



OFFICER DECISION NOTICE (ODN)/MAYORAL DECISION NOTICE (MDN) FORM

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| 1. Officer Decision or Mayoral Decision No. | MDN 29-2020 |
| 2. Decision Title | Business Growth Service –Waiver of pre-condition for the execution of Business Growth Service Contract and approval, on behalf of the Combined Authority as accountable body, of the project change request for the Business Growth Service agreed by the Business Board |
| 3. Name of Officer/Mayor making the decision | Mayor James Palmer |
| 4. Date of decision | 12/02/2021 |
| 5. Responsible Director, if applicable. Please leave blank if this is a decision to be made by the Mayor. | John T Hill Director of Business and Skills |
| 6. Form author and contact details: | Alan Downton Interim alan.downton@cambridgeshirepeterborough-ca.gov.uk |
| 7. Does your form include exempt or confidential information? | No |
| 8. Is it a key decision? | No |
| 9. KEY DECISIONS ONLY | N/A |
| Insert forward plan ref number | N/A |



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| Date of decision | <input type="text" value="N/A"/> |
| Date report published on the website | <input type="text" value="N/A"/> |
| Implementation Date | <input type="text" value="Click or tap to enter a date."/> |
| Does the report have an annex that contains exempt information? | <input type="text" value="No"/> |

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| <p>10. Description of decision/proposal</p> <p>Please consult with Legal prior to completing this section.</p> | <p>Business Growth Service</p> <p>When the Combined Authority Board approved the Full Business Case for the Business Growth Service at its meeting on 30 September 2020 it did so subject to pre-conditions. One precondition was confirmation of EU funding, via the European Regional Development Fund and European Social Fund of £7.237m, before completing the contract for delivery of the Service. The current position is that £1.815m of ERDF funding for the inward investment element of the Service has not yet been approved by MHCLG and continuing delays in approval suggest that approval is not likely to be forthcoming.</p> <p>The proposed decision is to waive the precondition relating to ERDF funding of inward investment and to proceed with the contractual arrangements for the Service in advance of the MHCLG decision on confirmation. This will involve removing the ERDF inward investment funding from the contract with the service provider. Should the funding subsequently be confirmed the intention is to add the funding back into the contract via a change notice procedure.</p> <p>The Business Board approved £5.4m of Local Growth Fund equity funding for the Service, including £1.66m funding for the inward investment element. The Business Board in an Emergency Procedure 10 February 2021 have considered whether to agree a project change request for the Business Growth Service to enable it to continue with the LGF funding for inward investment given the uncertainty about the matching ERDF funding for inward investment. The Business Board have agreed to the project change request so that the Business Growth Service can continue with the LGF funding of £1.66m whether or not the ERDF funding is forthcoming.</p> |
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| <p>11. Authorisation</p> <p>Please consult with Legal prior to completing this section.</p> | <p>This decision has been taken under:</p> <p>1.5. The Mayor may exercise a general power of competence (section 1 Localism Act 2011) to do anything that the Combined Authority may do</p> <p>1.5.1. Where the general power of competence: (a) involves the transfer of property, rights or liabilities of the Combined Authority to or from the Constituent Councils, or (b) is used to prepare and publish a statement setting out a strategy for spatial development in the Combined Authority area, the Mayor must secure the unanimous consent of all Members of the Combined Authority, or Substitute Members acting in their place.</p> <p>1.5.2 The Mayor may otherwise individually exercise a general power of competence to do anything that the Combined Authority may do subject to the restrictions which apply to the exercise of that power and after having due regard to advice from the Monitoring Officer and Chief Finance Officers.</p> <p>And the Mayor has had due regard to the advice he has received from the Monitoring Officer and the Deputy Section 73 Officer on the exercise of the general power.</p> <p>Click or tap here to enter text.</p> |
| <p>12. Background Information</p> | <p>See section 10 above.</p> <p>There is an urgent need to sign the contract for the Service as soon as possible.</p> <p>The service provider has made it clear that they require contractual certainty as to whether the ERDF Inward Investment funding is to be included in the contract for the Service or not. The mechanism for proceeding to execute the contract in advance of MHCLG approval of the ERDF inward investment funding would be to remove reference to the ERDF inward investment financial element of c.£1.96m, from the contract between the Growth Company and the service provider. This would leave c£1.66m of Local Growth Fund funding for inward investment in the contract. The loss of the</p> |



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| | <p>ERDF funding would also result in the additional loss of c£136k of ERDF funding for staffing in the Growth Company.</p> <p>Some of the significant negative implications of further delay in the execution of the contract for the delivery of the business growth service are;</p> <ol style="list-style-type: none">1. CPCA's original intention was for the duration of the BGS Contract to be for three (3) years but instead it will now terminate for operational and commercial reasons on 31st December 2023.2. With the huge impact of COVID 19, the operational imperative is to launch the Service as soon as practicable.3. Of the overall Contract value of £26M the sum of c.£2.3M is funded directly by CPCA and must be allocated to businesses by 31st March 2021 (the end of the Financial Year 2020-2021)4. A further delay to signing the contract for delivery of the service may be accompanied by a risk that the service provider might decline to execute the contract. <p>The removal of the ERDF inward investment funding will reduce the inward investment service line down to £1,667,205 of Local Growth Fund funding. It will also have an impact on the job outcomes in the contract for Inward investment, reducing them from 1283 to 600. But, by proceeding immediately with completion of the contract the consequences of further delay in delivering the Service can be avoided. The reduction in job outcomes would only be permanent if the MHCLG confirmation were to not be forthcoming.</p> <p>Should this decision be approved then the next step would be for the Growth Company and the service provider to complete the contractual documentation for delivery of the Service on Friday, 12th February 2021 with a service commencement date of Monday, 15th February 2021.</p> <p>The CPCA is considering its options for addressing the potential shortfall in ERDF funding, but none are available at the present time.</p> |
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| <p>13. Alternative options considered.</p> | <p>List alternative options considered and rejected including the reason for rejection.</p> <ol style="list-style-type: none">1. <u>The pre-condition is applied and the contract for delivery of the Service is delayed until confirmation of ERDF inward investment funding.</u> <p>This is not a viable option, as no deadline has been provided for confirmation or refusal of the ERDF funding. This would result in additional delay to the delivery of the Service which was due to be launched in October 2020.</p> |
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| | <p><u>2. The pre-condition is waived and the contract for delivery of the Service is completed in advance of confirmation of ERDF inward investment funding from MHCLG. This would remove £1.96m of funding from the contract.</u></p> <p>As above this would enable the Service to commence on Monday 15th February 2021. If confirmation of ERDF inward investment funding were subsequently received, then a change control process would be used to add the funding back into the contract for delivery of the Service.</p> | |
| 14. Financial Implications | There is net nil financial impact to CPCA as below at section 15. | |
| 15. Comments from finance team | <p>The loss of one element of the ERDF grant has no material effect on the CPCA's finances as the funding will neither be received, nor paid out.</p> <p>However, the reduction in the scope of the project will reduce the cost effectiveness of the CPCA's investment into the project as a whole.</p> | |
| 16. Comments from legal team | Legal comments are contained within the body of this report. | |
| 17. Consultation | | <i>Please insert the name of consultee and date of written approval or insert N/A</i> |
| Please retain emails to show the relevant officers have approved the decision/proposal. | <i>Chief Executive</i> | <i>Kim Sawyer 9/2/21</i> Choose an item. |
| | <i>Responsible Director/Chief Officer</i> | <i>John T Hill 9/2/21</i> Choose an item. |
| | <i>Deputy S73 Officer</i> | <i>Robert Emery 10/2/21</i> |



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| | <i>Monitoring Officer</i> | <i>Robert Parkin 12/2/21</i> |
| | <i>Lawyer</i> | <i>Rochelle Tapping 11/2/21</i> |
| 18. Declarations/Conflicts of Interests (only if the decision falls under the 'Express authorisation' category) | Click or tap here to enter text. | |

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| <p>19. Supporting documentation - please include any relevant reports</p> | <p>Click or tap here to enter text.</p> <p><i>NOTE - all of this information must be retained for public inspection for a period of at least 4 years – there is no provision for the release of exempt/confidential information).</i></p> | |
| <p>20. Officer/Mayor signature</p> | <p>Signature: </p> <p>Name: James Palmer</p> | <p>Date</p> <p>12/02/2021</p> |
| <p>21. Please send the completed, signed form to Sue Hall. The Decision will be /recorded on the Decision Notice Register and published on the /website.</p> | | |