

Executive Report

Cabinet - 7 November 2023

SUPPORT FOR THE OPEN UNIVERSITY'S CAMPUS 2030 PROJECT

Name of Cabinet Member	Councillor Robin Bradburn Deputy Leader and Member for Economy, Recovery and Renewal
Report sponsor	Paul Thomas Director of Planning and Placemaking
Report author	Fiona Robinson MK Futures 2050 Programme Manager fiona.robinson@milton-keynes.gov.uk 01908 252318

Exempt / confidential / not for publication	No
Council Plan reference	Not in Council Plan
Wards affected	All Wards

Executive summary

The Open University (OU) is exploring the opportunity to relocate its campus to Central Milton Keynes, alongside the potential to provide in-person courses at a scale of up to 20,000 attending students. The OU is investing significant resources in developing a business case and has been working positively with Milton Keynes Development Partnership (MKDP) to explore how this could be delivered as part of MKDP's wider plans for the city centre, including Block B4. The OU has written to the Council asking for support for their vision as their work gathers pace.

Creating a city centre undergraduate university has been a long-held ambition for Milton Keynes. The Council recognises the very significant benefits a large-scale university will create for our city, including strengthening our education provision, increasing our economic competitiveness, creating regeneration opportunities in Central Milton Keynes and further developing our leisure and cultural offer.

The City Council has worked with Cranfield University on the MK:U project since they were selected as the Council's higher education lead partner in 2018. Despite best efforts, the significant amount of capital funding needed to deliver the full potential of MK:U on the Block B4 site has not been secured.

1. Proposed Decisions

1.1 That the Cabinet:

- a) agree their full support for the Open University's Campus 2030 Project; and
- b) note the huge benefits this will bring to the city and its residents, and the strong position of the Open University to enable the delivery of this project.

1.2 That the positive role that Milton Keynes Development Partnership have played – and will continue to play – in the project including developing an enthusiastic and enabling relationship with the Open University, fulfilling their ambition to help the city become a better place to live, socialise and work, be acknowledged.

1.3 That the Open University's Campus 2030 Project, be the priority for any financial support from the Council for higher education, for the foreseeable future.

1.4 That given there is no funding in place to realise the full ambitions of the MK:U project to develop a large university campus on Block B4, and despite the best efforts of all parties involved, the Partnering Agreement with Cranfield University be brought to an end.

2. Why is the decision needed?

The Open University's Campus 2030 Project

2.1 The Open University (OU) started looking at the future of their Walton Hall campus in 2022 because of a reduced on-site workforce post-COVID and to help meet their carbon reduction ambitions. Their review included consideration of a move outside of Milton Keynes, a consolidation on their existing Walton Hall site, and a relocation to Central Milton Keynes. Following their initial assessments, the OU are now progressing further work to explore the potential to move their Milton Keynes operations to Central Milton Keynes, as well as establishing in-person campus-based teaching for around 20,000 students. This work is also considering the future use of the Walton Hall campus, with the potential that this could be redeveloped for a major residential-led scheme.

2.2 The OU are now committing significant resources to their Campus 2030 Project, including the recent appointment of a Chief Operating Officer. A business case is currently being developed to be considered by their University Council in July 2024.

2.3 Milton Keynes Development Partnership (MKDP), the Council's wholly owned development company, were approached by the OU in 2022 as part of their initial exploration of options. If the Campus 2030 Project progresses, it is the intention that the OU – including the in-person campus-based provision – would be an anchor tenant of MKDP's comprehensive mixed-use development proposals for CMK (including Block B4, which is allocated for higher education use in Plan:MK).

2.4 The potential benefits created by the OU's relocation and establishment of new in-person provision in CMK are huge, including improved economic competitiveness, widening our educational opportunities, enhancing our cultural and leisure offer and creating greater regeneration potential for the city centre.

- 2.5 The scale of effort that the Open University is putting into their Campus 2030 Project demonstrates how serious they are about their proposals. They are in a strong financial position to deliver the project, particularly given the value that could be created through the redevelopment of their Walton Hall campus. Working with MKDP and any future development partner for this part of CMK, the Campus 2030 proposal also has the potential to bring the transformational benefits that will meet the ambition for a city centre university. The Vice Chancellor of the OU has written to the Council (see Annex) asking for its support for the Campus 2030 project, recognising the significant resources that are now being invested in the project.
- 2.6 It is therefore recommended that the Council should provide their full support to the OU's project and that any further developer contributions or other funding/resources for Higher Education, for the foreseeable future, should be committed to the delivery of the Campus 2030 Project.

The MK:U Partnering Agreement

- 2.7 The delivery of an undergraduate university for Milton Keynes has been a long-held ambition for the city. The Council has worked in partnership with Cranfield University since 2018 when they were appointed as the lead Higher Education partner for the MK:U project, following an OJEU-compliant procurement process. Together we agreed to explore the feasibility of the MK:U project over an initial 18-month period. This was captured in a Partnering Agreement. The agreement stated that the subsequent delivery of the project, including the commitment of the proposed site, Block B4, would have required further agreements. This Partnering Agreement was re-signed in March 2022, with an additional clause that extended the life of the agreement until terminated either by mutual agreement or with three months' notice by the Council.
- 2.8 Since 2018, several formal bids have been made to Government to secure funding to deliver the full extent of the MK:U project, including through proposed growth deals and a Levelling Up Fund bid in 2022. Unfortunately, these bids were unsuccessful. Given the challenging financial, economic and political environment, it has not been possible for MK:U to secure the level of capital investment required to fund the major development needed to create the scale of institution that would be sustainable and create transformational benefits to the city.
- 2.9 While the City Council supports the ongoing operation and future expansion of the MK:U project, the likely nature of its delivery in the long-term has changed from that envisaged in the Partnering Agreement. As such, the City Council considers that it is now appropriate to reconsider the nature of the partnership moving forward and that the existing Partnering Agreement should be brought to an end.

2.10 To that end, the City Council will continue to support MK:U as part of encouraging a diverse higher education sector in Milton Keynes. MK:U has been delivering a range of degree apprenticeship courses in Bouverie House (owned by MKDP) and has plans for expansion of its provision. MKDP has confirmed that it will continue to offer rent-free accommodation up to 2026.

3. Implications of the decision

Financial	Y	Human rights, equalities, diversity	N
Legal	Y	Policies or Council Plan	Y
Communication	N	Procurement	N
Energy Efficiency	N	Workforce	N

a) Financial implications

It is proposed that any further developer contributions or other Council funding for Higher Education will be committed to the delivery of the Campus 2030 Project for the foreseeable future. Allocations of funding will be subject to the Council’s usual decision-making processes.

The proposed site at B4 is owned by MKDP rather than MKCC. Any future arrangement around the use of the site will be considered by the MKDP Board.

b) Legal implications

Executive support for a proposal does not negate the need to obtain the relevant regulatory approvals such as planning permission.

The Partnering Agreement with Cranfield University contains a termination clause and at any point the parties can agree to bring the Agreement to an end. MK:U is a separate legal entity. As the purpose of the Partnering Agreement was limited, its conclusion would not preclude MK:U from continuing in its existing guise or pursuing further expansion.

c) Other implications

The developments discussed above will be subject to planning approvals. The Block B4 site in CMK is allocated in Plan:MK for Higher Education use.

4. Alternatives

4.1 Through their business case development, the Open University will consider a range of alternative estate options, including consolidation on their existing Walton Hall campus and relocating out of Milton Keynes altogether. In order to deliver the wide range of benefits that an undergraduate university could bring to Milton Keynes, it is essential that the Open University remains in the city and we should therefore work with the OU and MKDP to support their relocation to Central Milton Keynes.

4.2 The Council's alternative option is to continue its partnership with Cranfield University as part of the MK:U project through the existing Partnering Agreement. However, it is considered very unlikely that the funding required to deliver the MK:U project at the transformational scale of the original ambition will be achieved in the foreseeable future. Regardless, the Council recognises the value of the continuation of Cranfield University's MK:U operations and welcomes any future funding bids to Government to attract further investment.

5. Timetable for implementation

5.1 The Open University is currently developing a business case to inform a decision of their University Council scheduled for July 2024, about proceeding with the major investment needed to deliver the Campus 2030 Project.

List of annexes

Annex A – Letter from Prof. Tim Blackman, Vice Chancellor of the Open University to Michael Bracey, MKCC Chief Executive, 20 September 2023.

List of background papers

Partnering Agreement between Milton Keynes Council and Cranfield University, March 2022