

SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 7
13 SEPTEMBER 2021	PUBLIC REPORT

Report from:	Steve Cox, Executive Director Place and Economy	
Cabinet Member(s) responsible:	Councillor Lynne Ayres, Cabinet Member for Children's Services, Education, Skills and the University. Councillor Peter Hiller, Cabinet Member for Strategic Planning and Commercial Strategy and Investments.	
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UNIVERSITY FUNDING AND FINANCE INTERIM UPDATE

RECOMMENDATIONS	
FROM: Executive Director Place and Economy	Deadline date: 25 th October 2021
<p>It is recommended that Committee note a paper will be taken to Cabinet on October 25th 2021 with recommendations for approval on various university project matters including:</p> <p>1) Repurposing the pre-existing £2m PCC contribution to the university programme in the MTFS from a contribution to a new parkway access to enabling infrastructure;</p> <p>2) Entering the Getting Building Fund Grant Agreement with the Cambridgeshire and Peterborough Combined Authority to deliver parking capacity to support phases 1 and 2 of the university;</p> <p>3) Entering a lease with PropCo 1 for car park spaces on the regional pool car park and</p> <p>4) In the event of Levelling Up Fund (LUF) bid success, entering the grant agreement and making arrangements to transfer funding to PropCo1 to deliver phase 3 of the university.</p>	

1. ORIGIN OF REPORT

- 1.1 This interim update is submitted to the Shareholder Cabinet Committee following the grant of planning permission for phase 2 and councils £20M Levelling Up Fund (LUF) bid in June 2021.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to provide advance notice of a cabinet paper with recommendations for approval on October 25th 2021 relating to the university project.
- 2.2 This report is for Cabinet Shareholder Committee to consider under its Terms of Reference No. 3.3.2.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	YES	If yes, date for Cabinet meeting	25/10/21
Date for relevant Council meeting	10/11/21 or 17/11/21	Date for submission to Government Dept. <i>(Please specify which Government Dept.)</i>	N/A

4. BACKGROUND AND KEY ISSUES

4.1 Background

This report sets out progress against university objectives of the Council's and partners Cambridgeshire and Peterborough Combined Authority (CPCA) and Anglia Ruskin University (ARU).

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

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

The £31m university phase 1 building will enable delivery of a curriculum matched to the growth needs of local businesses, providing new opportunities for communities to gain access to higher level skills, better paid employment, and enhanced life-chances. The first teaching building is now on site and scheduled for completion in September 2022.

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

In July 2021, PCC planners advised that any further phases of the university would need to be guided by an outline planning application (OPA) to ensure that the campus develops in a strategic way that allows for future growth and assimilates with the wider embankment in a complementary way. This OPA will include phase 3 which in July 2021 was the subject of a PCC bid to MHCLG Levelling Up Fund. The 'Living Lab and University Cultural Quarter' application form to government can be seen at Appendix 1 and is hyperlinked at heading 4.5.

With regards the necessary infrastructure to support delivery of the university several workstreams are currently underway.

In July 2020, PCC allocated £2M in the Capital Programme to deliver a new access to the Parkway to support delivery of university phase 2. Subsequently, priorities for enabling infrastructure to support the delivery of the phase changed and in order to facilitate the implementation of the planning consent it was necessary to secure external grant funding and allocate PCC capital funding to car parking.

In October 2020, PCC secured a grant of £827,000 from the Cambridgeshire & Peterborough Getting Building Fund to support infrastructure delivery on the programme.

In June 2021 planning permission was secured for phase 2 with outline permission for new a car park with capacity for up to 180 additional spaces. Following this it was determined that PCC would, with the help fo external grant, deliver this additional parking capacity.

4.2 **£2m contribution to university project**

Following discussion with CPCA over July 2021, it became clear that PCC would need to deliver a car park in support of phase 2 rather than a new parkway access.

As such, it is now proposed that the £2m in the Capital Programme for the year 2021/21 firstly be reprofiled for expenditure in 22/23 and secondly be redefined to cover 'enabling infrastructure' where the definition of such is 'infrastructure that supports delivery of future phases of the university'. An element of this will complement external grant to release the necessary 128 spaces to satisfy the planning conditions for phase 2 with the remainder made available to support future needs as part of the Council's financial contribution to the university. The implications of the recommendation to cabinet will be outlined in more detail in the upcoming cabinet report.

University access (and broader improved access to the city centre off Frank Perkins Parkway) is still the subject of a transport business case in partnership with CPCA.

4.3 **Getting Building Fund Grant Agreement**

The council secured £827,000 from the Getting Building Fund to support infrastructure delivery on the university project. The grant will deliver new parking capacity at embankment which will free up a part of the current regional pool carpark for use by the university. The grant agreement is current being finalised in preparation for signature and pending cabinet approval. The implications of the recommendation to cabinet will be outlined in the upcoming cabinet report.

4.4 **Lease of spaces on regional pool car park**

CPCA and PCC have agreed that a parking solution is required to support phase 2 and in order to discharge planning conditions which require the car park to be operational on occupation of the phase 2 building. The wider campus ambition and phasing, including parking provision on or off site will be considered by both the Embankment Masterplan and any accompanying city centre wide Parking Strategy (more on this at para 4.6) and the outline planning application.

It has been agreed in principle (subject to commercial terms which be outlined in the upcoming cabinet report) that council will lease 128 spaces on the regional pool car park to Peterborough HE Property Company Limited (PropCo 1) for university users given its adjacency to university phases 1 and 2. The implications of the recommendation to cabinet will be outlined in the cabinet report.

4.5 **Levelling Up Fund Bid**

The council submitted a £20M LUF bid to government in June 2021 seeking funding to deliver the next academic building, namely the Living Lab, University Quarter Cultural Hub (phase 3). A decision is expected in Autumn 2021 from MHCLG. In the event of LUF bid success, it is proposed that council will enter the grant agreement with MHCLG and then onward transfer the funding with relevant conditions to PropCo 1 to deliver the building and environs.

In addition to the capital funding, PCC will also transfer a further tranche of land to PropCo1, as previously agreed by Cabinet and subsequent CMDN.

All partners receive shares in the Peterborough HE Property Company Ltd that will own the building, in proportion to their contribution to it. If the Council is successful in securing the additional investment into the university it would increase the Council's share allocation in PropCo1 to make PCC the second majority shareholder. The implications of the recommendation to cabinet will be outlined in the upcoming cabinet report.

4.6 Embankment Masterplan

In January 2021, PCC was successful in agreeing terms with MHCLG to deliver a capital programme of £22.9m over 10 projects to boost the city with a wealth of cultural, health and wellbeing and tourism improvements and to make it an even better place to live, work and visit. One of the projects was to plan for an enhanced green and accessible place for residents to relax and enjoy for leisure and entertainment purposes, linking in with the new planned University and driving footfall to and from the city centre.

Masterplanners have now been appointed and over the next 6 months will pull together a vision for the future of the whole of embankment and Middleholme supported by technical studies to ensure proposals are appropriate and deliverable. There will be widespread community and stakeholder engagement as part of the exercise.

The masterplan will inform and influence the development of the outline planning application for the next phases of the university.

5. CONSULTATION

5.1 This report is for information and there are no direct consultation matters arising.

5.2 Consultation on the recommendations to cabinet will be outlined in the cabinet report.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 This report is for information and there are no anticipated outcomes or impact.

6.2 The anticipated outcomes/impacts of the recommendations to cabinet will be outlined in the cabinet report.

7. REASON FOR THE RECOMMENDATION

7.1 This report is for information and there are no reasons for recommendations.

7.2 The reason for the recommendation to cabinet will be outlined in the cabinet report.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 This report is for information and there are no alternative options for consideration.

8.2 The alternative options for consideration around the recommendations to cabinet will be outlined in the cabinet report.

9. IMPLICATIONS

Financial Implications

9.1 This report is for information and there are no direct financial implications arising.

9.2 The financial implications of the recommendations to cabinet will be outlined in the cabinet report.

10 **Legal Implications**

10.1 This report is for information and there are no direct legal implications arising.

10.2 The legal implications of the recommendations to cabinet will be outlined in the cabinet report.

11 **Equalities Implications**

11.1 No implications – relates to funding & finance arrangements on university programme only

12 **Rural Implications**

12.1 This report is for information and there are no direct rural implications arising.

13 **Carbon Impact Assessment**

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

10. **BACKGROUND DOCUMENTS**

10.1 None

11. **APPENDICES**

11.1 Appendix 1 – Levelling Up Fund Bid

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