



THE BUSINESS BOARD

BUSINESS BOARD

9th July 2020

Democratic Services

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

12:00

Incubator 2
The Boulevard
Alconbury Weald
Cambridgeshire
PE28 4XA

VIRTUAL MEETING

AGENDA

EMERGENCY PRIVATE MEETING

PART 1 – GOVERNANCE ITEMS

- 1.1 Apologies for Absence & Declarations of Interest**

PART 2 – FUNDING AND LOCAL GROWTH FUND

- 2.1 Accelerated 2021 Local Growth Funding Allocated to CPCA 3 - 28
Business Board**

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

Clerk Name: *Nick Mills*

Clerk Telephone: *01223 699763*

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Membership

The Board currently comprises:

Private Sector Members

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

Public Sector Members

Name	Body	Position
James Palmer	Cambridgeshire and Peterborough Combined Authority	Mayor
Cllr John Holdich <i>(Substitute: Councillor Wayne Fitzgerald)</i>	Cambridgeshire and Peterborough Combined Authority	Deputy Mayor and Portfolio Holder for Economic Growth

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.

BUSINESS BOARD	AGENDA ITEM No: 1.2
9 JULY 2020	PUBLIC REPORT EXTRAORDINARY MEETING

ACCELERATED 2021 LOCAL GROWTH FUNDING ALLOCATED TO CPCA BUSINESS BOARD

PURPOSE

Accelerated Access to the 2021 Local Growth Funding (LGF) budget allocation has been provisionally offered to the Business Board amounting to £14.6million. The Business Board is asked to note the process by which these funds were awarded, to agree a plan to deploy the awarded funds and to formally accept the offer of this new tranche of LGF from Cities and Local Government Unit.

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Chairman of the Business Board
Lead Officer:	John T Hill, Director of Business & Skills
Forward Plan Ref: N/A Key Decision: No	
<p>The Business Board is recommended to:</p> <ul style="list-style-type: none"> (a) Note the process by which projects were ranked, and the level of funds awarded for accelerated LGF; (b) Formally accept the allocation of £14.6million accelerated LGF from Cities and Local Government Unit; (c) Recommend that the Mayor formally accepts the allocation of £14.6million accelerated LGF from Cities and Local Government Unit, on behalf of the Combined Authority, in its role as accountable body which will be managed by the Business Board; and (d) Approve the plan to deploy the awarded accelerated LGF to the Business Board's no1 ranked priority project: Greater Peterborough Innovation Ecosystem, subject to successfully completing the Local Assurance Framework application process including ratification by the Combined Authority Board. 	

1.0 BACKGROUND

- 1.1 On 10th June 2020, Secretary of State for Ministry Housing Communities and Local Government (MHCLG) issued a letter calling for 'Shovel Ready Projects' to be submitted across the Country with a deadline of 18th June 2020 – see **Appendix A**.
- 1.2 The criteria for submitting projects was clearly indicated as Capital only LGF with ability to deliver spend within 18 months and outcomes related to Jobs, Growth and Green Recovery over the following 18 months after that spend. There was also a very clear note that projects would have to comply with and proceed through the Local Assurance Framework in each Mayoral Combined Authority and/or Local Enterprise Partnership area.
- 1.3 There was some confusion because MHCLG wrote to all Local Authorities and did not make it clear if there should be one or multiple responses from each area. Officers compiled the Business Board submission but then later became aware of other Local Authorities having submitted project lists too. **Appendix B** contains a report on the process to submit business board priority ranked projects and add new projects from Local Authority partners to it.
- 1.4 The Business & Skills Directorate communicated with all Combined Authority Chief Executives on 19th June.
- 1.5 Subsequently Officers were informed on 1st July 2020 of the decision by MHCLG on the award amount being allocated to the Business Board
- 1.6 Dialogue with the Cities and Local Growth Unit (CLGU) identified that only the top 5 ranked projects had been evaluated by officials against the criteria set. These evaluations had been moderated against evaluation results from other LEP submissions regionally, and more broadly against MCA submissions nationally. These moderated evaluations led to the selection of suitable projects on which CLGU wished to engage in greater detail with the Business Board.
- 1.7 Through this process, of the top 5 ranked projects, one had been considered too weak in regard to additionality (Kennett Garden Village) given the request for funding was only £3.5m on a £140m project. A further project (CAM Prototype Development) was also eliminated on the grounds of too few jobs potential and being considered a revenue project rather than capital.
- 1.8 MHCLG officials requested a meeting on the 7th July with Business Board officers to evaluate in more detail the remaining 3, top 5 projects against the HMCLG criteria. These were:
 - (a) Peterborough University Phase 2 Innovation Ecosystem Project
 - (b) College of West Anglia Construction Hub

(c) Huntingdon Clean Energy Park

- 1.9 Officers recommended to the Chair of the Business Board that the project ranked as the No 1 priority, Peterborough University Phase 2 Innovation Ecosystem Project should be the primarily project put forward in that further evaluation, on the basis that:
- (a) Without the full £14.6m of funding offered, against the requested £16.5m requested for the Peterborough University Phase 2 Innovation Ecosystem Project could not go forward on the basis of a competitive offer from an alternative city location and Combined Authority to the delivery partner, and that without the £4.5m (of the £16.5m requested) for the slip roads from the Frank Perkins Parkway, the project would fail at planning permission stage.
 - (b) The College of West Anglia Construction Hub was a relatively low strategic priority in the LIS and that there was some uncertainty regarding the operational and financial strength of the applicant, impacting its deliverability.
 - (c) The Huntingdon Clean Energy Park was also a relatively low strategic priority and that there was uncertainty that all the remaining funding was secure and in place, impacting its deliverability.
- 1.10 The Chair agreed, subject to full Business Board ratification at an Extraordinary board Meeting on 9th of July, that only on the basis of the No 1 priority project failing to meet the further and deeper evaluation against the criteria set, should the other two, lower priority projects be put forward for consideration.

2.0 PROPOSITION FOR THE GREATER PETERBOROUGH INNOVATION ECOSYSTEM

- 2.1 The Greater Peterborough Innovation Ecosystem project and its supporting case is outlined in **Appendices C** and **D** – the partners involved and the funding breakdown is as follows:
- Business Board LGF £14.6million towards project build and infrastructure
 - Peterborough City Council £1.9million as a contribution to the construction of the required slip roads
 - Private sector High profile Innovation Organisation £1.5million towards land costs and new R&D equipment within the Research Centre, to complement between £10m and £15m of existing R&D equipment being relocated to Peterborough from their laboratories in two other UK cities, and potentially from other of their laboratories across the world.
- 2.2 A meeting was convened with Cities and Local Growth Unit (CLGU) representative, attended by the key stakeholders listed in paragraph 2.1

above, plus specialist project consultants that the Combined Authority and Business Board have working on University of Peterborough, on 7th July to provide evidence and reassurance to CLGU of the deliverability, and strategic fit, of the No 1 ranked project. This project consisted of a Research Centre building on the new university campus and a set of slip roads from Frank Perkins way.

2.3 The questions at the meeting focused on provision of information and evidence on deliverability regarding:

- (i) How the £1.9m funding gap between the offer of £14.6m and the requested £16.5m could be bridged. This was enabled through an offer from Peterborough City Council of £1.9m to part fund the construction of the slip roads.
- (ii) Whether the £1.5m of private sector funding from the LGF applicant was in place. This was confirmed by the LGF applicant for the Research Centre building at the meeting.
- (iii) How the process for planning application could deliver the approvals in March 2021, to meet the construction timescales.
- (iv) How the process for procurement of the building contractor could deliver a contracted supplier in March 2021, to meet the construction timescales.
- (v) How the process for construction, especially concurrent construction of phase 1 and 2 of the university, could deliver a completed building by January 2022.

2.4 Please find at **Appendices C** and **D** the briefing documents from that meeting covering all of the above criteria and confirming aspects for delivery.

3.0 BUSINESS BOARD DECISION AND NEXT STEPS

- 3.1 The Business Board is asked to formally accept the allocation of £14.6million from the LGF 2021 budget into this financial year for the Peterborough University Phase 2 Innovation Ecosystem Project.
- 3.2 The Business Board is asked to approve an invitation to the two potential applicants for this funding, PCC and the Research Centre Delivery Partner, to develop an expression of interest and full application to the LGF to deliver the Peterborough University Phase 2 Innovation Ecosystem Project
- 3.3 Upon the Business Board's approval of the above recommendations and subsequent Mayoral approval representing formal agreement of the Combined Authority as Accountable Body, a formal acceptance letter will be sent to the Secretary of State at MHCLG and copied to Officers in the Cities

and Local Growth Unit which MHCLG requires in order to approve the deliverability of the Project and make the Grant.

- 3.4 Approval of the Peterborough University Phase 2 Innovation Ecosystem Project will be brought back as part of Local Assurance process, through the Internal and external appraisal/due diligence plus Entrepreneurs Assessment Panel before being presented to Business Board in September for final recommendation to Combined Authority for approval of funding.

4.0 SIGNIFICANT IMPLICATIONS

- 4.1 None

5.0 FINANCIAL IMPLICATIONS

- 5.1 Subject to acceptance by the Business Board and CA Board, the Cities and Local Growth Unit will provide £14.6m of additional Local Growth Funding to the CPCA. This funding is ring-fenced for the projects outlined as referenced above subject to satisfying Local Assurance Framework process of the Business Board. There is no call on wider CPCA resources.

6.0 LEGAL IMPLICATIONS

- 6.1 The Combined Authority is the accountable body for the Business Board and retains financial oversight over all allocation and funding decisions.
- 6.2 This Business Board meeting shall be conducted in accordance with Parts 2 and 3 of the Local Authorities and Police and Crime Panels (Coronavirus)(Flexibility of Local Authority and Police and Crime Panel Meetings)(England and Wales) Regulations 2020 (SI 2020 No.392)

7.0 IMPLICATIONS FOR NATURE

- 7.1 None

8.0 OTHER SIGNIFICANT IMPLICATIONS

- 8.1 None

9.0 APPENDICES

- 9.1 **Appendix A:** Letter from MHCLG
Appendix B: Local Growth Fund Accelerated Access to 21-22 Allocations
Appendix C: Innovation Ecosystem
Appendix D: PCC Briefing Note - Innovation Ecosystem

<u>Background Papers</u>	<u>Location</u>
Local Growth Fund Documents, Investment Prospectus, guidance and application forms	<u>https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/</u>



Ministry of Housing,
Communities &
Local Government

Rt Hon Robert Jenrick MP

*Secretary of State for Housing, Communities and
Local Government*

**Ministry of Housing, Communities and Local
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To: Mayors
Mayors & LEP Chairs
LEP Chairs

10 June 2020

Dear colleagues,

Covid-19 has given rise to exceptional challenges – to the overall economy, to businesses and to the lives of individuals. Great sacrifices have been made, but over the last few weeks we have started to make a series of careful but deliberate steps to reopen our economy. I would like to take this opportunity to thank you for the work that you have done over the last few months in supporting us to oversee and help manage an unprecedented response to Covid-19 – ensuring that businesses and individuals receive the financial support they need, and providing support more generally for local economies.

I write to you now given the key role you have going forwards in supporting local recovery, including through your existing local growth programmes which will serve as an important economic stimulus. We recognise of course the challenges associated with delivering capital programmes this year, which is why we have committed to working with each LEP to review their local growth fund programme to get a shared understanding of how delivery will be managed, and what support you may need from Government.

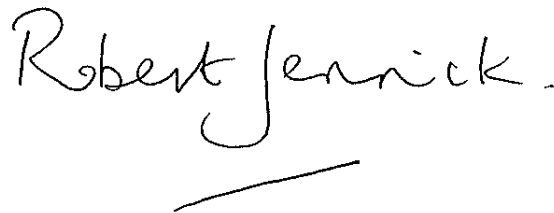
As part of that, we are interested in also exploring how acceleration of Departmental funds could be used to support the delivery of capital projects in order to stimulate the economy over the next 18 months. I am therefore writing now to invite you to come forward with ideas for accelerating existing Government funded capital projects, to generate new activity within 18 months, to help create jobs and raise overall demand in the economy

In addition, we are willing to consider exceptional, additional shovel-ready capital projects which can be delivered within 18 months. Any new proposals must meet value for money standards agreed through local assurance frameworks and longer-running projects with a funding tail beyond 2022 are out of scope. Where considering new projects, these must deliver on two overarching objectives – driving up economic growth and jobs and supporting green recovery – and would primarily enable:

- town and city centre modernisation through targeted infrastructure investments unleashing their longer-term economic potential;
- investment in physical connectivity to improve the functioning of the local economy;

- investment in innovation ecosystem including through improvements to research and development facilities driving up business productivity;
- improvements to human capital;
- improving digital connectivity, in order to support economic performance, particularly in more isolated areas.

The area teams within my Cities and Local Growth Unit will help you complete the attached template for existing and new proposals. Please can all project templates be returned by **Thursday 18th June 2020**. I should emphasise that an invitation for proposals at this time does not amount to a commitment to accelerate or offer new funding – our focus is on how existing funding sources could be used as well as whether local growth funding for future years can be brought forward to support projects at this critical time. At this stage, we are keen to simply to understand the options available across the country.

A handwritten signature in black ink that reads "Robert Jenrick". The signature is written in a cursive style with a long horizontal stroke underneath the name.

RT HON ROBERT JENRICK MP

Local Growth Fund – Accelerated Access to 21/22 Allocations

This report sets out the process by which officers constructed the CPCA's response to the Letter on the 10th June 2020, from the Secretary of State for Housing, Communities and Local Government, offering accelerated access to 21/22 LGF **funding allocation** for shovel ready projects.

The criteria for projects to be considered included was clearly indicated as the ability to deliver spend within 18 months and delivery of outcomes related to Jobs, Growth and Green Recovery in the preceding 18 months after that spend. There was also a very clear note that projects would, of course, have to comply with the Local Assurance Framework in each MCA and/or LEP area, meaning they would need to be likely to gain **funding approval** through the LGF application process.

The letter itself caused some confusion, and was criticised by the LEP Network, for being copied to all Local Authorities without making it clear that all submissions should come only, from the local Managing Authority for the LGF.

The following charts the steps CPCA officers undertook within the process of preparing our submission of LGF projects suitable for accelerated access to LGF4 funding:

1. A number of LAs informed CPCA that they had projects they wanted to put forward in response to the letter
2. Some had not fully appreciated that the competition was for LGF funding and that projects would subsequently need to be approved for funding under the Local Assurance Framework – requiring them to score sufficiently well at internal and external evaluation and the Entrepreneurs Assessment Panel against the criteria set in the Business Board LGF Investment Prospectus Document.
3. Officers adopted a position, as the Managing Authority for the LGF, to coordinate not necessarily collate and own the local list – this being because some LAs had felt they had been empowered to respond individually, as a result of the letter they had received from the Secretary of State
4. We explained that we would be surprised if any LA possessed shovel ready LGF project ideas that they had not already raised with us and entered into our applications pipeline, but if they did, and before submitting them, they should self-assess them against;
 - a. **The of criteria in the letter and template**
 - b. **The LGF eligibility criteria** (Local Investment Prospectus) different for each category of (a) growth projects (<£3m) or (b) major projects (>£3m) in the prospectus document



- c. **The LGF evaluation criteria** – to meet the Local Assurance Framework applications would need to undergo independent external evaluation and review by the Entrepreneurs Assessment Panel (a dragons' den of local business people).
5. Officers gave advice to all LAs, that requested it, to guide them through this assessment, not least because it would help the CPCA rank the new ideas, to add to our existing pipeline as new projects – should the individual LAs wish to submit through us
6. Officers had a pipeline of LGF applications already in development and submitted two for accelerated access to LGF4 funding allocation. These included:
 - a. For PCC, the Uni of Peterborough phase2
 - b. For CCC/GCP, the CAM Prototype development
7. Officers also added new potential LGF applications, brought to us through this process by LAs, into our pipeline and onto the list for accelerated access to LGF funding. These include:
 - a. For ECDC, the Kennett Garden Village
 - b. For Fenland, the COWA Construction Hub
 - c. For HDC, the Waste to Energy Park
8. Officers ranked these above projects using the following methodology:
 - a. How many of the template priorities were met, and the strength of evidence provided in justifying those claims
 - b. How well developed the idea was as an LGF-eligible project
 - c. How well it matched the Business Board's LGF Growth Investment Prospectus **eligibility criteria**
 - d. How well it aligned to the **evaluation criteria**, and hence the likelihood of it being recommended for funding to the Business Board, irrespective of whether HMG allocated funding for it;
 - e. In regard to evaluation criteria; How in particular it aligned to the LIS, whether it was already a LIS defined strategic priority project and how close it was to the benchmark cost of £5000 per job;
9. CPCA expected that all LAs would have shared their list with us and have asked for the guidance offered.
10. As a result of receiving multiple submissions, local CLGU officials requested the CPCA's Business Board, as the Managing Authority for the LGF, to include and rank in the CPCA's submission, whichever of the separately received project ideas met the criteria we had used to produce our own list.
11. Officers have completed the ranking exercise which can be seen in the attached tables.

Cambridgeshire & Peterborough Capital Investment Propositions – Submission for Government 18.6.20

All applications were assessed against the core programme criteria of delivery within 18 months, green recovery and growth and jobs output as well as their impact of the Cambridgeshire & Peterborough Local Industrial Strategy ambitions. As a result of this assessment the CPCA ranks them as follows.

Project	Total Cost	Funding Being Sought	Ranking	Constituency Area
Peterborough University Phase 2: Innovation Ecosystem & Advanced Manufacturing & Materials Research Centre as the Hub	£18,000,000	£16,500,000	1	Peterborough City Council
Cambridgeshire Autonomous Metro (CAM) Prototype Vehicle and Supporting Infrastructure	£9,236,000	£4,618,000	2	CPCA
Kennett Garden Village	£160,000,000	£3,665,000	3	East Cambridgeshire District Council
College of West Anglia - Construction Hub	£4,200,000	£4,000,000	4	Fenland District Council
Huntingdon Clean Energy Park	£22,950,000	£2,950,000	5	Huntingdonshire District Council
Cambridge Sci-Tech Container Village	£4,200,000	£2,300,000	6	Cambridge City Council
270 Cambridge Science Park	£6,370,500	£1,347,500	7	South Cambridgeshire District Council
Rural gigabit voucher extension for Cambridgeshire and Peterborough	£1,010,000	£950,000	8	Rural areas of Cambridgeshire and Peterborough
Eastern Industries phase 1	£20,000,000	£10,000,000	9	Peterborough
Total	£245,966,500	£46,330,500		

Projects That do not fit local LGF criteria, Value for Money or Local Assurance Framework and therefore in current form are not considered appropriate to be funded from the Accelerated 2021 LGF.

Project	Total Cost	Funding Being Sought	Ranking	Constituency Area
Bus depo relocation	£12,400,000.00	£6,000,000	10	Peterborough
Transport - St. Ives quick win interventions in support of A141	£2,000,000.00	£2,000,000	11	Huntingdonshire District Council/ Cambridgeshire County Council (LHA)
St Neots Strategic Eastern Expansion Commercial District at Wintringham	£9,400,000.00	£9,400,000	12	Huntingdonshire District Council
Huntingdon Bus Station Quarter Redevelopment Scheme	£16,095,000.00	£16,095,000	13	Huntingdonshire District Council
St Ives Bus Station Quarter Redevelopment Scheme	£17,000,000.00	£17,000,000	14	Huntingdonshire District Council
E-bike infrastructure	£8,000,000	£1,000,000	15	Greater Cambridge Partnership
Electric bus trial - phase 2	£7,700,000	£4,000,000	16	Greater Cambridge Partnership
Greater Cambridge Greenways	£500,000	£2,000,000	17	Greater Cambridge Partnership
Greenways Signing and Wayfinding project	£8,000,000	£500,000	18	Greater Cambridge Partnership
Cambridge Corn Exchange	£1,500,000.00	£1,000,000	19	Cambridge City Council

Peterborough University Phase 2 An Innovation Eco-System

The Strategic Context & Design Approach

1. The Strategic Context – Driving Up Growth & Jobs

Data from the Cambridgeshire & Peterborough Independent Economic Review (CPIER), updated by new econometric work ongoing to assess the extent of economic scarring resulting from the COVID Crisis, predicts that Peterborough and the Fens, will be **one of the hardest hit economies in the UK**. This is backed-up 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.

This is partly due to education deprivation (Peterborough is in the bottom 10% of all UK cities) making the workforce less resilient and able to adapt. It is also partly due to its low-tech industrial base, which is 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 the chances of the city, **also being one of the slowest to recover**.

The evidence base clearly shows that Peterborough and the north of the Cambridgeshire & Peterborough economy more generally (including The Fens), while not conventionally thought of as being “in the north”, has been “left behind”. A more inclusive recovery and regrowth strategy is needed. Recovering the CPCA’s growth ambition, of doubling the economy by 2035, means that action must be taken to increase, higher value, more knowledge intense and more productive growth in places like Peterborough. Changing the spatial distribution of economic growth and supporting an increase in innovation-based business growth across the whole of the CPCA economy, was a key recommendation from the CPEIR and formed the basis of the three priority goals of **the Local Industrial Strategy (LIS)**:

- **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

As for 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 shifting the gradient of the economic recovery rate, in these left-behind towns.

However, replicating the “Cambridge Phenomenon” that has taken decades to organically evolve and develop requires a specifically designed and long-term programme of interventions that balance supply of improved human capital with the 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 the removal of the Higher Education Cold Spot, to generate more level 5, 6, 7 & 8 skills, focused on key and higher value growth sectors such as high-value manufacturing and digital. In comparison to the average city in the UK, and within a workforce of 103,000, Peterborough needs 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.

But filling the higher-level skills gap in Peterborough and The Fens, will have limited impact without effective measures to significantly grow the business and industrial demand for those skills. This will require, **concurrent development of the innovation and business support eco-system to grow indigenous high-value firms and attract new ones to the city.**

This requirement was identified in the LIS which stated that:

Too much of Cambridgeshire and Peterborough will remain locked in a low skill, low pay equilibrium, structurally unable to provide the absorptive capacity the high growth areas of Greater Cambridge and Peterborough very much need. Raising educational outcomes across the whole area is essential to rebalancing the economy of Cambridgeshire and Peterborough and the delivery of the goals in this strategy. Hence, we will look to scope and create a new university in Peterborough, that will attract highly skilled, productive individuals to the city, and develop the skills of the local population. It will be the focal points for innovation cluster development in Peterborough. Focusing on product development to support key growth sectors, the new university in Peterborough could, over time, become the knowledge engine in the north of the region.

Place based, and integrated university and innovation eco-systems that act as a focus for sector-cluster development have been developed successfully around the world, but in few countries more successfully than Germany.

There, the **Franhofer-Gesellschaft Model** for Technical Universities has driven place-based sector cluster growth based on technological innovation for decades.

The Fraunhofer-Gesellschaft in Germany

- 60 Institutes
- more than 18,000 employees

Sector-cluster applied research, converting academic science into technology and on into new products and services

Place-based partnerships between city technical universities and sector focused research institutes



The CPCA has chosen this model as the basis for the development of a Technical University for Peterborough. It has been chosen for its **powerful partnership approach between the university itself, and a co-located independent Research Institute**. This produces a number of benefits illustrated below, through the integration of Research Institute directors with university faculties, as Professors. Through our Academic Delivery Partner (our ADP to be announced on 14th July 2020), one of the most business focused and fastest growing universities in the UK, and our Innovation delivery Partner (our IDP to be announced on 26th September 2020), of the world's leading a high-value manufacturing Research Institutes, the CPCA intends to adapt this model for the UK.

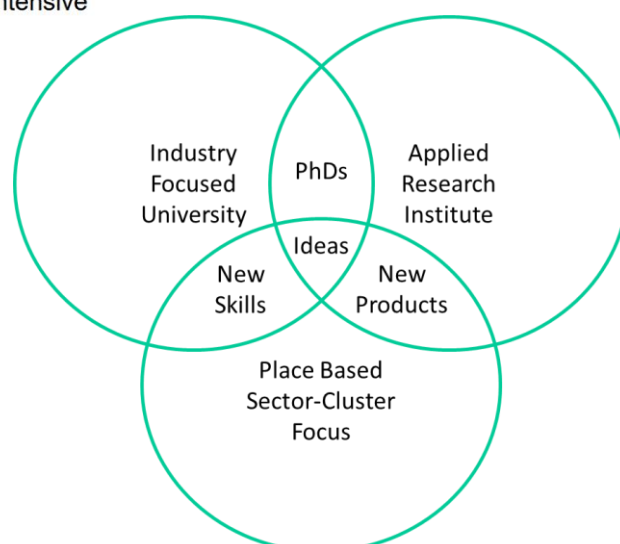
Fraunhofer Institute

- access to basic research
- recruitment of junior scientists
- recruitment of students (interns, undergraduates)
- opportunities for employees to gain scientific qualification (doctorate, professorship)

University Chair

- cooperation in industry-oriented projects; opportunities for interns, under-graduates and graduates to gain practical experience
- integration of practical applications into the curriculum
- access to cost-intensive equipment

This will provide the fundamental platform for a Peterborough, high value manufacturing innovation eco-system with a Technical University at its core, based on the Fraunhofer Model. This in turn will drive place-based, sector cluster, growth founded in technological innovation, that will transform the knowledge intensity of products, services and jobs, which will in turn, arrest four decades of decline in prosperity and reset the city's potential rate of recovery.



Such an eco-system, using the new university as its hub, has been designed and substantially funded through the CPCA, to be mobilised over the next year. This includes:

- New business clusters and networks for manufacturing in the north
- £20m of business growth coaching and growth capital for high potential firms
- A new local agency to connect into DIT to attract new high value firms globally
- A skills brokerage to connect learners, and those retraining, with growth firms
- A network of new Tech Accelerators and Incubators connecting the Cambridge knowledge base with the north of the area.

However, without accelerated access to the LGF4 funding, the CPCA lacks the financial resources to mobilise this key enabling component;

A central research super-hub to act as the enabling core for an innovation eco-system to connect firms locally with global partners, knowledge and opportunities for growth.

The combined impact of the Phase 1 university academic teaching facility, and the Phase 2 Research Super-Hub and innovation eco-system, will be the creation of:

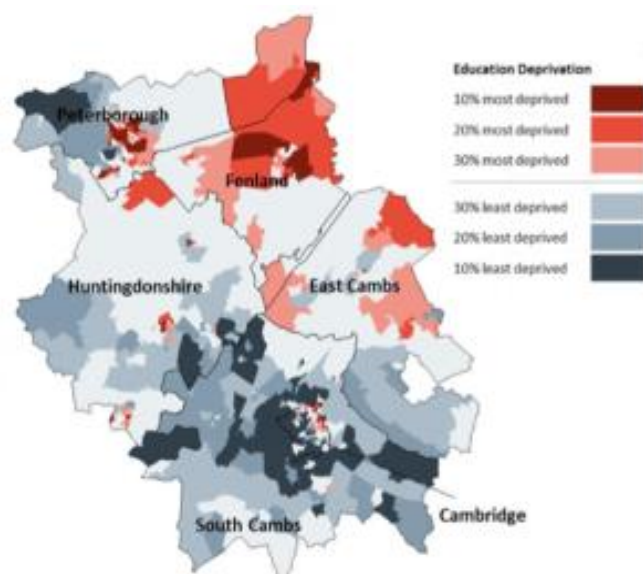
- 550 direct jobs in the 21/22 construction programme for both phases
- 321 direct jobs to staff both buildings in 22/23, rising to 718 by 25/26
- 1325 indirect jobs in 25/26 rising to a cum 14,170 by 29/30 & 31,500 by 34/35

2. Improving & Enhancing Human Capital

The Issues

Levels of education deprivation across the C&P economy are starkly different, with deprivation being concentrated in the north and north-east of the region around Peterborough and The Fens, exacerbating broader indices of deprivation such as:

- **Social deprivation**; particularly high near the centre and south of the city.
- **Child poverty**; with 25% living in poverty compared to 17% nationally.
- **Social mobility**; with Fenland ranked 319th out of 324 local authority districts
- **Healthy life expectancy** which is below retirement age in parts of the north



Tackling Them

A key issue for Peterborough, is that it has long been recognised as a cold spot for Higher Education. However, after failed efforts over the last 20 years to convert the town's local FE provider into a HE institution of excellence, a recent independent review has recommended the only viable way forward is for the CPCA to build the physical infrastructure for a university and secure a delivery partner with an established and high quality HE track-record to provide a step-change in HE performance and growth.

The CPCA has done this and procured an Academic Delivery Partner (ADP) to develop a curriculum with flexible modes of delivery to address the characteristics of the region, its communities and the HE cold-spot. The university phase 1 building will enable delivery of a curriculum matched to the growth needs of local businesses, providing new opportunities for communities to gain access to higher level skills, better paid employment, and enhanced life-chances. However, recognising the resource and timescale constraints, and the very high risks that would accompany any attempt to found a new University on a model similar to those founded in the 1960s (the so-called Robbins Institutions), the core strategy has been developed around tackling the characteristics of the addressable component of the current market failure (the "cold spot") without unnecessary direct competition with existing HE providers, regionally and nationally. The hallmarks of this strategy, based on a clear understanding of the market needs in and around Peterborough, and 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. a relatively modest campus development with significant off-campus teaching provision (approximately 75%).
- 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 relationships between upstream 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.

Phase 1 of the university project is fully funded, with £33.5m of local private and public sector investment. We now seek accelerated access to 2021 LGF funding, to bring the Phase 2 Innovation Eco-System around the university into delivery over the next 18 months.

3. Creating an Innovation Ecosystem

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

The Design

The CPCA, along with its primary partners Peterborough City Council, our procured ADP and selected IDP, will develop an innovative adaption of the German, Fraunhofer Model for technical universities, that will ensure the university-research institute partnership is able to:

- **Build on the CPIER and LIS** which set out the threats and challenges facing Peterborough's economy and its key sector-clusters, along with the potential skills and innovation interventions to overcome those challenges.
- **Deliver against 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, generating outcomes in terms of new, higher value, jobs.
- **Operate locally with connectivity into a truly global sector network** through our IDP's relationships with their existing 700 research and technology customers, across 4500 sites in 80 countries, with combined revenues of £35bn and an annual R&D activity of £1.5bn pa. Connecting local firms into innovation partnerships through their thematic R&D programmes and individual projects with these global companies.
- **Provide expert eco-system coordination** providing cross-sector collaborations, management advice and technology development, harnessing the IDP's experience in building and managing a global innovation eco-system across the oil and gas, automotive and aerospace sectors. This will in turn provide local firms access to facilities and an extensive portfolio of R&D, as well as support for commercialisation, incubation and business growth.

The Components

To drive growth and new job creation in the key sectors for Peterborough's economic recovery and re-growth, the Phase 2 university project will establish an IDP managed Advanced Manufacturing & Materials Research Centre to extend ADP's university delivery into research PhDs and produce the **core infrastructure around which to develop an innovation eco-system** to drive business research across Peterborough and The Fens.

The IDP is an established global player in promoting business investment in research and innovation, and has worked with over 1,000 businesses across the globe to raise more than £325m for collaborative R&D between academia and business in just 10 years. The CPCA will partner with this global innovation capability to transform the resilience, productivity and knowledge intensity of the local economy of Peterborough and The Fens, which has suffered from low research investment and a complete absence of any research and innovation eco-system, leading to a four-decade erosion in productivity and high value, knowledge intensive industry.

To reverse this trend the CPCA will form a novel partnership with the ADP & IDP to;

- **Construct the Research Centre building** on Peterborough's new town centre University Campus through this requested acceleration of LGF funding.
- **Connect the Centre into a CPCA funded £20m Business Growth Service**, launching in October 2020, to support 1,000 firms to grow through innovation, business coaching, mentoring and access to growth capital.
- **Create a unique Global-Local Innovation Network** consisting of the IDP's 700 existing customers across the globe, with over 500,000 employees and a joint R&D investment of over £1.5bn pa, connected into a new CPCA funded Manufacturing Network of 200 firms across Peterborough & The Fens.
- **Support the IDP to create a Multi-University Innovation Super-Hub**, securing inward investment from 6 universities, including the ADP as the primary and host academic partner, to create 8 university specialist Innovation Centres within the Super-Hub, with a combined R&D portfolio of £10m pa.

The Partners

The university Phase 2 project to establish the research building, is pivotal in creating a Research Super-Hub capable of becoming the focal point of a wider global-local Innovation Eco-system for the northern half of the CPCA economy, which is currently devoid of such. Hence, besides the IDP residing in the Research Centre, there will be **6 academic partners** operating 8 University Innovation Centres to create a Multi-University Research Super-Hub, including:

The Primary Academic Partner & Host University – The ADP

- That is expected to sign a formal agreement to establish a Digital Transformation and Management Innovation Centre for the development of digital transformation of manufacturing and management processes

The University of Bedfordshire

- That has signed formal agreements to establish a Renewables Innovation Centre within the Super-Hub, for the development of maintenance, inspection and monitoring of grid, power generation and distribution systems and the digitalisation of legacy systems

London South Bank University

- That has signed formal agreements to establish a Polymeric Materials Innovation Centre within the Super-Hub, for the development of technology for thermoplastics and reinforced thermoplastic composites
- As well as an Autonomous Mobile Robot Innovation Centre within the Super-Hub, for the development of intelligent inspection of very large and vertical, safety-critical structures in hazardous environments
- And an Advanced Resins and Coatings Innovation Centre within the Super-Hub, for the development of durable functional coatings and materials and omni-phobic surfaces

The University of Lancaster:

- That has signed formal agreements to establish a Joining 4.0 Innovation Centre within the Super-Hub, to develop a comprehensive research capability focused on the digitalisation of joining and associated manufacturing technologies.
- As well as an Additive Manufacturing Innovation Centre within the Super-Hub, to develop new technologies that combine additive manufacturing with artificial intelligence and machine learning.

Teesside University:

- That has signed formal agreements to establish a Healthcare Innovation Centre within the Super-Hub, to carry out interdisciplinary research to develop new interventions, tools and therapies for health and social care.

The University of Essex

- That has signed formal agreements to establish an Artificial Intelligence Innovation Centre within the Super-Hub, for the development of automated inspection and wave defect detection, phased array ultrasonic testing and automated shearography

To complement these 6 universities, the CPCA will stimulate and support the formation of additional innovation partnership agreements with **4 leading local manufacturing firms** to connect and integrate their R&D teams into the Super-Hub, including:

- **Caterpillar** – manufacturing industrial, power generation and marine diesel engines
- **Peter Brotherhood** - manufacturing steam turbines, turbo generators and gas compressors
- **Photocentric** – producing additive manufacturing and 3D printing systems and components
- **Radical Sportscars** – manufacturing high performance race cars

The Small Business Manufacturing Network

In partnership with **Opportunity Peterborough** and their development of a manufacturing network in the north of the economy, the IDP will provide a wide range of SMEs within that network, with services through funding already in place from the CPCA.

For the members of Opportunity Peterborough's Manufacturing Network, the IDP will help identify how innovation, new products and novel technologies can be harnessed to collaborate, grow faster and break into new international markets.

These Members of the OP Manufacturing Network will benefit from access, through the IDP to;

- Resources and skills to facilitate the design and financing of R&D projects
- £500,000 of innovation grants to 50% fund the costs of applications for large-scale R&D grants from UK, EU and global schemes
- Opportunities to collaborate with the 8 university innovation centres
- Opportunities to locate into the Super-Hub to collaborate and innovate
- £12m of Grants and Equity investments to fund innovation-based growth
- Growth coaching for technology & innovation based scale-ups and start-ups

Briefing Note

Bid for accelerated access to 2021 LGF funding for phase 2 of the new University of Peterborough: A Research Centre and Innovation super hub

1 Introduction and Background

This note summarises plans for phase 2 of the new University of Peterborough through a bid for accelerated access to 2021 LGF funding to create a central, multi-university innovation super-hub, that will connect local firms globally, with partners, knowledge and opportunities for growth.

Peterborough is a recognised Higher Education 'cold spot.' Only 27% of the city's working age population are qualified to degree level (NVQ4+). The city's low skills base is cited by the Centre for Cities as a key reason why Peterborough is the 5th most vulnerable UK city to economic damage from Covid19.

The phase 2 project will tackle the city's higher-level skills gap and address the goals of the local industrial strategy. £33.5m has been committed to the delivery of phase 1 of the University by autumn 2022 creating the core of a new Campus with an initial capacity for up to 3000 students. Phase 2 would enable a new Research Centre to be constructed creating an Innovation super-hub with 8 University partners and a combined R&D spend of over £10m p.a.

The project will strengthen Peterborough's knowledge economy which matters because while Peterborough has been one of England's fastest growing cities during the past decade and is forecast to grow by a further 30,000 by 2035, productivity growth - as measured by GVA per head - has lagged behind demographic growth due to low skill levels in the working age population. Recent inward migration means that the city has a significantly younger demographic profile than the East of England region. 63% of the city's population are of working age (16-64) and 20.6% of this group are non-UK nationals. Access to higher level skills and knowledge is a key issue if the city's young people are to fulfil their potential.

Strategic Context: City Development Framework

Phase 2 of the University is a key component the city's development framework as set out in the Peterborough local plan and the city's development brochure which can be accessed here.

<https://www.peterborough.gov.uk/council/planning-and-development/regeneration/city-centre-development-framework>

The Development Framework stresses the connections between key sites across the city and the importance of links between the Embankment, the River Nene and the city centre. An updated access and mobility strategy aims to protect city centre space for walkers and cyclists, reducing vehicle movements and carbon emissions. The development framework anticipates the need for further work to prepare a comprehensive masterplan for the Embankment and adjacent Middleholme site to protect open space, improve access to the riverfront and deliver one of the UK's greenest, low carbon, University campus locations.

The proposal to fund a comprehensive masterplan exercise and a pedestrian bridge that would connect the Embankment to the Fletton Quays business and residential district on the opposite side of the River Nene will form part of Peterborough's Investment Plan bid to the Government's Towns Fund.

Project Delivery

The Council welcomes the inclusion of the phase 2 building within the 4 acre parcel of land already allocated for phase 1 of the University development as key planning policy issues such as impact on Cathedral views, access and movement and ecology have already been explored, during pre-planning discussions around the phase 1 building.

The phase 2 building will be fast tracked by basing the building design upon plans produced for the original 3,500 sq m phase one building. These were modified to expand the scope of that building but can quickly be developed to support a planning application to be submitted by Christmas 2020. This would include a 6-week period for pre application public consultation in October and November.

The Council's Planning Service has assigned a senior, experienced Planning Officer to manage the planning process and ensure that all necessary information to support a positive planning decision are available in good time to ensure the statutory period of 13 weeks for consideration of major planning applications can be achieved. Regular meetings will be held with the team appointed by CPCA to take forward the planning application to ensure that the delivery programme is met. Given a proposed application submission shortly before Christmas 2020 it will be possible to secure a Planning determination no later than 31 March 2021.

Developing the new building around prior designs means it will be possible to move speedily into pre-planning application discussions. The proposed three-storey structure will be contained within the existing tree line minimising any harm to Cathedral views. No statutory utility risks have been identified in the area, and sampling of sub soil conditions has identified only a few localised, non-serious contamination risks. These can be treated straightforwardly through soft landscaping.

Car parking capacity is an area of potential planning risk. The Council has recently commissioned a refresh of the city's parking strategy. This assumes only around 35% of University staff and less than 10% of students will access the site by car. Research undertaken for the strategy has identified spare capacity in several surrounding Council car parks including Bishop's Road and Wellington Street. There is also potential scope for dual use of the nearby Regional Pool car park. ARU has been asked to produce a local travel plan to ensure that as many students and staff as possible use sustainable forms of transport (walking, cycling, bus). It is not therefore anticipated that the car parking demands generated by the phase 2 building will present an insurmountable problem.

Strategic Link to Towns Fund bid

The proposal to fund a comprehensive masterplan exercise and a pedestrian bridge connecting the Embankment to the Fletton Quays Business and residential district on the opposite side of the River Nene form part of Peterborough's Investment Plan bid to the Government's Towns Fund. The Investment Plan bid will seek funding of almost £25m for a range of projects that aim to support the sustainable growth and prosperity of the city and enable it to 'build back better' from the economic scarring of the Covid19. Phase 2 of the University - the creation of an innovation super hub – will play a pivotal role in supporting a more knowledge intensive, higher value economy and building the skills and capabilities of the city's future workforce and supporting innovation and growth across its SME community. The MGF project will therefore complement Peterborough's Towns Fund bid enabling the city to achieve strong early momentum in its economic recovery from Covid and to build back better driving forward a local economy that is more dynamic, sustainable, productive and of higher economic value.

