

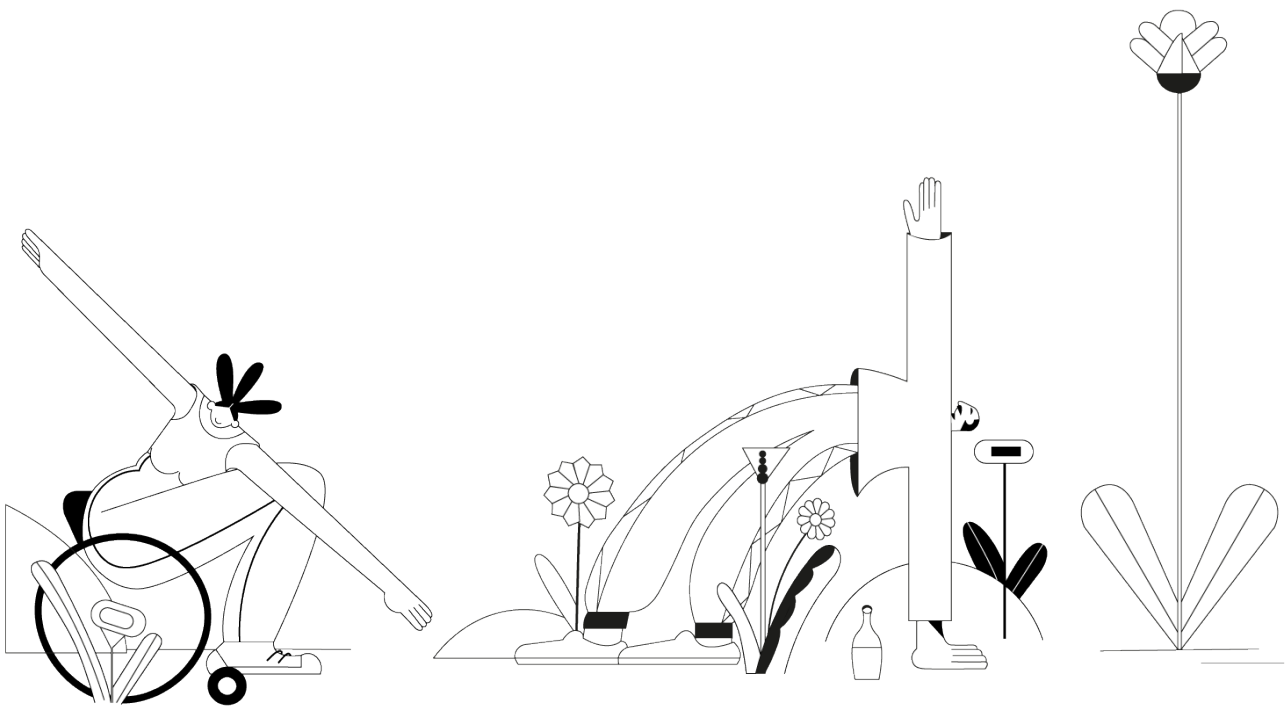
Meanwhile Thinking

The first step in a new sustainable
neighbourhood for North East Cambridge



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1 INTRODUCTION

ABOUT THE BUSINESS CASE

This business case, prepared by U+I and TOWN contains the following:

1. Introduction
2. Strategic Case
3. Economic Case
4. Commercial Case
5. Financial Case
6. Management Case
7. Appendices

INTRODUCTION

The following business case, submitted by U+I/ TOWN as master developers of the Core Site, sets out a clear business case for the meanwhile project proposed as part of our early placemaking activity on the site. It comes with the support of Cambridge City Council (CCC) and Anglian Water (AW) as landowner and the Cambridgeshire and Peterborough Combined Authority (CPCA).

This paper sets out the rationale and business case for our proposals and clearly identifies the reasons we would look to implement and deliver the project, with the assistance of CPCA.

PROJECT BACKGROUND

U+I and TOWN (referred to as U+I/ TOWN hereon) are appointed as master developer of the Core Site, a key area within the wider North East Cambridge Area Action Plan. The Core Site is the last undeveloped large-scale brownfield regeneration opportunity in Greater Cambridge, measuring 49 hectares and set to deliver 5,600 homes over the next 15-20 years.

U+I/ TOWN propose to deliver a meanwhile project that will bring together a rich network of community and purpose-driven organisations with high social impact to the Core Site for 15+ years, whilst the wider regeneration project is being brought forward.

The meanwhile project will mark the start of the regeneration of the site and is therefore critical to establishing the tone for the development. It will:

1. **Begin to build a community at the Core Site** – large urban extensions are often difficult places for communities to form and grow, especially in their early phases. The meanwhile project will play an important role in forming partnerships and relationships with local communities, groups, and organisations in Cambridge and beyond. It will help to embed the project in the local area from the outset, providing early activation to an otherwise inward facing site.
2. **Activate the site and support early placemaking on Cowley Road** – the meanwhile project will help to establish the start of, and form a critical new part of the, the first new neighbourhood at the Core Site through the delivery of early commercial space and attraction of new visitors to the area.



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3. **Respond to local needs** – responding to local, well-evidenced needs to provide affordable commercial space for social enterprises and charities.
4. **Test ideas, approaches and uses for implementation in the wider scheme** – through the provision of flexible commercial accommodation on site, the meanwhile project will provide an opportunity to trial innovative uses, construction approaches, systems and methods which could be then implemented on the wider regeneration of the Core Site.
5. **Establish awareness and positive perceptions of the wider Core Site project** – the meanwhile project will help put the Core Site on the map, create positive perceptions around the project and pave the way for important early delivery of permanent phases of the Core Site.
6. **Provide a physical base for the Core Site project in Cambridge** – the meanwhile project will provide flexible space and opportunities for engagement with the local community, a space for listening and learning and forming partnerships and relationships that will aid the delivery of 5,600 homes across the Core Site.

The current vision for the meanwhile use emerged following a reassessment of the Core Site's previous meanwhile proposals which comprised a Sci-Fi Tech Container Village, which had formally attracted funding from the CPCA. This funding expired in 2020 and the project team have been revisiting plans to ensure that a socially beneficial meanwhile use, achieving each of the objectives identified above, can be delivered on site.

In late 2020, U+I/ TOWN invited proposals for a meanwhile proposition from a shortlist of organisations which would complement the vision and objectives for the long-term delivery of the Core Site masterplan as a healthy, inclusive, walkable, low-carbon new city district with a vibrant mix of high-quality homes, workplaces, services, and social spaces, fully integrated with surrounding neighbourhoods.

Proposals were sought that were fully aligned with the Promises and Values that have been created to underpin the emerging proposals for the wider Core Site masterplan. The three promises and six values that have been adopted by the Core Site team are as below.

Three key **Promises** underpin our vision for the Core Site.

- **People:** The Core Site will support the health, happiness and wellbeing of the people who'll live, work, and spend time here.
- **City:** The Core Site will be an integral new quarter of Cambridge, taking inspiration from the city, engaging with its citizens' present needs, and helping shape its future.
- **Planet:** The Core Site will be an exemplar for development fit for the challenges of the 21st Century, enabling sustainable lifestyles, protecting, and enhancing nature and accelerating the transition to a zero-carbon world.

Six **Values** will underpin and guide the project.



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- **Rooted in Cambridge:** The Core Site will be an integral, new piece of Cambridge, that is both part of the city and a distinctive new place in its own right. It will help shape the City's future whilst learning from the city's history and character. It will be a place to live, work, play and learn, where people know their neighbours, shop locally and put down roots.
- **Shaped by Many:** We'll engage with many people and organisations through the process of planning and delivering the Core Site, enabling the new place to be influenced by different perspectives. It will be delivered by many partners: larger developers, affordable housing providers, SMEs, and community-led organisations. Once built, residents will continue to shape the new place, through community-focused forms of place and space management and a culture of participation.
- **Open to All:** The Core Site's resources – its homes, public space, shops, employment opportunities and community facilities – will be affordable, available, and accessible to all. It will provide a place to start, and a place to stay, with homes for those just starting out, those raising families, people downsizing and others in the later stages of their lives. The Core Site will foster a culture of inclusiveness and diversity, designed to value children, older people, those who are more vulnerable, and those whose voices do not always get heard.
- **Living Within Environmental Means:** The Core Site will be innovatively designed and constructed to make efficient use of valuable natural resources such as land, water, and energy. It will respond to the challenges of the climate emergency and help Cambridge meet its commitment to achieving net zero carbon before 2050. It will make it easier for people to live sustainable and healthy lifestyles with a high quality of life.
- **Integrated with Nature:** The Core Site will incorporate nature and wildlife throughout its buildings, gardens, streets, and parks. It will offer the opportunity to experience nature at first hand – through food growing, conservation initiatives and exploring wild places, and using nature to enhance wellbeing. We'll learn from nature in developing innovative approaches to design, construction, energy production and water management.
- **Street Life:** In large part free of cars, streets at the Core Site will take on many new roles - places for children's play, exercise, cafe tables and natural landscaping. The Core Site's streets will be home to a variety of uses, providing places to work, shop and have fun within easy walk of home. Streets will enable walking, cycling and low-carbon modes of transport, with excellent bus connections and easy access to Cambridge North station.

Alongside a variety of project partners, the updated meanwhile strategy was agreed in May 2021. In late 2021, a design-led feasibility study was undertaken to establish a design solution for an available site located on Cowley Road.

PROJECT SCOPE

The project for which we are seeking funding is a 15+ year meanwhile project, making use of an otherwise redundant 1.5 ha area of land that will eventually become developed for residential uses as part of the wider Core Site masterplan. The project envisages a campus of diverse and innovative

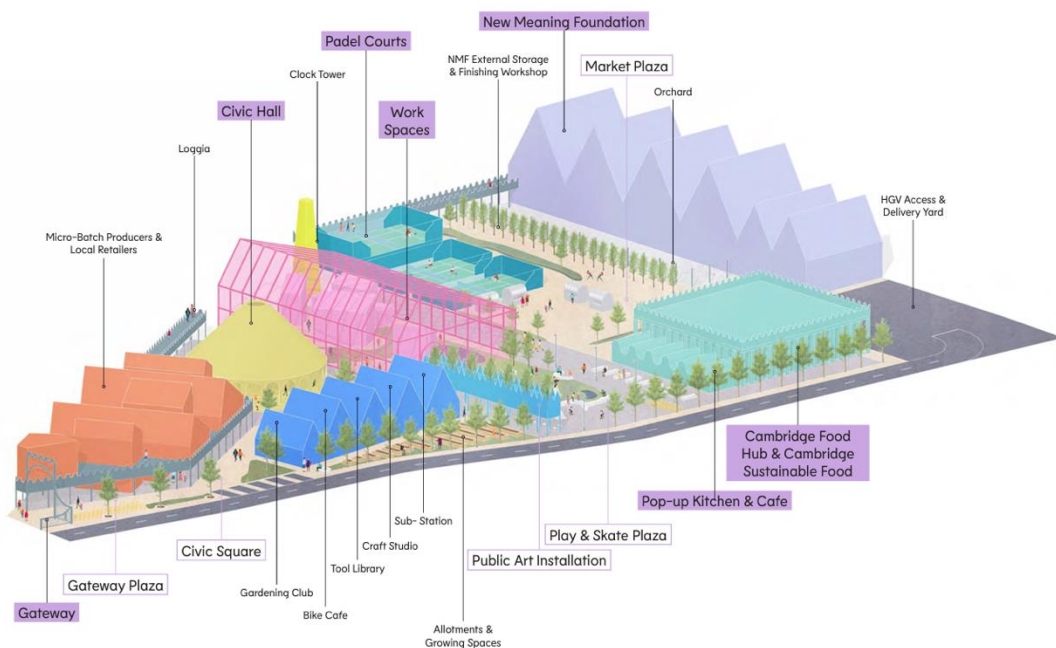


initiatives, unified by a shared commitment to social and environmental purpose, around themes of developing sustainable food systems, tackling climate change, and reducing inequality. Images included below are from the design feasibility study which has informed this bid, but which is subject to further design development.

We are aiming to deliver the project with a series of partners who are already in operation, but who are currently challenged by lack of appropriate space to scale up their impact. As such, this project will have immediate and substantial local benefit, accelerating the impact of these partner organisations and building on the strength of their foundations and networks.

Masterplan

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Anchor Initiatives

The key components of the project are:

1. Affordable workspace for organisations combating the climate emergency

Approx. 250m² of high-quality, flexible, and affordable workspace to incorporate a mix of maker and office spaces, to be made available to organisations (start-ups, SMEs, social enterprises, charities, etc) whose activities are focused on tackling climate change. The co-location of these like-minded organisations will allow for collaboration, innovation, and the transfer of knowledge, helping cultivate this important sector.

We expect this to target existing organisations in the local area, as well as attracting new organisations in the future as they are formed, in the following sectors:



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- Cleantech, including clean energy
- Sustainable materials, buildings, and circular economy
- Sustainable food chains
- Smart cities
- Sustainable transport
- Sustainable lifestyles

Workspace will be designed for flexibility, both in terms of rental structure (from pay-as-you-go to long-term), and in terms of space (from a desk to a larger office), with the aim of supporting organisations as they grow and develop. It's mix of desk space and maker space will allow for a wide range of complementary activities, including research, prototyping as well as core business activities such as sales and administration.

We will deliver the workspace with a to-be-appointed operator, and in collaboration with other local organisations working in this sector, including Cambridge Cleantech, Cambridge Institute for Sustainability Leadership, New Meaning Foundation, and Cambridge Ahead.



2. Sustainable food hub

A new approx. 900m2 building housing a series of activities and services unified by a commitment to rethink and change the way that food is grown, transported, prepared, consumed, and disposed of. It will accommodate:

- **Local food hub** – a logistics facility for the processing, packaging, and onward delivery of sustainable, local food. Food will be sourced at scale from producers of all sizes across Cambridgeshire, brought to this facility using low-energy storage and transportation, then



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prepared for delivery to businesses, schools, and homes in and around Cambridge using low-carbon, city-friendly forms of transports such as electric cargo bikes. Circular economy principles will be employed throughout, including reusable packaging, and reducing food waste.

- **Incubator & community kitchens** – a series of high-quality kitchens aimed at start-ups, SMEs and non-profits who are operating at the intersection of food and sustainability. These will be flexible and affordable, and supported by programmes of training and mentoring. They will also offer the benefit of a ready-made local food supply chain through proximity to the logistics facility described above.
- **Food recycling initiative** – an initiative focused on tackling food waste in and around Cambridge, by working with local businesses to retrieve food that would otherwise be unnecessarily disposed of, and redepoying this by providing food for those in poverty, deploying it through catering or, where it cannot be consumed, enabling sustainable disposal.



3. MMC Factory and Training Centre

A approx. 1,000m² purpose-built factory for the off-site manufacture of high-quality, sustainable buildings. This facility will provide a unique setting for training, staffed by young people who are currently excluded from the workforce.

Operated by a local social enterprise, the facility will employ people who are not in education, training or employment, offering them a programme of training, mentoring and support over a 1 to 5 year period. It is estimated that 20 to 30 training and patient employment positions will be available each year. Using the manufacturing as a focus of training, the programme will deliver a mix of manual, multiskilled trades, administrative and other core skills that are required in the workplace, including valuable experience and confidence.



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4. Campus setting and supporting uses

The initiatives described above will act as the anchors of this project. However, just as important to the project's overall success will be the campus and landscape setting in which they are situated. This will serve a few critical functions, including providing important amenity for the people who'll work and spend time here, spaces for interaction and productive collaboration between the various initiatives and space for the community to spend time and engage with the wider Core Site masterplan. They will be managed and maintained by a specialist operator, to be determined.

The campus setting will be actively programmed and designed, to include a series of functions, buildings and spaces that will achieve these goals. These will include:

- **Civic Hall** – a simple, high-quality building of approx. 150m² that will offer larger space for use by the anchor initiatives in support of their core activities (for example, a festival of local food, or a public exhibition around renewable energy), as well as a place for local organisations to hire at reasonable prices for meetings and other events, as well as training and volunteering programmes for the local community.
- **Food growing areas** – space for local organisations to come together to grow food. This space will be different from statutory allotments, in that it will be aimed at local groups and programmes, rather than individuals, and specifically those that are able to demonstrate positive social purpose. This may include gardening for mental health, gardening for disabled people, training opportunities for those excluded from the workforce, and other initiatives that will support people at disadvantage.
- **Food and drink** – spaces for local food businesses, those who may have a synergy or relationship with the food hub described above, offering good, local, and sustainable food to employees and members of the public. This will be important to attracting people to the project, as well as showcasing some of the project's ethos in a tangible way.
- **Micro-retail and micro-production spaces** – affordable space for highly differentiated businesses to sell and produce goods, with a strong focus on those who have synergy with the wider ethos of the project. This may include a sustainable brewery, bakery co-operative or a local jewellery designer.
- **Amenity space** – the setting will support and manifest the wider ethos of the project, bringing these to life in an applied way. It will create spaces which will support the wellbeing of those working on the site, and those visiting. Central to the approach for this space will be a strong commitment to sustainability – for example in integrating planting and biodiversity, water management, and the use of low-impact building approaches.

Location and Development

The project will be located on Cowley Road, on a parcel of land that will be integrated into the Core Site development at North East Cambridge. This site is owned by Cambridge City Council, forming part of an existing golf driving range, and will be made available for a period of approx. 15 years to support



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this project, allowing time for the uses to mature and develop sustained positive outcomes over their useful life.

The site is ideally positioned,. 7 minutes' walk from Cambridge North station, very close to the guided busway, which offers a 15 minute cycle to Cambridge City Centre, and is within easy reach of a number of residential communities including Orchard Park, Chesterton, Milton and Histon. It also has access to the A14, allowing the movement of larger goods which will be necessary for some of the initiatives set out above (namely the Food Hub and the MMC Factory and Training Centre).

Development of the project is expected to be phased, both owing to its size and the requirement to dovetail with the work ongoing at the wider Core Site development. This is likely to mean that some of the supporting uses set out above (such as the visitor-focused and F&B elements) may be part of a later phase, to be delivered once the relocation of the water treatment centre is complete, and odour zone removed.

The intention is to take an innovative and ambitious approach to delivering the project in terms of sustainability, deploying new, low-carbon materials, demonstrating clean energy and sustainable water treatment, and intelligently designing buildings to make sure that they may be reused at the end of the project. This will be critical to embodying the values of the project, as well as creating the environment within which the various initiatives will be able to flourish.

**TOWN.**love every drop
anglianwater

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Building Permanent and Long Lasting Value

While this is a temporary project – albeit a long-term one – the purpose of this project is to cultivate a legacy that will outlive the period of the project's operation and life. Specifically, the project's intention is to actively cultivate several initiatives and organisations that could eventually be re-accommodated within the Core Site – through a planned programme of relocation some 15 years from now. Even at this early stage, we are planning spaces in the wider Core Site masterplan that could become available for many of the initiatives that will be supported through the project – as well as the organisations they will cultivate and spin off.

A further synergy between the project and the wider Core Site development is the possibility to apply the learning of the project to the delivery of the Core Site itself. For example, sustainable building technologies that are incubated in the affordable workspace may be deployed at larger scale within the development. A business starting out in the incubator kitchen may become a landmark restaurant at the heart of the new neighbourhood, showcasing a sustainable, local food chain. Customers of the new development may buy vegetable boxes from the food hub. The management and operation may be shaped and actioned by partners and users. People who receive training from the MMC Factory may become part of the workforce delivering the wider project.

We will work to provide opportunities and pathways for these outcomes to be delivered.

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2 STRATEGIC CASE

INTRODUCTION

The strategic case sets out the alignment of the proposals with local, regional, and national policy and with the CPCA's strategic priorities, including the Sustainable Growth Ambition Statement.

STRATEGIC PRIORITY

ALIGNMENT WITH NATIONAL AND LOCAL POLICY

The proposals help support national policy in several ways. In line with the NPPF, the proposals will help to aid the delivery of housing on the last large-scale brownfield site in Cambridge. This will be achieved through increased engagement opportunities on site, helping to build support for the wider Core Site masterplan early in its development. Once in operation, the proposals will also contribute to early placemaking on the site, creation of a new community with cultural facilities and the creation of new jobs.

At a local level, there is a clear policy intent from GCSPS to support meanwhile uses, as reflected in the emerging GCLP (policy WS/MU) and NEC AAP (policy 28). The proposal therefore helps to support emerging North East Cambridge Area Action Plan (NEC AAP) by delivering early on its policy objectives. The NEC AAP has advanced to Proposed Submission 'Regulation 19' stage, which is effectively a final draft which CCC and South Cambridgeshire District Council, in their joint planning function as Greater Cambridge Shared Planning Services ('GCSPS'), propose to adopt. This proposes comprehensive, residential-led, redevelopment of the Core Site, as well as the wider North East Cambridge area.

ALIGNMENT WITH CPCA STRATEGIC PRIORITIES

The table below shows how the proposals scored in the previous prioritisation process by the CPCA in early 2022:

GVA	SIX THEMES							
	Climate and Nature		Infrastructure	Knowledge	Health and Skills		Social	Finance
	Climate Change	All other			Health	Skills		
3	3	2	3	2	3	3	3	2

The proposals embody much of the strategic priorities as set out in the Devolution Deal and the Combined Authority Sustainable Growth Strategy specifically. Below we have set out how the proposal is in line with each of the six dimensions within the Combined Authorities investment programme:



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Six Themes of CPCA Sustainable Growth Ambition Statement	Anchor Initiatives			
	Affordable Workspace	Sustainable Food Hub	MMC Factory and Training Centre	Campus setting and supporting uses
Climate and Nature - restoring the area's depleted natural capital and addressing the impact of climate change on our low-lying area's special vulnerabilities.	Providing dedicated and affordable workspace for businesses fighting the climate emergency will directly address the impact of climate change from within Greater Cambridge.	<p>Creation of a local sustainable food ecosystem for Greater Cambridge which will distribute food with low car miles via low carbon modes, help to growing local food businesses through incubator kitchens and provide cookery lessons on how to eat sustainably for local communities.</p> <p>Food Hub encourages transition to agroecological farming techniques in the region by creating demand for sustainably produced food as well as providing a direct route to</p>	<p>Providing educational opportunities to upskill labour market and creating specialists in sustainable modern methods of construction,</p> <p>Creating low-impact new microhomes on site for those that need a roof over their home or for ex-homeless in need of follow-on accommodation.</p> <p>.</p>	<p>Providing opportunities for low-impact, climate- and nature- friendly landscaped space and infrastructure including food growing areas and SuDs that will help to restore the areas depleted natural capital.</p> <p>Exhibition space will allow for initiatives such as community lessons on how to live more sustainably.</p>

		market for locally grown food		
Infrastructure - from digital and public transport connectivity, to water and energy, building out the networks needed to support a successful future;	Space for businesses and possible support to innovate around key themes, including those in Cleantech, materials and circular economy, food, smart cities, and lifestyle.	<p>Distribution of food using low-carbon modes, including EVs.</p> <p>First incubator kitchens in Greater Cambridge which will enable local food businesses grow and have a successful future.</p> <p>Food hub will create infrastructure which improves connectivity and facilitates direct trade between local food producers and enterprises.</p>	Construction of microhomes for homeless charities and registered providers to deploy as needed across the region, providing key housing infrastructure to current gap in provision.	Ambitious sustainability strategy to be developed, as set out in Climate & Nature Considerations, to include energy, water, materials, and transport.
Innovation - ensuring this area can continue to support the most dynamic and dense knowledge economy in Europe	Direct contribution to local productivity and knowledge economy through providing accessible space for collaboration and working.	<p>Growth of emerging innovative food sector in Cambridge through new clustering and facilities.</p> <p>Food hub is showcasing an innovative technique in</p>	<p>Growing local knowledge and workforce in modern methods of construction.</p> <p>Introduction of novel, innovative decarbonised and off-grid technologies.</p>	Neutral spaces and events to foster clustering and collaboration benefits across the site, including Civic Hall to share knowledge with local and region-

		food supply-chain coordination, which is based on circular economy principles (first of its type in the UK).		wide communities.
Health and Skills - building human capital to raise both productivity and the quality of life	Increased productivity in NEC area through creation of dedicated workspace and in turn job creation in emerging sector specifically fighting climate emergency. Future quality of life improvements through innovations made within affordable workspace which could positively impact everyday lives of residents in Cambridge by avoiding worst of climate emergency.	Making good quality, healthy and sustainably produced food more accessible to people throughout the Cambridge and South Cambridgeshire area, including to those who are on a low income. Reduce impacts of food poverty in the city by re-distributing surplus food Reduce impact of food poverty by providing education and social classes on how to eat well on less in training kitchen. Improve health and wellbeing outcomes by distributing fresh	Providing accredited Level 1 and Level 2 training programmes for disadvantaged young people in modern methods of construction to enable future job opportunities Creation of formal apprenticeships alongside training programmes. Providing supported “patient” employment for those adjusting to socially positive work and self-management behaviours.	Productivity boosts to local, existing employment space through provision of new amenities. Quality of life through opportunities to contribute to community uses including food growing, using civic hall as much-needed meeting place for local organisations

		fruit and veg to those on low incomes and through self-growing food projects.		
Reducing inequalities- investing in the community and social capital which complement skills and connectivity as part of the effort to narrow the gaps in life expectancy and income between places;	More Jobs through the growth of the green sector and those fighting climate emergency. Opportunity to engage the local community in local mission to tackle climate emergency.	Reduce impacts of food poverty in the city by re-distributing surplus food. Opportunities to grow skills and knowledge around food and voluntary opportunities to contribute to local anti-food poverty drives. Growth of new food businesses in Greater Cambridge, and therefore increase income across the local area.	Investing in disadvantaged young people to grow construction and social skills to grow their future income and increase life expectancy.	Social capital around food growing, creating communities, event space and meeting space for local organisations.
Finance - improving the institutional capital which supports decision-making and delivery.	Need for public sector finance to enable growth opportunity, and then attract further grants and investment to support innovative businesses in	Growth of new food businesses within the vibrant local food economy in Greater Cambridge, and therefore increase income		

	their endeavours.	across the local area.		
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CASE FOR CHANGE

CURRENT CONTEXT

The anchor initiatives for the meanwhile use focus on the sustainable food network and construction training opportunities.

The sustainable food hub will be designed to tackle the food challenges Cambridge faces locally and to create a better, more sustainable Cambridge for the future. Key issues include:

1. Promoting healthy and sustainable food – increasing public awareness of and interest in healthy and sustainable food is a vital first step to creating a positive food culture.
2. Food poverty, ill health, and health food access – tackling food-related inequality is one of today's most urgent challenges if we are to stem the rising tide of hunger, obesity, and other diet-related ill-health such as heart disease and type 2 diabetes.
3. Community knowledge, skills and resources – grass roots energy, innovation and action are the engine of positive change and it is vital that individuals and communities can build the knowledge, skills, resource and projects to make that change happen.
4. A vibrant, diverse sustainable food economy – If food culture and the system that support it is going to be transformed, food needs to be not only good for people and the planet, but also good for local economies, business, and jobs.
5. Transforming catering and food procurement – with 50% of meals eaten outside the home, catering and procurement offers one of the most effective ways to drive large-scale changes in healthy and sustainable food.
6. Reducing waste and the ecological footprint – with nearly half of all food thrown away, reducing food waste has huge potential social, economic, and environmental benefits.

The construction and training facility will provide a unique setting for training, staffed by young people who are currently excluded from the workforce. This will provide an alternative education provision helping young people to find their strengths and develop the confidence and skills to earn their own living.

In discussions with Cambridgeshire County Council in particular, it has been made clear of the need of such a training facility in Cambridge for those who are not in the mainstream education and therefore the most vulnerable - therefore requiring more bespoke facilities and programmes in the city.

Whilst historically it has been noted that the city's NEET figure is less (as a percentage) than other areas in the region, recent investment in programmes in other locations and closure of programmes



based in Cambridge owing to high rents is giving rise to a growing need for a new facility in this location.

DRIVER FOR CHANGE & EXISTING ARRANGEMENTS

This project responds to several local needs, which if unmet may lead to the failure of the proposed anchor initiatives and reduce the benefits these bring to the local area, Cambridge, and surrounds.

Market failure has led to a situation whereby the anchor initiatives are unable to find suitable accommodation or workspace to facilitate the needs of the business without impeding on their operations, growth and/ or long-term sustainability.

Supporting local charities and social enterprises

This project will be delivered in partnership with several local social enterprises and charities with a focus on tackling skills, training and health inequalities in Cambridge and its surrounds.

These organisations already exist and are delivering successful programmes, but are finding it difficult to find appropriate premises and support to sustain their operations. They need long-term investment and certainty around premises to continue and expand their positive impact - this project offers them the certainty they require over a 15 year period, and the potential for permanent grow-on space in the wider Core Site development, is successful and desirable.

If this meanwhile project is not delivered there is a real risk to our partner organisations around their ongoing viability and the continued positive impacts of their programmes to Cambridge and surrounds.

Helping meet housing need

Cambridge is the UK's least equal city, and this is reflected in the local housing market, where high prices exclude many from accessing appropriate housing. The low score of housing affordability for Cambridgeshire (score of 9.07) is consistently identified as a key challenge by the Combined Authority.

Alongside this, Cambridge is in the top ten cities nationally for housing growth. Whilst latest figures indicate planning permissions for 28,507 new homes in Cambridgeshire, only 3,236 (11%) are under construction – the NEC AAP policy is designed and intended to help tackle the need for new homes in the city, delivering over 8,000 new homes across the wider area.

This meanwhile project will actively support the delivery of 5,600 homes on the Core Site, helping to deliver the aims of the NEC AAP and making a major contribution to the number of new homes in the city. With a commitment to 40% affordable housing, the Core Site project will also play a key role in delivering homes which are available to those in and around Cambridge who are most in need.

This project will play an important role in enabling the Core Site to deliver this. By engaging local people with the Core Site project early on, embodying its vision and values, and inviting people to help shape the project, it will help to build tangible support for the project, as well as helping to ensure that the housing that is delivered addresses the needs of local people.



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If the project is not delivered there is an increased risk to the delivery of the Core Site masterplan, potentially resulting in a failure to address the need for housing and affordability in Greater Cambridge. This would ultimately lead to a failure to meet the needs of the local people.

Delivering skills, training, and employment

While Cambridge is a leading city in economic terms, it faces severe problems around inequality and high levels of deprivation in East Chesterton (adjacent to the site), with uneven access to opportunities of education, training, and employment among its residents. Likewise, wealth of knowledge and diversity of culture across the Combined Authority is prominent, however these skills are needed to be developed evenly across the region. Many of those who have less opportunity live in the communities nearest to the Core Site and this project.

The project will respond to this challenge by:

- Creating training opportunities for local people who are not in education, training, or employment, through the MMC training factory
- Creating training opportunities around food, focused around the incubator and community kitchens
- Delivering flexible workspace for small businesses and other organisations at accessible prices, helping to open opportunities for local people who may not be able to afford existing workspace
- Creating opportunities for volunteering, training, and mentoring through the less formal elements of the project
- Creating employment and apprenticeship opportunities through the project's construction and operation phase, with a commitment to making these accessible for local people
- Cultivating skills and employment opportunities in the rural economy of the wider area by catalysing demands for locally-grown produce

If the project is not delivered:

- There will be a missed opportunity to deliver improved opportunities for local people in need of them
- Our partner organisations will face much-increased challenges around their operations and may face viability challenges, potentially losing all benefit generated for the local area

Fostering more sustainable communities

In addition to supporting the delivery of new homes, this project will be instrumental in making sure that these are delivered within resilient, sustainable communities.

This will include:



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- Establishing a healthy and balanced mix of uses in an area which is currently dominated by large zones of inward facing employment land, rebalancing this with residential uses and creating an environment where homes and workspaces are more finely intertwined.
- Cultivating and offering opportunities to grassroots community groups and volunteer-based organisations, helping to foster a culture of participation and community empowerment around the Core Site - leading to the development of a community that is engaged, active and mutually supportive. Not only will this be of benefit to the Core Site, but will also have profound and positive impacts on the residential communities of north Cambridge.
- This involves a wide mix of people from early in the Core Site's development, helping to shape a mix of housing that will meet the needs of a wide range of people at all stages of their lives and across a range of life and financial circumstances.

If the project is not delivered there is a real risk that housing delivered will lack the supporting uses and amenity required, creating a less diverse and sustainable community. This will ultimately be a missed opportunity to create a greater culture of participation, instead delivering a more conventional form of development where people do not know their neighbours and have little involvement in the management and prosperity of their environment.

Improving local health and wellbeing

Severe inequality in Cambridge means that there is a discrepancy of 11 years in life expectancy between its most wealthy and its poorest citizens. A [user survey](#) by local food hubs found that 44% of users were already having financial difficulties affording fresh and healthy food options prior to the pandemic and it is felt that this is only going to rise, especially in the face of the recent cost of living crisis.

This project will help to improve the health of Cambridge residents in several tangible ways:

- Through the food hub, it will deliver nutritious, locally-grown food at affordable prices to residents in and around Cambridge through the Food Hub, helping to create a culture of food awareness and healthy eating, and connecting people with a knowledge of where their food comes from.
- Through the food hub, the project will divert food away from landfill, towards meeting the needs of those who are most in need.
- It will offer people opportunities to get involved in healthy activities such as gardening and exercise, with activities focused at people who might usually be less likely to have access to this sort of activity.
- The MMC Factory and Training Centre will offer training and patient employment for disadvantaged young people and those out of employment in the local area.

If the project is not delivered:



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- There will be a missed opportunity to deliver positive health outcomes for local people at disadvantage and in addressing the burden of diet-related ill health through programmes run by the Sustainable Food Hub.
- There will be a threat to the ongoing viability of our partner organisations and the work they are doing.

There will be missed opportunities for patient employment and training for young people, and those not in employment in modern methods of construction.

CLIMATE CONSIDERATIONS

The proposals make the most of the opportunity to ‘move the needle’ and make a material impact on sustainability, aligned with the Promises and Values adopted for the Core Site. This project will form the first delivery of any development on the Core Site, and as such, will be the first test of the wider Core Site Sustainability and Quality of Life Framework.

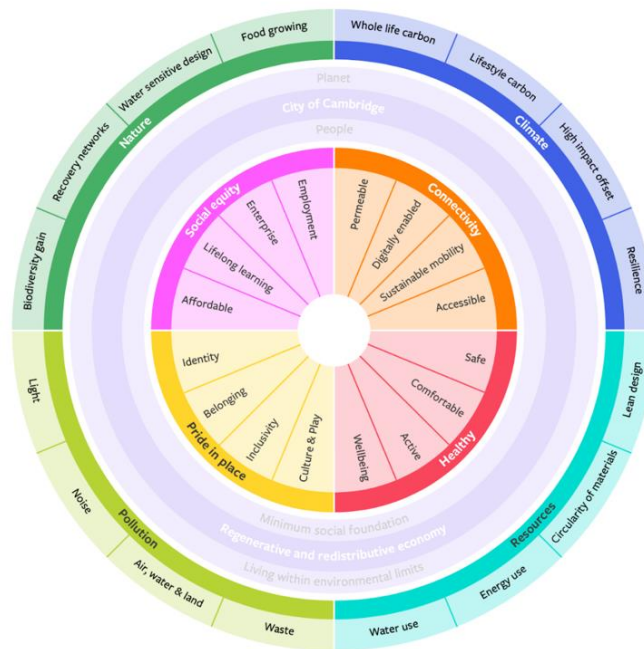
The objectives of the framework are as follows:

- To work towards the goal of achieving net zero carbon before 2030.
- To lead and champion sustainable development and be an exemplar model for development that helps tackle climate change whilst prioritising quality of life.
- To continually review and adapt the strategy in response to changes in policy, technology, and scientific evidence about the impact of climate change.
- To respond to the Climate emergency, biodiversity emergency and cost of living crisis.
- To make the Core Site resilient to climate change and to build in climate adaptation measures.
- To enable people living and working on the Core Site to live a healthy, happy, and sustainable life.
- To thoroughly engage with and listen to stakeholders' and the local community's concerns and needs regarding environmental sustainability and quality of life and to adapt the strategy to reflect local needs.
- To ensure the strategy is fully integrated in different elements and phases of the project including design, planning, procurement, construction, operation, management, and maintenance.
- To establish specific measurable targets for environmental sustainability and quality of life against which performance can be monitored.
- To align with local policy and planning aspirations, in particular those in the draft North East Cambridge Area Action Plan (NEC AAP), and the strategic objectives of the CPCA.

The Framework has been formed through researching and benchmarking best practice, as well as internal and external consultation with project partners, consultees, and stakeholders, considering



global challenges and local opportunities. It will be used to inform key decisions pre-planning submission, as part of the planning application itself and subsequently to guide the delivery and operation of the project.



Inspired by Kate Raworth's Doughnut Economic model, at the centre of the framework (visually represented above) is our social foundation which defines the minimum threshold to sustain a suitable quality of life while the outer boundary is defined by the planet's environmental ceiling. For each, the model sets out a series of themes and sub-themes, for example Climate, and then Whole Life Carbon.

Underpinning the framework are a series of draft KPIs which will be tested by the design team during pre-planning stage, and then subsequently delivered in operation. The most relevant KPIs to be tested through the meanwhile strategy are set out below:

- **Whole Life Carbon** – Net Zero Carbon in Operation and Net Zero Construction
- **Energy Use** – RIBA/LETI 2030 targets, <55kWh/m2/y for commercial space
- **Circularity of Materials** – responsibly sourced materials and >20% recycled content of construction materials.
- **Nature** – 20% biodiversity net gain and species count overtime when compared to similar projects.
- **Sustainable Travel** – decrease in overall vehicle movements in network.
- **Accessibility** – local services and amenities within 15 minute walk of new and surrounding neighbourhoods.

- **Identity** – diversity and quality of form and architecture, architecture fits into local and Cambridge context.
- **Belonging** – community engagement and opportunities for community stewardship.
- **Inclusive** – diversity of population using the meanwhile site.
- **Employment** – jobs created and clear pathways to job opportunities
- **Enterprise** - % procurement of SMEs in construction, % of space allocated to SMEs and alternative tenure models.
- **Lifelong Learning** – multifunctional educational spaces
- **Affordability** – opportunity for community management.

To date, the proposals will look to:

1. **Whole Life Carbon** – Piloting and optimising low embodied carbon structures materials to be used on site
2. **Energy Use** - All-electric heating technology, possibly including heat recovery and passive building design
3. **Energy Use** - Generate renewable energy on-site, including consideration of community microgrid
4. **Circularity of Materials** – Opportunity for reuse of materials both in construction and demolition including exploration of material passports
5. **Nature** - Maximising biodiversity and species habitat
6. **Enterprise** – Provide space for businesses and enterprises working on sustainability & social justice issues in the local area
7. **Sustainable Travel** – Demonstrate future sustainable and active modes of travel

At this early stage of the project, an evidence-based carbon assessment has not been produced. Nonetheless, a Carbon Tracker has also been established by Useful Projects to capture upfront carbon impacts and opportunities for reduction.

SMART OBJECTIVES

Below we have set out 6 SMART objectives in line with the six themes of investment by the CPCA:

1. **Climate & Nature** -The project will utilise at least 5 low-carbon construction materials created by local enterprises or low carbon construction methods, across the two construction phases of the project by setting up a dedicated workstream with our architects, sustainability consultants and other project partners to pursue this



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directly. This will help transition local supply chains towards a net zero carbon and reduce the impact of the project on the planet.

2. **Infrastructure** – The project will deliver at least 3,000 sqm of much needed floorspace light industrial space for local organisations by the end of the two construction phases. The master developer team will ensure the delivery through a sound business case, planning application and delivery plan. This will provide new local infrastructure for small organisations to grow.
3. **Innovation** – The project will incubate at least 10 businesses from micro-businesses to SMEs and assist in finding permanent office accommodation in the locality through the lifetime of the project. The master developer team will explore providing other business support such as mentoring and work closely with tenants to ensure suitable permanent accommodation and necessary support is available to help transitions from the meanwhile site to future commercial accommodation in the Core Site. This will help to ensure the growth of community at the Core Site, and economic growth in North East Cambridge.
4. **Health and Skills** – The project will be used by at least 50 different local businesses and community groups over the lifetime of the project. The master developer team, in addition to project partners, will actively promote the scheme, offer incentives in the form of affordable space for rent and hire and have an active engagement programme to entice local organisations to the site. This will help to build human capital and raise quality of life.
5. **Reducing inequalities** – The project will offer educational opportunities to at least 50 people on the site around healthy living and food over the first five years of the project. Educational and training programmes will be offered by our anchor initiatives and promoted by the master developer team. This will help to lead to health and wellbeing outcomes for residents in local wards.
6. **Finance** – The project will ensure that at least 50% of the total floorspace delivered will be made available to local organisations and groups at an affordable rate. This will help local organisations grow by enabling them to re-invest their available funds into other matters than rent such as equipment or staff.

SPECIFIC DELIVERABLES/ OUTPUTS

The project will deliver approximately:

- 250 sqm affordable workspace space
- 1,000 sqm manufacturing and training space
- 900 sqm of food logistics space
- 500 sqm community/event space and other commercial uses
- 5,000 sqm in a variety of soft landscape spaces, including food growing, community gardens and play space



- Sustainable transport infrastructure including consideration of e-bike docks and electric vehicle charging.

PROJECT OUTCOMES/ IMPACTS

Evidence

Useful Projects have been commissioned to undertake a comprehensive Local Needs Assessment for the wider Core Site, which has helped to form a detailed understanding and baseline of the key socio-economic challenges and opportunities for the communities around the Core Site. It considers the economic and social needs of the residents, employees and businesses in the local area and draws conclusions and recommendations which has helped informed the meanwhile proposals. The full Local Needs Assessment can be shared upon request.

The local needs analysis identified the following outcomes, set out as priorities for the development to achieve over its lifecycle. These have been derived by identifying the most urgent socio-economic needs of the communities in Core Site's immediate surroundings and combining them to form high-level outcomes, or objectives for the development:

- Increase the number of good quality youth programmes on site to improve the social mobility of young people, specifically for those from low-income families to move onto higher education and employment. (Youth aged 4 – 16 years old).
- Increase civic participation for communities previously unengaged (more relatively income-deprived communities who neighbour Core Site have lower engagement).
- Create an inclusive neighbourhood that has a sense of identity and belonging for all groups.
- Improve the sense of inclusion from older people, especially those living alone and in poverty.
- Create good quality local employment opportunities, especially for managers, directors, and senior officials, administrative and secretarial roles, skilled trades occupations, sales and customer service jobs, and process, plant, and machine operatives.
- Improve the mental wellbeing of people living and working on Core Site.
- Decrease the inequality in health outcomes between people in the most and least deprived deciles.
- Decrease the proportion of the population who are considered income-deprived to levels below or like Cambridge (including children and elderly in low-income families), prevent exacerbation of income inequalities.
- Reduce the housing affordability ratio of Cambridge 003B from 14.9, which is above the Cambridge median.
- Decrease levels of food vulnerability (measure combining food insecurity with income deprivation and access to affordable supermarkets).



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- Reduce rates of homelessness and rough sleeping, particularly for single parent households.
- Ensure economic growth is inclusive and representative of the communities they are located in.

Further the report led to several recommendations to address the priority outcomes. These recommendations are not intended to fill the role of a strategy or delivery plan, but instead provide a way forward, and should be amended and shaped as additional work is done, as per the meanwhile proposals:

- Promote healthy behaviours through design, the use of meanwhile space and the selection of organisations who operate on site
- On site construction school with training and apprenticeship opportunities for skilled positions aligned with the transformation of the construction industry.
- Develop green and outdoor active space first to bridge old and new communities and enhance wellbeing of construction workers.
- Provide leisure and private space on site for workers.
- Meanwhile space allocated for community identity-building.
- Construction mentoring programme for target roles (high skilled construction and managerial positions).
- Long-term social mobility programme for youth in collaboration with development partners, local organisations, and schools
- Partner with local businesses for philanthropy and programme support.
- Develop a programme to support those who face barriers to employment.
- Set targets for the number of apprenticeships at each lifecycle stage, targeted at local income-deprived youth.
- Set targets for local employment and spend on local MSMEs
- Pair existing businesses with MSMEs for support.
- Alongside social value delivery plan, develop partnerships with local organisations, education institutions, businesses, and groups to improve educational opportunities.

Key Impacts & Outcomes

The project sets out to achieve several outcomes that align with the need identified above and the key CPCA metrics as set out in the identified strategies, in addition to assisting in delivering on the Drivers to Change as set out and achieve the SMART Objectives. These are outlined further below.



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Outcome: Community, amenity, and events space - space for local residents, future residents of the Core Site and visitors to support and promote healthy, thriving, and prosperous communities in line with the objectives of the identified strategy - **Non-Statutory Strategic Spatial Framework**.

Key Metrics:

1. 5% increase in local volunteer hours (CB4) through provision of available and affordable community space
2. Cultivation and creation of 10 new grassroots community groups over the lifetime of the project.
3. Delivering a new mix of uses, including socially rooted industry in otherwise predominantly employment area

Outcome: Employment and commercial space – new diverse employment and commercial space for purpose-driven organisations to boost local productivity and economic output close to existing and future homes in Cambridge North in line with the CPCA’s identified strategies - **Local Industrial Strategy and Local Transport Plan**.

Key Metrics:

4. 25 new employment opportunities generated by new commercial floorspace
5. Over £5m increase in GVA linked to Local Industrial Strategy over the lifetime of the project.
6. 50 new jobs created over the lifetime of the project.
7. Increased supply of workspace through approx. 3,000 sqm new floorspace.

Outcome: Training and education opportunities – training and education programmes through collaboration with our anchor initiatives partners and in line with the identified CPCA **Skills Strategy**.

Key Metrics:

8. Enabling 50 educational opportunities over the first five years of the project.
9. Reduction in 20 NEETs in the Cambridge area through new training and education opportunities.

Outcome: Platform for innovation and sustainability - Collaboration to deliver bold and innovative interventions to make Cambridgeshire and Peterborough, a great place to live, learn and work in line with the CPCA’s identified strategy - **Skills Strategy** - including management, resource efficiency, materials, and transport.

Key Metrics:

10. More innovation through the creation of additional patents in CB4.
11. At least 10 company formations and scale-ups on the site.
12. Diversification of the economy through creation of 10 new businesses formed on the site.



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13. Improved clustering impacts leading to 5 new commercial partnerships within the CB4.

Outcome: Tackling inequalities and drive sustainability – Private, public and third sector investment and partnership to tackle deprivation and increase sustainability within North Cambridge through innovative sustainability and delivery strategy in line with the identified strategy - **Non-Statutory Strategic Spatial Framework**.

Key Metrics:

14. 2% reduction in food poverty in CB4 because of new educational opportunities around healthy living and food in first five years of the project.
15. Improved access to training and employment for 50 people in need in CB4.
16. Reduced gap in incomes and life expectancy for at least 50 people in first five years of the project because of educational opportunities.
17. 5% increase in participation in community groups among disadvantages / excluded groups in local area.
18. At least 10 new businesses in working in clean tech and / or climate change.
19. Providing opportunities for innovation through at least 5 low-carbon construction materials used on temporary buildings.

Outcome: Aiding housing delivery – aiding the delivery of housing by engaging local people and building support for the redevelopment of the Core Site project early in the overall programme in line with the CPCA's **Housing Strategy and the Strategic Spatial Framework**.

Key Metrics:

20. Supporting housing delivery in NEC through 1,000 new engagement opportunities on the Core Site
21. Delivering sustainable transport outcomes through low car parking provision and encouraging alternatives close to Cambridge North station.
22. Delivering new infrastructure in form of 5,000 sqm of new landscaping to support the Core Site across lifetime of the project.

Expected Different Impacts by Protected Characteristics and/or income groups

We believe that the proposals will benefit Greater Cambridge and the surrounds in line with the values of the Core Site and specifically being 'Open to All', Including the groups:

- Age
- Disability
- Gender Reassignment
- Marriage and civil partnerships
- Pregnancy and maternity
- Race



- Religion and belief
- Sex
- Sexual orientation

Appendix 4 contains the CPCA Project Outcome Profile Tool (POP) as requested by the CPCA.

DESIGNS

U+I and TOWN commissioned New Practice – an emerging architecture practice with a specialism in community-led and temporary interventions – to undertake a design feasibility study in late 2021 to establish the design vision and test the feasibility of the proposal.

A PLACE OF INNOVATION, PLAY AND EXPLORATION.

Through their work New Practice envisage a place of innovation, play and exploration, built on a series of values statements, including:

1. The Anchor-Use Operators are working to promote social and/or ecological innovation
2. Additional operators and features proposed for the site should encourage the development of community.
3. Innovation, play, and exploration are key themes that should drive the design of the meanwhile use site.
4. Sustainability and resource efficiency are paramount. And should be considered through all design aspects, specification, programming, and energy/waste cycles.
5. The site should have its own unique identity whilst building upon the values of the Core Site.

OPPORTUNITIES & CONSTRAINTS

New Practice considered several opportunities and constraints over the operation of the site, in response to the relocation of the WWTP and future development phases, including:

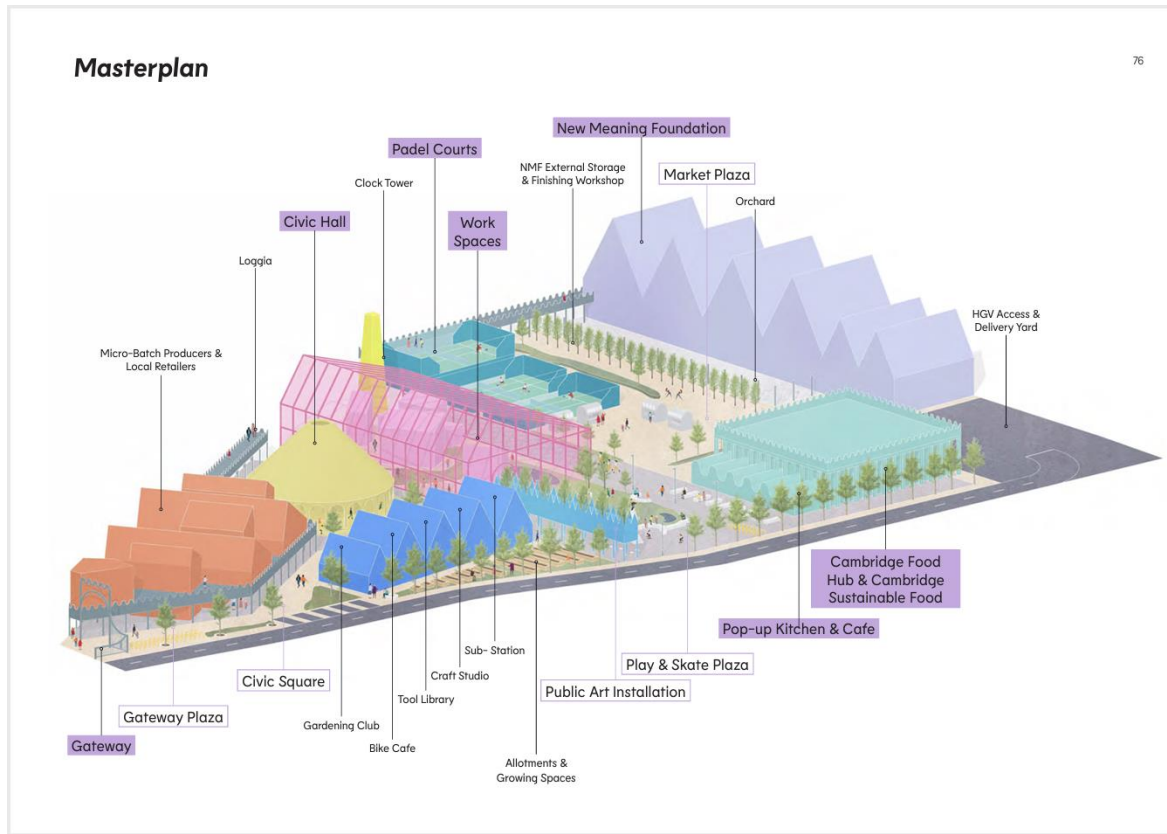
- **Odour Zone** – ensuring compliance with EHO regulations until the relocation of the WWTP
- **Microclimate analysis** – ensuring a comfortable microclimate within the site for users, and potential for energy generation,
- **Cycle connections** – connecting to the existing movement network around the site.
- **Vehicular access** – need for HGV access to the site,
- **Future development phases coming forward** –
 - considering noise and construction traffic during operation of the meanwhile site
 - enabling physical connections with future phases of development and future green infrastructure
 - responding to new populations on the site

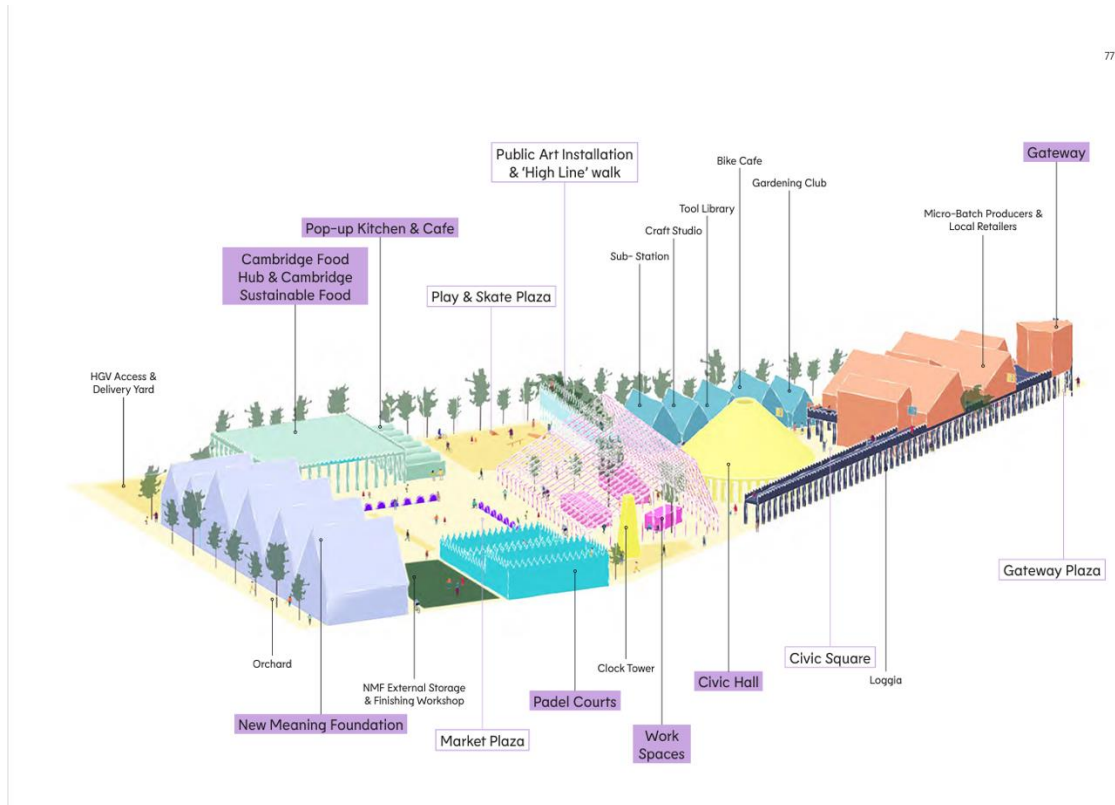


- **Responding to context** – analysis of the wider context, including land uses and surrounds

INITIAL PROPOSALS

Set out below is two axonometric drawings of the proposal by New Practice. This is subject to further design development.





RISKS

The key risks below are taken from the existing risk register for the meanwhile project at the Core Site.

Perceived Risk	Management and Mitigation
Funding availability, including grant funding, affects progress and delivery of anchor uses.	Effective stakeholder and political management, including ongoing dialogue with funding streams.
Delivering the proposal to a budget as a result of unforeseeable events and relevant factors including but not limited to design / specification, construction market, material costs & availability, labour costs & availability.	Ongoing assessment. Contingency set aside in the project budget and procurement strategy to be developed as the project progresses.
Local environmental impacts, i.e., current Odour Zone, and new infrastructure as a result of the WWTP impacts the site and planning process.	Close working with AW relocation team during planning and operation of the Meanwhile uses, and with the Council's environmental health team during pre-planning stages.

Third-party anchor initiatives partners (Food Hub and MMC Factory) do not progress sufficiently with business planning.	Effective monitoring, management and assistance to chosen parties during the business planning phase.
Programme delays cause the third part anchor initiatives to step away from the project.	Effective programme and stakeholder management, including regular catchups and milestone agreements.
Being unable to find a suitable site operator for the site post-completion.	Early engagement with chosen and leading meanwhile operators, including review of the proposals to ensure the proposals develop in line with operator needs and vice versa.
Vacant possession is not achieved in a timely manner.	Ongoing dialogue with the Council's property team and current site tenants.

DEPENDENCIES

The success of the proposals is dependent on several dependencies outside the scope of the programme, specifically:

- **Private sector funding and viability** – ensuring a viable project suitable for private sector funding.
- **Agreement for lease with tenants** – ensuring satisfactory agreement to lease with key anchor initiatives, including timescales and affordability of rent.
- **Vacant possession** – ensuring the site is available for development in a timely manner.
- **Planning approval** – ensuring a satisfactory planning permission within reasonable timescales.



3 ECONOMIC CASE

INTRODUCTION

The economic case will establish the value for money and look to quantify both the benefits and the costs of the Core Site meanwhile project. As part of this, the project team are undertaking a full Green Book and value for money assessment, and have also looked to scope out the economic benefits, as below:

1. Job creation (direct and supply-chain)
2. Training and partnership opportunity
3. GVA and economic output
4. Business rates
5. Health, Crime and Deprivation
6. Social value
7. Private and public investment

The project team have analysed the data that exists to date to quantify this as far as possible, to demonstrate that the uses proposed for the Core Site meanwhile project are the optimal use of resources available to achieve the desired outcomes.

The development of the Core Site meanwhile use business plan, and the assessment of the criteria included above, have been considered alongside the stated Key Ambitions of the Cambridgeshire & Peterborough Combined Authority:

- Doubling the size of the local economy
- Delivering outstanding and much needed connectivity in terms of transport and digital links
- Providing the UK's most technically skilled workforce
- Growing international recognition for our knowledge-based economy
- Improving the quality of life by tackling areas suffering from deprivation

Further work can be undertaken by the project team to cover any additional information required by the CPCA, upon request.

APPROACH TO ECONOMIC CASE

The approach to the Economic Case is to assess four shortlisted options and undertake a full cost-benefit in line with the latest Green Book guidance on at least the preferred option and potentially other depending on the outcome of the initial assessment.

The proposed appraisal period is fifteen years as this is the lifetime of the project.

Given the scale of the project and the fact that it has clearly defined objectives and a site-specific location (which includes the existing odour zone constraint) it is deemed unnecessary to compile a long list of options as an initial stage. Further it was deemed appropriate that the shortlisted options should focus on different scales of delivery rather than consider alternative types of project



investment. We have described earlier how different uses were considered in earlier iterations and how this project came to be developed.

OPTIONS ASSESSMENT

The four shortlisted options for assessment are:

- **Do Nothing** – The site would remain vacant and un-used until such time the masterplan is able to proceed.
- **Do Minimum** – This would provide some basic affordable workspace (by way of shipping containers). This would meet some of the more basic objectives, but not have the same wider impacts as proposed.
- **Reduced Scale** – a smaller scale version of the full scheme which excluded the New Meaning Foundation building and Civic Hall, workshop space/maker space. There would be just two core anchor tenants and affordable workspace.
- **Full Scheme** – as described in preceding sections.

The table below summarises how each of these options scores against the project objectives set out above. The options have also been assessed in terms of cost and overall contribution to the Core Site development. (Cost scores are negative for higher costs)

Each has been scored on a scale as follows:

Very Large Positive contribution	3
Significant Positive contribution	2
Minor Positive contribution	1
Neutral or no impact	0
Minor Negative contribution	-1
Significant Negative contribution	-2
Very Large Negative contribution	-3

Different weightings can be applied to each of the assessment criteria. Given that cost of the scheme is clearly a very significant consideration we have weighted this x2. Even allowing for this double weighting the preferred option is the full scheme as it is the one that delivers on the overall project objectives the best.

	Do Nothing	Do Minimum	Reduced Scale	Full Scheme
Climate and Nature	-2	0	1	3
Infrastructure	0	0	1	2
Innovation	0	1	1	2
Health & Skills	0	0	1	3
Reducing Inequalities	0	0	1	2
Finance	0	0	1	2
Cost	0	-1	-2	-3



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Core Site Development	-2	0	1	2
Overall Score	-4	0	5	13
Overall Score with Cost weighted x2	-4	0	3	10

We have then prepared a social cost benefits analysis of the preferred scheme against the do-nothing reference case.

As set out in the 'Financial Case' this project is not intended to deliver a commercial return but to deliver social and economic benefits to the local area. As such there is a funding gap with the rental income from letting the space not covering the costs of development.

In Net Present Value terms, at a 3.5% discount rate, the scheme would return a loss of -£3.08m over its lifetime. (2023-2039 is used as the appraisal period).

But the scheme will deliver a number of wider economic and social benefits as set out under the 'Project Outputs/ Impacts' section in Section 2 above. Not all of these can be monetised and some will be described in qualitative terms.

For inclusion in the social cost benefit analysis we have included four benefits:

- Productivity gains from new workspace and innovation activity
- Savings from moving young residents out of NEETs status
- Health savings from reductions in food poverty
- Community benefit from increase volunteering

We set out the assumptions and evidence for each of these categories below. In all cases we have applied conservative assumptions.

Productivity gains from new workspace and innovation activity

Estimates prepared by Lichfield (see below) show £1.98m annual GVA from the impact of the scheme. Whilst there is an argument for including this as a local benefit from releasing supply constraints, in line with Green Book Guidance we have not represented this as an overall increase in employment but a shift to more productive jobs. As such we have only included 10% of this value. We have also applied a persistence factor of just 5 years.

On a localised scheme of this nature factors such as deadweight, leakage and displacement will be low. Correspondingly we have applied a factor of 0.15 for deadweight, 0.1 for leakage and 0.25 for displacement in line with the HCA Additionality Guidance.

This produces an annual benefit of £113,603 for five years.

Savings from moving young residents out of NEETs status

One of the key metrics is reduction in 20 NEETs in the Cambridge area through new training and education opportunities, reflecting one of the key labour market objectives of the project. Data from



the Unit Costs Database shows the annual saving from reduction in a NEET of £10,466¹. Multiplied by 20 gives an annual benefits of £209,320. Again we have just applied this for the first five years of the programme.

Health savings from reductions in food poverty

The link between food poverty and poor health outcomes is well established. Obesity, diabetes, and reduced life expectancy are amongst the outcomes from poor diets associated with poverty. The cost to the health service of treating those with poor health is also significant. The annual economic cost of treating someone with diabetes, for example is £5,570².

Government estimates of those living in food poverty are 6% nationally³. Other estimates are higher. The immediate population of the Core site as defined by the immediate LSOA is 23,841⁴. 6% of this would imply 1,430 in food poverty locally. A reduction in of 2% in this number would mean 29 people not in food poverty. Using the figure of £5,570 as a proxy for the additional cost treating someone in poor health this would result in an annual saving of £159,353. Such impacts will not be immediate and hence we have used this as the final year impact with a steady build up over a fifteen-year period.

Community benefit from increase volunteering

There is an economic and social value to the community from volunteering. Key metric 1 aims to increase the number of volunteering hours by 5%. The national average of people who engage in formal volunteering at least once a month is 17%⁵ and the average number of hours in volunteering is 3.2 per week⁶. Applied to the 16+ population of the immediate locality (19,745). This gives a total of 558,474 hours a year. A 5% increase in this number would be 27,927. One way to represent the value of volunteering is to apply the minimum wage (£10.42 an hour from April 2023). This gives a total annual value of £291,003. Again we would not expect all of this impact to be immediate so we have applied it to the final year with a steady build-up over a fifteen-year period.

The above four benefits represent some of the employment, labour market, health and community objectives of the scheme. There are other important benefits aiding the delivery of the wider Core Site development that have not been included with the monetised social cost benefit analysis, namely:

- Supporting housing delivery in NEC through 1,000 new engagement opportunities on the Core Site
- Delivering sustainable transport outcomes through low-car parking provision and encouraging alternatives close to Cambridge North station.
- Delivering new infrastructure in form of 5,000sqm of new landscaping to support the Core Site across lifetime of the project.

¹ Unit Cost Database – Greater Manchester Combined Authorities Research Team

² Unit Cost Database – Greater Manchester Combined Authorities Research Team

³ Department for Work and Pensions (DWP)'s Household Below Average Income survey cited in Food poverty: Households, food banks and free school meals- House of Commons Research Briefing (September 2022)

⁴ Census 2021 using LSOAs defined in the Core Site Socio-Economic Needs Assessment

⁵ Community Life Survey 2020/21 - DCMS

⁶ Assessing the value of volunteers in Community Business – Nicol Economics for Power to Change (June 2020)



APPRAISAL SUMMARY TABLE

The Appraisal Summary Table set out the results of the social cost benefit analysis. A 3.5% discount rate has been applied with 2023 as the discount year. It compares the impact of the scheme against the do-nothing reference case.

This is not a commercial scheme but one designed to deliver social and economic benefits to the local area of the Core Site in North East Cambridge. These benefits have been set out within this business case and we have valued some of these benefits using conservative assumptions. The value of these benefits is estimated at £3.64m in present value terms against a public sector cost of £0.99m. This give a Benefit Cost ratio of 3.7:1, which represents a high return.

It does however, under-represent the full social value of the scheme as many important benefits have not been valued within these figures.

Appraisal Summary Table

Present Value Costs	£6.11m
Present Value of Public Sector Costs	£0.99m
Net Present Value of Scheme	-£3.08m
Present Value of Benefits	£3.64m
Benefits <i>less</i> Public Sector Costs	£2.65m
Benefit Cost Ratio	3.7
Significant Non-monetised Impacts	<ul style="list-style-type: none"> Supporting housing delivery in NEC Delivering sustainable transport outcomes 5,000sqm of new landscaping

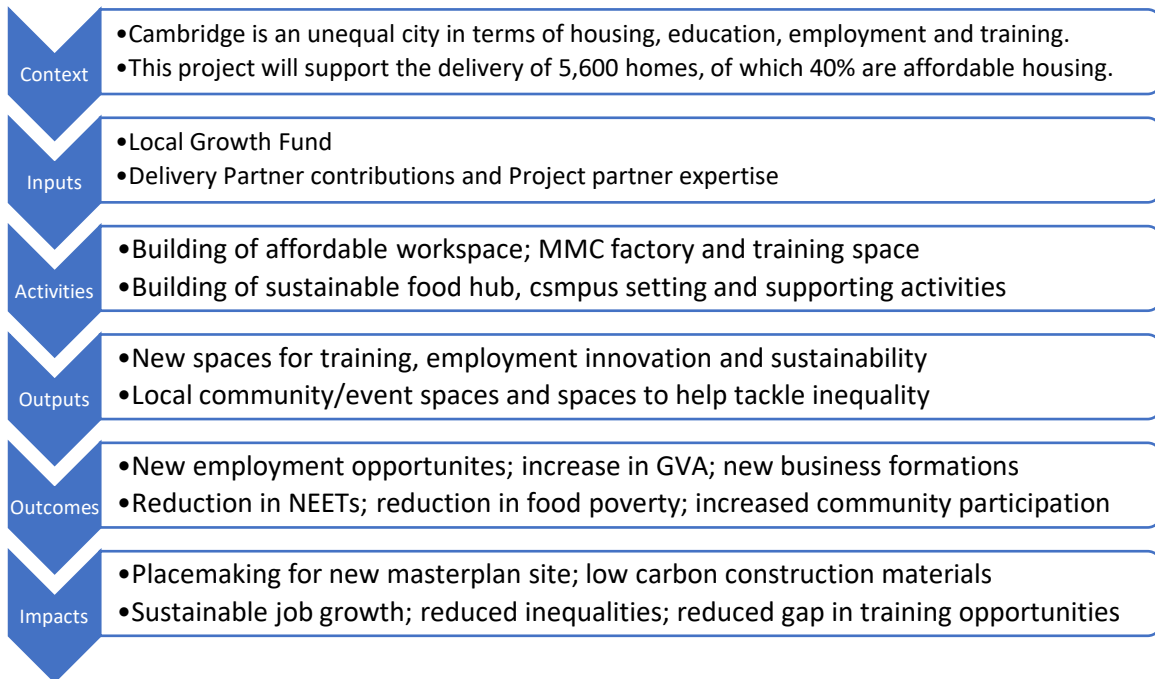
OUTCOME PROFILE TOOL

The completed CPCA Project Outcome Profile Tool (POP) is contained at Appendix 4. The outcomes and impacts it summarises have been described in more detail under section 2 the Strategic Case.

LOGIC MODEL

The completed Logic Model template is set out in Appendix 1. The main points are summarised in the Figure below.





ECONOMIC BENEFITS

The quantifiable economic benefits relating to economic growth and employment impact, and the methodology for calculating these, have been summarised below, the inputs of which have been provided by Lichfields.

Impact	Construction Phase	Operational Phase
Economic Growth	£9.6m direct and indirect GVA (per annum)	£1.98m of GVA (per annum) based on FTE jobs £98,500 business rates revenue (per annum)
Employment Impact	44 direct FTE construction jobs (per annum) 49 indirect FTE construction jobs (per annum)	36 FTE direct operational jobs supported 25 indirect FTE jobs supported in the local region

- Construction GVA – based on Experian data, construction generates an average GVA per FTE worker of £98,052 per annum in the East of England. Construction GVA been calculated by applying this to the number of FTE construction jobs supported. Indirect construction GVA has



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been calculated based on an indirect construction GVA multiplier of 2.20, as taken from ONS output tables.

- Operational GVA – the calculation of operational economic output is based on 2020 Experian data (which provides data on GVA per worker in different sectors) and the net additional direct FTE jobs supported.
- Business Rates – business rates have been estimated by applying average rateable values of comparable uses within Cambridge to the floorspace within the development followed by a business rates multiplier of 0.512
- Direct Construction FTE jobs – has been calculated based on HCA Labour Coefficients that estimate the number of FTE years of construction employment per £1m investment, combined with the development construction cost.
- Indirect Construction FTE job – ONS Input-Output Tables indicate that the construction industry has an indirect employment multiplier of 2.11. Indirect construction employment has been calculated by applying to the multiple direct FTE construction jobs supported
- Direct Operational FTE jobs – calculation has been based on average FTE job ratios from the Employment Densities Guide 3rd edition (2015) produced by the HCA applied to Gross External Area floorspace. As no standard density is available for training and community uses, it has been assumed that these uses will support 10 and 5 FTE jobs p.a. respectively.
- Indirect Operational FTE jobs: Based on the scheme and local labour market, an employment multiplier of 1.25 is considered appropriate to estimate both indirect employment for Cambridge, and a multiplier of 1.45 for the East of England. This broadly aligns with the composite multiplier ‘ready reckoners’ as set out in Table 4.12 of the HCA’s Additionality Guide Fourth Edition (2014).

DISPLACEMENT AND DEADWEIGHT

On a localised scheme of this nature factors such as deadweight, leakage and displacement will be low. Correspondingly we have applied a factor of 0.15 for deadweight, 0.1 for leakage and 0.25 for displacement in line with the HCA Additionality Guidance⁷.

Economic Impacts after Adjustments for Deadweight, Leakage and Displacement

Impact	Construction Phase	Operational Phase

⁷ Additionality Guidance 4th Edition – Homes & Community Agency (2014)



Economic Growth	£6.9m direct and indirect GVA (per annum)	£1.14m of GVA (per annum) based on FTE jobs
Employment Impact	25 direct FTE construction jobs (per annum) 28 indirect FTE construction jobs (per annum)	21 FTE direct operational jobs supported 9 indirect FTE jobs supported locally

ECONOMIC COSTS

The financial information provided has been extracted from a financial appraisal that supports the project, the inputs of which have been derived from an initial feasibility design and through conversations with local agents, cost consultants and the U+I construction delivery team.

Cost risk uncertainty has been allowed for by way of the various contingency allowances and a general cost inflation allowance. Optimism bias has been managed through appropriate cost and revenue benchmarking, with adjustments made to reflect the specifics of the project.

Total costs are set out in full within the 'Financial Case' section, below, with total capital cost required to deliver the Core Site meanwhile use equating to £6.58m. Operational costs incurred in the process of managing the meanwhile use are captured within this overall figure.

Key Risks

Key risks for the project have been analysed and are summarised below. A full risk register is provided at Appendix 2 with details on mitigation measures for each risk item.

- Financial risks
 - **Funding** – availability of funding, including grant funding and public sector funding, will impact the progress of the project and delivery of the anchor uses. Effective stakeholder and political management will be undertaken, including ongoing dialogue with potential funding streams.
 - **Inflation and budgetary constraints** – delivering the proposal to a budget will be key, both in terms of base costs and managing the current inflationary environment. This will include managing pressures on design/ specification, material costs/ availability and labour costs. Contingency will be set aside within the project budget to enable an element of flexibility, and close contact will be maintained with the relevant cost consultants.
 - **Viability** – ultimate viability will be crucial to achieving a deliverable and feasible scheme. Viability will be continually monitored, and costs/ values balanced to ensure a viable proposal.
- Planning risks



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- **Planning application** – the risk of refusal would have significant impacts on the delivery of the scheme, causing delays as designs are revisited for resubmission. Close contact will be maintained with the planning authority to ensure this risk is minimised.
- **Environmental** – local environmental impacts, such as the current odour zone and new infrastructure being provided as part of the relocation of the Cambridge Waste Water Treatment Plant could impact plans for the site. We are working closely with Anglian Water and the Council’s environmental health team to manage these.
- **Letting risks**
 - **Anchor initiatives** – there is a risk that third-party anchor initiatives do not progress sufficiently or decide to step away from the meanwhile project. Effective monitoring, management and assistance will be given to the anchor initiatives in the business planning phase to ensure that this risk is minimised as much as possible.
- **Programme risks**
 - **Business planning delay** – unforeseen programme delays may have a direct impact on the anchor initiatives, viability, and overall deliverability. We will look to progress the business plan for the overall meanwhile use quickly to ensure that this can be delivered as planned.
 - **General programme delay** – general programme delays will be mitigated through good communication and close management of the professional team.
 - **Construction delay** – delay in commencing construction, and throughout the construction period, will be managed carefully by the project and professional team.
 - **Vacant possession** – vacant possession is key to unlocking the meanwhile site and there is a risk that any delay to this will directly impact the overall programme. We are maintaining ongoing dialogue with the Cambridge City Council property team, and operator of the existing site, to ensure VP is achieved when required.
- **Operational risks**
 - **Site management** – a specialist meanwhile operator will be key to ensuring the smooth operation of the site in the long-term. Early engagement will be undertaken with leading operators to ensure that proposals develop in line with the operators needs, and vice versa.

NON-QUANTIFIABLE BENEFITS

Non-quantifiable benefits of the Core Site meanwhile project could be extensive, and these are highlighted below:

- **Sustainability and environmental** – the very nature of this proposal is rooted within the provision of dedicated floorspace to service innovative local businesses, working within the sustainability, food, and construction industries. This floorspace will facilitate the growth of a local supply chain that is dedicated to helping tackle the climate emergency and create climate-friendly landscapes.



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- **Health and skills** – making good quality, healthy and sustainably sourced/ produced food more accessible to Greater Cambridge, providing training and educational opportunities in both food and construction, and providing space for innovation will not only improve the quality of lives in the area, but will also help promote technical skills within the workforce.
- **Reducing inequalities** – proposals relating to the reduction of the impacts of food poverty in the region, investment into disadvantaged young people growing their construction skills and opportunities for the promotion of social capital throughout society all align directly with the CPCA ambitions to improve quality of life by helping to tackling areas suffering from deprivation.
- **Innovation** – the Core Site proposals will provide a platform for the growth of local knowledge and productivity around food distribution and modern methods of construction. This will not only contribute directly to the fight against the climate emergency but, once established, will facilitate advancements and innovations in processes to allow both sectors to grow and become more efficient.
- **Impacts on wider Core Site masterplan** – the meanwhile use will sit alongside the wider Core Site masterplan which will bring forward plans for a new quarter of Cambridge to include the provision of 5,600 homes and c750,000 sq ft commercial floorspace. The early uses on site should have a positive impact on the wider masterplan, creating activity and community ‘on the ground’ and will likely have a positive impact on the value to be achieved by the public sector partners on the land sales that will be forthcoming.

SUMMARY

This scheme has a very clear and specific set of objectives related to a specific local site. It aims to put the Core Site to productive use for local economic, social and community benefit whilst awaiting delivery of the masterplan for the wider site. This is not a commercial scheme but requires public and private sector grant funding to deliver the stated objectives.

To value the wider social and economic benefits of the scheme we have applied monetary values to four of the benefits of the scheme:

- Productivity gains from new workspace and innovation activity
- Savings from moving young residents out of NEETs status
- Health savings from reductions in food poverty
- Community benefit from increase volunteering

On the basis of very conservative assumptions the inclusion of these benefits would result in the scheme delivering benefits of £3.64m in present value terms against a public sector cost of £0.99m. This gives a Benefit Cost ratio of 3.7:1, which represents a high return.

The above four benefits represent some of the employment, labour market, health and community objectives of the scheme. There are other important benefits aiding the delivery of the wider Core Site development that have not been included with the monetised social cost benefit analysis, namely:



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- Supporting housing delivery in NEC through 1,000 new engagement opportunities on the Core Site
- Delivering sustainable transport outcomes through low-car parking provision and encouraging alternatives close to Cambridge North station.
- Delivering new infrastructure in form of 5,000sqm of new landscaping to support the Core Site across lifetime of the project.

The addition of these benefits means the scheme delivers very high value for money against public sector cost.



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4 COMMERCIAL CASE

INTRODUCTION

The purpose of the commercial case is to ensure the viability and deliverability of the project and ultimately ensure its success against the set objectives. The following objectives have been set relating to the commercial case: Objectives:

- 1) To ensure the overarching objectives are met for the benefit of the wider Core Site project as well as the city.
- 2) To ensure project viability
- 3) To ensure a procurement protocol is adopted in line with that set out in the wider Core Site business plan, which amongst other objectives seeks to:
 - a. Ensure that all providers of services or goods are of high quality, contribute to the success of the project, and help achieve the vision and values.
 - b. Involve local businesses and other local organisations at all stages of the project's planning and delivery
 - c. Operate a clear and transparent procurement approach that offers fair and equal opportunities to all
 - d. Deliver good value for money

PROCUREMENT OPTIONS

Work to date includes a tender for anchor uses in late 2020, a design-led feasibility study in 2021 which has been discussed with the LPA and the Council's environmental health team, and an initial viability appraisal.

The next stages of work, and associated procurement are set out below:

1. Refine design feasibility to RIBA Stage 2 following revisions to the cost plan and development appraisal and enter into provisional agreements with anchor partners and initiate process to find site operator.
2. Finalise strategic business case for the project and seek board approval at both a corporate and project level to proceed.
3. Mobilise the professional team, enter into formal pre-application engagement with the LPA and seek planning consent following public engagement.
4. Undertake detailed design work following planning consent, and analysis procurement routes in line with the Core Site Procurement Protocol which looks to ensure quality, value for money and positive supply chain outcomes by requiring information on the social, environmental, and ethical values of suppliers. The analysis will consider:



- a. Direct delivery by the master developer team
 - b. Design and Build Contract with a Main Contractor
 - c. Traditional Contract with a Main Contract
 - d. Procuring separate packages for individual elements across the site
 - e. Entering a Joint Venture to deliver the project
5. The master developer team will recommend a procurement route for Board approval and a preferred procurement route will be agreed and actioned.
 6. Construction.
 7. Operation until 2039.

DELIVERY OF THE PROJECT

The project will be overseen by U+I and TOWN, who are master developers for the Core Site, and who have a clear, long-term vested interest in its success. In this role, they will be responsible for its planning and delivery, for its funding, and for setting up an appropriate framework of contractual partnering arrangements with the various project partners who will support the project's delivery.

Once delivered, partnering / leasing arrangements will be entered into with several partners responsible for delivering the core components of the project, namely the affordable workspace, sustainable food hub and the MMC factory. As such, these partners will be responsible for delivering the programmes and outcomes, under clear agreements with U+I and TOWN, who will maintain project oversight, direction, and ultimate responsibility.

U+I and TOWN will appoint a suitably experienced operator to manage the project on a day-to-day basis, and to oversee the activities on the ground, working closely with local organisations to deliver the programmes and to co-create and curate the campus setting and supporting uses across the site. It will be this operator who will also be responsible for collecting rent and service charges due and managing tenant relations generally. Nonetheless, U+I and TOWN will have ultimate responsibility for the ongoing operation of the site.

PROCUREMENT STRATEGY

There are several project components that will be procured, these are summarised below along with the proposed procurement process associated.

Design Team: A competitive tender route will follow for all principal design team members and tender returns will be scored in line with the Core Site assessment criteria (quality, price, values). A minimum of three tenderers will be sought per design team appointment. The Development Director will ultimately be responsible for appointment decision making; however, all members of the development team will partake in assessing tender returns.

Operator: A competitive tender route will be followed to establish the most appropriate operator for the Meanwhile Use. A minimum of three operators will be sought to take part in the tender. The



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Development Director will ultimately be responsible for appointment decision making; however all members of the development team will partake in assessing tender returns.

Construction Contract: the appropriate procurement route to establish a contractor partner for delivery of the Meanwhile buildings will be established closer to the time of delivery (and may be influenced by market conditions at the time). Procurement routes for consideration include the following (single and 2- stage tenders will be considered for each route):

- a. Design and Build Contract with a Main Contractor
- b. Traditional Contract with a Main Contract
- c. Procuring separate packages for individual elements across the site
- d. Entering a Joint Venture to deliver the project

The Development and Delivery Director will ultimately be responsible for the appointment of contractors; however all members of the development team will partake in assessing tender returns.

Procurement Policies: Procurement will be carried out in line with the procurement strategy for the wider Core Site project which, amongst other criteria, seeks to ensure that:

- 1) Any contracting parties comply with ethical, sustainability and diversity criteria (alongside cost and competency)
- 2) Contracting parties sign up to a Code of Practice, that includes commitment to sustainable and ethical business practices, recruitment approaches that encourage diversity

Where appropriate includes commitments to specific industry related initiatives (such as Considerate Constructors).



5 FINANCIAL CASE

INTRODUCTION

The purpose of the Financial Case is to demonstrate project viability by setting out the costs, revenue, return metrics and funding strategy associated with the project.

APPROACH TO THE FINANCIAL CASE

Funding

Several funding options have been considered for the project, including from both private (U+I, anchor tenants) and public sources (grant funding). Subject to Board approval most of the funding will be deployed by U+I, (who are part of the Landsec group) in their capacity as Master Developer with the business case for the funding/Meanwhile project tied to the business case for the wider Core Site project.

The financial information provided has been extracted from a financial appraisal that supports the project, the inputs of which have been derived from an initial feasibility design and through conversations with local agents, cost consultants and U+I's delivery team. Below is a summary of key financial inputs :

Costs

- Professional fees of 12% (of the total construction value) have been allowed for in line with industry norm. Fees have been applied from the commencement of planning design through to commencement of construction;
- A professional fee contingency allowance of 2.5% has been made in line with industry norm;
- Letting legal fees have been calculated at 15% (of the total annual revenue) in line with industry norm;
- Construction costs have been informed by cost plan information provided by Measur (cost consultant) and through conversations with U+I's delivery team;
- Included within the overall cost is a 12% allowance for preliminaries overheads and profit, 5% contractor overheads and profit and 5% contingency allowance;
- Construction Inflation has been allowed for at a rate of 6% up until the start on site date of August 2024 in line with inflation advice from Faithful and Gould.
- A marketing allowance of 5% of total costs has been assumed in line with industry norm and starts on commencement of construction and continues 6 months post practical completion.
- A dilapidations and demolition allowance has been assumed for the end of the meanwhile use project;
- A management fee has been allowed for, the rate benchmarked against comparable projects;



Revenue

- Rental advice has been provided by local agents (and discounted by 50% to ensure affordability)
- A 5% void allowance has been captured in the rental income
- No rental incentives have been allowed for given the affordable rental levels being assumed

Risk and Optimism Bias

Cost risk uncertainty has been allowed for by way of the various contingency allowances and a general cost inflation allowance. Optimism bias has been managed through appropriate cost and revenue benchmarking, with adjustments made to reflect the specifics of the project.

FINANCIAL OPTIONS ASSESSMENT

- Funding is either provided by the master developer, tenants or publicly through the CPCA.
- Public Funding:
 - The benefits of any public funding gained will be passed onto the ultimate beneficiaries (our anchor initiative partners) to enable occupation, through either affordable rents or generous commercial terms. This will allow the successful delivery of the programmes noted within this application.
- Private Investment: Master Developer
 - Like the CPCA funding, a business case is required and will need to be approved by the U+I Executive Committee based on its commercial merits and risks, including financial viability, wider social value, and benefits to the delivery of the Core Site.
- Private Investment: Anchor Tenants
 - This will depend on funds available by each organisation and the investment strategy they choose to adopt.

It is likely that a combination of the outlined funding sources will be adopted to support the delivery of the project, however the majority of funding (including any additional gap funding where required) will be deployed by U+I in their capacity as Master Developer (subject to board approval) given a) availability of funding (access to a large Landsec balance sheet) and b) the business case for the funding/Meanwhile project being tied to the business case for the wider Core Site project.

PROJECT COSTING TABLE

	Financial Year	22-23	23-24	24-25	25-26



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Project Costs	Revenue*	N/A	N/A	N/A	£127,994
	Capital		232,519	£4,089,858	£1,673,336
	Total		£ 232,519	£4,089,858	£ 1,795,330
	Financial Year	22-23	23-24	24-25	25-26
Funding Stream	Funding stream 1 - Private investment		232,519	£3,089,858	£1,676,330
	Funding stream 2 - CPCA grant funding	N/A		£1,000,000	£120,000
			£ 232,519	£4,089,858	£ 1,796,330

**Further revenue costs are borne by the master developer and the anchor initiatives relating to the management and maintenance of the site over the duration of the project to 2039. Anchor initiatives and other tenants will also be charged affordable rents to help repay construction costs.*

The table above shows the **estimated costs at this time** through to completion of construction of Phase 1, and the first ten months that the site will be fully operational to March 2025. Specifically, it covers Stages 1-6/7 as set out at 4.1 Procurement Options and initial management costs.

It is envisaged that most of the private investment for this project will come from the master developer team (U+I) subject to board approval, the case for investment is linked to the wider Core Site project which U+I hold a master developer role on and are invested in for the long-term

The Core Site meanwhile strategy, which this PID covers, has been progressed and funded by U+I and TOWN and with the support of our anchor initiative partners since initial tender in September 2020 and formulation in early 2021. The strategy delivers on references made within the Master Development Agreement between U+I and Cam4LLP (Anglian Water and Cambridge City Council) and is supported further by the agreed Core Site Business Plan. As such, it has full support of both our landowner partners (Anglian Water and Cambridge City Council) and master developers (U+I with TOWN) and therefore there is confidence that private funding (as outlined above) will be committed as required.

The benefits of any public funding gained will be passed onto the ultimate beneficiaries (our anchor initiative partners) through either affordable rents or commercial terms, thereby enabling the successful delivery of the programmes noted within this PID. It should be noted that the private investment will be committed on a cost-neutral basis, i.e. any private investment would be recouped



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over the operation of the project but no profit would be sought for elements benefiting from any public funding. If any profit-making uses are delivered on the project, it is envisaged that they will further help to subsidise other uses.

In terms of the master developer funding, similar to the CPCA funding, a business case is required and will need to be approved by U+I Executive Committee based on its commercial merits and risks, including financial viability, wider social value and benefits to the delivery of the Core Site,. U+I have a longer-term interest in the wider Core Site project (of which the Meanwhile Use is a crucial early phase) and therefore financial commitments to the Meanwhile Project will be considered considering this. In terms of the anchor tenants, this will depend on funds available by each organisation and the investment strategy they choose to adopt. This process will run simultaneously with the process of the CPCA as per this PID and it is envisaged that the same fundamental business case will be used to secure both private and public funding.

For clarity, Homes England has committed £227m funding through the Housing Infrastructure Fund for the relocation of the Cambridge Waste Water Treatment Plant by Anglian Water to enable the delivery of homes on the Core Site and the surrounding sites. This funding only relates to the relocation and is not attributed to U+I and TOWN as the master developers of the Core Site and by extension this meanwhile project.

PROJECT COST BREAKDOWN TABLE

Sources	Value	Uses	Value
Combined Authority	£1,120,000	Operating Costs and Management Fees	£484,288
		Development Costs	£6,095,712
Private sector co-funding	£5,460,000		
		Total Uses	£6,580,000
		Revenue	£4,139,695
Total Sources	£6,580,000	Total Uses less Retained Cash Balance	£2,440,304

AFFORDABILITY ASSESSMENT

Affordability Assessment

The project does not return financial metrics that would typically be sought within the industry (such as 20% profit on cost, 17% profit on sales, 14% IRR etc) because the principal aim of the project is not



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to make a financial return, but for the benefits of the project to be felt from a social and economic perspective.

Where possible revenue streams will be sought to make the project as self-sustaining as possible (without compromising affordability), however at present there remains a c£2.4m gap before the project costs are commensurate to the revenue generated. A total of £1.12m of this gap is being sought via this CPCA grant application, with the balance proposed to be funded by the private sector (subject to relevant approvals).

Any scope to increase the funding commitment from the CPCA to ensure the swift delivery of the meanwhile site would be welcomed, and further conversations could take place if this possibility was realisable.

Stakeholder Support

- The project has full support from several partners and collaborators including:
 - Cambridge 4 LLP (Anglian Water and Cambridge City Council)
 - All three anchor tenants (New Meaning Foundation, Cambridge Sustainable Food, Cambridge Food Hub)
 - U+I (Master Developer)
 - TOWN (Master Developer partner)

Financial risk

Professional fees: there is risk that professional fee costs may increase during both the planning and delivery phases if substantial re-design is required or the programme becomes protracted. To mitigate this, there will be careful management of the design process with a comprehensive consultation plan to ensure all relevant stakeholders are engaged early to avoid/ limit re-design work. Whilst a contingency allowance of 2.5% has been allowed for professional fees in the financial appraisal, both U+I and TOWN are experts in managing projects of this scale (and significantly larger) and are confident in ensuring no creep in the cost of professional fees.

Construction costs: there is a risk that construction costs may rise between now and the anticipated start on site date. To mitigate this an allowance of 6% has been made for construction cost inflation. There is also a risk associated with general cost rise due to design complexity, to mitigate this a general contingency allowance of 5% has been made.

Revenue: Loss of income through letting voids or a reduction in demand for space are also financial risks associated with the project. To ensure loss of revenue (though unlet space) is mitigated we would envisage securing pre-lets with anchor initiatives prior to construction (by way of Agreement for Leases). A void allowance of 5% has been allowed for within the financial appraisal. In circumstances where space is not let and empty rates may become payable we would seek to optimise rate dispensation options and rate mitigation measures to avoid these costs

CHARGING MECHANISM/ CLAIM AND INVOICE PROCESS

U+I will implement an invoicing protocol which will involve:



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- Raising Purchase Orders (PO) against cost line items
- Requesting invoices on a set date each month (with PO number, invoice number, total invoice amount and a brief description of work to be included)
- U+I will process the invoices monthly (assessing invoice amounts against agreed fee cash-flows) and payments will be authorized by the Senior Development Manager, Development Director, and Senior Development Director.
- Invoices will be paid within a 30 day period



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6 MANAGEMENT CASE

INTRODUCTION

The purpose of the management case is to set out project timescales for delivery, exit strategy for U+I and TOWN, and note any change and project management structures.

PROJECT TIMELINE

We have set out expected project milestones and critical dependencies within the delivery timescale of the project below:

1. **Q3 2022** - Host summer engagement event, undertake informal pre-application engagement with the LPA and relevant consultees. Scope out procurement strategies and undertake soft-marketing testing with occupiers and operators.
2. **Q1 2023** - Refine design feasibility study and associated viability appraisal, enter provisional agreements with anchor partners and initiate process to find site operator.
3. **Q3 2023** - Planning submission.
4. **Q2 2024** – Resolution to grant received.
5. **Q2 2024** - Commence construction phase.
6. **Q4 2024** - Completion construction phase, and site fully operational.
7. **Q1 2033 - Q1 2039** - Ongoing rotation and converting of tenants, including transferring to a permanent home within the Core Site as it is delivered. Scaling of businesses and programmes within the site too.
8. **Q2 2039** - Dismantling and recycling of the project.
9. **Q1 2043** - Delivery of residential uses on the meanwhile site.

A full project programme of the planning stages of the project are available in a Gantt format at Appendix 3.

EXIT STRATEGY

U+I and TOWN will retain oversight of and responsibility for the project over the full duration of its development and operation phases, supported by Cambridge City Council as the site's landowner.

During the operation phase of 15+ years, U+I/TOWN will ensure the implementation of a full operation and maintenance programme for the project. This will be delivered through:

- Operation and maintenance of the anchor initiatives and associated buildings and facilities by the anchor initiative tenants, as set out in the relevant lease agreements
- Operation and maintenance of other elements by the site operator, as set out in the relevant lease / operator agreement



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- Any necessary operation and maintenance costs not covered by the above will be the responsibility of U+I/TOWN.

At the end of the operation phase, the lease agreements with the anchor tenants and site operator will end. Where possible and appropriate, tenants will be offered the opportunity to move to more permanent facilities within the Core Site development. At this stage, the project will be fully dismantled and the land will revert to the landowner, becoming available for use within the Core Site project.

CHANGE MANAGEMENT

Subject to further clarification from the CPCA, the project will either use the same change management process and tolerances as set out in the 10-point guide and Risk Management Strategy or set out its own change management process.

PROJECT MANAGEMENT

Project Director: (this is not necessarily the CPCA Director, this may be the chair of the Project Board and the person in charge of day to day decisions of the project)

- Ben Cartwright, Development Director at U+I

Internal Project/Programme Manager: (each project must have an internal CPCA staff member/interim):

- Chris Bolton, Head of Programme Management Office at Cambridgeshire, and Peterborough Combined Authority

External Project/Programme Manager (if applicable or known):

- James Cox, Development Manager at TOWN

The Core Site project has an existing Project Board which meets quarterly and is attended by directors of Cambridge 4 LLP, comprising Anglian Water and Cambridge City Council, as well as directors and representatives of U+I and TOWN.

Separately, the board of Cambridge4LLP meets quarterly and from that Cambridge City Council directly reports to the CPCA on matters relating to the Core Site project on an annual basis.

Whilst ideally, the meanwhile project would be incorporated into the existing reporting structure of the wider Core Site project we understand that a new board would likely have to be set up to include representation and voting rights by Chris Bolton of the CPCA as Programme Manager. We would therefore look to set up a separate project board to take place on the same day, and in a similar manner to that of the Core Site project board with attendees from Cambridge4LLP and U+I and TOWN.



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R = Responsible A = Accountable C = Consulted I = Informed	Organisational Role	Director (Senior Responsible Officer)	Project Director	Project Manager	Consultant Team	Project Board	Members Group
Decisions/Activities							
Project initiation		C	R	R	C	A	I
Delivery of the project		C	R	R	C	A	I
Changes to cost and programme		C	R	R	C	A	I
Project closure		C	R	R	C	A	I

RISK MANAGEMENT STRATEGY

The Core Site project has an existing risk management strategy which reflects the corporate risk approach of both TOWN and U+I. It ensures the early identification, classification, quantification, and mitigation of risks. It is proposed to utilize the same approach for Meanwhile at the Core Site.

It proposed that this approach would be ratified at the first new board meeting of the Meanwhile at the Core Site as set out above.

STAKEHOLDER PLAN

There will be a detailed stakeholder engagement strategy for the project, which will reflect and be intertwined with the engagement strategy for the wider Core Site project.

The communication strategy for this project has the following objectives:

- Reflect and implement the Core Site project's values in action including the "Shaped by Many" value specifically.



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- Ensure residents, businesses, community groups and other stakeholder groups are informed about all proposals and can feed into the project.
- Ensure the scheme's positive merits are clearly communicated to political and community stakeholders, encouraging people to continue to engage with it over the period of its operation, and driving meaningful engagement with forthcoming planning applications.
- Seek and act positively on feedback on the proposals from a wide range of stakeholders and members of the community.

The table below has been adapted from the Core Site engagement strategy and sets out key internal and external stakeholders and their role, in addition to setting how we plan to engage with them. Much of the engagement will utilise existing channels of communication because of the meanwhile project forming a workstream within the wider regeneration of the Core Site project:

Stakeholder category	Stakeholder description and examples	How we will engage
Core Site landowners	Cambridge City Council and Anglian Water.	Engagement through usual Core Site mechanisms, including securing approval for the strategy, agreement of lease for the site, and monitoring of project implementation.
Government / national	Homes England	Engage with key government stakeholders through usual Core Site reporting.
Project delivery partners	Cambridge Sustainable Food, New Meaning Foundation et al	Engagement underway since 2020 and ongoing. Will include partnership agreements, terms of leases etc.
Nearby landowners	Owners of nearby land who may be affected by the project	Engage through established NEC Landowners Forum hosted by the Greater Shared Cambridge Planning Services and ad-hoc meetings as required.
Decision- makers and key influencers	Individuals in positions of influence or who will have a decision-making role in relation to the project, for example elected members, MPs etc.	Utilise Political Briefings within existing Core Site mechanisms to engage with local members.



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		Meetings as required with officers and directors, to be organised through the Senior Responsible Officer.
Local organisations	Local schools, universities, business organisations, employers, health organisations, NGOs, resident organisations, etc	Engagement through established Core Site engagement processes.
Statutory consultees	Organisations who have a statutory role through the planning process.	Engage through the planning process.



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Local community	'The public' – individuals and organisations representative of the local community	<p>The project will be part of all channels of engagement that are being operated as part of the Core Site engagement strategy, including:</p> <ul style="list-style-type: none"> - Project launch programme including webinars and roadshow (underway) - Ideas Exchange (a forum for dialogue with several demographically representative people from the local area that will be in place for the coming two years) - A programme of school engagement - A week-long design festival in September 2022 and annually thereafter - An online engagement platform which forms part of the Core Site website and allows ongoing dialogue <p>In addition to these, there will be a specific programme of public engagement with specific focus on this project in summer 2022 to review and influence a forthcoming planning application for the project.</p>
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ENGAGEMENT TO DATE

In 2021, proposals for *Meanwhile at the Core Site* were consulted on with a range of local stakeholders and consultees as part of the wider Core Site engagement plan. This included over 40 local stakeholder's interviews whereby U+I and TOWN presents the proposals alongside the vision for the project to local stakeholders in the city. Feedback from these sessions was positive and helped affirm the meanwhile proposals. It helped to influence some of the elements of the strategy, such as the campus setting as well as ongoing management capability.

In 2022, *Meanwhile at the Core Site* again featured as part of the wider engagement. This took the form of first a series of online, public webinars in March and as part of a week-long design festival


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called People, City, Planet in September held at Shirley Primary School in North Cambridge. Below we've set some key stats in relation to the festival and feedback received:

- *Marketing* –
 - **Mailshot** delivered to 18,000 homes
 - **Radio** interview aired and recurring advert played 2,300 times on Cambridge 105.
 - **Cambridge Independent** quarter page ad in paper from 12-29 October
 - **Mailchimp** - three emails sent to 226 people.
 - **Personal Stakeholder Emails** issued to approximately 40
 - **Paid Social Media Advertising** through which ~6000 people visited site.
- *Stats* –
 - 420 attended the festival over two days
 - 93 attendees of specific talks, workshops, and panel discussions
 - 49 feedback forms completed

As set out above, further engagement will continue to take place during both the planning, delivery, and operation stage of this project.

ASSURANCE

The project will align with the CPCA Local Assurance Framework (March 2022) to ensure accountability and transparent decision making through the Project-, Risk- and Stakeholder-Management set out above, and the Monitoring and Evaluation set out below including any gateway reviews. This will be ratified at the first Project Board meeting of Meanwhile at the Core Site.

Meanwhile at the Core Site will be audited at Project Board at key stages as set out in the Project Timescales, including during the procurement and delivery phase of the project.

SUPPLY SIDE CAPACITY AND CAPABILITY

At this time, U+I and TOWN foresee no supply side or capability constraints which cannot be dealt with within the management as set out above.

KEY CONTRACTUAL AGREEMENTS

There are several key contractual agreements that will be required to ensure successful delivery of the proposals, specifically:

- **VP & Land** – agreement with CCC as landowner, and timely vacant possession to ensure deliverability.
- **Agreement to lease** – agreement with anchor initiatives and smaller organisations on premises, including affordable rent, programmes, timescales and yield up.
- **Professional team** – details set out in Procurement Approach.
- **Construction contract** – details set out in Procurement Approach.
- **Site Management** – details set out in Procurement Approach.

MONITORING AND EVALUATION



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The project will be monitored and evaluated in line with the SMART Objectives as set out in line with the six themes of investment, and the economic benefits as set out. A fuller evaluation strategy will be devised by U+I and TOWN as the project progresses in conjunction with the CPCA.

The project will be monitored and evaluated by the Project Board on an annual basis at least. The evaluation will be informed by work undertaken by the selected Site Operator who will directly liaise with anchor initiatives as required, and work by CAG (or similar) to understand the actual economic benefits of the project once realised against the initial value for money assessment. Further staged evaluations at key project milestones, as set out in the Project Timelines, will also take place at the Project Board.

The Site Operator will draft a digital survey to be agreed at the Project Board before implementing. Interviews may also be conducted with anchor initiatives, site visitors and local residents to understand the qualitative impact of the project.

The economic evaluation by CAG (or similar) will be conducted in line with the metrics outlined in Economic Case, including but not limited to job creation, training, and partnership opportunities and GVA.



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7 APPENDICES

1. Appendix 1 – Logic Model
2. Appendix 2 – Completed Project Plan (Gantt Format)
3. Appendix 3 – Completed Risk Register
4. Appendix 4 – CPCA Project Outcome Profile Tool (POP)



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