



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

**NOTE: Please read process sequence on page 6 before completing this form. Please hover over the text box for instructions on completion.**

1. Officer Decision or Mayoral Decision No.	MDN28-2020
2. Decision Title	Award Getting Building Funding (GBF) to the University of Peterborough Phase 2 manufacturing & materials R&D centre project
3. Name of Officer/Mayor making the decision	Mayor James Palmer
4. Date of decision	05/11/2020
5. Responsible Director, if applicable. Please leave blank if this is a decision to be made by the Mayor.	Click or tap here to enter text.
6. Form author and contact details:	Steve Clarke Strategic Funds Manager <a href="mailto:Steve.clarke@cambridgeshirepeterborough-ca.gov.uk">Steve.clarke@cambridgeshirepeterborough-ca.gov.uk</a> 07715 653901
7. Does your form include exempt or confidential information?	Yes  All completed forms will be published on the CA website. <b>NOTE: Put any confidential/exempt information as an appendix and state this is not for publication. Include the exemption category on the appendix.</b> <b>Please note that it is the responsibility of the Monitoring Officer to determine whether information is exempt or confidential.</b>
8. Is it a key decision?	Yes  If YES, please complete Question 9.
<b>9. KEY DECISIONS ONLY</b>	<b>Section 9 only needs to be completed if the decision is a key decision.</b>
Insert forward plan ref number	General Exception Procedure applicable  <a href="#">The key decision must be on the forward plan for at least 28 days before the decision is made. Please insert reference number from the published forward plan. If it is not in the forward plan, please contact the Governance Team for advice.</a>



Date of decision	<input type="text" value="05.11.2020"/> <p>Insert the date when the decision intends to be made. The date should be the date it is published on the website. it is your responsibility to ensure it is on the website. The decision cannot be implemented on the date of publication as it is subject to call in. Normally only the Mayor can make a key decision.</p>
Date report published on the website	<input type="text" value="Not applicable"/> <p>Send a copy of the form to the Scrutiny Officer for circulation to the Overview and Scrutiny Committee</p>
Implementation Date	<input type="text" value="16/11/2020"/> <p>Insert the proposed date for implementation. The decision cannot be implemented until 5 clear working days after the date the decision was taken and published on the website. The decision is subject to call in during that period, so you need to check with the Scrutiny Manager that it has not been called in at the end of the call in period.</p>
Does the report have an annex that contains exempt information?	<input type="text" value="Yes"/> <p>If yes, specify number of exempt annex (e.g. Annex 1), the reason for exemption and explain the application of the public interest test. Keep the exempt information separately from this form on the shared drive.</p>

<p>10. Description of decision/proposal</p> <p><b>Please consult with Legal prior to completing this section.</b></p>	<p>The Mayor, in consultation with the Combined Authority Board, to approve the allocation of the sums required to progress the Peterborough University Phase 2 Manufacturing and Materials Research &amp; Development Centre to complete the design and business case from the Getting Building Funding from Ministry of Housing, Communities and Local Government (MHCLG), subject to that sum being agreed by the CPCA's Section 73 Officer; and</p> <p>The Mayor, in consultation with the Combined Authority Board, delegate authority to the Senior Responsible Officer (Deputy Chief Officer) for Business Growth Service, in consultation with the Lead Member for Finance, the CPCA's Section 73 Officer and Monitoring Officer, authorise the release of the balance of the £14,295,833 Getting Building Funds subject to the project producing the documents listed as terms and conditions in the external appraiser's report.</p>
<p>11. Authorisation</p> <p><b>Please consult with Legal Team prior to completing this section.</b></p>	<p><b>This decision has been taken under:</b></p> <p>1. Quote chapter and paragraph in constitution</p> <p><b>The Mayor of the Combined Authority. (Ch 3 Para 1.5.2) page 13</b></p> <p>OR</p> <p>2.For delegated decisions, please reference the delegation given including meeting date and minute reference.</p> <p>Click or tap here to enter text.</p>



## 12. Background Information

On 10<sup>th</sup> June 2020 the government announced a £900 million Getting Building Fund to deliver jobs, skills and infrastructure across the country. This investment was targeted in areas facing the biggest economic challenges as a result of the pandemic. This funding is supporting the delivery of shovel-ready infrastructure projects, agreed with Mayors and Local Enterprise Partnerships to boost economic growth, and fuel local recovery and jobs. The deadline for completion of these projects set by MHCLG was 31<sup>st</sup> January 2022.

The CPCA and Business Board submitted a range of projects to MHCLG for consideration and MHCLG shortlisted 3 projects to investigate with CPCA.

The Business Board agreed at its Extraordinary Board meeting on 9<sup>th</sup> July 2020 that the Peterborough University Phase 2 Manufacturing and Materials Research & Development Centre Project was the only project to be formally invited forward to apply for this funding based on MHCLG Officer and CPCA Officer evaluation that led to this project being ranked 1 out of all projects submitted from the MHCLG call for 'Shovel Ready Projects'.

A Mayoral Decision to approve the recommendation from the Business Board on 9<sup>th</sup> July 2020, that the Peterborough University Phase 2 Manufacturing and Materials Research & Development Centre Project was the only project being formally invited forward to apply for the funding was made.

MHCLG confirmed allocation of the £14.6million to the Combined Authority on the 4<sup>th</sup> August 2020.

The Peterborough University Phase 2 Manufacturing and Materials Research & Development Centre Project then proceeded through all stages of the Local Assurance Framework process in line with Local Growth Funding approval processes. During the development of the application discussions were held with MHCLG regarding the requirements for completion and expenditure of the £14.6m; it was agreed that funds had to be expended by the 31<sup>st</sup> March 2022. The timeline for the delivery of this building is as follows and allows for very little deviation:

- Enabling works to site – these are linked to Phase 1 – Nov 2020
- Submit planning application Feb 21
- R&D Commercial Operator – March 21
- Final Planning Determination approval May 2021
- Award of main contractor – May 21 Order for steel framed building – March 2021 (Delivery June 2021)
- Main building works on site commence May 21
- Construction – June 2021 – Aug 2022
- Landscaping – July 2022
- Practical completion – Sept 2022

Any delay to approval will affect the delivery of the project and risk reputational damage to the CPCA.

The Business Board considered this application at its Extraordinary Board meeting on 19<sup>th</sup> October 2020 after the project had been through the Local Assurance process and have recommended to the Mayor and Combined Authority to approve the funding to the Peterborough University Phase 2 Manufacturing and Materials Research & Development Centre Project subject to certain conditions being met.

The recommendations from the Business Board held on 19<sup>th</sup> October 2020 are:

Recommend that the Mayor, in consultation with the Combined Authority Board, approve the allocation of the sums required to progress the Peterborough University Phase 2 Manufacturing and Materials Research & Development Centre to complete the design and business case from the Getting Building Funding from Ministry of Housing, Communities and Local Government (MHCLG), subject to that sum being agreed by the Section 73




	<p>Officer; and</p> <p>Recommend that the Mayor, in consultation with the Combined Authority Board, delegate authority to the Senior Responsible Officer (Deputy Chief Officer) for Business Growth Service, in consultation with the Lead Member for Finance, Section 73 Officer and Monitoring Officer, authorise the release of the balance of the £14,295,833 Getting Building Funds subject to the project producing the documents listed as terms and conditions in the external appraiser's report.</p>
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<p>13. Alternative options considered.</p>	<p><b>List alternative options considered and rejected including the reason for rejection. NOTE: Do not leave this section blank or put 'None'. There is always an alternative even if it is to do nothing.</b></p> <p><i>The only other option would be not to Award the £14.295million from MHCLG as recommended by the Business Board to University of Peterborough Phase 2 manufacturing &amp; materials R&amp;D centre project and the project does not proceed at all and the Getting Building Funding allocated to this project would have to be returned to MHCLG.</i></p>
<p>14. Financial Implications</p>	<p>Please include as applicable:</p> <ul style="list-style-type: none"><li>• The total costs and how the project will be funded.</li><li>• Budget codes for your directorate.</li><li>• Indicate the total cost and how it will be funded either from revenue or capital.</li><li>• If revenue, indicate budget codes for your directorate.</li><li>• If capital, give details including approvals from any previous capital budget approvals</li></ul> <p>CPCA has been paid £7.3million first tranche of the GBF in September 2020 and will be issued with remaining grant of £7.3million in early 2021 to defray by March 2022</p> <p>The anticipated cost of both the requested investment, and the CPCA officer support, are covered within the £14.6m to be received thus there should be no call on the CPCA's finances beyond this commitment.</p> <p>As a shareholder in a limited company the financial risk of the Combined Authority is capped at the value of the shares purchased and thus are wholly covered by the allocation of the Getting Building Fund.</p> <p>The business case for the project has yet to be completed, thus the long-term financial implications for the subsidiary company have not been established. To reduce the risk of investment in a non-viable project the funding release has been split into two tranches, with a gateway process to unlock the larger second tranche for construction of the project.</p> <p>The first tranche will fund the continuation of the project's development, and the initial work to deliver the business case. The majority of the funding, to enable the letting of the build contract, will not be released until the business case is complete, has been reviewed, and the Officers and Member set out in the decision are satisfied that it presents a viable commercial project and value for money.</p> <p>This inherently means that the initial investment is at risk if the business case does not show that the project represents a viable commercial opportunity, and thus cannot continue. In which case, it is likely that the majority of the invested GBF funds would be lost as no physical asset would have been created.</p> <p>Were the business case to show that the project does not create a viable commercial proposal, and the second tranche not be released, there is a possibility that MHCLG would look to withhold, or reclaim, the unspent Getting Building Fund but this risk is capped at the value of the Getting Building Fund and thus would not affect the Combined Authority's wider financial position.</p>



<p>15. Comments from Finance Team</p>	<p>These are contained within the financial implications section of the notice.</p>	
<p>16. Comments from Legal Team</p>	<p>Business Board funding decisions require ratification by the accountable body (CA Board) as part of the funding approval process. An urgent decision is required given the timescales attached to this project including 31<sup>st</sup> March 2022 for funds to be expended and the timeline for delivery. Delaying ratification of the recommendations made at the extraordinary Business Board meeting on 19.10.2020, to the next meeting of the CA Board on 25.11.2020, presents a delay which would impinge on the successful timely delivery of this project.</p> <p>Noting the previous Business Board and Mayoral decisions in July 2020 related to the Getting Building Fund, coupled with the urgent need for ratification, a Mayoral decision is required, with the Mayor using his general power of competence to do anything that the Combined Authority can do. The Mayor can exercise that power after having due regard to advice from the Monitoring Officer and Chief Finance Officers. As the Mayor has committed to consulting members of the CA Board when making decisions in this manor, consultation took place at the Leaders Strategy Meeting on 28<sup>th</sup> October 2020. As this decision was not on the Forward Plan, a notice of the decision was published (in line with the general exception procedure) on the CPCA website and sent to the Chair of Overview and Scrutiny. The intended decision has not been subject to any scrutiny by the committee. Therefore, the use of a Mayoral decision here is justified and there is nothing prohibiting the Mayor from making this decision.</p>	
<p>17. Consultation</p> <p><b>Please retain emails to show the relevant officers have approved the decision/proposal.</b></p>		<p><i>Please insert the name of consultee and date of written approval or insert N/A</i></p>
	<p><i>Chief Executive</i></p>	<p><i>04.11.2020 Kim Sawyer</i></p>
	<p><i>Responsible Director/Chief Officer</i></p>	<p><i>Name and Date or N/A 23/10/2020 Brian Hyland</i></p>
	<p><i>Monitoring Officer</i> <i>Deputy Monitoring officer</i></p>	<p><i>Name and Date or N/A 28/10/2020 and 3.11.2020 Rochelle Tapping</i></p>
	<p><i>S73</i></p>	<p><i>23/10/2020 Robert Emery</i> <i>4/11/2020 Jon Alsop</i></p>
	<p><i>Portfolio Holder</i></p>	
	<p><i>Other</i></p>	
<p>18. Declarations/Conflicts of Interests (only if the decision falls under the 'Express authorisation' category)</p>	<p>N/A</p>	

<p>19. Supporting documentation – please include any relevant reports</p>	<p>Business Board paper – extraordinary meeting 09/07/2020                  Leaders Strategy Meeting paper 15/07/2020                  Mayoral Decision Notice to accept allocation of funding 15/07/2020                  Business Board paper – extraordinary meeting 19/10/2020                  Leaders Strategy Meeting paper 28/10/2020</p> <p><b>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).</b></p>	
<p>20. Officer/Mayor signature</p>	<p>Signature: </p> <p>Name: James Palmer</p>	<p><b>Date</b></p> <p><b>05/11/2020</b></p>
<p><b>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.</b></p>		