



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 3.3

## Phase 3 University of Peterborough – Masterplan and Short-Term Financing

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 28 July 2021

Public report: Yes. This report contains an appendix which is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendices.

Lead Member: Mayor Dr Nik Johnson

From: John T Hill, Director of Business and Skills

Key decision: No

Forward Plan ref: n/a

Recommendations: The Combined Authority Board is recommended to:

- a) Approve a £100,000 grant to Peterborough City Council (PCC), to contribute to the £300,000 Master Planning works,
- b) Give consent as the majority shareholder in the Peterborough HE Property Company Limited (Prop Co 1) to allow Prop Co 1 to consider and approve a short term cashflow financing proposal for Phase 3 of the University of Peterborough (UoP).

Voting arrangements: A simple majority of Members present and voting.

# 1. Purpose

- 1.1 This paper seeks the approval of a £100,000 grant to Peterborough City Council (PCC) as a contribution to the £300,000 Master Planning works for the 70-acre Peterborough River Nene Embankment area.
- 1.2 Additionally the paper seeks consent from the Combined Authority as the majority shareholder in Prop Co1 to allow Prop Co 1 to consider and approve a short term cashflow financing proposal for Phase 3 of the University of Peterborough (UoP).

# 2. Background

- 2.1 Phase 1 and Phase 2 of the UoP project are currently under construction and are part of a larger plan to create a unique university in the centre of Peterborough serving the wider region. To further expand the University, a Masterplan is required before any additional planning consent can be given by PCC thereby providing an overview of the embankment site development.
- 2.2 PCC have recently bid via the Levelling Up Fund for £20m to create Phase 3 of the UoP, with a decision being expected in late September from the Ministry of Housing, Communities and Local Government (MHCLG).
- 2.3 As a result of this bid, mobilisation works are required to ensure the timely delivery of this project. Should It be successful in securing the funding, certain works are required to be carried out prior to notification of funding award, to ensure the mitigation of any risk that the project may not meet the construction deadlines required by MHCLG.

# 3. PCC Masterplan Proposal

- 3.1 As part of its Towns Fund Programme, PCC wishes to commission the production of a masterplan of the 70-acre embankment area north of the River Nene, which includes the parcel of land earmarked for the multiple phases of the UoP project.
- 3.2 PCC have secured £200,000 of revenue funding from the Towns Fund to support the master plan, against an indication of a £100,000 contribution from the Combined Authority. While this proposal has not been through a full Assurance Framework process, the project fits within the strategic aim of the Combined Authority of delivering a University for Peterborough. It is proposing that assurance is placed on the inclusion of the project in PCC's successful bid to MHCLG for the Towns Fund, where it would have been assessed for value for money.
- 3.3 PCC will be managing the full programme, from procurement of master planning consultants through to commission completion. The masterplan work is likely to take in the region of six months, starting in August through to December 2021.
- 3.4 The masterplan will support PCC in identifying constraints and opportunities, relative to the Combined Authority's application for Outline Planning Consent for Phase Three of the university project, informed by evidence and survey findings of the Embankment area. It

will provide an important framework to guide the location and scale of both the third phase and any further future phases of the university project.

3.5 The benefits of contributing towards the masterplan are threefold.

- It allows PCC to canvas the opinion of a multitude of stakeholders, including those who are for and against the university development in the area. These findings will support the Combined Authority in stakeholder management strategies for the university project.
- It will ultimately support the Combined Authority's application for Outline Planning Consent for phase three and further phases of the university as they come forward.
- In particular, it will help demonstrate the benefits of the university development in the wider context of how the project will contribute to the creation of a well-functioning and positive part of the city centre, which residents can be proud of and benefit from using. This work is essential to avoid delays in planning consent, for Phase three, which is required to commence construction under the terms of the Levelling Up fund, by the end March 2022.

## 4. Prop Co 1 Consent Matter

4.1 The board is requested to give consent to the directors of Prop Co 1 to consider the proposal for short term cashflow financing for Phase 3 of the UoP.

4.2 Exempt Appendix 1 gives full details of the proposal to be put to the Prop Co 1 board for consideration at its meeting on July 29<sup>th</sup> 2021.

## Significant Implications

### 5. Financial Implications

5.1 The recommendation to provide a £100k contribution to PCC's master planning costs was not costed into the budget approved by the January Board for 2021-22. As such, approval of the recommendation would result in commitment of £100k of the Combined Authority's general fund reserves to a new budget line, reducing the forecast balance of the general fund reserve to £2.9m at the end of 2021-22.

5.2 Item 4 has no direct financial implication on the CPCA as the financial risk lies with Prop Co 1 and, as it is a limited liability company, there is no further risk to the CPCA beyond the value of the shares already purchased. Further details on the financial implications for Prop Co 1 are contained within Exempt Appendix 1.

### 6. Legal Implications

6.1 None.

## 7. Appendices

### 7.1 Exempt Appendix 1 – Prop Co 1 Board Paper Phase 3 Short Term Cashflow Finance