



Allocation of Getting Building Fund

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 25 November 2020

Public report: Yes

Lead Member: Mayor James Palmer

From: John T Hill
Director of Business and Skills

Key decision: No

Forward Plan ref: n/a

Recommendations: The Combined Authority Board is recommended to:

Note Key Decision 2020/081 made by Mayor James Palmer on 5th November 2020 and using the General Exception procedure.

1. Purpose

- 1.1 This paper formally reports to the Combined Authority Board that the Mayor made Key Decision 2020/081 on the 5th November 2020 using his general power of competence, having consulted with the Combined Authority Board Members at the Leaders' Strategy Meeting on 28th October 2020.
- 1.2 This report also covers why the Mayoral decision route was used on this occasion due to the urgency of the intended decision.
- 1.3 The record of the decision taken and associated papers is recorded in a Mayoral Decision Notice which accompanies this report at Appendix 1.

2. Background

- 2.1 On 10th 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 the Ministry of Housing, Communities and Local Government (MHCLG) was 31st January 2022.

- 2.2 The CPCA and Business Board submitted a range of projects to MHCLG for consideration and MHCLG shortlisted three projects to investigate with CPCA.
- 2.3 The Business Board agreed at its Extraordinary Board meeting on 9th July 2020 that the Peterborough University Phase 2 Manufacturing and Materials Research & Development Centre Project was the only project to be formally invited 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'.
- 2.4 A Mayoral Decision to approve the recommendation from the Business Board on 9th July 2020 was made on 15th July 2020 after consultation with Combined Authority Board Members at the Leaders Strategy Meeting on the 15th July.
- 2.5 MHCLG confirmed allocation of the £14.6million to the Combined Authority on the 4th August 2020 and subsequently paid half (£7.3million) to the Combined Authority in October 2020.
- 2.6 The Peterborough University Phase 2 Manufacturing and Materials Research & Development Centre Project 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 with MHCLG that funds had to be expended by the 31st March 2022.

The timeline for the delivery of this building is set out below 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

- 2.7 To speed up the process and avoid the eventuality of failure due to delay, an extraordinary meeting of the Business Board was convened on 19th October 2020 to enable approval of the funding to the project a month earlier than would be possible through the scheduled Business Board meeting. At that meeting the Business Board approved a variation of Local Growth Fund decision making processes set out in the Local Assurance Framework, to enable the approval of the proposed project. The Board also recommended 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 Officer; and further recommended 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.

- 2.8 The decision of 19th October 2020 required ratification in the usual way, given it relates to a funding decision made by the Business Board. Due to the time constraints for delivery as documented at 2.6, the decisions could only be ratified promptly by Mayoral decision, with the Mayor using his general power of competence to do anything that the Combined Authority can do. The Mayoral decision route was used on this occasion solely due to the urgency of the intended decision. Government has set a deadline of 31st March 2022 for Getting Building Funding to be expended. Given that the application relates to construction, a construction timeline is also applicable. Hence any delay to the award of funding would subsequently delay the construction timeline, putting into jeopardy the ability of the Combined Authority to meet the deadline imposed by Government, which would ultimately mean project failure and reputational damage to the Combined Authority. As such the decision could not be delayed until the Combined Authority Board meeting on 25th November 2020. The intended Mayoral decision included consultation with the CA Board, to ensure the CA Board was involved with the decision-making process.
- 2.9 As this was a key decision which was not published on the Forward Plan, the general exemption procedure was followed, including publishing a notice, on 28 October 2020 of the intended Mayoral decision 5 clear days before the decision was made. The notice was also sent to the Chair of the Overview & Scrutiny. Due regard to public scrutiny was observed through this process. The Mayor then made the decision on 5th November 2020. That decision has been published on the Combined Authority website and the implementation date for the decision was 16th November 2020. Transparency of the decision including provision for scrutiny observed.
- 2.10 The funding application has been subjected to the same rigorous assurance process as any other application including an independent evaluation and scrutiny at the Entrepreneurs Assessment Panel. This was a condition of the funding imposed by the Ministry of Homes, Communities & Local Government (MHCLG).
- 2.11 The confirmation of funding approved which this decision brings, subject to the conditions in the external appraisers report, means that enabling works for this project (linked to phase 1), final design works and planning application preparation plus Centre operator procurement preparation can all proceed immediately.

Significant Implications

3. Financial Implications

- 3.1 The project will be delivered in line with the funding received from MHCLG, and there is no wider implication to the CPCA medium term financial plan (MTFP). As 50% of the funding has already been received, there are no anticipated implications on cashflow.

4. Legal Implications

- 4.1 The making of this Mayoral decision accords with the CPCA Constitution.

5. Other Significant Implications

- 5.1 None.

6. Appendices

- 6.1 Appendix 1 – Mayoral Decision Notice 5 November 2020

7. Background Papers

- 7.1 [Business Board - Extraordinary Meeting 19 October 2020 - Item 1.2](#)
- 7.2 [Mayoral Decision Notice to accept allocation of funding 15 July 2020](#)
- 7.3 [Business Board - 9 July 2020 - Item 1.2](#)
- 7.4 [Local Growth Fund Application Documents, Investment Prospectus, guidance and application forms](#)

Or from:

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