

BUDGET CABINET

MONDAY 25 OCTOBER 2021
10.00 AM

Engine Shed - Sand Martin House
Contact – philippa.turvey@peterborough.gov.uk, 01733 452460

AGENDA

	Page No
1 Apologies for Absence	
2 Declarations of Interest	
3 Petitions to Cabinet	
STRATEGIC DECISIONS	
4 University Funding and Finance Interim Update*	3 - 76
5 Medium Term Financial Strategy 2022/23 to 2024/25 - Phase One	See Budget Book
MONITORING ITEMS	
6 Budget Control Report August 2021	77 - 100

Circulation

Cabinet Members
Scrutiny Committee Representatives
Directors, Heads of Service
Press

*Any agenda item highlighted in bold and marked with an * is a 'key decision' involving the Council making expenditure or savings of over £500,000 or having a significant effect on two or more wards in Peterborough. These items have been advertised previously on the Council's Forward Plan (except where the issue is urgent in accordance with Section 15 of the Council's Access to Information rules).*

Emergency Evacuation Procedure

In the event of the fire alarm sounding all persons should vacate the building by way of the nearest escape route and proceed directly to the assembly point. Council officers will assume overall control during any evacuation, however in the unlikely event the officer is unavailable, this responsibility will be assumed by the Committee Chair. In the event of a continuous alarm sounding remain seated and await instruction.



There is an induction hearing loop system available in all meeting rooms. Some of the systems are infra-red operated, if you wish to use this system then please contact Pippa Turvey on 01733 452460 as soon as possible.

Did you know? All Peterborough City Council's meeting agendas are available online or via the modern.gov app. Help us achieve our environmental protection aspirations and view this agenda online instead of printing it.

Recording of Council Meetings

Any member of the public may film, audio-record, take photographs and use social media to report the proceedings of any meeting that is open to the public. Audio-recordings of meetings may be published on the Council's website. A protocol on this facility is available at:

<http://democracy.peterborough.gov.uk/documents/s21850/Protocol%20on%20the%20use%20of%20Recording.pdf>

CABINET	AGENDA ITEM No. 4
25th OCTOBER 2021	PUBLIC REPORT

Report from:	Peter Carpenter, Corporate Director, Resources and Steve Cox, Executive Director Place & Economy	
Cabinet Member(s) responsible:	Councillor Lynne Ayres, Cabinet Member for Children's Services, Education, Skills and the University. Councillor Peter Hiller, Cabinet Member for Strategic Planning and Commercial Strategy and Investments.	
Contact Officer(s):	Peter Carpenter, Corporate Director, Resources Email: peter.carpenter@peterborough.gov.uk Steve Cox, Executive Director Place & Economy Email: steve.cox@peterborough.gov.uk	Tel. 07920 160122 Tel. 07713 073879

UNIVERSITY FUNDING AND FINANCE INTERIM UPDATE

RECOMMENDATIONS	
FROM: Corporate Director, Resources	Deadline date: October 25th, 2021 (cabinet) and November 10 th 2021 (full council)
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1) Authorise the Council to enter the Getting Building Fund (GBF) Grant agreement with the Cambridgeshire and Peterborough Combined Authority (CPCA) to provide a new surface car park supporting regional pool customers and free up spaces for university use as set out at paragraph 4.18 2) Recommend to Council, the re-allocation of the capital programme budget for University Access / Slip Roads to deliver the car park by December 2022, utilising Getting Building Funding Grant, and £500k of council match funding 3) Delegate authority to the Corporate Director Resources and the Director of Law & Governance and Monitoring Officer to negotiate and agree commercial terms with Peterborough Limited and PropCo 2 to lease spaces on PCC's regional pool car park; 4) Approve the development of an Her Majesty's Treasury (HMT) 5 case business case for development of Phase 3 of the university for subsequent consideration by Cabinet 5) Approve the instruction of a red book valuation for land at Bishop's Road for university Phase 3. <p><i>In the event of a successful Levelling Up Fund (LUF) bid for university Phase 3, delegate authority to the Executive Director for Place and Economy and the Corporate Director Resources to;</i></p> <ol style="list-style-type: none"> 6) Approve the business case set out at recommendation 5 capping PCC capital contribution to the project at £20m in line with the bid submitted to MHCLG 	

- 7) Note the governance arrangements proposed to govern the build of university Phase 3 as set out at Appendix 3
- 8) Enter into the Levelling Up Fund grant agreement with MHCLG
- 9) Approve the development of a Subscription Agreement between the Propco and Peterborough City Council for the capital investment into the development of Phase 3 and the land required and delegate to the Executive Director of Place and Economy and Corporate Director Resources, in consultation with Cabinet Member for Strategic Planning, Commercial Strategy and Investments and the Cabinet Member for Children's Services, Education, Skills and the University authority to negotiate and complete the Subscription Agreement;
- 10) Approve the commitment to invest the £20M capital grant into the Phase 3 build and draw down the funding to mobilise the activities and milestones identified within the Business Case to achieve the completion of university Phase 3 teaching building by end March 2024.
- 11) Approve transfer of a single further phase of land for university Phase 3 subject to relevant shares being allocated in favour of PCC in PropCo, planning permission, final independent red book land valuation and, adhering to all other legal and other necessary statutory obligations and consents as required.
- 12) To put a motion to the Board of Prop Co to increase the number of PCC directors and in so doing increase the degree of control of the company
- 13) Subject to recommendation 12, approve the nomination of Emma Gee, Assistant Director Growth and Regeneration, as an additional director on PropCo Board to reflect PCC increased shareholding in PropCo 1

1. ORIGIN OF REPORT

- 1.1 This paper follows the grant of planning permission for phase 2 for which parking is required to satisfy planning conditions and PCC's £20M Levelling Up Fund (LUF) bid in June 2021 for a second academic building at ARU Peterborough, referred to as Phase 3 in this report.

2. PURPOSE AND REASON FOR REPORT

- 2.1 This report provides an update on the university project and builds upon previous decision making, particularly Cabinet approval in September 2020 for the formation of a special venture vehicle between partners and, a March 2020 CMDN authorising (in principle) the transfer of land and to enter the required legal agreements.

It relates specifically to entering into grant agreements to draw down funding to facilitate delivery of current and future university phases and the associated commercial arrangements between partner organisations.

- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.1, 'To take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services.'

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	YES	If yes, date for Cabinet meeting	25/10/21
Date for relevant Council meeting	10/11/21	Date for submission to Government Dept. <i>(Please specify which Government Dept.)</i>	N/A

4. BACKGROUND AND KEY ISSUES

Background.

4.1 This report sets out recent progress against university objectives of the Council's and partners Cambridgeshire and Peterborough Combined Authority (CPCA) and Anglia Ruskin University (ARU) as well as next steps in realising the next phase of the university.

4.2 In 2020 Anglia Ruskin University was awarded Academic Delivery Partner status and entered into contract to deliver:

- Up to 2,000 students for the 2022/23 academic year
- Rising to 3,000 by 2024/25 and
- Up to 4,000 by 2025/26, with an aspirational target of
- Up to 12,500 students by 2030/31.

4.3 In December 2020, legal agreements concluded between the three partners and Peterborough HE Property Company Limited (PropCo), the development vehicle tasked with delivering university buildings and infrastructure, was formed.

4.4 The Council and CPCA are partners in PropCo together with Anglia Ruskin University (ARU, the procured higher education provider) into which 13.5 acres will, in due course be transferred by the Council.

4.5 The first 4 acres (Phase 1) was transferred on 23rd December 2020 and the balance of land will transfer as further phases of campus development come forward.

University Phase 1 and Phase 2

4.6 The £31m 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. The first teaching building is now on site and scheduled for completion in September 2022.

4.7 The £16m phase 2 research building will house established and start-up companies developing cutting edge technologies linked to net zero carbon products and equipment development, as well as advanced manufacturing processes to produce them. The anchor tenant, will be Photocentric, developing new 3D printed battery technologies for vehicles. This phase of the University will link academia and industry to establish a net zero research cluster in the very heart of Peterborough, providing a platform for a high value manufacturing innovation eco-system with a Technical University at its core. The building is anticipated to complete in December 2022.

- 4.8 In July 2020, PCC allocated £2m in the Capital Programme to deliver a new access off the Parkway to support delivery of university phase 2. Later, in June 2021, planning permission was secured for phase 2 with outline permission for new a car park with capacity for up to 180 additional spaces. In order to discharge planning conditions the car park is required to be operational on occupation of the phase 2 building.
- 4.9 The requirements of the planning consent triggered a change in priority for enabling infrastructure to support the delivery of the phase. This meant the original investment in highways by way of a new slip road was overtaken by the need to provide parking to facilitate the implementation of the planning consent. In response to the new need PCC went on to secure external grant funding and provisionally allocate PCC capital funding to car parking at the Bishops Road site.
- 4.10 An Outline Planning Application (OPA) is required for future phases of the university, and partners are of the view that developing a new permanent decked car park on the regional pool car park runs the risk of compromising the wider, long term university campus ambition.
- 4.11 The wider campus ambition and phasing, including parking provision on or off site will be considered by both the Embankment Masterplan and any accompanying city centre wide Parking Strategy as well as the outline planning application and any reserved matters applications.
- 4.12 University access (and broader improved access to the city centre off Frank Perkins Parkway) is a longer term issue that relates to the wider transport network and future transport strategy for the city. The council will shortly be finishing phase 1 of an Outline Business Case called University Access. This work is funded by the CPCA and is looking at transport options to the east of the city centre that are required to support all the growth in that section of the city. Currently, options are being considered against factors such as traffic modelling, environmental considerations, and land use issues. A public consultation will be undertaken to seek the publics input into options so that a preferred option can be selected and developed further.

Getting Building Fund Grant Agreement

- 4.13 The council secured £827,000 from the Getting Building Fund to support infrastructure delivery on the university project with a £1.9m match contribution from PCC borrowing. As set out above the grant will now deliver new parking capacity at embankment. The grant agreement is being finalised in preparation for signature pending cabinet approval.
- 4.14 A revised grant application will now account only for expenditure on the new car park and not wider enabling infrastructure, releasing c£1.5m of borrowing. A grant change control request will go first to The Business Board who administer the Getting Building Grant and then to BEIS as the government awarding body. A decision is expected at Business Board meeting in November 2021 and the Council is confident that the change will be deemed acceptable.
- 4.15 Following approval from both bodies it is recommended that the £2m in the Capital Programme for the year 2021/22 be reduced to (£1.327m). This revised figure will comprise £827K third party grant and £500K Council borrowing. This reflects the provisional costs of the car park. It is proposed this spend is re-profiled, with GBF grant spent from 2021/22 and PCC borrowing to be incurred in 22/23. The cost plan for the car park will be revised over the coming month and only the investment required will be borrowed.

University Car Parking and Regional Pool Commercial Terms

- 4.16 The new surface car park will be built east of the Pool building and will be set well back from Bishops Road. The Council will retain the freehold of both the new car park east of the Regional Pool, annotated (A) on the plan at Appendix 1 and the Regional Pool Car Park annotated (B).
- 4.17 The Corporate Director Resources and the Director of Law & Governance and Monitoring Officer will negotiate and agree commercial terms with PropCo 2 to lease 128 spaces on the regional pool car park for university and R&D users and revert with a proposal for approval via CMDN in due course.
- 4.18 PropCo 2 will enter a 5-year lease and be liable for all rates and maintenance under a full repairing lease. The lease cost will be set at a level which generates income sufficient to cover the borrowing costs for the replacement car park to the east of the pool.
- 4.19 PCC will lease all 128 spaces east of the pool to Peterborough Limited to serve pool users on the same terms they currently benefit from. It will also lease 70 of the 198 spaces on the current Regional Pool car park.

University Phase 3 and Beyond - Outline Planning Application

- 4.20 In July 2021, PCC planners advised that any further phases of the university would need to be guided by an outline planning application (OPA) to ensure that the campus develops in a strategic way that allows for future growth and assimilates with the wider embankment in a complementary way. This OPA will include the phase 3 academic building which is the subject of a recent PCC bid to MHCLG Levelling Up Fund in July 2021.
- 4.21 PropCo 1 is already working towards an outline planning application in Spring 2021. They have appointed MACE to design and tender the scheme, ensuring continuity with phases 1 and 2. PropCo 1 and CPCA are cashflowing work on the OPA until such time as a decision on the Levelling Up Fund bid is made by MHCLG. Working at risk is necessary to allow the partners to meet the spend criteria set out in the Levelling Up prospectus which requires investment and/or a start on site for projects by end March 2021 and completion by March 2024.

Embankment Masterplan

- 4.22 In January 2021, PCC was successful in agreeing terms with MHCLG to deliver a capital programme of £22.9m over 10 projects to boost the city with a wealth of cultural, health and wellbeing and tourism improvements and to make it an even better place to live, work and visit.
- 4.23 One of the projects was to plan for an enhanced green and accessible Embankment for residents to relax and enjoy for leisure and entertainment purposes, linking in with the new planned University and driving footfall to and from the city centre.
- 4.24 In September 2021, Masterplanners Barton Wilmore and multidisciplinary consultants Stantec were appointed to take forward a comprehensive plan to guide the future of Embankment. Over the next 4 months the highly experienced team will undertake widespread community and stakeholder engagement as part of that exercise. The end result will be a vision for the future of the whole of Embankment and Middleholme supported by technical studies to ensure proposals are appropriate and deliverable. The masterplan will inform and influence the development of the outline planning application for the next phases of the university.

- 4.25 To that end, in July 2021, the Combined Authority Board resolved to match fund the £200K Town Deal revenue funding with a £100K contribution to the project.

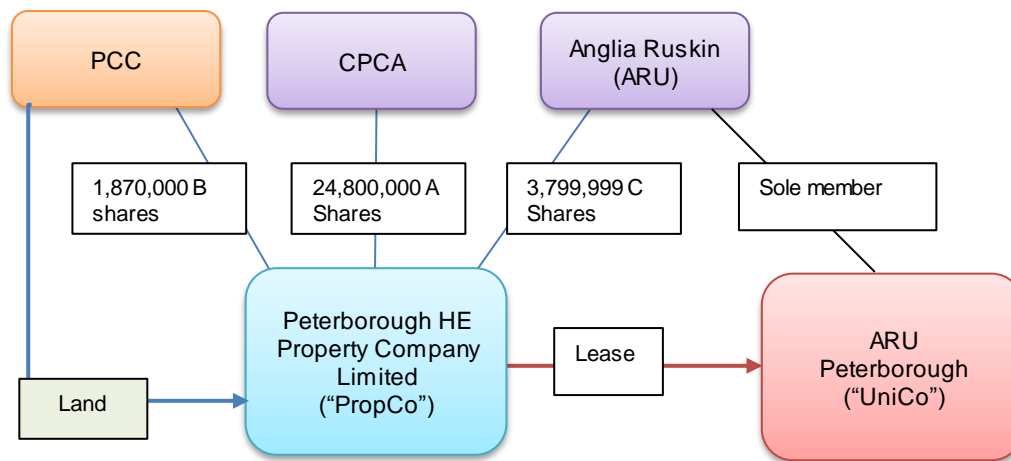
Levelling Up Fund Bid

- 4.26 The Levelling Up Fund was announced in the Budget 2021. A £4.8 billion fund designed to invest in local infrastructure that has a visible impact on people and their communities including local transport schemes, urban regeneration projects and cultural assets.
- 4.27 In May 2021 PCC issued a 'call for projects' where parties were invited to submit projects for consideration that met key criteria such as strategic fit with national and local policy objectives, deliverability and value for money. Following ratification by a panel of councillors, business and community representatives and both MPs the council submitted a £20 million LUF bid to government in June 2021 for University Phase 3 with the formal support of MP Paul Bristow. The application is included at Appendix 2.
- 4.28 The bid was complemented by £2m match funding from The Business Board and £4m from Anglia Ruskin University. The total value of the project build will not exceed £26 million and the Council's contribution is capped at the value of the £20m LUF grant. Any cost overruns will be dealt with through value engineering.
- 4.29 The bid seeks funding to deliver the next academic teaching building, namely the Living Lab, University Quarter Cultural Hub (phase 3). A decision is expected by MHCLG in Autumn 2021. In the event the Peterborough bid is successful and a grant offer is made, it is proposed that council will enter the grant agreement with MHCLG and then onward transfer the funding via grant funding agreement with relevant conditions to PropCo 1 to deliver the building and environs.
- 4.30 A similar arrangement is successfully delivering university Phase 1 which is now on site. It will involve a change to the current Shareholder's Agreement which the Council entered into in 24 December 2020.
- 4.31 The governance arrangements in place to manage the funding and delivery of the university phases have been updated as set out at Appendix 3.
- 4.32 In addition to the capital funding, PCC will also transfer a further tranche of land to PropCo1, as previously agreed by Cabinet in September 2020 and subsequent CMDN. All partners receive shares in the Peterborough HE Property Company Ltd that will own the building, in proportion to their contribution to it.

PropCo

- 4.33 The ownership structure of the University reflects the commitment of resources each of CPCA, PCC and ARU to the project. At completion in December 2020, CPCA subscribed for 24,800,00 A ordinary shares for cash and also for proportion of PropCo costs funded by prior to completion. PCC subscribed for 1,870,000 B ordinary shares in consideration for the transfer of the Property (land) and ARU subscribed for 1 C ordinary share and then subscribed for the balance of its 3,799,999 C ordinary shares following the satisfaction of certain conditions under an agreement for lease.
- 4.34 The structure of the arrangement is set out in the diagram below.

4.35



4.36 Subsequent to this diagram, ARU invested a further £1.7m into Phase 1 taking their contribution up to £5.5m.

4.37 If the Council is successful in securing the additional investment into the university through LUF it would increase the Council's share allocation in PropCo1 to make PCC the second majority shareholder. Table 1 below sets out the revised indicative allocation on grant award and following PCC land transfer to PropCo.

4.38 **Table 1: Joint shareholding based on second PCC land contribution of circa 4 Acres (size of the Wirrina Car Park) and LUF Funding (£20M)**

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

4.39 **PropCo Directors and Voting Rights**

The Shareholder Agreement (SHA) establishes that the management of PropCo is vested in the board (clause 4.1), with each PropCo Director present entitled to one vote on each issue put to the vote, per 15.1 of the Articles. The SHA also sets out the number of board directors permitted by each party at clause 4.2, with CPCA entitled to appoint and maintain up to 2 CPCA Directors, and PCC and ARU to appoint and maintain up to one each.

4.40 The current arrangement gives the PCC director 25% of the voting rights on each issue. While technically the PCC director can be outvoted on any matter, there are also a series

of matters (called “reserved matters”) that require the consent of all three shareholders. In respect of those decisions, each party essentially has a veto.

- 4.41 In the event of LUF bid success, PCC will take further legal advice to nominate Emma Gee as an additional PCC director to the PropCo Board with amended PCC voting rights due to PCC’s higher share allocation. This would result in 40% voting rights for PCC in line with majority shareholder CPCA. With 1 vote or 20% voting rights for Anglia Ruskin University.

5. CONSULTATION

- 5.1 Since the formation of PropCo in Q1 2021, engagement with council and CPCA officers occurs on a fortnightly basis. Council also engages with ARU regularly and attends PropCo 1 board meets with ARU, CPCA and PCC directors for progress updates, issue escalation and decision-making purposes. Peterborough Limited, as regional pool leisure centre operator also been consulted as part of the process.

Shareholder Committee of 13th September also trailed the activity set out in more detail in this report.

The CPCA also reports into the Combined Authority Skills Committee and is scheduled to take a report outlining the next phases beyond the Living Lab that will be the subject of the OPA.

Governance arrangements for the development and delivery are set out at Appendix 3.

- 5.2 Officer consultation with Cllr Ayres, Cabinet Member for Children’s Services, Education, Skills and the University occurred on 25/08/21 and with Cllr Allen, Deputy Leader and Cabinet Member for Housing, Culture and Communities on 26/08/21.
- 5.3 Public consultation and stakeholder engagement on Phase 1 and 2 proposals occurred over Q4 2020-Q3 2021. Feedback from statutory consultees such as Historic England over determination stage was also considered in decision making by the planning authority. Bowmer and Kirkland, the university P1 and P2 main contractor regularly engages with residents over construction stage. An ARU communication working group also supports the workstream.
- 5.4 Further engagement and consultation is expected during the design and planning stages of the outline planning application as it emerges over 2021 and 2022.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 Entering the LUF grant agreement in a timely fashion in the event of success, supporting the university programme financially and agreeing interim arrangements such as a lease of spaces on the regional pool car park makes the ultimate goal of a university for the city with up to 12,500 students in the next 15 years more likely to be realised. This in turn, helps the city to address its high-level skills deficit and create a pipeline of skilled graduates to support the future growth of local businesses and the city’s economy.

7. REASON FOR THE RECOMMENDATION

- 7.1 This cabinet paper builds upon previous university programme decision making including a March 2020 CMDN, September 2020 cabinet paper and a June 2021 CMDN. Given its ongoing development ambitions, the university programme will be the subject of further governance and decision-making papers as it develops and achieves its vision for the city in the coming years.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 The Council could choose not to accept the grant funding for the car park which in turn allows the university to satisfactorily discharge planning conditions thereby not permitting occupation of the building. This would bring reputational, political and financial risk to the university programme, partners CPCA, ARU and council directly (as landowner and planning authority). Given this, the option to do nothing was discounted at the outset
- 8.2 The Council could not accept LUF funding for Phase 3 of the university denying £20m investment into the city as well as partner match funding of £6m. This would mean the university would be limited to a single teaching and R&D building stunting its growth and its ability to reach critical mass and attract students.
- 8.3 In respect of transferring the funding to PropCo 1 to deliver the university, PCC could accept the grant and choose instead to contract and deliver the building. This would not utilise the track record and capacity offered by the current delivery route which is successfully delivering against phases 1 and 2.

9. IMPLICATIONS

Financial Implications

- 9.1 Approval of Recommendations 1 to 3 will result in the Council's capital programme being amended as described in paragraph 4.15 as follows:
- Removal of planned expenditure in 2021/22 : (£2m);
Insertion of planned expenditure over 2021/22 & 2022/23: £1.327m (tbc); funded £0.827m grant, £0.5m borrowing.
- 9.2 The net revenue cost of borrowing is around £26k per year and this is expected to be funded through income as set out in paragraph 4.19
- 9.3 If the Council's "Levelling Up Fund Bid" is approved by MHCLG, as set out in recommendation 10 the funds once received by the Council will be transferred to the University Propco company
- 9.4 The Council's Shareholding will increase from £1.87m (5.8%) to 23.74m (39.6%) under this proposal (See Table 1).
- 9.5 Shares will be subject to valuation each financial year under IFRS9 - Financial Instruments; the value of shares may change and there may be a cost associated with obtaining the valuation.
- 9.6 The additional director on the board of the company may change the accounting classification of the company which will be reviewed when the Group Accounting considerations are made when preparing the Council's statement of accounts.
- 9.7 There are no additional costs to PCC arising from the proposal to secure match funding for the Embankment Masterplan.

Legal Implications

- 9.2 The relationship between PCC, CPCA ARU and ARU Peterborough is governed by a number of legal documents completed in December 2020, summarised as follows.
- A. Collaboration agreement. At contract signing, the terms of a collaboration agreement were agreed. This agreement sets out the basis upon which the parties will work

together to ensure the successful delivery of the university. It also sets out the obligations placed on ARU and ARU Peterborough to deliver on the proposed timeline for achieving university status. This proposed timeline is contained within the Master Schedule, which is a timeline to which ARU must meet. Failure by ARU to meet the requirements of the Master Schedule may give rise to step-in event that can see CPCA take further control over the project delivery. The agreement also provides that PCC is entitled to appoint one individual to sit on the board of UniCo.

- B. Shareholders' agreement. The terms of a shareholders' agreement were also agreed. This agreement governs the relationship between the shareholders in PropCo, being PCC, CPCA, and ARU. It deals with a wide range of issues, including funding requirements, company management (PCC has the right to have 1 director on the board at all times), matters requiring the consent of all shareholders, financial management, access to PropCo information, share transfer provisions, deadlock scenarios and termination. It also includes a right of pre-emption in favour of ARU in the event that PropCo decides to sell the land transferred by PCC into PropCo. In such an event, ARU will need to pay market value. The Shareholder's Agreement, particularly Schedule 3 which relates to the Shareholder Protection Matters will be amended to reflect PCC position as a majority shareholder following a LUF grant award, alongside CPCA.
- C. The (existing) Regional Pool car park lease will be for a term of 5 years. Use of the land will be restricted to car parking associated with the university and the research and development activity undertaken from Phase 2 building. The rent being levied will be sufficient to cover the cost of borrowing to free up the spaces from regional pool users by creating a new car park to the east of the pool.
- D. If there is an inconsistency between any of the provisions of this Cabinet Report and the provisions of any Heads of Terms, Iterations, Agreement for Lease, Lease and Service Agreement, the provisions of this Cabinet Report shall prevail.

Equalities Implications

- 9.3 No implications – relates to funding & finance arrangements on university programme only.

Rural Implications

- 9.4 No implications.

Carbon Impact Assessment

- 9.5 No implications, neutral impact – relates to funding & finance arrangements on university programme only.

The carbon impact of the university buildings is being considered as part of the design specification process. The embankment masterplan will look at active travel modes to encourage walking and cycling to and from the university campus/Embankment and the city centre/Fletton Quays.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 Previous decisions relating to the university were taken by March 2020 CMDN, September 2020 Cabinet and June 2021 CMDN.

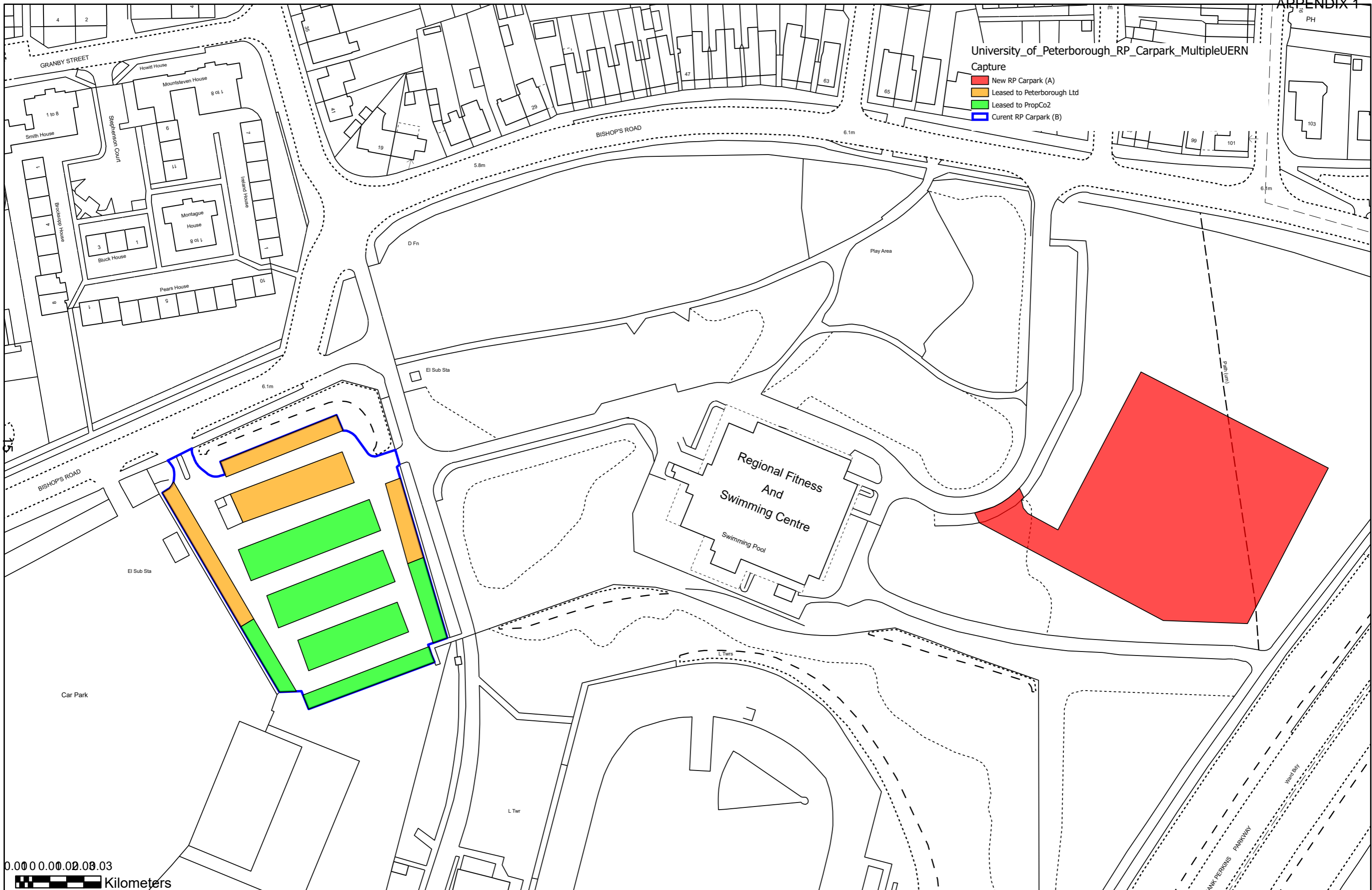
11. APPENDICES

11.1 Appendix 1 – Car Parking Plan showing new and existing Regional Pool Car Parks and lease demises.

Appendix 2 – Living Lab Levelling Up Fund Bid

Appendix 3 – University Phase 3 Governance Arrangements

This page is intentionally left blank



Title Regional Pool Car park, indicative plan

Scale 1:1,000 File Path X: Sp Asset Management: Properties: Estates: University of Peterborough: Regional Pool Indicative plan v1

Date Printed 06/10/2021

This page is intentionally left blank



Levelling Up Fund Application Form

This form is for bidding entities, applying for funding from the Levelling Up Fund (LUF) across the UK. Prior to completing the application form, applicants should read the [LUF Technical Note](#).

The Levelling Up Fund Prospectus is available [here](#).

The level of detail you provide in the Application Form should be in proportion to the amount of funding that you are requesting. For example, bids for more than £10m should provide considerably more information than bids for less than £10m.

Specifically, for larger transport projects requesting between £20m and £50m, bidding entities may submit the Application Form or if available an Outline Business Case (OBC) or Full Business Case (FBC). Further detail on requirements for larger transport projects is provided in the [Technical Note](#).

One application form should be completed per bid.

Applicant & Bid Information

Local authority name / Applicant name(s)*: Peterborough City Council (PCC) / Cambridgeshire and Peterborough Combined Authority (CPCA) / Anglia Ruskin University Peterborough (ARU Peterborough).

Note: All three partners will deliver the project through a joint venture company already established, namely: **Peterborough HE Property Company Ltd ('PropCo1')**

Bid Manager Name and position: Professor Ross Renton (Principal, ARU Peterborough)

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

Contact telephone number: +44 (0) 1245 683124 **Email address:** ross.renton@aru.ac.uk

Postal address: Guild House, Swain Ct, Peterborough, PE2 9PW

Nominated Local Authority Single Point of Contact: Emma Gee, Assistant Director Growth and Regeneration, Peterborough City Council

Senior Responsible Officer contact details: Steve Cox, Executive Director; Place & Economy, Cambridgeshire and Peterborough, Peterborough City Council

Chief Finance Officer contact details: Peter Carpenter

Country:

England

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

Metro Dynamics

For bids from **Northern Ireland applicants** please confirm type of organisation

Northern Ireland Executive

Third Sector

Public Sector Body

Private Sector

District Council

Other (please state)

PART 1 GATEWAY CRITERIA	
Failure to meet the criteria below will result in an application not being taken forward in this funding round	
<p>1a Gateway Criteria for <u>all</u> bids</p> <p>Please tick the box to confirm that your bid includes plans for some LUF expenditure in 2021-22</p> <p><i>Please ensure that you evidenced this in the financial case / profile.</i></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/></p>
<p>1b Gateway Criteria for private and third sector organisations in Northern Ireland bids only</p> <p>(i) Please confirm that you have attached last two years of audited accounts.</p>	<p><input type="checkbox"/> n/a</p>
<p>(ii) Northern Ireland bids only Please provide evidence of the delivery team having experience of delivering two capital projects of similar size and scale in the last five years. (Limit 250 words)</p>	
<p>n/a</p>	

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)

The City Council's Single Equality Scheme brings together all the City Council's equalities activities in one place. The Council believes that:

- Everybody should have an equal opportunity to contribute to and benefit from society and;
- A diverse integrated and cohesive community is a positive asset to the City, which allows greater opportunities for a wider society to influence and contribute to Council strategy.

We recognises that people still experience inequality in society because of their background and will not tolerate discrimination directly or indirectly in recruitment or employment or against customers on the grounds of age, disability, sex, gender reassignment, pregnancy, maternity, race (which includes colour, nationality and ethnic or national origins), sexual orientation, religion or belief, or because someone is married or in a civil partnership. We have adopted all these as "protected characteristics." This extends to cover all aspects of service, including employment procedures; service delivery; information, consultation and involvement procedures; implementation and accountability.

The project activities outlined in this bid have been designed in alignment with the following operating principles, which take active steps to challenge prejudice, discrimination and harassment and promote equality of opportunity as well as equality of outcomes:

- Providing accessible information to stakeholders and public.
- Undertaking assessments of activities and outputs to determine if there is any adverse impact for equalities.
- Delivering the activities in ways which are appropriate, relevant and sensitive to stakeholder, employee and public and user needs and, whenever possible, removing barriers which may deny access.
- Using our powers to ensure that organisations providing services on our behalf operate in accordance with the aims of this Policy and have a good track record in handling equality issues, covering both employment as well as project delivery issues.
- Ensuring, wherever possible, out-sourced services are provided by local organisations or those with close connections with region.
- Promoting widely the availability of the Complaints system to ensure people know how to raise issues about project activities.

- Ensuring staff do not discriminate against or harass a member of the public in the delivery of the project.
- Ensuring that reasonable adjustments are made to remove barriers and enable those with a disability to participate in activities and benefit from project outcomes.
- Discussing the importance of equality policies with all partners and encouraging service providers to use the same or similar formats for evaluation purposes such as equality monitoring categories, equality impact assessments templates, etc.

We will ensure that any engagement process to inform the project have also been conducted in line with our policy and that:

- A wide range of people including employees and stakeholders are informed about plans related to the project and given the opportunity to influence any subsequent policies and practices that result from these.
- People from different backgrounds are consulted and able to fully participate in consultation and involvement activities.
- Local people are given a voice and involved in decision-making and review structures so that any proposed changes are considered and adopted where appropriate.

In addition, upon initiation we will prepare a specific Equality and Equal Opportunities Action Plan for this project, further ensuring embedded equalities good practice in staff training, performance review, delivery model and working methods.

When authorities submit a bid for funding to the UKG, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, they must also publish a version excluding any commercially sensitive information on their own website within five working days of the announcement of successful bids by UKG. UKG reserves the right to deem the bid as non-compliant if this is not adhered to.

Please specify the weblink where this bid will be published:

<https://www.peterborough.gov.uk/council/planning-and-development/regeneration/levelling-up-fund>

PART 3 BID SUMMARY

3a Please specify the type of bid you are submitting

Single Bid (one project)

Package Bid (up to 3 multiple complimentary projects)

3b Please provide an overview of the bid proposal. Where bids have multiple components (package bids) you should clearly explain how the component elements are aligned with each other and represent a coherent set of interventions (Limit 500 words).

This project, for a **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,¹ The Living Lab;
- **Regenerating** a dilapidated mixed brownfield site² 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 ARU Peterborough and enabling **economic recovery and growth**³ and levelling up by addressing the persistent local skills deficits which hold back Peterborough's growth and productivity.

The Living Lab will be a new open, interactive science lab and education space to creatively engage people (especially young people) in science and technology. **Broadening Peterborough's cultural offer**,⁴ it will provide a window into the city's **net zero**⁵ future through events, exhibitions and flexible learning, including

¹ Aligns with example Culture and Heritage interventions in Levelling Up Fund Technical Notes Annex B: Intervention framework

² Aligns with example Regeneration interventions in Levelling Up Fund Technical Notes Annex B: Intervention framework

³ Aligns with assessment criteria of Levelling Up Fund Prospectus

⁴ Aligns with example Culture and Heritage outcomes in Levelling Up Fund Technical Notes Annex B: Intervention framework

⁵ Levelling Up Fund Prospectus; p8: Investment themes

festivals of ideas, immersive displays, hackathons, forums and evening classes.

Examples of how the Living Lab might look – a mixture of high quality design and built environment, with exciting interactive exhibitions.



The project delivers the vision of the City's Culture Board to upgrade, create and connect **existing and new cultural and creative spaces**⁶ - 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**.⁷ 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**.

The regeneration of the river embankment will open up a key leisure area for the city centre.⁸ 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**⁹ and **transform a poorly used city-centre site**¹⁰ into a vibrant cultural, commercial and community hub that local people can be proud of.¹¹

⁶ Levelling Up Fund Prospectus; p8

⁷ Levelling Up Fund Prospectus; p9: Government's net zero and wider environmental ambitions

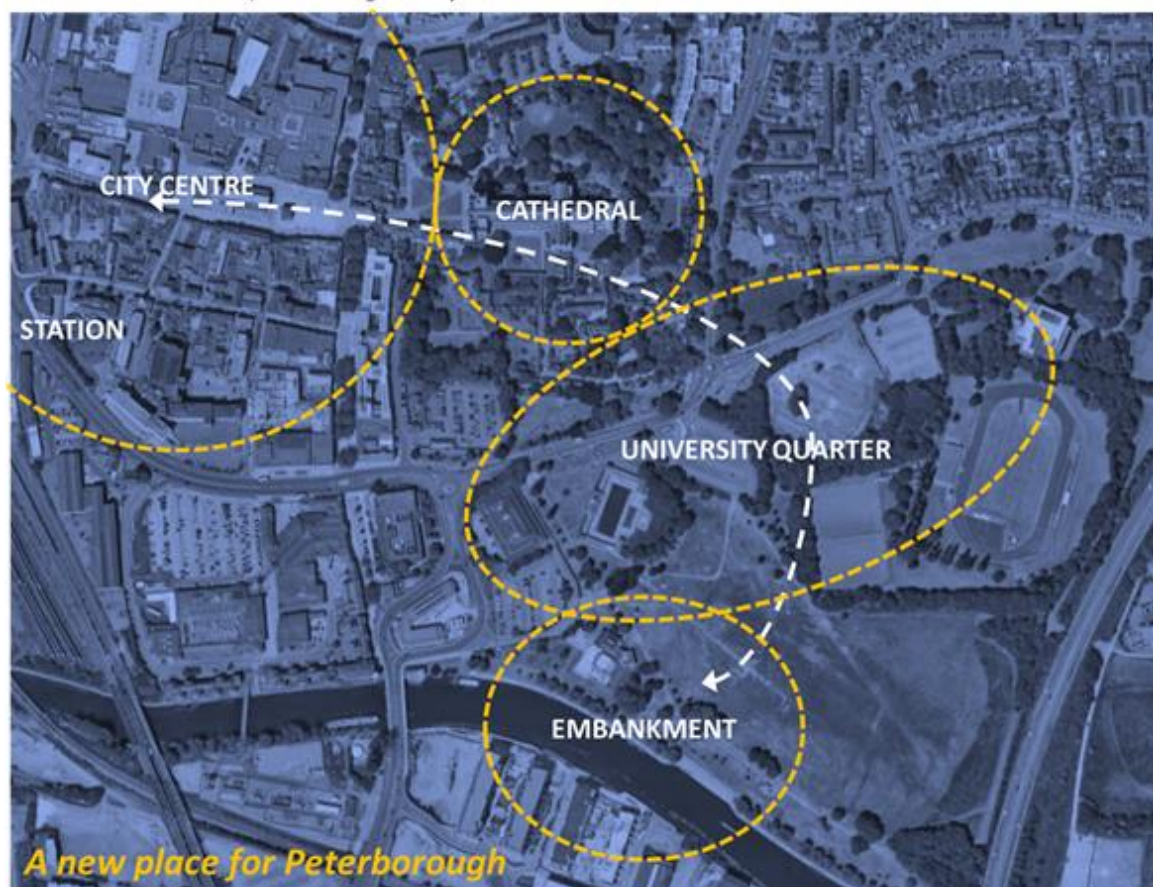
⁸ Levelling Up Fund Prospectus; p10: Objectives for Regeneration

⁹ Levelling Up Fund Prospectus; p11: Objectives for Regeneration

¹⁰ Levelling Up Fund Prospectus; p11: Objectives for Regeneration

¹¹ Levelling Up Fund Prospectus; p11: Objectives for Regeneration

The University Quarter will create a cultural destination area in Peterborough, supporting multi-complex events and exhibitions, and linking the city centre with the Embankment site on the River Nene



This catalytic investment to create the University Living Lab and additional teaching space, **builds on and integrates £45m of prior and current investments**¹² made through the Local Growth Fund and Towns Fund. It will have a **visible, tangible impact on people and places**,¹³ and **support economic recovery**.¹⁴

The university and its catalytic ability to transform the culture of the city was foreseen by and is a **stated objective of three key regional strategies**¹⁵ - the [Local Industrial, Skills](#) and [COVID Economic Recovery Strategies](#).

The combined impact of this cultural and educational investment will generate a positive economic impact onto the City's visitor economy, and a much greater **positive impact on the overall competitiveness of Peterborough's workforce and ability to grow and attract higher value employment**.¹⁶

¹² Levelling Up Fund Prospectus; p20: Strategic fit with local priorities

¹³ Levelling Up Fund Prospectus; p2: Introduction

¹⁴ Levelling Up Fund Prospectus; p2: Introduction

¹⁵ Levelling Up Fund Prospectus; p20: Strategic fit with local priorities

¹⁶ Levelling Up Fund Prospectus; p20: Value for money

This produces an **excellent BCR of 25**, but one that is also matched by high social value impacts.¹⁷

The Combined Authority and City Council, as **the local delivery partners have demonstrated the ability to collaborate for rapid project delivery**.¹⁸ They are already on track to deliver the first two phases of the university within tight timescales and to budget, including for the first university building, which will host 3,000 students and open in September 2022.

Project delivery will begin Q3 2021 with initial procurement and design works. **Construction works will be complete by Q4 2023/24**.¹⁹

The bid **complements existing cultural assets**²⁰, including £15m of concurrent investment in city centre cultural facilities funded through Peterborough's Town Investment Plan and emerging masterplan for the city centre.

Local partners are coinvesting 28% of the costs of this £28m project.²¹

The project has the support of key local stakeholders²² including both MPs for the City and the Council's Leader.

The project fully aligns with UK legal commitments on **delivering Net Zero**²³ through a building design that maximises sustainable materials and renewable energy.

The Living Lab and second teaching building will be a landmark building for Peterborough, and the focal point of the university quarter



¹⁷ Levelling Up Fund Prospectus; p20: Value for money

¹⁸ Levelling Up Fund Prospectus; p19: Deliverability

¹⁹ Levelling Up Fund Technical Note; p7: LUF assessment and decision-making

²⁰ Levelling Up Fund Prospectus; p12: Objectives for Culture and Heritage

²¹ Levelling Up Fund Prospectus; p19: Deliverability

²² Levelling Up Fund Prospectus; p19: Assessment criteria

²³ Levelling Up Fund Prospectus; p19: Strategic fit with local priorities

3c Please set out the value of capital grant being requested from UK Government (UKG) (£). This should align with the financial case:	£20m	
3d Please specify the proportion of funding requested for each of the Fund's three investment themes	Regeneration and town centre	50%
	Cultural	50%
	Transport	0%

PART 4 STRATEGIC FIT	
4.1 Member of Parliament Endorsement (GB Only)	
See technical note section 5 for Role of MP in bidding and Table 1 for further guidance.	
4.1a Have any MPs formally endorsed this bid? If so confirm name and constituency. Please ensure you have attached the MP's endorsement letter.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/>
Paul Bristow, Member of Parliament for Peterborough has provided a formal letter endorsing the bid which is appended to the application form.	
4.2 Stakeholder Engagement and Support	
See technical note Table 1 for further guidance.	
4.2a 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)	
<p>Partners across Peterborough have been planning and engaging stakeholders in this project for 9 months prior to this application.</p> <p>The site is already designated for this use for planning purposes and is listed in the Town Investment Plan. Major examples of consultation on the project include:</p> <ul style="list-style-type: none"> • COVID Economic Recovery Strategy Group including all the regions' business, health, cultural and education groups along with all 6 local authorities and MCA, which identified this project as a key intervention for recovery on page 33. • PCC's Cultural Strategy Board through consultative workshops and meetings with local artists and representatives of the city's cultural community that provided place-based evidence of the cultural need and a cultural strategy that identified integrating cultural assets as a major goal. 	

- PCC’s production of the Peterborough Town Investment Plan that drew on a diverse range of engagement exercises with several stakeholder groups, including communities and business to develop investment plans for the city centre, which this bid is integrated into. This included a Major Survey 2019-2020, Covid-19 Engagement and #MyTownsFund Facebook campaign, which drew over 500 responses.
- PCC’s work to create the Local Plan which demonstrates demand for new and improved cultural venues and events, particularly those to attract younger residents and visitors. It also notes the need for riverside development with cultural venues that maximises natural surroundings to unlock the embankment area and connect it to the wider city.
- ARU Peterborough has undertaken multiple rounds of business and community engagement, seeking input into course design, the role of STEM in local industries, and wider principles of the university’s design. This included consultation with over 100 businesses and roundtables with School Headteachers, FE Principals and Senior Leaders.
- ARU Peterborough has also established 5 Sector Interest Groups (engineering, agri-tech and sustainability, business and management, data science, gaming) to lead on industry engagement in local growth sectors, influencing the university’s curriculum offering that complements the Living Lab’s stimulation of people into STEM and a university education.
- PCC’s selection of this project as the Peterborough Constituency bid was the result of an open call for proposals and a rigorously and objectively scored officer evaluation, concluded upon by a decision-making panel of the PCC Leaders, both MPs, supported by the CA Mayor and the chair of his Business board.

4.2b 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)

The breadth and depth of support for this project is demonstrated through the joint letter of support from a range of key local stakeholders appended to this application.

At no point were any concerns or controversies expressed by stakeholders, including the local community, business organisations and voluntary and community groups. In fact, consultation demonstrated widespread support for the project, which is seen as a positive way to address local cultural, social and economic challenges, including an acute shortage of cultural and educational venues and an opportunity to attract local people and visitors to the embankment area and wider city centre.

Recent individual consultations confirm that the project and bid have the support of key stakeholders at the University, Peterborough City Council and all constituent councils of the CPCA , including the new Mayor.	
4.2c 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?	<input checked="" type="checkbox"/> N/A
For Northern Ireland transport bids, have you appended a letter of support from the relevant district council	<input checked="" type="checkbox"/> N/A
<h3>4.3 The Case for Investment</h3> <p>See technical note Table 1 for further guidance.</p>	
4.3a Please provide evidence of the local challenges/barriers to growth and context that the bid is seeking to respond to. (Limit 500 words)	
<p>People who attend cultural events are 60% more likely to report good health than others,²⁴ and report higher levels of subjective wellbeing due to reduced exclusion and isolation, and increased literacy and cognitive skills. But Peterborough is recognised as a ‘cultural cold spot’ with lower levels of participation in cultural activities than similar cities.²⁵ The 2017 Active Lives survey found just 39% of the city’s population engaged with cultural activity, ranking Peterborough as 321st out of 355 UK districts.</p> <p>A lack of assets restricts cultural activity in Peterborough. The RSA Heritage Index ranks Peterborough 227th out of 325 local authorities for cultural assets.²⁶</p> <p>To overcome this barrier to growth and achieve an improved, accessible cultural offer in Peterborough, new cultural assets are required to act as catalyst and to integrate current assets into a coherent offer:</p> <p><i>‘It is essential that Peterborough has high quality state of the art facilities that keep pace with the growth agenda and city ambition. Significant investment is required in the sector and the public ‘cultural’ estate.’</i> - Developing a Cultural Strategy for Peterborough (Jan 2020).</p> <p>As laid out in the <u>Local Plan</u>, Peterborough’s development hinges on regenerating the town centre and providing more high-quality, connected</p>	

²⁴ <https://www.gov.scot/publications/healthy-attendance-impact-cultural-engagement-sports-participation-health-satisfaction-life-scotland/>

²⁵ Developing a cultural strategy for Peterborough, January 2020

²⁶ <https://www.thersa.org/projects/heritage/index>

and open public space. The University Quarter Cultural Hub is an essential space in the longer-term transformation of Peterborough city centre.

Designated as a new town in the 1960s, Peterborough's urban design has given prominence to the car, leaving a series of disconnected places that constrain potential and prevent the city from developing a comprehensive cultural and visitor offering.²⁷

The Town Investment Plan (TIP) process has, through extensive consultation with the community and stakeholder groups, identified a range of place challenges including:

- A lack of a university for the city
- A lack of entertaining visitor attractions to complement the heritage of Peterborough Cathedral.
- The need for an animated riverfront with attractive pedestrian routes between station/river/city centre.

As the LUF prospectus correctly states: 'Perception of place is an important 'pull' factor in investment and business location decisions and can affect a place's capacity to attract talent – especially young people – and retain workers.'²⁸ This project aims to alleviate the city's long-term economic challenges by regenerating a mixed-brownfield area into an enhanced University Quarter Cultural Hub that is more attractive to residents, businesses and visitors.²⁹

Peterborough is recognised as a left-behind place, with persistent skills deficits entrenched by a lack of local higher education provision connected to many other indices of deprivation, for instance:

- **Social deprivation**, particularly high near the centre and south of the city,³⁰ and rates of unemployment persistently higher than national averages.
- **Child poverty**, with 25% in Peterborough living in poverty, compared to 17% nationally.³¹
- **Social mobility**, with Peterborough ranked 191st and nearby Fenland ranked 319th out of 324 local authority districts.³²
- **Healthy life expectancy** which is below retirement age in parts of the north of the county.³³

²⁷ Peterborough Town Investment Plan; July 2020

²⁸ Levelling Up Fund Prospectus; p12: Objectives for Culture and Heritage

²⁹ Levelling Up Fund Prospectus; p8: Investment Themes

³⁰ Index of Multiple Deprivation, 2019

³¹ Income Deprivation Affecting Children Index (IDACI), 2019

³² Social Mobility Index, 2016

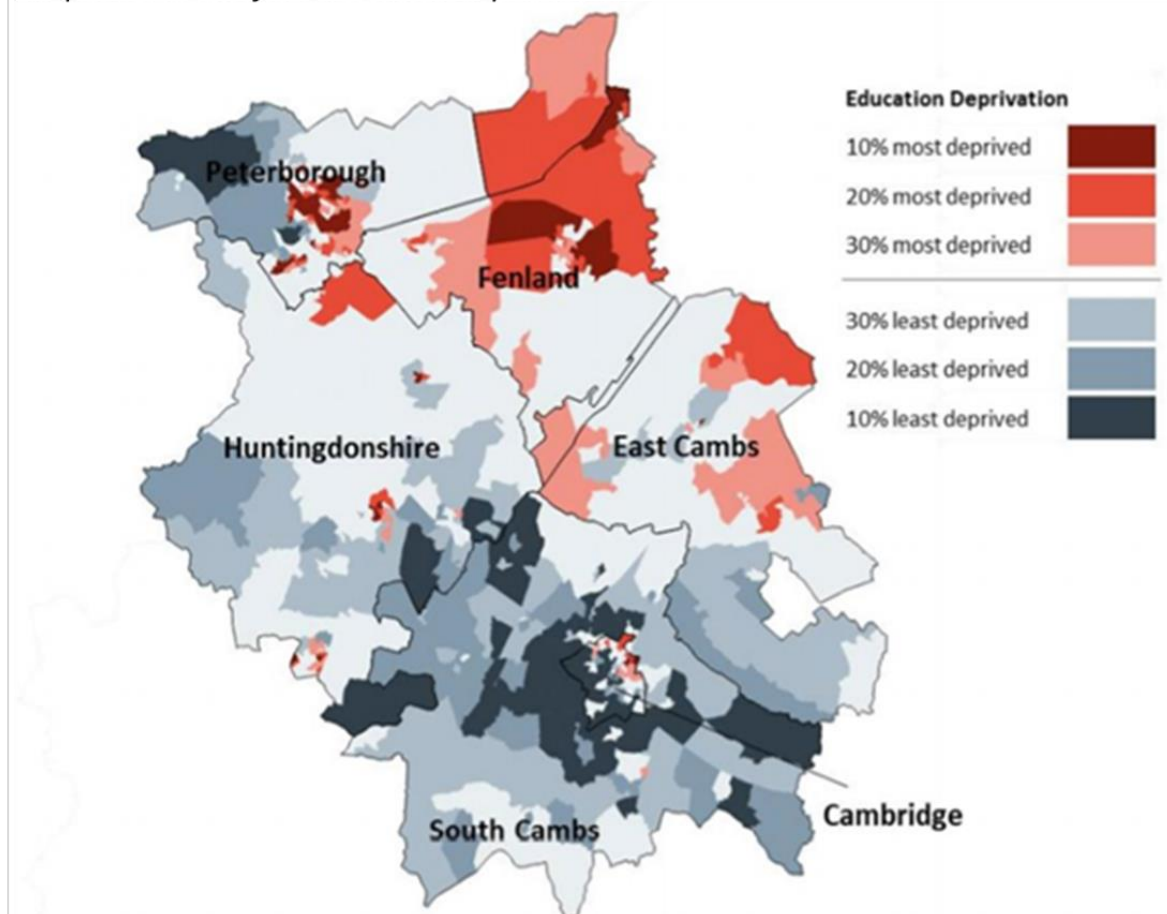
³³ ONS Health and Life Expectancies, 2016-2018

Just 32.1% of the population have NVQ4+ skills compared to 43% nationally.³⁴

Low education aspirations help explain this: **Half of the expected proportion of young people are in full time education**, compared to the national average – 17% locally vs 33% nationally.³⁵ A key reason for low aspirations is that higher education isn't easily accessible: **Peterborough is one of the largest cities in the UK still without a university**.³⁶ The evidence clearly shows that in terms of human capital, Peterborough has been “left behind” and education deprivation is a major cause that needs to be addressed. The CPIER identifies a new higher education institution in Peterborough as the only viable solution to the HE cold spot.

Education, Skills and Training deprivation, IMD, 2019, for CPCA.

One in four LSOAs (neighbourhoods) in Peterborough are ranked in the most deprived decile for education deprivation.



4.3b Explain why Government investment is needed (what is the market failure)?
(Limit 250 words)

³⁴ ONS Annual Population Survey (2021)

³⁵ ONS Annual Population Survey (2021)

³⁶ <http://lovemytown.co.uk/universities/universitiestable2.asp>

Both the cultural elements of the Living Lab and the education facilities co-located in the building will generate significant socially beneficial externalities, which cannot be fully captured by the market and will therefore result in under-provision and non-provision without public investment.

Public investment is needed because this space is more than simply a visitor destination. Firstly, the Living Lab is beneficial as it will be a community space enabling a range of socially useful activities – evening classes, community group meet-ups, and other learning events. Secondly, the Living Lab will play an essential role in highlighting the impact of local people and businesses in tackling important sustainability challenges, helping to raise awareness and aspirations, and co-create solutions. The LUF prospectus rightly identifies the role of cultural facilities in ‘inspiring a sense of pride and community cohesion’ and the Living Lab will do this.

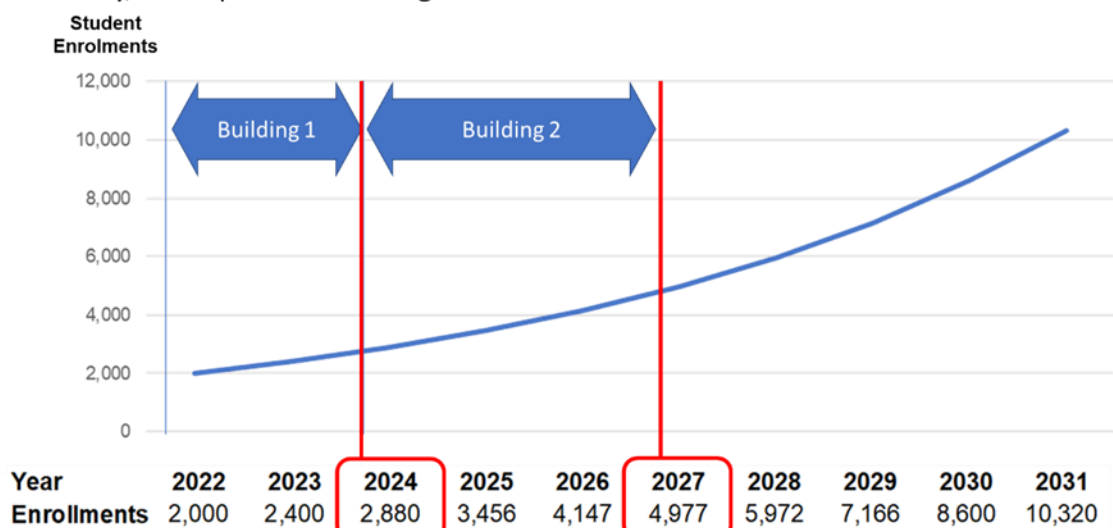
The co-location of the Living Lab within the university, and its integration into connected libraries, theatres and museums, **creates a Cultural Hub** which will play an important role in bringing local people of all ages into the University Quarter. In this way, it will open up the horizons of local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

The education space that complements the demand stimulation activities of the Living Lab generates major public externalities through the provision of higher education. **Public sector investment is required to maintain momentum for student recruitment** to the university and ensure the university can reach a ‘critical mass’ of students to make it commercially viable, beyond a single building. Failure to do so puts the wider university project at risk of commercial failure.

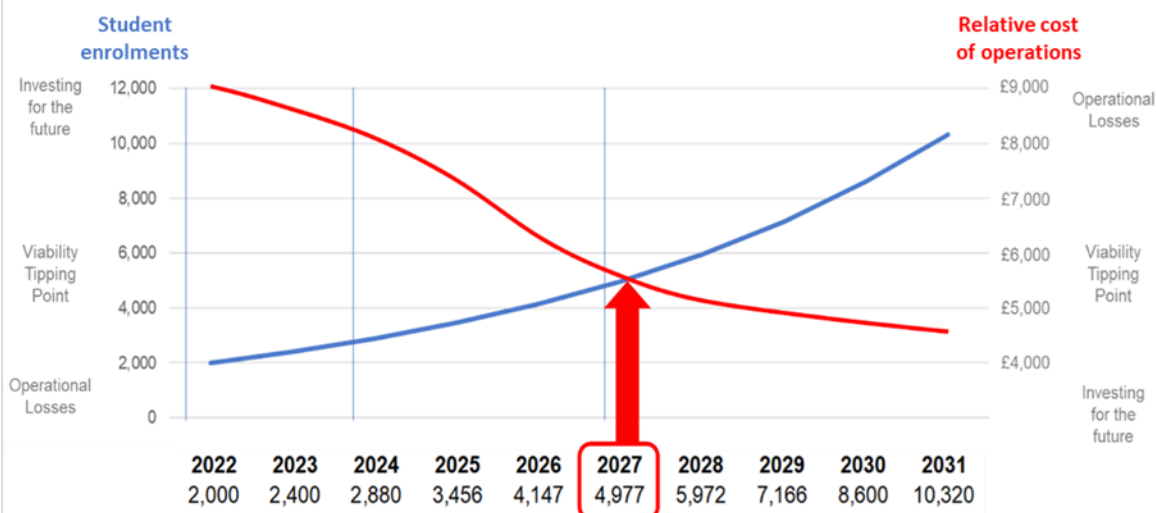
The £30.5m investment by local partners to create the first building, provided the “Anchor Investment” for the university project and the springboard to enable student recruitment to begin and build. The addition of the Living Lab to the campus will provide further momentum to achieve the critical mass that secures the university as a permanent institution for Peterborough.

ARU, PCC and CPCA, as the anchor investors, planned for further phases to be co-funded through central government to enable the university to become commercially viable and independent of the CPCA’s current operational subsidy which is not sustainable long term.

The second teaching building will support an additional 1,700 students at the university, on its path to reaching critical mass as an institution



As student enrolments rise the relative cost of operations will fall, allowing the university to reach financial sustainability.



4.3c 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)

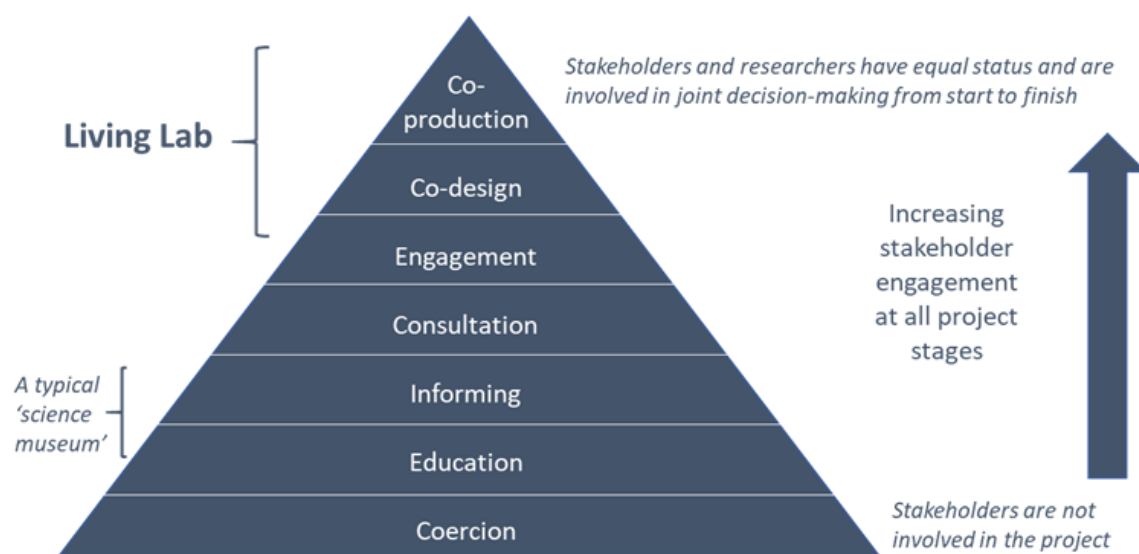
Occupying 1,000m² on the ground floor of a university teaching building, with dedicated educational facilities on the upper floors, the Living Lab will be a new place for open interactive science in Peterborough. It will be an integral part of **Peterborough’s University Quarter Cultural Hub**, which will contain the city’s foremost assets for culture and learning in a new destination area.

Similar in style to an interactive science museum but more ambitious in terms of community impact, Living Labs:

- Are integrated into the community through the co-creation, exploration and evaluation of ideas;
- Address complex problems through collective actions and community interactions;
- Facilitate the co-creation and appropriation of innovations by users in community settings.

Pyramid of stakeholder participation in projects

Source: *Think Local Act Personal Partnership, 2018*



The Living Lab building will be a striking feature building - a space to distinguish Peterborough from other cities, **contributing to regeneration** and giving Peterborough residents a new landmark building to be proud of.

Concept images of ARU Peterborough



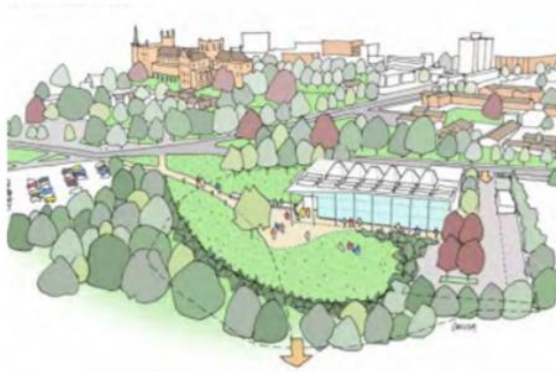
It will be the centrepiece of the University Quarter Cultural Hub, a new **destination for creativity and engagement**, linking museums, theatres, libraries and sports facilities through regenerated open green space, pedestrian areas and cycle paths. The quarter will complete the link between the city centre and cathedral to the west, and the River Nene embankment to the south, helping to expand, connect, beautify and diversify Peterborough's urban centre.

The building will help to **create a 'visible university'** linking with Bishop's Road, the open space and riverside to the south, and the elevated approach along Frank Perkins Parkway. The building's surrounds will be regenerated to open up an area currently dominated by low quality trees and shrubs, improving visibility and creating a safer feel to the area.

The university quarter will regenerate an area which is currently a focal point for anti-social behaviour into a destination space for the community



Aerial from south-east: Existing view



Aerial from south-east: View of proposal



View from Bishop's Road: Existing view



View from Bishop's Road: View of proposal

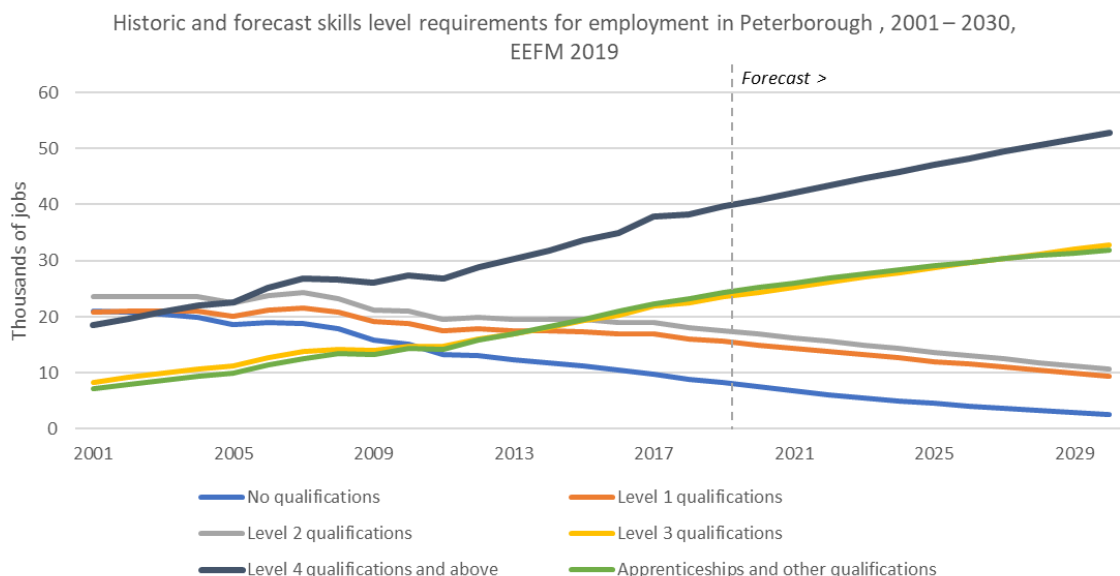
Exhibitions and facilities at the Living Lab will explore green technologies, such as vertical farming, renewable energy and green vehicles, making the University's STEM curriculum more accessible and relevant to local people. By engaging local people in science and net zero technology the long-term aim is to encourage more local people to study in STEM fields and go on to fill the higher-value knowledge intensive jobs that Peterborough's businesses require for growth, thus **supporting inclusive growth and levelling up the area**.

The Living Lab and educational facilities will provide a space where local people can go to study STEM subjects. Over time this will ensure **economic levelling up of Peterborough** by raising local skills levels in a deprived region. Peterborough suffers from poorer skills outcomes than 90% of UK cities, with especially low levels of degree-level qualifications.³⁷ If Peterborough matched skills levels across the East of England an additional 12,000 people aged 16-64 would have an NVQ Level 4 qualification or above. Such a step change in local skills levels would help reverse 40 years of relative decline in economic and health outcomes and would ensure local people can fill forecast demand from Peterborough's businesses for 11,000 additional workers with NVQ4+ qualifications by 2030.³⁸ To this end, the

³⁷ <https://cambridgeshireinsight.org.uk/children-and-young-people/report/view/b4f7b0c938074dfbb0979d4a0510e8cb/E1000003>

³⁸ East of England Forecasting Model, 2019

Living Lab and second teaching building will support 4,674 graduates into the local economy over ten years.



Encouraging more residents into higher value jobs will help to **raise social mobility in Peterborough**, which has been faltering in recent years, a trend exacerbated by Covid-19. The Peterborough TIP 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. The new university presents a genuine opportunity to improve career prospects for all.



4.3d For Transport Bids: Have you provided an Option Assessment Report (OAR)	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>4.3e Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions. This should be demonstrated through a well-evidenced <i>Theory of Change</i>. Further guidance on producing a Theory of Change can be found within HM Treasury's Magenta Book (page 24, section 2.2.1) and MHCLG's appraisal guidance. (Limit 500 words)</p>	
<p>This bid addresses three problems that currently prevent Peterborough from levelling up:</p> <ol style="list-style-type: none"> 1. Culture and heritage: A lack of cultural assets in the city restricting cultural activity 2. Regeneration: A need to expand, connect, beautify and diversify the city centre 3. Economic levelling up: Persistent skills deficits entrenched by a lack of higher education provision. <p>This bid helps solve these problems by investing in a new cultural asset - the Living Lab - within the second teaching building of the expanding university and regenerating the surrounding area to create a learning, culture and lifestyle precinct as a University Quarter Cultural Hub in the heart of the city centre. The second teaching building will host 1,700 students drawn mostly from the local area to study in STEM fields, overcoming the persistent skills deficit and ensuring local residents meet rising demand for higher-skill jobs in Peterborough's businesses, thereby enabling inclusive growth and a step change in economic, health and wellbeing outcomes for Peterborough's residents.</p> <p>The Living Lab is critical to achieving a skills transformation by making science, technology and Peterborough's net zero future feel accessible, relevant and exciting to local people, raising aspirations for higher education and entry into STEM based careers, which are key to economic growth and raising productivity for Peterborough.</p>	

Theme	Culture and heritage	Regeneration	Economic levelling up
Issue	Peterborough is recognised as a 'cultural cold spot' with participation in cultural activities ranked in the bottom 10% of UK districts. A lack of suitable cultural assets restricts cultural activity	Peterborough's development hinges on regenerating the town centre and providing more high-quality, connected and open public space	Peterborough is recognised as a left-behind place, with persistent skills deficits entrenched by a lack of local higher education provision connected to many other indices of deprivation. Peterborough is one of the largest UK cities still without a university.
Intervention	The Living Lab will be a new high quality interactive science museum for Peterborough, hosting events, exhibitions, debates, forums and more, focused on science and the net zero transition.	The university quarter which will form around the Living Lab will be a destination for creativity and engagement.	Create a university teaching building around the Living Lab with teaching space for 1,700 locally-drawn students studying in STEM fields, supporting a critical stage in the expansion of the University of Peterborough and meeting the long-term aspiration for HE provision for the local community, enabling inclusive growth.
Input	£28m capital funding: £20m LUF + £7.9m local investment (ARU, CPCA, PCC)		
Outputs	<ul style="list-style-type: none"> 1,000m² new Community and Cultural space for staging events, immersive displays and exhibitions 	New and remediated public space, including: <ul style="list-style-type: none"> 4 acres of regenerated open green space upcycled from mixed brownfield site Cycle path and pedestrian footpaths linked into broader Peterborough networks 270 temporary construction FTEs 	<ul style="list-style-type: none"> New teaching facilities as part of the Living Lab building 65 additional FTE at the university
Outcomes	<ul style="list-style-type: none"> 50,000 additional visits per year to Peterborough 20 large events per year £3.2m additional visitor spend per year in the local economy Improved cultural and heritage offer than is more visible and easier for residents and visitors to access Improved resident wellbeing through access to culture, with positive benefits for physical and mental health Improved cultural assets to host cultural and community events in Peterborough 	<ul style="list-style-type: none"> Improved appearance of the area and links between different areas of the city centre Increased civic pride for residents of a 'university city' Enhanced outcomes for surrounding cultural assets benefitting from university quarter's appeal as a destination area Reduced / resolved anti-social behaviour enabled by the existing site 	<ul style="list-style-type: none"> 5700 graduates over 10 years, including 4,700 who will fill local jobs Increase in graduates working in the city Increase in productivity through higher skilled population Higher numbers of businesses Increased aspiration and social mobility for local people Reduced deprivation in a left-behind area Increased wellbeing, health and healthy life expectancy
Impacts	<ul style="list-style-type: none"> The general increase in higher skilled workforce within the City due to additional students will increase aggregate productivity across the City, generating an additional £833m GVA economic benefit over 10 years, supporting 531 indirect jobs per annum and establishing an additional 301 enterprises in the city over a ten year period. 		

4.4 Alignment with the local and national context

See technical note Table 1 for further guidance.

4.4a Explain how your bid aligns to and supports relevant local strategies (such as Local Plans, local economic strategies or Local Transport Plans) and local objectives for investment, improving infrastructure and levelling up. (Limit 500 words)

Investment to create a University Quarter Cultural Hub as a means of regenerating Peterborough 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, integrated into surrounding areas through publicly accessible spaces and buildings linked by a network of pedestrian and cycle paths.

There is also alignment with Peterborough City Council's long-term regeneration and investment priorities as identified in its **Local Plan**, namely its spatial plan for how the university would occupy essential city space, and its **Cultural Strategy**,³⁹ which lists plans to develop a cultural quarter linked to the city centre.

The cultural priorities of the bid fit with local plans for the creation of a **Cultural Compact** to allow key cultural assets to be linked together to stimulate a resurgence of grassroots culture in the city, with the University Quarter an integral part of this. In particular, the project meets the **Peterborough Cultural Strategy Group's** recommendations⁴⁰ to integrate the city's cultural assets into a coordinated programme of events that link with FE and HE courses to provide local progression opportunities.

In line with regional objectives, the new university, its component buildings and wider ecosystem are key features of the **CPCA's devolution deal** agreed with government and seen as critical for the growth of the local economy and addressing skills shortage and to make Peterborough "a leading place to live, learn & work by 2030". Moreover, the **C&P Independent Economic Review** and **CPCA LIS** both identified a higher education institution as the solution to address the persistent gap in higher level skills in Peterborough and surrounding districts. While the regeneration, economic and levelling up benefits generated by the bid will contribute to **Local Industrial Strategy** and the **CPCA's Business Plan** goals to double the size of the local economy and provide the UK's most technically skilled workforce.

³⁹ To be published summer 2021

⁴⁰ To be published summer 2021

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. It will serve to increase skills provisions in these areas, offering a step change in local education provision. This will support the growth of two important local sectors: life sciences, as identified in **CPCA's Life Science Sector Strategy**⁴¹ by addressing the current skills constraints which curtail further growth; and advanced manufacturing by bridging the high skills shortfall identified in **CPCA's Advanced Manufacturing Sector Strategy**⁴² and acting on its recommendation to encourage more people to consider careers in technology, engineering and advanced manufacturing, and to ensure there is the supportive environment developing these skills for the future.

4.4b 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. Bids for transport projects in particular should clearly explain their carbon benefits. (Limit 250 words)

The bid aligns to Government's **Levelling Up Fund** priorities through the regeneration of a brownfield site, repurposed into a cultural community asset that serves as a visitor attraction. It also supports fund aims such as the upgrade of existing athletics facilities and improvement of public realm that offers additional cultural and arts spaces to host events. Further, the effects of regeneration and improved connectivity will meet the Fund's objectives to design out crime and improve security in urban centres to encourage new businesses and services to locate.

The bid also aligns to wider Governmental policy, including the national **Industrial Strategy with its economic and levelling up priorities creating** local inclusive growth and more prosperous communities. It will achieve this by making higher education accessible to local residents and enabling them to meet rising demand for higher-level skills that lead to better jobs with improved earnings.

It will support **national economic and skills policy**, including the Skills for Jobs White Paper by increasing the supply of higher-level technical skills, ensuring inclusiveness in higher education provision and support the expansion of agile modes of learning.

The bid supports Government's **net-zero objectives** with a building design that maximises sustainable materials and renewable energy, and external development that improves connectivity between the embankment and wider region - optimising new cycle paths and reducing local carbon emissions. Further, by showcasing net-zero technologies, the museum will educate and inspire local people and businesses about the role they can play in the UK's net zero transition - encouraging more people to pursue education and careers in the field.

⁴¹ To be published later in 2021

⁴² To be published later in 2021

Finally as part of net zero objectives, PCC in partnership with Cranfield University, SSE and Element Energy made a successful bid to Innovate UK for funding to test the feasibility of an **integrated renewable energy infrastructure** that will provide renewable energy to 42 commercial sites across the city, including the new University. The study is ambitious and aims to provide 'private wire' connections from the Council's Energy Recovery Facility in Fengate to build a smart, responsive, low-carbon, energy infrastructure to support the city's growth in a sustainable way, smoothing the transition to zero carbon.

4.4c Where applicable explain how the bid complements / or aligns to and supports other investments from different funding streams. (Limit 250 words)

The project is part of the ongoing programme to establish a university in Peterborough. This programme of work has already attracted £45m of investment, which this project will build upon:

- Phase 1 (£30.5m): a first university building, opening in September 2022 with capacity for 3,000 students – funded by PCC, ARU and the CPCA using £25.4m of devolution deal Gainshare funding and Local Growth Funds.
- Phase 2 (£15m): R&D, innovation and incubator expansion, which proceeds independently of this proposal – funded by local businesses and the CPCA using £13.5m of the Get Building Fund.
- **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.

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.

Investment into Living Lab, University Quarter and second teaching building					
Contributor	LUF	PCC	CPCA	ARU	Total
Value (£m)	20	1.87	2	4	27.87
% of total	71.8%	6.7%	7.2%	14.4%	100%

The Living Lab will act as a catalyst to bring together a number of individual projects to realise the concept of the University Quarter as the Cultural Hub for

Peterborough. Concurrent investments in the University Quarter via the Peterborough Towns Fund include:

1. £10m for the New Vine Library, 5 minutes' walk from the university, that will connect to the university library within the initial university building to provide both physical and digital interactive access to knowledge and the city's heritage.
2. £2m for the new National Bronze Age Museum, a 10-minute riverside cycle from the university, that will link with the city museum, and new interactive science museum, to create an integrated heritage offer for the university quarter.
3. £1m for the enhancement of the Riverside Walkway at the foot of the northern river embankment upon which the university sits. This will connect the university with the City's theatre and on to the city centre, encouraging the commercial development of hospitality and leisure along the riverside.
4. £2m for the River Nene Pedestrian Bridge, that will connect the university and Riverside Walkway with the south bank of the Nene, where a new Hilton hotel is being constructed, along with riverside restaurants and bars.

The combined £92.4m of investment across these complementary projects will together create the University Quarter Cultural Hub for Peterborough.



4.4d Please explain how the bid aligns to and supports the Government's expectation that all local road projects will deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is little or no need to do so). Cycling elements of proposals should follow the Government's cycling design guidance which sets out the standards required. (Limit 250 words)

This is not a transport project and does not include new roads. However, pedestrian cycle paths (not on roads) will be provided as part of this project, within the university quarter.

PART 5 VALUE FOR MONEY

5.1 Appropriateness of data sources and evidence

See technical note Annex B and Table 1 for further guidance.

All costs and benefits must be compliant or in line with [HMT's Green Book](#), [DfT Transport Analysis Guidance](#) and [MHCLG Appraisal Guidance](#).

5.1a Please use up to date evidence to demonstrate the scale and significance of local problems and issues. (Limit 250 words)

Peterborough is one of the fastest-growing cities in the country⁴³, with net business creation outpacing regional and national trends, and growth in economic output (GVA) and new patent registrations showing strong evidence of innovation⁴⁴. The City's strategic location with good rail access to London, Birmingham and nearby Cambridge mean that it is well-placed to grow as an employment centre.

However, while Peterborough has seen recent employment growth (prior to the pandemic) and possesses a strong manufacturing sector (14% of Peterborough's GVA compared to 10% nationally) it remains a low skill, low wage economy.

Only 32.1% of the population have NVQ4+ skills compared to 43% nationally⁴⁵. This means that wages are 9% lower than the England average⁴⁶ with productivity per worker 11% below the average⁴⁷. Unemployment remains above the national average and there are pockets of extreme deprivation.

The Covid-19 crisis has made all these challenges substantially more acute. 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 120,000.⁴⁸

⁴³ Peterborough was the third fastest growing city in England between 2008 and 2018. Source: <https://www.centreforcities.org/blog/2008-2018-an-uneven-geography-of-population-growth-in-uk-cities/>

⁴⁴ Peterborough Economic Intelligence Report 2019, Opportunity Peterborough

⁴⁵ ONS (2021) Annual Population Survey

⁴⁶ ONS (2021) Annual Survey of Hours and Incomes

⁴⁷ ONS (2020) Subregional productivity: labour productivity indices by UK NUTS2 and NUTS3 subregions

⁴⁸ <https://cambridgeshirepeterborough-ca.gov.uk/what-we-deliver/resilience-2/>

5.1b 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)

Economic data is drawn from the Office for National Statistics, as well as other Government and commercial sources where needed, and is therefore credible, robust and timely. Experts within the Council, supported by partners from CPCA have worked together to understand the changing shape of the local economy over the past several years. Where needed, we also commission expert consultants to provide additional evidence.

Examples of our work to ensure a strong evidence base include:

- The Peterborough Economic Intelligence Report 2019⁴⁹ provided an up-to-date review of the City's economic needs, opportunities and challenges prior to the pandemic.
- Since the pandemic, Peterborough City Council and the Cambridgeshire & Peterborough Combined Authority have worked closely together to establish the [CPCA Covid-19 recovery monitoring dashboard](#). This provides timely data on key economic, employment and business issues, allowing us to maintain a view on the ongoing impact of the pandemic on the local economy.
- As well as this, we have also supported the CPCA's work on a Local COVID 19 Economic Recovery Strategy ([LERS](#)) which has drawn on the dashboard data and involved further workstreams looking at Skills data, which focused on the skills deficits evident in Peterborough and nearby Fenland.
- The [East of England Forecasting Model](#), maintained by Cambridgeshire Insight, provides a set of detailed baseline economic, demographic and labour market forecasts for the region and local authorities within it, including Peterborough.

The result of this is that we have an extensive understanding of the key opportunities and challenges affecting the local economy.

As part of the [Town Investment Plan](#) (TIP) work we engaged widely to understand local issues and concerns about the City and the City Centre that might not be well captured within existing datasets. This also built on our engagement as part of the Local Plan and the City Masterplan, as well as the 2016 Peterborough Environment City Trust (PECT) work which asked local people their views about Peterborough, undertaking 623 interviews plus a further 104,000 contacts through social media, events and radio.

⁴⁹ Peterborough Economic Intelligence Report 2019, Opportunity Peterborough

Engagement for the TIP included:

- Engaging through the press, including articles in Peterborough Telegraph and Moment Magazine
- Engaging through social media including Facebook and My Town to inform local people about the Towns Fund. Facebook generated over 500 comments.
- Engagement with key stakeholder organisations in the city such as the Civic Society, the Cultural Strategy Group, and local Business Groups.

This has therefore given us broad engagement across a range of stakeholders. The feedback from this engagement has helped to shape both our vision for the city and specific project proposals.

Throughout the TIP process there was also very close working with the Peterborough Economic Recovery Programme Group which was set up to ensure an early bounce back from COVID-19.

Therefore, our evidence consists of a mix of hard economic and statistical evidence as well as broad engagement with local residents and local stakeholder groups.

5.1c Please demonstrate that data and evidence chosen is appropriate to the area of influence of the interventions. (Limit 250 words)

The Living Lab will sit at the heart of the city within the University Quarter Cultural Hub and serve the city as a whole. For that reason, most of the analysis undertaken uses economic indicators for Peterborough as a whole, as the Living Lab will contribute to the cultural offer, and the long-term skills provision for the whole city. Therefore it is appropriate to consider area-wide indicators such as skills levels, unemployment, wage levels, GVA, and productivity.

Our evidence gathering in terms of the city-centre and the cultural offer has been specifically focussed on how the city-centre and different areas within the city centre are functioning. This has gathered more specific resident and stakeholder perception evidence about the area in question.

5.2 Effectiveness of proposal in addressing problems

5.2a 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)

The following are forecasts based on the first 10 years after completion and building opening

- Number of additional graduates created including higher level apprenticeships: 5,700
- Number of direct permanent jobs created: 65 additional FTE jobs as building staff.
- Number of direct temporary jobs created: 270 construction FTEs
- Number of indirect jobs created: 531 indirect jobs supported per annum.
- Number of graduates employed in local jobs: 4,674 graduates employed into local jobs.

The project generates an additional range of quantifiable outputs:

Benefits accruing during construction

- Design and construction of the university building will support an estimated 270 jobs over construction lifespan from 2021 – 2024.

Benefits accruing through additional visitors to the city and students within the city (and associated spend in the local economy), and regeneration of public space to reduce antisocial behaviour.

- We estimate 50,000 additional visits per year owing to the new cultural attraction, which is expected to host 20 events a year. This creates estimated additional visitor spend of £3.2m per year.
- We estimate that existing antisocial behaviour issues in this area will be resolved by the removal of poor quality trees and shrubs from the area, which currently make the space secluded and unsafe for the general public.

Benefits accruing through direct employment at the living lab and teaching space

- We estimate 65 new FTE jobs at the new building.

Benefits accruing through delivery of university facilities which will support increased learning outcomes and benefits to the wider economy.

- The building itself will deliver 3,000m² of new space, of which 1,000m² will be dedicated community and cultural space for the Living Lab and associated community learning space.
- 570 additional students per year will be enabled through the enhanced teaching facilities.
- We anticipate that of these 570 students per year, 82% will remain in the City upon graduation, increasing the supply of locally available graduates by

467 students per year and adding £833m to the economy over 10 years through increased higher skilled employment.

- We anticipate that the general increase in higher skilled workforce within the City due to these additional students, will increase aggregate productivity across the City in line with nationally-observed trends. This will generate an additional £89m of GVA over 10 years.
- Given all of the benefits described above, we estimate that approximately 531 indirect jobs per annum will be generated in the wider economy in the initial 10 years of operation.
- We further estimate that this additional high skilled population will lead to the creation of an additional 301 new enterprises established in the city over a ten year period.

5.2b 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)

We have used standard HMT Green Book methodology to calculate the economic benefits, applying additionality using established research on the net additionality attributed to investments of this type⁵⁰, and through applying a discount rate of 3.5% in line with HMT requirements to both costs and benefits. Note that using established estimates of net additionality results in overall additionality of less than 1 which is realistic and avoids the potential for optimism bias in assessing future effects.

We have estimated the economic benefits using a range of standard 'ready reckoners' and available economic data. Our answer to 5.4a (below) lists out the assumptions in the model in terms of each element and the sources for particular assumptions.

In terms of forecasting assumptions – the main ones are:

- The numbers of additional graduates due to the Living Lab and University space. This is a very high probability forecast given that the amount of space is well defined and is part of the long-term expansion of the campus by Anglia Ruskin University.
- Economic assumptions about productivity uplift are generated by the East of England Forecasting Model (EEFM)⁵¹. EEFM is an established forecasting model with a strong track record of accuracy and is locally-developed and specific and therefore highly accurate for the area under consideration.

⁵⁰ BEIS (2009) Research to improve the assessment of additionality

⁵¹ <https://cambridgeshireinsight.org.uk/eefm/>

- Assumptions about student retention within the local area reflect established evidence on student retention rates for students that study locally which is anticipated to be a very high proportion of the student population.
- Assumptions about student employment levels reflect the strong expected future demand for graduate skills which is anticipated in the EEFM. The EEFM forecasts 18,100 more graduate-level jobs (NVQ4+ skills requirement) in 2037 compared to 2021. Therefore, the additional supply of graduates generated by this intervention is far below the anticipated demand and therefore it is reasonable to anticipate full employment of these graduates locally. Further, the EEFM is based on our expectations of the additional employment generated through the CPCA Business Growth Service which is expected to generate 2,670 jobs alone, the vast majority of which will be high-skilled graduate jobs.
- Visitor numbers to the Living Lab have been conservatively estimated based on available data for other visitor attractions in Peterborough.

Therefore, the overall forecasting assumptions are reasonable and grounded in likely probabilities based on established evidence. We have very conservatively assumed persistence of economic benefits of ten years for each type of benefit (excluding construction employment which is transitory in nature). Clearly, given that this is a long-term infrastructure investment, this assumption is extremely conservative.

We therefore consider the model that we have developed to be highly robust and compliant with HMT Green Book methodology. Whilst it is a conservative assessment, it very clearly demonstrates that this project delivers excellent value for money.

Specifically, we consider this assessment to be particularly robust because all of the benefits (and the phasing of those benefits) associated with the additional university teaching space – in terms of additional long-term economic benefits due to upskilling, and in terms of additional student expenditure in the local economy – can be reliably forecasted from an understanding of the additional student capacity created by the university.

5.3 Economic costs of proposal

5.3a 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)

The table below illustrates the funding contributions sought, and a financial summary of the project expense streams.

The funding request takes into account all components of cost required to deliver the 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 been considered.

A separate contingency has been identified to safeguard the financial viability of the schemes, including taking into account inflation over the project's lifecycle. Please refer to section 6.1 for further information relating to project contingency.

PROJECT FINANCIAL DETAILS	
Total Project Costs	£27.87m
Total Capital	£27.87m
Total Revenue	£0m
Total 3rd Party Contribution	£7.87m
Total LUF requested	£20m

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
COSTS (£) (inc VAT)						
CONSTRUCTION			3,313,516	17,174,484	312,000	20,800,000
DESIGN & SURVEYS		597,188	877,500	475,312		1,950,000
CLIENT DIRECTS & OTHER		150,000	350,000	150,000		650,000
CONTINGENCY		130,000	1,413,750	1,056,250		2,600,000

LAND PURCHASE		1,870,000				2,000,000
TOTAL COSTS	£	£2,747,188	£5,954,766	£18,856,046	£312,000	£27,870,000

5.4 Analysis of monetised costs and benefits

5.4a 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)

We have estimated the economic benefits using a range of standard 'ready reckoners' and available economic data. We have used standard HMT Green Book methodology to calculate the economic benefits, applying additionality using standard estimates⁵², and through applying a discount rate of 3.5% in line with HMT requirements.

Specific details of the estimates are as follows:

- Direct FTE jobs estimates have been provided by Anglia Ruskin University and reflect both the staffing required for the Living Lab, and the staff required to support the teaching building.
- Construction employment is based on the estimated construction spend and a standard assumption of 15 FTE jobs per million pounds of construction expenditure.
- We have estimated additional visitor numbers conservatively based on available comparator data (e.g. Peterborough Cathedral attracted an average of 206,000 visitors annually in the period in 2018-2019⁵³). Visitor spend estimates are calculated using Visit Britain data on average spend⁵⁴ at an East of England level and assuming an 80/20 split between day visits and overnight stays.
- We have calculated the GVA increase associated with retaining more skilled graduates on the basis of the additional HE students. We have used

⁵² BEIS (2009) Research to improve the assessment of additionality

⁵³ Visit England (2019) Most visited free attractions – East of England 2019

⁵⁴ Visit Britain (2019) Great Britain Day Visits Survey 2019

established regional percentages for student retention⁵⁵ alongside GVA data for Peterborough.

- The teaching element of the Living Lab will support an additional 570 students / graduates per year at ARU Peterborough, assuming the 1,700 students the teaching facility will support at any one time are evenly spread over three graduate cohorts.⁵⁶
- We have calculated the amount of indirect employment in two parts: Firstly, we have estimated the impact of additional spend in local job creation, based on the additional visitor spend in the local economy and average expenditure per job figures. Secondly, we have reflected the number of new graduates in the economy, assuming that 82% of graduates remain locally as is the average for locally-focussed universities such as ARU-P where the vast majority of the intake is anticipated to be from the local community⁵⁷.
- We have assumed that the contribution of additional graduates to the economy increases steadily over time in line with established data on wage increases⁵⁸. We have modelled this so that new graduates make a smaller contribution than more experienced graduates (e.g. after 3-5 years) do within the economy.
- Drawing on established research⁵⁹, we have assumed that the increase in the proportion of working people in the City with higher level skills will increase overall productivity by 0.035%⁶⁰ per 1 percentage point increase in the proportion of the working population with NVQ4+ skills.
- We have assumed additional enterprise creation of 301 new firms over 10 years, reflecting that as the working age population increases in the City due to the additional graduates, we would naturally anticipate new businesses /start-ups being created due to the presence of these graduates in the City. We have therefore used existing ratios of the average number of businesses per working age people, using existing business density data⁶¹, coupled with the additional graduate numbers due to the new building.
- Additionality has been applied drawing on established guidance for this type of facility.⁶² This results in a net additionality of less than one, which represents a conservative assumption but avoids any optimism bias.

⁵⁵ HESA Leavers Destination data: Destinations of Leavers from Higher Education in the United Kingdom for the academic year 2015/16 | HESA. Note: 82% is an East of England average figure.

⁵⁶ Figures provided by Anglia Ruskin University

⁵⁷ HESA Leavers Destination data: Destinations of Leavers from Higher Education in the United Kingdom for the academic year 2015/16 | HESA. Note: 82% is an East of England average figure.

⁵⁸ DfE (2021) Graduate outcomes (LEO)

⁵⁹ DfE & IFS (2020) The impact of undergraduate degrees on lifetime earnings

⁶⁰ This is the mid-point in the identified effect in Ibid.

⁶¹ ONS (2021) Business Demography

⁶² See BIS (2009) Research to improve the assessment of additionality

We have very conservatively assumed persistence of economic benefits of ten years for each type of benefit (excluding construction employment which is transitory in nature). **Clearly, given that this is a long-term infrastructure investment, this assumption is extremely conservative.**

We are also cognisant that there are a range of broader social benefits which remain unquantified at this stage. These are set out in 5.5b. We are confident that if these benefits were quantified the stated economic value of this project would be considerably higher than it already is.

5.4b Please complete Tab A and B on the **appended excel spreadsheet** to demonstrate your:

Tab A - Discounted total costs by funding source (£m)

Tab B – Discounted benefits by category (£m)

5.5 Value for money of proposal

5.5a 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 in a methodology note. Benefit Cost Ratios should be calculated in a way that is consistent with [HMT's Green Book](#). For non-transport bids it should be consistent with [MHCLG's appraisal guidance](#). For bids requesting funding for transport projects this should be consistent with [DfT Transport Analysis Guidance](#). (Limit 500 words)

The provisional financial arrangements for the project are:

- a. LUF £20m
 - b. ARU £4m
 - c. CPCA £2m
 - d. PCC £1.87m – contribution of land value
- £27.87m total

In terms of the LUF contribution, there is therefore an NPV cost of £20m.

The NPV of benefits is calculated at £833m.

Net additionality is estimated at 60% in line with established guidance⁶³.

⁶³ See BIS (2009) Research to improve the assessment of additionality

Therefore, the BCR for this project is currently estimated at 25.01. This represents exceptional value for money, and – as stated above – is a conservative estimate of the economic benefits of this project.

5.5b Please describe what other non-monetised impacts the bid will have, and provide a summary of how these have been assessed. (Limit 250 words)

Overall, this project delivers **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 helping attract local residents to study at the university and ensuring that more highly skilled young people in Peterborough remain in the city.

Wider non-monetised benefits include:

- Greater opportunities for and appreciation of cultural activities in Peterborough, including higher visitor numbers supported at other venues in the university quarter
- Improving connectivity in the local area through high quality pedestrian and cycle links.
- Improved connectivity to sustainable transport modes / public transport.
- Improvement in environment / surrounding greenspace – improving air quality and tackling climate change
- Resolved issues around the area providing cover for anti-social behaviour and criminal activity
- Encourage model shift to active travel, promoting health and well being
- Help tackle congestion
- Increase in local land values
- Increase attractiveness of area/town centre to other employment / development
- Address inequalities
- Improved inclusive mobility
- Increased local engagement with net zero themes
- Contribute towards the DfT Gear Change and Bus Back Better Visions.

In commissioning this work, we will adhere to the social value in government procurement framework, therefore taking the opportunity to increase the social value of the project even further.

All the above can be monetised and calculated when the scheme progresses. The project will aim to quantify social value as far as possible as part of an FBC for local assurance, with monitoring and evaluation after completion.

5.5c Please provide a summary assessment of risks and uncertainties that could affect the overall Value for Money of the bid. (Limit 250 words)

Key risks and uncertainties relate to construction and timely delivery of the project.

However, these are mitigated by the fact that **local delivery partners have already demonstrated their ability to collaborate for rapid project delivery.**

They are on track to deliver the first two phases of the university within tight timescales and to budget. The Phase 1 first teaching building was approved for funding in late 2019 and is already under construction with completion confirmed for July 2022. The Phase 2 Research Centre was approved for funding in mid-2020 and is about to receive planning permission with a spade in the ground this year and completion confirmed for December 2022.

Project management arrangements for construction works will be based on the successful approach employed for these Phase 1 and 2 projects.

The established and already operating, special purpose vehicle to deliver all the phases of the university development, The Peterborough HE Property Company (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:

- Initial designs to enable early planning discussions
- Technical documents for the procurement process
- Management of the design development with the contractor through to execution of a JCT D&B
- Submission of planning application at the appropriate time
- Practical management of the works as contract administrator/ clerk of works, including regular meetings, quality assurance and delivery against timescales.
- Cost management and reporting
- Compliance with funding obligations

Subject to procurement, the local partners anticipate using the same contractors, MACE, to support delivery of Phase 3.

BCR for the project has considered and remains robust against any slippage in construction time.

The on-going COVID-19 health pandemic and consequent restrictions on social movement and activities present a level of risk to the overall Value for Money in

respect to the Living Lab component of the building as a cultural and visitor attraction. However, this risk is considerably mitigated by the fact that the building will not open to the public until 2024, by which time it is most likely that the worst effects of the pandemic will have passed.

In respect to the teaching component of the building, the nature of the courses that will be taught within the building are well attuned to the needs of the local labour market, which will ensure a steady rate of long-term demand.

5.5d For transport bids, we would expect the [Appraisal Summary Table](#), to be completed to enable a full range of transport impacts to be considered. Other material supporting the assessment of the scheme described in this section should be appended to your bid.

PART 6 DELIVERABILITY

6.1 Financial

See technical note Table 1 for further guidance.

6.1a Please summarise below your financial ask of the LUF, 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)

The financial ask of the LUF is for £20m of capital funding.

The provisional financial arrangements for Phase 3 of the project are:

- a. LUF £20m
- b. ARU £4m
- c. CPCA £2m
- d. PCC £1.87m – contribution of land value

£27.87m total

Secured third party contributions amount to £7.87m: 28.2% of the total financial requirement of £27.87m.

6.1b 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 note that we would expect all funding provided from the Fund to be spent by 31 March 2024, and, exceptionally, into 2024-25 for larger schemes.

6.1c 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

- Yes
- No

<p>available. The UKG 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 <u>independent</u> valuer to verify the true market value of the land.</p>	
<p>6.1d 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)</p>	
<p>There are no funding gaps. Third party funding contributions are approved and committed at board/cabinet level from PCC, CPCA and ARU, contingent on this application to the Levelling Up Fund being successful.</p>	
<p>6.1e 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)</p>	
<ol style="list-style-type: none"> 1. An application has been submitted to CPCA's Local Growth Funds for a £2m capital investment. The release of Local Growth Funds for this project has been approved, contingent on this application to the Levelling Up Fund being successful. 2. A September 2020 cabinet authority, supplemented by a March 2020 Cabinet Member Decision Note authorises the transfer of up to 13.5 acres of land to support development of the university over the lifetime of the project. These approvals are appended to match funding letter at Appendix 3a as is a 2020 red book valuation for 3.92 acres, the same amount of land being transferred to facilitate Phase 3. The land will be valued again at point of transfer. Local agency advice suggests the value will only increase resulting in at least £1.87m of land on the site being transferred from PCC to the project via The Peterborough HE Property Company (<u>PropCo1</u>). This has been approved contingent on this application to the Levelling Up Fund being successful. 3. An application has been submitted to ARU's board for £4m of capital investment. This has been approved contingent on this application to the Levelling Up Fund being successful. 	
<p>6.1f Please provide information on margins and contingencies that have been allowed for and the rationale behind them. (Limit 250 words)</p>	
<p>In parallel with a structured risk management regime, the contingency sums established to indemnify against residual risk will be systematically appraised and revaluated at strategic points during the life of the project. The initial contingency</p>	

sum has been ringfenced at 12.5% of construction works value, which is appropriate to the perceived level of complexity and inherent risk in the overall project. This level of contingency is also commensurate to the contingency levels carried on the previous phases.

As the project progresses we will undertake analysis to monitor what has gone before, enable forward strategic planning, and make value judgments to inform corrective measures to control future events and to mitigate budget overspend. This analysis will focus primarily on:

- The trend of variation expenditure and programme success
- Rates of contingency commitment
- Remaining risk on work yet to be executed
- Risk on settlement of accounts and achievement of practical completion
- The residual amount of contingency to cover the remaining areas of risk.

6.1g Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UKG funding partners. (you should cross refer to the Risk Register). (Limit 500 words)

Financial risks to the project will be assessed from the widest possible range of constituencies and through review of information from all possible project sources and stakeholders - including funders, users, designers, constructors and suppliers. PropCo1 has engaged an independent specialised project manager, MACE, to ensure the effective management of construction.

The main financial risks to this project and steps to ensure they are effectively mitigated have been assessed as follows:

A lack of clarity on the design requirements due to sufficient input on the needs of end users. This could lead to a risk of assumptions needing to be made, possibly causing late changes during the design and construction phase, which will cause delay to the programme and increased cost. This risk will be mitigated through robust stakeholder engagement upfront to clearly define the project and design brief. MACE will adopt a project gateway system ensuring that outputs at key design stages are agreed by all parties and are authorised by PropCo1. This approach ensures stakeholders are consulted and bought-in to the developing design, avoiding the likelihood of late change and abortive works.

A risk of requirement for increased statutory services, specifically electrical supply capacity. Capacity increases will be dependent on the energy demands of the building design and any infrastructure upgrade requirements will likely be costly and be unlikely to be funded within the building works budget. To mitigate this risk the design team will submit early applications to relevant utility providers to establish available capacity and assess the likelihood of any required upgrades. Design options will be thoroughly considered to minimise any impact.

Adverse ground conditions including classification of soils, ground bearing capacity or antiquities causing cost increases to building works exceeding budget. To mitigate this risk a professional team will be instructed to undertake required surveys and ground investigations to ascertain the likelihood and potential impact of adverse ground conditions. The findings of surveys and investigations will inform the design solutions available and the team will review and select the most commercially advantageous design solutions available to safeguard funding overspend.

Lower than expected student numbers occupying the Living Lab teaching space, which could lead to lower revenues and jeopardise the long-term financial viability of the building. Effective processes are in place to monitor the recruitment and admission of potential students and degree apprentices to mitigate this risk. This includes monthly reports and detailed analysis to the ARU senior management team. The recruitment strategy will be reviewed and adapted at key points in the recruitment cycle. Data informed marketing campaign will be implemented to target key student groups, using both digital and direct contact. If required, additional resources will be directed to these campaigns to ramp up student numbers. Course delivery will be blended and includes flexible online options so they are open to a greater range of audiences. Accordingly, there will be an increased focus on marketing and recruitment activity that emphasises flexibility and innovation within the course portfolio. If there is a lower-than-expected September student intake, there can be an increased provision of January starts and the introduction of a May intake to balance numbers overall and make up for any losses.

Risks will be described in a standard format including cause and consequence, ownership, mitigation strategy and status, and will be analysed to show both qualitative and quantitative impacts. The risks will be held in a central risk register to ensure consistency and ease of collation and reporting and will be specifically identified according to design or construction impacts with a clear indication of the financial impact. Risks will be reviewed on a periodic basis and subjected to peer-review. The risk register will be regularly updated and readily available for review by the PropCo1 or the project team at any time.

6.2 Commercial

See technical note Section 4 and Table 1 for further guidance.

6.2a 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)

Commercial structure

Project partners, PCC, ARU and CPCA, have already formed a special purpose vehicle – the Peterborough HE Property Company LTD ('PropCo1') - to deliver the new university campus in Peterborough. Should this application be successful PropCo1 will continue to be the entity through which funding is deployed, and delivery will be PropCo1's responsibility. PropCo1 will receive land transferred in exchange for shares, from PCC under a separate Land Transfer Agreement.

Procurement

Procurement (following approval of this application) of the construction to deliver the physical capital works will be as per the procurement of the phase 1 works, a Restricted Procedure, in accordance with the Public Contract Regulations 2015 as amended 2020. The choice of procedure is based on the volume of main contractors and known market interest in the project to ensure an effective competition balanced with proportionality. The procurement will be a two stage Design & Build process with the successful supplier being selected on an evaluation of quality and deliverability against profit and overhead costs. The successful supplier will initially be awarded a Pre-Construction Service Agreement through which the design will be progressed to enable a lump sum JCT Design & Build contract. This route approach is being proposed so as to ensure the project can progress in accordance with the project timescales.

The property will, as per Phase 1, be leased to the already established special purpose vehicle to operate the university (UniCo). As academic delivery partner for the project, ARU will provide the skills, knowledge, experience and resources to make a practical reality of UniCo as the new higher education provider and ultimately a university with degree awarding powers.

Completion of the overall Project is conditional on:

1. The transfer of the land, LUF funding, CPCA-LGF funding and ARU match funding investment being completed
2. Planning Permission being obtained
3. Update to the Propco 1 legal arrangements, this to reflect the additional investments being made and any resulting impacts on decision making processes
4. The Building Contract being successfully procured

Our current programme outline projects for the above to be completed aligned with a successful delivery of March 2024.

Sustainable supply chains and local labour will be used for construction to generate social value in procurement, ensuring that the project adheres to principles set out in the Social Value in Government Procurement Framework.

6.3 Management

See technical note Section 4 and Table 1 for further guidance

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.

6.3a Please summarise the delivery plan, with reference to the above (Limit 500 words)

PCC, ARU and CPCA have already formed a special purpose vehicle – the Peterborough HE Property Company LTD ('PropCo1') - to deliver the new university campus in Peterborough.

Reaching build completion by March 2024.

The first milestone for PropCo1 will be the initial procurement of the multidisciplinary team and legal advice in Q4 2021 ready for commencement of the design and procurement of the facility, to be in place for construction works to start in March 2023.

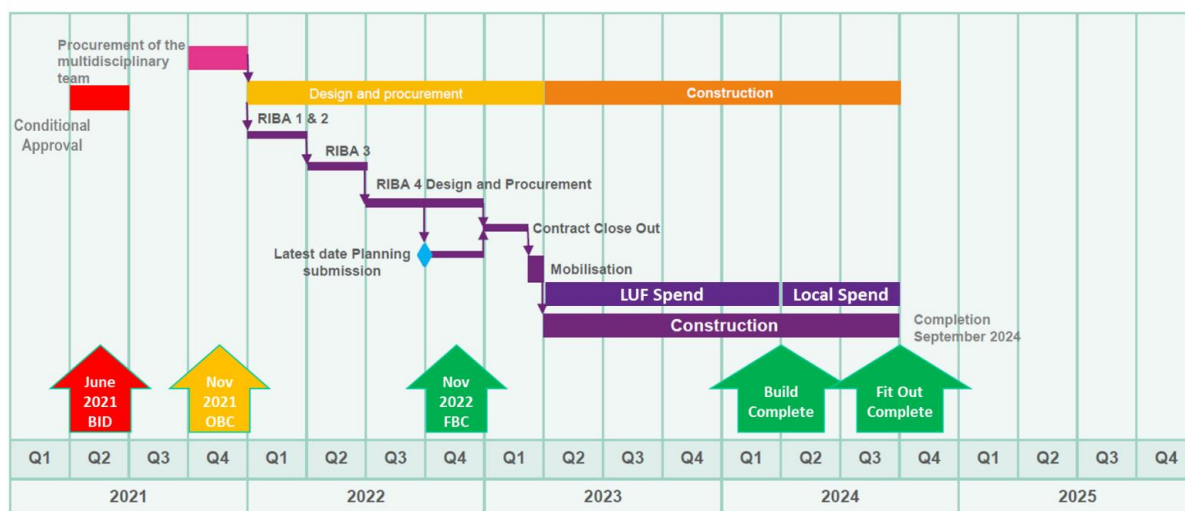
The development will be constructed on Land owned by PCC whom as part of PropCo1 will arrange third party valuation and due diligence on the land which must

be complete for the point of contract award alongside the Agreement for lease and fixed price sum with the main contractor who will deliver the new facility.

Planning application for the development will be developed as part of the early design Gateways to ensure timely application ahead of start on site date. PropCo1 will purchase land from PCC under a separate Land Transfer Agreement ahead of necessary land transfer, which has already been done twice before under the developments of phase 1 and phase 2 of the University.

Completion of the building will be achieved through concurrent processing of design and procurement Jan 22 to Mar 23. This approach has proven successful in delivering the first teaching building for its deadline to open for students in September 2022.

The requested £20m for LUF and £2m from PCC, will be used first to acquire the land and complete construction of the building structure by March 2024, with the £6m of local funding used to fit out the living lab and teaching facilities to be complete by September 2024.



Providing the Assurance Stages Post Approval

Should this bid be approved by Government, we will work with the CPCA, using their Local Assurance Framework to move from Grant Offer to construction contracts using an OBC in November 21, to request local approval to move to concurrent design and procurement of the build. This will include independent validation of the Living Lab business plan and the impact of the additional student volumes in helping university operations to reach critical mass, and long term commercial sustainability. It will also include independent confirmation VAT recovery and state aid compliance.

An FBC in November 22 will be used to request approval to transfer the funding into the university special purpose vehicle company, for it to lay the contracts for construction.

6.3b Has a delivery plan been appended to your bid?	<input checked="" type="checkbox"/> Yes
6.3c Can you demonstrate ability to begin delivery on the ground in 2021-22?	<input checked="" type="checkbox"/> Yes
6.3e Risk Management: Places are asked to set out a detailed risk assessment which sets out (word limit 500 words not including the risk register):	
<p>Risk management for the project follows best-practice guidelines and considers uncertainty, opportunity and threat risks. It is an ongoing iterative process throughout the project management lifecycle, with specific interventions at project gateways (in line with RIBA and Gateway sign-off stages) and across the business case, design, planning, procurement, construction and after-care life-cycle of projects.</p> <p>The risk management process ensures that we understand how to identify and manage risk at all levels of the organisation.</p> <p>A detailed project risk register (including risk control strategies) has been developed based on the following risk categories:</p> <ol style="list-style-type: none"> 1. Surveys and Site Constraints 2. Commercial 3. Design 4. Legal 5. Procurement 6. Operational 7. Governance <p>The risk register is appended to this application.</p> <p>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 and the PropCo1 Board. The risk register will be reviewed at least monthly by the PropCo1 Board. These monthly risk reviews will be an integral part of monthly reporting to PropCo1 by CPCA.</p>	
6.3f Has a risk register been appended to your bid?	<input checked="" type="checkbox"/> Yes

6.3g Please evidence your track record and past experience of delivering schemes of a similar scale and type (Limit 250 words)

PropCo1 is currently delivering Phase 1 of this programme of work. Construction on the university commenced as planned in 2020 and is on schedule for building works to be complete by July 2022.

Partners within PropCo1 have strong track records of delivering similar projects, including:

- PCC-led regeneration of Fletton Quays through The Peterborough Investment Partnership LLP (PIP). As part of regeneration proposals, the Council acquired office space on site to serve in the role of anchor tenant. To date successful developments on the site include:
 - The Council's new Offices, completed in 2018
 - A new car park, made ready for use in 2018
 - Weston Homes Apartments (260 in total), opened in 2019
 - Hilton Garden Inn Hotel, construction started in 2020 and will be complete within 2 years

ARU is an experienced developer of university campuses, having already established successful campuses in Cambridge, Chelmsford and London, as below:

ARU Campus / Project	£ Investment	Build Time	Handover
MedBIC, Chelmsford	£6m	11 months	March 2014
School of Medicine, Essex	£17.8m	16 months	September 2018
Science Centre, Cambridge	£40m	24 months	October 2017
University Centre Harlow	£8.5m	12 months	September 2011

6.3h Assurance: We will require Chief Financial Officer confirmation that adequate assurance systems are in place.

For larger transport projects (between £20m - £50m) please provide evidence of an integrated assurance and approval plan. This should include details around planned health checks or gateway reviews. (Limit 250 words)

CPCA's Assurance Framework can be found [here](#).

It sets out how the seven principles of public life shape the culture, processes and practice within CPCA in discharging its responsibilities in the administration of the

Cambridgeshire and Peterborough Investment, incorporating the Single Pot funding. At project level, project assurance will be conducted under the main transactional agreements and, once the conditions precedent are satisfied, responsibility for project assurance will transfer to PropCo1 and UniCo for the building and HE operations respectively.

The Phase 3 building must be open for business to students in September 2024. This will be achieved by 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.

6.4 Monitoring and Evaluation

See technical note Section 4 and Table 1 for further guidance.

6.4a Monitoring and Evaluation Plan: Please set out proportionate plans for M&E which should include (1000 word limit):

- 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

Following the approval of funding, a Monitoring and Evaluation Plan (MEP) will be developed which will set out the detailed approach to monitoring and evaluation (M&E) pre and post completion. The MEP will outline:

- M&E objectives;
- The project logic model and underpinning assumptions which will provide the focus for evaluation;
- A description of the approach and methods that will be used;
- The quantitative indicators that will be monitored;
- An implementation plan; and,
- How the findings will be disseminated and used for inform future policy and project development.

On-going monitoring of the project pre and post completion will be undertaken in-house by a designated Project Administrator and overseen by an experienced Project Manager. The objectives of project monitoring will be to track project expenditure and

the delivery of quantitative project outputs and outcomes in order to monitor project performance, manage delivery risks, and provide assurance/progress updates to funders.

KPIs will be determined by the project logic model and Theory of Change which will be developed as part of the MEP, but are anticipated to include as a minimum:

Outputs:

- Ha of land developed;
- Sq m of commercial space created;
- Ha of new public space created;
- Jobs created

Outcomes:

- Improved perceptions of place by students
- Increased student numbers;
- New start businesses created;
- Existing businesses supported;

Data will be collated via project monitoring forms, the university's internal data/student management system, and annual student surveys.

As the impacts of the project will primarily materialise following construction, external evaluators will be procured to work with the university to embed monitoring and evaluation processes to facilitate on-going impact assessment. External evaluators will also provide an independent impact evaluation of the project following completion. This has been included in project costs.

The strategic objectives for evaluation will be to determine:

- how effectively the project was delivered and what can be learnt from the delivery process to inform future interventions;
- what difference the project made and whether outputs, outcomes and impacts materialised as anticipated; and,
- whether the project has represented good value for money.

External evaluation will be overseen by a steering group comprising key university personnel involved in the delivery and on-going management of the facility. It is anticipated that the evaluation will use a Theory-based methodology and a blend of qualitative and quantitative research methods including as a minimum:

- desk-based analysis of project monitoring and management data;
- consultations with key stakeholders
- consultations/survey of end beneficiaries.

The MEP will set out the full dissemination plan, but this is expected to include dissemination of the impact evaluation within the university to key personnel involved in the delivery of comparable projects, and to funders.

PART 7 DECLARATIONS

7.1 Senior Responsible Owner Declaration

As Senior Responsible Owner for the Living Lab, University Quarter Cultural Hub and expanded university in Peterborough I hereby submit this request for approval to UKG on behalf of Peterborough City Council and confirm that I have the necessary authority to do so.

I confirm that Peterborough City Council 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: Peter Carpenter

Signed:



7.2 Chief Finance Officer Declaration

As Chief Finance Officer for Peterborough City Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Peterborough City Council:

- 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 UKG 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 UKG funding will be considered beyond the maximum contribution requested and that no UKG funding will be provided after 2024-25

- confirm that the authority commits to ensure successful bids will deliver value for money or best value.
- 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: Peter Carpenter

Signed:



7.3 Data Protection

Please note that the The Ministry of Housing, Communities and Local Government (MHCLG) is a data controller for all Levelling Up Fund related personal data collected with the relevant forms submitted to MHCLG, and the control and processing of Personal Data.

The Department, 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 Department for funding from the Levelling Up Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the Department may need to share your Personal Data with other Government departments and departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Any information you provide will be kept securely and destroyed within 7 years of the application process completing.

You can find more information about how the Department deals with your data [here](#).

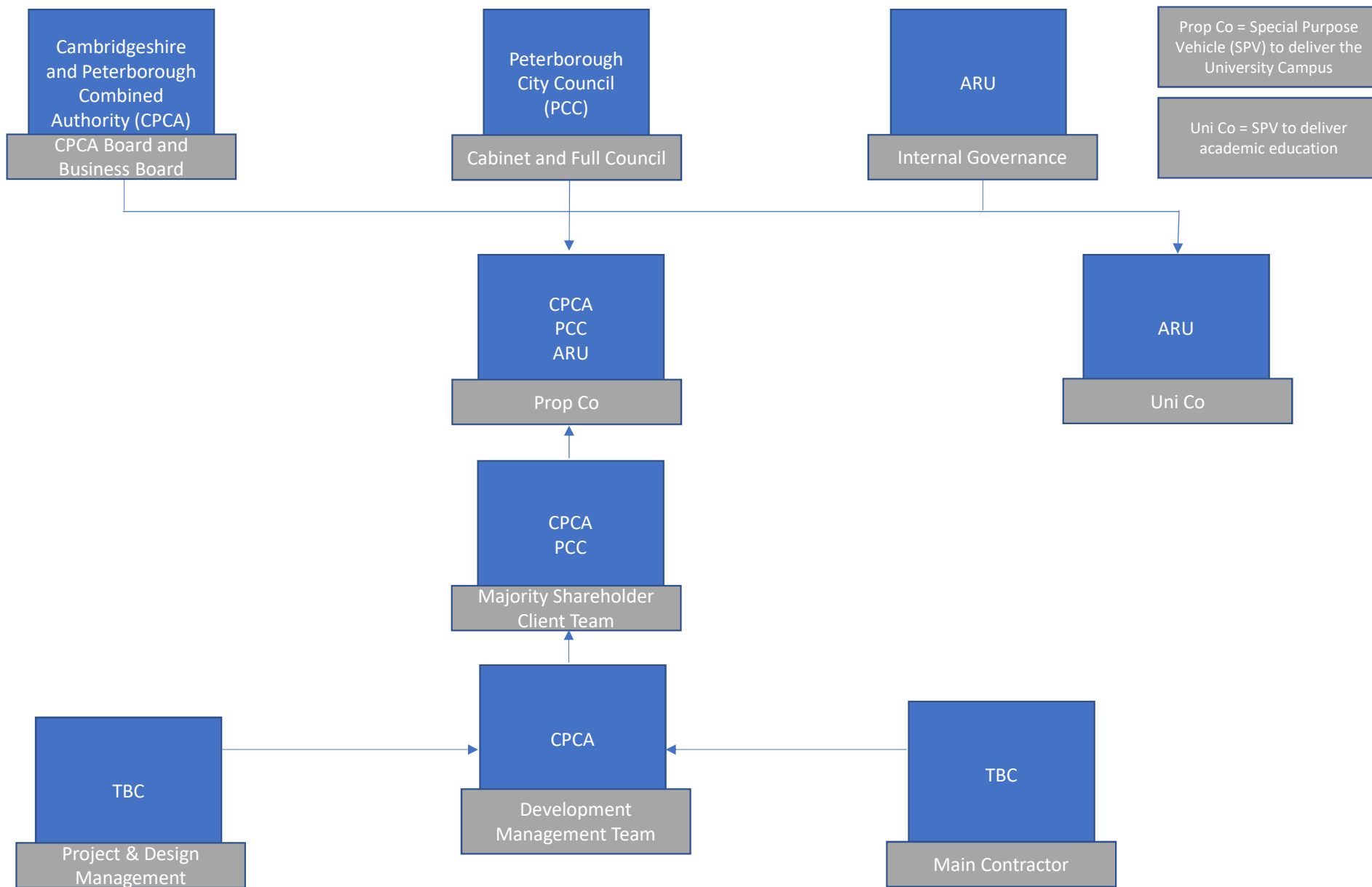
ANNEX D - Check List Great Britain Local Authorities

Questions	Y/N	Comments
4.1a Member of Parliament support		
MPs have the option of providing formal written support for one bid which they see as a priority. Have you appended a letter from the MP to support this case?	Y	
Part 4.2 Stakeholder Engagement and Support		
Where the bidding local authority does not have responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support?	n/a	
Part 4.3 The Case for Investment		
For Transport Bids: Have you provided an Option Assessment Report (OAR)	n/a	
Part 6.1 Financial		
Have you appended copies of confirmed match funding?	Y	
The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Please provide evidence in the form of a letter from an independent valuer to verify the true market value of the land. Have you appended a letter to support this case?	Y	
Part 6.3 Management		
Has a delivery plan been appended to your bid?	Y	

Has a letter relating to land acquisition been appended?	Y	
Have you attached a copy of your Risk Register?	Y	
Annex A-C - Project description Summary (only required for package bid)		
Have you appended a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	Y	

This page is intentionally left blank

University of Peterborough Phase 3 Governance



This page is intentionally left blank

CABINET	AGENDA ITEM No. 6
25 OCTOBER 2021	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr Andy Coles, Cabinet Member for Finance	
Contact Officer(s):	Peter Carpenter, Corporate Director of Resources Kirsty Nutton, Head of Corporate Finance	Tel. 452520 Tel. 384590

BUDGET CONTROL REPORT AUGUST 2021

RECOMMENDATIONS	
FROM: Director of Corporate Resources	Deadline date: 15 October 2021
<p>It is recommended that Cabinet notes:</p> <ol style="list-style-type: none"> 1. The budgetary control position for 2021/22 at 31 August 2021 is a forecast breakeven position. 2. The key variance analysis and explanations are contained in Appendix A. 3. The Council's performance with respect to Business Rates (NDR) and Council Tax Collection, as outlined within section 6. 4. The Council's reserves position, as outlined within Appendix B. 5. The Council's Capital performance as outlined in Appendix C. <p>It is recommended that Cabinet approves:</p> <ol style="list-style-type: none"> 6. Capital Budget virements as outlined in Appendix C, these include: <ol style="list-style-type: none"> a. £0.034m - Westcombe Engineering Machinery Investment (Funded by Invest to Save) b. £0.178m - Capital Funding to build Mausoleum at Fletton and Eastfield Cemeteries (Funded by Invest to Save) <p>It is recommended that Cabinet recommends to Council for approval:</p> <ol style="list-style-type: none"> 7. Capital Budget Virements as outlined in Appendix C, these include: <ol style="list-style-type: none"> a. £1.577m - Clare Lodge Refurbishment and Safety works (Third Party Funding) b. £1.500m - Contribution to the Highways Agency for the A14 improvement scheme, the payment to take place as equal payments of £60k a year for 25 years from 2020/21 (Funded from Community Infrastructure Levy) 8. Revenue budget virement, in respect of the revised use of the Capitalisation Direction as outlined in section 5.5. 	

1. ORIGIN OF THE REPORT

1.1. This report is submitted to Cabinet following discussion by the Corporate Management Team (CMT).

2. PURPOSE AND REASON FOR REPORT

2.1. This report is for Cabinet to consider under its Terms of Reference No. 3.2.7 'To be responsible for the Council's overall budget and determine action required to ensure that the overall budget remains within the total cash limit'.

2.2. This report provides Cabinet with the forecast outturn for 2021/22 as at August 2021 budgetary control position.

3. TIMESCALE

Is this a Major Policy Item/ Statutory Plan	No	If yes, date for Cabinet meeting	N/A
Date for relevant Council meeting	N/A	Date for submission to Government Dept.	N/A

4. AUGUST 2021 BUDGETARY CONTROL REPORT (BCR)- REVENUE

4.1. The revenue budget for 2021/22, agreed at Full Council on 3rd March 2021, was approved at £187.3m. The following table outlines the changes which have been made to the budget to arrive at the revised budget of £187.6m.

Reconciliation of agreed MTFS budget to current budget	£m
Approved Budget 2020/21	187.255
Earmarked Reserves: Place & Economy	0.104
Capacity Reserve Contribution: Resources and Place & Economy	0.234
Revised Budget 2020/21	187.593

4.2. The following table summarises the budgetary control position by directorate, outlining the forecast breakeven position.

Directorate	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Chief Executives	1,219	1,282	63	3	59	Overspend
Governance	4,169	4,049	(120)	(101)	(18)	Underspend
Place & Economy	24,021	23,307	(715)	(730)	15	Underspend
People & Communities	99,537	104,963	5,426	5,552	(125)	Overspend
Public Health	(188)	(239)	(51)	(51)	-	Underspend
Resources	22,763	20,955	(1,807)	(1,684)	(123)	Underspend
Customer & Digital Services	7,356	7,100	(256)	(251)	(5)	Underspend
Business Improvement	722	702	(20)	(21)	1	Underspend
Capital Financing	27,994	25,328	(2,666)	(2,666)	0	Underspend

Total Expenditure	187,593	187,447	(146)	50	(196)	Underspend
Financing	(173,859)	(177,549)	(3,690)	(3,690)	0	Underspend
Exceptional Financial Support (Capitalisation Direction)	(13,734)	(9,898)	3,836	3,640	196	Less borrowing forecast
Net	-	-	-	-	-	Breakeven

4.3. At the end of August, the Councils forecast outturn position initially outlined underspend of £3.8m. This favourable position was largely driven by the continuation of the additional income from the Business Rates Pool, additional grant in respect of lost Sales Fees and Charges, and a reduction in the cost of borrowing for the Council. As a result of this the Council has incorporated a reduction in the amount of Capitalisation Direction (borrowing to fund revenue costs) that would be required.

4.4. Key variances within the Council's financial position include:

Favourable Variances

- Capital Financing – Reduced borrowing from 2020/21 financial year contributing to a reduction in interest payments, and additional savings forecasted on the timing of new borrowing taken during the current financial year resulting in a forecast saving of £2.666m.
- Financing - Based on the NNDR1 return submitted in January to government, the Council is expected to receive £2.490m share of the benefit gained via the Cambridgeshire and Peterborough Business Pool Rates for 2021/22. This was not included within budget due to the timing of the receipt of information to inform the budget estimate.
- Resources – The Pension actuary completed the cessation assessment for Peterborough Culture and Leisure Trust (Vivacity) which resulted in favourable variance of £1.3m, by receiving a single year reduction to the secondary contributions for the year 2021/22. This variance is the result of the Funding and Management Agreement with Vivacity and the risk agreement for pension contributions.
- Financing – The Government Sales Fees and Charges compensation scheme extended to cover April – June resulting in a forecasted grant receipt of £1.2m.
- Place & Economy – There has been a significant increase in wholesale export price of electricity produced by the Energy Recovery Facility. This is resulting in a favourable variance of £1.1m due to the market showing faster signs than expected of recovery.
- Place & Economy – the Council's 100% owned company, Aragon Direct Services (ADS), are reporting an improvement in its financial position, resulting in a favourable variance of £0.5m due to anticipated reduction in costs to the Council.

Adverse Variances

- People & Communities – Parking services are reporting a loss of £1.3m due to loss of income in relation to Parking Charges continuing to be affected by reduced footfall in the city and Environment Enforcement Services. See 5.1 below on Sale Fees and Charges income for mitigating funding.
- People & Communities - Think Communities are reporting a £1.1m loss of income within the Culture and Leisure Services, as a result of the social distancing and lockdown restrictions in place throughout April- June which impacted on incomes streams.

- People & Communities - Children's Commissioning is reporting an adverse variance of £0.9m due to increased child protection and family support referrals. Additional adverse variances due to short breaks and Homecare periods for out of school for Children with Disabilities
- People & Communities – Children's Operation are forecasting an additional spend of £0.9m, this is due to an increase in high demand for family safeguarding and Early Help Services
- Place & Economy - An additional £0.5m of expenditure within Housing Services due to the cost of using Hotels and B&B's, and associated security and maintenance costs. This additional expenditure is offset with the Rough Sleeper initiative grant and the Rapid Rehousing Pathway grant held in the departmental reserve.

4.5. Further details regarding the service variances are outlined within Appendix A of this report.

5. Medium Term financial Strategy

5.1. The Council has been in ongoing discussions with the Department of Levelling Up, Housing & Communities (DLUHC, formerly known as MHCLG) in respect of its challenging financial environment since October 2020. In February 2021, the Council received approval in principle for Exceptional Financial Support (EFS) in the form of a £20m Capitalisation Direction for 2022/23. The EFS, was contingent on the results of the financial assurance and governance reviews, together with a plan to deliver financial sustainability in the future. Over the summer period, CIPFA and Andrew Flockhart have been conducting the reviews on behalf of the DLUHC. The report in respect of the assurance review is expected to be published in October. Following this the Council expects to receive ministerial approval in respect of the EFS.

5.2. Alongside this the review the Council has been developing a sustainable Budget Strategy which will be reported to Cabinet, at this meeting (25 October) as part of the Councils Medium Term Financial Strategy (MTFS) Phase One. As part of the MTFS the Council has considered the requirement to use the full Capitalisation Direction built into the 2021/22 budget and approved in principle by the government.

5.3. At the end of 2020/21 the Council created a £12.8m Covid-19 Funding Reserve. This reserve was set up to ensure that additional costs from the anticipated additional demand, and longer lasting impact of C-19, could be funded in 2021/22. The balance in the reserve was based on the data available at the time, noting the complexity and uncertainty of the pandemic had on forecasting future income and demand in some service delivery areas. Officers have been continuously reviewing caseloads, service user numbers and working closely with the Business Intelligence Team to better understand the emerging patterns and associated impact on the financial position.

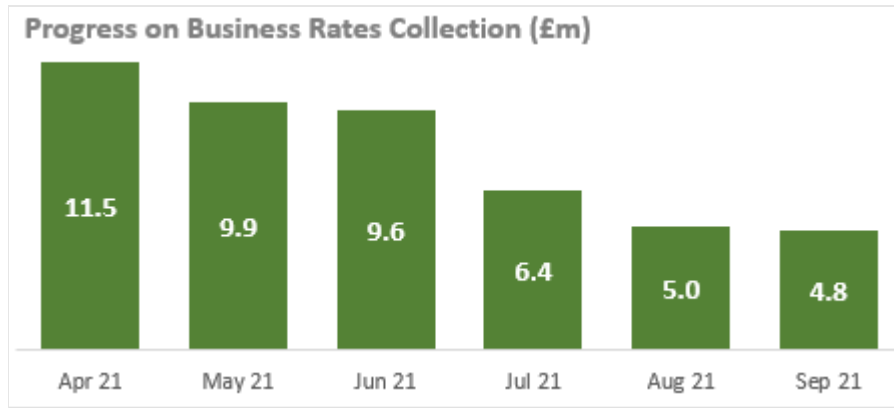
5.4. Although the August financial performance identifies some areas of financial pressure resulting from the pandemic, these are being mitigated by other service delivery budgets performing favourably and resulting in an overall forecast underspend of £3.8m. The scale of the additional demand and budgetary pressures, have so far, been lower than the Council originally anticipated. This enables the Council to reduce the amount of Capitalisation Direction it anticipates to apply to fund the revenue budget in 2021/22 from the original budget value of £13.7m. This results in a forecast breakeven position, as outlined within 4.2 and will mean the Council will see a corresponding reduction in its future borrowing costs as a result.

5.5. Additionally as incorporated within the Phase One MTFs 2022/23-2024/25 report and as a recommendation from this report, it is proposed that a budget virement take place to reduce the funding from Capitalisation Direction budget by at least £10.5m to be replaced with the application of funding from the Covid-19 Funding Reserve. As noted in 5.4, this revised funding approach would reduce the Council's future borrowing costs, especially with the Capitalisation Direction attracting an additional 1% premium on interest rate. This revised funding strategy for 2021/22 is outlined in further detail within the Phase One Medium Term Financial Strategy report, also reported to this Cabinet meeting. Once the budget virement is approved by Council the budget will be updated to reflect this recommended change in funding strategy for 2021/22.

6. Business Rates and Council Tax

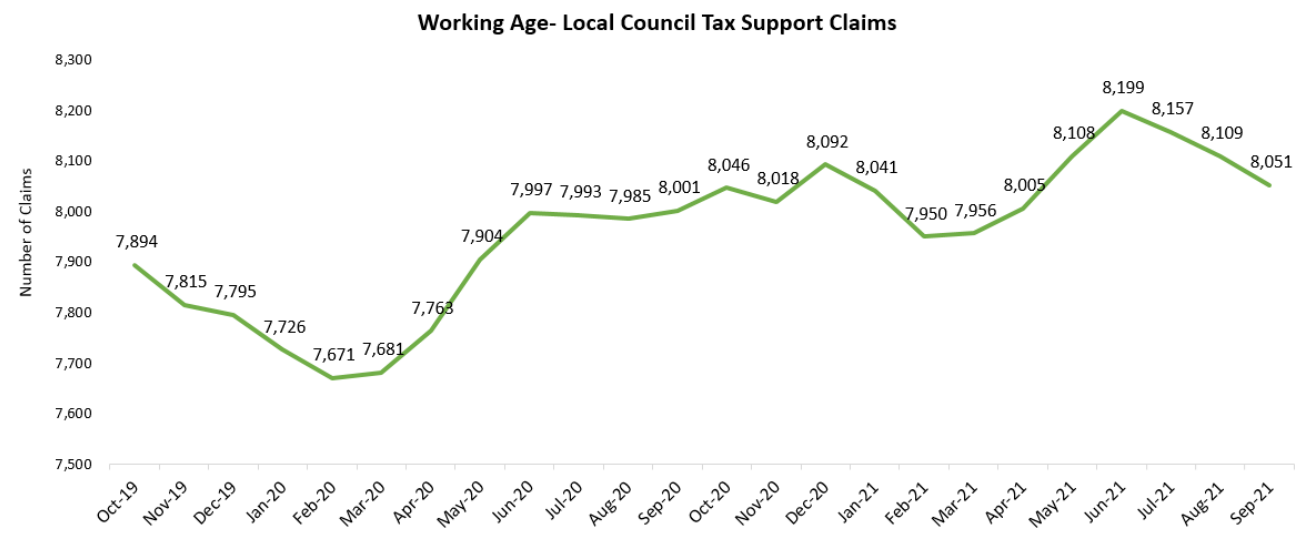
Business Rates (NDR)

- 6.1. During 2020/21 a large number of Material Change in Circumstance (MCC) appeals have been raised by businesses due to the impact C-19 restrictions. The government announced that it would legislate "to rule-out C-19 related MCC appeals". Instead, Local Authorities would be allocated a share of a new £1.5bn grant that can be used to provide business rates relief to support those local businesses most affected by the pandemic. Changes to legislation for both of these proposals is still due to go through parliament and it is expected this will now take place in Winter.
- 6.2. The government required Councils to provide the initial Extended Retail, Hospitality and Leisure relief at 100% for the first three months of 2021/22, which meant the Council had to apply this to the whole year in the first instance, creating the net collectable debit (NCD) of c£72m. As per the government policy the Extended Retail Relief was then altered to 66% from 1 July, for the remaining 9 months with the introduction of a cash cap. Applying these changes to the Business Rates system then increased the NCD to c£86m.
- 6.3. The Council's collection rate for Business Rates income is now 11.8% behind target for 2021/22. The collection rate declined in July as a result of billing the changing rates of the extended retail relief as previously explained. This meant that even though the amount of business rates collected had continued to increase throughout, it presents as a lower percentage against the total amount now due, resulting in a sharp drop in the collection rate. The affected ratepayers were required by law to be given until 1 September before paying their first instalment and as such, there will be a in delay in business rates collection, resulting in a change of collection profile. It is expected over the course of the year the collection rate will gradually improve.
- 6.4. The Council reported within the 2020/21 Outturn Report that it had £11.5m of uncollected Business Rates income at the end of the financial year which equated to an annual collection rate of 81.83%, much lower than the average collection rate of 97.86%. The Council had put recovery action for these debts on hold in 2020/21 as a result of government guidance and to support local businesses. However, active recovery commenced in February 2021, with an action plan put in place to collect the outstanding balances. This includes the use of additional temporary resource, regular monitoring and more frequent reminder/recovery letters which is in addition to the standard recovery procedures. Since the 1 April 2021 these actions have reduced the outstanding balance by 58% to £4.8m, as shown in the following chart:

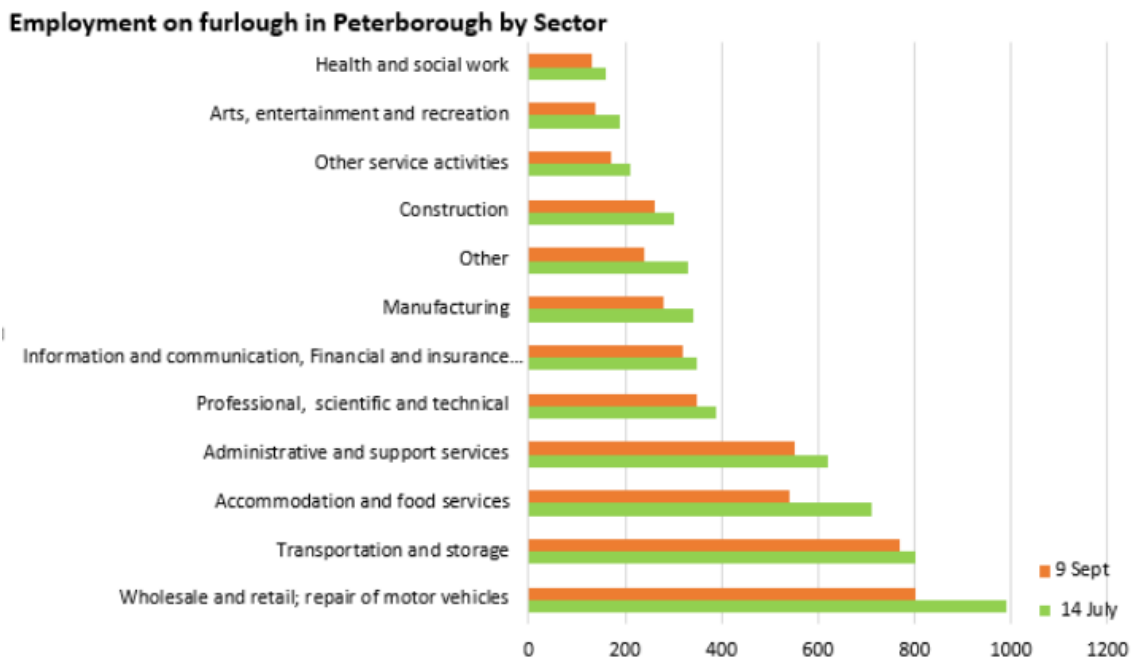


Council Tax

6.5. Local Council Tax Support (LCTS) working age caseloads have continued to rise throughout the pandemic, with the most recent monthly position reducing and showing signs of improvement. Since the start of the pandemic an additional 380 households are receiving support, a 5% rise. Prior to the C-19 pandemic the working age caseloads were steadily reducing however the pandemic has created significant economic uncertainty. The impact of three periods of Lockdown has seen residents lose sources of income, jobs and placed on furlough. The following chart illustrates the monthly trend:



The following chart demonstrates the number people receiving furlough within Peterborough, and the type of industry their employment is categorised in:



*Source <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-9-september-2021>

6.6. Despite the increase in LCTS caseloads the collection rate for **Council Tax income collection is 0.12% ahead of the target for 2021/22**. This performance will remain under close observation throughout 2021/22 especially as the economy recovers and government road map progresses.

7. APPENDICES

7.1. Further information is provided in the following appendices:

- Appendix A – Budgetary Control Report Dashboard- August 2021
- Appendix B – Reserves Position
- Appendix C– Capital Programme – August 2021

This page is intentionally left blank

Appendix A- Budgetary Control Report Dashboard

Period **Aug-21**

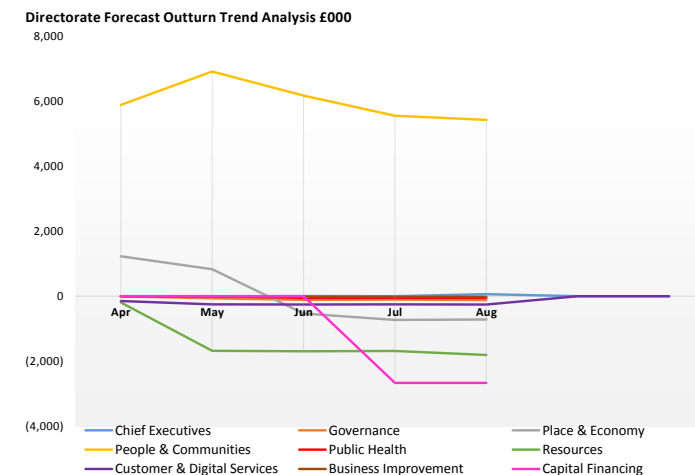
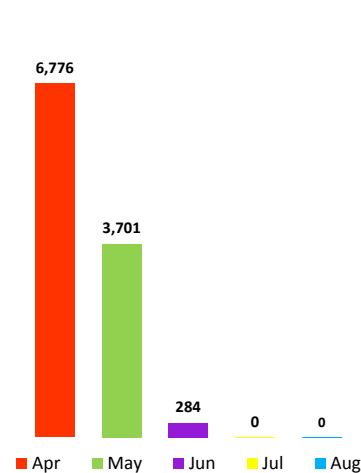


£0.0m Forecast Breakeven

0.0% Forecast Breakeven

August's forecast position of no change in comparison to July

Directorate	Budget £k	Forecast Spend £k	Variance £k	Previous Month		Overall Status
				Variance £k	Movement £k	
Chief Executives	1,219	1,282	63	3	59	Overspend
Governance	4,169	4,049	(120)	(101)	(18)	Underspend
Place & Economy	24,021	23,307	(715)	(730)	15	Underspend
People & Communities	99,537	104,963	5,426	5,552	(125)	Overspend
Public Health	(188)	(239)	(51)	(51)	(0)	Underspend
Resources	22,763	20,955	(1,807)	(1,684)	(123)	Underspend
Customer & Digital Services	7,356	7,100	(256)	(251)	(5)	Underspend
Business Improvement	722	702	(20)	(21)	1	Underspend
Capital Financing	27,994	25,328	(2,666)	(2,666)	0	Underspend
Total Expenditure	187,593	187,447	(146)	50	(196)	Underspend
Financing	(173,859)	(177,549)	(3,690)	(3,690)	0	Underspend
Exceptional Financial Support (Capitalisation Direction)	(13,734)	(9,898)	3,836	3,640	196	Borrowing
Net	(0)	0	0	0	(0)	Breakeven



Key Budget Pressures		
Exceptional Financial Support (Capitalisation Direction)	3,836	Reduction in the requirement to borrow to fund the net revenue expenditure budget.
People & Communities	1,364	Parking: Loss of income in relation to Parking charges and Parking and Environment Enforcement Services.
People & Communities	1,115	Think Communities: Loss of income between April - June 2021 in relation to access to Leisure Facilities and Cultural Events.
People & Communities	925	Childrens: Additional forecast spend on Children's placements, Children's with disabilities and Short Break Commissioning.
People & Communities	858	Childrens: Forecast additional spend as a result of rising demand for Family Safeguarding and Early Help Services.
People & Communities	705	Commissioning: Pressure as a result of reduced occupancy at Clare Lodge.
Place & Economy	496	Housing: Forecast additional spend as a result of housing rough sleepers into hotels and B&Bs.
People & Communities	388	Communities - Regulatory Services: Pressure within Coroners Services as a result of unusually complicated and high profile cases.

Key Favourable Variances		
Capital Financing	2,666	Reduced borrowing in 20/21 meaning reduction in interest payments than originally forecasted, as well as additional savings forecasted on the new borrowings.
Financing	2,490	Based on the NNDR1 return submitted in January to Government, the Council is expecting to receive a £2.490m share of the benefit gained via the Cambridgeshire and Peterborough Business Rates Pool for 21/22. This was not included within the budget due to timing of the available forecast and the uncertainty surrounding the estimates resulting from the economic impact of Covid-19.
Resources	1,337	Corporate: The pension actuary completed the cessation assessment for Peterborough Culture and Leisure Trust (Vivacity) which resulted in receiving in single year reduction to their secondary contributions for the year 2021/22.
Financing	1,200	The Government Sales Fees and Charges (SFC) compensation scheme was extended to cover April - June. The Council is still experiencing income losses, particularly on parking, Culture and Leisure Services, with forecast grant for the SFC scheme was expected to be £1.2m.
Place & Economy	1,095	Waste Cleansing and Open Spaces: Significant increase in wholesale export price of electricity produced by the Energy Recovery Facility due to the market showing significantly faster signs of recovery.
Place & Economy	500	Waste Cleansing and Open Spaces: Aragon Direct Services are projecting an improvement in their financial position resulting in anticipated costs to the Council now being lower.
Resources	260	Peterborough Serco Strategic Partnership: Savings in relation to Business Support contract credits.

£5.4m

Forecast Overspend

5%

Forecast Overspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
People & Communities	Director	1,596	1,598	2	(11) ▼	13	Overspend
People & Communities	Education	6,641	6,658	18	38 ▲	(21)	Overspend
People & Communities	Adults - Commissioning	46,965	47,009	45	52 ▲	(7)	Overspend
People & Communities	Adults - Operations	9,888	9,403	(485)	(407) ▲	(79)	Underspend
People & Communities	Children's - Operations	12,015	12,786	771	807 ▲	(36)	Overspend
People & Communities	Children's Commissioning	18,079	18,901	822	927 ▲	(105)	Overspend
People & Communities	Commissioning Team and Commercial Operations	479	1,192	713	713 ▲	(0)	Overspend
People & Communities	Communities - City Centre Management	348	529	181	184 ▲	(3)	Overspend
People & Communities	Communities - Cohesion and Integration	16	(2)	(19)	(19) ▲	(0)	Underspend
People & Communities	Communities - Community Safety	(1,343)	(100)	1,243	1,475 ▲	(232)	Overspend
People & Communities	Communities - Think Communities	3,137	4,287	1,150	818 ▼	332	Overspend
People & Communities	Communities-Regulatory Services	1,716	2,404	688	676 ▼	12	Overspend
People & Communities	Children's & Safeguarding (DSG)	6,042	6,257	215	215 =	0	Overspend
People & Communities	Commissioning and Commercial Operations (DSG)	11	11	0	0 =	0	On Budget
People & Communities	Education (DSG)	(6,053)	(5,969)	83	83 ▼	0	Overspend
	Total People & Communities	99,537	104,963	5,426	5,552 ▲	(125)	Overspend

86

Directorate Overview

The People and Communities Directorate is currently forecasting an overspend of £5.426m. The overspend is split between COVID-19 impact overspend of £5.112m and a forecast overspend of £0.314m relating to non-Covid 19 activity.

The COVID-19 Impact is broken down as follows: -

- *£2.113m additional spend in response to Covid-19.
- *£2.897m forecast under achievement of income.
- *£0.421m pressure re Non-achievement of Medium Term Financial Strategy (MTFS) savings.
- *£0.319m saving in relation to reduced spend.

Directorate Variance Analysis

Education	£0.150m forecast pressure as a result of lost income within the School Improvement service. This includes: * £0.050m - School Improvement traded services as Schools are prioritising Covid-19 recovery. * £0.100m - Attendance Fine Fixed Penalty Notices relates to where parents take children out of school during term time for holidays or other unauthorised absence. Due to historic experience of the level of notices being issued a budget was built into the Medium Term Financial Strategy (MTFS). However there is forecast pressure recognised as income is unlikely to return to pre-pandemic levels until restrictions on foreign travel are lifted and penalty notices are issued as a deterrent for parents for taking children out of school.
Adults - Commissioning	£0.058m - NESTA have been commissioned to review the health and social care system around Discharge to Assess (hospital discharges) redesign including elements such as timely discharges from hospital, seven day working reducing delayed discharges and reviewing support to patients through the process

<p>Adults - Operations</p>	<p>£0.129m forecast pressure due to additional spend required as a result of Covid-19, this includes:</p> <ul style="list-style-type: none"> * £0.045m for additional Occupational Therapy capacity to deal with increased demand for services from hospital discharges and disabled facilities grant cases awaiting reviews * £0.065m for extension of temporary resource in Transfer of Care (Hospital Discharge) Team to continue to support the health and social care system in discharging patients in a timely manner. <p>£0.384m forecast favourable on staffing costs, is mainly due to the difficulties in recruiting to vacancies due to availability of appropriately qualified staff, new appointments being at a lower spinal column point or reduced hours in comparison to budget.</p> <p>£0.120m forecast favourable on Mental Capacity Act/Deprivation of Liberty Standards services for Best Interest Assessors and section 12 Doctors. Forecasting includes reduced requests and backlog of Court of Protection cases still impacting</p>
<p>Children's - Operations</p>	<p>£0.858m forecast pressure as a result of additional expenditure required as a result of Covid-19. This includes:</p> <ul style="list-style-type: none"> * £0.578m - Assessment and Family Safeguarding demand, additional recourses will be required due to the already increasing numbers of assessments and referrals. * £0.263m - Additional Early Help costs - additional resources are required to respond to a rise in Children's Social Care referrals which will require Early Intervention services. * £0.017m - Additional Youth Family worker to cover a staff member having to shield
<p>Children's Commissioning</p>	<p>£0.925m forecast pressure as a result of additional expenditure resulting from Covid-19. This includes:</p> <ul style="list-style-type: none"> * £0.735m - Childrens Social Care (CSC) Placements - due to increased child protection and family support referrals, which will in turn result in a rise in Local Authority Care (LAC) numbers. * £0.121m - Children with Disabilities - Additional Short Breaks and Homecare for periods out of School * £0.049m - Short breaks Commissioning with Circles Network
<p>Commissioning Team and Commercial Operations</p>	<p>£0.705m forecast pressure in relation to Clare Lodge, this is based on average occupancy of 10 young people. The £0.699m forecast overspend represents:</p> <ul style="list-style-type: none"> * A projected shortfall of income of £1.193m based on reduced average occupancy of 10 young people * Off-set by reduced expenditure (including staffing and agency) of £0.494m.
<p>Communities - City Centre Management</p>	<p>£0.181m forecast pressure includes: £0.112m forecast loss of income at the Market due to non-essential traders having not yet reopened stalls following the Lockdown 3.0 restrictions, £0.040m as a result of the Government extension to the lower charge rate in relation to outdoor seating and £0.015m as a result of the 2021 Great Eastern Run being cancelled.</p>
<p>Communities - Community Safety</p>	<p>£1.364m forecast pressure due to loss of income across multiple services including £0.684m from Parking charges, £0.283m from Parking Enforcement and £0.397m from Environmental Enforcement. Actual parking income continues to be significantly less than budget due to the reduction in footfall within the town centre due to Covid-19. Environmental Enforcement staff are still been redeployed to support the Covid-19 response. Parking Enforcement is fully operational but income will be dependent on footfall in the town centre.</p>
<p>Communities-Regulatory Services</p>	<p>£0.388m forecast pressure within the Coroners service as a result of unusually complicated and high profile cases (£0.161m), Covid-19 (£0.078m) and Business as Usual (£0.152m). This is due to the requirement to adhere to strict Covid-19 guideline regarding PPE and a backlog of cases, therefore there is a need to appoint additional area coroners and assistant coroners. There is also a need for additional ICT, due to a shortage of Covid-19 secure premises for remote inquests.</p> <p>£0.346m forecast pressure within the Housing Enforcement team of which £0.378m relates to Selective Licensing as a result of the delay in obtaining agreement for the new scheme which is offset by a forecast underspend in Housing Enforcement.</p>
<p>Communities - Think Communities</p>	<p>£1.115m pressure resulting from lost income within the Recreation and Culture services, covering the period April to June 2021. This is due to Covid-19 restrictions in relation to access to Leisure Facilities such as swimming and gyms and also Cultural events such as the Key Theatre, Flag Fen and Exhibitions. Recovery plans are in place for Recreation and Culture but will not mitigate losses already incurred.</p>

£-0.1m Forecast Underspend



0%

Forecast as a proportion of the Expenditure Budget (exc the Public Health Grant)

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Public Health	Children 0-5 Health Visitors	3,974	3,975	1	1	0	Overspend
Public Health	Children 5-19 Health Programmes	942	889	(53)	(53)	0	Underspend
Public Health	Sexual Health	1,999	1,999	0	0	0	On Budget
Public Health	Substance Misuse	2,308	2,308	0	0	0	On Budget
Public Health	Smoking and Tobacco	286	286	0	0	0	On Budget
Public Health	Miscellaneous Public Health Services	1,428	1,429	1	1	(0)	Overspend
Public Health	Public Health Grant	(11,124)	(11,124)	0	0	0	On Budget
	Total Public Health	(188)	(239)	(51)	(51) 	(0)	Underspend

Directorate Overview

The Public Health Directorate is forecast to underspend by £0.052m. A review of Public Health budgets will be undertaken with the recently appointed Director of Public Health.



Directorate Variance Analysis

Children 5-19 Health

Programmes £0.070m saving - Contribution to Family Safeguarding not required until financial year 2022/23

Children 5-19 Health

Programmes £0.017m pressure - A one year only contribution is required to the cost of the CHUMS (Mental Health and Emotional Wellbeing Service) contract which offers support to young people with mental health difficulties.

£-0.1m

Forecast Underspend



-3% Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Governance	Director of Governance	130	112	(18)	(22) ▼	5	Underspend
Governance	Legal Services	1,826	1,828	2	13 ▲	(11)	Overspend
Governance	Constitutional Services	2,032	1,900	(132)	(118) ▲	(14)	Underspend
Governance	Performance & Information	181	209	28	26 ▼	2	Overspend
Total Governance		4,169	4,049	(120)	(101) ▲	(18)	Underspend

Directorate Overview

The Governance Directorate is currently reporting a favourable variance within the service of £0.120m

8

Directorate Variance Analysis

Constitutional Services	<p>£0.132m Favourable - £0.076m saving in members services of which £0.060m is a saving in members allowances due to some members doing more than one role and only able to claim one Special Responsibility Allowance. Remaining savings due to no travelling and less supplies and services like postage, printing and photocopying.</p> <p>£0.059m in salaries due to two vacancies. £0.003m other misc pressues</p>
-------------------------	---

£-1.8m Forecast Underspend



-8% Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Resources	Director's Office	269	278	9	9	0	Overspend
Resources	Financial Services	3,962	3,835	(126)	(135)	9	Underspend
Resources	Corporate Items	9,432	8,025	(1,407)	(1,407)	0	Underspend
Resources	Peterborough Serco Strategic Partnership	8,084	7,705	(379)	(329)	(49)	Underspend
Resources	Corporate Property	2,062	1,979	(83)	0	(83)	Underspend
Resources	Energy	478	639	161	161	0	Overspend
Resources	Cemeteries, Cremation & Registrars	(1,525)	(1,507)	18	18	0	Overspend
Total Resources		22,763	20,955	(1,807)	(1,684)	(123)	Underspend

Directorate Overview

Resources Directorate is currently reporting a favourable variance against budget of £1.807m. The main variances at this stage are pension cost savings following the Vivacity cessation assessment and savings within the Peterborough Serco Strategic Partnership Business Support contract due to the freezing of core vacancies until transformation work takes place.

Directorate Variance Analysis

06 Financial Services	£0.082m Favourable - Savings are expected within the salary budgets within Financial Services. £0.056m of this underspend is related to a secondment of an Internal Audit member of staff to the Community Hub for the remainder of the financial year. The salary costs will be Covid-19 grant funded. The remaining underspend of £0.026m is within Financial Services and relates to additional savings achieved above the savings target included in the Medium Term Financial Strategy (MTFS).
	£0.044m Favourable - Other savings identified across the service area, including £0.020m expected saving in salary related costs generated from the operation of the corporate car lease salary sacrifice scheme.
Corporate Items	£1.337m Favourable - The pension actuary completed the cessation assessment for Peterborough Culture and Leisure Trust (Vivacity) following their admission ceasing on 30/09/2020. This has resulted in the Council receiving a single year reduction to their secondary contributions for the year 2021/22 to the value of 50% of the Vivacity surplus detailed in the assessment report. This variance is the result of the Funding and Management Agreement with Vivacity and the risk agreement for pension contributions.
	£0.050m Favourable - Following a review of the Compensatory Added Years and Unfunded Pension contributions, there is an expected saving against the corporate premature retirement budget. This saving is potentially partially repeatable in future years dependant on the Council's in-year pension strain funding requirements, and will be reviewed as part of the 22/23 budget setting process.
Peterborough Serco Strategic Partnership	£0.100m Favourable - Final year of growth income received as part of the Peterborough Serco Strategic Partnership contract which has not been budgeted. Not repeatable in future years.
	£0.260m Favourable - Business Support contract credits (freezing core vacancies where possible until transformation work takes place), offset by centralised project costs unable to be recharged directly to projects.
	£0.100m Favourable - The Housing Benefit Subsidy budget is forecasting a £0.100m favourable position against budget at this initial stage, mainly due to overpayments income forecast to be higher than budget. This is an early forecast is likely to change as time progresses.
	£0.075m Pressure - Court cost income collected is expected to be lower than budgeted. Due to lack of recovery activity which was restricted over the pandemic, the income was adversely affected in 2020/21. A £0.075m pressure is forecast in this year, and although this has improved on last financial year, it is in line with outturn in 2019/20 suggesting an ongoing pressure. There is no corresponding saving in administration costs.
Energy	£0.161m pressure - The Council is currently reporting an overall pressure within the Energy budget group, mainly due to potential pressures on income and savings targets. In addition, there are portfolio valuation and legal cost pressures which are unfunded. On 21/06/2021 Cabinet approved the recommendation to transfer the assets to the control of the Council. Teneo Restructuring Ltd have been jointly appointed by the Council and ECSP1 to facilitate this process. The Council is in the process of procuring an Interim Asset Manager to manage the asset portfolio for a period of 12 months until a full procurement exercise can be carried out for longer term contract.

Chief Executives Aug-21

£0.1m

**Forecast
Overspend**



5% Forecast Overspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Chief Executives	Chief Executive	162	228	66	(0) ▼	66	Overspend
Chief Executives	HR	1,057	1,054	(3)	4 ▲	(7)	Underspend
	Total Chief Executives	1,219	1,282	63	3	59	Overspend

Directorate Overview

The Chief Executive Directorate is currently reporting an adverse variance against budget of £0.063m.

£-0.7m Forecast Underspend

 -3%

Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Place & Economy	Development and Construction	(65)	(75)	(9)	0 ▲	(9)	Underspend
Place & Economy	Director Place & Economy	151	151	0	0 ▼	0	On Budget
Place & Economy	Peterborough Highway Services	4,308	4,107	(201)	(197) ▲	(4)	Underspend
Place & Economy	Sustainable Growth Strategy	1,559	1,531	(28)	(27) ▲	(1)	Underspend
Place & Economy	Waste, Cleansing and Open Spaces	15,805	14,569	(1,236)	(1,331) ▼	95	Underspend
Place & Economy	Westcombe Engineering	26	138	112	112 ▼	0	Overspend
Place & Economy	Director of Housing	1,739	2,385	647	712 ▲	(65)	Overspend
Place & Economy	Growth & Regeneration	499	500	1	1 ▲	(0)	Overspend
Total Place & Economy		24,021	23,307	(715)	(730) ▼	15	Underspend

Directorate Overview

The Place & Economy Directorate is currently forecasting an underspend of £0.715m. The main variances at this stage are Covid-19 related Housing Services pressures of £0.646m, offset by significant savings in Waste, Cleansing & Open Spaces.

Directorate Variance Analysis

Peterborough Highway Services	<p>£0.123m Favourable - Employee cost savings through Highway Services</p> <p>£0.078m Favourable - Other misc savings and additional income</p>	
Waste, Cleansing and Open Spaces	<p>£1.095m Favourable - Energy Recovery Facility (ERF) Electricity Income - Significant Increase in wholesale export price of electricity produced by the ERF (the Council's Energy from Waste Plant operated by Viridor). A pressure of £0.5m was reflected in the Council's budget for 2021/22 due to reduction in energy prices; however the energy market overall is showing faster signs of recovery than anticipated and the Council is able to achieve an improvement in the sale price. The position will be kept under review to inform the budget setting for 2022/23</p> <p>£0.057m Pressure - Additional cost at Household Recycling Centre due to Covid-19, such as staffing, traffic management, cleansing and signage.</p> <p>£0.067m Pressure - Vehicle hire and additional staffing costs on waste collection rounds due to Covid-19</p> <p>£0.500m Favourable - Aragon Direct Services. As the financial pressures from Covid-19 start to reduce, and the replacement vehicle programme gets underway, Aragon Direct Services are projecting an improvement in their financial position for 2021/22, and the increase in costs to the Council that were set out in the budget are now forecast to be lower than anticipated.</p> <p>£0.120m Pressure - Waste treatment/recycling project - Project to improve recycling performance with the aim of delivering longer term savings on the waste treatment budget. The proposal is to significantly increase the Project Team (from Sep-21) working on education and raising awareness regarding recycling for residents in Peterborough, with a coordinated communications campaign as well as the employment of recycling advisors through Aragon. This does not return a saving in 2021/22 due to the need to employ additional recycling education officers however is likely to become cost neutral/return a saving in 2022/23 when the increases in recycling and food waste collection reduce the amount of these waste streams that are sent to the Viridor Energy Recovery facility. This investment is affordable due to the additional Energy Recovery Facility income currently being achieved.</p> <p>£0.140m Favourable - Materials Recycling Facility - Significant increase in Cardboard and Paper recycling prices, forecast to be reviewed as currently only predicting short term increase</p> <p>£0.151m Pressure - Brown Bin income - £0.056m pressure budgeted increase in subscriptions took place from 1st Aug 2021 rather than 1st April 2021. £0.095m pressure due to driver shortages therefore decided to extend the subscription period by 1 month to 13 months</p> <p>£0.104m Pressure - Other misc pressures, including Bulky Waste service, additional city centre cleansing and flytipping clearance costs</p>	
	Westcombe Engineering	<p>£0.112m Pressure - Miscellaneous pressures including significant arrears in raw casting supplies leading to reduced sales in areas where profit margins are significantly higher (£0.092m) and cost of backfilling a post seconded to the Covid Hub (£0.020m)</p>
	Director of Housing	<p>£0.496m Pressure - Housing Services - additional costs arising from housing rough sleepers in hotels and B&B's. The pressure is made up of £0.761m expenditure, which is being partially offset by £0.200m of Rough Sleeper initiative grant income and £0.065m Rapid Rehousing Programme Reserve.</p> <p>The council's R.S.A.P (Rough Sleeper Accommodation Programme) bid has been approved by MHCLG (The Ministry of Housing, Communities and Local Government). Although this is capital funding this will directly reduce the Council's expenditure on hotel and B&B accommodation as more places will become available to house rough sleepers. With the plan to purchase properties in December at the earliest, depending on availability. The forecast will be further refined once the R.S.A.P schemes are established.</p> <p>£0.150m Pressure - Unachievable savings plan relating to income associated with Temporary Accommodation. The baseline budget requirement is being re-assessed in light of the modelling referred to above, and whilst this has not yet been finalised, it is judged that this element of saving is unlikely to be realised.</p>

£0.0m Forecast Underspend



-3% Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Business Improvement	Programme Management Office	722	702	(20)	(21) ▼	1	Underspend
	Total Business Improvement	722	702	(20)	(21) ▼	1	Underspend

Directorate Overview

The BID Directorate is currently reporting a small favourable variance within the service of £0.020m

£-0.3m Forecast Underspend



-3% % Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month Variance £k	Movement £k	Overall Status
Customer & Digital Services	IT & Digital Services	6,602	6,323	(280)	(281) ▼	1	Underspend
Customer & Digital Services	Marketing & Communications	409	433	24	30 ▲	(6)	Overspend
Customer & Digital Services	Resilience & Health & Safety	266	266	0	0 ▬	0	On Budget
Customer & Digital Services	Director of Customer & Digital Services	79	79	0	0 ▬	0	On Budget
Total Customer & Digital Services		7,356	7,100	(256)	(251) ▲	(5)	Underspend

Directorate Overview

The Customer & Digital Directorate is currently reporting an overall favourable variance of £0.256m against budget. The main variances are within IT & Digital service area, primarily through identification of additional external income above budget.

Directorate Variance Analysis

IT & Digital Services

- £0.197m Favourable - Additional income expected to be generated through external sources including Service Level Agreements with partner organisations and East of England Broadband Network (E2BN). This is likely to be an ongoing income stream and will be reviewed as part of the 2022/23 budget setting process.
- £0.050m Favourable - In-year, non-repeatable savings within Software and Hardware, Telephony and Microsoft contracts.
- £0.033m Favourable - Other minor variances within the service area.

Capital Financing Aug-21

£-2.7m Forecast Revenue Underspend

-10% Forecast Underspend as a proportion of Budget

Directorate	Budget Group	Budget £k	Forecast Spend £k	Variance £k	Previous Month	Movement £k	Status
					Variance £k		
Resources	Capital Financing	27,994	25,328	(2,666)	(2,666)	0	Underspend
	Total Capital Financing	27,994	25,328	(2,666)	(2,666)	0	Underspend

Capital Financing and Capital Receipts Overview

Less borrowing of £24.3m was undertaken for the capital programme in 2020/21 compared to that estimated to be required in the MTFS at £50.5m. This result, along with a reduction in the overall borrowed amount means that payments of interest are forecast to be less than the budget by £1.98m.

As part of the drive to find additional savings for the current and future year, the capital programme is being reviewed by Directors for 2021/22 and future years to ensure that a realistic profile of scheme delivery is being costed to enable forecast for borrowing and timings to be more realistically estimated and mitigate some of the budget pressures resulting from the interest rate rise. Following the initial review of the capital programme savings are now forecast against the new borrowing budget of £0.4m.

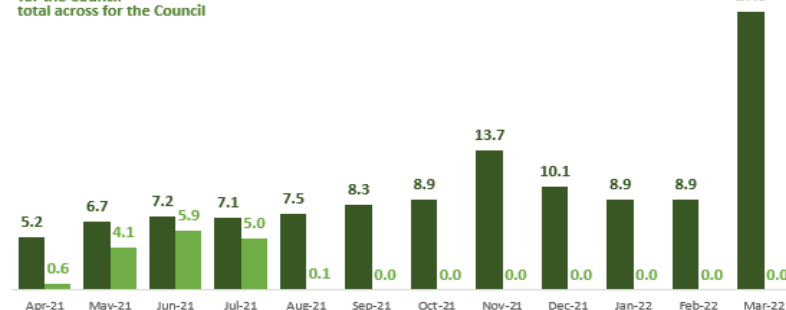
The minimum revenue provision detailed calculation is anticipated to be completed over the autumn months and given that the performance of the capital programme was £55m for 2020/21 compared to the budget of £83m a forecast underspend is estimated to be £0.7m.

These forecast underspends are offset by a shortfall in interest receipts which reflects the late treatment of the Empower loan which was due to transition into a long term financing facility at the end of 2020/21. Aragon Direct Services, the Council's Teckal company, were also able to repay an element of their loan earlier than expected due to a better operating position at the end of 2020/21. The forecast reduction in interest receipts is £0.5m.

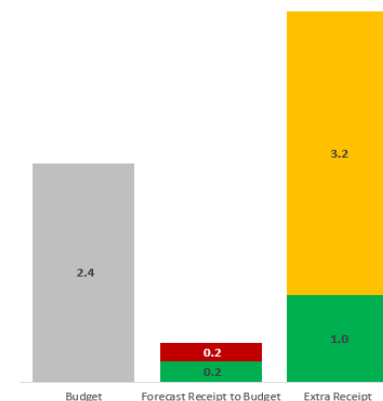
Capital Receipts are used as part of a contribution to repay debt. Close monitoring of the Capital Receipts is maintained as any change has a direct impact on the revenue position. Capital Receipts are monitored on a monthly basis and each sale given a status of Red, Amber or Green to identify the likelihood of receipt before March 2022. As per the MTFS policy Capital Receipts will be used to repay debt and forms part of the calculation of reducing the overall debt through MRP. If capital receipts are not received, the debt will need to be repaid via revenue resources.

The Council has identified over £4.5m of asset sales in order to achieve the MTFS budget of £2.4m. However, the impact from C-19 pandemic of asset sales continues to present a challenging environment in which to finalise the final exchange of assets and therefore the timing of the final receipt.

Capital Programme profiled budget v's Actual Expenditure by calendar month (£m) for the Council total across for the Council



Capital Receipts forecast receipt based on RAG assessment of achievement by 31 March 2022



This page is intentionally left blank

Appendix B- Reserves Aug-21

Overview

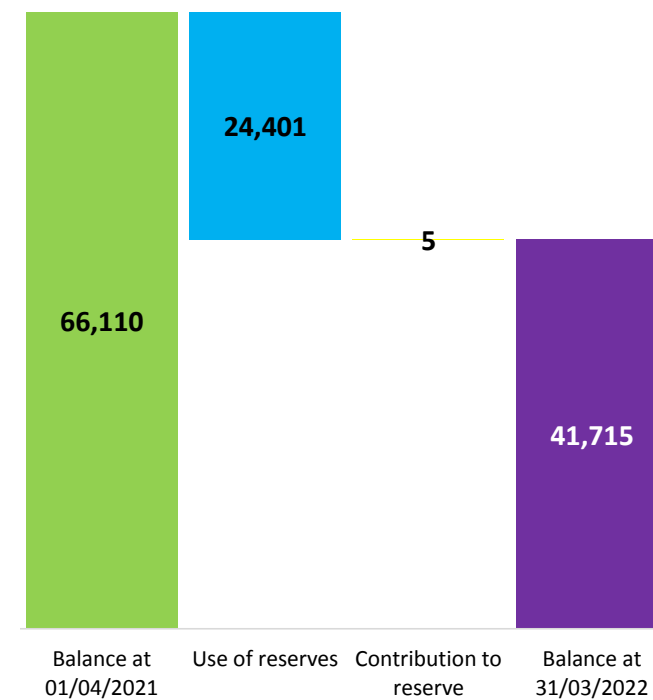
* The Councils reserves balances at 31 March 2021 were £66.1m, of which £6m is the Councils general fund, £4.3m ringfenced and £55.7m is available for use on transformation or in the event of a major incident.

* Included in the £55.7m £20.2m related to NNDR Section 31 grants, which is being used within the budget to mitigate the financial implications from the Business rates Collection Fund loss, and £2.3m which has been committed to mitigate the impact of potential future Business rates and Council Tax deficits following the pressures from C-19.

* The Council also set aside £12.8m at the end on 2021/22, in a specific C-19 Funding reserve to mitigate future service demand and cost pressures arising as a result of C-19. At present there are no arising pressures being committed against this reserve. The 2022/23 budget is due to the same Cabinet meeting (25 October) and it is proposed that £10.5m is released from this reserve and used to support the budget instead for borrowing to fund revenue expenditure via a capitalisation direction. Although this will reduce the Councils reserves balances it will reduce the cost of borrowing to the Council.

	2021/22	2021/22	2021/22	2021/22	2022/23	2023/24
	Balance C/Fwd	Forecast Cont	Forecast Cont to	Balance at	Balance at	Balance at
	£000	from Reserve	Reserve	31.03.22	31.03.23	31.03.24
		£000	£000	£000	£000	£000
Summary of Reserves						
General Fund Balance	6,000	-	-	6,000	6,000	6,000
Usable Reserves						
Capacity Building Reserve	15,035	(1,409)	(0)	13,626	14,081	14,081
Grant Equalisation Reserve	-	-	-	-	-	-
Departmental Reserve	5,380	(2,787)	-	2,593	1,805	1,805
Covid-19 NNDR Section 31 Grant	22,521	(20,205)	-	2,316	-	-
Covid-19 Funding Reserve	12,841	-	-	12,841	-	-
	55,778	(24,401)	(0)	31,377	15,886	15,886
Ring-Fenced Reserves						
Insurance Reserve	3,315	-	-	3,315	3,315	3,315
Schools Capital Expenditure Reserve	658	-	-	658	658	658
Parish Council Burial Ground Reserve	57	-	5	62	62	62
Hackney Carriage Reserve	173	-	-	173	173	173
Public Health Reserve	131	-	-	131	131	131
	4,333	-	5	4,338	4,338	4,338
Total Usable and Ring-Fenced Reserves and General Fund Balance	66,110	(24,401)	5	41,715	26,224	26,224

2021/22 Use of Reserves Summary (£000)



This page is intentionally left blank

Appendix C- Capital Programme

August 2021

Overview

The revised Capital Programme budget as at August 2021 is £103.7m, which includes £10.8m for Invest to Save (I2S) Schemes.

The agreed investment as per the Medium Term Financial Plan (MTFS) was £146.8m. The movement between the MTFS position and the £164.9m as at April 2021 was a result of slippages mainly due to delays completing projects from 2020/21.

The actual investment expenditure as at August 2021 is £18.7m. The latest forecast provided by project managers predicts an overall spend of £103.7m, therefore the Council is expecting to spend a further £85.0m before March 2022.

The I2S budget is for schemes that must cover the cost of borrowing and minimum revenue provision (MRP) from either income generation or from generated savings.

The Asset Investment Plan can be funded via three core elements, external third party income (including grants), capital receipts generated from the sale of Council assets, and borrowing from the external market. For the 2016/17 MTFS onwards the approved strategy is to use Capital Receipts as part of a contribution to the Minimum Revenue Provision (MRP) therefore they are no longer used primarily for the funding of the Asset Investment.

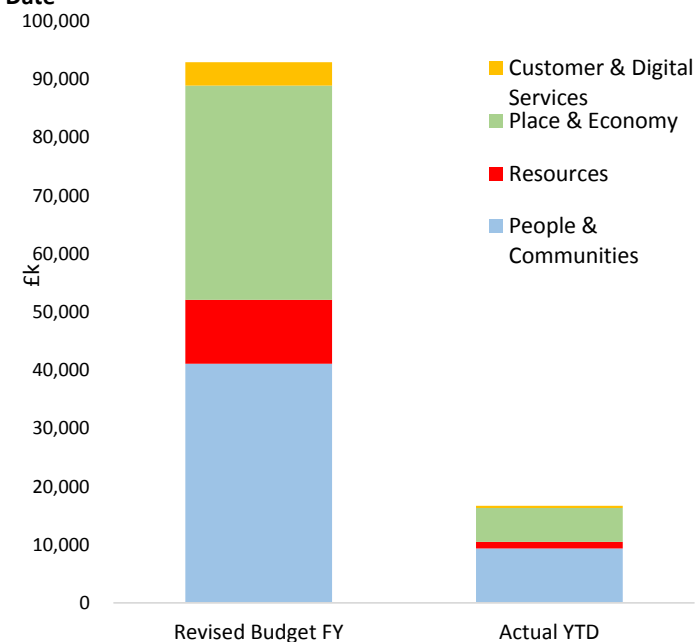
The following table shows the breakdown of the Council's Asset Investment over the directorates and how this investment is to be financed:

Directorate	MTFS Budget £000	1st April Budget £000	Revised Budget FY £000	Actual YTD £000	Total Spent Against Budget %
People & Communities	46,129	50,981	41,106	9,364	23%
Resources	38,152	37,346	10,981	1,140	10%
Place & Economy	46,604	59,049	36,813	5,788	16%
Customer & Digital Services	2,500	4,028	4,012	412	10%
TOTAL	133,384	151,403	92,912	16,705	18.0%
Grants & Third Party Contributions	67,763	71,669	50,170	12,235	24%
Borrowing	65,621	79,734	42,742	4,470	10%
TOTAL	133,384	151,403	92,912	16,705	18.0%
Invest to Save	13,500	13,540	10,835	2,009	2.2%

New Capital Budget Proposals/Virements for Approval

Item
£0.178m - Capital Funding to build Mausoleum at Fletton and Eastfield cemeteries (Funded by Invest to Save)
£1.500m - Contribution to the Highways Agency for the A14 improvement scheme, the payment to take place as equal payments of £0.060m a year for 25 years from 2020/21 (Funded from Community Infrastructure Levy)
£0.034m - Westcombe Engineering Machinery Investment (Funded by Invest to Save)
£1.577m - Clare Lodge Refurbishment and Safety works (Third Party Funding)

Revised Budget Compared to Actual Expenditure to Date



This page is intentionally left blank