increase in civic pride, leading to increased wellbeing, health and life expectancy along with a reduction in anti-social behaviour.
Financial and systems	Improving the institutional capital which supports decision-making and delivery.	Structured risk management regime, residual risk will be systematically appraised and revaluated at strategic points during the life of the project.

2.2.5 Sensitivity analysis

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

- 50% reduction in Net Present Benefits.
- Doubling of the construction costs.

The key outputs from these appraisals are summarised in the table below:

Sensitivity Tests	Recommended Baseline	Sensitivity to 50% drop in Net Present Benefits	Sensitivity to failure to create graduate jobs with Construction Costs Doubled
Total Net Present Benefits	£363,423,475	£181,711,738	£ 363,423,475
Total Net Present Costs	£54,395,472	£ 54,395,472	£ 108,790,944
Benefit Cost Ratio²⁵	6.7	3.3	3.3

Therefore, even allowing for these significant risks, the preferred option still returns a strongly positive net present value and BCR is sustained. Therefore, there remains a strong economic case for investing in the Recommended option to generate direct and indirect benefits for the region.

Further sensitivity analysis has been conducted in respect of student numbers as follows:

- Scenario A: Phase 3 student numbers reach a maximum of 1600 in 2026/27
- Scenario B: Phase 3 student numbers reach a maximum of 1400 in 2025/26

In Scenario A, the BCR for Phase 3 is 2.7 over a 10-year period (compared to base case of 2.7). This hardly changes because of the graduate numbers not being affected so much. In 2026/27, there is only a small reduction in graduate numbers between 2027/28 and 2029/30 (three years), as the benefits are measured over the time-period 2020/21 to 2029/30.

In Scenario B, the BCR for Phase 3 is 2.3 over a 10-year period (compared to base case of 2.7). This

The key outputs from this review is summarised in the tables below:

Base case	Phase 1 + 3	Phase 1 alone	Phase 3 alone
Total Net Present Benefits	£363,423,475	£294,504,261	£68,919,214
Total Net Present Costs	£54,395,472	£29,020,967	£25,374,505
Net Present Value	£309,028,004	£265,483,294	£43,544,709
Benefit Cost Ratio	6.7	10.1	2.7
Scenario A: phase 3 max 1600 students from 2026/27			
Total Net Present Benefits	£362,601,373	£294,504,261	£68,097,112
Total Net Present Costs	£54,395,472	£29,020,967	£25,374,505
Net Present Value	£308,205,902	£265,483,294	£42,722,607
Benefit Cost Ratio	6.7	10.1	2.7
Scenario B: phase 3 max 1400 students from 2025/26			
Total Net Present Benefits	£353,896,203	£294,504,261	£59,391,942
Total Net Present Costs	£54,395,472	£29,020,967	£25,374,505
Net Present Value	£299,500,732	£265,483,294	£34,017,437
Benefit Cost Ratio⁸	6.5	10.1	2.3

²⁵ Given by Net Present Total Benefits/Net Total Costs

The conclusions from this further sensitivity testing, is that in Scenario A, the reduction in phase 3's capacity to 1,600 doesn't significantly affect BCR at all because:

- Impacts calculated over 10 years from 2020-21 to 2029/30 so the reduction only affects the tail end of this period
- Benefits are calculated by no. of graduates (earnings) – so there's a lag from when students start then graduate and start earning
- Difference in graduates over the three years from 2026/27 to 2029/30 isn't significant

However, in Scenario B the reduction to 1,400 does affect benefits and BCR. This would be highlighted further if phase 3 were assessed over 15 or 20 years. The BCR for phase 3 alone drops to a value of 2.3. Though still acceptable, this would make Phase 3 a border line project if it were to be submitted in a competitive round for public funding.

There remains a strong economic case for continuing with the Recommended option to generate direct and indirect benefits for the region. However, if financial pressures necessitate a cut in the phase 3 building's floorspace to keep within budget, then we would advise that the reduction in student numbers be kept to a minimum.

3 Commercial Case

3.1 Structure of the deal

3.1.1 Procurement strategy

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 the Combined Authority and PCC where PCC have committed to providing land in phases for use in the development of the new University campus. The valuation of the land has yet to be agreed and a valuation will be commissioned by PropCo1 along with the necessary due diligence of the land following approval of this Business Case. For the purpose of this Business Case, the land valuations used for Phases 1 & 2 have been applied to the plot required for phase 3. The procurement of the land from PCC may require an Advertised Sale via a notice in the local press (it is publicly owned land for disposal under the 1972 regulations).
2. **Professional team procurement:** as part of the early mobilisation plan, the Combined Authority has started procurement of the multidisciplinary team using the Crown Commercial Services Framework. The procurement is planned to be complete with the team appointed by mid-February 2022, following approval of this Business Case.
3. **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 work associated with Phase 3.
 - b. On plot infrastructure works, utilities, road, car parks, landscape and ancillary buildings.
 - c. Building and internal fit out (including IT and AV).

The Combined Authority may undertake a supplier event to explore the market opportunity for the delivery by the main contractor. This will establish the market appetite from the market for the delivery of the phase 3 scheme and on what basis the scheme can be procured. Following the supplier event, a detailed procurement strategy will be prepared outlining the interface with design, route to market through OJEU or existing frameworks and the package strategy to align warranties with current works being implemented, for approval ahead of procurement action commencing.

3.1.2 The contract

Buildings/Infrastructure

Form of contract

The construction works are likely to be delivered via a Design & Build procurement route using a two-stage tendering process and an industry standard form of contract. A design and build procurement route will provide the Combined Authority (acting under a development management agreement) with a fixed price for the construction works, which will reduce the Combined Authority's exposure to potential overspend. By adopting a two-stage tendering process, the Combined Authority's client team will work with the contractor on an

open-book basis to ensure competition is maintained throughout the second stage, and that risks are appropriately allocated and managed. Long-lead items and works packages will be reviewed with the Main Contractor to verify competition throughout the supply chain, and to offer greater financial certainty to all parties. In addition, this procurement route will give PropCo1 the opportunity, where necessary, to place early orders for long lead items ahead of contract award for packages such as piling or structural frame to secure prices or minimise programme risk. This process will assist in ensuring the contractor's risk pricing is reduced and hence achieve value for money.

It is proposed that the JCT Design & Build form with client amendments is used, in line with approach adopted for delivery of phases 1 and 2. This is an industry recognised and widely used contract form, which ensures all parties are familiar with the structure, risk apportionment, key provisions, and contractual procedures/mechanisms. It is typical for clients to amend this form to insert additional provisions around risk apportionment and payment. It will be necessary for PropCo1 to procure professional legal advice required for the necessary client amendments to this form of contract.

There is also an opportunity as part of the design development process to further review the procurement strategy outlined above in the light of changing market conditions, with any alternative viable procurement route submitted for approval ahead of procurement action commencing.

Payment mechanisms

PropCo1 will appoint the main contractor and make payment under the agreed form of contract via the company held bank account.

Following procurement of the consultant team, PropCo1 will appoint them and be responsible for paying for the design, procurement and delivery of the phase 3 building under the agreed 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 be 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 interim monthly valuations of progress completed on site and applied for via the Main Contractor's Interim Applications for Payment. These applications will be verified by the Combined Authority's appointed Quantity Surveyor through valuation/inspections on site, validated through the necessary payment notices and paid in accordance with the contract terms as part of the delegated authority from PropCo1.

Further payment amendments may be proposed on advice from PropCo1's legal advisers, to ensure that the contractor signs up to the fair payment charter and that prompt payment is made throughout the whole supply chain.

Accountancy Treatment

As no PFI or similar arrangements are proposed for construction of the phase 3 building, no accounting treatment questions arise for presentation in this Business Case. PropCo1, a local authority controlled joint venture company, will own the asset once constructed and this will be incorporated into the financial statements of the local authorities accordingly.

3.1.3 Risk apportionment

The apportionment of risk for the 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 (PropCo1). The risk register appended at Annex 6.1 identifies several key infrastructure risks for the delivery of the Phase 3 building, noting the risk likelihood, severity, and time and cost impact, and proposed mitigation strategy.

3.1.4 Implementation timescales

The timeline of events follows the approved project master programme (see project plan in Chapter 5, Management Case), to meet the key project milestones outlined in the successful LUF funding application to achieve spade in the ground in Q1 2023, completion of the building structure by March 2024 noting that the memorandum for agreement between Department for Levelling up Housing and Communities and PCC (currently being drafted) states in clause 4.10 that the Council must spend all grant funding by the end of the funding period, 31 March 2024.

This will be followed by completion of the fit out of the living lab and teaching facilities by September 2024. The programme makes no allowance for delay in determination of the full planning application for phase 3 and assumes the critical path is maintained in line with the project plan outlined in the Management Case.

3.2 Deliverability

The LUF bid application proposed a phase 3 building of 3000m² Gross Internal Area, of new space, of which 1,000m² will be dedicated community and cultural space for the Living Lab and associated community learning space derived from a fixed budget of £27.9m. This includes a construction budget sum of £26M with an allowance for land purchase. Following a RIBA 1 site appraisal and optioneering process, it is apparent that a smaller building will have to be delivered to meet the £27.9m budget, while still supporting an additional 1,700 students. A revised design proposal has been prepared for a phase 3 building based on a 2,900m² Gross Internal Area (rounded up); a multi-use educational facility suitable for a mixed use of working, learning, teaching, collaborating inclusive of 1,000m² GIA Living Lab. The land on which this phase 3 building will be located is notionally defined based on logical physical boundaries (back of footpath) etc. and logical extension of the current infrastructure strategy for phase 1 & 2. The actual red line will be subject to finalisation of RIBA 2 design by the appointed consultant team, relevant approvals from PCC relating to the release of land from other uses and legal due diligence by PropCo1 through the landowners PCC.

The site location taken forward as part of this Business Case has been selected following evaluation of a number of options outlined in the RIBA 1 report, Option 1 to the east of the current phase 1 and 2 developments and Option 2 to the south of the phase 2 development emerged equal in overall scoring.

Both locations are considered to have good cohesiveness with the campus created in phases 1 and 2 creating a strong sense of 'campus' and protects the student and staff experience

during future phases of work. Phase 3, site option 2 to the south of the phase 1 and 2 buildings remains the preferred option for the location of the Living Lab. However, given the planning difficulties associated with the replacement of the Artificial Pitches, Option 1 (Regional Pool Car Park) is considered the most deliverable at this stage in meeting the LUF funding milestones but is subject to relevant approvals from PCC as landowner and car park operator. This decision will be reviewed on appointment of the consultant team for phase 3, prior to commencement of the next stage of the design process (RIBA 2) once further detail is known on the associated planning issues.

The building will include all associated external landscaping and infrastructure, all delivered within the available cost envelope (currently £27.9m). The revised building is an appropriate size for a building of this nature and allows more flexible use of the building as an adaptable asset for the future.

3.2.1 Budget Estimate

An order of cost estimate has been developed for 4 site options within the embankment area. Each site offered specific benefits, but also significant cost constraints that impacts on their suitability for the phase 3 building. A general review of the sites has highlighted the requirement to increase infrastructure capacity for Phase 3, the potential for cost significant and onerous planning conditions on any of the sites and the challenge of keeping a cohesive feel to the longer-term development of the University campus.

Following a review of the options, two remain, of which option 1 is being taken forward as part of this Business case, based on its deliverability within the constraints of the LUF funding. On appointment of the consultant team by the Combined Authority (as development managers) in February 2022, should Option 2 (not included in this Business Case) be considered further, then that option will require the following costs to be accommodated:

- To relocate the existing sports pitch (exclusive of land costs), options under review by PCC.
- Logistics and access to site during construction, along the edge of the regional pool car park through temporary access road.
- Increased infrastructure route beyond Phase 1 and 2 building pending UKPN advice
- Ecology and works within the tree belt.

Other than the above, all other cost assumptions remain the same as option 1 (the option included in this Business Case)

An Order of Cost Estimate of how the budget is derived is shown below to reflect option 1 (further detail of costs associated with other options can be found in Annex 6.2). The construction works costs have been benchmarked against known industry data for similar size and quality educational buildings and are aligned with the median cost parameters.

Budget / Site Analysis		University of Peterborough - Phase 3 Development				
Project Summary					14 December 2021	
Option 1						
Elem Ref					Cost Target £	£/m2
1-7	Building Works (excl Externals works)				9,008,956	3,156
8	External Works				1,268,831	444
					10,277,788	3,600
	Option Specific Abnormals					
i	Sustainability initiatives allowance (based on 20% of building building works total)			20%	1,800,000	630
ii	Remove existing and replacement of RP Car Park				675,000	236
iii	Replacement of MUGA pitch				N/A	N/A
iv	New site access from Bishop's Road (incl s278 and s106)				175,000	61
v	Ecology and replacement/removal of tree belt				N/A	N/A
vi	Existing services diversion etc (as CPW notes)				20,000	7
vii	Haul road for construction				N/A	N/A
viii	Increase to infrastructure routes				N/A	N/A
ix	Earthworks to deal with surface water flood risk				N/A	N/A
x	Obstructions in ground				N/A	N/A
xi	Allowance for GAHE / GSHP, incl infrastructure (incl in sustainability allowance)				Included	N/A
		Works Cost Estimate		£	12,947,788	4,535
9	Main Contractor's Prelims			8%	1,035,823	363
10a	Detailed Design			5%	647,389	227
10b	Main Contractor's OH&P			3%	438,930	154
10c	Main Contractor's Risk			3%	452,098	158
10d	Pre-Construction Fees				Inc.	Inc.
	Construction Total (Exc. Inflation)			£	15,522,028	5,437
11a	Fees & Surveys			11%	1,707,423	598
11b	Legal Costs (Client to advise)				300,000	105
12a	Client Project Costs (Client to advise)			5%	776,101	272
12b	PropCo Staff Costs (Client to advise)				300,000	105
13a	Design Development Risk			5%	930,278	326
13b	Client Risk and Contingency			5%	930,278	326
	Cost Limit (Excluding Construction Inflation)			£	20,466,108	7,169
14	Inflation; to 4Q23 (applied to 0-10 and 12-13)			5.8%	1,187,034	416
	Cost Limit (Including Construction Inflation)			£	21,653,142	7,584
15	VAT (applied at the prevailing rate - subject to specialist advice)			20%	4,330,000	1,517
		Estimated Outturn Costs		£	25,983,100	9,101
					GIFA	
					2,855 m2	

Benchmarking

A benchmarking exercise has been undertaken to review the build cost. Benchmarking data represents an average cost per typical building element, represented as a cost per m² of Gross Internal Floor Area and excludes site specific abnormal elements such as facilitating/demolition works, and external works, to allow a fair comparison. The benchmarking below is representative of schemes delivered 5 to 15 years prior to Brexit and Covid-19 and gives an indication of an average build cost (£Nett/m²) of approximately £3,062/m² (excluding site facilitating and external works) (BCIS²⁶ data).

To further support the above data, the phase 1 and 2 build costs, which were tendered post Brexit and Covid-19, incorporate the Combined Authority and ARU design standards, and known site wide conditions have also been benchmarked. The benchmarked cost of phases 1 and 2 is £3,936/m². This benchmark figure has been used for the phase 3 development to ensure a more robust comparison.

This use of the more current phase 1 and 2 cost benchmark supports the conclusion that the proposed phase 3 building can be delivered in the current market and to the Combined Authority standards and specifications within the estimated budget.

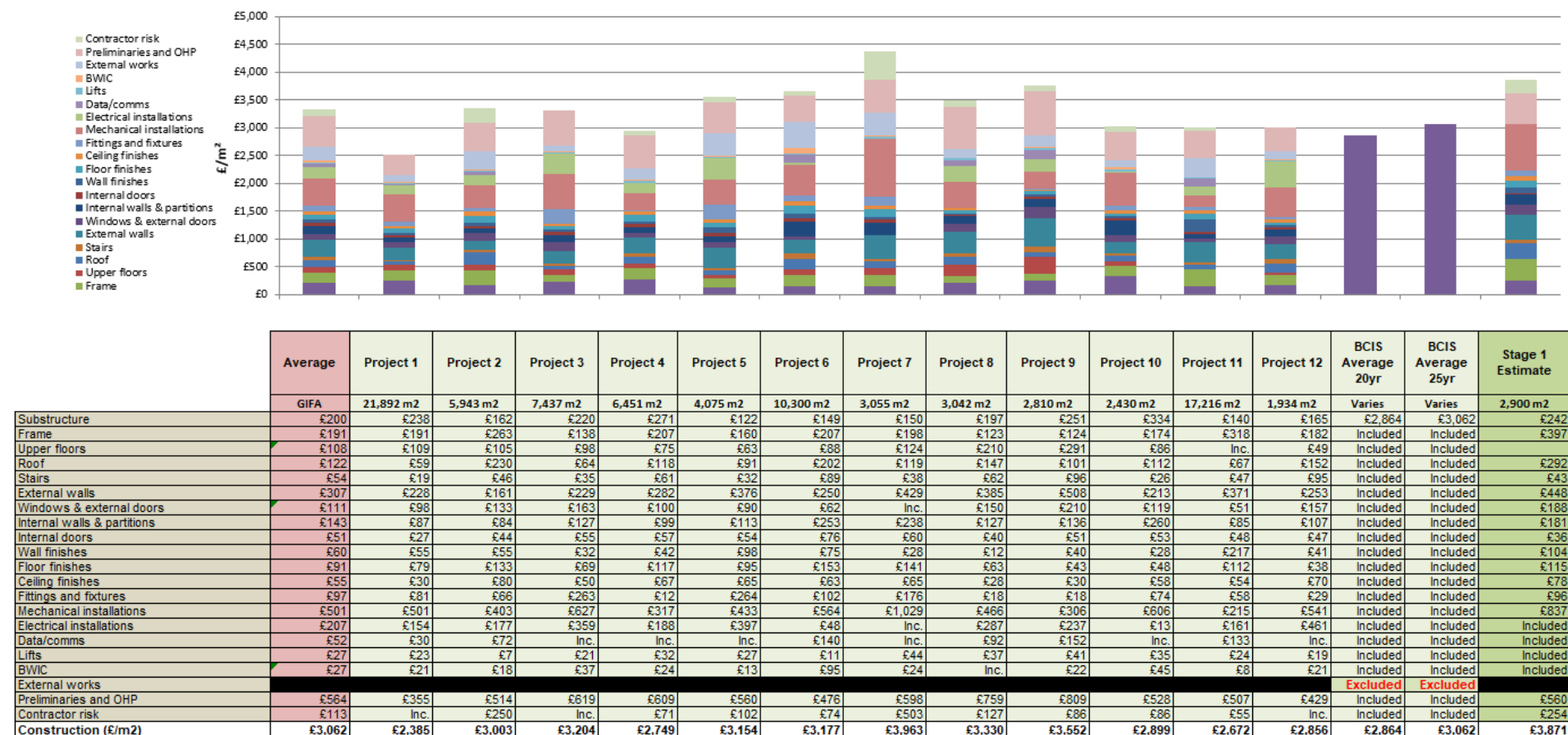
These costs exclude any cost for land acquisition which is addressed separately and does not form part of the capital costs. VAT has been applied at the prevailing rate of 20% and is not recoverable as confirmed by the Combined Authority. The Combined Authority have made allowances for their costs acting on behalf of PropCo1 taking responsibility for design, procurement, and delivery of phase 3 as outlined in the management case. These costs include:

- Combined Authority Staff costs.
- Banking and Audit.
- Financial software, insurances, company secretary fees.
- Legal Costs associated with completion of the shareholders agreement, land transaction not relating to the main contract.

Additional cost allowances have been made for known site-specific conditions.

²⁶ Building Cost Information Service (BCIS)

University of Peterborough
General Teaching New Build (Base date: 4Q21 (351) / Location: Peterborough (99))
Average Build Cost - Excluding external works



Sustainability

A 20% uplift to the build cost, a notional allowance, has been included to enable the implementation of sustainability measures as may be desired. The LUF bid indicated support for the Governments net zero objectives through building design and technologies. At RIBA 1, several sustainability frameworks (BREEAM, Passive Haus etc) were discussed for suitability particularly towards achieving NZCiO²⁷. Consideration to materials selection/choice, use of passive building fabric design principles and potential renewable energy solutions to support the sustainability requirements. The design team (to be appointed by the combined authority) will review sustainability options following their appointment in February 2022 to integrate into the design. This is in line with PCCs decision to announce a Climate Emergency in July 2019 and its commitment to make the Council's net zero carbon by 2030 and to influence partners decisions on the same.

In regard to the Combined Authority's duties under the Natural Environment and Rural Communities Act 2006 to "conserve biodiversity" and the Cambridgeshire and Peterborough Vision for Nature, a full Natural Environment Analysis will be undertaken in parallel with the RIBA Stage 2 Design for phase 3. This will include opportunities for conserving biodiversity, restoring or enhancing species or habitats.

ARU has pledged to incorporate sustainability into every aspect of the University's conduct and administration; from its formal and informal curriculum, to student life and activities, through to sustainability research and the impacts of campuses. Through its Sustainability Strategy 2020-26, ARU is incorporating sustainability and environmental awareness across teaching, research and University operations. The strategy gives a clear path towards a more sustainable University, a cross four goals

- Through its Education for Sustainability programme, ARU encourages our students to be the change, equipping them with the skills and values they need to help create a more sustainable future.
- ARU takes a distinctive approach to research – focusing not only on its academic quality, but also on its real-world impact.
- ARU strives, through its operations, to continually improve the environmental performance of its campuses, and the sustainability of its business processes.
- ARU continues to make positive contributions to its communities, both within the University and in the wider area, through partnership and collaboration.

Car parking for phase 3

The current cost allowance is for 12 parking spaces on campus for phase 3. The car parking requirements for phase 3 option 1 located on the regional pool car park is based on staff and student car parking capacity being accommodated in existing car parks in the city centre as a result of change in post Covid utilisation. Along with relocation of 128 spaces from the regional pool carpark that will need to be relocated for option 1 to be constructed as detailed in the section below on displaced services.

In addition, there will be a cost to phase 3 by way of contribution to transport mitigation, which has been considered within the building cost allowance for phase 3.

²⁷ Net Zero **Carbon** in Operation

There remains a residual risk that the parking provision on or off plot and any associated impact on the current road network exceed these assumptions, although there are insufficient details to quantify the scale of the risk there remains opportunity to value engineer the scheme while still meeting the outcomes in the LUF at the start of RIBA 1 on appointment of the consultant team. The timeline must be in place for Q4 2022 at point of contract close (inclusive of land transfer, shareholders agreement) and determination of planning. Early pre applications with the planning and highways teams at PCC will go some way to determining the nature and scale of early interventions or mitigations required to allow decisions to be taken in a timely manner.

Site Access

A cost allowance has been made for the creation of new access from Bishops Road and for some local s278 works associated with that access, which may be a planning requirement. Based on the assumption that all parking will be accommodated in current surplus, further offsite improvements allowances have been made within external works allowances as phase 1. Given the existing use of the Option 1 site is a 200-space car park, traffic movements are unlikely to exceed current baseline levels.

Displaced Services

The selection of option 1 for the phase 3 development necessitates a cost allowance for the provision of 200 car parking spaces relocated to Bishops Road car park, to replace the existing Regional Pool car park with another at grade carpark solution (exclusive of land costs). This must be relocated by January 2023 at the point of contract award, along with necessary changes to legal agreements as part of the documents presented with contract close end Q4 2022.

The above car park spaces exclude the 128 car parking spaces currently included as a planning condition for phase 2, as these are funded as part of the overall phase 2 funding package.

3.2.2 Procurement

The two stage Design and Build procurement strategy proposed can be beneficial for a project of this size and nature. Early Main Contractor involvement following the first stage of the tender process enhances the buildability of the scheme and supports early engagement of the supply chain.

Construction projects of this nature are desirable to a Main Contractor within the current construction market, however inflationary pressures as well as supply chain and labour issues brought about by Brexit and further increases as a result of Covid-19, are having a tangible impact on the short to medium-term pipelines of work for main contractors. Therefore, although a high level of competition is expected, this will inevitably impact tender prices. The project construction timescales are achievable, although tight, and the works are generally viewed as low risk, which should be reflected in the Main Contractor's commercial offer. It is anticipated that the Covid-19 pandemic will have limited on going risk and impact to site operations, however changes to government regulations on how Covid-19 is managed is a minor risk worth noting.

As the cost estimate is broadly based on tendered costs for phases 1 and 2 currently on site, many of the risk factors are already covered within the cost estimate and some inflation uplift has already been applied to accommodate any price changes in the lead up to procurement of the Main Contractor. It is also anticipated that in the period leading up procurement, delays in materials and labour supply would have eased.

Within the surrounding regions there is 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 strong supply of main contractors, and subcontractors who operate in the area and therefore interest in this scheme is expected to be high throughout the supply chain, which will typically result in competitive pricing. We, therefore, expect a high level of interest for the project from a large number of suitable contractors who have a strong portfolio of construction projects in the HE and Local Authority sectors. 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
McAleer & Rushe	London
McLaren Construction	Birmingham
Morgan Sindall	Rugby
Multiplex Construction	London
Osborne	London
Vinci Construction	Cambridge
Wates Group	Cambridge
Willmott Dixon	Milton Keynes

3.3 Covid-19 impact assessment

Data from the Cambridgeshire & Peterborough Independent Economic Review (CPIER), updated by new, ongoing econometric work to assess the extent of economic scarring resulting from the Covid-19 crisis, predicts that Peterborough and the Fens, will be one of the hardest hit economies in the UK. This is supported by the recent Centre for Cities study putting Peterborough as the 5th most “at risk” city in the UK from the economic impacts of Covid-19.

This is partly due to education deprivation (Peterborough is in the bottom 10% of all UK cities), resulting in a less resilient and adaptable workforce. It is also partly due to the region’s low-tech industrial base, characterised by increasing levels of administration and logistics employment, a waning high-value manufacturing sector and a reducing proportion of knowledge intense jobs. These factors combine to increase risks of the region also being one of the slowest to recover.

Therefore, a more inclusive recovery and regrowth strategy is needed for region’s economy. To recover the region’s growth ambitions requires action to be taken to increase higher value, more knowledge intense and more productive growth. Changing the spatial distribution of economic growth and supporting an increase in innovation-based business growth across the whole of the Combined Authority economy, was a key recommendation from the CPEIR and formed the basis of the following three priority goals of the Local Industrial Strategy; this will be more important than ever in the recovery following the Covid-19 crisis:

- To improve the long-term capacity for growth in Greater Cambridge to support the expansion of this innovation powerhouse and, crucially, reduce the risk of any stalling in the long-term high growth rates that have been enjoyed for several decades.

- To increase sustainability and broaden the base of local economic growth, by identifying opportunities for high growth companies to accelerate business growth where there is greater absorptive capacity, beyond the current bottlenecks to growth in Greater Cambridge.
- To do this by replicating and extending the infrastructure and networks that have enabled Cambridge to become a global leader in innovative growth, creating an economy-wide business support and innovation eco-system to promote inclusive growth

In common with a number of cities in the UK, the establishment of a university and associated innovation eco-system could produce the knowledge engine to drive the increased worker skills to raise business productivity, innovation, and knowledge intensity, capable of accelerating the economic recovery rate, in these “left-behind” towns.

3.3.1 Immediate Impact on ARUs business model (and that of ARU Peterborough)

ARU is a large university operating at scale across several campuses (including Peterborough) with a shared cost model. ARU has a long history of successful financial management. Its financial model is not heavily geared, consistently returns a surplus and the University has taken difficult decisions quickly when required. ARU’s business model rests on quick decision taking and being a first mover in the market, for example:

- First new medical school for 12 years.
- First to invest heavily into Degree Apprenticeships (now largest UK provider of these and a thought leader in their development).
- Early mover into Policing degrees.

ARU delivers bespoke portfolios and delivery models for customers, for example:

- ARU London offers flexible courses (e.g. 2 days per week) and has grown from 3,800 to around 9,800 students in the last 4 years.
- Offering employer focussed courses
- Degree Apprenticeships that are in tune with the market and able to respond very quickly to opportunities and requests

Following the impact of Covid-19 ARU set up a Covid 19 task force (September 2020 Delivery Project) and made an immediate move to online delivery. Its business model is less exposed to the potential impacts of Covid-19 than other HEIs, for example:

- ARU is not heavily reliant on international students (see numbers in section 1)
- It has dispersed campuses (with limited competition) and Covid-19 is likely to see more students staying in the region to reduce travel, allowing them to study from home.
- ARU has low building overheads (compared to other HEIs) as a result of its employer and employment-based curriculum.
- ARU’s strong base in health and public services is in tune with growing interest.
- ARU has had an increase in turnover over past year (& forecast for this) and overall student population.
- ARU has long experience in distance learning and has already successfully blended delivery with a viable strategy for September 2020 across all campus activity, providing clear reasons to bring students onto campus to further enhance their experience of working in small groups, using specialist facilities and equipment etc. This learning will have matured and embedded into delivery well before the new University opens in Peterborough in 2022.

- ARU has heavily invested in learning technology, for example their learning management system (Canvas) is state of the art and able to support and deliver an outstanding educational experience.

3.3.2 Target market segments

ARU has launched a Mobilisation Strategy and is finalising mobilisation plans (operational activities) across 7 workstreams (monitored on a monthly basis through our ARU Steering Group) covering the following areas of work

- Course development
- Learning resources and Infrastructure
- Workforce development and employee relations
- Legal, Finance and Governance
- Marketing and recruitment including admissions
- Stakeholder engagement
- Student support including SU

ARU has already launched twenty-seven courses as the phase 1 portfolio for the new University in Peterborough. This includes an innovative course design methodology including engagement with key stakeholders (schools, colleges, businesses, community groups). A data led approach to market segments has been implemented.

Key strengths of ARU that help to mitigate the risk posed by Covid-19 include:

- its range of provision, not being reliant on one or two markets;
- extensive employer engagement (150 companies in phase 1);
- flexibility, adaptability and agility in response to changing market conditions;
- ability to invest in short courses
- expertise and capacity in marketing and recruitment activity; and
- existing use of virtual Open Days, Virtual Applicant Days and Virtual Q+

While the original Academic Delivery Provider procurement process did not allow for conversations with industry, this work has now progressed through ARU's stakeholder engagement workstream and the new senior management team to further develop industry partnerships in Peterborough and the wider region. ARU is using both existing contacts and, where relevant, those in the Combined Authority's networks. Opportunity Peterborough and other regional bodies provide another route to engage with local businesses, to create awareness and develop courses that will ensure the current and future talent pool in the region is trained and work-ready. Specific activity has focused on the different market segments identified below.

18–24-year-olds from the local demographic

Population estimates of the numbers of 18–24-year-olds in the region indicate HE is about to enter a period of growth in the market, not least due to the latent demand in the “cold spot” identified in section 1 (approximately 24% of 18–24-year-olds in the region are in full time education, compared to around 33% nationally).

Area	Population (18-24 year olds)
Peterborough	14,184
Cambridgeshire	59,133
East Cambridgeshire	5,497
Fenland	7,082
Huntingdonshire	11,526
Total	97,422

ARU's analysis of HE demand in the region, predicts an increase in the number of 18-year-olds over the next 5 years leading to a 13% increase in students entering HE by 2025 (up to 6,105) with a static participation rate of 44%, and a 20% increase (up to 6,521) if the participation rate grows to the England average of 47%. Demographic analysis suggests also that this new demand is likely to be from groups who are more likely to stay in the region to study and then subsequently to work.

ARU will use its existing footprint to leverage demand (e.g. Guild House and the long established Nursing provision). Its approach is to bring in a Recruitment and Marketing team quickly to create demand, build intelligence and assess local need and infrastructure. They are creating relationships in the schools/colleges and wider community with dedicated outreach resources.

ARU has recruited an experienced Student Recruitment Manager who is based in Guild House with a team of marketing, outreach and recruitment specialists, supported by the wider ARU Marketing and Communications Directorate. They are engaging with the community, adopting a marketing approach of 'think local, act local'.

First generation HE students of all ages

ARU undertook a segmentation exercise to identify key segments followed by communications and marketing activity to build awareness with first generation and 21+ prospective students. They have leveraged their digital capability to widen reach including Virtual Open Days, Virtual Applicant Days and Virtual Q+A's. Their stakeholder comms plan focuses on creating demand (working with community groups).

People who are unemployed, retraining or upskilling (esp. post COVID-19)

ARU's Canvas platform is robust and effective, and they are developing 'tasters'; short programmes that will help build student confidence through bite size chunks of learning and online delivery. Virtual Open Days etc will again have a part to play here. ARU is also working in partnership with other providers e.g. CWA.

Large Corporates and bespoke apprenticeship programmes.

ARU has a strong track record in Degree Apprenticeships, built on a reputation for vocational based HE provision; a brand that will be further carried into Peterborough. Key activities and interventions to target this market segment include:

1. Leveraging ARU's existing Degree Apprenticeships course list:
 - a. While these require post-Covid-19 review, those listed continue to be UK wide standards that prevail in the market and are likely to remain relevant.
 - b. ARU specialises in focusing these on the needs of individual companies and sectors, for example:

- i. The Chartered Manager Degree Apprenticeships adapted by ARU for the charity sector.
 - ii. The Civil Engineering Site Manager Degree Apprenticeships adapted for Kier.
2. ARU's approach to Degree Apprenticeships in Peterborough includes:
 - i. Immediately deploying an existing and experienced member of ARU's Consultancy team to lead the short-term conversation and strategy in Peterborough including desk-based Industry and Business research, contributing to evolving plans via the Curriculum Development and Stakeholder Engagement workstreams and finding quick wins in the market and planning approaches.
 - ii. A sub-group of the course development workstream dedicated to creating the first set of apprenticeships to meet local demand.
3. Leveraging their successful approach to Degree Apprenticeships in Peterborough as exemplars, including:
 - a. ensuring the approach is always market led, collaborating with industry including listening to business needs and then providing co-designed solutions (work with Sanger/Wellcome Trust bringing The Bioinformatics Degree Apprenticeship to market;
 - b. creating long term partnerships from small starts (e.g. BBC and Amazon Web Services in Digital Marketing);
 - c. operating at scale (e.g. as part of a consortium of commercial partners and HEIs to deliver Police Degree Apprenticeships;
 - d. educating organisations on how to use and get the best from their Apprenticeship Levy;
 - e. working with IFA, ESFA, UUK and others to influence policy; ARU sits on and develops Industry Trailblazers for new Apprenticeship standards with the ESFA, (e.g. as founders of the Digital Marketing Trailblazer with the Post Office and as key members of the 'Building' Standards trailblazer) and is active in the Cambridge Ahead Skills Group.

3.3.3 Impact of social distancing

If social distancing represents even a medium-term expedient, most organisations will run out of space and capital before they can correct their buildings to become Covid-secure and still deliver the same capacity. With estimates varying between 75% and 90%, the net reduction in operating capacity anticipated is beyond the resources of almost all organisations. Nor is it easy simply to accept that the experience in, say, a 30 seat room with 8 people will be the same, or that to put 8 in one room and stream the class to other settings will be considered fair or equitable. Social distancing, therefore, fractures normal practices to levels at which they become a major resource challenge.

As outlined above, ARU is mitigating risks such as these and is already delivering a range of activity in response to Covid-19 impacts including:

- Covid-19 campus planning;
- an agile working and transformation group;
- auditing buildings to ensure that can safely accommodate staff and students;
- communicating regularly with students;

- tested contingency plans, including RAG rating all courses for suitability to deliver in different modes;
- timetabling students in a blended mode on campus (splitting the day into blocks)

This best practice will be adopted with ARU Peterborough. In addition, the Phase 1 building will not be at capacity until 2025, ensuring space will be available should social distancing be needed into the medium term. Other contingencies include options to use other buildings in Peterborough and/or region e.g. Guild House.

3.3.4 Covid-19 sensitivity test on current operating model

ARU has committed to managing the ARU Peterborough operating model to ensure it does not fail, managing risks in a variety of ways, outlined above and also to include

- Only recruiting staff as needed, including limiting senior staff costs.
- Flexible deployment of resources and management of costs within the operating model (see risk analysis in chapter 4 above).
- Using market intelligence to decide which courses to continue to develop; those that are not likely to be viable will not be taken forward. Equally, where interest from stakeholders has suggested new courses, ARU are receptive to moving quickly to create and meet demand
- Careful planning of future building on the Peterborough campus (both timing and configuration) in the light of actual growth in student numbers.
- Sharing costs across ARU will create economies of scale from which ARU Peterborough will benefit.
- Prudent use of the contingency in the model.
- Monitoring and contingency planning around the journey to independence with clear milestones to check progress, monitor risk and provide accountability.

The Heads of Terms include flexibility (recognising the uncertain times), for example, if student numbers drop and income reduces, ARU will reduce the cost base accordingly. By operating a shared service model and only employing new staff when demand dictates, ARU is confident in its ability to manage a financially viable product.

Recessional impacts

Recessional impacts may also drive students to study degrees that are sector specific via Degree Apprenticeships and higher-level degrees in companies that lead to jobs as an outcome. ARU intend this to be a key feature of the ARU Peterborough offer.

Previously, when recession hits the employed population ARU have seen that their student mix changes. In the period leading up to and during recession they see fewer employed students join part time courses with more switching to full time study. As industry starts to come out of recession and the employment market picks up, part time numbers start to increase and those students studying vocational degrees become much sought-after individuals from employers.

ARU's market know-how and extensive experience of delivering courses in different modes of study and being able to react to market forces will position them well to utilise this flexibility to deliver ARU Peterborough successfully. As the second largest of any public university provider in the UK in delivering Degree Apprenticeships, ARU has a track record of listening, working in partnership and responding positively to employers to shape the curriculum content.

ARU's portfolio of courses for phase 1 is vocational, employment specific and driven to meet market needs. By offering courses at different levels (level 3 through to level 7) through a variety of study modes (full time, part time, blended) they will have flexibility to cater for different student needs. For example, in their School of Engineering and the Built Environment ARU runs a combination of full time, placement, part time day release and block release courses leading to foundation degree, honours degree and degree apprenticeship qualifications. Students are able early in their course to move between the different modes of study as the marketplace dictates. At ARU London, they offer degree courses over two days per week to meet the needs of the student demographic (over 90% mature students), combined with the needs of industry and employers. Students are developing their qualifications and capability while often retaining part time work commitments alongside their full-time studies. This personalised approach to study will be a key feature at ARU Peterborough.

In September 2020, ARU returned to campus delivering face-to-face tuition, supported by online technologies. This experience of responding and succeeding in adversity will play a key part as they continue to develop the ARU Peterborough curricula. Greater use of online technologies and a shift towards a blended delivery approach will suit particular market segments such as those students balancing family and work commitments. The blended delivery mode is one that ARU uses successfully with Degree Apprenticeships, bringing students together on campus to create a community of learning whilst delivering content that students benefit from through face to face delivery. Learning and professional competence go hand in hand through the delivery process for PSRB accredited courses including Degree Apprenticeships, where theory and practice are inter-related. Offering career relevant courses whether they be in health, business, agri-tech or the creative and digital sectors will be a key selling point as these course lead to future employment.

The vocational, practice-based nature of ARU's proposed curriculum is designed to be attractive to adult learners seeking to upskill, re-train or join HE. ARU Peterborough is intended to be a new 'skills engine' for Peterborough and its region, undertaking activity directly with businesses through Degree Apprenticeships and work-based learning, and through community-based activities and work with local FE providers by providing access courses as a steppingstone to HE.

The 2016 Digital Skills Report showed that the shortage of digital skills represents a key bottleneck for industry and is linked to one in five of all vacancies. There is a mismatch in the types of skill offered by the labour market and those demanded. Over the set-up phase of the project, ARU is working with FE providers to ensure the courses being delivered support the skills needed in the 'new normal', that they are delivered in bite size chunks of learning using digital technologies wherever possible and that they provide a grounding to further study and employment.

The 50+ institutions in the region offering post-16 education provide a 'HE ready' group of students able to engage with ARU Peterborough's industry focussed HE portfolio. ARU Peterborough's offer is designed to tackle local skills gaps in digital technologies and more specifically advanced and specialist IT skills. There are skill shortage vacancies in Professional, Associate Professional and Technical occupations. Therefore, equipping the next generation of students with relevant technical and practical skills as well as developing their managerial and leadership skills (including people and personal skills) at a time of reduced employment, will be an investment for the future recovery of the economy. Covid-19 has increased interest in health-based courses and this will benefit the ARU Peterborough offer.

Local provision

Importantly, a key potential impact of Covid-19 is that it might make young people who live locally, more likely to study nearer to home; ARU Peterborough is designed to fill the gap identified through the “cold spot” and will, therefore, enable more students in the region to study from home should they wish to do so. ARU has a diverse mix of students and have experience of delivering an educational experience that supports the needs of local students. ARU will adopt a ‘think local, act local’ marketing approach and will build their track record of working with underrepresented groups identified by the Office for Students (OfS); the majority of ARU students fall at least into one group of disadvantage.

Partnerships

The development of the ARU Peterborough curriculum has been undertaken in conjunction with key stakeholders, using expertise within ARU to drive curriculum development forward and using many of the methodologies ARU already uses to engage employers. The course design phase has ensured employer input is firmly embedded throughout the design and approval process. ARU’s active curriculum model, ‘live’ briefs and course design intensive process are designed to ensure the courses are meeting the needs of both students and employers with a focus on developing the skills needed to seek and be successful in employment.

ARU has been developing new local, regional and national industrial partnerships targeting companies or organisations within the areas of its current and future ARU Peterborough curriculum. They have prioritised engagement of local companies including PhotoCentric, Caterpillar, Bauer and Engines. These partnerships match ARU’s key strengths to make ARU Peterborough sustainable in the medium and long term, comprising

- Short term partnerships with local/regional companies that have the potential to bring immediate results. These partnerships have already resulted in employer engagement in curriculum design and enhancement, student placements, internships and local graduate employment opportunities.
- Medium-term tactical partnerships in response to needs across the education portfolio.
- Long-term strategic partnerships with 1-2 companies in each curriculum area who are keen to engage with the new University across teaching, placements, employability, and further business opportunities including corporate education, research and knowledge transfer.

4 Financial Case

4.1 Financial model and appraisal

4.1.1 Project budgets and funding

The capital budget for phase 3 as identified on the Levelling Up Funding (LUF) bid informed the Site Appraisal exercise completed by the Combined Authority's design team

Further to the Site Appraisal, Option 1 is considered most suited to the requirements of the LUF funding and is therefore the basis of the RIBA Stage 1 design and cost estimate as summarised below.

Option 1			
Elem Ref		Cost Target £	£/m2
1-7	Building Works (excl Externals works)	9,008,956	3,156
8	External Works	1,268,831	444
		10,277,788	3,600
Option Specific Abnormals			
i	Sustainability initiatives allowance (based on 20% of building building works total)	20%	1,800,000 630
ii	Remove existing and replacement of RP Car Park		675,000 236
iii	New site access from Bishop's Road (incl s278 and s106)		175,000 61
iv	Existing services diversion etc (as CPW notes)		20,000 7
v	Allowance for GAHE / GSHP, incl infrastructure (incl in sustainability allowance)		Included N/A
	Works Cost Estimate	£ 12,947,788	4,535
9	Main Contractor's Prelims	8%	1,035,823 363
10a	Detailed Design	5%	647,389 227
10b	Main Contractor's OH&P	3%	438,930 154
10c	Main Contractor's Risk	3%	452,098 158
10d	Pre-Construction Fees		Inc. Inc.
	Construction Total (Exc. Inflation)	£ 15,522,028	5,437
11a	Fees & Surveys	11%	1,707,423 598
11b	Legal Costs (Client to advise)		300,000 105
12a	Client Project Costs (Client to advise)	5%	776,101 272
12b	PropCo Staff Costs (Client to advise)		300,000 105
13a	Design Development Risk	5%	930,278 326
13b	Client Risk and Contingency	5%	930,278 326
	Cost Limit (Excluding Construction Inflation)	£ 20,466,108	7,169
14	Inflation; to 4Q23 (applied to 0-10 and 12-13)	5.8%	1,187,034 416
	Cost Limit (Including Construction Inflation)	£ 21,653,142	7,584
15	VAT (applied at the prevailing rate - subject to specialist advice)	20%	4,330,000 1,517
	Estimated Outturn Costs	£ 25,983,100	9,101
GIFA			
2,855 m2			

The budget estimate incorporates the limited design and survey information available following the completion of RIBA 1 by the Combined Authority's design team. It is inclusive of allowances made for client direct costs and represents the maximum capital budget currently available for the design and construction of the physical infrastructure, agreed at £26m (excluding land acquisition costs from the total funding package of £27.8m) comprising the following:

- Site Abnormals – essential enabling works required to make the site available for the required use.

- Facilitating Works – all site clearance, remediation, services diversions required to facilitate the main construction works.
- Building works – all substructure, superstructure, internal works, finishes, fittings furniture and equipment, building services, external works, and the associated management and supervision by the Main Contractor.
- Sustainability – costs associated with achieving a highly sustainable, energy and carbon efficient building.
- Fees & Surveys – all design fees applicable by the professional consultants forming the design team, including building control, plus all associated professional reports and surveys and budgets advised by the Combined Authority for the Combined Authority costs and legal fees
- Client Project Costs – the associated client direct costs consisting of loose furniture, wayfinding signage, café fit out, specific ICT enhancements.
- Design Development – contingency funds applied to the facilitating works, building works and client direct costs to cover increased costs resulting from progression and maturity of the design and associated project risk.
- Client Contingency – contingency funds applied to the facilitating works, building works and client direct costs to cover increased costs resulting from changes to clients/employers requirements at various stages of the design and construction of the development.
- Inflation – accounting for increases in building costs to the mid-point of construction
- VAT applied at the standard rate as applicable.

The Phase 3 capital build is to be funded through multiple streams comprising a combination of capital investment and other contributions. The table below, sets out the proposed sources of funding for the capital investment required by the project:

Funding Source	Amount (£)
LUF Investment Funding (PCC contribution as the lead authority for the LUF)	20,000,000
Combined Authority (approved recycled local growth funds)	2,000,000
ARU Capital Investment	4,000,000
PCC– contribution of land value ²⁸	1,870,000
Total Funding (Phase 3 only)	27,870,000

The underlying basis of the funding model is that the £20m investment funding is secured by PCC from the Levelling Up Fund (LUF) for capital investment into PropCo1, in return for shares. This, as well as the contributions from ARU and CPCA, is required to start spend and project delivery before end of March 2022 and deliver the building structure by March 2024, noting that the memorandum for agreement between Department for Levelling up Housing and Communities and the local authority (currently being drafted) states in clause 4.10 that the Council must spend all grant funding by the end of the funding period, 31 March 2024. All parties must be able to demonstrate sufficient funds to meet the payments for shares in to PropCo1, relative to the cash demands on the Company required to pay its creditors associated with the construction of the Phase 3 building. However, to enable this, PCC will need to negotiate terms with the Department of Levelling-Up Housing & Communities (DLUHC), to cash flow PCCs payments for shares, in to PropCo1, from the LUF funding.

²⁸ The final Value may be different pending an independent valuation

Currently the terms of the LUF funding are payments 6 months in arrears of actual expenditure on the project by PCC. This cashflow and capability to make payments for shares will need to be resolved prior to conclusion of the amendments to the Shareholders Agreement.

In addition, the Combined Authority's Business Board has allocated £2m of Local Growth Fund (LGF) towards investment in the phase 3 development. Further to this, PropCo1 has allowed £723,600 of its current reserves for the phase 1 build project to be used for preliminary works on the phase 3 project, relating to a RIBA stage 1 design, planning applications and the authoring of this Business Case. These monies are to be repaid to the phase 1 budget within PropCo1, upon receipt of the phase 3 shares subscriptions. The impact of this on project cash flow is identified in section 4.1.2 below.

Anglia Ruskin University (ARU – the Academic Delivery partner) will provide a £4m capital investment to the phase 3 development. This contribution is to be treated in the same way as the original investment in PropCo1. As such, start-up costs and the ongoing operational cashflows for ARU Peterborough taking into account the costs of growing to take into account Phase 3 will be the responsibility of ARU and, as was the case on phase 1, the Combined Authority and PCC will have no responsibility or obligation to underwrite such cashflows in operating ARU Peterborough/the university.

In addition to the LUF funding of £20 million, Peterborough City Council (PCC) will also provide the land for the project, which has yet to be valued; the assumed contribution of land value will be £1.87m as defined in the LUF (a definitive land valuation will be undertaken by PropCo1 on final selection of the preferred plot at the end of RIBA 1 in March 2022).

Following the allocation of the new shares the Company's share designation will be as shown in the table 1 below, after all parties have made their further investment for shares, in relation to the Phase 3 building.

Shareholding in The Peterborough Higher Education Property Company					
		PCC	CPCA	ARU	total
Phase 1	First teaching building	1.87	24.8	5.50	32.17
		5.8%	77.1%	17.1%	100.0%
Phase 3	Second Teaching building	21.87*	2	4	27.87
		78.5%	7.2%	14.3%	100.0%
	Total Shareholding in Propco1	23.74	26.8	9.5	60.04
		39.6%	44.6%	15.8%	100.0%

*land value of £1.87m may change subject to independent valuation

As set out in this Business Case, the funding strategy to finance the Phase 3 Second Teaching Building, and in line with similar capital investments of Combined Authority devolved and delegated funding, into the Phase 1, the First Teaching Building, the Combined Authority will invest its £2m funding as an investment for shares into the Peterborough HE Property Company Ltd (PropCo1), a special purpose vehicle designed to fund the construction, own and lease the buildings to ARU Peterborough for the operation of the higher education institution. As a result, the current Shareholder Agreement for the Company, will be amended to reflect the additional investment for shares. Notwithstanding the dilution of the Combined Authority's majority shareholding, it will retain its drag along rights so that in the event it chooses to exercise its rights to sell its shares in

PropCo1 (exercisable 10 years after the completion of the Phase 1 building) then it is able to drag PCC and ARU along with it in order to sell the entire shareholding in the company, subject to ARU having right of first refusal. Due to the increase in PCC's shareholding, it will also be granted such drag along rights.

Following approval of this Business Case, should the members of PropCo1 require funding to be approved based on the required cashflow such that PropCo1 can continue to develop design, procurement, planning and secure legal advice up to contract award, the cashflow and apportionment of costs will, based on cash subscriptions outlined below, be ARU 15.4%, CPCA 7.7% and PCC 76.9%. This equates to the following cashflow and costs for each party:

Cashflow For Peterborough University Phase 3 to December 2022																			
Budget Element Reference	Item	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Total	Check
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
11a	Fees and Surveys (RIBA 1)	22,857	22,857	22,857	22,857	22,857	22,857	22,857										160,000	160,000
11a	Fees and Surveys (RIBA 2-3)						96,364	96,364	96,364	96,364	96,364	76,364	76,364	76,364	76,364	76,364	76,364	940,000	940,000
11a	Planning Fee											20,000						20,000	20,000
11b	Legal Costs						27,273	27,273	27,273	27,273	27,273	27,273	27,273	27,273	27,273	27,273	27,273	300,000	300,000
12a	Client Project costs (OBA AND FBC)	69,231	69,231	69,231	69,231	69,231	69,231	69,231	69,231			29,150						583,000	583,000
12b	PropCo staff costs						8,571	8,571	8,571	8,571	8,571	8,571	8,571	8,571	8,571	8,571	8,571	94,286	94,286
8i	Sustainability initiatives						9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	9,091	100,000	100,000
9	Main Contractor's First stage costs									10,000	10,000	15,000	15,000	20,000	30,000	30,000	30,000	160,000	160,000
	SUB-TOTALS	£92,088	£92,088	£92,088	£92,088	£92,088	£233,387	£233,387	£210,530	£151,299	£151,299	£185,449	£136,299	£141,299	£151,299	£151,299	£151,299	£2,357,286	£2,357,286
	VAT on above	18,418	18,418	18,418	18,418	18,418	46,677	46,677	42,106	30,260	30,260	37,090	27,260	28,260	30,260	30,260	30,260	471,457	471,457
	TOTAL COST FOR MONTH	£110,506	£110,506	£110,506	£110,506	£110,506	£280,065	£280,065	£252,636	£181,558	£181,558	£222,538	£163,558	£169,558	£181,558	£181,558	£181,558	£2,828,743	£2,828,743
	Contribution Split of Cashflow																	0	0
	ARU (15.4%)	17,018	17,018	17,018	17,018	17,018	43,130	43,130	38,906	27,960	27,960	34,271	25,188	26,112	27,960	27,960	27,960	435,626	435,626
	CPCA (7.7%)	8,509	8,509	8,509	8,509	8,509	21,565	21,565	19,453	13,980	13,980	17,135	12,594	13,056	13,980	13,980	13,980	217,813	217,813
	PCC (76.9%)	84,979	84,979	84,979	84,979	84,979	215,370	215,370	194,277	139,618	139,618	171,132	125,776	130,390	139,618	139,618	139,618	2,175,303	2,175,303

4.1.2 Financial model and appraisal(s)

PropCo1

For the phase 3 project it is essential that funding is available to proceed with the procurement of the design team to commence work and spend in March 2022 and complete work and spend of the LUF by March 2024, with full completion using Combined Authority and ARU monies by September 2024. A cashflow forecast has been prepared to identify the impact on PropCo1's finances and to forecast the anticipated funding requirements.

PropCo1 will need to ensure sufficient funds are available to deliver the phase 3 programme and enable payments in line and with fee draw down schedules when defined. The most significant financial milestone is Q4 2022, when PropCo1 will be entering into a binding contract with the Main Contractor for the construction of the phase 3 building.

In addition to the above, it may become necessary to award orders for long lead infrastructure works during the design stage Q4 2022, to secure network capacity and delivery to support use of the building in September 2024.

Noting the cashflow issue relating to the LUF payments from DLUHC to PCC as mentioned above, PropCo1 must have surety of funding, and all necessary steps taken to ensure each party subscribes

for the additional shares in PropCo1 by mid-February 2022 and has the necessary funds to make all payments falling due.

This will ensure that PropCo1 has the required funds to cover the construction costs, providing certainty of payment for the Main Contractor and their supply chain, and ensuring that cash funds are readily available for PropCo1 to make payments as required. The key funding milestones are shown in the table below. The funding sources, as identified above, are all secured.

Period	Financial Milestone	Cost	Cumulative
Oct '21 – Feb '22	RIBA stage 1 design, planning applications and Business Case.	£832,595	£832,595
Feb '22 - Dec '22	Finalisation of design	£1,996,148	£2,828,743
Jan '23 - Onwards	Commitment to Contract Sum	£23,154,357	£25,983,100

ARU-P Operating Model

A key project objective is to create a sustainable operating model for ARU Peterborough/the new university such that, after initial start-up costs, it 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.
- Ensuring all operational costs are covered by generated incomes, and any surpluses generated support reinvestment in new facilities to support further growth.

The phase 3 operating model for ARU Peterborough has been populated using the same assumptions applied for the phase 1 model with modifications only where required; the assumptions amended for phase 3 are as follows;

- The phase 1 model assumed teaching facilities would be in all three buildings – this has now been amended to phase 1 and phase 3 only.
- The timing of phase 3 has been bought forward to Sept 2024.
- The size of buildings has been amended to reflect the available budget and student numbers to deliver the outcomes required in the LUF.
- The rate of growth of ARU Peterborough student recruitment numbers for Phase 3 remains at the original assumption used for Phase 1 of 6% per annum with an additional 6% at the opening of each new phase of building. From 2027-28 the annual growth has been reduced to 2% to reflect the building nearing capacity. Future growth would require further teaching buildings.

Income:

- Tuition fee income is forecast based on a range of full time and part time courses proposed by ARU, including undergraduate and postgraduate courses both on-campus and off-campus.

- The average tuition fee is based on £9,000 per student FTE (after allowing for both premium fee levels and bursaries/hardship grants and other fee discounting practices).

Staffing:

- Academic SSR ratio of 26:1.
- Academic to Professional staff 3:1 for Faculty Professional staff numbers.
- Included numbers for the development phase (19 professional staff, 5 academic staff and 1 Project Manager).
- Included the Principal and other senior management posts.
- Assumed PAs in Professional 3:1 count.
- Assumed the majority of senior staff are part of Academic 26:1 count.
- Assumed Business Engagement & Innovation Manager within Professional staff 3:1 count.
- Professional services staff costs equivalent to ARU's current ratios to cover a shared service function to include services such as HR, Finance, Academic Registry, Library, IT OPEX, Student Services, VCO, Secretary's office, Marketing & Admissions.

Non Pay costs:

- This covers costs such as advertising, printing, stationary, s/w, books, consumables, scholarships, bursaries, staff non pay costs (travel, staff development, employee related costs), contract & professional fees.
- Costs calculated at 35% of faculty staff costs.
- OfS will require student support arrangements which will include scholarships or bursaries within the Access and Participation Plan.

Estates OPEX costs at £200 per m²:

- This is expected to cover the running costs for estates of the buildings based on the size of the buildings provided in the documentation growing in three phases.
- Running costs include items such as cleaning, utilities, rates, insurance.

Asset & Estate Maintenance:

- Assumed this is the LTM costs for Estates and IT.
- Proxy used based on current ARU values of LTM as a percentage of income.
- Rent/Lease costs have been assumed at £140 per m². (£13 per Sq.ft).
- There is an expected ten year 'rent-free' period.

Other Costs at 29% of income:

- Assumed to be equivalent to ARU's indirect costs to cover the costs of professional services such as HR, Finance, Academic Registry, Library, IT OPEX, Student Services, VCO, Secretary's office, Marketing, Admissions (Pay costs are included in the Staff cost section and non-pay costs in this section).

IT Start-up costs;

- Software and infrastructure costs included in the start-up phase are per the IT costings provided as Year 0 costs.

Loan for start-up cash flow

- £5.4m loan at estimated 2.5% interest for five years.

Inflation

- Both pay and non-pay inflation of 2% has been assumed

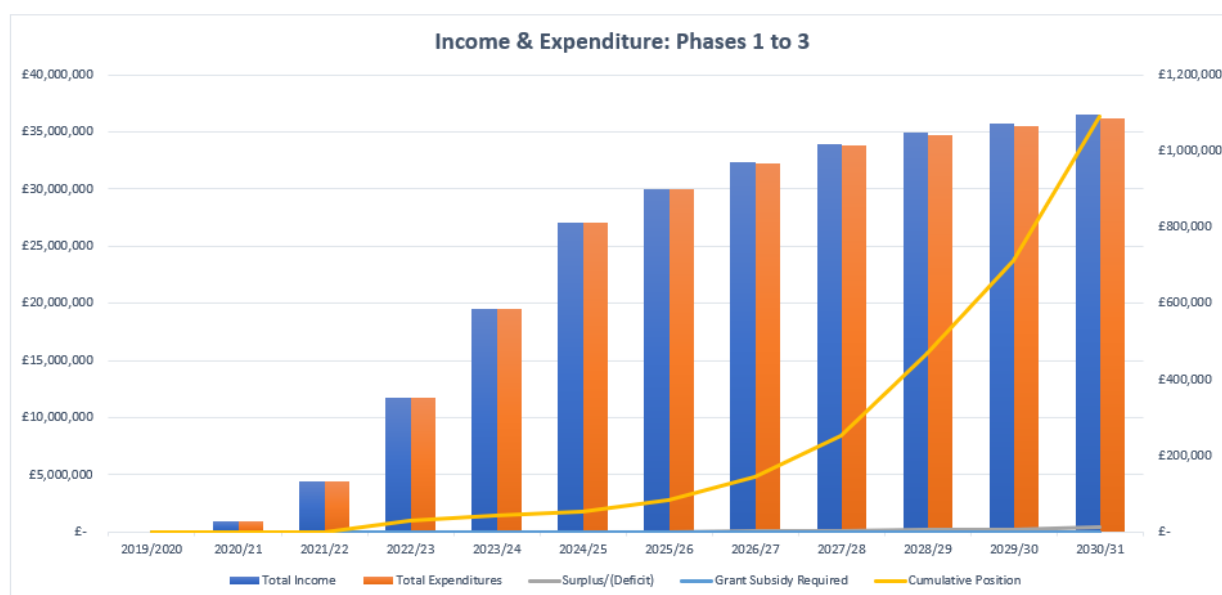
The financial model attached at Annex 6.3 forecasts revenues and expenditure for the period to 2030/31 and is in line with the longer-term ambitions of the Combined Authority. This Business Case is for phase 3 building only and as such are based on meeting student numbers of an additional 1700 students by 2027/8.

The costs associated with facilities management have been provided by ARU and are based upon a rate of £200/m² benchmarked against ARU's internal data. These costs remain as phase 1, which were reviewed against internal cost data provided by the Combined Authority's professional advisors (Mace FM) and benchmarked against reputable and well-established independent industry data, with the conclusion that these costs represent fair and reasonable allowance. The costs associated with facilities management include all aspects of hard and soft facilities management, incorporating insurances; routine maintenance; security; cleaning and waste management; energy usage; telephone communications; and general real estate management; any change to the original assumptions made for phase 1 as a result of sustainability will be managed by ARU within the current operating costs.

Mace FM advised in phase 1 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 agreement of contracts. This relates to major replacements only and is in addition to the routine maintenance costs incurred in preserving the assets to ensure they reach their optimum life expectancy (covered by the facilities management costs). In this financial appraisal long term maintenance has been based on 1% on this basis as assumed in phase 1.

The financial operating model presented includes the operational costs and incomes of the phase 1 and 3 buildings only. The capital costs of the project and associated enabling works are to be funded from other sources as set out above.

The financial outputs from the operating model are summarised in the chart below, with further details of project cash flow are provided in the tables.



	Start Up Phase			Phase 1		Phase 3
Academic Year	2019/2020	2020/21	2021/22	2022/23	2023/24	2024/25
Total Income	£ -	£ 927,600	£ 4,472,400	£ 11,780,500	£ 19,499,425	£ 27,071,500
Total Expenditures	£ -	£ 927,600	£ 4,472,400	£ 11,752,200	£ 19,485,700	£ 27,059,900
Surplus/(Deficit)	£ -	£ -	£ -	£ 28,300	£ 13,725	£ 11,600
Cumulative Position	£ -	£ -	£ -	£ 28,300	£ 42,025	£ 53,625
Grant Subsidy Required	£ -	£ -	£ -	£ -	£ -	£ -

	Phase 3					
Academic Year	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Total Income	£ 30,028,925	£ 32,339,150	£ 33,881,625	£ 34,973,250	£ 35,783,375	£ 36,569,275
Total Expenditures	£ 29,998,000	£ 32,280,550	£ 33,770,550	£ 34,757,900	£ 35,540,100	£ 36,192,750
Surplus/(Deficit)	£ 30,925	£ 58,600	£ 111,075	£ 215,350	£ 243,275	£ 376,525
Cumulative Position	£ 84,550	£ 143,150	£ 254,225	£ 469,575	£ 712,850	£ 1,089,375
Grant Subsidy Required	£ -	£ -	£ -	£ -	£ -	£ -

The start-up phase identifies the requirement for £5.4m working capital prior to opening to students in phase 1 (2022/23). This will be funded by a short-term loan secured by ARU, to be repaid over a 5-year period.

The operating model shows sufficient revenues are generated throughout to cover operational costs, on a broadly breakeven basis from 2022/23 and revenues generated appropriately thereafter to fund the ongoing operational expenditures, with a marginal profit delivered year on year which reaches no greater than 1%.

The operating expenditures run very close to the revenues generated and there is a linear relationship between revenue and expenditure, which indicates that economies of scale and operational efficiencies are not anticipated.

Continued growth in revenue is predicted but is dependent on subsequent project phases to maintain growth in student numbers and income generated via tuition fees. The reported revenues are based on student numbers identified by ARU across a range of course types including full time, part time and distance learning-based tuition.

The cumulative position is illustrated by the yellow line within the chart, demonstrating that only a marginal surplus is generated in the model. The start-up phase does not generate any surplus, and the revenues identified are only sufficient to cover expenditures. A surplus of approximately £42,000 is generated over the 2 years phase 1 alone is in operation, culminating in a total of £1,089,375 by 2030/2031, which would be insufficient to fund any future infrastructure expansion plans, which in turn will require capital investment from alternative sources.

The collaboration agreement between the Combined Authority, PCC and ARU requires all parties to work together to deliver the project in accordance with the terms of the agreement. The parties have agreed to work in partnership and co-operate with each other to achieve the project steps and milestones within the timescale envisaged in the master schedule. There will be an annual review of the master schedule steps and milestones and the contract managers for each party will meet on a fortnightly basis (or frequency to be agreed) to discuss project progress and any disagreements which may arise. The Parties remain on track to meet milestones outlined in the master schedule which in summary are:

1. 2020 ARU Peterborough is incorporated – COMPLETE.
2. 2022 ARU Peterborough starts provision of education to students at the start of the academic year 2022.
3. 2025 ARU Peterborough is registered with OfS by the start of the Academic year 2025/26.

4. 2028 ARU Peterborough is granted unlimited TDAPs by the start of the academic year 2028/29.

4.1.3 Risk analysis

Whilst the shadow financial model set out in the OBC targeted a surplus to be generated each academic year, the financial model provided by ARU shows only a marginal surplus in each year and does not generate significant financial returns. This is a direct result of reduced targeted student numbers and increase staff costs within the ARU Peterborough operating model.

The differences from the OBC financial model and the associated risks are analysed in summary below:

- The shadow financial model included higher turnover figures as a result of higher **student numbers**, whereas the ARU model is based on lower student numbers, and as student numbers grow as a result of future growth, increased revenues are offset by increased operational costs. The absence of **economies of scale** as student numbers increase leaves scope in the model for greater efficiencies in operational expenditure. The current model, therefore, represents a worst-case scenario in this respect.
- The ARU-Peterborough model sets **staff costs** at a much higher rate than the shadow financial model, starting at 56% of income, and rising to 64% of income (the shadow financial model limited staff costs at 52% of income). This also leaves scope for future cost reductions that could further improve the outcome of the financial operating model. Conversely, the financial model is very sensitive to **cost inflation** (e.g. University staff pay increases), which may reduce the scope for economies of scale and operating efficiencies to yield financial savings.
- Costs for asset maintenance are shown as 1% of income. The shadow financial model set asset maintenance at 5% of IRV, which is more typical for Higher Education. There is a risk that 1% of revenue will result in **underfunding of building maintenance**, with resultant deterioration of the asset. Should maintenance costs be increased to 5% of IRV this would have a detrimental impact on the operational model and further funding may be required if the **contingency provision** is insufficient (see below). ARU and the Combined Authority are continuing to negotiate the details of the main transactional agreements, including flexibility in building design to meet requirements of the University and the portfolio of courses intended to be offered. As the design progresses is finalised there may be opportunity to **review the costs associated with long term maintenance** that could result in an improvement on the current forecast figures.
- The financial model does not include any **rent payments** (i.e., it assumes a 10-year rent-free period). At the end of the 10-year rent free period PropCo1 will agree, as part of the rent review defined in the agreement to lease, any rent to be paid; PropCo1 will determine how this income will be used. Rent payments beyond the rent-free period will adversely affect the model in that period and, given the marginal operating surplus in the first 10 years this could result in a deficit once rent payments fall due.
- The operating model indicates the £5.4m start-up costs being funded by a short term (5 year) loan, based upon a 2.5% interest rate. There remains a low risk to the project that this **interest rate** may not be achievable, resulting in a higher loan repayment. Conversely, there

may be opportunity under the current economic conditions for betterment in the 2.5% interest rate assumed.

- The financial model includes an ongoing **contingency** provision throughout the ten year period, averaging approximately £1m per annum. Given the other risks inherent in the financial model, this contingency provision will be a critical tool for management of financial risk in the operation of the new University, including the risks described above. If the contingency is not required, it represents a potential opportunity to provide betterment to the financial model.

A key risk under in current climate (most notably the **impacts of Covid-19**) that the level of student fees assumed may not be achievable. A reduction in revenues would negatively impact the operating model, should staff numbers and staff expenditure remain unchanged, and could lead to an annual deficit.

Conversely, as described in detail in section 3.3, the impact of Covid-19 could lead to higher numbers of students studying from home, which fits well with the business model for the new University and could, therefore, deliver student numbers in excess of those included in ARU's forecasts.

Furthermore, ARU's analysis of HE demand in the region, predicts an increase in the number of 18-year-olds over the next 5 years leading to a 13% increase in students entering HE by 2025 with a static participation rate of 44%, and a 20% increase if the participation rate grows to the England average of 47%.

Sensitivity testing of the operating model shows that a 1% net loss of revenue will translate into a cumulative deficit of approximately £300,000 within 3 years (i.e. by the end of Phase 1). If revenues fall by 3%, that deficit exceeds £1m and at 5% approaches £1.9m. Therefore, the sensitivity of the model to fluctuations in revenues is very high. Flexibility in the operating cost base has been identified by ARU as a scalable factor and a contingency budget is included in the model, however there are likely to be other calls on such contingencies and with such low initial margins, operating costs may be set too high to create a sustainable model. Further attention will be given to these variables during detailed negotiations with a view to achieving a target surplus in a range acceptable to both partners and which will help to mitigate these risks.

As a matter of principle for on-going operations once the main transactional agreements have been finalised, the new University pedagogy will need to be managed by ARU to ensure that the predicted revenue generated from tuition fees is realised and the costs are managed to match the student numbers and hence reasonable and sustainable surpluses achieved. A more detailed assessment of the potential impacts of Covid-19 on ARU's business model is provided in section 3.3.

Furthermore, the phase 1 agreements in place include terms to terminate ARU's involvement with ARU Peterborough (in the event of a failure to achieve the milestones and naturally as it becomes a university in its own right), provided always that ARU Peterborough will remain entitled to occupy the facilities on a rent-free basis during the period required to teach out students enrolled on ARU courses in Peterborough. As outlined in section 1.4 above, the documentation also includes further remedies for any failures by ARU to achieve the plans set out in those documents including ARU working with the Combined Authority, PCC and PropCo1 (with the aspiration for there to be a long term continuing relationship between the new University and ARU beyond the achievement of University Title to support the long-term sustainability of ARU Peterborough as a university).

As outlined above, the operating model does not generate sufficient surpluses to build reserves to fund the expansion of the new University in future phases nor is there adequate headroom to underpin borrowing to fund such expansion. Alternative funding strategies for any future expansion phases will therefore need to be developed by the Combined Authority and partners, including PCC and ARU, to facilitate further growth in student numbers.

4.2 Affordability

The project funding position is outlined in the table below, with project funds generated from a combination of the Combined Authority's own funding and Levelling Up Fund, supported by financial contribution from ARU. All figures are inclusive of VAT and other tax requirements.

Funding Source	Amount (£)
LUF Funding	20,000,000
Combined Authority	2,000,000
Anglia Ruskin University anticipated capital investment	4,000,000
Total Budget	26,000,000
Construction Works (Phase 3 building, inc. Client Directs and Contingency)	26,000,000
Land Acquisition (Land transferred for shares at £1.87m value by PCC as part of PropCo1)	1,870,000
Total Expenditure	27,870,000
Balance	0

The land for the Phase 3 site will be invested into PropCo1 by PCC in return for shares, with the land to be valued using the independent land valuation from phase 1 totalling £1.87m, which will form part of the PCC contribution to PropCo1. The final value of land is yet to be agreed and will determine the extent of PCC's resulting shareholding in PropCo1 including the LUF funding.

The LUF from PCC and the capital expenditure and financial investment from the Combined Authority for the phase 3 construction project is capped at £22m with the remaining investment provided by ARU. The current anticipated investment required by ARU is £4m (independent of short-term loans secured for the start-up costs). The table below demonstrates how the phase 3 capital spend will be utilised. As described in section 3 above, the construction and project cost has been benchmarked against other HE projects of similar scope and size and supports the conclusion that the proposed phase 3 building can be delivered to a suitable standard within this budget, and within acceptable cost parameters for a HE building.

		Option 1			
Elem Ref		Cost Target £	£/m2		
1-7	Building Works (excl External works)	9,008,956	3,156		
8	External Works	1,268,831	444		
		10,277,788	3,600		
<u>Option Specific Abnormals</u>					
i	Sustainability initiatives allowance (based on 20% of building building works total)	20%	1,800,000	630	
ii	Remove existing and replacement of RP Car Park		675,000	236	
iii	New site access from Bishop's Road (incl s278 and s106)		175,000	61	
iv	Existing services diversion etc (as CPW notes)		20,000	7	
v	Allowance for GAHE / GSHP, incl infrastructure (incl in sustainability allowance)		Included	N/A	
		Works Cost Estimate	£	12,947,788	4,535
9	Main Contractor's Prelims	8%	1,035,823	363	
10a	Detailed Design	5%	647,389	227	
10b	Main Contractor's OH&P	3%	438,930	154	
10c	Main Contractor's Risk	3%	452,098	158	
10d	Pre-Construction Fees		Incl.	Incl.	
		Construction Total (Exc. Inflation)	£	15,522,028	5,437
11a	Fees & Surveys	11%	1,707,423	598	
11b	Legal Costs (Client to advise)		300,000	105	
12a	Client Project Costs (Client to advise)	5%	776,101	272	
12b	PropCo Staff Costs (Client to advise)		300,000	105	
13a	Design Development Risk	5%	930,278	326	
13b	Client Risk and Contingency	5%	930,278	326	
		Cost Limit (Excluding Construction Inflation)	£	20,466,108	7,169
14	Inflation; to 4Q23 (applied to 0-10 and 12-13)	5.8%	1,187,034	416	
		Cost Limit (Including Construction Inflation)	£	21,653,142	7,584
15	VAT (applied at the prevailing rate - subject to specialist advice)	20%	4,330,000	1,517	
		Estimated Outturn Costs	£	25,983,100	9,101
				GIFA	
				2,855 m2	

Conclusions

Project affordability is, therefore, critically dependent on:

1. Securing the transfer of LUF funding into PropCo1 as well as all other investment capital funding within the company held account or an agreement reached through the PropCo1 members on releasing sufficient funding to cover costs to date and up to contract award in December 2022.
2. Risks associated with income (student numbers) and expenditure being able to be mitigated through cost control, increased income and/or use of the contingency provision.
3. Risks associated with enabling works, Land Acquisition, planning approval and agreement of contract sum being able to be mitigated through management of each workstream within the required timeline and budget while continuing to meet the outcomes of the LUF.

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, requirements of ARU Peterborough's operating model and the LUF.

With respect to the infrastructure works, no cash-flow implications are anticipated for the PropCo1 as the Funding source in place by each party will be transferred into PropCo1 before the construction phase goes ahead.

5 Management Case

5.1 Stakeholders

The stakeholder analysis associated with phase 3 of the new University project can be split into two phases: first the design, procurement and delivery of phase 3; and second the expansion of the operations of ARU-Peterborough/the new University to deliver the anticipated outputs of phase 3.

This Business Case describes the approach to procurement of the consultant team, stakeholder management during the design, procurement and delivery phase and in expansion of the operations of ARU Peterborough/the new University.

Procurement of the consultant team for phase 3

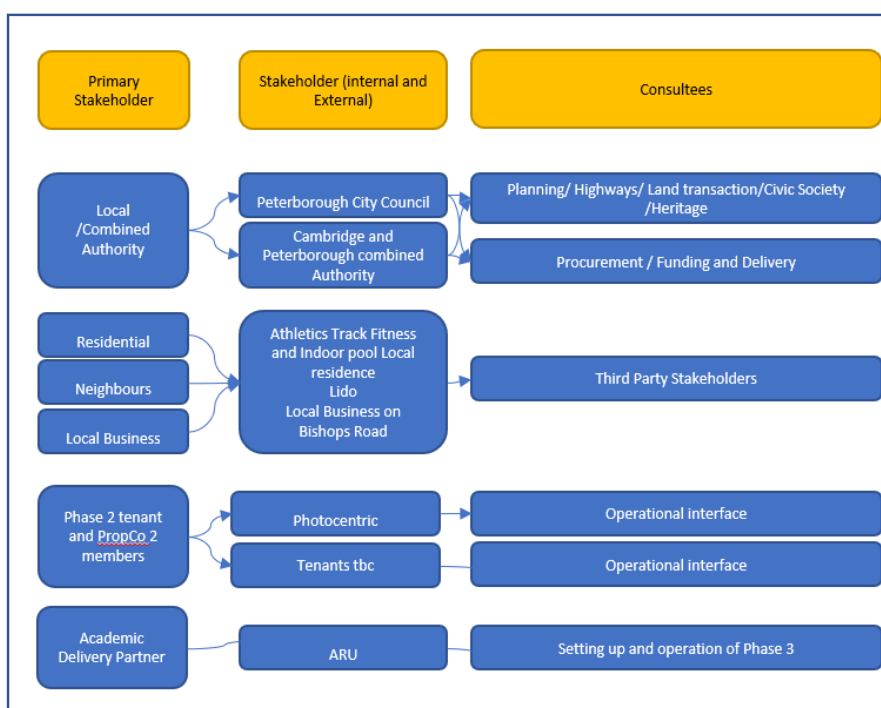
On behalf of the Peterborough, HE Property Company Ltd (PropCo1) the Combined Authority are procuring a consultant team to design, procure and deliver phase 3. The timeline set out in the programme requires a consultant team to be appointed on approval of this Business Case to commence work and spend of the LUF funding following appointment on the 15th February 2022.

Design Procurement and Delivery of Phase 3

The communications strategy will be managed by the Combined Authority with support from the appointed consultant team in the design procurement and delivery of the university phase 3.

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

1. Peterborough City Council (PCC) and the Combined Authority, including Peterborough Ltd, the PCC subsidiary operating the Regional Pool and Athletics Track.
2. The owner of the Innovation Incubator - The Peterborough R&D Property Company Ltd (PropCo2), including the Innovation Incubator tenants, Photocentric and others to be confirmed.
3. Neighbours including local residents and owners, and in particular the Civic Society and Peterborough & Nene Valley Athletic Club (PANVAC).
4. Academic Delivery Partner – Anglia Ruskin University (ARU) and ARU Peterborough.



These key internal and external stakeholder relationships will be managed by the Combined Authority and its appointed team of consultants (once procured), in consultation through the design, procurement and delivery of phase 3 on behalf of PropCo1. The relationships with the stakeholders will be managed under an agreed communications strategy outlined between PCC, the Combined Authority and ARU.

Set up and Operation of the New University of Peterborough

ARU will be responsible for the management of associated stakeholders to achieve the objectives of the new University (taking into account its expansion with phase 3), working with employers and stakeholders in the communities the University will serve. This will be led and managed by ARU in consultation with PCC and the Combined Authority.

5.2 Achievability

The Combined Authority 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 priorities outlined in the LUF bid. Both authorities have to date provided resources in line with those requirements and both are, therefore, confident that the project is achievable based on their readiness and the available resources to meet the requirements of both agreements. This will include a further full time Project Manager within the Combined Authority's University Programme Management Team, bringing the total to three project managers (one for each phase) and an administrative assistant. The Combined Authority will appoint 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: as described with in the project management section below.
- External legal support to augment the Combined Authority's and PCC legal teams.

Further external support or internal resources will be secured and deployed should any capacity/capability shortfalls be identified, subject to relevant governance approvals across the partner organisations, to ensure the project is fully resourced for successful delivery.

PCC have provided resources to support the project in its successful application for LUF funding and development of this phase 3 Business Case. In addition, the development management role undertaken by the Combined Authority will be complemented by a client-side project manager for PCC to coordinate the various workstreams and approvals necessary to resolve corporate landlord issues and land transfer among other activities.

ARU has put in place the resources needed for project delivery based on the timeline from contract award (see section 3 above). ARU has provided details of the resource profile as an indication of current thinking of resource planning including the recruitment and employment of Senior Management, Academic and Professional staff, based on the proposed student numbers and staffing forecasts within their final submission. With the Principal now in place ahead of the opening of the new University. ARU is committed to added value in recruitment as set out in the following extract from their final submission:

Economic: *We will ensure we adopt a ‘think local’ policy for recruitment of staff and procurement of resources to ARU-P, so that we develop a circular economy and keep as much wealth as possible in the local area*

Social: *Our Recruitment Policy already supports applications from individuals with protected characteristics and this will also be embedded in recruitment of staff at ARU-P. We believe ARU-Peterborough needs to a place where the community feels welcome.*

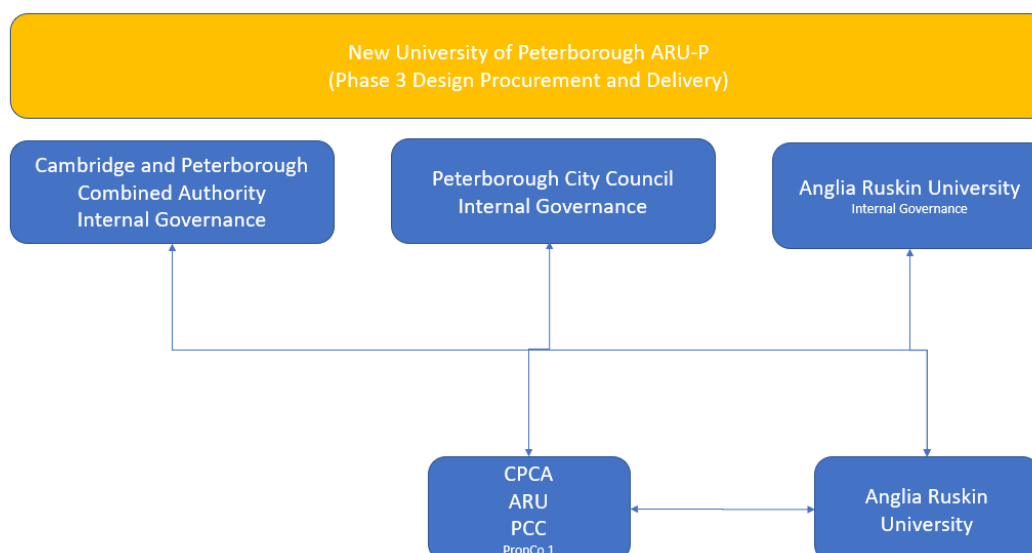
5.3 Project management

5.3.1 Structure and Governance

Project governance will be established to reflect the arrangements within each organisation and specific terms of reference for the project will be mandated by each organisation.

- The Combined Authority’s governance arrangements require all further investments into PropCo1 and all Shareholder Protection Matters included in the PropCo1 Shareholders Agreement to be agreed by the Combined Authority Board. All decisions of this nature will be submitted to the Combined Authority Skills Committee and the Business Board, if necessary and in accordance with the terms of approval of the LGF contribution, and then taken to the Combined Authority Board for final approval.
- PCC governance arrangements require all decisions relating to transfer of LUF funding to PropCo1 and the transfer of land to be approved by the Executive Director, Place and Economy in conjunction with the Chief Financial Officer, as jointly delegated officers by the PCC cabinet.
- Further approvals relating to release of the regional pool car park for development and its impact on adjacent car parks will be required by PCC in addition to approvals already delegated to officers of the Council from an October 2021 cabinet report which set out the arrangements for transfer of funds to PropCo1 and the transfer of land subject to conditions.
- ARU governance is led by its Vice-Chancellor’s Group (VCG) which acts as a forum for discussion of strategy and direction, and determination of high-level priorities for approval by the Board of Governors. The University Executive Team (UET) is the formal, senior decision-making body of the University (under delegated authority from the Board) and the wider Corporate Management Team (CMT) acts as a forum for discussion and development of strategy and operational delivery, bringing together all Director-level appointments whom are based at the main campuses of the University. One member of the UET will be the Principal and Chief Executive of ARU Peterborough, reporting directly to the Vice-Chancellor and leading the Peterborough Development Team, working closely with the Combined Authority and key stakeholders. The Senior Management and Board of Governors of ARU Peterborough will have an increasingly significant role in the governance of ARU Peterborough from 2022.

The three parties (PCC, the Combined Authority and ARU) are governed by the PropCo1 Shareholders Agreement which defines parties’ contractual obligations in relation to their shareholdings in PropCo1. This is outlined in the diagram below:



PCC, ARU and Combined Authority have already formed a special purpose vehicle – the Peterborough HE Property Company Ltd ('PropCo1') – to deliver Phase 1 of the new university campus in Peterborough. The phase 3 project is intended to be delivered by PropCo1 which will continue to be the entity through which funding is deployed, and delivery of both Phases 1 and 3 will be PropCo1's responsibility.

PropCo1 will acquire the land for Phase 3 from PCC in return for shares in PropCo1, under a separate Land Transfer Agreement.

A third-party valuation and due diligence on the land to be acquired by PropCo1 from PCC will be undertaken, the transfer of which must be completed for the point of building contract award alongside the Agreement for Lease (AFL) between PropCo1 and ARU Peterborough.

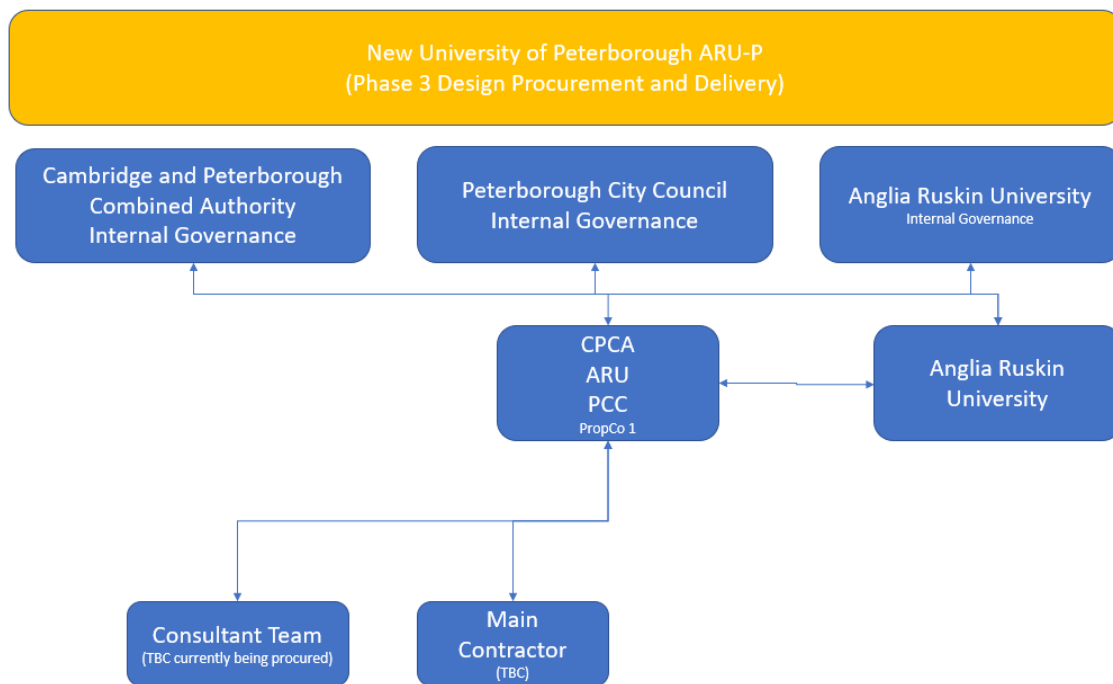
The Combined Authority will, under the Development Management Agreement be granted authority by PropCo1 to manage the design, procurement and delivery of phase 3, with the Board of PropCo1 acting as the programme management board. In this arrangement, responsibility for the delivery of phase 3 remains with PropCo1 and the terms of reference will be updated on commencement of phase 3; this will remain in place up to completion of the phase 3 building.

ARU will feed into PropCo1 via the contract administrator (to be provided by the consultants to be procured by the Combined Authority) in the development of the design and interface with the capital works. They will also update the Board in respect of curriculum design and development as the project progresses.

Once appointed, the main building contractor will report to PropCo1 via the contract administrator in respect of the agreement of the contract sum, enabling works and delivery of phase 3.

Day to day management and progress meetings will be managed by the contract administrator and will include ARU and the Main Contractor for delivery of the phase 3 building.

The organisational structure for the delivery of phase 3 is outlined below.



5.3.2 Roles and Responsibilities

Combined Authority

The development of phase 3 of the new university campus will be led by PropCo1 with delegated authority to the Combined Authority who, under the Development Management Agreement will be granted authority by PropCo1 to manage the design, procurement and delivery phase 3.

The Combined Authority (led by the SRO - Higher Education Programme Director for the new ARU Peterborough development) is providing leadership for the development of the project and will ensure a professional team is in place to support the design procurement and contract administration for delivery of the infrastructure for phase 3.

Funding for Combined Authority, as development manager, will be provided as part of the overall capital funding received from it as share investments from the Partners into PropCo1.

Peterborough City Council (PCC)

PCC is intending to provide the land for phase 3 of the project and will continue its representation on the PropCo1 board.

ARU

As described in section 3, ARU will provide the skills, knowledge, experience and resources to make a practical reality of ARU Peterborough as a new higher education provider and ultimately a university with degree awarding powers and University Title. This includes responsibility for:

- Staff recruitment
- Curriculum design and development
- Staff workload planning, resource scheduling and timetabling
- Student recruitment, marketing and admissions
- Student and academic services and systems development
- Library and learning resources services/systems
- Strategic planning, finance and governance services and systems development
- Full range of 'soft' FM and ICT services and resources

Consultant team

The Combined Authority will procure a professional consultant team ready for contract award following approval of this Business Case. The Consultant team is likely to consist of:

1. project management, cost management
2. architecture
3. mechanical and electrical engineering, environmental
4. structural and civil engineering
5. landscape design
6. planning consultant

5.3.3 Project Plan

The project plan has been developed within the following constraints and assumptions:

- Delivery of the phase 3 building to be in operation for Q4 2024 in line with the LUF funding milestone.
- In alignment with the Planning strategy that promotes the submission of a full planning application for phase 3, that is not reliant on any outline planning permission being consented and the wider masterplan for the embankment being undertaken by PCC scheduled for conclusion in Q1 2022.
- Approval of the Business case in January 2022
- Appointment of the consultant team to commence design and legal advice at the start of February 2022

The first milestone for PropCo1 will be the procurement of the multidisciplinary team and legal advice for 15th February 2022, ready for commencement of the design and procurement of phase 3 which will need to be in place for contract award in January 2023.

Procurement of the main contractor to deliver the physical capital works will be determined by the new consultant team on appointment in February 2022. The procurement is currently assumed to be a two stage Design & Build process with the successful supplier being selected based on an evaluation of quality and deliverability against profit and overhead costs. The successful supplier will initially be awarded a Pre-constructions Development Management Agreement through which the design will be progressed to enable a lump sum JCT Design & Build contract. This route approach is being proposed to ensure the project can progress in accordance with the project timescales.

The development will be constructed on land owned by PCC which, in conjunction with the buyer, PropCo1, will arrange third party valuation and due diligence on the land before contract award alongside the Agreement for Lease and fixed price sum with the main contractor who will deliver the new facility. PropCo1 will acquire the land from PCC under a separate Land Transfer Agreement ahead of necessary land transfer. This process has previously been followed for phase 1 of the University.

The planning application for the development will be prepared as part of the early design gateways to ensure timely application ahead of the start on site date. The Planning strategy for phase 3 remains under review by with the local planning authority and PropCo1 shareholders; for the purposes of this Business Case we have assumed a planning strategy based on pre application advice received in the run up to the completion of this business case.

The Local Planning Authority (LPA) is currently seeking advice from Counsel on nine questions relating to EIA procedural matters, securing contributions / off site mitigation along with other

interrelated dependencies on PCC namely, Parking & Transport and a PUFC arena proposal. The LPA have stated in their briefing note to counsel that:

- ‘given the funding deadlines for Phase 3, it is now intended that this will come forward separate to the outline planning application as a standalone full planning application’.
- ‘N.B. To prevent delay to the phase 3 development, Planning Officers have so far recommended that the full planning application be submitted and determined for phase 3 before an Outline Planning Application is submitted for the entire university campus (not part of this Business Case). This is to prevent phase 3 being caught by the Environmental Impact Assessment¹ * needing to consider cumulative impact of all phases. We are seeking clarification above as to whether this advice is correct.’

The strategy outlined at the 29 November 2021 meeting with the local planning authority states, based upon officers’ professional opinion, that the phase 3 application should be submitted and determined before the outline planning application (OPA) is submitted to prevent delays to the determination of phase 3. Phase 3 will need to mitigate its own impacts as a standalone application, and also be worked up so that it aligns with the wider strategy for the OPA. EIA Screening will need to be carried out for the phase 3 application and at the point of submitting the screening request it is recommended that a plan for mitigating its impacts will need to be established for highways, loss of sports facilities, etc to give it the best possible chance of being screened out as EIA development. The local planning authority will seek legal advice on any aspect of its approach that it feels requires a second opinion.

An option appraisal study has been undertaken to assess the preferred site for phase 3 as described in Chapter 2 of the Business Case. This Business Case assumes delivery of the phase 3 building to the east of the current development on the former Wirrina Carpark (option 1). Although the preferred option is to the south of the current development (option 2), option 1 forms the basis of this Business Case due to the potential programme and cost risk of option 2 arising from planning constraints. Option 1 is not without programme and risk and requires transport and parking strategy to be developed on appointment of the consultant team in February 2022. However, this is considered to present less risk to the required timeline.

The project plan for phase 3 is shown below which provides a comparison against the approved programme within the LUF (dated 17th June 2021). To meet the LUF timescales for opening in September 2024 the following key activities must be achieved. Ahead of approval of this Business Case, the Combined Authority will procure a consultant team to test the RIBA 1 design, develop design from RIBA 2 onwards including procurement of the main contractor, and act as contract administrator to deliver Phase 3 by Q4 2024.

The programme timeline assumes that the planning strategy and plot constraints are resolved in tandem with the selection of the preferred plot at the end of RIBA 1, alongside the resolution of the transport and parking strategy within the available budget. This will allow the planning strategy outline above to be implemented to ensure determination of full planning by January 2023 in tandem with an agreed contract sum, shareholders agreement and land transfer to allow contract award and mobilisation to commence in line with the LUF programme in March 2023.

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

1. Spade in the ground (commencement of phase 3) Q1 2023.
2. Structure, complete construction of the building structure by March 2024.

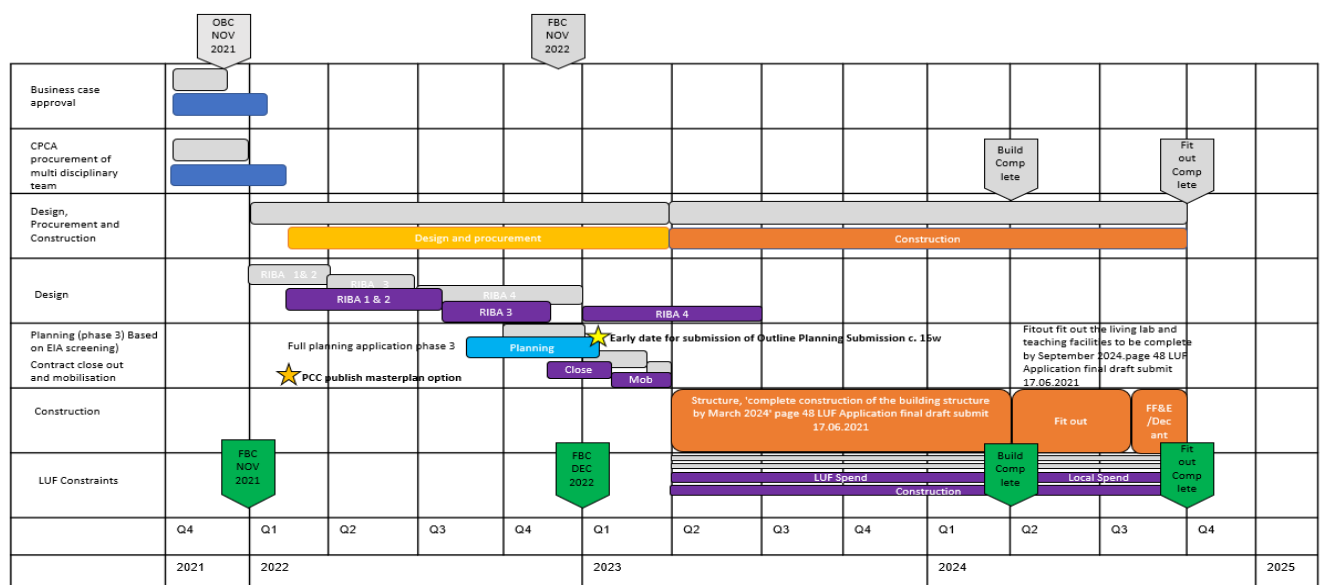
3. Fitout fit out the living lab and teaching facilities to be complete by September 2024.
4. Completion of phase 3 (for occupation) September 2024.

To achieve these milestones there are 5 key work streams:

1. Procurement of the consultant team by 15th February 2022.
2. Determination of full planning application by January 2023.
3. Develop, design and procure a Main Contractor to deliver phase 3 infrastructure. Q4 2022
4. Approval of this Business Case with delegated authority to develop the design and appoint the consultant team in February 2022 to develop the design, submit full planning application for phase 3 and procure a main contractor for award by the end of 2023.
5. PropCo1 to formalise legal agreements for land by Q4 2022 to align with award of the main contract and planning approval to allow commencement on site Q1 2023.

An updated Full Business Case will be presented alongside the approval of the Main Contractor in December 2023 to confirm the assumptions made in this submission which will provide approval to enter into the contract, transfer of land, shareholders agreement to deliver an operate the new Phase 3 development.

The critical path commences on the Combined Authority award of the consultant team contract on 15th February 2022 through to development of the design, and concurrent with planning approval procurement of the main contractor; such that Propco 1 can finalise legal agreements and the land deal in parallel with the determination of the full planning application for phase 3; and appointment of the main contractor to allow start on site Q4 2023 for completion by September 2024.



LUF programme comparison dated 17th June 2021

5.4 Change management

Change management will take place under two scenarios: delivery of phase 3 of the new university campus under delegated authority from PropCo1 to the Combined Authority and subsequently the occupation of the building by ARU Peterborough.

The key principles are that PropCo1 will delegate authority to the Combined Authority and its agent to manage the delivery of phase 3 under the Development Management Agreement, reporting to PropCo1. Should change be required then authority will need to be sought from PropCo1.

ARU Peterborough will occupy the Phase 3 building, reporting to PropCo1 on an annual basis in respect of the building condition and maintenance. ARU and ARU Peterborough will also monitor, review and report to the Combined Authority and PCC on its progress against the roadmap set out in the Collaboration Agreement between the Combined Authority, PCC and ARU which sets out the intended corporate and academic governance arrangements for delivery of higher education courses by ARU Peterborough (moving towards registration with the OfS degree awarding powers and University title). The parties agree to review each of the roadmap, milestones and steps towards them on an annual basis to consider whether the plan remains achievable and compliant and where it is not believed to be so, to agree changes to be made.

5.5 Benefits realisation

The benefits sought from the project are a critical element of the Combined Authority's investment programme under the Devolution Deal as well as monitoring and evaluation requirements set out by DLUHC through the LUF. Benefits realisation arrangements, within overall project governance, must, therefore, ensure benefits are realised over the life of the project.

The objectives and benefits of the project will be realised at key project milestones as follows:

1. Completion of the main transactional agreements including land transfer legal support will be procured by the Combined Authority to aid the Combined Authority to make the necessary changes to the Shareholders Agreement for PropCo1, to accommodate the additional investments and the use of those monies for the construction of the second teaching building.
2. Meeting the agreed milestones and targets for design and delivery of the physical Infrastructure. This will be managed via Propco1 in line with the agreed programme for completion of the phase 3 building.

Responsibility for benefits realisation above will be for PropCo1. ARU Peterborough will be responsible for meeting the student headcount growth targets and for the quality of HE delivery.

Infrastructure

The agreed infrastructure milestones and targets will be reported against at monthly PropCo1 Board meetings by the Combined Authority who will be granted authority under the Development Management Agreement to act on behalf of PropCo1 to manage the delivery of phase 3 to practical completion and close out of 12 months defects.

Academic Delivery Partner Benefits Realisation

Milestones, targets are set out in the Collaboration Agreement. These will be audited under the terms of the Collaboration Agreement and will be reviewed on an annual basis. All milestones are outlined in the Collaboration Agreement master schedule and can be summarised as follows up to 2028 which will continue to be monitored and progress regularly reported against by ARU:

1. 2020 ARU Peterborough is incorporated – COMPLETE.
2. 2022 ARU Peterborough starts provision of education to students at the start of the academic year 2022.
3. 2025 ARU Peterborough is registered with OfS by the start of the Academic year 2025/26.
4. 2028 ARU Peterborough is granted unlimited TDAPs by the start of the academic year 2028/29.

5.6 Risk management

A detailed project risk register (including risk control strategies) has been developed (attached at Annex 6.1) based on the following risk categories:

1. Surveys and Site Constraints
2. Commercial Viability
3. Design
4. Legal
5. Procurement
6. Operational
7. Governance and changes to Brief
8. Construction Logistics
9. Programme

The top-level risks and control measures are outlined in preceding sections of this Business Case.

The responsibility for management of risk will lie with PropCo1 under the joint venture in respect of the development of the Phase 3 building and with ARU Peterborough for the operational delivery risks. As described above, it is intended that PropCo1 will delegate authority to the Combined Authority for the management of risk associated with the design, procurement and delivery of the phase 3 building.

Authority for the management of risk will remain with PropCo1 up to completion of the phase 3 building. Day to day responsibility for risk management will be the responsibility of the Project Manager, who will hold quarterly risk workshops with members of the project team. The risk register will be reviewed at least monthly by the PropCo1 Board of directors. These monthly risk reviews will be an integral part of monthly reporting to PropCo1.

Where management of risk requires interventions beyond the authority delegated to the Combined Authority by PropCo1, decisions will be referred by exception to PropCo1 for agreement on how risks are to be mitigated in line with the governance and agreed terms of reference outlined above and to be set out in the Development Management Agreement.

5.7 Project assurance

The Combined Authority'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 the Combined Authority in discharging its responsibilities in the administration of the Cambridgeshire and Peterborough Investment, incorporating the Single Pot funding.

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 3 and into the occupation and aftercare stages.

Design

Workshops will be held with the project team to review learning from previous projects/phases 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.

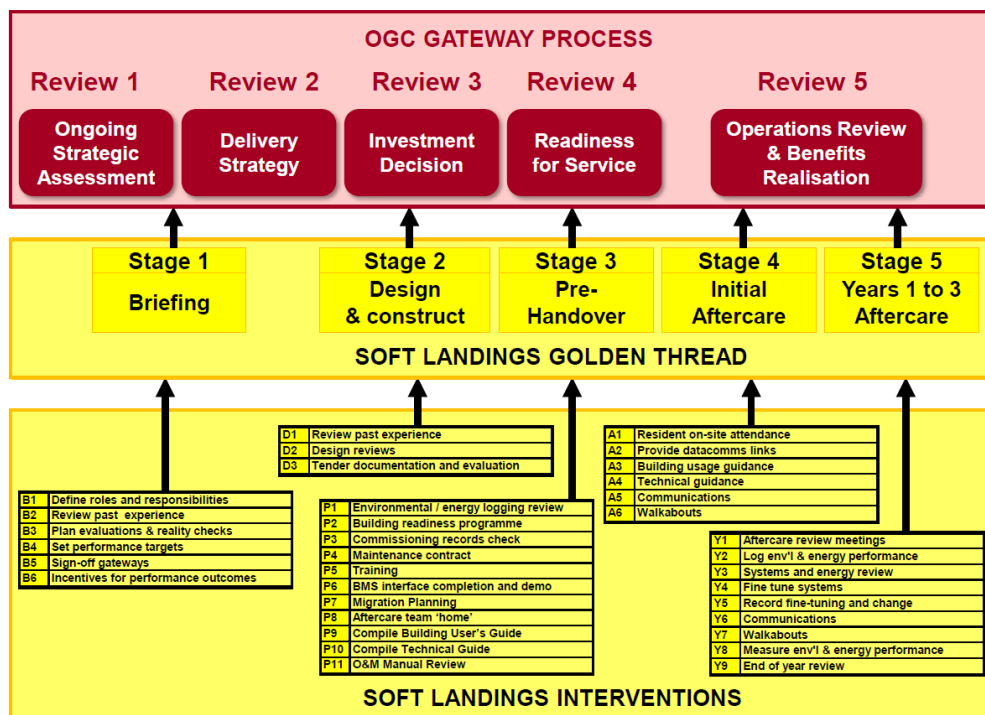
Construction

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 3 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 Project risk register

Risk Register

Project: New University of Peterborough
Date: 22/12/2021
Version: 1

Effect	Probability	Cost (£)	Schedule (weeks)
1 (VL)	<10%	<5k	<2
2 (L)	10-25%	5-25k	2-4
3 (M)	26-50%	25-100k	4-8
4 (H)	51-75%	100-250k	8-16
5 (VH)	76-100%	>250k	>16



Risk Identification					Assessment					Mitigation	
ID	Title / Description (Cause)	Effect	Category	Risk Owner	Likelihood	Cost Effect	Time Effect	Quality	Assessment	Management Plan	Action Owner
009	Relocation of sports (football pitch) and associated planning not achievable in necessary timescale to release plot for development of phase 3	Delay to schemes ability to meet LUF Operational milestone Q4 2025 dependant on option used to be defined in Feb 2022	4. Programme	PropCo	4	3	5	1	100	a) Review planning strategy for OPA and Phase 3 in tandem and procure necessary amendments with consultants b) Look at options to reduce relocation of third party facilities to enable phase 3 plot c) Business case drafted to show option 1 location to avoid need to relocate football pitch for phase 4	a) CPCA & OPA consultant team b) PCC c) PropCo 2
004	Relocation of third party facilities cannot be achieved in time to start phase 3 development	Delay to schemes ability to meet LUF Operational milestone Q4 2024	4. Programme	CPCA	3	3	5	1	75	a) Review planning strategy for OPA and Phase 3 in tandem and procure necessary amendments with consultants b) Look at options to reduce relocation of third party facilities to enable phase 3 plot c) FBC drafted to show option 1 location to avoid need to relocate football pitch for phase 3	a) CPCA & OPA consultant team b) PCC c) PropCo 1
017	Change in option (site location) following approval of the business case as a result of third party change or issue	additional fee for abortive design, delay to programme or element of	4. Programme	PropCo	4	3	4	2	64	consider options to mitigate risk to cost and time in parallel with Business case approval	a) Propco 1
011	Outline planning permission delay preventing reserved matters application being made in accordance with timetable	Consider hybrid planning application	4. Programme	CPCA	3	3	4	1	48	Consider alternative strategy as part of OPA and procure changes to implement this change	a) CPCA & OPA consultant team

002	Numerous warranty for Infrastructure works between phases as a result of separate procurement routes	complexities of responsibility make it more difficult to manage	8. Procurement	PropCo	5	3	1	3	45	Defects responsibility difficult to manage by landlord and lead to additional operating cost	a) Propco 1
010	Carparking assumptions made without transport consultant to inform the cost plan and size of building are incorrect	Planning submission phase 3 responsibility of consultant team phase 3 - assumptions made in phase 3 based on current parking strategy being taken forward by OPA team. If change could impact on monies available for phase 3	15. Operational	PropCo	5	3	1	1	45	a) agree planning strategy as part of FBC acknowledge that assumptions at FBC will change as OPA develops b) align transport consultant ph 3 with OPA in development of ph 3 application	a) CPCA & OPA consultant team
016	Revisit to install services could mean patch work wearing course following re visit to install future phases servicing due to piecemeal phasing of phases as a result of funding release	aesthetic of installation	8. Procurement	PropCo	5	1	1	3	45	Consider bringing funding forward for early installation delay wearing course installation as part of phase 1 & 2	a) Propco 1
008	ARU curriculum development sufficient to make design assumptions delayed beyond February 2022 to inform design without abortive costs	Impacts on timeline of design and could incur cost of abortive design works / installation	6. Design	PropCo	4	3	3	3	36	Early assumptions to allow development of design in timeline	a) ARU
001	Increased infrastructure costs exceed available budget as a result of unknown scope to be determined in design RIBA 3 - current allowance based on phase 1 and 2 budgets	Reduces size of scheme below which is agreed in Business Case on which meet the LUF priorities.	2. Commercial - Viability	PropCo	2	4	4	4	32	a) Propco to consider implementing wider infrastructure interventions for University campus early aside from PH3 budget b) Place early orders with statutory authority and or incumbent contractor phase 1 & 2 c) Additional funding or reduce foot print of phase 3 development beyond viability or reduce quality of space / sustainability aspirations	a) Propco 1 b) PropCo 1 c) PropCo 1
007	Availability of power from local network not available in timescale or can be delivered in free space adjacent phase 1 & 2 services without major changes to current proposed site infrastructure as a result of delivery of each phase to affordable budget.	delay to power on or scheme unaffordable to meet requirements of funding	2. Commercial - Viability	CPCA	2	4	4	1	32	Consider early order to secure power for phase 3 // consider wider benefit of site wide application to avoid further infrastructure costs	a) Propco 1
003	Lack of surveys due to affordability at time of writing FBC on proposed plot increases capital cost of works reducing size of building for require additional investment as a result of site contamination, stability of ground or other unknown site condition	Lack of surveys due to affordability at time of writing FBC on proposed plot increases capital cost of works reducing size of building for require additional investment as a result of site contamination, stability of ground or other unknown site condition	7. Surveys & Site Conditions	PropCo	3	3	3	3	27	implement surveys on award of consultant in February 2022	a) PropCo 1
013	Limited float in programme to meet opening requirements outlined in LUF funding opening by Q4 2024	PropCo to review opportunity for programme float	4. Programme	PropCo	3	3	3	3	27	Consider opening after September 2024 and impact on operating model	a) ARU

018	Procurement of contractor to commence at RIBA 3 with overlap of client design adversely impact on contractor ability to influence design or results in client team led delay that impacts programme	Increased costs as a result of delay due to more complex interface between design team and contractor to agree contract sum	4. Programme	PropCo	3	2	3	2	27	review procurement strategy	a) PropCo 1
005	Due diligence on land /land value not available at the time of FBC which may add additional cost and or time affecting size of phase 3 building or require additional investment	Due diligence on land /land value not available at the time of Business case which may add additional cost and or time affecting size of phase 3 building or require additional investment	12. Legal	PropCo	2	3	3	2	18	Instruction PCC to review likely options on approval of Business case	a) PropCo 1
012	Delay to procurement of the professional team by CPCA to mobilise following approval of FBC	CPCA to ensure procurement in line with LUF programme and required scope to ensure team ready for mobilisation following approval of Business case	8. Procurement	CPCA	2	2	3	3	18	a) review procurement options/ internal resources	a) CPCA
015	Off plot section 278 works /section 106 contributions as a result of cumulative effect of phases exceed available budget scope of which is unknown at this time	Off plot section 278 works /section 106 contributions as a result of cumulative effect of phases exceed available budget scope of which is unknown at this time	2. Commercial - Viability	PropCo	2	3	3	1	18	Ensure consultant appointed 1 February 2022 progress early	a) PropCo 1
014	FBC not approved by CPCA Business board by end of January 2022	CPCA early discussion with internal members to ensure better likely hood of meeting their	2. Commercial - Viability	CPCA	2	2	2	2	8	Early consultation	a) CPCA
006	Availability of land to secure access for construction vehicles would disrupt phase 1 & 2 operations	Increases prelim cost / affects phase 1 & 2 operation	9. Construction/ Logistics	PropCo	3	1	1	1	3	Early review of construction logistics	a) PropCo 1

Appendix 2 - Shareholders Agreement protection matters

SCHEDULE 1

SHAREHOLDER PROTECTION MATTERS

The following are Shareholder Protection Matters, save to the extent that any such decision relates to an Excluded Decision, and each such Shareholder Protection Matter shall require the prior written consent of the Shareholders marked 'Yes' below:-

Shareholder Protection Matter for		CPCA	PCC	ARU	Capable of giving rise to a Deadlock Matter?
1.	SPECIAL RESOLUTION MATTERS				
1.1	Passing any resolution for PropCo which the Act prescribes to be passed by way of special resolution (as the same is defined by section 283 of the Act).	Yes	Yes	Yes	No
2.	PROPCO CAPITAL				
2.1	Issuing or allotting any shares in PropCo.	Yes	Yes	Yes	No
2.2	Issuing, granting or consenting to the assignment of options over any Shares in PropCo.	Yes	Yes	Yes	No
2.3	Creating any rights to convert other securities into shares in any PropCo	Yes	Yes	Yes	No
2.4	Consolidating, sub-dividing, converting, cancelling or otherwise altering any of the rights attached to any of the issued shares (or any class of shares) in PropCo.	Yes	Yes	Yes	No
2.5	Reorganising the share capital of PropCo.	Yes	Yes	Yes	No
2.6	Purchasing (save as required or permitted under the Articles) or redeeming any shares in PropCo.	Yes	Yes	Yes	No
2.7	PropCo repaying any amounts standing to the credit of any share premium account or capital redemption reserve or other surplus or reducing any uncalled liability in respect of partly paid shares.	Yes	Yes	Yes	No

Shareholder Protection Matter for		CPCA	PCC	ARU	Capable of giving rise to a Deadlock Matter?
2.8	PropCo creating any borrowings or other indebtedness or obligation in the nature of borrowings (including obligations pursuant to any debenture, bond, note, loan, stock or other security and obligations pursuant to finance leases) which exceeds £10,000	Yes	Yes	Yes	Yes
2.9	PropCo creating any Encumbrance (or allowing one to subsist) over all or any part of the business, undertaking, property or assets of PropCo and PropCo issuing, granting or consenting to the assignment of options over any debentures or other securities.	Yes	Yes	Yes	Yes
3.	PropCo giving any guarantee, indemnity, security or letter of comfort in respect of the obligations of any other person involving a potential liability that exceeds £10,000.	Yes	Yes	Yes	Yes
3.1	Declaring or paying any distribution in respect of profits, assets or reserves or in any other way reducing the reserves of PropCo.	Yes	Yes	Yes	Yes
3.2	Approving the retention of profits of PropCo for working capital purposes.	Yes	Yes	Yes	Yes
4.	PROPCO BUSINESS				
4.1	PropCo expanding, developing or evolving the Business.	Yes	Yes	Yes	No
4.2	PropCo acquiring, or investing in, another business or company.	Yes	Yes	Yes	No
4.3	Entering into or participating in any joint venture, partnership or other profit-sharing arrangement with any person (or making any amendment or variation to any such arrangement after it has been approved).	Yes	Yes	Yes	No

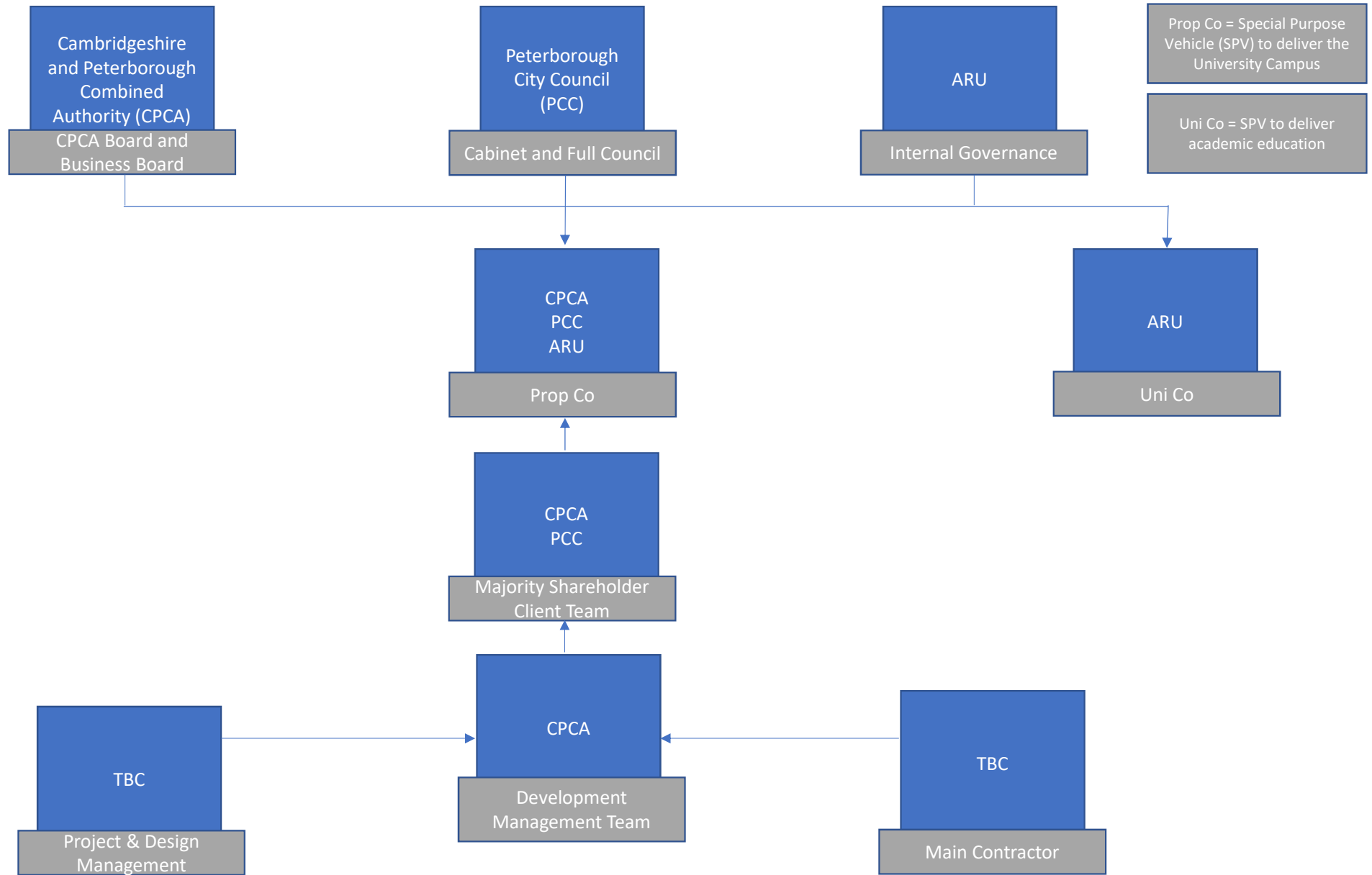
Shareholder Protection Matter for		CPCA	PCC	ARU	Capable of giving rise to a Deadlock Matter?
4.4	Otherwise than in accordance with this Agreement, PropCo materially altering or in any way disposing of (whether through amalgamation, merger, consolidation, sale, transfer, entry into a lease or licence, or otherwise) all or a substantial part of the Business, undertaking, property or assets of PropCo, whether by a single transaction or series of transactions, related or not, and whether by way of sale of assets or some other arrangement.	Yes	Yes	Yes	No
4.5	PropCo entering into any transaction or arrangement outside of the ordinary course of the Business, or making any amendment or variation to any such transaction or arrangement after it has been approved.	Yes	Yes	Yes	No
4.6	PropCo entering into:				
4.6.1	any contract, liability or commitment (including capital expenditure) which exceeds £10,000;	Yes	Yes	Yes	Yes
4.6.2	any contract, liability or commitment (including capital expenditure) which exceeds ten (10) per cent of the aggregate budgeted expenditure of PropCo and PropCo Subsidiaries for the relevant Financial Year; or	Yes	Yes	Yes	Yes
4.6.3	any series of connected contracts, liabilities or commitments (including capital expenditure) which in aggregate exceed ten (10) per cent of the aggregate budgeted expenditure of PropCo and PropCo Subsidiaries for the relevant Financial Year.	Yes	Yes	Yes	Yes

Shareholder Protection Matter for		CPCA	PCC	ARU	Capable of giving rise to a Deadlock Matter?
4.7	The commencement of any winding up or dissolution of PropCo, or of the appointment of any liquidator or administrator in respect of PropCo, save as expressly contemplated by this Agreement or as required by Law.	Yes	Yes	Yes	No
4.8	Making any variation to the Business Plans	Yes	Yes	Yes	Yes
4.9	Making any material amendments to the Agreed Form Approved Design	Yes	Yes	Yes	No
5.	RELATED PARTY TRANSACTIONS				
5.1	PropCo entering into, terminating or varying (except for minor variations unlikely to have a material impact on PropCo) any contract, terms, material transaction or other arrangement (whether legally binding or not and, for the avoidance of doubt, including any Project Agreement) with:				
5.1.1	any Shareholder;	Yes	Yes	Yes	Yes
5.1.2	any member of a Shareholder's Group; or	Yes	Yes	Yes	Yes
5.1.3	any person connected with a Shareholder or a member of a Shareholder's Group.	Yes	Yes	Yes	Yes
5.2	The amendment of any fee payable by PropCo (except for minor variations unlikely to have a material impact on PropCo) under a contract (including, for the avoidance of doubt, any Project Agreement) with any Shareholder, any member of a Shareholder's Group or any person connected with a member of a Shareholder's Group.	Yes	Yes	Yes	Yes

Shareholder Protection Matter for		CPCA	PCC	ARU	Capable of giving rise to a Deadlock Matter?
5.3	PropCo entering into any transaction, paying any management charges (or any other payment whether gratuitous or in consideration of past or future services) or assuming any liability or obligation, in each case for the direct or indirect benefit of any of the Directors or any of the Shareholders or any member of a Shareholder's Group other than as expressly provided in this Agreement, in each case, otherwise than on arm's length commercial terms and for full value.	Yes	Yes	Yes	No
6.	OTHER ISSUES OF IMPORTANCE TO SHAREHOLDERS				
6.1	Moving the central management and control of PropCo outside the UK.	Yes	Yes	Yes	No
6.2	Moving PropCo tax residence outside the UK.	Yes	Yes	Yes	No
6.3	PropCo making any political donation.	Yes	Yes	Yes	No
6.4	The approval of (and any change to) PropCo policy which potentially impacts on the statutory liability of Shareholders or Directors (eg anti-bribery and corruption, health and safety, non-discrimination).	Yes	Yes	Yes	Yes
6.5	The initiation, conduct, settlement or abandoning of any legal, arbitration or other dispute resolution proceedings by PropCo which does not:				
6.5.1	involve a Related Claim and/or a Shareholder Claim; and	Yes	Yes	Yes	No
6.5.2	for which the claim or liability (including related costs) is or may be in excess of £10,000.	Yes	Yes	Yes	No

Shareholder Protection Matter for		CPCA	PCC	ARU	Capable of giving rise to a Deadlock Matter?
6.6	Ceasing to carry on the Business or the carrying on of the Business on any materially reduced scale	Yes	Yes	Yes	Yes
6.7	The commencement of any new business not being ancillary or incidental to the Business.	Yes	Yes	Yes	No
6.8	Creating or amending any bonus, profit sharing or other financial incentive scheme;	Yes	Yes	Yes	No
6.9	Making any change to its auditors or its accounting reference date;	Yes	Yes	Yes	No
6.10	Appointing or removing any Director otherwise than in accordance with the provisions of this Agreement;	Yes	Yes	Yes	No
6.11	The establishment of and delegation of powers to any committee of the Board or, in the case of any subsidiary, any committee of its board of Directors;	Yes	Yes	Yes	No
7.	ADDITIONAL MATTERS				
7.1	Making changes to bank mandates or scopes of authority therein;	Yes	Yes	Yes	No
7.2	Engaging employees;	Yes	Yes	Yes	No
7.3	Establishing or amending any pension scheme;	Yes	Yes	Yes	No
7.4	Factoring or discounting any debts;	Yes	Yes	Yes	No
7.5	Making any agreements with revenue authorities or any other taxing authority;	Yes	Yes	Yes	No
7.6	Changing bankers	Yes	Yes	Yes	No
7.7	Changing the name of PropCo	Yes	Yes	Yes	No
7.8	Entry into any distribution or similar agreement;	Yes	Yes	Yes	No
7.9	Giving notice of termination of any arrangements of a material nature to PropCo	Yes	Yes	Yes	Yes

University of Peterborough Phase 3 Governance



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Covid-19 Economic and Skills Insight Report

To:	Business Board
Meeting Date:	10 January 2022
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	Deputy Chief Officer Business Board and Senior Responsible Officer Growth Works, Alan Downton
Key decision:	No
Recommendations:	The Business Board is recommended to: Note the Metro Dynamics Report and provide any necessary feedback as applicable for an updated version.

1. Purpose

- 1.1 To update the Business Board on the latest data in relation to Covid-19 impacts and overall economic performance. Metro Dynamics produced a full impact report in July 2021. This updated impact report summarises data changes and emerging trends. It is presented for discussion and input and will inform the Economic Growth and Skills strategy development work.

2. Background

- 2.1 The full report produced by Metro Dynamics is attached at Appendix 1.
- 2.2 In summary the report covers:
 - (i) Emerging findings in the economy and labour market
 - (ii) Emerging trends e.g. created new drivers and possibilities for policy
 - (iii) Contingencies and uncertainties
 - (iv) Implications of highest relevance to CPCA

3. Next steps and timeline

- 3.1 Following discussion and input into this Covid-19 impact report, it will be published and shared with partners and stakeholders, and used to inform wider economic growth strategy development.
- 3.2 Throughout the Covid-19 pandemic, the Combined Authority and Business Board have used a regular impact data dashboard to design the focus of interventions, the form of interventions and to track how those should develop and adapt as recovery progresses. Comments and input from the Business Board will be fed back to the team to ensure that the Combined Authority's interpretation is robust and in line with data emerging.
- 3.3 From January 2022 to March 2024, there is a proposal to provide a quarterly (or as new data becomes available) economic dashboard, focussed on Covid recovery but including wider indicators, which will be shared with the Skills Committee, Business Board, Combined Authority Board and other committees and partners and stakeholders. The content will follow the content of this report, although it will have the agility to accommodate other metrics if required.

Significant Implications

4. Financial Implications

- 4.1 There are no financial implications.

5. Legal Implications

- 5.1 There are no legal implications.

6. Other Significant Implications

- 6.1 There are no specific implications within the decisions recommended. As part of the commission, officers will ensure a comprehensive and robust consultation and engagement exercise is undertaken with key partners and stakeholders to ensure that the reports presented have both value in the specialism and knowledge acquired and are trusted, implemented and prized by stakeholders and partners.

6. Appendices

- 6.1 Appendix 1 – Covid-19 Impact Assessment Report from Metro Dynamics

7. Background Papers

- 7.1 [First Covid-19 update - Business Board report September 2020 \(Item 3.1 refers\)](#)
- 7.2 [Covid-19 Impact Assessment Report – July 2021 \(Item 3.1 refers\)](#)

Cambridgeshire and Peterborough Combined Authority

COVID-19 Impact Assessment

December 2021

Executive Summary / December 2021

Cambridgeshire and Peterborough Combined Authority (CPCA) commissioned Metro Dynamics to monitor the impact of Covid-19 on the CPCA economy, including our three sub-regional economies. This summary updates our analysis of that impact with the latest available data as at early December 2021.

This report aims to provide an up to date assessment of impact on the CPCA economy, with a focus on major sectors, business groups and the labour market. We summarise how initial forecasts of impact have been effected by the subsequent policy response. We note the early impacts of the latest Omicron related restrictions, although these were only implemented in recent days.

Overall, the economy has shown a steady recovery, but output may have recovered less than for the UK as a whole.

As of Q2 2021 (the latest quarter of data) economic output in C&P has recovered significantly in Q2 of 2021, but remains £244m below Q1 2020 levels. Care is needed over the modelling, but there are signs that, nationally, the rate of recovery has been slightly faster with the economy now returning to near Q1 2020 levels, prior to the impacts of Omicron related restrictions.

Data on sectoral impacts is complex and contradictory, suggesting that the impact of the end of furlough and other business support programmes has not yet become clear.

Overall numbers of business have fallen, with a 0.1% contraction in the business base across C&P since the start of the pandemic, which is in line with the East of England but at odds with the 0.6% increase in business counts across the UK.

Peterborough and Fenland have seen the highest growth with

an increase of 4.1% and 3.0% respectively. South Cambridgeshire, East Cambridgeshire and Huntingdonshire have all experienced contraction to their business bases. Huntingdonshire has seen the steepest decline at 3.2%.

Looking across industries we see significant divergences in the count of businesses, with the steepest falls occurring in Primary industries (-9.5%), Manufacturing (-5.9%) and IT (-4.2%). The fall in the number of manufacturing businesses is particularly striking against overall UK growth of 1.7% for the sector.

Output losses locally appear to have been concentrated in leisure and accommodation, education and professional and scientific services. One oddity is that the modelling suggests a greater output loss in the professional / scientific and IT sectors in Greater Cambridge than is borne out by business sentiment and anecdote, although a significant 9.2% of jobs have been lost across the C and P area as a whole in these sectors, suggesting at least a temporary contraction. It may be that these firms have managed to retain margins and protect profitability to a greater extent than others. We will explore this more fully in the weeks ahead.

The education sector has been recruiting heavily, with significant job growth also in health and logistics.

Employment is now above March 2020 levels. The Job Retention scheme achieved its headline goal of minimising increases in unemployment.

In Cambridgeshire, the low point for employment before recovery started was in January 2021 where nearly 9000 jobs had been lost compared to March 2020 levels. This amounted to a 2.9% reduction in employee numbers in the area. Similarly, Peterborough saw a 2.7% reduction (2,600 jobs), reaching this point in September 2020, 4 months earlier than Cambridgeshire's low point.

Overall Cambridgeshire and Peterborough are above March 2020 employment levels (Cambridge CC: +1.2%, Peterborough: +2.2%). In total, Cambridgeshire took 17 months to recover to March 2020 levels, Peterborough 15 months. Both areas displayed a fairly 'U shaped' recovery, mirroring the national picture.

The unemployment rate rose at the start of the pandemic but has recovered faster than the UK as a whole and is back to pre-pandemic levels. This is in contrast to the rest of the UK, where it has continued to rise.

The labour market has tightened and recruitment is an issue for many firms

Job vacancies have also recovered and are now around 13% higher than pre pandemic, suggesting a tightening labour market. EU migration has fallen and Fenland, where the agricultural sector has a high reliance on seasonal labour has very high vacancy levels (132% of pre pandemic levels). Median wages have also risen, largely tracking the trend across the UK.

Masking potentially increasing inequality

Areas with higher rates of pre-existing deprivation have generally experienced higher numbers of Covid-19 cases, as well as higher rates of new universal credit claims. This is particularly true for more deprived communities in Peterborough. Wisbech, Cambridge, Chatteris and Soham. This is likely to exacerbate pre-existing health inequalities.

In September 2020 we prepared an initial Covid-19 Impact Assessment which outlined some emerging implications. As the crisis has evolved so too have its implications for C&P

Emerging implications in Sept. 2020 ➡ <i>In September 2020, we highlighted the emerging implications below:</i>	Where we are now, in December 2021 ➡ <i>Now in December 2021, we see that these emerging implications are playing out in sometimes unexpected ways</i>	Ongoing uncertainties ➡ <i>There is much about the next phase of the pandemic we still don't know</i>	Implications for C&P actions and strategies
<p>The spatial pattern of economic activity and the relationships between places for work, living, leisure and learning are changing:</p> <ul style="list-style-type: none"> Work and educational activities transacted successfully over larger geographies Productivity gains from agglomeration and 'economies of scope' potentially achievable at more local scales 	<p>Homeworking has become the norm in some sectors as workers and businesses have adjusted working practices and processes. However, this behavioural shift does not appear to have triggered major changes to the spatial pattern of economic activity. Or, rather, it is too early to tell in CPCA. In other, relevant, parts of the country, such as Surrey, for example we have seen a net inflow of people and some early signs of more older people leaving and more younger people moving in.</p>	<ul style="list-style-type: none"> Will homeworking and virtual work arrangements become a permanent fixture in more work environments? Will people 'vote with their feet' and relocate to places, such as more spacious regional areas, which can offer a better quality of life? Will international students return to higher education institutions in the same numbers as before the pandemic? 	<ul style="list-style-type: none"> Revisit the assumptions underpinning local plans for the relationship between jobs and housing demand in places (e.g. running new scenarios through the East of England Forecasting Model) Ensure town plans and district plans identify opportunities to revitalise public space to cater to residents who live and work locally, such as offering more green space where possible
<p>A weaker labour market overall than anticipated by existing strategies, with new structural unemployment likely to persist beyond the pandemic. The burden will fall disproportionately on low-wage and low-skill jobs and sectors, thereby widening inequality.</p>	<p>As of December 2021, a structural rise in unemployment has not materialised and appears unlikely in the short to medium term. Instead, disruptions to supply chains, 'pingdemics' and migration outflows have led to labour market shortages in key occupations and sectors, with unemployment across C&P now lower than it was prior to the pandemic. Where there have been job losses, however, the impacts have fallen disproportionately on disadvantaged and low-skilled workers.</p> <p>The pandemic has honed businesses' focus on automation and digitisation, meaning that longer-term labour market impacts remain a distinct possibility.</p>	<ul style="list-style-type: none"> Are historically low unemployment rates temporary, or do they signal an era of near-full employment across the UK? What will the medium impact be on wages, and how will businesses adjust to higher labour costs if wage increases become a feature of the economy? Will increased automation and digitisation ultimately result in job losses in lower-wage, lower-skill job roles, and if so, what support will be required to help these workers transition to other opportunities? 	<ul style="list-style-type: none"> Make addressing widening inequality and the pandemic's unequal impacts a central feature of recovery. Consider how the 'six capitals' approach can help align interventions with improved wellbeing and quality of life outcomes for residents
<p>Global capital is seeking temporary safe havens and reliable future bets. This includes activities related to the management of this and future pandemics (e.g. vaccines, therapeutics and diagnostics); future growth opportunities (e.g. digital collaboration networks, platforms to connect producers with end consumers); and investment opportunities guaranteed by government.</p>	<p>A turbulent year for markets - featuring disruptions to global trade and logistics, gas shortages and energy price rises, significantly decreased migration and travel, and ongoing political uncertainties about how to manage the pandemic - has resulted in a glut of global capital. We are now entering a period of inflation led by gains in asset classes, notably housing in the UK and wider commodities. There remain significant opportunities for C&P to attract inward investment from private sector sources into the region's highly-productive and well-established sectors and businesses, which offer a relatively safe return.</p>	<ul style="list-style-type: none"> Will the UK, and C&P specifically, be able to compete internationally to capitalise on high global saving rates and attract inward investment? How will public funding in the UK be directed and made available in order to achieve specific ends, such as levelling up or achieving net zero? 	<ul style="list-style-type: none"> Review strategies for attracting inward investment in light of changed global market characteristics; consider how best to market C&P as a great place to invest Align strategic priorities and actions with potential funding sources, either through private finance or through competitive public funds
<p>Productivity performance is likely to vary substantially across places and sectors over the course of the recovery and beyond. Productivity is contingent on a number of factors, but, with the right recovery, there are opportunities to close the gap earlier between CPCA and London.</p>	<p>Productivity is being influenced by a broad range of factors which are pulling in different directions. The net effect across the UK appears to be an increase in productivity, as businesses which were required to innovate in the short term (mostly via process innovation) are now reaping the productivity benefits.</p>	<ul style="list-style-type: none"> Will rising input costs – particularly for energy and labour – be a drag on productivity growth and offset the gains stemming from product and process innovation within businesses? Will large debt burdens for many businesses in some sectors prevent investment in growth? 	<ul style="list-style-type: none"> Help businesses, particularly the region's large base of micro businesses, embed new work practices and behaviours
<p>Across sectors diverging impacts and recovery pathways seem likely, as sectors face a range of disruptions specific to them. Knowledge-intensive sectors where workers are more able to work from home may be able to navigate disruptions more easily, while those sectors where work depends on close physical proximity (e.g. production lines in manufacturing plants) will find the pandemic's disruptions harder to overcome.</p>	<p>Diverging impacts and recovery pathways are playing out across all sectors, with those sectors most affected by restrictions (particularly retail and the visitor economy) finding that much output which has been lost is irrecoverable.</p> <p>Businesses in other, typically more knowledge-intensive industries, have been able to grow rapidly and adjust to new operating models to capitalise on market opportunities</p>	<ul style="list-style-type: none"> Will major disruptions to supply chains and logistics, which are affecting all sectors, become less frequent from Spring 2022 onwards. 	<ul style="list-style-type: none"> Develop/update sector-specific strategies and plans which respond to specific challenges and opportunities. Support sector-specific plans with overarching strategies (e.g. on skills) which address system-wide issues

Report Contents

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The number of confirmed cases now exceeds January 2021 peaks, however vaccines are helping to reduce the incidence of serious illness and hospitalisation

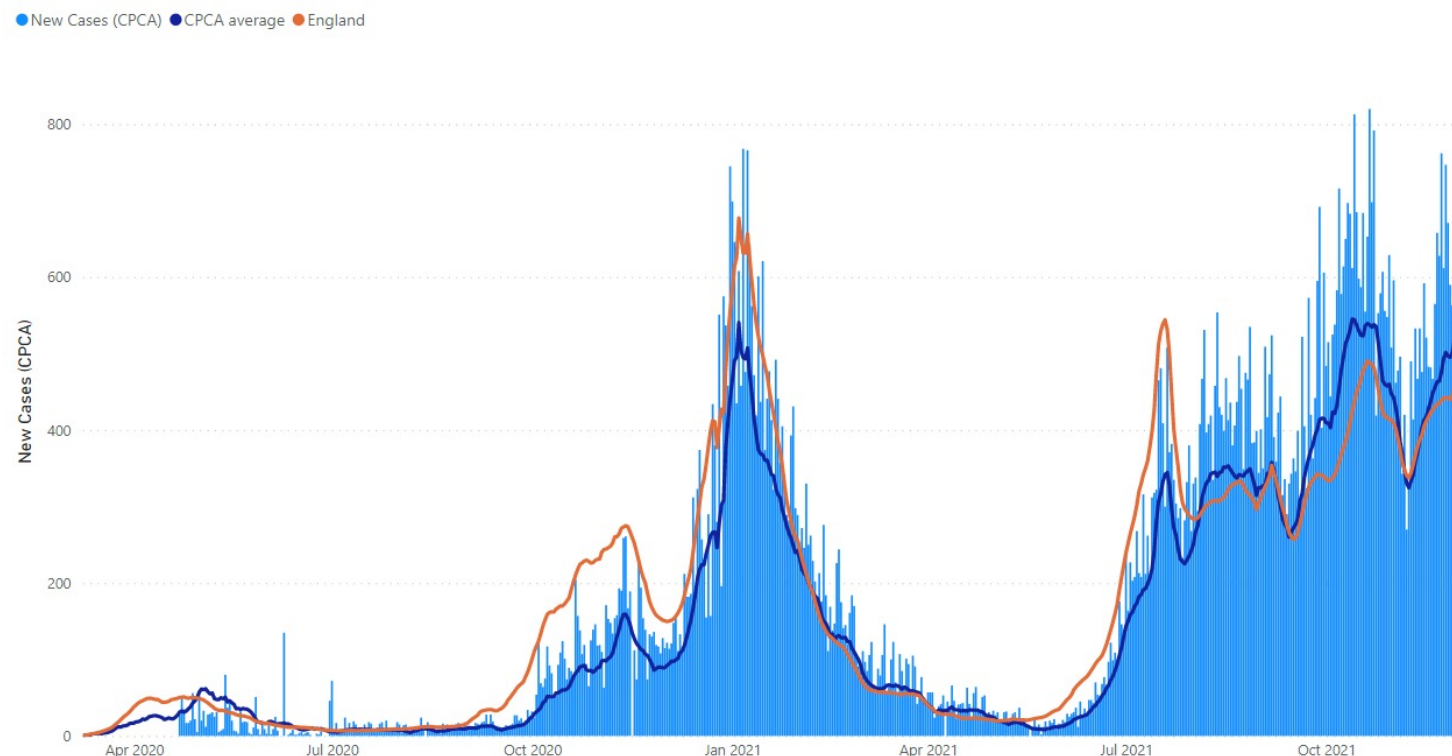
This graph shows the Covid-19 case rate per 100,000 in C&P and England.

The trajectory of the virus in C&P has been similar to the trajectory seen nationally. As of December 2021, cases are now rising significantly once again and are now higher than the previous peak in January 2021.

As of December 9th, the highest rolling 7 day rate within C&P was in South Cambridgeshire (720 per 100,000) and lowest in Fenland (360 per 100,000 population).

Despite case numbers exceeding the January peak, the death rate remains well below levels seen in January as vaccines help reduce the risk of serious illness and hospitalisation.

Daily Covid cases with CPCA and England case rate lines. March 2020 – 8th December 2021



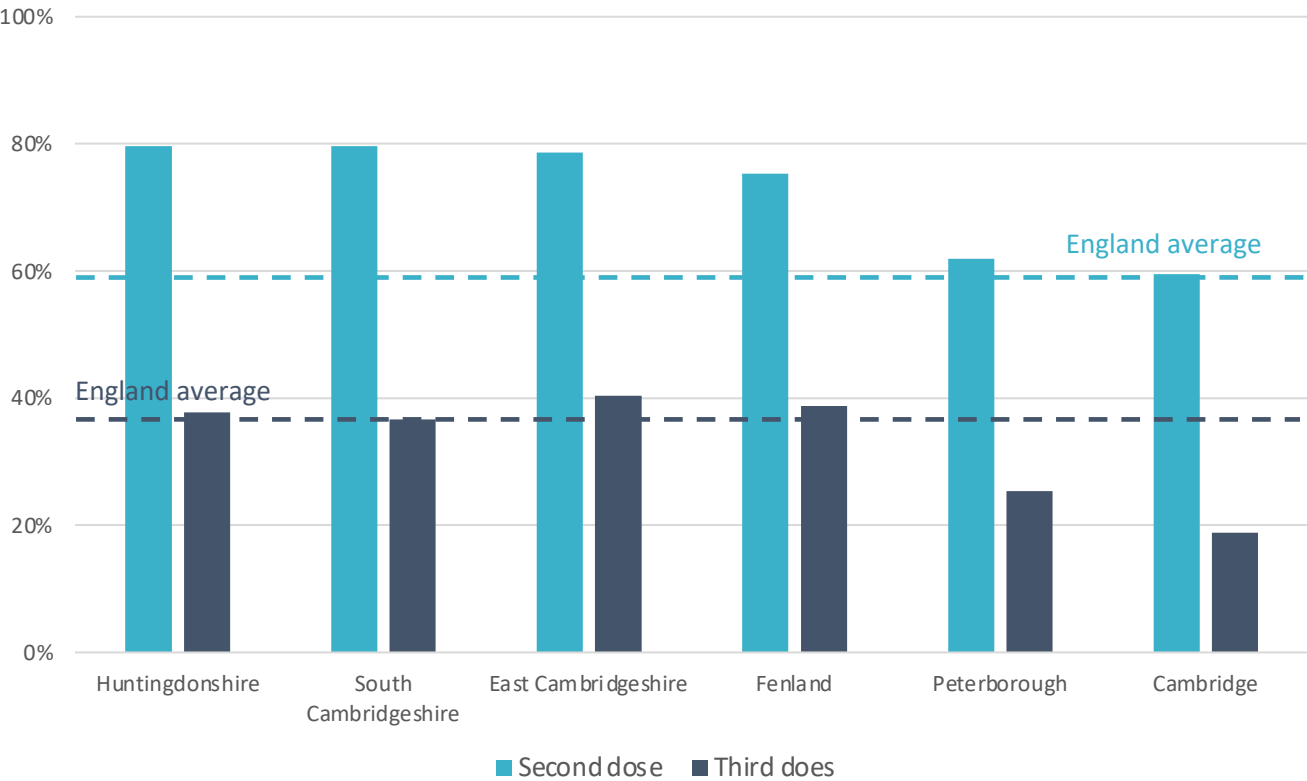
Vaccines, including the booster programme, are being successfully rolled out across C&P in line with national rates

This graph shows the uptake of second and third doses of vaccines across C&P.

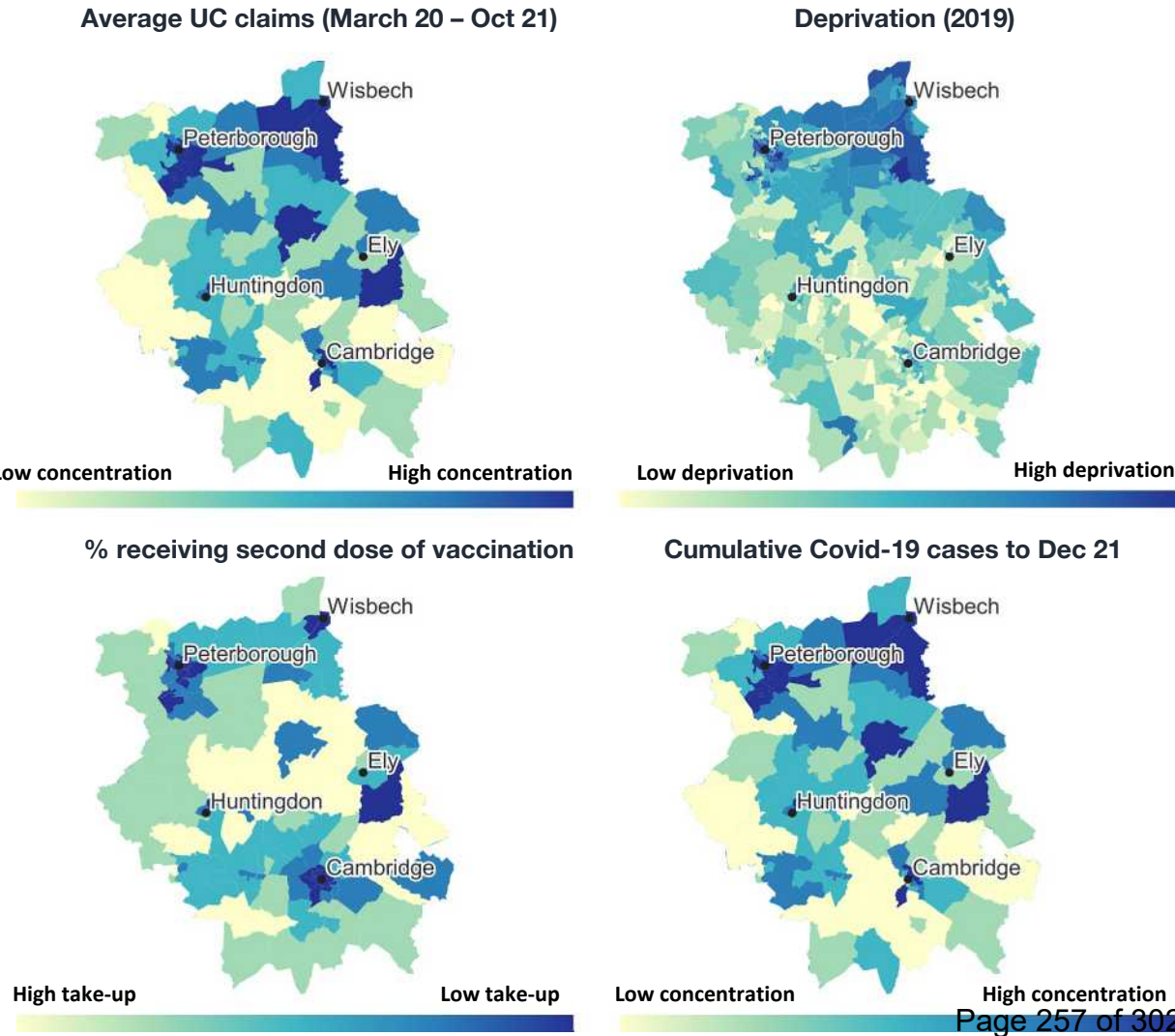
The proportion of fully vaccinated residents is above or in line with the England average in most districts, but lower in the cities of Cambridge and Peterborough. Vaccine uptake is highest in Huntingdonshire and South Cambridgeshire at just under 80% coverage, as of 8th December 2021.

The rate of vaccine coverage in districts is linked to the median age, with places with older median ages generally having higher rates of vaccine coverage due to the way the vaccine is rolled out across age groups. The median age in Cambridge is 31, and 36 in Peterborough, while it is above 42 in all other districts.

2nd and 3rd vaccine uptake rates across CPCA (8th Dec 2021)



Case loads are closely correlated with areas of pre-existing deprivation; as are rates of increased universal credit claimants



These map plot new universal credit claims, pre-existing deprivation, vaccine uptake and Covid-19 cases across C&P.

The maps show the interrelation between social/economic characteristics and Covid-19 health impacts. Areas in Cambridgeshire and Peterborough with higher rates of pre-existing deprivation have generally experienced higher numbers of Covid-19 cases, as well as higher rates of new universal credit claims. This is particularly true for Peterborough. Wisbech, Cambridge, Chateris and Soham.

Parts of South Cambridgeshire and areas in the Midwest of Cambridgeshire and Peterborough area have suffered less severe health impacts and are also places with lower deprivation and universal credit claims.

This signals a possible widening of inequality across Cambridgeshire and Peterborough, with places that were already more deprived being more affected by the health and economic impacts of the crisis.

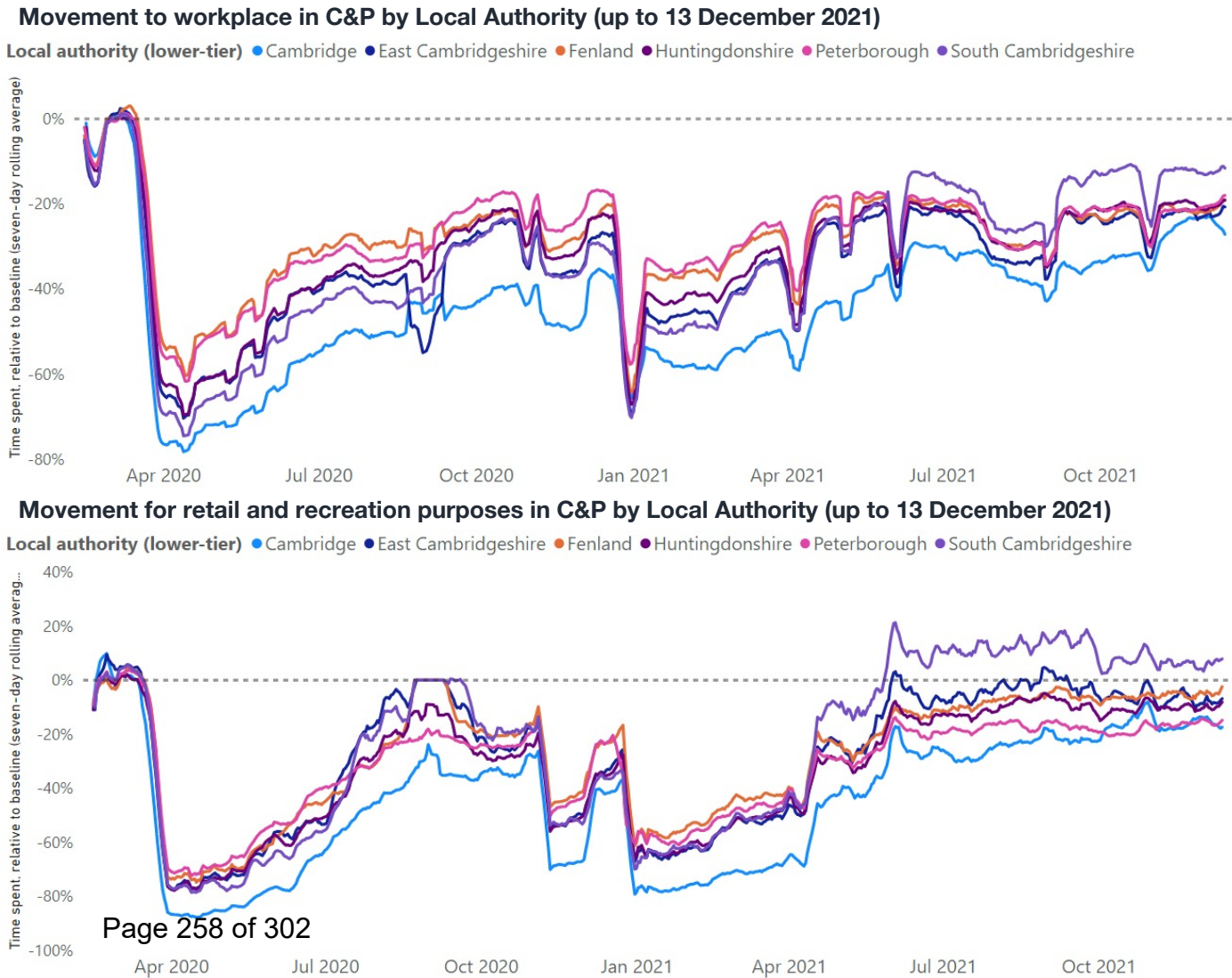
Workers have been gradually returning to workplaces over 2021, but still to levels well below the pre-pandemic average. Movement to retail and recreation spaces has returned more quickly as restrictions have eased

The charts map travel to workplaces (top) and travel for retail and recreation purposes (bottom) across C&P’s districts since March 2020, up to 13 December 2021.

The first graph shows the rate at which people have been returning to workplaces. It shows that although return to workplaces has been gradually trending up over the course of 2021, **use of workplaces remains below pre-pandemic levels across all local authorities** within C&P. A consistent trend is emerging of reduced travel to workplaces, suggesting homeworking may become a permanent fixture for more workers and businesses.

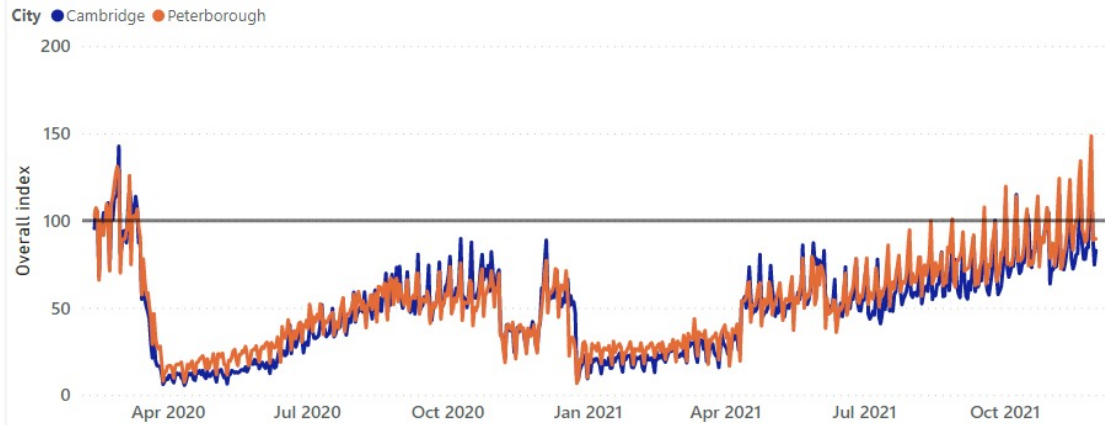
East Cambridgeshire currently shows a significantly higher rate of return to workplaces whilst Cambridge shows significantly lower than the rest of CPCA. This is likely a consequence of Cambridge’s industry mix, with a higher proportion of jobs available to be done from home.

The second graph shows use of retail and recreation by LA. Movement for retail and recreation has recovered more quickly across C&P than movement into workplaces, although in most districts rates have plateaued since summer of this year at slightly below pre-pandemic levels.



High street footfall is gradually returning to pre pandemic levels

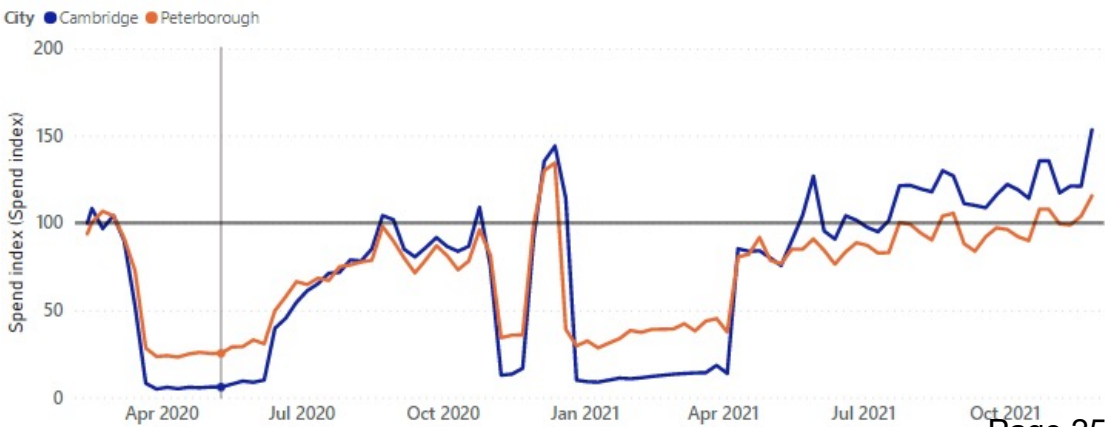
Overall high street recovery index Feb 2020 – 30th November 2021 (pre pandemic =100)



The charts show the Centre for Cities’ High Street Recovery Index for Cambridge, Peterborough and UK city wide average.

Footfall on high streets in Peterborough and Cambridge, as well as across the UK, has gradually been increasing over the course of 2021. In the latest full month of available data (November 2021), Peterborough (96.1) and Cambridge (86.1) had a higher level of recovery relative to the UK average of 82.3. Across a few days in November, footfall has exceeded pre pandemic levels in both cities. However it is worth noting that this is comparing to a period leading up to Christmas (where retail consumption is likely to be highest) against the first weeks of January in 2020.

Overall high street spend index Feb 2020 – 30th November 2021 (pre pandemic =100)



The bottom left graph shows high street recovery index by spend in the two cities. Following the loosening of restrictions, earlier in the year there was steep bounce back towards pre pandemic levels of spend. Cambridge appears to have made a faster recovery, where spend was over pre pandemic levels in mid July and has remained so throughout most of the rest of the year. Peterborough has been slower to recover, where recovery is marginally below that of the UK cities average, but remains hovering close to pre pandemic levels over the past few months.

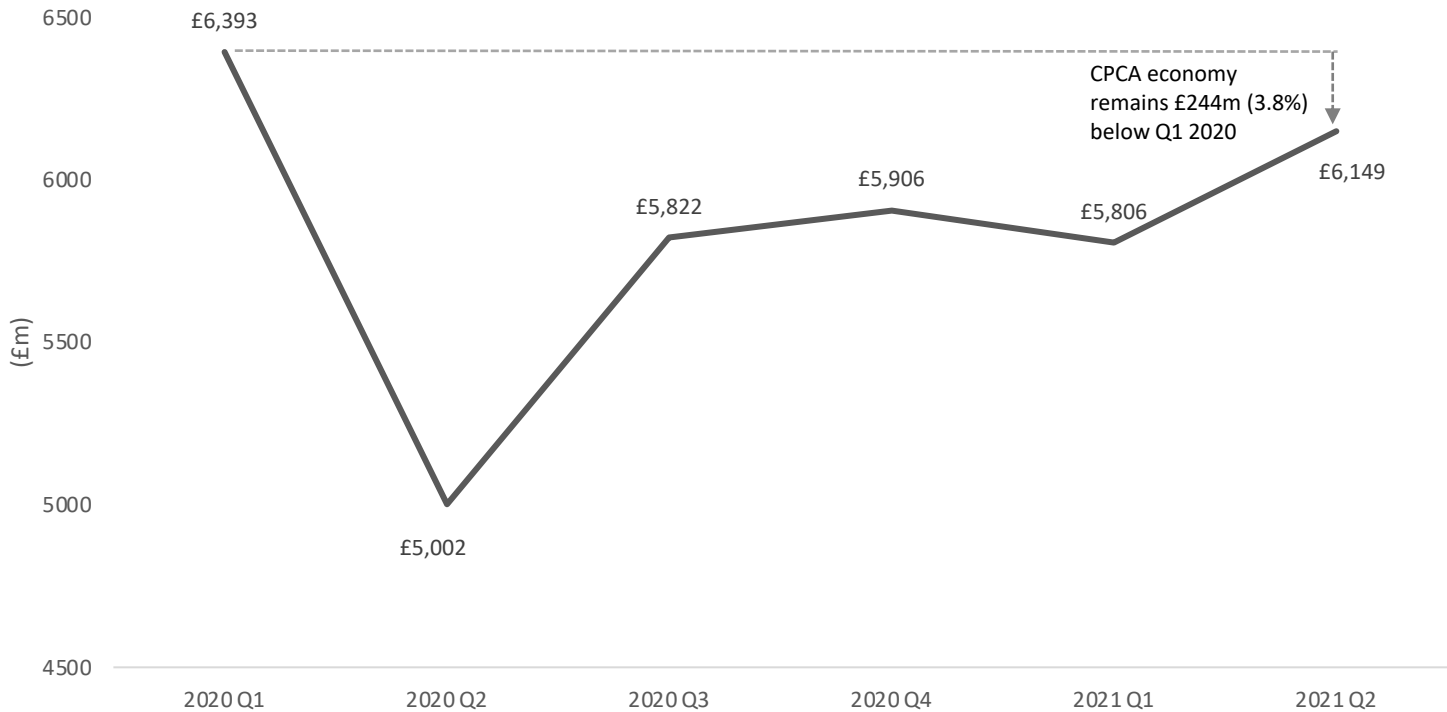
The Cambridgeshire and Peterborough economy remains 3.8% smaller than it was before the pandemic

This graph shows modelled estimates of economic output loss across Cambridge and Peterborough since the onset of the pandemic in March 2020.

As of Q2 2021 (the latest quarter of data) economic output in C&P remains £244m below Q1 2020 levels, despite significant output growth in Q2 of 2021.

Nationally, output saw a drop in 2020 Q2, although the rate of recovery has been slightly faster with the economy now returning to near Q1 2020 levels, highlighting a gap between the CPCA and the national economy.

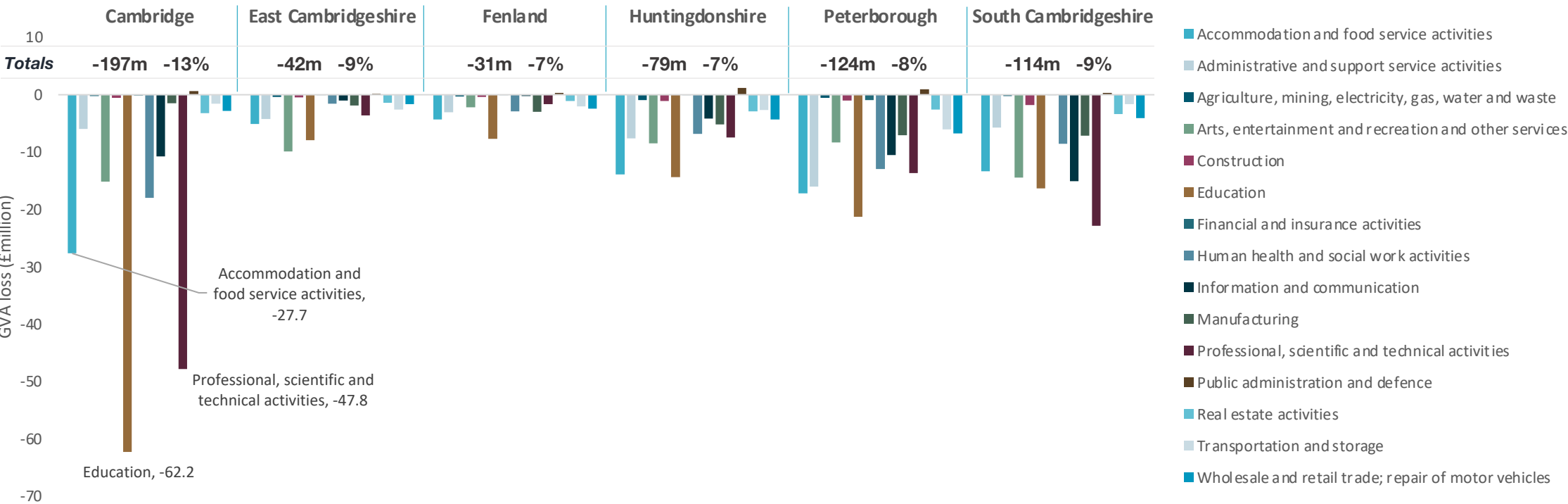
Modelled estimates of output loss across Cambridge and Peterborough Q1 2020 to Q2 2021



Sectors are on diverging recovery pathways, with significant implications for the economic performances of districts across Cambridgeshire and Peterborough

The chart below highlights the sectoral change in output (£million) since the start of the pandemic. Across all C&P districts output remains below Q1 2020 levels, with the greatest absolute losses seen in Cambridge.

Sector change in output between Q1 2020 and Q2 2021 - (£million)



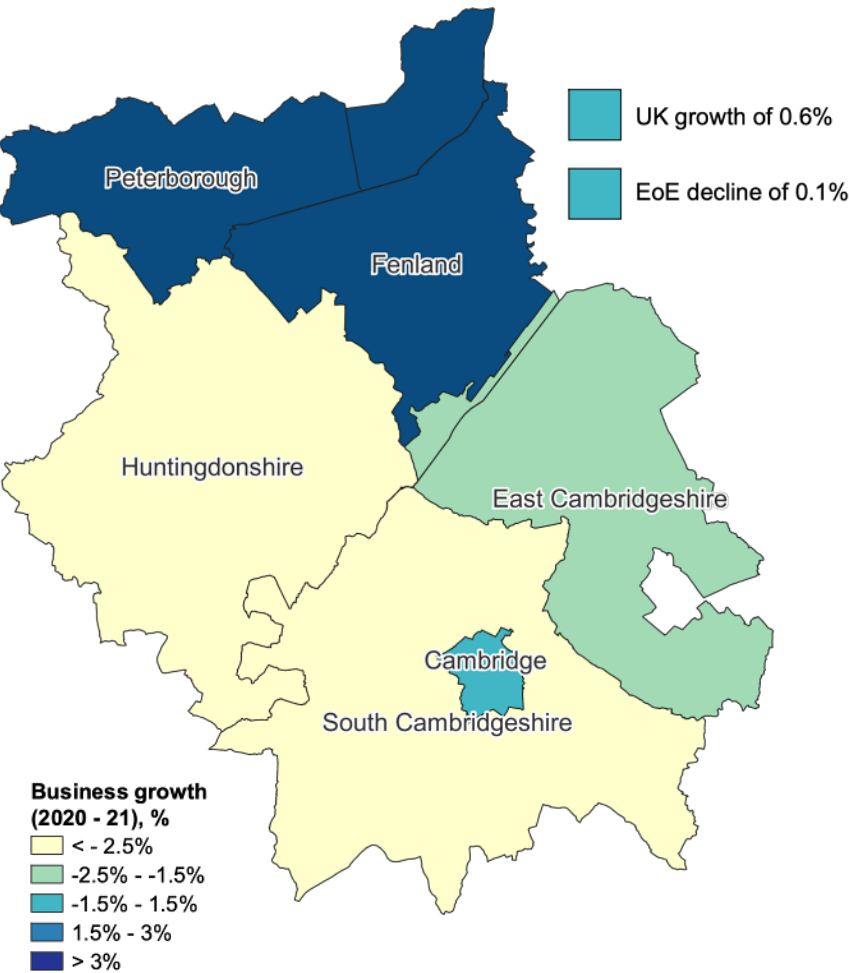
The business base has contracted slightly across C&P, but the overall figure masks significant differences between places and across sectors

Overall, there has been a 0.1% contraction in the business base across C&P since the start of the pandemic, which is in line with the East of England but at odds with the 0.6% increase in business counts across the UK.

Peterborough and Fenland have seen the highest growth across the patch, with an increase of 4.1% and 3.0% respectively. South Cambridgeshire, East Cambridgeshire and Huntingdonshire have all experienced contraction to their business bases. Huntingdonshire has seen the steepest decline at 3.2%.

Looking across industries we see significant divergences in the count of businesses, with the steepest falls occurring in Primary industries (-9.5%), Manufacturing (-5.9%) and IT (-4.2%). The fall in manufacturing is particularly striking against overall UK growth of 1.7% for the sector.

% change in business counts across districts, 2020 - 2021



Business change (2020/21 by sector)

Sector	CPCA	East	UK
Admin and support	-1.4%	0.3%	-2.4%
Arts, recreation and other services	-0.2%	0.4%	0.5%
Construction	1.1%	2.0%	2.4%
Education	-1.3%	0.0%	1.1%
Finance and insurance	1.6%	1.0%	-1.2%
Health	0.8%	1.8%	1.2%
Hospitality	7.5%	2.8%	3.3%
Information and communication	-4.2%	-6.7%	-5.7%
Manufacturing	-5.9%	-0.3%	1.7%
Primary industries	-9.5%	-7.6%	-4.5%
Professional, scientific and technical activities	-1.5%	-3.0%	-3.1%
Property	1.1%	2.6%	3.0%
Public admin and defence	-2.5%	1.1%	0.4%
Retail	3.4%	1.7%	5.0%
Transportation and storage	9.2%	9.0%	12.5%

High performer Mid performer Low performer

The visitor economy has been able to partially recover during periods of eased restrictions, but significant fragility remains. Reduced trading plus anticipated supply chain and staffing issues over the 2021 Christmas period present major new threats businesses must deal with

The table shows business and job change in the visitor economy. Overall the visitor economy business count grew by 3.6% between 2019 and 2021, marginally below the UK rate of 4.6%. Fenland experienced the most pronounced increase, with growth of 12.3%, followed by Peterborough at 7.3%. Both East Cambridgeshire and South Cambridgeshire have experienced declines in the observed period.

Considering changes in jobs in the sector between 2019 and 2020, we observe an overall increase in visitor economy jobs of 2.2% across C&P, which marks a contrast to the decline experienced across the rest of the UK.

Cambridge has observed an increase in job numbers by a significant 11.7%. Cambridge would appear to be driving the positive change in C&P overall.

Business and job change in the visitor economy

Local authority	Business change (2019/21),%	Job change (2019/20), %
Cambridge	4.1%	11.7%
East Cambridgeshire	-2.5%	-1.4%
Fenland	12.3%	2.6%
Huntingdonshire	2.3%	-0.6%
Peterborough	7.3%	-0.4%
South Cambridgeshire	-1.5%	-2.7%
Cambridgeshire and Peterborough	3.6%	2.2%
Great Britain	4.6%	-1.7%

This data, from UK Business count and BRES, presents a mixed picture of the visitor economy, with business counts and employment increasing by dramatic levels in some places and less so in others. It should be noted that the 'jobs change' detail is for September 2019 to September 2020. The root causes of these figures will be explored more as partners across C&P develop an Economic Strategy in early 2022.

Commercial property vacancy rates have risen across all property types, with office vacancy rates across C&P now at their highest level since 2014

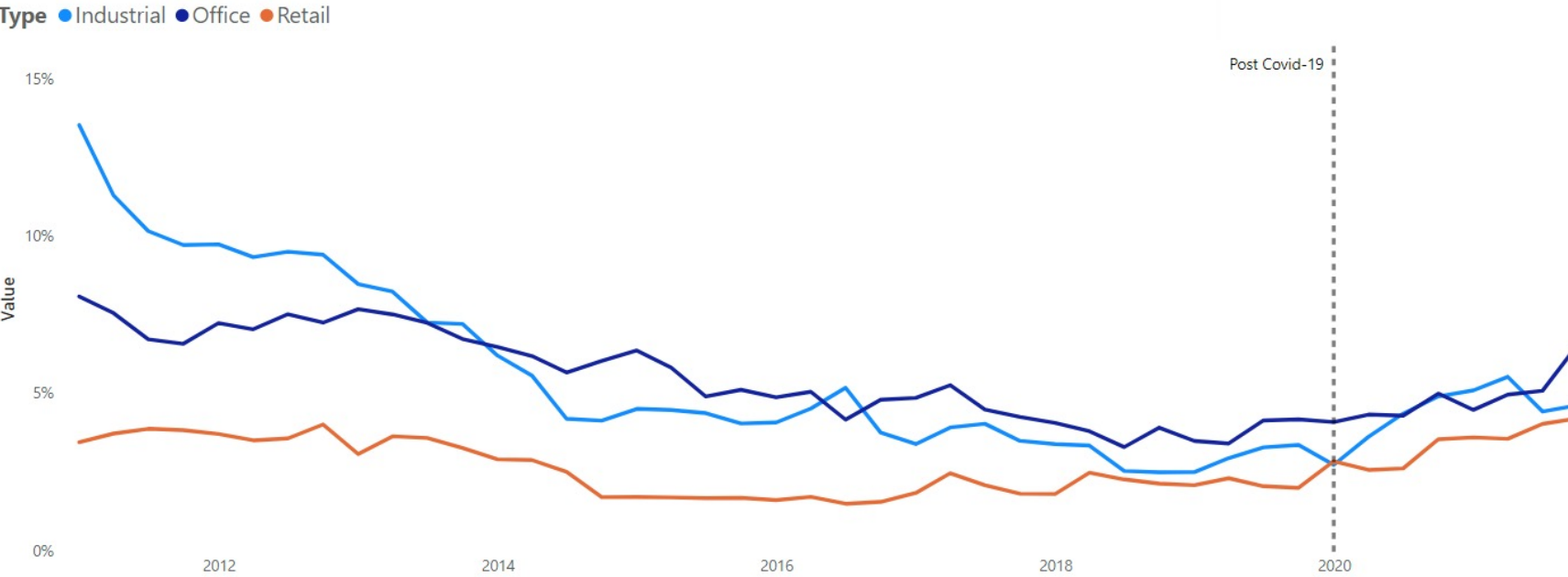
This graph shows commercial property vacancy rates across Cambridge and Peterborough by Industrial, Office, and Retail use classes, up to October 2021.

Total commercial vacancy rates have increased by 2% since the start of the pandemic, now at 4.9% on average across the three classes, up from 3.1% in Q1 2020.

Industrial property showed a reduction in vacancy between April and June 2021, the only use class to do so. However, all classes are up from their pre pandemic vacancy rates. Office space has the highest vacancy at 6.5%, perhaps linked to higher capability to work from home.

Higher vacancies are seen in Peterborough and South Cambridgeshire which currently have total vacancy rates of 7% and 7.7% respectively.

Property vacancy of Industrial, Office, and Retail units. Up to October 2021



Source: Metro Dynamics analysis of CoStar data

EU and Non-EU exports slightly below pre-pandemic level

This graph shows the national total exports to EU and Non-EU countries.

EU exports have recovered from the sharp drop seen in January 2021, as the UK departed the EU, and are now slightly above pre-pandemic levels, **at £13.6bn from a low of £7.9bn in January 2021.**

Non-EU country exports have been falling since May 2021, reducing by £1.8bn to £12.8bn.

Total Exports remain slightly below pre-pandemic levels, currently at £26.4bn compared to £27.2bn in February 2020.

EU and Non-EU exports (£bn), Apr 2019 to Sept 2021, National

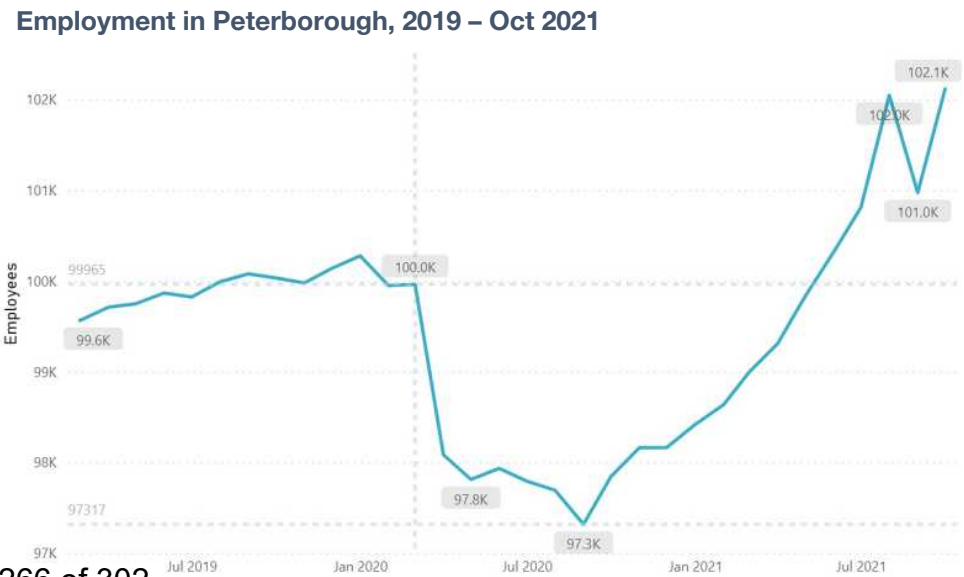
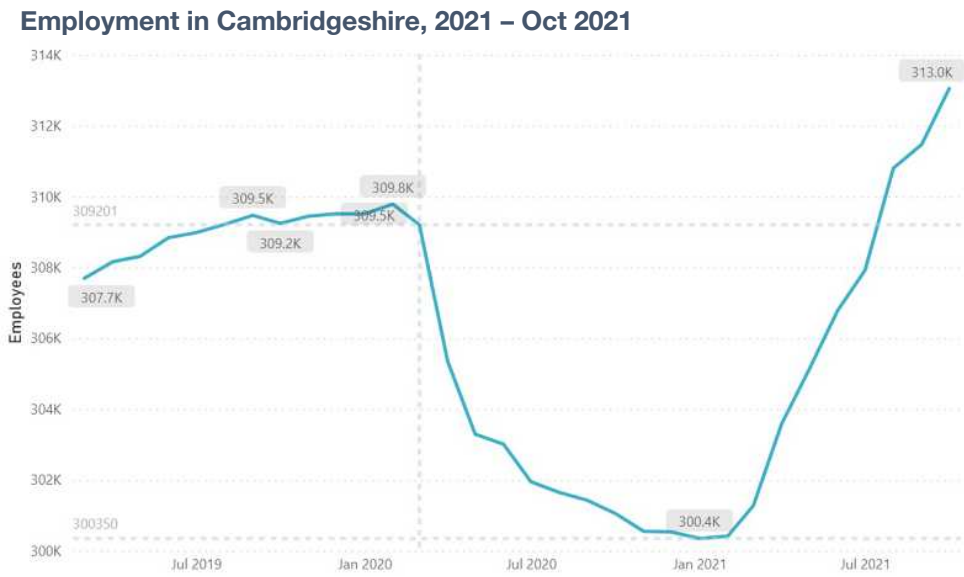


Despite output being smaller across C&P, more people are in employment now than there were pre-pandemic

These graphs show the monthly change in employment for Cambridgeshire (left) and Peterborough (right) using statistics released by the ONS which tracks real time Pay As You Earn (PAYE) data. This means it shows the number of people receiving paid remuneration, including those who have not done work but are an employee (furloughed/paid time off).

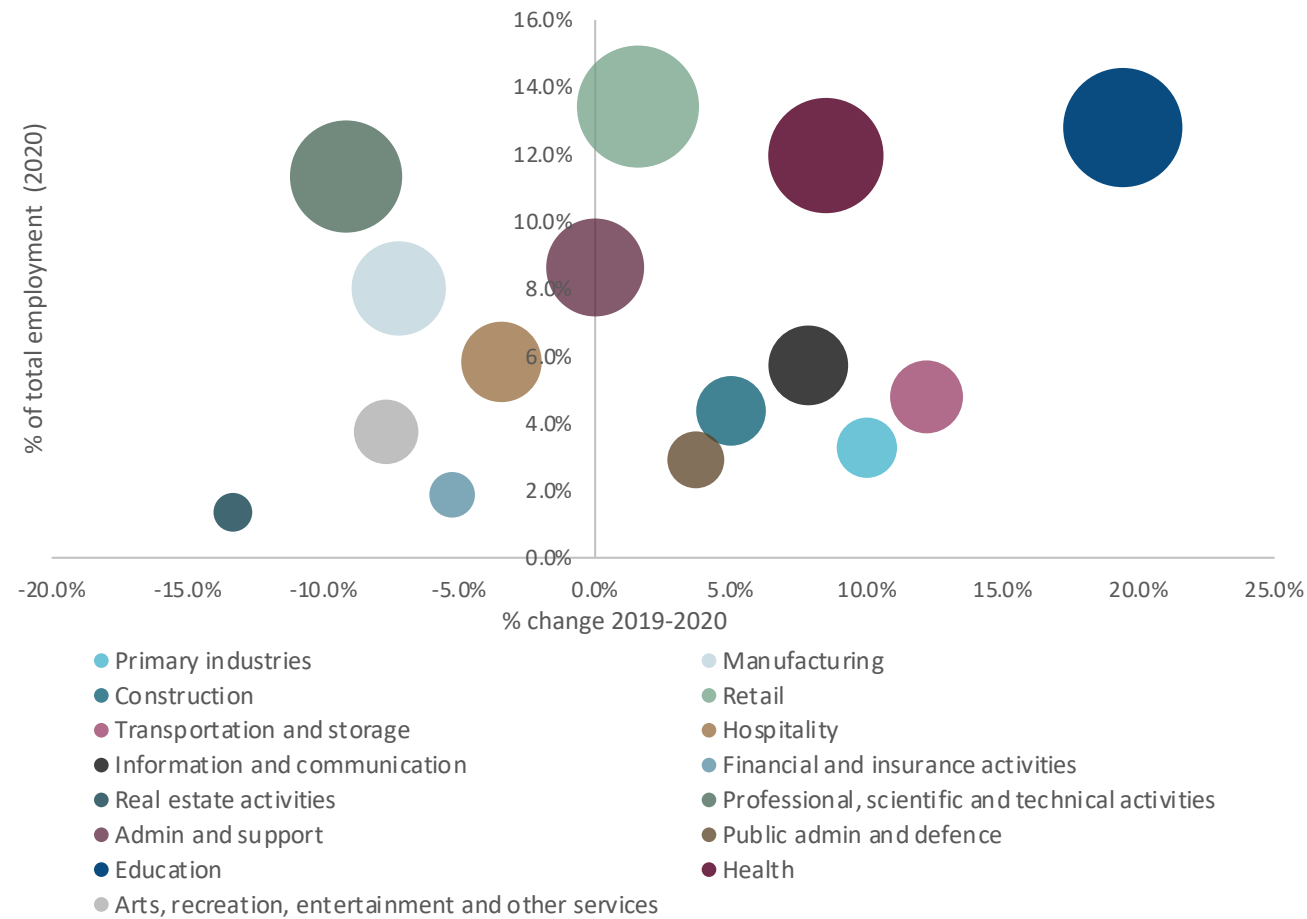
In Cambridgeshire, the low point for employment before recovery started was in January 2021 where **nearly 9000 jobs had been lost** compared to March 2020 levels. This amounted to a 2.9% reduction in employee numbers in the area. Similarly, **Peterborough saw a 2.7% shrink (2,600 jobs)**, reaching this point in September 2020, 4 months earlier than Cambridgeshire’s lowest point.

Both areas are now above March 2020 employment levels (Cambridge CC: +1.2%, Peterborough: +2.2%). In total, Cambridgeshire took 17 months to recover to March 2020 levels, Peterborough 15 months. Both areas displayed a fairly ‘U shaped’ recovery, mirroring the national picture. Peterborough saw a slightly faster rate of employment loss and slower bounce back than Cambridgeshire, taking 9 months to go from minimum employment to 100% recovery compared to 7 months in Cambridgeshire.



Employment growth and decline varies significantly across sectors, with large gains in Education and Health offset by declines in PST and Manufacturing

% change in jobs by sector for C&P, 2019 – 2020



The chart shows jobs change between September 2020 and September 2021 by sector in C&P.

Across the area, **jobs have increased by 2%** in total, better than the national picture of a 2% decline in jobs. A few large employment sectors, including education and health, have experienced rapid growth in the past year at 19.4% and 8.5% respectively.* Seven other sectors also saw jobs growth over the time period.

Other sectors experienced a contraction in the size of the workforce.

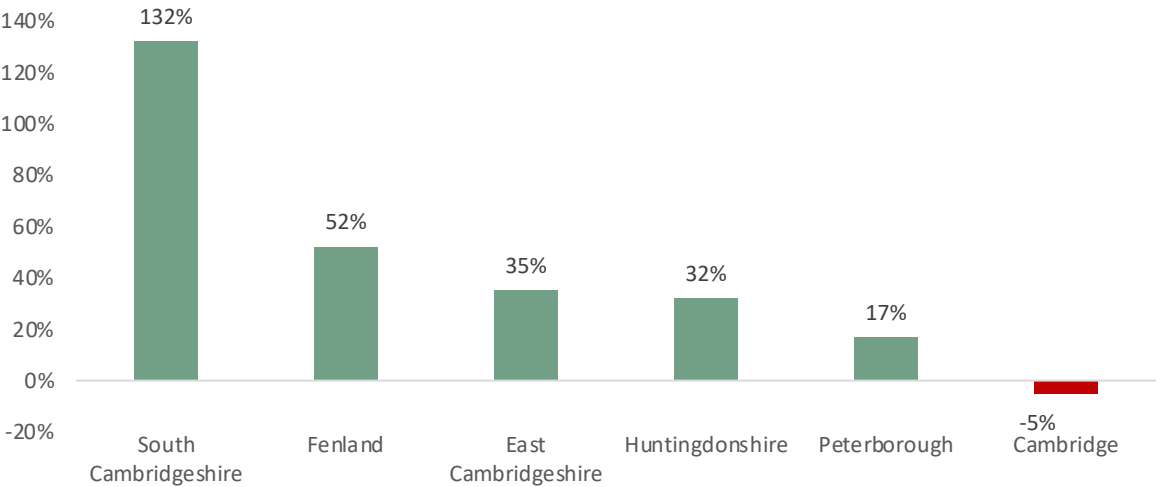
On the other end of the spectrum, there are some sectors (including large employers) where the workforce has contracted. Of particular concern is the Professional, Scientific and Technical sector where jobs have declined by 9.2% in C&P, compared to a national 2% decline across the sector. Manufacturing also represents a large employer of 38,500 jobs and has suffered a workforce decline of 7.2% compared to a 3% decline nationally.

Despite some losses in highly skilled sectors, there have been increases in others, such as information and communication which has grown by 8% relative to the national trend of 1%.

* This data, from BRES, presents a surprising picture of employment gains and losses in C&P. The root causes of these figures will be explored more as partners across C&P develop an Economic Strategy in early 2022.

Job vacancies in September 2021 were generally much higher than pre-pandemic levels, with labour market shortages in some sectors creating supply chain issues

% change in vacancies from pre-Covid 12 month average to Sep 21



Area	Vacancies (Sep 2021)	(Aug- Sep) 2021 % change
Cambridge	25,968	4%
Peterborough	12,080	6%
Huntingdonshire	7,396	5%
East Cambridgeshire	2,472	2%
South Cambridgeshire	4,277	5%
Fenland	2,493	5%

The charts and table show job vacancies (measured via online job postings) and change over time across Cambridgeshire and Peterborough.

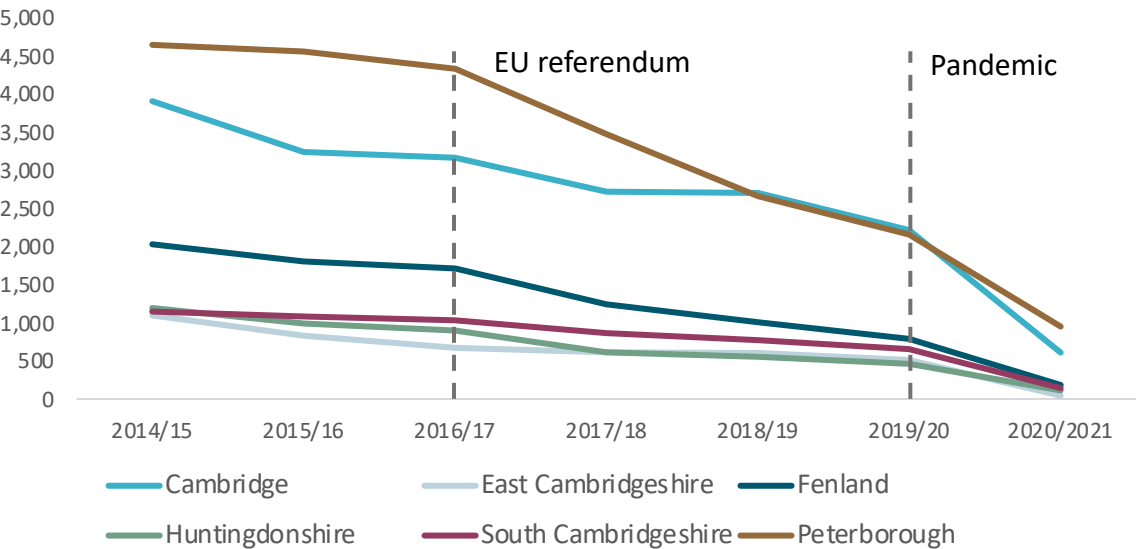
Positively, vacancies in most districts have made a full recovery since the start of the pandemic, with an overall increase in unique job postings of 13% compared to pre-pandemic levels. However this recovery is below the UK average, where job vacancies are now 19% higher than pre-pandemic levels.

The rate of recovery has been most pronounced across South Cambridgeshire and Fenland, where vacancies are 132% and 52% higher than pre-pandemic levels respectively. In South Cambridgeshire in particular this is likely to reflect the resilience of the region’s knowledge-intensive businesses. In Cambridge, however, job vacancies remain 5% below pre-pandemic levels.

There were around 54,700 vacancies across Cambridgeshire and Peterborough in September 2021 (the latest month of available data). Vacancies have been increasing across all districts.

The pandemic has accelerated a decline in international migration into C&P, with implications for labour markets in key local sectors

Nino EU registrations across C&P districts, 2014 - 2021

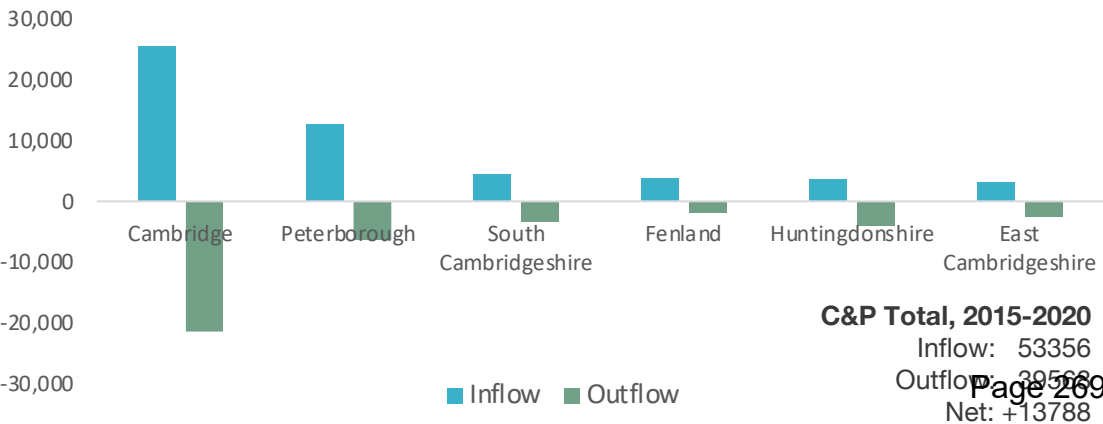


The pandemic has had a significant impact on migration in C&P. The top chart shows EU Nino registrations since 2015, while the bottom chart shows long term international migrations flows between 2015-2020.

EU Nino registrations began to decline across C&P following the EU referendum in 2016, with the decline accelerating from the onset of the pandemic. Huntingdonshire and Fenland have seen the greatest relative change since 2016 with a 61% decline. This presents a particular challenge to the districts’ large agri-food industries, which have historically made use of seasonal EU workers.

Following the start of the pandemic, EU entries were further suppressed, in particular across East Cambridgeshire (-92%), South Cambridgeshire (-78%) and Fenland (-77%) which all witnessed a relatively larger decline than the UK average of 70%.

Long term international migration flows for C&P districts, 2015 - 2020

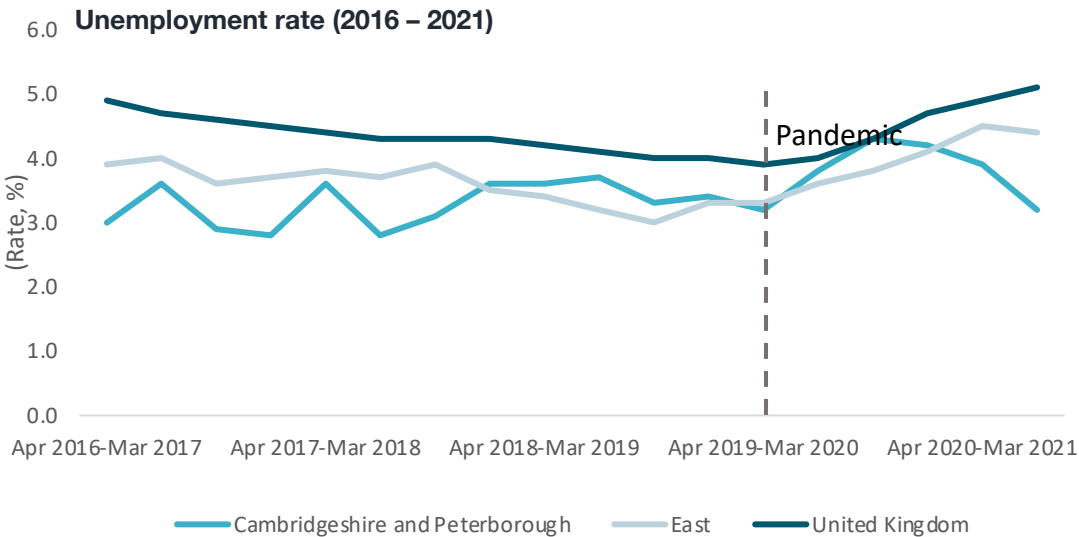
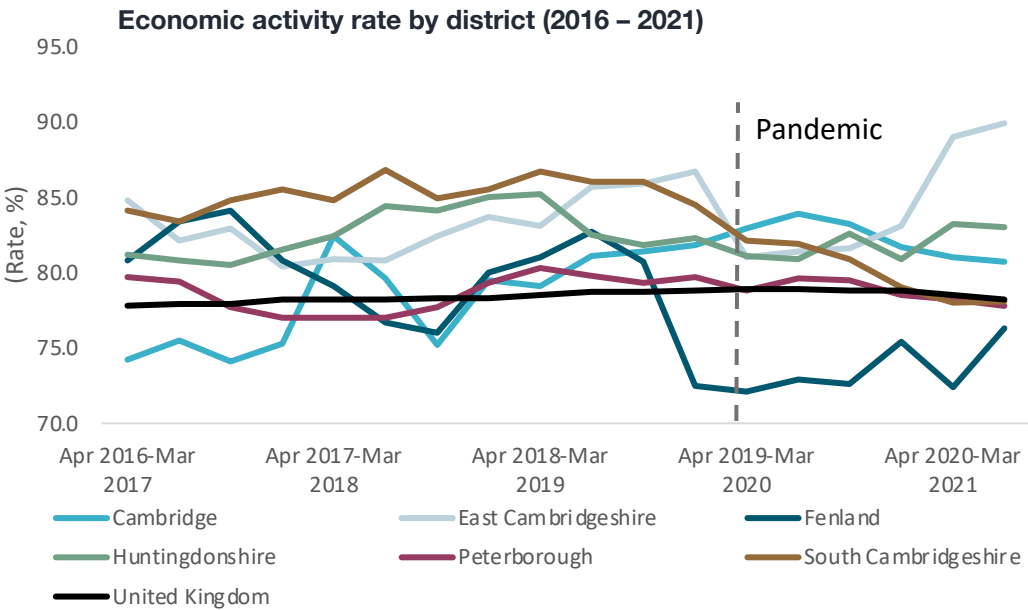


The bottom left chart shows the sum of long term international migration flows (2015-20). The cities of Cambridge and Peterborough experience the largest flows, with positive net flows of 4,140 and 6,330 respectively. Huntingdonshire is the only district to observe an outflow of internationals over the period, with an outflow of 455.

Labour market participation is up and unemployment is down in C&P relative to pre-pandemic levels, a positive outcome at odds with the national picture

The charts show economic activity rates by districts in C&P (left) and unemployment for the overall C&P area (right). Up to the start of the pandemic, labour market participation (measured by the economic activity rate) was generally higher in Cambridgeshire and Peterborough relative to the UK average, with the exception of Fenland that saw a steep decline in 2019, falling by 8.2 percentage points. Since the onset of the pandemic economic activity appears to have remained relatively stable in most districts, with slight declines in Cambridge, South Cambridgeshire and Huntingdonshire. There has been a significant recent increase in labour market participation in East Cambridgeshire, now with the highest rate in the patch at 90%. Fenland is the only district where labour market participation is below UK levels, although it has recently been increasing.

The chart to the right shows unemployment rates for C&P, East of England and the UK. C&P's unemployment rate has been below the UK average in the past five years, although up to the beginning of 2021 the gap was narrowing. Following the pandemic, rates saw an initial spike up from 3.2% up to 4.3% but have since stabilising and returned to pre pandemic levels in C&P. This is a positive contrast to the regional and national picture where unemployment rates have continued to climb.



*District level data was omitted, owing to data availability.

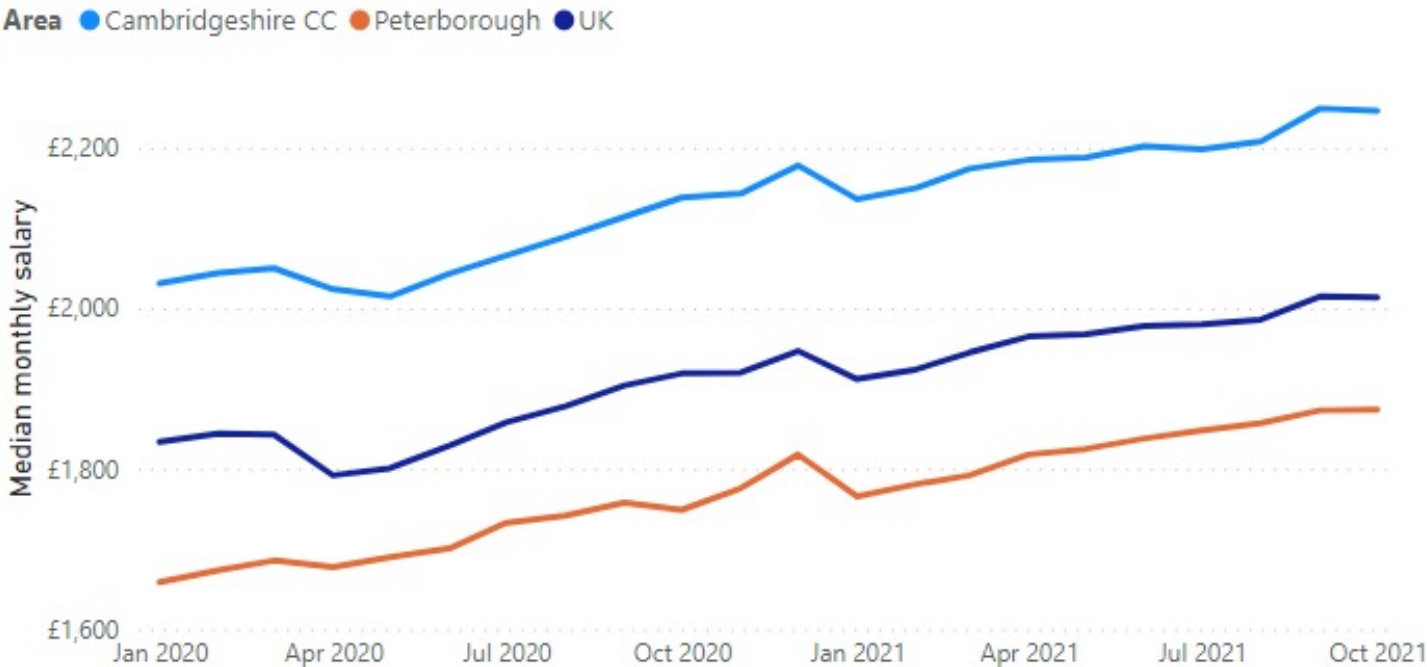
Median pay has generally continued to increase across C&P and the UK, with dips recorded during national lockdowns

The graph shows the change in median pay in Cambridgeshire, Peterborough and the UK since the start of the pandemic using monthly PAYE data released by the ONS.

Although median wages declined during both the first and second lockdowns, median pay has nevertheless been trending upwards throughout the pandemic, at similar rates in C&P as seen nationally. There is a persistent gap between median salaries for Peterborough and the UK.

This graph also highlights the difference in wages between Peterborough and the Cambridgeshire CC area, with wages in Peterborough still 17% lower in October 2021, a very slight reduction from the 18% gap seen in Jan 2020.

Median monthly salary for Cambridgeshire, Peterborough and UK, Jan 2020 – October 2021



The Claimant Count has increased significantly over the pandemic, with growth highest in areas with higher rates of pre-existing deprivation

This graph shows the increase in Claimant Count rates between February 2020 and October 2021 (latest available data).

The highest rates are seen in Peterborough (6.7% of the working age population). It is also the only LA above the England average of 5.2%.

Rates have increased across the board however the largest growth is seen in the most deprived areas of Peterborough and Fenland which remain 3 and 1.8 percentage points higher than in February 2020 respectively. This, alongside the higher case rates in these areas highlighted previously, is evidence of the gap in economic and health inequality increasing during the course of the pandemic.



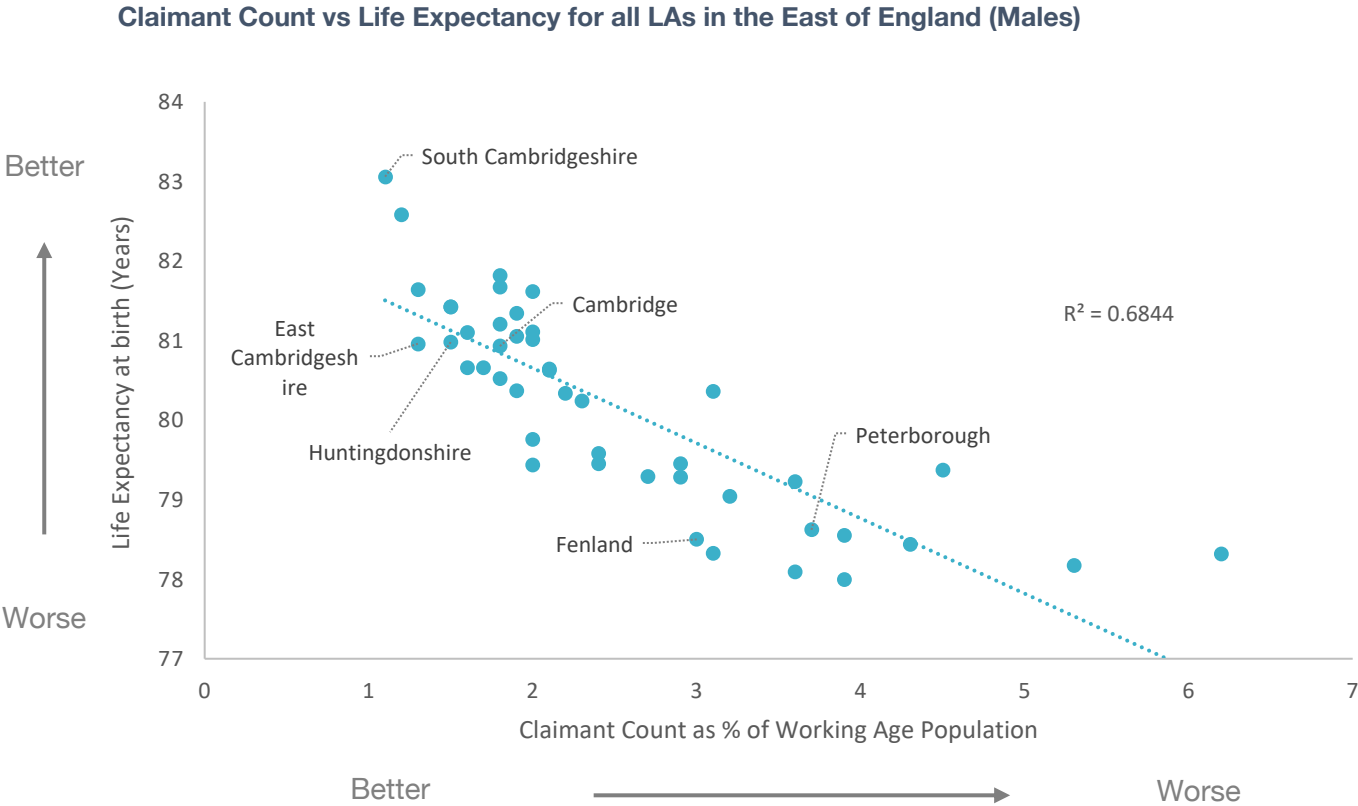
Deprivation is linked to health outcomes, and the pandemic’s unequal impact on already deprived places is likely to exacerbate pre-existing health inequalities

An increase in claimant count can not only have an impact on the economy but also on the health and life of people. One of the links between health and wealth is shown in this graph which looks at the Claimant Count rate and Life expectancy of males for all LAs in the East of England.

The graph shows a negative correlation, indicating that places with higher Claimant Counts generally have lower life expectancy.

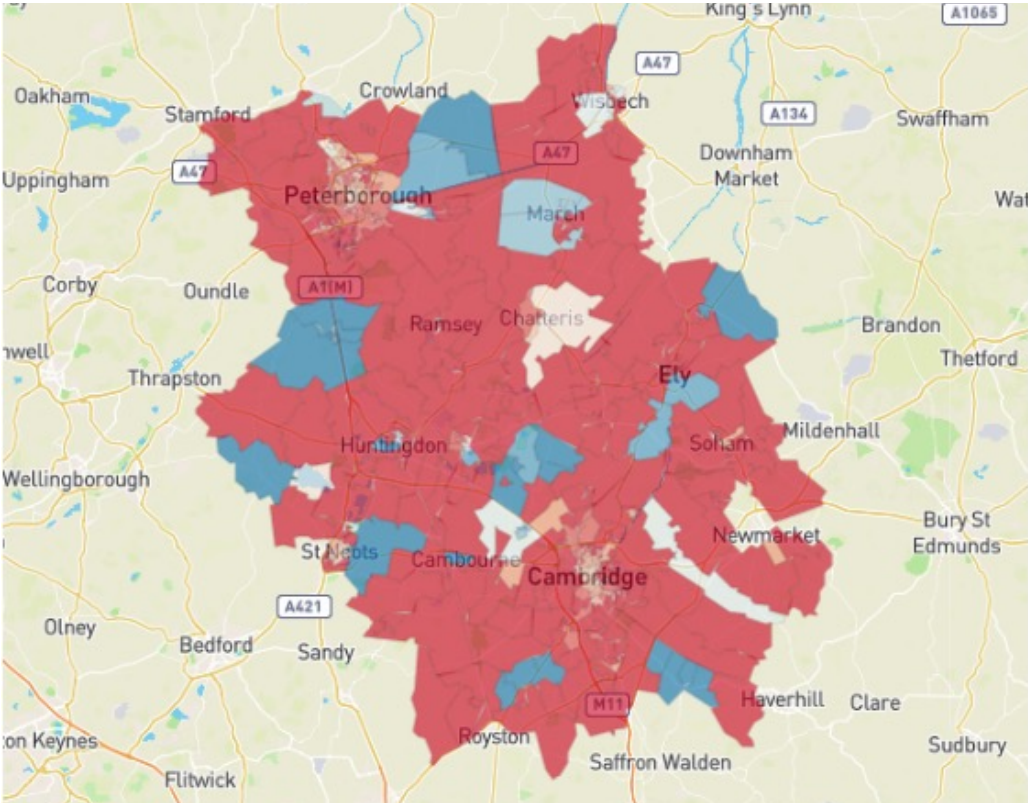
Peterborough and Fenland, two areas within CPCA with higher deprivation show up as having amongst the highest Claimant Count rate.

Notably, South Cambridgeshire has the lowest Claimant Count and highest Life Expectancy of all LAs in the East of England.



The region’s rural geography and limited public transport infrastructure means many residents are reliant on their local labour market for employment, or must have access to private transport

Access to jobs via public transport



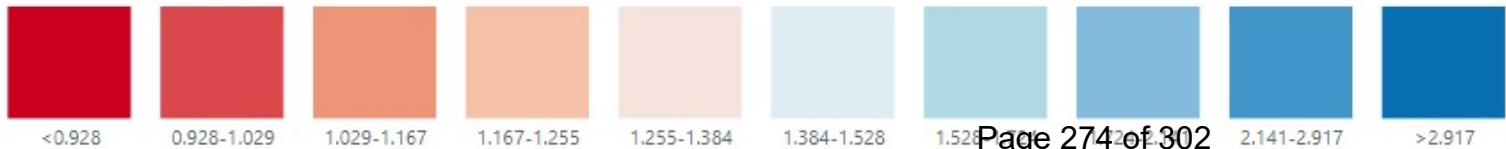
This map shows how accessible jobs are via public transport across C&P. It measures the number of jobs reachable within 60 minutes by public transport for each job within a five mile radius. It highlights the lack of connectivity to jobs within Cambridgeshire and Peterborough, with most places having fewer jobs accessible via public transport than within a five mile radius (i.e <1). This means that, without private transport, workers in most places are contained to their local labour market.

Across the districts, the only place to have a ratio higher than one is Fenland at 1.1, but this is still low compared to the national average of 1.8. This is followed by the urban centres of Peterborough and Cambridge with a ratio of 0.97. East Cambridgeshire has the lowest access to jobs via public transport with 0.6 jobs reachable within 60 min journey for each job within a five mile radius. This highlights both the region’s rural geography and poor transport infrastructure.

There are neighbourhoods across Cambridgeshire and Peterborough that experience higher levels of job access via public transport, including Shepreth in South Cambridgeshire (10.8), ,Steeple Gidding (8.3) in Huntingdonshire and Thorney in Peterborough (3.5). Interestingly the places that have the overall lowest job access via public transport are near neighbourhoods that have the highest, highlighting the unevenness of job access across C&P due to public transport availability.

The low jobs ratio found in the CPCA can be attributed to both its lack of reachable distance via public transport as well as its lower jobs density. However, given the number of people living there and the proximity of the area to London, the difficulty in making journeys across the patch is particularly striking.

Jobs reachable within 60 min of public transport for each job within a five mile radius



Metro — Dynamics

LONDON

3 Waterhouse Square
138 Holborn
EC1N 2SW

(+44) 0203 865 3082

MANCHESTER

Elliot House
151 Deansgate
M3 3WD

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Adult Education Budget – Delivery Outcomes and Impact

To:	Business Board
Meeting Date:	10 January 2022
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	SRO – Adult Education, Parminder Singh Garcha
Key decision:	No
Recommendations:	<p>The Business Board is recommended to:</p> <ul style="list-style-type: none">a) Note the performance data and outcomes for the Adult Education Budget (AEB) for the first two years of devolution with respect to employed status learners; andb) Note the future plans for devolved AEB, as approved by the Combined Authority Board and proposals under development to support employer-responsive skills provision.

1. Purpose

- 1.1 To provide greater visibility of the Adult Education Budget (AEB) to the Business Board, providing an overview of performance and the delivery of outcomes from the first two years of devolution.
- 1.2 To respond to requests from the Business Board to provide a spotlight on how the AEB is evolving to better serve the local labour market and highlight areas that require improvement.
- 1.3 To consider and be cognisant of the views of the Business Board (and employers more widely), in driving improvements to the wider skills system and courses funded through devolved AEB, to ensure they are a catalyst for productivity in the sub-region.

2. Background

- 2.1 Our vision for Skills in Cambridgeshire and Peterborough (“the sub-region”) is to ensure that learners and employers are at the heart of the skills system. Given the status of the Business Board as the coterminous Local Enterprise Partnership for the sub-region, the substantial opportunity is to ensure there is strategic alignment between regional growth and the delivery of adult skills.
- 2.2 Control of the £12m annual Adult Education Budget (AEB) through devolution is arguably the main lever that the Combined Authority has to directly impact change and improvement in the local skills system. Through commissioning decisions, implementing local funding rules, accountable decision-making and funding flexibilities, the potential to ‘do things differently’ for business and residents is considerable.
- 2.3 Prior to devolution, the balance of funding and provision was out of step with regional skills needs and employer demand for suitably qualified and trained workforce. Some 43% of learning aims in the region were Community Learning, mainly for leisure/pleasure rather than opportunities for workforce development, given the regional skills challenges. There is certainly value in Community Learning, particularly in supporting health, wellbeing and community connection and a role for public funding for Community Learning in the overall mix of provision. This should not be at the detriment of skills for work. In 2020/21 the mix and balance were managed to 23% Community Learning and 77% Adult Skills. The planning assumption for the future is to retain an 80/20 balance of provision of Adult Skills to Community Learning.
- 2.4 The Combined Authority commissions courses from 17 education and training providers, including colleges, adult learning institutes and training providers, with £11m contracted from a £12m budget. Funding allocations to providers are published on the Combined Authority’s website.
- 2.5 Over the first two years of devolution, a considerable package of funding flexibilities and enhancements have been implemented, deviating from the national funding system and providing greater access to fully funded adult skills programmes, including:
 - Fully funding first level 2 courses for all ages

- Fully funding English for Speakers of Other Languages (and flexibility to deliver ESOL in the workplace)
- Fully funding first level 3 courses for all ages and second Level 3 in priority sectors (and for the unemployed looking to reskill)
- Piloting a level 4 and 5 course offer for the low-waged
- Lifting the threshold for low-waged to £20,000 (nationally it is £17,374)
- Providing a bursary for Care Leavers aged 19-22 to continue in education
- Providing a 4% funding uplift for learners from the 20% most deprived localities across the sub-region
- Providing a 10% funding uplift for 19–24-year-olds, to provide greater support for young people to progress to employment or Higher Education
- Allowing funding to be used for purchasing digital devices during the pandemic to tackle digital exclusion.

2.6 Access to AEB funded courses by employers are through the Growth Works for Skills brokerage service or directly through college and provider employer engagement teams. The full range of available courses is regularly updated on the Growth Works website.

2.7 An Independent Evaluation of the first year of devolved AEB in 2019/20 was undertaken by Cambridgeshire Insights and is published on the Combined Authority website. An Independent Evaluation of the second year of devolved AEB, will be published in February 2022.

2.8 National Context – Local Skills Improvement Plans

The Skills and Post-16 Education Bill is at report stage, progressing through parliament. It makes provision to implement policies set out in the Government's Skills for Jobs white paper, published in January 2021. Key aims include improving employers' involvement in planning for local training provision and enabling flexible access to further education and training for adults irrespective of age. Mayoral Combined Authorities (MCAs) will continue their role in commissioning of AEB and setting the wider strategy for skills in their area.

2.9 Employer Representative Bodies (ERBs) such as Chambers of Commerce will lead the production of Local Skills Improvement Plans (LSIPs) for a given geography, working with appropriate stakeholders including MCAs. In the new system, LSIPs will articulate employer demand for skills and areas for investment. Colleges will be required to deliver the priorities set out in the LSIP and be judged by Ofsted on their effectiveness in meeting local skills needs. College governors will have to ensure their institution is addressing local skills need and undertake a review to assure they are meeting this duty. In this sub-region, to ensure effective LSIP delivery, it is suggested that an enhanced Employment and Skills Board would be well-placed to take on the LSIP role with the sponsorship of ERBs.

3. Local Skills Context

- 3.1 Skills levels within local areas are reported through the Office for National Statistics (ONS) Annual Population Survey Data. Taking an average over three years, the qualification levels of employed 16–64-year-olds in the sub-region are similar to England. A slightly lower proportion of the sub-region have no qualifications than England, and a slightly higher portion are qualified up to level 2 and level 4+ specifically as shown in Table A below:

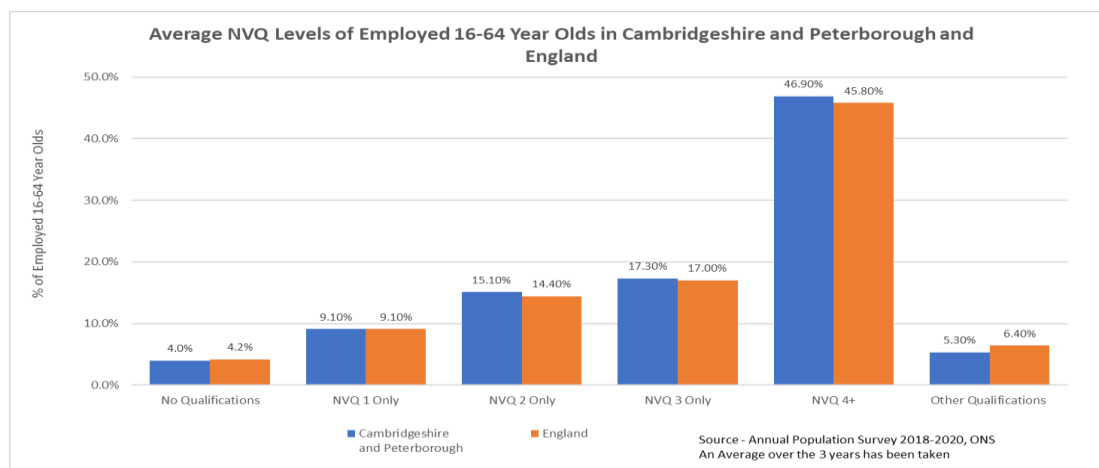


Table A Source: ONS Annual Population Survey

The headline performance of the region masks skills deprivation in Peterborough and Fenland. Therefore, the AEB programme has directed funding to these areas, with 52 percent of learning aims delivered to Peterborough and Fenland residents and plans to increase participation in the North of the sub-region further. For context, ONS 2020 data shows:

- In Peterborough, of the working-age population:
 - 7.8% of residents have no qualifications compared to 6.4% nationally. This equates to approximately 10,000 people.
 - 50.8% are qualified to level 3 compared to 61.3% nationally.
- In Fenland, of the working-age population:
 - 56.5% are qualified to level 3 compared to 61.3% nationally
 - 28% are qualified for level 4 compared to 43.1% nationally

4. Headline Performance in 2019/20 and 2020/21

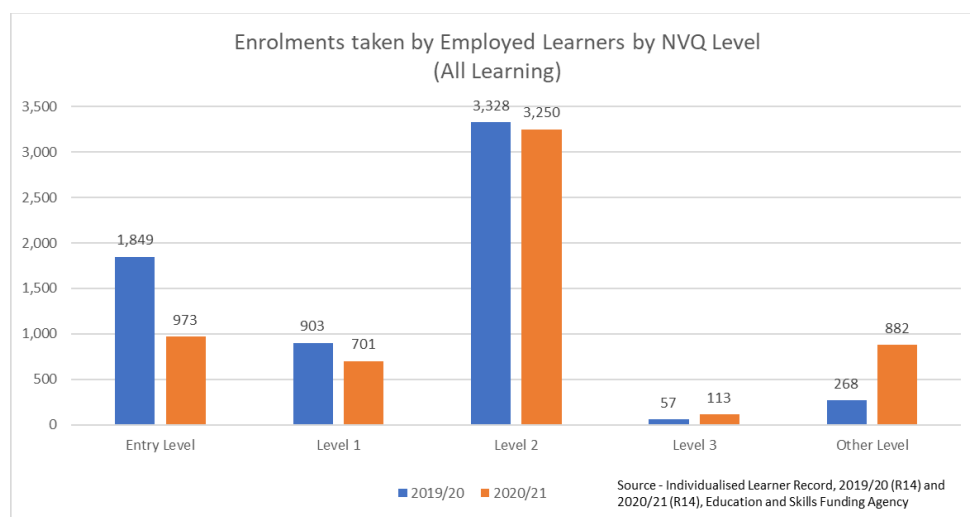
- 4.1 Table B below shows the participation of residents from the sub-region who enrolled onto AEB funded courses since devolution and their employment status. In 2019/20, 51% of learners were employed. In 2020/21, this dropped to 46%, mainly due to the pandemic, with a corresponding increase in unemployed.
- 4.2 This equated to an investment of £3.08m in 2019/20 and £2.71m in 2020/21 on employed status learners. The data presented through-out this report, shows self-reported employment status by a learner at the point of enrolment

Status of Learners	2019/20		2020/21 (Active Enrolments Only)	
	Number of Learners	% of Learners	Number of Learners	% of Learners
Employed	4,277	51%	4,192	46%
Unemployed	2,332	28%	3,051	34%
Unemployed, Not Looking for Work	1,017	12%	1,429	16%
Not Collected	998	12%	593	7%
Total	8,421	100%	9,030	100%

As learners can appear against multiple categories, a sum of the categories will not result in the overall total number of learners

TABLE B: Source – Individualised Learner Record 2019/20 (R14) and 2020/21 (R14), Education and Skills Funding Agency

- 4.3 Looking more deeply at employed learners, the levels at which they are studying can be seen in Table C below.



In both 2019/20 and 2020/21, level 2 courses made up most enrolments taken by employed learners. Compared to 2019/20, a lower proportion of enrolments were at an entry level and at level 1. There is anecdotal evidence that during the pandemic, lower skilled individuals were least likely to enrol onto courses, particularly when they were delivered online.

- 4.4 In respect of level 3, the Combined Authority's objective is to double enrolments every year for the next five years, to provide progression for residents having completed level 2, upskilling or returning to work. Labour market data shows buoyant vacancies for 'technician/specialist' level jobs at level 3. The aim is to increase this from 2% of enrolments in 2020/21 to 10% over the next five years, with a specific focus on Peterborough and Fenland.
- 4.5 Table D below shows the subject sectors that are being studied by employed learners on AEB funded courses.

Tier 1 Subject Sector	Proportion of Enrolments Taken by Employed Learners		Change between Years
	2019/20	2020/21	
Preparation for Life and Work	52%	42%	↓
Health, Public Services and Care	28%	30%	↑
Business Administration and Law	4%	6%	↑
Science and Mathematics	3%	3%	↔
Arts, Media and Publishing	3%	2%	↓
Languages, Literature and Culture	2%	2%	↔
Retail and Commercial Enterprise	2%	1%	↓
Information and Communication Technology	2%	6%	↑
Agriculture, Horticulture and Animal Care	2%	2%	↔
Education and Training	1%	2%	↑
Engineering and Manufacturing Technologies	1%	1%	↔
Construction, Planning and Built Environment	1%	1%	↔
Leisure, Travel and Tourism	0%	1%	↑
Social Sciences	0%	0%	↔
History, Philosophy and Theology	0%	0%	↔

Source – Individualised Learner Record 2019/20 (R14) and 2020/21 (R14), Education and Skills Funding Agency

Preparation for life and work subject sector, also includes basic skills: English and English for Speakers of Other Languages (ESOL). Table D highlights some of the gaps and concerns with the mix of provision, currently available for adults. Of particular concern are the low numbers of enrolments in engineering and manufacturing technologies, science, mathematics, and construction.

4.6 Table E maps the Combined Authority's growth and priority sectors for employed status learners. It highlights areas for further investigation:

- Are growth sector employers, who account for approx. 20% of all employment in the sub-region, accessing AEB funded courses to upskill their workforce? Is the low proportion of enrolments in growth sectors reflective of the skills required by these sectors, being degree level or above?
- Is there a mismatch between the courses being offered by AEB providers and growth sector employer needs?

	2019/20		2020/21	
	% of Employed Learners	% of Enrolments Taken by Employed Learners	% of Employed Learners	% of Enrolments Taken by Employed Learners
Growth Sector				
Life Sciences	1%	0%	1%	0%
Digital and AI	1%	1%	1%	1%
Agritech	2%	1%	3%	2%

Advanced Manufacturing and Materials	1%	1%	1%	1%
Total Growth Sectors	4%	3%	4%	3%
Priority Sectors				
Hospitality and Leisure	1%	1%	2%	1%
Health and Care	37%	27%	38%	30%
Education	2%	1%	3%	2%
Construction	1%	1%	1%	1%
Transport and Wider Manufacturing	2%	1%	1%	1%
Total Priority Sectors	43%	32%	44%	35%
Both Learners and Enrolments can appear across multiple categories of Growth and Priority Sectors, therefore % will not necessarily sum to the total for either set of sectors				
Source - Individualised Learner Record 2019/20 (R14) and 2020/21 (R14), Education and Skills Funding Agency				

The new Employment and Skills Strategy will identify the skills components from the individual growth sector strategies that Business Board has approved. The new round of commissioning and procurement of new training providers was approved at the November meeting of the Combined Authority Board and will increase the focus on growth and priority sectors.

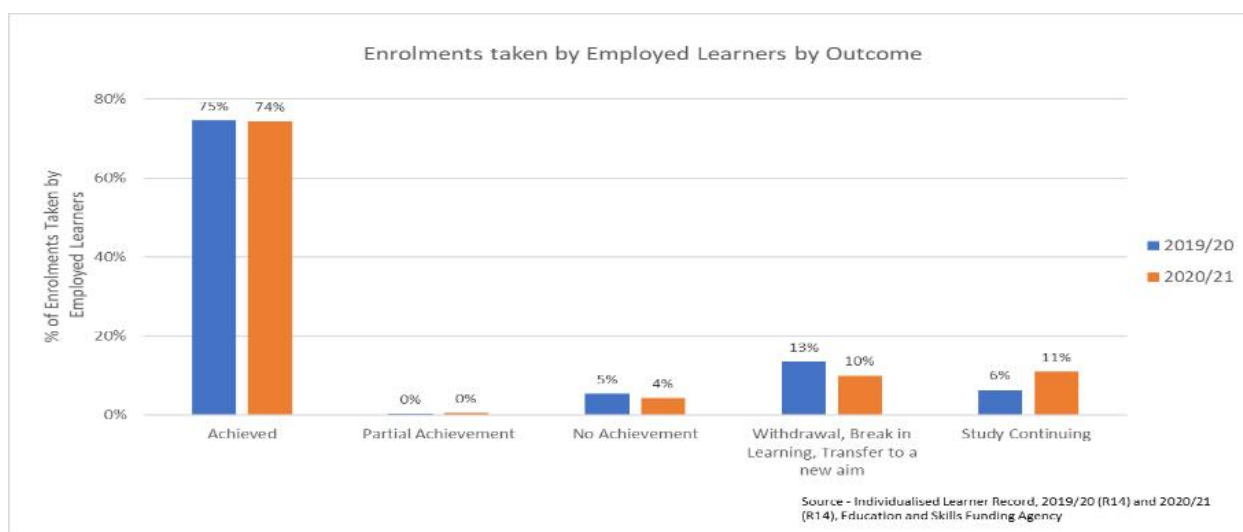
- 4.7 Regarding, basic skills, a recent Institute of Learning and Work report highlighted there are nine million working-age adults with low literacy or numeracy and five million have low skills in both. Most of these adults are employed. Table E shows the take-up of basic skills qualifications and the higher number of ESOL enrolments for employed learners. The flexibility for fully funding ESOL in the sub-region has helped to keep enrolments steady during the pandemic. Basic skills for adults are fully funded including the Essential Digital Skills qualification. Take-up of the Essential Digital Skills qualification has been low, with further activity to promote being planned.

TABLE E: Basic Skills Category	2019/20		2020/21	
	% of Employed Adult Skills Learners	% of Adult Skills Enrolments taken by Employed Learners	% of Employed Adult Skills Learners	% of Adult Skills Enrolments taken by Employed Learners
Literacy	22%	16%	16%	13%
Numeracy	17%	12%	15%	12%
Digital*	N/A	N/A	0%	0%
ESOL	12%	16%	11%	17%
Total Basic Skills	41%	44%	36%	43%
Non-Basic Skills	67%	56%	67%	57%
* The Digital Basic Skills Category was not introduced until the 2020/21				
As learners can appear against multiple categories, the % of learner figures will not add up to 100%				
Source – Individualised Learner Record 2019/20 (R14) and 2020/21 (R14), Education and Skills Funding Agency				

5. Outcomes and Destinations

- 5.1 Table F below shows in 2019/20, 75% of employed learners achieved their learning aims and this dropped slightly to 74% in 2020/21. In 2020/21 a lower proportion of

enrolments resulted in no achievement, or some form of withdrawal, break in learning or transfer to a new aim than in 2019/20.



5.2 Outcomes-Based Success Measures 2017/18 - Sustained Employment Destination

The Department for Education (DfE) collects outcomes-based success measures (OBSM) of further education students. The latest data available is for those who completed their learning in the 2018/19 academic year and identifies their education and/or their employment outcomes for the following year. While the specific definition of 'sustained' vary between different types of outcomes, generally it means that the outcome was active between the months of October and March of the following academic year.

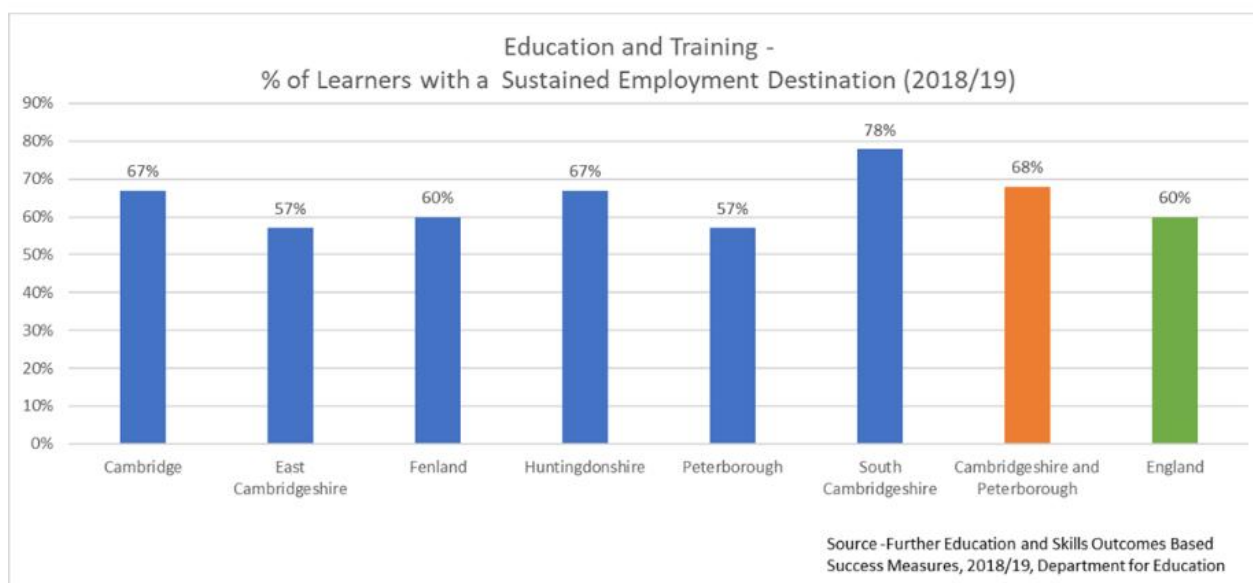


Table F above shows a higher proportion of learners in the sub-region had a sustained employment destination compared to the England average:

- Peterborough and East Cambridgeshire fell below the England average

- The local authority with the highest proportion of learners in a sustained employment destination was South Cambridgeshire. These is also the only local authority which was above the sub-regional average.

5.3 Since devolution, the Combined Authority has requested all commissioned providers to record destinations for learners. This destination data is based on self-reported data collection by providers. Data collection methods will vary from provider to provider and does not necessarily represent a sustained destination that can be backed by additional data sources. A more accurate source of data on sustained destinations is the Outcomes Based Success Measures produced by the Department for Education on an annual basis in the above Table F.

5.4 CPCA Local Destination Data

Table G below shows the number of learners with a recorded destinations and the category. As there is no published bench-marking data for destinations, it is difficult to make a comparative judgement about the data, but it provides an overall survey of destinations and can be analysed for individual providers. Work is underway to implement a consistent destination tracking system for the sub-region.

TABLE G: Destinations Recorded for Learners who were funded by
Cambridgeshire and Peterborough Combined Authority

Destination Category	2019/20	2020/21
Education	1,012	899
Employment	3,058	2,890
Gap Year	-	-
Not in Paid Employment	1,955	2,652
Social Destinations	-	-
Voluntary Work	50	63
Other	2,017	2,182
Total Learners with Outcome	7,340	8,053
Total Learners	8,421	9,030

Individual learners can appear across multiple destinations. They have only been counted once for the totals

Values marked as '-' have been suppressed as they fall within the 0 - 10 range

TABLE G Source - Individualised Learner Record, 2019/20 (R14) and 2020/21 (R14), Education and Skills Funding Agency

5.5 Table H below attempts to ascertain whether the destination secured by the learner is a direct association with CPCA funded learning, completed in 2020/21. This link was produced by looking at the completion dates of individual enrolments and identifying any destinations associated with that learner following the completion of that learning. Out of the 2,711 learners who had a destination of 'employed' recorded against them, 451 (17%) were recorded as unemployed on their first day of learning.

TABLE H: Destination Category	Number of Learners
Education	746
Employment	2,711
Gap Year	-
Not in Paid Employment	2,467
Social Destinations	0
Voluntary Work	51
Other	1,986
Total learners with an associated destination	7,701
Total Learners	9,030

TABLE H: Destination Data associated with CPCA Funded Learning Completed in 2020/2. Source: Individualised Learner Record, 2019/20 (R14) and 2020/21 (R14), Education and Skills Funding Agency
Note: Individual learners can appear across multiple destinations. They have only been counted once for the total. Values marked as '-' have been suppressed as they fall within the 1 - 10 range. 0 indicates 'true zero'

6. Next Steps

- 6.1 This report has provided a baseline position for the Business Board and greater visibility of AEB data that was not published pre-devolution in this detail. It has highlighted the performance during the first two formative years of devolution, the outcomes being delivered and the operating context. It has identified gaps in sectoral coverage and take-up of level 3 courses. The Employment and Skills Strategy and Skills Action Plan will identify the specific interventions to improve employer-responsive skills provision.
- 6.2 Despite the challenge of the pandemic and national lockdowns, resulting in college closures, providers in the sub-region still delivered a 9% increase in enrolments in 2020/21 compared to 2019/20. For future years, the Combined Authority Board has approved three-year plan-led funding for colleges. This will provide greater stability, partnership, and a lever for investment in growth and priority sectors.
- 6.3 Building capacity for delivery of training for green jobs, retrofit and carbon literacy among businesses and citizens is a key priority for investment. Proposals are being developed for implementation in 2022/23.
- 6.4 The Combined Authority Board has approved commissioning of independent training providers for a five-year contract period from 2022/23 to 2026/27 for up to £3m of AEB per year. Part of this investment will be focussed on addressing the gaps in growth and priority sectors and bespoke employer programmes, which could be non-qualification bearing. Blended and online learning will continue to be part of the mix of delivery.
- 6.5 There has been some recent successes in the Combined Authority's ability to use its agility and local powers to commission providers to respond rapidly to acute labour-market shortages, faster than national procurement for non-devolved areas. This has included HGV drivers, rail engineering operatives, hospitality staff and construction workers.
- 6.6 Given the emphasis of the Skills and Post-16 Education Bill, on employers being at the 'heart of the skills system' through LSIPs, the Business Board should consider how it ensures employer skills needs continue to be effectively articulated through Employer Representative Bodies and the Employment and Skills Board.

Significant Implications

7. Financial Implications

- 7.1 The recommendations of this report are for members to note performance since devolution of AEB across the previous two academic years and so there are no financial implications.

8. Legal Implications

- 8.1 The recommendations of this report are for members to note and so there are no legal implications.

9. Other Significant Implications

- 9.1 Environmental Sustainability and net-zero considerations - there are no implications from this report.

10. Background Papers

- 10.1 [AEB Independent Evaluation Report 2019/20](#)
- 10.2 [Getting the Basics Right – Institute of Learning and Work Report October 2021](#)
- 10.3 [Skills for Jobs White Paper January 2021](#)

Business Board Appointments

To:	Business Board
Meeting Date:	10 January 2022
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	Director of Business & Skills, John Hill
Key decision:	No
Recommendations:	<p>The Business Board is recommended to:</p> <ul style="list-style-type: none">a) Note the appointment of new private sector Business Board members made by the Appointments Panel, subject to completion of the induction programme; andb) Note the one remaining vacancy on the Business Board.

1. Purpose

- 1.1 The purpose of this report is to note the appointments of new Business Board members made by the Appointments Panel.

2. Background

- 2.1 The Business Board Membership consists of up to twelve private sector business representatives. Following the resignation of three members, it was necessary to undertake a recruitment process to appoint candidates to the Business Board.
- 2.2 The recruitment process was carried out in accordance with the Business Board's Constitution and Local Assurance Framework. In summary, the process was as follows:
- Production of a Recruitment Pack and Social Media Video
 - Board member vacancies advertised on various platforms including the Combined Authority's website and social channels, LinkedIn Campaign, job boards and shared with partners and Business Board member networks
 - Shortlisting of applications by HR (a total of 8 applications were received and shortlisted to 6 candidates)
 - Formal Appointment panel including the Chair of the Business Board, Mayor of Cambridgeshire and Peterborough Combined Authority and the Director of Business and Skills to interview shortlisted candidates
 - Appointments Panel to confirm appointments of recommended Business Board members.
- 2.3 Following selection and interviews by the Appointments Panel, the recommended candidates have passed due diligence checks and can now be formally appointed to the Business Board, subject to completion of a comprehensive induction programme which will take place before members attend their first Business Board meeting in March 2022.
- 2.4 The candidates recommended for appointment are:
- Belinda Clarke – Director, Agri-TechE
 - Vic Annells – CEO, Cambridgeshire Chambers of Commerce
- 2.5 The full private sector membership of the Business Board is detailed in Appendix 1.
- 2.6 The term of office for private sector representatives will normally be a maximum of three years, and is subject to a maximum of one consecutive term (i.e. 6 years in total).
- 2.7 It is a requirement for new Business Board members to take part in an induction programme to ensure that they understand their role, are adequately supported to provide challenge and direction to their LEP and understand how best to work with the Government. A full induction programme is proposed to take place on Friday 11th February 2022 with

new and existing members being invited to attend.

- 2.8 As stated in the National Assurance Framework (section 79), the Business Board Diversity Statement:

‘should include a commitment to ensure at least one third of members of LEP Boards are women, with an expectation of equal representation by the beginning of 2023.’

Officers are working with Combined Authority HR colleagues to meet this commitment as set by the Department for Business, Energy and Industrial Strategy.

Significant Implications

3. Financial Implications

- 3.1 Provision for the remuneration of the Business Board is allowed for within the existing Combined Authority budget and there are no further financial implications beyond this.

4. Legal Implications

- 4.1 The Constitution sets out the membership requirements for private sector Business Board members. This includes the recruitment process to be undertaken and appointment arrangements applicable.

5. Other Significant Implications

- 5.1 None.

6. Appendices

- 6.1 Appendix 1 – Business Board Private Sector Membership Composition

7. Background Papers

- 7.1 [Business Board Meeting on 19 July 2021 \(Agenda Item 3.4\)](#)
- 7.2 [Business Board Meeting on 14 September 2021 \(Agenda Item 3.1\)](#)
- 7.3 [National Local Growth Assurance Framework](#)
- 7.4 [Business Board Diversity Statement](#)

Appendix 1 - Business Board Private Sector Membership Composition

Member	Sector	Business type	Area
Aamir Khalid	Advanced Manufacturing & Knowledge Intensive Services	Medium-Sized Business, Spin outs	South Cambridgeshire
Al Kingsley	Digital / Information Technology & Education	SME	Peterborough
Andy Neely (Vice Chair)	Education & Knowledge Intensive Services	Institutions	Cambridge
Andy Williams (Co-Optee)	Life Science	Multinational	South Cambridgeshire
Austen Adams (Chair)	Advanced Manufacturing	Medium-Sized Business	Fenland
Belinda Clarke	Agri-Tech	Business Membership Organisation	Cambridge
Faye Holland	Communications & Business Services	SME	East Cambridgeshire
Jason Mellad	Life Science	Start ups, Spin outs	Cambridge
Mike Herd (Co-Optee)	Digital / Information Technology & Education	Scale ups	East Cambridgeshire
Nitin Patel	Advanced Manufacturing	Scale ups, Start ups	Huntingdonshire
Rebecca Stephens	Digital Infrastructure	SME	Peterborough
Tina Barsby	Agri-Tech & Knowledge Intensive Services	Institutions	Cambridge
Vic Annells	Business Services	Business Membership Organisation	Cambridge



Business Board Forward Plan

Published 22nd December 2021

Business Board Meeting – 10th January 2022

	Report Title	Decision Maker	Decision Expected	Decision	Purpose	Report Author	Lead Member
1.	Minutes - 8 th November 2021	Business Board			To approve the minutes of the last meeting as a correct record.		
2.	Budget and Performance Report	Business Board			To provide an update and overview of MTFP funding lines within the Business & Skills Directorate.	<i>Vanessa Ainsworth, Finance Manager</i>	Chair
3.	Strategic Funding Management Review – January 2022	Combined Authority Board	26 th January 2022	Decision	To monitor and review programme performance, evaluation, outcomes and risks. To approve the process for awarding Business Board recycled funding.	<i>Steve Clarke, SRO LGF and Market Insight & Evaluation</i>	Chair
4.	Growth Works Management Review – January 2022	Combined Authority Board	26 th January 2022		To monitor and review programme delivery and performance.	<i>Nigel Parkinson, Growth Co Chair</i>	Chair
5.	Peterborough University – Phase 3 Business Case	Combined Authority Board	26 th January 2022		To note the Business Case for Phase 3 of the University of Peterborough.	<i>Mahmood Foroughi, SRO Higher Education</i>	Chair
6.	Covid-19 Economic and Skills Insight Report	Business Board			To note the impacts of Covid-19 within the latest Economic and Skills Insight Report.	<i>Alan Downton, SRO Growth Works & Energy</i>	Chair

7.	Adult Education Budget – Delivery Outcomes and Impact	Business Board			To present a review of the CPCA's performance in improving delivery of Adult Education.	<i>Parminder Singh Garcha, SRO Adult Education</i>	Chair
8.	Business Board Appointments	Business Board			To note the appointment of new Business Board members.	<i>Domenico Cirillo, Business Programmes & Business Board Manager</i>	Chair
8.	Forward Plan	Business Board			To note the Forward Plan.	<i>Monitoring Officer for Combined Authority</i>	Chair

Business Board Meeting – 14 th March 2022							
	Report Title	Decision Maker	Decision Expected	Decision	Purpose	Report Author	Lead Member
1.	Minutes - 10 th January 2022	Business Board			To approve the minutes of the last meeting as a correct record.		
2.	Budget and Performance Report	Business Board			To provide an update and overview of MTFP funding lines within the Business & Skills Directorate.	<i>Vanessa Ainsworth, Finance Manager</i>	Chair

3.	Strategic Funding Management Review – March 2022	Combined Authority Board	30 th March 2022	Decision	To monitor and review programme performance, evaluation, outcomes and risks.	<i>Steve Clarke, SRO LGF and Market Insight & Evaluation</i>	Chair
4.	University for Peterborough – Programme Business Case	Combined Authority Board	30 th March 2022	Decision	To consider the Programme Business Case for the University for Peterborough and make recommendations to the Combined Authority Board.	<i>Mahmood Foroughi, SRO Higher Education</i>	Chair
5.	Combined Authority Implications of the LEP Review	Combined Authority Board	30 th March 2022		To note the outcomes of Government's national LEP Review.	<i>John T Hill, Director, Business & Skills</i>	Chair
6.	Economic Growth & Skills Strategy	Combined Authority Board	30 th March 2022		To approve the draft Economic Growth & Skills Strategy.	<i>Alan Downton, SRO Growth Works & Energy</i>	Chair
7.	High Performance Computing Strategy	Combined Authority Board	30 th March 2022		To approve and adopt the High Performance Computing (HPC) Strategy.	<i>Steve Clarke, SRO LGF and Market Insight & Evaluation</i>	Chair
8.	Business Board Performance Assessment and Evaluation Report	Business Board			To present the final report following the performance assessment of the Board.	<i>Domenico Cirillo, Business Programmes & Business Board Manager</i>	Chair
9.	Enterprise Zones Programme Update	Combined Authority Board	30 th March 2022		To provide members with an update on the Enterprise Zones Programme.	<i>Domenico Cirillo, Business Programmes & Business Board Manager</i>	Chair

10.	Opportunities to Develop the Greater South East Energy Hub	Business Board			To note the opportunities for a green manufacturing supply chain and skills requirements.	<i>Alan Downton, SRO Growth Works & Energy</i>	Chair
11.	Role of the Business Board	Combined Authority Board	30 th March 2022		To approve proposed changes on the mandated role of the Business Board to share its views, manage and make recommendations to the Combined Authority Board.	<i>Domenico Cirillo, Business Programmes & Business Board Manager</i>	Chair
12.	Local Assurance Framework	Combined Authority Board	30 th March 2022		To approve the revised Local Assurance Framework.	<i>Reena Roojam, Lawyer</i>	Chair
13.	Co-Optee Appointments	Business Board			To confirm the reappointment of co-opted members to the Business Board.	<i>Domenico Cirillo, Business Programmes & Business Board Manager</i>	Chair
14.	Forward Plan	Business Board			To note the Forward Plan.	<i>Monitoring Officer for Combined Authority</i>	Chair

Business Board Meeting – 9th May 2022

	Report Title	Decision Maker	Decision Expected	Decision	Purpose	Report Author	Lead Member
1.	Minutes - 14 th March 2022	Business Board			To approve the minutes of the last meeting as a correct record.		
2.	Budget and Performance Report	Business Board			To provide an update and overview of MTFP funding lines within the Business & Skills Directorate.	<i>Vanessa Ainsworth, Finance Manager</i>	Chair
3.	Strategic Funding Management Review – May 2022	Combined Authority Board			To monitor and review programme performance, evaluation, outcomes and risks.	<i>Steve Clarke, SRO LGF and Market Insight & Evaluation</i>	Chair
4.	Growth Works Management Review – May 2022	Business Board			To monitor and review programme delivery and performance.	<i>Nigel Parkinson, Growth Co Chair</i>	Chair
5.	Digital Sector Strategy	Combined Authority Board		Decision	To approve the Digital Sector Strategy for Cambridgeshire & Peterborough.	<i>Steve Clarke, SRO LGF and Market Insight & Evaluation</i>	
6.	Economic & Skills Insight Report	Business Board			To note the Economic and Skills Insight Report.	<i>Alan Downton, SRO Growth Works & Energy</i>	Chair
7.	Digital Skills Bootcamps Evaluation	Business Board			To share the evaluation data with the Business Board to inform future work.	<i>Fliss Miller – SRO Workforce Skills</i>	Chair

8.	Nomination of Business Board Representatives for the Combined Authority Board	Combined Authority Board	1 st June 2022		To nominate the Chair and Vice-Chair to be a member and substitute member of the Combined Authority Board for the municipal year 2022/23.	<i>Domenico Cirillo, Business Programmes & Business Board Manager</i>	Chair
9.	Business Board Annual Report and Delivery Plan	Combined Authority Board	1 st June 2022		To approve the Business Board Annual Report for 2021-22 and Annual Delivery Plan for 2022-23.	<i>Domenico Cirillo, Business Programmes & Business Board Manager</i>	Chair
10.	Business Board Expenses and Allowances 2021-22	Business Board			To report on the remuneration and expenses paid to private sector members for 2021-22 under the Business Board Expenses and Allowances Scheme.	<i>Domenico Cirillo, Business Programmes & Business Board Manager</i>	Chair
11.	Forward Plan	Business Board			To note the Forward Plan.	<i>Monitoring Officer for Combined Authority</i>	Chair

SUBMIT YOUR COMMENTS OR QUERIES TO BUSINESS BOARD

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

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Tel:

Email:

Who would you like to respond?