

PROPOSED DEVELOPMENT OF THE EMBANKMENT, UNIVERSITY SITE: TRANSFER OF LAND AND SUBSCRIPTION AND PROJECT MANAGEMENT AGREEMENT
COUNCILLOR JOHN HOLDICH – LEADER OF THE COUNCIL AND DEPUTY MAYOR OF THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY
March 2020
Deadline date: <i>March 2020</i>

Cabinet portfolio holder:	Councillor John Holdich – Leader of the Council and Deputy Mayor of the Cambridgeshire and Peterborough Combined Authority
Responsible Director:	Steve Cox – Executive Director Place and Economy
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: YES Unique Key decision Reference from Forward Plan: KEY/30 MAR20/03
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	NO

R E C O M M E N D A T I O N S
<p>The Cabinet Member is recommended to:</p> <ol style="list-style-type: none"> 1. Authorise the Council to transfer land into the joint venture with the Cambridgeshire and Peterborough Combined Authority once established, as set out in the report. 2. Authorise the Council to enter into a Subscription and Project Management Agreement to enable delivery of the University in Peterborough. 3. Delegate authority to the Executive Director Place and Economy and Director of Law and Governance to finalise and agree the necessary legal and related documents needed to execute the recommendations above and the approach outlined in the report.

1. PURPOSE OF THIS REPORT

- 1.1 This report is for Councillor John Holdich to consider exercising delegated authority under paragraph Part 3 of the constitution “*All Executive functions are delegated to the Leader who may then delegate further to the Cabinet, Committees of the Cabinet, Cabinet Members and officers. The Leader retains responsibility for the functions so delegated and may exercise those functions in person regardless of the further delegation*” in accordance with the terms of the Strategic Planning and Commercial Strategy and Investments portfolio at paragraph (q) and the Children’s Services, Education, Skills and the University portfolio at paragraph (j).

2. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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3. BACKGROUND AND KEY ISSUES

- 3.1 This report relates to the joint aspiration of the Council and the Cambridgeshire and Peterborough Combined Authority (“CPCA”) to create a University for Peterborough and the proposed joint venture delivery vehicle to achieve this ambition (“the project”).

Purpose

- 3.2 The purpose of this report is to seek approval for the Council to enter into a Subscription and Project Management Agreement (“the Agreement”) between the Council, CPCA, and the joint venture company once this is established. In essence, the Council will transfer 13.5 acres of land at an independently assessed, market based value in exchange for shares in a property joint venture into which CPCA will inject its own funding and local growth funding to build out the initial phases of the new campus.
- 3.3 Approval will enable the Council to work with CPCA and formalise the governance, commercial and collaboration arrangements required to establish a new University of Peterborough and facilitate the delivery of its campus on the Embankment site lying to the north of the River Nene and south of Bishops Road, Peterborough, as defined in Appendix 1.

Background

- 3.4 The Council and the CPCA, are committed to securing a new University for the City in readiness for the Academic Year 2022/23 with a view ultimately to achieving an independent University of Peterborough with full degree awarding powers by 2029/30.
- 3.5 The shared vision is for a University that will deliver a step-change in life-chances for young people in Peterborough and beyond. Key to the success of the new University will be its ability to grow and retain local talent in Peterborough as well as attracting and retaining talent from other parts of the UK and beyond. Distinct from the “traditional” university model that offers academic learning only, the University of Peterborough will provide students with the skills to be successful in a range of employment disciplines. Working with local businesses to help shape the curriculum and secure opportunities for employability the new university will deliver a curriculum targeted specifically towards industries across Peterborough and delivered through a mixture of on campus lessons, in-work training and apprenticeships and distance learning.

- 3.6 In order to realise the vision for the University, the Council and CPCA propose to form a property delivery vehicle, in order to build the new campus on the Embankment site. The Council and CPCA will be joint venture partners in respect of this special delivery vehicle, into which 13.5 acres (as shown in Appendix 2) will in due course be transferred by the Council with the first 4 acres being transferred in 2020 and the balance as further phases of development come forward. The land will be transferred in at market value using an independently assessed 'red book' valuation. Local Growth Funding will be invested in the development of the campus and the CPCA will also contribute financial resources. The delivery vehicle will then be able to develop on the land the building and campus intended to be used for the purpose of the University.

- 3.7
- 3.8 A separate new special purpose higher education vehicle will be created, which will eventually become the University of Peterborough. It is intended that property delivery vehicle will grant a lease of the Building to the higher education vehicle.

- 3.9 The Agreement will constitute the formal commitment between the Council and CPCA, who will work together toward realisation of the new University of Peterborough.

The property delivery vehicle will have two partners, the Council and the CPCA, but the Agreement and the terms within it may be adjusted as appropriate, should a third party (such as the Higher Education Provider), wish to join the property delivery vehicle at a later date and authority will also be required for the Council to negotiate and approve such adjustments.

4. CONSULTATION

- 4.1 Wide consultation on the scheme and proposals has already taken place, with key stakeholders engaged. Public consultation was carried out 4th-6th February, where building designs, floor plans and an artist's impression of the site were on display at a three day showcase event at Peterborough Cathedral.
- 4.2 Further engagement is expected during the planning and subsequent development stages.

5. ANTICIPATED OUTCOMES OR IMPACT

- 5.1 Approval of the recommendations made in this report will enable the Council to collaborate with the CPCA. The establishment of a University for Peterborough will deliver a significant number of benefits not only in skills and education, but will also make a more positive contribution to the sustainable growth of the city's economy.

6. REASON FOR THE RECOMMENDATION

- 6.1 The proposed recommendations will enable the Council and the CPCA to progress the University project for the benefit of the city and its local economy.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 The option to sell the land to CPCA was considered. However, this was discounted on the basis that it would reduce the funding available for construction of the first phase of the Campus and leave the Council with no direct control or influence over future development. By taking shares in the property delivery vehicle, the Council will have an ongoing interest in the development of the Campus; the ability to receive income from dividend payments on its shares; and to benefit from any private investment made on the Campus e.g. student residences or commercial offices for University spin-out businesses.

8. IMPLICATIONS

Financial Implications

- 8.1 The Council will be responsible for its own costs and expenses incurred in connection with the preparation, negotiation and completion or rescission of the Agreement.

If during the term of the Agreement, the Council breaches the terms of the Agreement and CPCA chooses as a result to terminate or unilaterally withdraws from the Project, the Council will be liable to must reimburse CPCA 50% of the aggregate external costs, fees and expenses incurred by CPCA in connection with the project.

Legal Implications

- 8.2 Section 123 of the Local Government Act 1972 permits the Council to dispose of land in any manner which they wish subject to the provision that the property is not to be sold for a consideration less than the best that can reasonably be obtained. The Council has not marketed the sites as they form part of a portfolio of assets to be transferred for the University site. The Council has satisfied itself through an independent valuation being obtained, that best consideration is being secured.

The site is subject to a restriction that no disposition (including a transfer) may be registered without a certificate given by Peterborough Investment Partnership LLP that the provisions of an option agreement dated 8 May 2015 have been complied with or do not apply, and assurance has been given by PIP that this certificate will be provided.

There are no procurement implications in relation to the Public Contracts Regulations 2015, as the sale of land falls outside of these rules.

The transfer of land does not raise any state aid implications as the Council has a power to dispose of the assets and in a way as to secure best consideration. The Council will receive consideration for the land transfer based on the independent valuation and by way of shares in the joint venture in equal value to satisfy the transfer price.

Equalities Implications

- 8.3 There are no equalities implications.

Carbon Impact Assessment

- 8.5 Neutral impact - this report relates to the establishment of a joint venture only and not the construction or operation of the university and therefore the CIA was completed on that basis.

9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 9.1 None.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

- 10.1 None.

11. APPENDICES

11.1 Appendix 1 – Masterplan
Appendix 2 – Land