



## 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><b>1a Gateway Criteria for <u>all</u> bids</b></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"/> <b>Yes</b></p> <p><input type="checkbox"/></p>
<p><b>1b Gateway Criteria for private and third sector organisations in <b>Northern Ireland bids only</b></b></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) <b>Northern Ireland bids only</b> 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,<sup>1</sup> The Living Lab;
- **Regenerating** a dilapidated mixed brownfield site<sup>2</sup> 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**<sup>3</sup> 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**,<sup>4</sup> it will provide a window into the city's **net zero**<sup>5</sup> future through events, exhibitions and flexible learning, including

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

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

<sup>3</sup> Aligns with assessment criteria of Levelling Up Fund Prospectus

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

<sup>5</sup> 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**<sup>6</sup> - 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**.<sup>7</sup> 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**.<sup>8</sup> 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**<sup>9</sup> and **transform a poorly used city-centre site**<sup>10</sup> into a vibrant cultural, commercial and community hub that local people can be proud of.<sup>11</sup>

<sup>6</sup> Levelling Up Fund Prospectus; p8

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

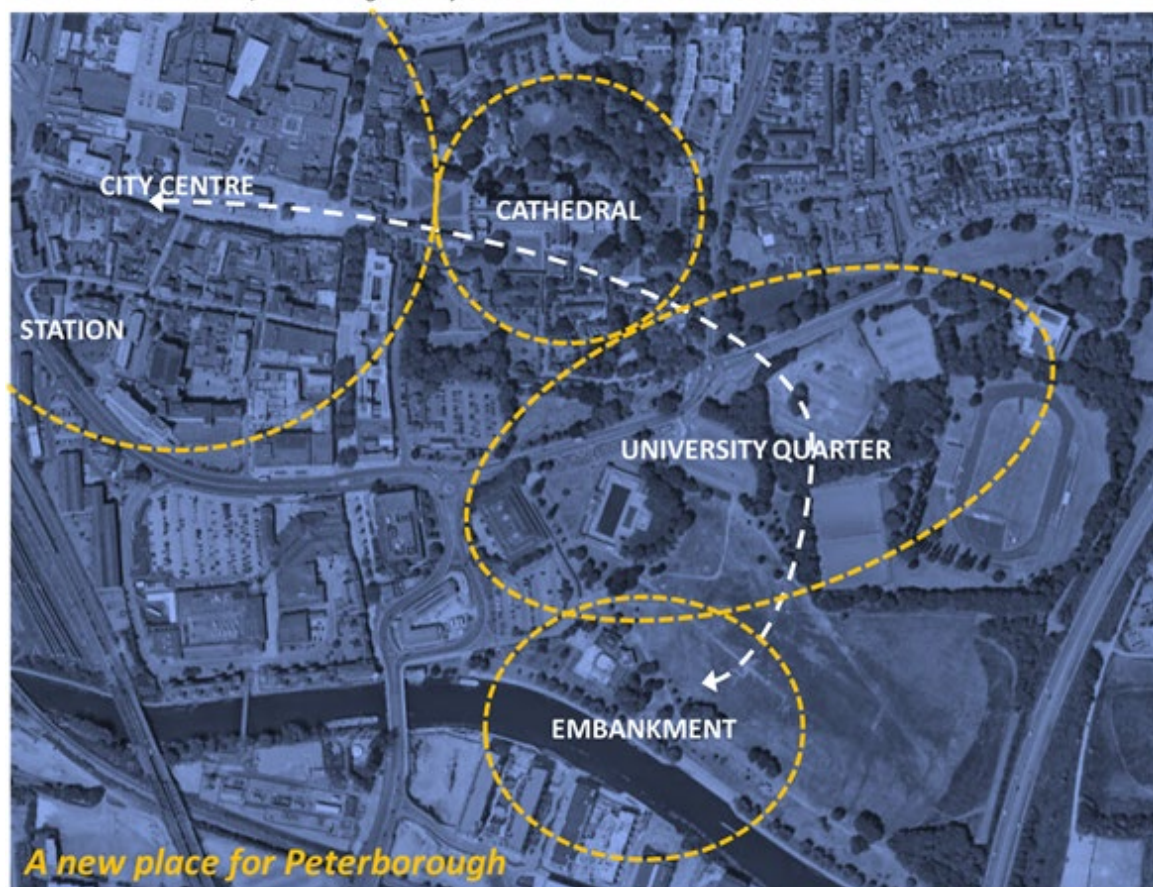
<sup>8</sup> Levelling Up Fund Prospectus; p10: Objectives for Regeneration

<sup>9</sup> Levelling Up Fund Prospectus; p11: Objectives for Regeneration

<sup>10</sup> Levelling Up Fund Prospectus; p11: Objectives for Regeneration

<sup>11</sup> 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**<sup>12</sup> made through the Local Growth Fund and Towns Fund. It will have a **visible, tangible impact on people and places**,<sup>13</sup> and **support economic recovery**.<sup>14</sup>

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**<sup>15</sup> - 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**.<sup>16</sup>

<sup>12</sup> Levelling Up Fund Prospectus; p20: Strategic fit with local priorities

<sup>13</sup> Levelling Up Fund Prospectus; p2: Introduction

<sup>14</sup> Levelling Up Fund Prospectus; p2: Introduction

<sup>15</sup> Levelling Up Fund Prospectus; p20: Strategic fit with local priorities

<sup>16</sup> 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.<sup>17</sup>

The Combined Authority and City Council, as **the local delivery partners have demonstrated the ability to collaborate for rapid project delivery**.<sup>18</sup> 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**.<sup>19</sup>

The bid **complements existing cultural assets**<sup>20</sup>, 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**.<sup>21</sup>

**The project has the support of key local stakeholders**<sup>22</sup> including both MPs for the City and the Council's Leader.

The project fully aligns with UK legal commitments on **delivering Net Zero**<sup>23</sup> 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



<sup>17</sup> Levelling Up Fund Prospectus; p20: Value for money

<sup>18</sup> Levelling Up Fund Prospectus; p19: Deliverability

<sup>19</sup> Levelling Up Fund Technical Note; p7: LUF assessment and decision-making

<sup>20</sup> Levelling Up Fund Prospectus; p12: Objectives for Culture and Heritage

<sup>21</sup> Levelling Up Fund Prospectus; p19: Deliverability

<sup>22</sup> Levelling Up Fund Prospectus; p19: Assessment criteria

<sup>23</sup> 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"/> <b>Yes</b>  <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><b>Partners across Peterborough have been planning and engaging stakeholders in this project for 9 months prior to this application.</b></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"> <li>• 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.</li> <li>• 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.</li> </ul>	

- 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,<sup>24</sup> and report higher levels of subjective wellbeing due to reduced exclusion and isolation, and increased literacy and cognitive skills. But <b>Peterborough is recognised as a ‘cultural cold spot’</b> with lower levels of participation in cultural activities than similar cities.<sup>25</sup> The 2017 Active Lives survey found just 39% of the city’s population engaged with cultural activity, ranking Peterborough as 321<sup>st</sup> out of 355 UK districts.</p> <p>A lack of assets restricts cultural activity in Peterborough. The RSA Heritage Index ranks Peterborough 227<sup>th</sup> out of 325 local authorities for cultural assets.<sup>26</sup></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>, <b>Peterborough’s development hinges on regenerating the town centre and providing more high-quality, connected</b></p>	

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

<sup>25</sup> Developing a cultural strategy for Peterborough, January 2020

<sup>26</sup> <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.<sup>27</sup>

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.'<sup>28</sup> 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.<sup>29</sup>

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

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

**Low education aspirations** help explain this: **Half of the expected proportion**

<sup>27</sup> Peterborough Town Investment Plan; July 2020

<sup>28</sup> Levelling Up Fund Prospectus; p12: Objectives for Culture and Heritage

<sup>29</sup> Levelling Up Fund Prospectus; p8: Investment Themes

<sup>30</sup> Index of Multiple Deprivation, 2019

<sup>31</sup> Income Deprivation Affecting Children Index (IDACI), 2019

<sup>32</sup> Social Mobility Index, 2016

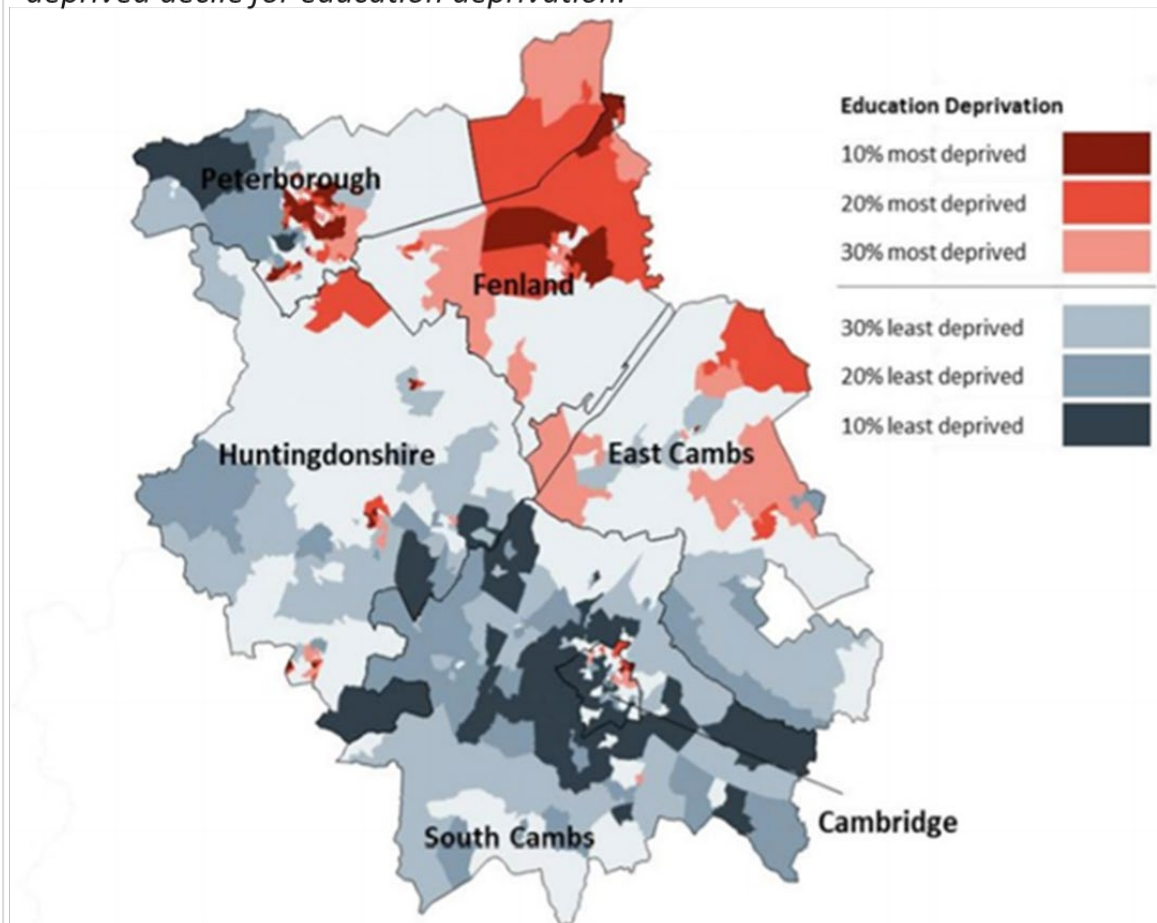
<sup>33</sup> ONS Health and Life Expectancies, 2016-2018

<sup>34</sup> ONS Annual Population Survey (2021)

**of young people are in full time education**, compared to the national average – 17% locally vs 33% nationally.<sup>35</sup> 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.**<sup>36</sup> 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)

Both the cultural elements of the Living Lab and the education facilities co-located in the building will generate significant socially beneficial externalities, which

<sup>35</sup> ONS Annual Population Survey (2021)

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

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.

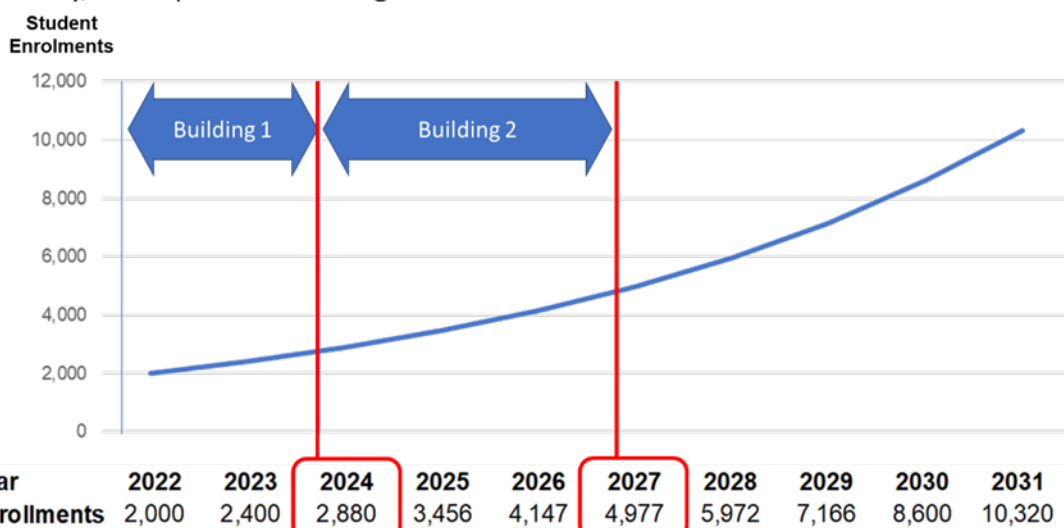
**The education space that complements the demand stimulation activities of the Living Lab** generates major public externalities through the provision of higher education. **Public sector investment is required to maintain momentum for student recruitment** to the university and ensure the university 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.

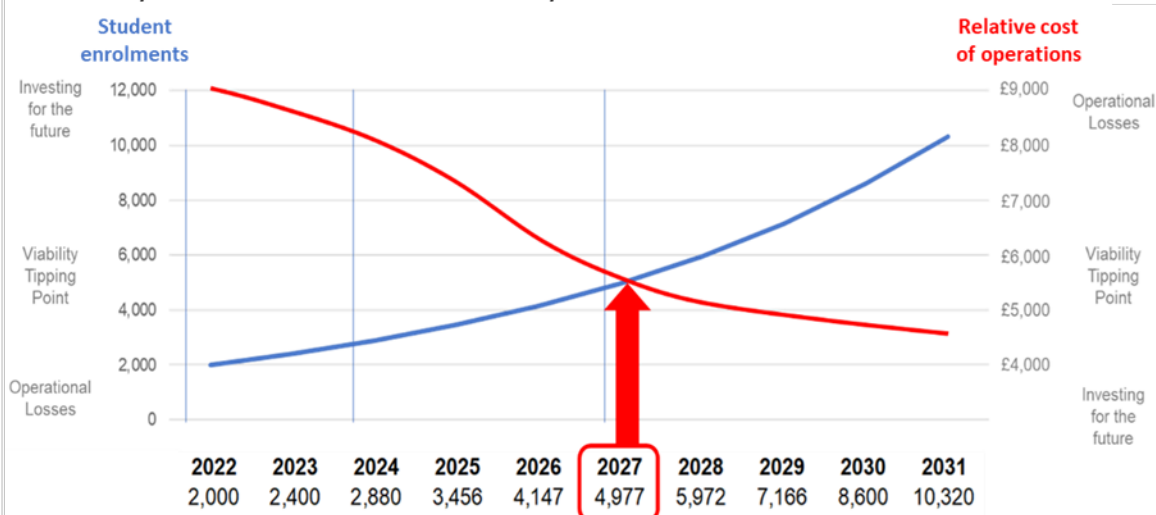
ARU, PCC and CPCA, as the anchor investors, planned for further phases to be co-funded through central government to enable the university to become commercially viable and independent of the CPCA’s current operational subsidy which is not sustainable long term.



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)

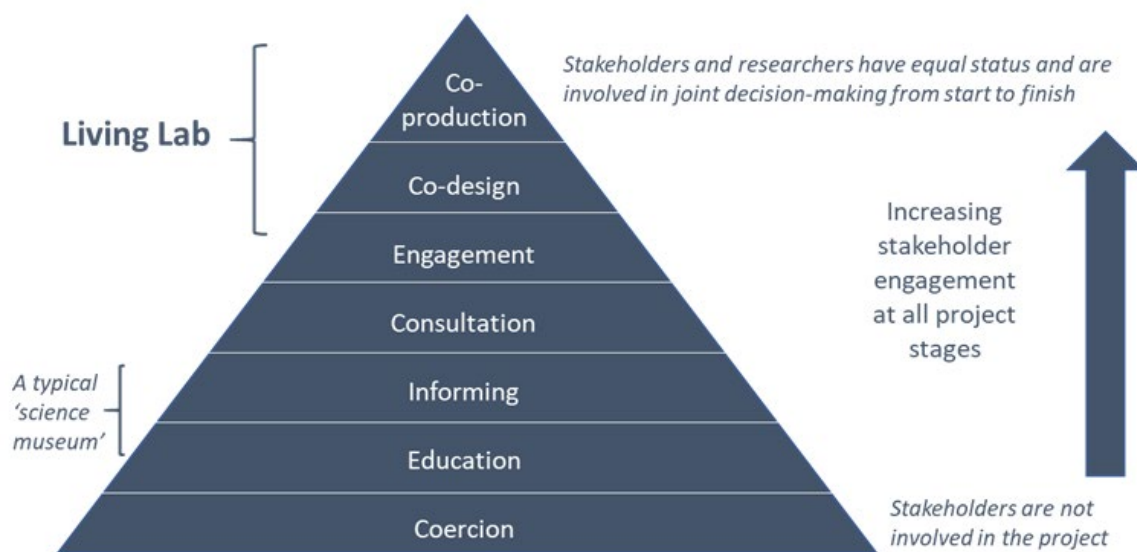
Occupying 1,000m<sup>2</sup> on the ground floor of a university teaching building, with dedicated educational facilities on the upper floors, the Living Lab will be a new place for open interactive science in Peterborough. It will be an integral part of **Peterborough’s University Quarter Cultural Hub**, 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

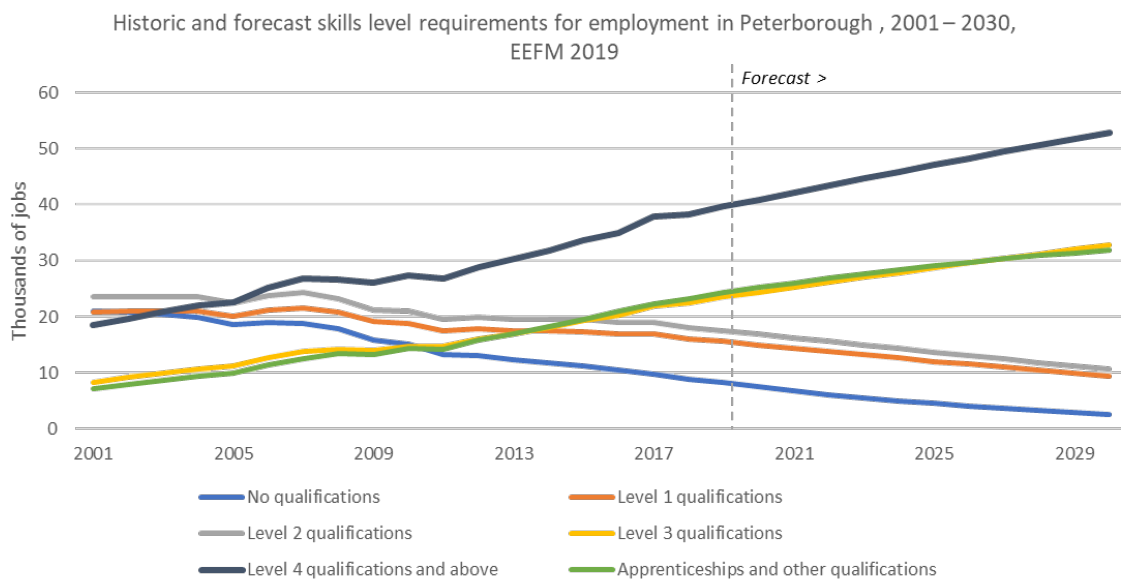
Exhibitions and facilities at the Living Lab will explore green technologies, such as vertical farming, renewable energy and green vehicles, making the University's STEM curriculum more accessible and relevant to local people. By engaging local people in science and net zero technology the long-term 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.<sup>37</sup> 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.<sup>38</sup> To this end, the

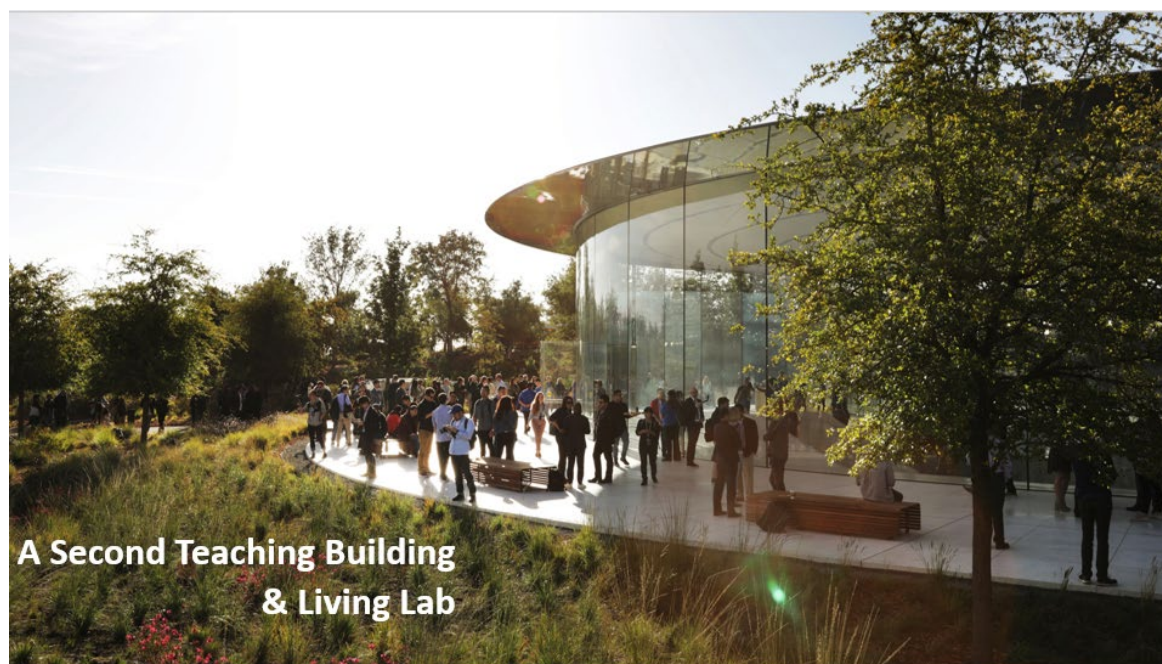
<sup>37</sup> <https://cambridgeshireinsight.org.uk/children-and-young-people/report/view/b4f7b0c938074dfbb0979d4a0510e8cb/E1000003>

<sup>38</sup> 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 <a href="#">HM Treasury's Magenta Book</a> (page 24, section 2.2.1) and <a href="#">MHCLG's appraisal guidance</a>. (Limit 500 words)</p>	
<p>This bid addresses three problems that currently prevent Peterborough from levelling up:</p> <ol style="list-style-type: none"> <li>1. <b>Culture and heritage:</b> A lack of cultural assets in the city restricting cultural activity</li> <li>2. <b>Regeneration:</b> A need to expand, connect, beautify and diversify the city centre</li> <li>3. <b>Economic levelling up:</b> Persistent skills deficits entrenched by a lack of higher education provision.</li> </ol> <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. <b>The second teaching building will host 1,700 students</b> 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><b>The Living Lab is critical to achieving a skills transformation</b> 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
<b>Issue</b>	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.
<b>Intervention</b>	The <b>Living Lab</b> 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 <b>university quarter</b> which will form around the Living Lab will be a destination for creativity and engagement.	Create a <b>university teaching building</b> 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.
<b>Input</b>	£28m capital funding: £20m LUF + £7.9m local investment (ARU, CPCA, PCC)		
<b>Outputs</b>	<ul style="list-style-type: none"> <li>1,000m<sup>2</sup> new Community and Cultural space for staging events, immersive displays and exhibitions</li> </ul>	New and remediated public space, including: <ul style="list-style-type: none"> <li>4 acres of regenerated open green space upcycled from mixed brownfield site</li> <li>Cycle path and pedestrian footpaths linked into broader Peterborough networks</li> <li>270 temporary construction FTEs</li> </ul>	<ul style="list-style-type: none"> <li>New teaching facilities as part of the Living Lab building</li> <li>65 additional FTE at the university</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>50,000 additional visits per year to Peterborough</li> <li>20 large events per year</li> <li>£3.2m additional visitor spend per year in the local economy</li> <li>Improved cultural and heritage offer than is more visible and easier for residents and visitors to access</li> <li>Improved resident wellbeing through access to culture, with positive benefits for physical and mental health</li> <li>Improved cultural assets to host cultural and community events in Peterborough</li> </ul>	<ul style="list-style-type: none"> <li>Improved appearance of the area and links between different areas of the city centre</li> <li>Increased civic pride for residents of a 'university city'</li> <li>Enhanced outcomes for surrounding cultural assets benefitting from university quarter's appeal as a destination area</li> <li>Reduced / resolved anti-social behaviour enabled by the existing site</li> </ul>	<ul style="list-style-type: none"> <li>5700 graduates over 10 years, including 4,700 who will fill local jobs</li> <li>Increase in graduates working in the city</li> <li>Increase in productivity through higher skilled population</li> <li>Higher numbers of businesses</li> <li>Increased aspiration and social mobility for local people</li> <li>Reduced deprivation in a left-behind area</li> <li>Increased wellbeing, health and healthy life expectancy</li> </ul>
<b>Impacts</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>		

## 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**,<sup>39</sup> 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** recommendations<sup>40</sup> 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.

<sup>39</sup> To be published summer 2021

<sup>40</sup> 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**<sup>41</sup> 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**<sup>42</sup> 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.

<sup>41</sup> To be published later in 2021

<sup>42</sup> 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 country<sup>43</sup>, with net business creation outpacing regional and national trends, and growth in economic output (GVA) and new patent registrations showing strong evidence of innovation<sup>44</sup>. 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% nationally<sup>45</sup>. This means that wages are 9% lower than the England average<sup>46</sup> with productivity per worker 11% below the average<sup>47</sup>. 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.<sup>48</sup>

<sup>43</sup> 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/>

<sup>44</sup> Peterborough Economic Intelligence Report 2019, Opportunity Peterborough

<sup>45</sup> ONS (2021) Annual Population Survey

<sup>46</sup> ONS (2021) Annual Survey of Hours and Incomes

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

<sup>48</sup> <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 2019<sup>49</sup> 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.

<sup>49</sup> 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 3,000m<sup>2</sup> of new space, of which 1,000m<sup>2</sup> 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 type<sup>50</sup>, 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)<sup>51</sup>. 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.

<sup>50</sup> BEIS (2009) Research to improve the assessment of additionality

<sup>51</sup> <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.

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

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
<b>COSTS (£) (inc VAT)</b>						
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
<b>TOTAL COSTS</b>	£	£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 estimates<sup>52</sup>, 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 2018-2019<sup>53</sup>). Visitor spend estimates are calculated using Visit Britain data on average spend<sup>54</sup> 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 established regional percentages for student retention<sup>55</sup> alongside GVA data for Peterborough.

<sup>52</sup> BEIS (2009) Research to improve the assessment of additionality

<sup>53</sup> Visit England (2019) Most visited free attractions – East of England 2019

<sup>54</sup> Visit Britain (2019) Great Britain Day Visits Survey 2019

<sup>55</sup> 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.

- 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.<sup>56</sup>
- 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 community<sup>57</sup>.
- We have assumed that the contribution of additional graduates to the economy increases steadily over time in line with established data on wage increases<sup>58</sup>. 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 research<sup>59</sup>, 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%<sup>60</sup> 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 data<sup>61</sup>, coupled with the additional graduate numbers due to the new building.
- Additionality has been applied drawing on established guidance for this type of facility.<sup>62</sup> This results in a net additionality of less than one, which represents a conservative assumption but avoids any optimism bias.

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.**

<sup>56</sup> Figures provided by Anglia Ruskin University

<sup>57</sup> 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.

<sup>58</sup> DfE (2021) Graduate outcomes (LEO)

<sup>59</sup> DfE & IFS (2020) The impact of undergraduate degrees on lifetime earnings

<sup>60</sup> This is the mid-point in the identified effect in Ibid.

<sup>61</sup> ONS (2021) Business Demography

<sup>62</sup> See BIS (2009) Research to improve the assessment of additionality

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 guidance<sup>63</sup>.

**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)

<sup>63</sup> See BIS (2009) Research to improve the assessment of additionality

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"> <li>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.</li> <li>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.</li> <li>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.</li> </ol>	
<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.

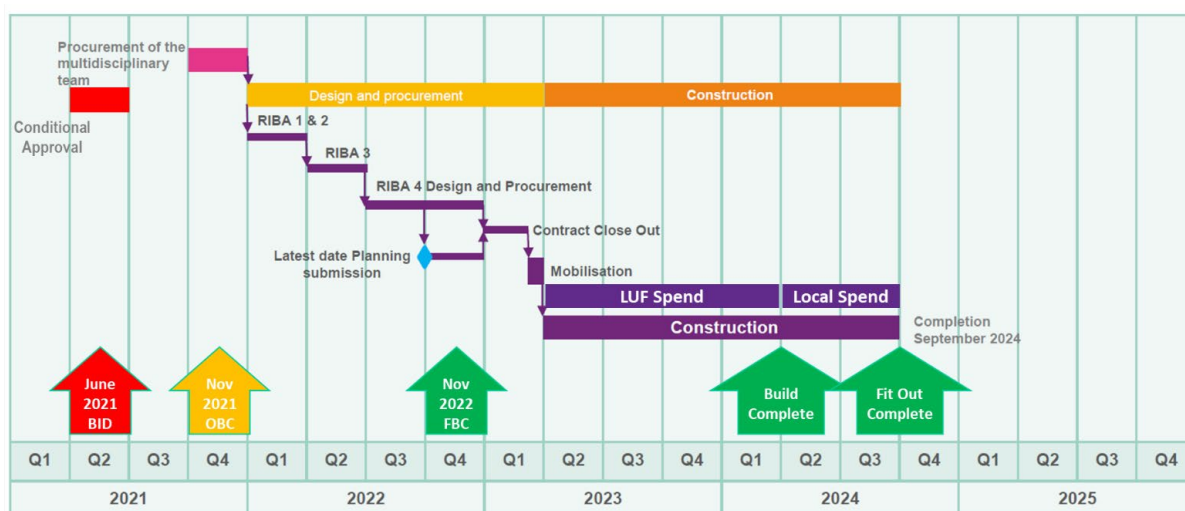
The development will be constructed on Land owned by PCC whom as part of PropCo1 will arrange third party valuation and due diligence on the land which must

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"/> <b>Yes</b>
6.3c Can you demonstrate ability to begin delivery on the ground in 2021-22?	<input checked="" type="checkbox"/> <b>Yes</b>
<p>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>	
<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"> <li>1. Surveys and Site Constraints</li> <li>2. Commercial</li> <li>3. Design</li> <li>4. Legal</li> <li>5. Procurement</li> <li>6. Operational</li> <li>7. Governance</li> </ol> <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"/> <b>Yes</b>

**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:

<b>ARU Campus / Project</b>	<b>£ Investment</b>	<b>Build Time</b>	<b>Handover</b>
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 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
<b>4.1a Member of Parliament support</b>		
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	
<b>Part 4.2 Stakeholder Engagement and Support</b>		
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	
<b>Part 4.3 The Case for Investment</b>		
For Transport Bids: Have you provided an Option Assessment Report (OAR)	n/a	
<b>Part 6.1 Financial</b>		
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	
<b>Part 6.3 Management</b>		
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	
<b>Annex A-C - Project description Summary (only required for package bid)</b>		
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	

#### Appendices

1. Workbook Tables A – F
2. Letters of Support
  - a. MP endorsement letter
  - b. Stakeholder support letter
3. Match funding confirmation letters and evidence with contractual commitments hyperlinked below
  - a. [Peterborough City Council](#)
  - b. [Cambridgeshire and Peterborough Combined Authority](#)
  - c. [Anglia Ruskin University](#)
4. Delivery Plan including programme
5. Risk register
6. Map showing location

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