

DECISION NOTICE - OFFICER/ MAYORAL

To grant a permission or a licence, affect the rights of individuals, to award a contract or incur expenditure over £250k, to amend budgets, or apply a Key Decision over £500k.

DECISION INFORMATION	
1. DECISION TITLE	Manufacturing & Materials Research & Development Centre Project Change Request and Revised Business Plan
2. DECISION No.	34-2021
3. DECISION DATE	24/05/2021
4. FORM AUTHOR	Mahmood Foroughi - SRO H.E mahmood.foroughi@cambridgeshirepeterborough-ca.gov.uk 07713199021
5. DESCRIPTION OF DECISION	<p>To expedite the process and meet deadline of 3rd June, we are seeking, through a Mayoral Decision Notice, the approval of the following recommendations to enable instruction to be placed with MACE, the project consultants by the 3rd June 2021, to commence the redesign and resubmission of the planning application for the smaller building, in order to meet the revised December 2022 completion date.</p> <p>This notice will follow the Business Board approval on 19th May.</p> <p>The required decisions are as follows:</p> <p>(a) The Mayor to approve the project change request for the Manufacturing & Materials Research & Development Centre;</p> <p>(b) The Mayor to approve the revised Business Plan for the Peterborough R&D Property Company Ltd at Appendix 1;</p> <p>(c) The Mayor to delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Economic Growth, the Section 73 Officer and the Monitoring Officer, to finalise and complete the necessary legal documentation for the Peterborough R&D Property Company Limited;</p> <p>(d) The Mayor to approve the allocation of the balance of the £13.773m Getting Building Fund monies to Phase 2 of the University of Peterborough project and releases the balance of the funding based on the amendment to the Business Plan.</p>
6. AUTHORITY FOR DECISION	Mayor – General Power – Chapter 3, Paragraph 1.5
7. DECISION TYPE	Mayoral
8. DECISION OWNER	The Mayor
9. KEY DECISION	FORWARD PLAN DATE

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INFORMATION	FORWARD PLAN NUMBER	
	DATE OF DECISION	The recommendations were adopted by the Combined Authority Board at its meeting on 27th January 2021.
	DATE REPORT PUBLISHED	
	APPROVAL HYPERLINK	Mayoral Decision Notice (5th November 2020) https://mk0cpcamainsitehdbtm.kinstacdn.com/wp-content/uploads/documents/governance/transparency/mayoral-decision-notice/MDN28-2020-Award-getting-building-funding-GBF-to-Uni-of-Pb.pdf
	IMPLEMENTATION DATE	
	EXEMPT INFO/ ANNEX	Appendix 2 (Exempt) – Independent Appraisal Report on the Revised Project and Business Plan
DECISION OVERVIEW		
10. SUMMARY OF REQUIREMENTS	<p>To seek approval for a change to the project Business Model, to enable the Peterborough R&D Property Company Limited ("the Company") to manage the Manufacturing & Materials Research & Development Centre ("the Centre") itself instead of procuring a commercial operator to do so.</p> <p>To seek approval for a number of changes to the project Business Plan, to enable the Company to take on this role and the reduced capital contribution to the build from Photocentric Ltd.</p>	
11. PROJECT BACKGROUND	<p>At its meeting on 12th January 2021, the Business Board considered a report on the incorporation of the Company and made recommendations to the Combined Authority Board on the delegation of authority to officers to prepare legal documentation on the approval of the Business Plan for the Company. The recommendations were adopted by the Combined Authority Board at its meeting on 27th January 2021. At that time, it was the intention that a commercial operator for the Centre would be procured by the Company and the Business Board also recommended that consent be given for the Company to enter into a contract with the successful contractor in the procurement.</p> <p>The decision not to appoint a centre operator was taken as the proposed operating model, including acceptable level of the fee paid by a centre operator which was based on soft market testing, would have resulted in the Company being unable to reclaim VAT costs on the construction of the building. This was particularly highlighted when considered in combination with the 5-year lease period and expected Photocentric buy-out which did not prove to provide a reasonable basis for VAT recovery.</p> <p>Compliance with VAT rebate necessitated a change of approach to commercial operation of the centre, resulting in the Company having to take on the operation of</p>	

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	the R&D centre, revision to the Business plan with a reduction in scope of the build design, and change of completion date.	
12. FINANCE INFORMATION	VALUE OF DECISION	£13,773,000
	BUDGET CODE(S)	CX5111
	BUDGET DESCRIPTION(S)	University of Peterborough – Phase 2
	FUNDING TYPE	CAPITAL
	FUNDING APPROVAL	19 OCTOBER 2020 BUSINESS BOARD EXTRAORDINARY MEETING, AGENDA ITEM 1.2
	FUNDS AVAILABLE	£13,773,000
	OTHER COMMENTS	
13. PROCUREMENT CONSIDERATIONS	DIRECT AWARD JUSTIFICATION	N/A
	REGULATION RISKS	The revised approach to delivery will be procured compliantly with the PCRs2015
	VFM JUSTIFICATION	This will be achieved through the selected procurement approach.
14. LEGAL CONSIDERATIONS	LEGAL RISKS	The revisions to the Business Plan will be taken into account in the construction of the Shareholder Agreement between the Combined Authority and Photocentric Limited, the Articles of Association of the Company and the Agreement for Lease and Lease of the premises between the Company and Photocentric Limited.
	CONTRACT/ GRANT INFORMATION	There are no changes to the grant requirements.
15. CONFLICTS OF INTEREST/ MITIGATION	N/A	


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16. SUPPORTING DOCUMENTATION	1- Change request paper 2- Appendix1 – revised Business Plan	
17. CONFIDENTIAL INFORMATION	None	
DECISION APPROVAL/ CONSULTATION- to be completed by consulted officers for all Decisions		
PROCUREMENT	NAME	Saffron Bamforth
	DATE	18/05/2021
	COMMENT	Approved
FINANCE	NAME	Vanessa Ainsworth
	DATE	18.05.2021
	COMMENT	VAT advice was sought from Deloitte regarding the original operating model, and they flagged that the VAT would be irrecoverable should we proceed with the initial plan. Further to this, a revised business plan was prepared, which Deloitte have confirmed enables the VAT to be reclaimed. This action has been taken to ensure that the building can proceed within the financial scope.
LEGAL	NAME	David Cox
	DATE	18.5.2021
	COMMENT	It has been necessary to abandon the original procurement of a concessionaire to run the research building as a result of a financial review concluding it would neither be financially viable, nor would VAT be reclaimable utilising this model. In consequence a revised business case has been prepared which recommends Peterborough R&D Property Company Limited (“PropCo 2”) should manage and lease the building. This amounts to a substantial change to the original proposed delivery model. CPCA has received detailed legal advice from its external advisors Pinsent Masons which has been reviewed and agreed by CPCA Legal Services.
CHIEF OFFICER/ DIRECTOR	NAME	
	DATE	
	COMMENT	

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CHIEF LEGAL OFFICER/MONITORING OFFICER	NAME	Robert Parkin, Chief Legal Officer/MO
	DATE	21.05.21
	COMMENT	Approved. The decision is within the powers of the Mayor to approve, per Article 1.5.3 of the constitution.
CHIEF FINANCE OFFICER	NAME	Jon Alsop
	DATE	21.05.2021
	COMMENT	Approved
OVERALL APPROVAL		
DECISION MAKER	NAME	Mayor Dr Nik Johnson
	DATE	28 th May 2021
	COMMENT	

Please ensure all red guidance notes are removed before final sign off and adding to the ODN/ Contract Register

TO BE COMPLETED BY LEGAL/ PROCUREMENT POST APPROVAL

ACTION	DATE	COMPLETED BY
Reported to board		
Published on Website		
Contract award notice published on contracts finder		
Contract award notice published FTS		
Notification to Framework Owner		
Decision added to Decision Register		

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Contract signed		
Contract added to Contract Register		

Officer or Mayoral Decision Notice

Where an officer or the Mayor makes a decision, including under specific delegation from a meeting of a decision-making body, the effect of which is

- (a) to grant a permission or licence,
- (b) to affect the rights of an individual; or
- (c) to award a contract or incur expenditure, the decision-making officer must produce a written record of the decision as soon as reasonably practicable after the decision has been made.

Key Decisions

1. A “key decision” means a decision, which in the view of the Overview and Scrutiny Committee is likely to:
 - (a) result in the Combined Authority **spending** or saving a significant amount, compared with the budget for the service or function the decision relates to;
 - or (b) have a significant effect on communities living or working in an area made up of two or more wards or electoral divisions in the area.
2. When assessing whether or not a decision is a key decision, Members must consider all the circumstances of the case. However, a decision which results in a significant amount spent or saved will not generally be considered to be a key decision if that amount is less than **£500,000**.
3. A key decision which is considered to have a ‘significant’ effect on communities should usually be of a strategic rather than operational nature and have an outcome which will have an effect upon a significant number of people living or working in the area and impact upon: (a) the amenity of the community or; (b) quality of service provided by the Authority
4. Subject as below, a key decision may not be taken by the decision maker unless: (a) it is in the Forward Plan on the Combined Authority’s website; (b) at least 28 clear days’ notice has been

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given, or if this is impracticable, the decision has complied with the provisions set out in paragraph 12 or 13 below as they may apply; and (c) notice of the meeting has been given in accordance with these rules.