BUSINESS BOARD

Tuesday, 14 September 2021

Democratic Services

Robert Parkin Dip. LG.
Chief Legal Officer and Monitoring Officer

72 Market Street
Ely
Cambridgeshire
CB7 4LS

14:30 PM

Virtual Meeting

AGENDA

PRIVATE MEETING

Part 1 - Governance

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For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

Membership

The Business Board comprises

Private Sector Members

Member	Sector
Austen Adams (Chairman)	Advanced Manufacturing
Tina Barsby	Agri-Tech
Mark Dorsett	International Business and Advanced Manufacturing
Faye Holland	Communications
Aamir Khalid	Advanced Manufacturing, Research & Development, and Small & Medium-sized Enterprises
Al Kingsley	Digital & Education
Jason Mellad	Life Science
Andy Neely (Vice-Chairman)	Skills & Education
Nitin Patel	Advanced Manufacturing and Small & Medium-sized Enterprises
Rebecca Stephens	Digital & Communications

Co-opted Members

Member	Sector
Mike Herd	Business & Professional Services
Dr Andy Williams	Life Sciences

Public Sector Members

Member	Position	Body
Mayor Dr Nik Johnson	Mayor of Cambridgeshire and Peterborough	Cambridgeshire and Peterborough Combined Authority
Councillor Wayne Fitzgerald	Lead Member for Economic Growth	Cambridgeshire and Peterborough Combined Authority

The Business Board is committed to open government and supports the principle of transparency. With the exception of confidential information, agendas and reports will be published 5 clear working days before the meeting. Unless where indicated, meetings are not open to the public.

For more information about this meeting, please contact Nick Mills at the Cambridgeshire County Council on 01223 699763 or email nicholas.mills@cambridgeshire.gov.uk.

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Clerk Telephone:	01223 699763
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THE BUSINESS BOARD

Business Board: Minutes

Date: 19th July 2021

Time: 2:30pm – 5.15pm

Present: Austen Adams (Chair), Andy Neely (Vice-Chair), Tina Barsby, Councillor Wayne Fitzgerald, Mike Herd, Faye Holland, Mayor Dr Nik Johnson, Aamir Khalid, Al Kingsley, Nitin Patel, Rebecca Stephens and Andy Williams

19. Apologies for Absence and Declarations of Interest

Apologies for absence were received from Jason Mellad. Apologies for lateness were received from Mayor Dr Nik Johnson.

Faye Holland declared a non-statutory disclosable interest in relation to the High Performance Computing Study and Roadmap (agenda item 3.3), due to her involvement with the production of the report. It was confirmed that she would not be required to leave the meeting for the duration of the item.

The presence of the Business Board's Section 73 Officer was noted.

20. Minutes of the Meeting Held on 19th May and 9th June 2021

The minutes of the meeting held on 19th May 2021 were approved as a correct record, subject to the addition of Mike Herd and Dr Andy Williams to the list of members present at the meeting.

The minutes of the extraordinary meeting held on 9th June 2021 were also approved as a correct record.

While discussing the updates of the Minutes Action Log, members requested that further information be included detailing the responsible officer and expected completion date of outstanding actions.

21. Budget and Performance Report

The Business Board received the latest budget and performance report, which provided an update and overview of the revenue and capital funding lines within the Business and Skills directorate, and which also sought a recommendation for the Combined Authority Board to approve a reprofiling of the Local Growth Fund (LGF) budget. The Finance Manager confirmed that members' requests to make the reports more

interactive and presented differently had been fulfilled, and asked members for further input.

While discussing the report, the Business Board:

- Noted the changes to the presentation of the financial reports and thanked officers for accommodating their requests.

- Noted that the Market Towns Budget for 2021 was under development.

- Suggested that basing budget reports on a contractual forecast might give the impression of an underspend. It was explained that as the year progressed any savings would be presented to the Business Board in a budget reprofiling report, to ensure that allocated funds were spent within the required timeframe. It was agreed that future finance reports would be based on the contractually committed spend rather than relying on a forecast.

- Noted that the income from the sale of the iMET building would be reintegrated to the Capital Budget.

- Requested a timeline be identified for the potential exit plans of each equity investment project, and for the findings to be presented to the Business Board for discussion. Action required

- Sought clarification on the sustainability of the levels of funding available for ongoing investments and how longer-term support would be provided. The Finance Manager advised that funding would come from different sources and collaboration would be needed with other local authorities to submit bids for higher levels of funding.

It was resolved unanimously to:

(a) Note the outturn financial position relating to the revenue and capital funding lines within the Business & Skills Directorate for the 20/21 financial year;

(b) Approve the format for the presentation of revenue, capital and income funding lines within the Business & Skills Directorate for the 21/22 financial year; and

(c) Recommend the Combined Authority Board approve the reprofiling of the Local Growth Fund Programme Costs Budget for 2021-22.

22. Strategic Funds Management Review July 2021

The Business Board received the July iteration of the Strategic Funds Management Review, which provided an update on strategic funding programmes and which also detailed a project change request received from Cambridgeshire County Council in relation to the Wisbech Access Strategy project. The Senior Responsible Officer (SRO) advised, that confirmation of the successful Community Renewal Fund (CRF) projects was expected in early August and an additional eight areas were identified to carry forward after a review of the CRF process. Further guidance was expected from the Government announcement that would confirm the amount of spending room and the

eligibility criteria for the UK Shared Prosperity Funding for the next four years. The SRO highlighted that bids worth £350m had already been received, however it was expected that only £90-100m would be provided by the Government over the next four years.

The SRO summarised the main points of the change request submitted by the County Council, the impacts, and the options available to the Business Board, noting that the project had missed the 31st March 2021 deadline for completion and had, via a previous change request, reduced the number of junctions to be delivered due to escalating costs. There would be a loss it the request, to approve a further £1.8m spend of the currently allocated budget to get the project shelf-ready, were not approved as the work to-date would be lost. Additional funding sources had not yet been identified to move the project out of a dormant state even if the change request were approved. Members were advised that the clawback process would enable the repatriation of a minimum £2m if approved and up to £3.9m if rejected.

While discussing the report and the change request, the Business Board:

- Requested a prioritised list detailing the possible pipeline projects. Action required

- Requested the creation of a clear eligibility criteria that would:

    - Include a scoring matrix to enable prioritising and the easy assessment of the bids;

    - Require alignment with the Local Industrial Strategy;

    - Manage the expectations of bidding parties; and

    - Include guidance on the expectations of job creation in monitoring reports. Action required

- Noted that the Wisbech Access project had already failed twice and questioned whether it was still relevant and represented value for money.

- Sought clarification on whether the number of junctions could be decreased, thus making the currently allocated level of funding sufficient. The SRO confirmed that the reduction in the number of juntions was not viable due to their interlinked nature.

- Expressed concern over the precedent that agreeing to the change request would set, given that the original funding had been approved three years ago and no progress had been achieved.

- Noted that the project would not be able to remain ‘shelf-ready’ for very long without further funding.

- Suggested that if the clawback process was implemented, the recovered funds could be channelled into the LGF and recycled into meaningful projects in the Wisbech area.

- Requested a review of the project to identify learning outcomes which would ensure that future projects did not stay dormant. Action required

It was resolved unanimously to:

(a) Reject the Project Change Request for the Wisbech Access Strategy Project and recommend that decision to the Combined Authority Board; and

(b) Note and recommend all other programme updates outlined in this paper to the Combined Authority Board.

23. Covid-19 Impact Assessment Report

The Business Board received a report assessing the impacts of Covid-19, in advance of a full refresh of the Local Economic Recovery Strategy (LERS) which would provide 6-monthly updates on the impacts. The report highlighted that a gradual recovery was underway, however workforce shortages were still impacting businesses. Unemployment had increased, exacerbating inequality, and it was emphasised that further flexibility would be needed to overcome these issues.

While discussing the report, the Business Board:

- Noted that it was hard to distinguish the causes of workforce shortages in agricultural businesses between the impacts of withdrawal from the European Union and Covid-19, and argued that in the medium-term businesses could be expected to invest in automation rather than relocating overseas.

- Noted that the localised impact of Covid would be investigated.

- Noted that the impact on housing would be included in a future report.

It was resolved unanimously to:

Note the Covid-19 Impact Assessment Report.

24. Business Board Annual Report and Delivery Plan 2021

The Business Board received its Annual Report for 2020-21 and Annual Delivery Plan for 2021-22. The Board was advised that the outcomes and positive changes would be highlighted, and the report would be submitted to the Department for Business, Energy & Industrial Strategy.

While discussing the report, the Business Board:

- Expressed a view that the report should not be available as a hard copy but should be accessible online.

- Suggested that the LGF, the Local Economic Recovery Strategy(LERS) and the Business Board dashboares could be more aligned to show continuity. It was also

suggested that co-branding could demonstrate the track record and could be attached to future bids to showcase previous achievements.

- Requested that officers provide a narrative to the report tables when these did not reflect actual numbers.

It was resolved unanimously to:

(a) Approve the Business Board's Annual Report (2020-21) and Annual Delivery Plan (2021-22);

(b) Recommend the Combined Authority Board approves the Business Board's Annual Report (2020-21) and Annual Delivery Plan (2021-22), and approves submission of both documents to the Department for Business, Energy & Industrial Strategy (BEIS); and

(c) Recommend the Combined Authority Board approve a new budget of £15k to implement design work to develop and produce a publishable version of the Annual Report and Delivery Plan, and digital platform, to better communicate and showcase achievements of the Business Board, to be funded from Enterprise Zones Reserve Fund.

25. High Performance Computing Study and Roadmap

The Business Board received a report which presented the scope of the opportunity related to High Performance Computing capability and to seek a recommendation to the Combined Authority Board to fund a feasibility study to understand and produce a roadmap that framed routes to benefit from this capability and outlined core actions to deliver on one of the key recommendations in the Digital Priority Sector Strategy.

While discussing the report, the Business Board:

- Argued that support for smaller companies to access supercomputing would be key.

- Noted that this project would support the UK Government's ambition to become a global scientific superpower.

- Acknowledged that the project was in an 'embryonic' state and further steps would need to be taken to build it up. These would include a call for private and public funding and could receive national support.

- Noted that the quotes received throughout the tender to carry out the necessary research varied in quality and price range, and suggested that the University of Cambridge could be contacted to share their opinion. Action required

It was resolved unanimously to:

(a) Approve the commissioning of a feasibility study for the High Performance Computing and Artificial Intelligence capability to support the Digital cluster development; and

(b) Recommend the Combined Authority Board approve £46,000 Enterprise Zone Reserve funding to commission the development of a feasibility study for the High Performance Computing and Artificial Intelligence capability to support the Digital cluster development across Greater Cambridge and wider Combined Authority area.

26. Business Board Performance Assessment Framework and Recruitment Process

The Business Board received a report which presented the proposed performance assessment framework for the evaluation of the function of both the Business Board and its individual private sector members, and which outlined the recruitment process for current and future vacancies on the Business Board.

While discussing the report, the Business Board:

- Noted the resignation of Kelly Swingler and Nicki Mawby and requested that their feedback be reviewed to complete evaluation and identify learning outcomes.

- Requested the development of the member recruitment process. Action Required

- Expressed concern over the suggestion that a member from one of the trade unions could be invited as a new member, bringing attention to possible conflicts of interest. It was highlighted that the Business Board had been established to represent the business community in Cambridgeshire and Peterborough and members supported the suggestion that a wider range of expertise should be chosen from the business community. It was agreed that the aims and objectives of the Business Board would be reviewed, and that the pros and cons of inviting a trade union member would be considered alongside co-option , and reported back to the Business Board. Action required

- Supported the Board review and agreed that a wider range of quotes should be received for the evaluation. Action required

It was resolved unanimously to:

(a) Approve the proposed Performance Assessment Framework for the evaluation of the Business Board and individual private sector members;

(b) Recommend the Combined Authority approve the use of Enterprise Zones Reserve Fund to fund the evaluation of the Business Board and individual private sector members to a maximum budget cap of £35k (plus VAT);

(c) Note the resignation of both Kelly Swingler and Nicki Mawby as Business Board members; and

(d) Agree the process and timetable for the recruitment of Business Board members from August 2021 following Board approval.

27. Business Board Nomination to the Greater Cambridge Partnership Joint Assembly

The Business Board received a report proposing a nomination to the Greater Cambridge Partnership (GCP) Joint Assembly and requesting the Business Board to consider the remaining two positions for its representatives on the Joint Assembly.

While discussing the report, the Business Board:

- Expressed support for the proposed nomination.
- Confirmed that the representatives on the GCP were representing the business community and they were appointed by the Business Board.
- Agreed that connectivity should be increased between the Business Board and its representatives on the GCP.
- Requested that a review of current arrangement be taken in 6 months. Action required

It was resolved unanimously to:

(a) Nominate Claire Ruskin (Executive Director, Cambridge Network Ltd) to represent the Business Board on the Greater Cambridge Partnership Joint Assembly;

(b) Agree that the two current representatives, Christopher Walkinshaw (Marshalls of Cambridge) and Heather Richards (Verint), should continue to sit on the Greater Cambridge Partnership Joint Assembly.

28. Business Board Expenses and Allowances Scheme

The Business Board received a report on the remuneration and expenses paid to private sector members for the period 1st April 2020 to 31st March 2021 under the Business Board Expenses and Allowances Scheme, and which also proposed an amendment to the Scheme to include the option for members to formally forgo remuneration payments.

It was resolved unanimously to:

(a) Note the summary of remuneration and expenses paid to members during 2020-21 under the Business Board Expenses and Allowances Scheme; and

(b) Recommend the Combined Authority approve an amendment to be made to the Business Board Expenses and Allowances Scheme to include the option for members to forgo remuneration payments.

29. Employment and Skills Strategy

The Business Board received a report detailing the proposed approach for the development of a refresh of the current Skills Strategy which had been approved by the Combined Authority Board at its meeting on 30th June 2021.

While discussing the report, the Business Board:

- Noted that the engagement sessions had been well thought-out and presented.
- Suggested that voluntary work should be included as part of the strategy.

It was resolved unanimously to:

> Note the approved approach to the development of the new Employment and Skills Strategy.

30. Business and Market Engagement Update

The Business Board received a report which provided an update on planned, ongoing and past communications activity related to the Business Board.

While discussing the report, the Business Board:

- Noted the changes implemented in the way reports would be presented to increase agility, thus enabling the Forward Plan to become more accurate and timely.
- Noted the future availability of a digital dashboard and requested an access link.
  Action required
- Requested that a notification be sent to members before press releases took place.
  Action required

It was resolved unanimously to:

(a) Note the update on recent Business and Market Engagement activity;

(b) Note the forward plan of communications activity for the Business Board; and

(c) Agree to receive future updates on communications activity via a bespoke digital reporting dashboard and forward plan, provided via the Communication team's media monitoring software.

31. Business Board Headlines for Combined Authority Board

The Business Board noted the headlines that the Chairman would convey at the Combined Authority Board meeting on 28th July 2021.

32. Business Board Forward Plan

Whilst noting the Forward Plan, members requested that the actions be mapped onto the Forward Plan where applicable to aid tracking of actions. Action required

Chair
14th September 2021

THE BUSINESS BOARD

Business Board Minutes Action Log

This Action Log captures the actions arising from the recent Business Board meetings and updates members of the Board on compliance in delivering the agreed actions. It does not include approved recommendations requiring immediate action (which are recorded on the Decision Log) or delegated decisions (which are recorded separately and held by the Monitoring Officer).

Business Board Meeting Held on 12th January 2021					
Minute	Report Title	Officer	Action	Comments	Status
202.	LEP Partnering Strategy	J T Hill	Organise a workshop session for members to identify what could be gained from the LEP collaboration and how they could contribute.	Postponed, pending potential Government announcement of a further review of LEPs and their future access to funding and role in bidding for funds. This will link with a proposed Business Board Induction refresher workshop planned for 11th January 2022.	Action Ongoing (Completion target: January 2022)
Business Board Meeting Held on 16th March 2021					
212.	Business Growth Service (Growth Works)	A Downton	Consider reviewing the £150k maximum grant limit following a presentation from Gateley's at the Business Board update meeting on 14th April 2021.	At present, the applicant is in a pilot phase with several major US and UK businesses. Should they move from pilot to contract, a further review of the maximum grant limit will be undertaken.	Action Ongoing (Completion target: September/October 2021)

		A Downton	Form a working group and sign the relevant NDAs in order to work with officers and Gateley's to assess the investment decision related to the request to increase the maximum grant limit in greater detail.	Should they move from pilot to contract, then an NDA will be circulated to the four Business Board members who put themselves forward to be part of a wider group to scrutinise the detail before it returns to the Business Board for a final decision.	Action Ongoing (Completion target: September/October 2021)
Business Board Meeting Held on 19th May 2021					
3.	Future Funding Strategy	Domenico Cirillo / Steve Clarke	Consider how public health could be further integrated into the Business Board's agenda.	Public health impacts can be further integrated and assessed as part of the bid evaluation process around future funding streams – details of which are expected by the Autumn 2021 Government Spending Review. The Combined Authority has appointed a Lead Member for Public Health (Cllr Boden) and Environment and Climate Change (Cllr Smith). From a governance perspective, a process is also being put in place to ensure public health and environmental implications are being highlighted within board reports.	Action ongoing (Completion target: October 2021)

5.	Cambridgeshire and Peterborough Priority Sector Strategies	Steve Clarke	Conduct a complete review of the digital strategy, in light of the impacts of Covid-19 and present to the Business Board later in 2021.	It is anticipated that this will be presented to the Board at its meeting in November 2021.	Action ongoing (Completion target: November 2021)
6.	Format of Business Board Meetings	Rochelle Tapping	Work with the Overview and Scrutiny Committee to explore mechanisms to improve transparency.	Agenda Item 3.3 (Format of Business Board Meetings) at the Business Board meeting to be held on 14th September 2021 will further consider this. A paper will also be taken to the Leaders strategy meeting, Audit and Governance Committee and finally to the Combined Authority Board on 29th September 2021.	Action ongoing (Completion target: September 2021).
10.	Business Advisory Panel Update	Domenico Cirillo	Consider whether the Trade Unions Congress could either itself become involved with the BAP or recommend a representative of trade unions to participate.	Officers are currently reviewing arrangements Trade Union representation on the BAP/ERSG in consultation with the Business Board, to determine an agreed position going forward. Agenda Item 3.2 (Business Community Insight) at the Business Board meeting to be held on 14th September 2021 will further consider this.	Action ongoing (Completion target: October 2021)
13.	Business and Market Engagement Update	Ed Colman	Provide members with presentations that would be made at upcoming Growth Works meetings.	Growth Works performance statistics will be available mid-September. Development of a portal utilising HubSpot CRM for	Action ongoing (Completion target: October 2021)

				live reporting will be ready by mid to late October.	
Extraordinary Business Board Meeting Held on 9th June 2021					
18.	University of Peterborough Phase 3 Funding	Steve Clarke	To consider a review of the Local Assurance Framework so that it could accommodate recent bid opportunities with a short timeline without compromising the robust process currently implemented	The CPCA legal team are looking at the available options to amend the Assurance Framework, and this will be revisited following Government announcement on the outcomes of the LEP Review.	Action ongoing (Completion target: October 2021)
Business Board Meeting Held on 19th July 2021					
21.	Budget and Performance Report	Vanessa Ainsworth	Identify a timeline for the potential exit plans of each equity investment project, and present the findings to the Business Board for discussion.	Work has begun with Steve Clarke and Rob Emery, but information is required from individual projects on the timelines for exit.	Action ongoing (Completion target: November 2021)
22.	Strategic Funds Management Review July 2021	Steve Clarke	Provide a prioritised list detailing the possible pipeline projects.	An assessment of the pipeline projects has taken place and is attached as an appendix to Agenda Item 2.2 (Strategic Funding Management Review - September 2021) of the agenda for the Business Board meeting to be held on 14th September 2021.	Action Complete

		Steve Clarke	Include guidance on the expectations of job creation in monitoring reports.	This has been included in the monitoring report attached as an appendix to Agenda Item 2.2 (Strategic Funding Management Review - September 2021) of the agenda for the Business Board meeting to be held on 14th September 2021, to include timeline and progress.	Action Complete
		Steve Clarke	Conduct a review of the Wisbech Access project to identify learning outcomes which would ensure that future projects did not stay dormant.	To be finalised following the Combined Authority Board in August and brought to a future Business Board meeting.	Action ongoing (Completion target: November 2021)
25.	High Performance Computing Study and Roadmap	Steve Clarke	Contact the University of Cambridge to share their opinion on the feasibility study.	There has been engagement with the University – they are part of the reference group and have had sight of the tender documents.	Action Complete
26.	Business Board Performance Assessment Framework and Recruitment Process	Domenico Cirillo	Develop the member recruitment process.	A recruitment video is being put together to inform potential applicants of the opportunity to join the Business Board. The job profile, recruitment advert and platforms used are being finalised with the HR team.	Action ongoing (Completion target: September 2021)

		Domenico Cirillo	Consider the pros and cons of inviting a trade union member alongside co-option.	Agenda Item 3.2 (Business Community Insight) of the agenda for the Business Board meeting to be held on 14th September 2021 considers the options to broaden Business Board membership.	Action ongoing (Completion target: October 2021)
		Domenico Cirillo	Compile a wider range of quotes for the evaluation.	Further quotes were sought and approved by members at the Business Board's activity update meeting in August.	Action Complete
27.	Business Board Nomination to the Greater Cambridge Partnership Joint Assembly	Domenico Cirillo	Review current arrangements of representation on the Greater Cambridge Partnership in 6 months.	To be reviewed in January 2022.	Action ongoing (Completion target: January 2022)
30.	Business and Market Engagement Update	Emily Martin	Provide a link to the digital dashboard.	A contractual agreement is in place with the supplier for a service launch in October 2021.	Action ongoing (Completion target: October 2021)
		Emily Martin	Send notification to members before press releases take place.	Members are now notified via email of press releases related to the Business Board.	Action Complete

32.	Business Board Forward Plan	Domenico Cirillo	Map actions onto the Forward Plan where applicable to aid tracking of actions.	Completed where applicable.	Action Complete

THE BUSINESS BOARD

Agenda Item No: 2.1

Budget and Performance Report

To:	Business Board
Meeting Date:	14 September 2021
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	Finance Manager, Vanessa Ainsworth
Key decision:	No
Recommendations:	The Business Board is recommended to:

a) Note the outturn financial position relating to the revenue and capital funding lines within the Business & Skills Directorate for the 20/21 financial year;

b) Advise officers whether to include Market Towns and Energy Capital programmes in their financial reporting going forward;

c) Note the increase in the Growth Hub Funding; and

d) Recommend to the Combined Authority Board that the increased Growth Hub budget and requirements be delivered via the Cambridgeshire & Peterborough Business Growth Company (Growth Co.), as detailed in section 6 of the report.

1. Purpose

1.1. To provide an update and overview of the revenue and capital funding lines that are within the Business & Skills Directorate to assist the Business Board to enable informed decision making regarding the expenditure of these funds.

2. Background

2.1 The Business Board has requested a summary of the revenue and capital funding lines available within the Business & Skills Directorate, to assist in ensuring financial decisions relating to the revenue and capital funding lines under their control are well informed, financially viable, and procedurally robust.

2.2 At its meeting on 27 January 2021, the Combined Authority Board approved a Medium-Term Financial Plan (MTFP) which includes balanced revenue and capital budgets for 2021/22. This report shows the actual expenditure to date and forecast outturn position against those budgets.

2.3 The outturn forecast reflects costs incurred to date, accrued expenditure and the impact on the current year assumptions made on staffing, overheads and workstream programme delivery costs as set out in the MTFP.

3. 2021/22 Revenue Budget

3.1 A breakdown of the Business & Skills Directorate 'Business Revenue' income for the period to 31 July 2021 is set out in Table 1 below.

Table 1. Business Board Revenue Income Budgets 2021/22

Business Board Revenue Funding Streams	June Budget £'000	July Board Approvals & Adjustments £'000	Revised Budget £'000	Budget to 31st Jul 2021 £'000	Actuals to 31st Jul 2021 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Enterprise Zone Receipts	(1,208.8)	-	(1,208.8)		-	(1,208.8)	-
ERDF - Growth Service Grant	(1,500.0)	-	(1,500.0)	-	-	(1,500.0)	-
ESF Growth Service Grant	(600.0)	-	(600.0)	(200.0)	-	(600.0)	-
Growth Hub Grants	(246.0)	-	(246.0)	(128.0)	(128.0)	(536.5)	(290.5)
LEP Core Funding	(500.0)	-	(500.0)	(500.0)	-	(500.0)	-
Total Bsuiness Board Revenue Income	**(4,054.8)**	**-**	**(4,054.8)**	**(828.0)**	**(128.0)**	**(4,345.3)**	**(290.5)**

3.2 The forecast outturn shows an increase in expected income for the year of £290.5k compared to the budget. 'Actual' figures are based on payments made and accrued income where known.

i) Growth Hub grants reflects the increase in funding from the Department for Business, Energy & Industrial Strategy (BEIS) for the current financial year as detailed in Item 6 of this report.

3.3 On 27 July 2021 a letter was sent to all Local Enterprise Partnership (LEP) Chief Executives confirming the release of the first six-months' worth of the 2021-22 LEP core funding grant on the basis "*That [the Ministry of Housing, Communities and Local Government (MHCLG)] will use the LEP review process to collect further financial data on*

LEP performance, to inform decisions on funding for the remaining 6 months". We have yet to receive a request for further financial information so it is currently not known what MHCLG's requirements for release of the second £250k tranche will be.

3.4 While loss of this income could have a significant impact on the Business Board's capacity were all else to remain the same, the review of the grant funding is tied up with the larger piece of work on the Levelling Up White Paper and the LEP Review and the impact of these is currently unknown.

3.5 A breakdown of the Business & Skills Directorate 'Business Revenue' expenditure for the period to 31 July 2021, is set out in Table 2 below.

Table 2. Business Board Revenue Expenditure Budgets 2021/22

Business Board Revenue Expenditure	June Budget £'000	July Board Approvals & Adjustments £'000	Revised Budget £'000	Budget to 31st Jul 2021 £'000	Actuals to 31st Jul 2021 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Business Board Annual Report	-	15.0	15.0	-	-	15.0	-
Business Board Effectiveness Review	-	35.0	35.0	-	-	35.0	-
Economic Rapid Response Fund	150.0	-	150.0	37.5	25.0	150.0	-
Enterprise Zone Investment	50.0	-	50.0	-	-	50.0	-
Growth Co Services	3,131.7	200.0	3,331.7	1,177.6	46.0	3,331.7	-
HPC study and roadmap	-	46.0	46.0	-	-	46.0	-
Insight and Evaluation Programme	82.5	-	82.5	7.5	-	82.5	-
Local Growth Fund Costs	371.2	189.0	560.2	108.6	126.8	520.0	(40.2)
Market Town and Cities Strategy	120.9	-	120.9	7.1	15.8	120.9	-
Marketing and Promotion of Services	97.8	-	97.8	30.5	20.6	97.8	-
Peterborough University Quarter Masterplan	-	100.0	100.0	-	-	100.0	-
Shared Prosperity Fund Evidence Base & Pilot Fund	100.0	-	100.0	-	-	100.0	-
St Neots Masterplan	219.4	4.6	224.0	45.0	1.8	224.0	-
Trade and Investment Programme	32.5	-	32.5	32.5	-	32.5	-
Visitor Economy and R&R Grants	7.6	-	7.6	7.6	7.3	7.3	(0.3)
Total Skills Revenue Expenditure	**4,363.6**	**589.6**	**4,953.2**	**1,453.9**	**243.3**	**4,912.7**	**(40.5)**

3.6 Variances between the revenue outturn position and the annual budget are set out below:

i) Local Growth Fund Costs is currently forecasting a £40.2k underspend for the year. This is due to uncommitted funds for legal costs, which may alter during the year dependent on the outcome of certain projects.

ii) A number of projects were only approved at the last meeting and have therefore not yet spent any funds but these have primarily been committed.

iii) Growth Co. Services are showing a small spend so far this year which is due to the legal arrangements for the contracts and services still being drawn up to enable the transfer of funds from the CPCA to Growth Co. Just over £1.1m of funding has not yet been transferred across for services that are being delivered. This is not impacting on the service provision of Growth Co. and it is anticipated these agreements will be finalised prior to the next meeting.

3.7 The current approved Revenue MTFP is shown below in Table 3, enabling the Business Board to understand the current and future approved expenditure.

Table 3. 2021/22 Budget and MTFP				
	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's
Business Rebound & Growth Service	3,224	3,139	795	-
Business Board Annual Report	15	-	-	-
Business Board Effectiveness Review	35	-	-	-
Economic Rapid Response	150	150	200	200
Enterprise Zone Investment	50	-	-	
Growth Hub	-	-	123	246
HPC study and roadmap	46	-	-	-
Insight & Evaluation Programme	83	75	75	75
Local Growth Fund Costs	560	558	-	-
Market Towns & Cities Strategies	121	-	-	-
Marketing and Promotion of Services	98	90	90	90
Peterborough University Quarter Masterplan	100	-	-	-
Shared Prosperity Fund Evidence Base & Pilot Fund	100	-	-	-
St Neots Masterplan	224	-	-	
Trade and Investment Programme	33	-	-	
Visitor Economy and R&R Grants	8			
Total Business & Skills Approved Budgets	**4,845**	**4,012**	**1,283**	**611**
Total Business & Skills Subject to Approval	**-**	**-**	**-**	**-**
Total Business & Skills Revenue Expenditure	**4,845**	**4,012**	**1,283**	**611**

4. 2021/22 Capital Budget

4.1 A breakdown of the Business & Skills Directorate 'Business Capital' income for the period to 31 July 2021, is set out in Table 4 below.

Table 4. Business Board Capital Income Budgets 2021/22

Business Board Capital Funding Streams	June Budget £'000	July Board Approvals & Adjustments £'000	Revised Budget £'000	Budget to 31st Jul 2021 £'000	Actuals to 31st Jul 2021 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
Getting Building Fund	(7,300.0)	-	(7,300.0)	(7,300.0)	(7,300.0)	(7,300.0)	-
Total Bsuiness Board Capital Income	**(7,300.0)**	**-**	**(7,300.0)**	**(7,300.0)**	**(7,300.0)**	**(7,300.0)**	**-**

4.2 A breakdown of the Business & Skills Directorate 'Business Capital' expenditure for the period to 31 July 2021, is set out in Table 5 below.

Table 5. Business Board Capital Expenditure Budgets 2021/22

Business Board Capital Programmes	June Budget £'000	July Board Approvals & Adjustments £'000	Revised Budget £'000	Budget to 31st Jul 2021 £'000	Actuals to 31st Jul 2021 £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000
AEB Innovation Fund (LGF)	323.7	-	323.7	319.1	77.4	319.1	4.6
Cambridge Biomedical MO Building (LGF)	1,702.3	-	1,702.3	450.0	21.1	1,702.3	-
Cambridge City Centre (LGF)	691.2	-	691.2	150.0	25.9	691.2	-
CRC Construction and Digital Refurbishment (LGF)	910.8	-	910.8	500.0	447.2	910.8	-
Eastern Agritech Initiative (LGF)	100.0	-	100.0	123.5	43.2	215.0	(115.0)
Ely Area Capacity (Recycled)	-	-	-	-	201.5	192.4	(192.4)
Illumina Accelerator (Recycled)	1,000.0	-	1,000.0	-	-	1,000.0	-
March Adult Education (LGF)	313.9	-	313.9	313.9	309.1	313.9	-
Metalcraft (Advanced Manufacturing) (LGF)	2,978.9	-	2,978.9	750.0	335.3	2,978.9	-
Peterborough City Centre (LGF)	680.8	-	680.8	95.0	44.5	680.8	-
South Fen Business Park (LGF)	997.0	-	997.0	450.0	-	997.0	-
Start Codon (Equity) (Recycled)	2,225.6	-	2,225.6	250.0	160.6	2,225.6	-
Business Rebound & Growth Service - Capital Grant	3,000.0	-	3,000.0	1,500.0	-	3,000.0	-
TTP Incubator (LGF)	33.2	-	33.2	33.2	33.2	33.2	-
University of Peterborough Phase 2 (GBF)	14,600.0	-	14,600.0	14,600.0	14,600.0	14,600.0	-
Total Skills Capital Expenditure	**29,557.4**	**-**	**29,557.4**	**19,534.7**	**16,299.1**	**29,860.2**	**(302.8)**

4.3 Variances between the revenue outturn position and the annual budget are set out below:

i) AEB Innovation Fund will underspend by £4.6k due to the allocation of projects. Any underspend will be transferred into the Recycled Funds upon completion of all the projects.

ii) Eastern Agritech is forecasting an overspend against budget of £115k. This is due to several projects being granted extensions beyond the original March 2021 funding deadline. These costs are covered by the corresponding underspend of these projects in 2020-21

4.4 The current approved Capital MTFP is shown below in Table 6 enabling the Business Board to understand the current and future approved expenditure.

Table 6. 2021/22 CapitaL Budget and MTFP				
	2021/22	2022/23	2023/24	2024/25
	£,000's	£,000's	£,000's	£,000's
AEB Innovation Fund				
Approved Project Costs	324	-	-	-
Cambridge Biomedical MO Building				
Approved Project Costs	1,702	-	-	-
Cambridge City Centre				
Approved Project Costs	691	-	-	-
CRC Construction and Digital Refurbishment				
Approved Project Costs	911	-	-	-
Eastern Agritech Initiative				
Approved Project Costs	100	-	-	-
Ely Area Capacity - Funded by Recycled Funds				
Approved Project Costs	-	-	-	-
Illumina Accelerator				
Approved Project Costs	1,000	1,000	-	-
March Adult Education				
Approved Project Costs	314	-	-	-
Metalcraft (Advanced Manufacturing)				
Approved Project Costs	2,979	-	-	-
Peterborough City Centre				
Approved Project Costs	681	-	-	-
South Fen Business Park				
Approved Project Costs	997	-	-	-
Start Codon (Equity)				
Approved Project Costs	2,226	-	-	-
Business Rebound & Growth Service - Capital Grant and Equity Fund				
Approved Project Costs	3,000	3,000	3,000	-
TTP Incubator				
Approved Project Costs	33	-	-	-
Getting Building Fund - University of Peterborough Phase 2				
Approved Project Costs	14,600	-	-	-
Total Approved Business and Skills Capital Projects	**29,234**	**4,000**	**3,000**	**-**
Total Business and Skills Project Costs Subject to Approval	**-**	**-**	**-**	**-**
Total Business and Skills Capital Projects	**29,234**	**4,000**	**3,000**	**-**

4.5 The Market Towns, and Energy Capital, projects have not been included within this report as the funding for these programmes does not come from Business Board funds. The Business Board are asked whether they wish to have reporting on these areas included within their reports or are content to review the reporting available publicly to the Combined Authority Board.

5. Business Board Summary Funding Overview

5.1 A summary of the Business Board 'Recycled Capital & Revenue' funds for the next ten years, is set out in Table 7 below.

Table 7. Recycled Capital & Revenue Funds

Recycled Capital	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	Later Years
Opening balance	-9,188,924	-10,848,755	-10,491,484	-8,921,412	-2,953,800	-191,900	-0	-0	-0	-0	-26,585	-210,585
Forecast Expenditure	*1,340,170*	*382,271*	*1,747,452*	*6,914,182*	*3,950,000*	*750,000*	*554,664*	*184,000*	*184,000*	*157,415*	*0*	*0*
Forecast Income	*-3,000,000*	*-25,000*	*-177,380*	*-946,570*	*-1,188,100*	*-558,100*	*-554,664*	*-184,000*	*-184,000*	*-184,000*	*-184,000*	*-2,024,000*
Closing Balance	-10,848,755	-10,491,484	-8,921,412	-2,953,800	-191,900	-0	-0	-0	-0	-26,585	-210,585	-2,234,585

Recycled Revenue	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	Later Years
Opening balance	0	0	-3,300	-159,947	0	0	0	0	0	0	-62,951	-120,645
Forecast Expenditure	*0*	*0*	*0*	*606,599*	*240,219*	*120,350*	*90,568*	*72,678*	*67,757*	*0*	*0*	*0*
Forecast Income	*0*	*-3,300*	*-156,646*	*-446,652*	*-240,219*	*-120,350*	*-90,568*	*-72,678*	*-67,757*	*-62,951*	*-57,694*	*-321,371*
Closing Balance	0	-3,300	-159,947	0	0	0	0	0	0	-62,951	-120,645	-442,016

Combined	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	Later Years
Opening balance	-9,188,924	-10,848,755	-10,494,785	-9,081,359	-2,953,800	-191,900	0	0	0	0	-89,536	-331,229
Forecast Expenditure	*1,340,170*	*382,271*	*1,747,452*	*7,520,781*	*4,190,219*	*870,350*	*645,233*	*256,678*	*251,757*	*157,415*	*0*	*0*
Forecast Income	*-3,000,000*	*-28,300*	*-334,026*	*-1,393,222*	*-1,428,319*	*-678,450*	*-645,233*	*-256,678*	*-251,757*	*-246,951*	*-241,694*	*-2,345,371*
Closing Balance	-10,848,755	-10,494,785	-9,081,359	-2,953,800	-191,900	0	0	0	0	-89,536	-331,229	-2,676,601

5.2 The table has not changed since it was last presented to the Business Board. There are two items which are expected to contribute to the Recycling Fund in the near future however the amounts are not yet finalised and so have not yet been recognised:

i) Following the recommendation from the Business Board to reject the project change request for the Wisbech Access Strategy, Business Board officers are working with the Combined Authority's transport team to establish what the final amount spent on Wisbech Access Strategy attributable to Local Growth Funds is. This is expected to result in c.£4m being returned to the recycled funds.

ii) At time of writing it is expected that the Business Board will have received a report on its options regarding the iMet building before their scheduled September meeting, should the sale of the building complete this is expected to return c. £2.4m to recycled capital funds.

5.3 A summary of the Business Board 'Enterprise Zones' Reserve Fund for the next ten years, is set out in Table 8 below.

Table 8. Business Board Enterprise Zones Reserve Fund Summary

	2019/20	2020/21	2021/22	2022/23	2023/24	202/25	2025/26	2026/27	2027/28	Totals
TOTAL CPCA EZ NNDR INCOME	£235,792	£548,649	£860,673	£972,176	£1,008,968	£1,008,968	£1,008,968	£1,008,968	£1,008,968	£2,617,290
Total Expenditure	-£279,354	-£363,290	-£690,477	-£691,786	-£832,786	-£414,786	-£414,786	-£414,786	-£414,786	-£4,237,483
Annual surplus (deficit)	£0	£185,358	£170,196	£280,390	£176,182	£594,182	£594,182	£594,182	£594,182	£3,188,855
CUMULATIVE BALANCE	£0	£185,358	£355,555	£635,945	£812,127	£1,406,309	£2,000,491	£2,594,673	£3,188,855	£1,568,661

5.4 Income for the Enterprise Zones is for a 25-year period through to 2041/42 and should be viewed as long term. The Business Board is currently entering into the third year of revenue of this programme with payments being made by local councils one year in arrears.

5.5 Expenditure is based upon the contribution to the Department for Transport for the A14 (in the region of £100k), an annual flat fee contribution of £250k to the Business Board's running costs, three years of contribution to the Growth Service, 25% of Business Board members remuneration and expenses, and other projects approved at the last Business Board meeting.

5.6 Business Board Equity Investment data was provided at the last Business Board meeting, and work is currently underway with the companies to establish realistic exit deadlines and potential worth to the Business Board. It is envisaged that this information will be available for the Business Board's next meeting to provide visibility of its investments.

6. Growth Hub Funding Increase

6.1 The MTFP provisioned for the BEIS Core Funding of the Growth Hub at £246k. This was based on the annual amount that had been awarded for the Growth Hub prior to 2020-21.

6.2 In 2020-21 BEIS provided an additional £290k of Supplemental Funding for Growth Hubs and BEIS have since decided to continue with the Supplemental Funding for 21/22 and have rolled both the Core funds and Supplemental funds into one grant totalling £537k. The grant has been accepted by the Combined Authority's Chief Finance Officer.

6.3 As the Growth Company are contracted to deliver the Growth Hub on behalf of the Combined Authority, it is intended that the agreement with the Growth Company will be expanded to incorporate the additional funding and outcomes required for it. A contractual amendment will be created upon formal acceptance.

6.4 The Business Board is advised to note the acceptance of the additional funding and recommend the Combined Authority Board approve the corresponding increase in budget and contract value to Growth Co.

Significant Implications

7. Financial Implications

7.1 There are no financial implications other than those included in the main body of the report.

Financial change summary (£'000)			2021-22	2022-23	2023-24	2024-25
Existing MTFP	Growth Hub Grants	Approved	-246	-246	-246	-246
		STA	-	-	-	-
	Business Rebound & Growth Service	Approved	2,630	3,639	2,785	-
		STA	-	-	-	-
Change Requested	Growth Hub Grants	Approved	-290.5	-	-	-
		STA	-	-	-	-
	Business Rebound & Growth Service	Approved	290.5	-	-	-
		STA	-	-	-	-
Revised MTFP	Growth Hub Grants	Approved	-536.5	-	-	-
		STA	-	-	-	-
	Business Rebound & Growth Service	Approved	2,920.5	3,639	2,785	-
		STA	-	-	-	-

8. Legal Implications

8.1 The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.

9. Other Significant Implications

9.1 There are no significant implications

10. Background Papers

10.1 Budget Performance Report – Skills Committee (13th September 2021)

THE BUSINESS BOARD

Agenda Item No: 2.2

Strategic Funds Management Review - September 2021

To:	Business Board
Meeting Date:	14 September 2021
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	Director Business and Skills, John T Hill
Key decision:	No
Recommendations:	The Business Board is asked to

Note all programme updates outlined in this paper.

1. Purpose

1.1 This report provides the Board with an update on the strategic funding programmes that it is responsible for, this report covers progress to 1 August 2021. This includes the following:

(a) Monitoring and spending performance of allocated funds

(b) Individual Project updates by exception including funding repatriation.

(c) UK Community Renewal Fund (CRF) update and Lessons Learned

(d) Future Funding and pipeline preparation

2. Background

2.1 The Local Growth Fund (LGF) £146.7m programme was closed and all spent by 31 March 2021 but programme outcomes are still being delivered beyond 2021. Local Growth Funds provided Grants, Loans or other forms of funding such as Equity Capital Investment.

2.2 The £14.6m Getting Building Funding (GBF) was awarded to the Cambridgeshire and Peterborough Combined Authority in July 2020 to be spent by the end of March 2022 and projects delivered to completion during 2022. The Business Board awarded the £14.6m GBF to the Net Zero Manufacturing Research and Development Innovation Centre, University phase 2 project at an extraordinary Business Board meeting on 19th October 2020. This decision was then ratified by Mayoral Decision Notice and reported at the Combined Authority Board meeting on 27 November 2020.

2.3 The UK Community Renewal Fund is a new funding programme announced in March 2021 and, in its role as the Lead Authority for the Cambridgeshire and Peterborough area on this fund, the Combined Authority submitted 7 applications to the value of £6.6m to the Ministry of Housing, Communities and Local Government (MHCLG) by a deadline of 18 June 2021.

2.4 The only Levelling Up Fund round 1 application made from the Combined Authority area was the ARU Peterborough application for a Living Lab and University Cultural Quarter project within MP Paul Bristow's constituency. The Government has yet to announce the outcome of assessing the round 1 bids, but the announcement is expected in the Autumn. Fenland District Council are developing a LUF application ready for round 2 submission with support from the Combined Authority. The Combined Authority are also developing their bid, as the Local Transport Authority, for round 2.

2.5 The launch of the Shared Prosperity Fund will be announced by the Government as part of Comprehensive Spending Review in Autumn 2021. The Combined Authority may be selected by the Government as the Lead Authority to manage UKSPF in the region. The Strategic Funds Team are planning to further develop the potential pipeline of projects that could form strong applications to this fund when the Government calls for shortlisted applications.

3. Programme Spend

3.1 The £146.7m Local Growth Fund programme closed on 31 March 2021 with all funding awarded to a portfolio of 51 projects including the grant schemes and included the allocated Combined Authority fund management costs. The total spent on the LGF programme totalled £134,780,256 at 31 July 2021.

3.2 The £14.6m GBF is fully awarded including the £827,000 grant to PCC for provision of a car park infrastructure to support this project. The shareholders agreement covering the majority of the funding has been signed and the grant funding agreement with PCC is still being finalised, and is expected to be signed off after the summer.

3.3 The Business Board awarded a further £2m from its future recycled funding budget in June 2021 to the University phase 3 project – this award is conditional on securing a full funding package from LUF and the partners first. This award will not be drawn until later stages of the project and the other funds spent first.

3.4 The table below summarises the current strategic growth funding received, deployed and being bid for that relate to the Business Board. Tthis table does not include the £50m Levelling Up Fund Transport bid opportunity which the CPCA is Lead Authority for:

Funding Stream	Stage	Status	Type	Source	£m
Local Growth Fund	Won	Fully Contracted	Delegated	BEIS	146.70
Getting Building Fund	Won	Fully Contracted	Competitive	MHCLG	14.60
ERDF - Growth Service	Won	Fully Contracted	Delegated	ERDF	5.29
ESF - Growth Service	Won	Fully Contracted	Delegated	ESF	2.04
Community Renewal Fund	Bidding	To be Contracted	Competitive	MHCLG	5.00
Levelling Up Fund - PCC	Bidding	To be Contracted	Competitive	MHCLG	20.00
Levelling Up Fund - FDC	Planned	To be Contracted	Competitive	MHCLG	20.00
Shared Prosperity Fund	Planned	To be Contracted	Competitive	MHCLG	90.00

3.5 The table below summarises the projects currently being funded out of the Business Board recycled funds:

LGF Recycled Fund

Project	Description	Date Approved	Start Date	End Date	Amount £M
Recycled Funds					
Illumina	Accelerator programme member organisation investment	Jan-19	Apr-21	Mar-24	2
Business Growth Service - Equity Investment	Matched equity investment into high potential businesses	Nov-19	Apr-21	Mar-24	5.7
Business Growth Service - Growth Grants	Capital grants for SMEs to enable rapid and progressive growth in the region	Nov-19	Apr-21	Mar-24	2.7
Levelling Up Fund - match funding	Match funding to Phase 3 of the ARU Peterborough Innovation and Teaching building	Jun-21	TBC	TBC	2
Total Recycled Funds Awarded					12.4

4. Programme Monitoring

4.1 The Monitoring of all live projects in delivery is conducted by the Strategic Funds team on a monthly and quarterly basis. The Business Board is asked to note the latest updated monitoring report for all completed and live projects attached at Appendix 1.

4.2 The most recent monitoring update gathering exercise, carried out in June by the Strategic Funds Team, shows that there have been 4,152 actual jobs created reported from all projects. It should also be noted that the Local Growth Fund dashboard is available to Business Board members and contains quarterly updated project outputs and outcomes, it can be found on the CPCA website:
Local Growth Fund | Cambridgeshire & Peterborough Combined Authority (cambridgeshirepeterborough-ca.gov.uk)

4.3 Full Evaluation of the Eastern Agri-tech Growth Initiative and the £2.03m Growth Works Capital Grant scheme and the Covid Capital Grant scheme is being commissioned with procurement and will be undertaken in the second half of financial year 2021-22.

5. Project Updates by Exception

5.1 Cambridge Autonomous Metro project - One Cam Ltd

At the Combined Authority Board meeting on 28th July 2021, it was agreed that the work of One CAM Limited be suspended until a comprehensive review of the One CAM programme and the Local Transport Plan be completed. The Combined Authority Board also authorised a material reduction in the activity of One CAM Limited pending a final decision in relation to the CAM Programme.

The Combined Authority Board also requested that the Chief Executive and the Director of Delivery and Strategy bring a report to the Combined Authority Board meeting on 28 September 2021 to recommend the future steps in relation to the One CAM project and the further use or permanent closure of One CAM Limited.

5.2 Wisbech Access Strategy project

At its meeting on 28 July 2021, the Combined Authority Board ratified the Business Board decision to reject the Project Change Request for the Wisbech Access Strategy Project. Officers have written to Cambridgeshire County Council informing of the rejection of the Project Change Request and requesting a full and final set of project spend accounts for the LGF awarded and paid over in March 2020. From this final project reconciliation, once received, officers will be able to advise on the exact figure of LGF to be repatriated.

At its meeting on 25 August 2021, the Combined Authority Board approved the funding required for this project to continue to the completion of detailed design. As such there should be no closedown costs chargeable to the LGF, as costs from the date of ratification of the rejection of the change request will be met from the Combined Authority's approved budget.

6. Community Renewal Fund Update

6.1 The Community Renewal Fund was announced by the Government in the March 2021 Budget and subsequently the prospectus, application form and guidance has been published. The Combined Authority is the Lead Authority for the CRF and is therefore responsible for coordinating the bidding process, administering award and monitoring of funds once allocated from the Government.

6.2 The final shortlist of applications for the Combined Authority area was submitted to the Government on 17 June 2021, before the deadline. The Government has not yet announced successful allocations to each lead authority against those bid shortlists at the time of writing this paper.

6.3 The Strategic Funds Team are awaiting MHCLG to announce which projects have been approved and the total value of the award through the Combined Authority.

7. Future Funding and Pipeline Preparation

7.1 Following the completed submissions to the Community Renewal Fund and Levelling Up Fund Round 1 in June, there will be preparation work on applications for the LUF round 2 from Fenland District Council, developed with support from Combined Authority officers. The Combined Authority is developing its own LUF bid, as the area's Local Transport Authority, for submission into round 2.

7.2 In Autumn 2021 the Government will announce the Comprehensive Spending Review for the next four years, and this will include full details and criteria for the UK Shared Prosperity Fund (SPF). Officers have a current pipeline of potential projects that could be developed further into applications to the new UKSPF when the Government calls for project shortlists to the new fund. This live pipeline of potential project ideas is attached at Appendix 2.

7.3 The Business & Skills Directorate are starting to develop an investment strategy and the Business Board will be consulted and asked to input into this work during October. The early officer work has identified a possible 14 strategically important projects which may be the key projects that the Directorate might lead. One page outline details are being worked up into this investment strategy, which will be brought back to the Business Board at its meeting in November 2021.

7.4 Officers have begun the strategic breakdown of the pipeline to analyse in preparation for the possibility of a call and shortlisting of projects once the UKSPF is announced in November and the criteria of the fund published. In Appendix 2, projects have been initially categorised into Progress, Hold or Hand-off status based on suitability for Business & Skills, plus their likely readiness to bid by the autumn. However, this will keep being assessed as details of UKSPF and its criteria becomes known.

Significant Implications

8. Financial Implications

8.1 There are no direct financial implications.

9. Legal Implications

9.1 There are no legal implications.

10. Other Significant Implications

10.1 None.

11. Appendices

11.1 Appendix 1 – Business Board LGF Investment Monitoring Report (August 2021)

11.2 Appendix 2 – Pipeline for Future Funding (August 2021)

12. Background Papers

12.1 Allocation of Getting Building Fund
CA Board 25 November 2020 Agenda Item 3.2

12.2 Future Transport Strategy and OneCam Ltd
CA Board 28 July 2021 Agenda Item No 3.1

12.3 Strategic Funding Management Review
CA Board 28 July 2021 Agenda Item 4.1

12.4 Wisbech Access Strategy (Phase 1)
CA Board 25th August Agenda Item 2.1

12.5 Local Growth Fund Documents, Investment Prospectus, guidance and application forms,
https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/

12.6 Eastern Agri-tech Growth initiative guidance and application forms,
https://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/

12.7 List of funded projects and MHCLG monitoring returns,
https://cambridgeshirepeterborough-ca.gov.uk/business-board/opportunities/

12.8 Local Industrial Strategy and associated sector strategies,
https://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/

Appendix 1 – Business Board LGF Investment Monitoring Report (August 2021)

LGF Project Monitoring summary

LGF Project	LGF Amount	Leverage Funding	Start Date	End of Project Monitoring	Years remaining	Direct Job Creation (Forecast)	Indirect Job Creation (Forecast)	Jobs Created (Forecast)	Actual	%completion	Apprenticeships (Forecast)	Actual	%completion	Housing Units Completed (Forecast)	Actual	%completed
The Business Growth Service	£5,407,000	£26,083,556	2020	2030	9	47	4692	4739	3	0.06%	1800	1	0.06%			
Illumina Genomics Accelerator	£1,000,000	£29,000,000	2020	2030	9	1033	0	1033	12	1.16%	68	0	0.00%			
Startcodon Life Science Accelerator	£3,342,250	£12,000,000	2020	2030	9	1730	3460	5190	38	0.73%	0	6	100%			
Ascendal Transport Accelerator	£965,000	£990,000	2020	2024	3	2	200	202	2	0.99%	2	0	0.00%			
Medtech Accelerator	£500,000	£700,000	2016	2026	5	0	0	0	9	100%						
Peterborough & Fens Smart Manufacturing Association	£715,000	£688,800	2020	2025	4	143	242	385	1	0.26%						
Teraview Company Expansion	£120,000	£554,070	2018	2023	2	15	0	15	3	20.00%	3	0	0.00%			
Aerotron Company Expansion	£1,400,000	£5,600,000	2020	2025	4	120	15	135	95	70.37%	0	6	100%			
Agri-Tech Growth Initiative	£3,600,000	£1,996,000	2015	2025	4	338	0	338	305	90.24%						
Growing Places Fund Extension	£300,000	£200,000	2015	2016	0	320	0	320	520	162.50%	0	58	100%			
Signpost to Grant - CPCA Growth Hub	£200,000	£0	2016	2017	0	0	0	0	0	0.00%						
COVID Capital Growth Grant Scheme	£5,993,934.70	£0	2020	2024	3	287	0	287	197.5	68.82%						
Peterborough Builds Back Better	£800,000	£0	2020	2023	2	100	200	300	220	73.33%						
Cambridge Visitor Welcome 2021	£710,000	£60,000	2020	2023	2	60	380	440	0	0.00%						
BGS Capital Grants Scheme	£2,043,178	£0	2021	2024	3	0	1200	1200	139.5	11.63%						
Hauxton House Incubation Centre	£438,000	£500,000	2019	2024	3	64	46	110	38	34.55%	210	0	0.00%			
South Fenland Enterprise Park	£997,032	£997,032	2020	2024	3	30	46	76	0	0.00%						
Photocentric 3D Centre of Excellence	£1,875,000	£5,625,000	2020	2024	3	616	61	677	10	1.48%	10	0	0.00%			
Cambridge Biomedical Campus	£3,000,000	£47,200,000	2020	2027	6	880	2204	3084	0	0.00%	19	0	0.00%			
NIAB - AgriTech Start Up Incubator	£2,484,000	£2,116,000	2020	2030	9	947	770	1717	7.5	0.44%	100	0	0.00%			
NIAB - Agri-Gate Hasse Fen extension	£599,850	£921,620	2020	2025	4	65	100	165	19	11.52%	40	4	10.00%			
TWI Engineering Centre	£2,100,000	£901,063	2015	2021	1	20	35	55	82	149.09%	4	0	0.00%			
Biomedical Innovation Centre	£1,000,000	£3,064,000	2015	2022	1	162	81	243	80	32.92%	80	30	37.50%			
Haverhill Epicentre - Jaynic	£2,700,000	£3,600,000	2019	2023	2	300	450	750	173	23.07%	5	0	0.00%			
TWI Ecosystem Innovation Centre	£1,230,000	£1,270,000	2020	2025	4	2	75	77	2	2.60%						
West Cambs Innovation Park	£3,000,000	£64,300,000	2020	2025	4	380	150	530	0	0.00%						
TTP Life Sciences Incubator	£2,300,000	£52,978,000	2020	2025	4	236	10	246	16	6.50%						
Aracaris Capital Living Cell Centre	£1,350,000	£1,350,000	2019	2024	3	200	0	200	38	19.00%	19	4	21.05%			
Whittlesey King's Dyke Crossing	£8,000,000	£21,981,478	2016	2022	1	0	0	0	8	100%				740	0	0%
Bourges Boulevard Phase 1 & 2	£11,300,000	£0	2014	2022	1	0	0	0	455	100%	280	100	35.71%	801	313	39.08%
A47/A15 Junction 20	£6,300,000	£0	2016	2022	1	0	0	0	47	100%				2945	209	7.10%
Wisbech Access Stategy	£7,000,000	£227,434	2015	2026	5	0	1500	1500	13	0.87%	300	0	0.00%			
Lancaster Way Phase Grant & Loan	£1,000,000 £3,680,000 £1,445,000	£126,760 £0 £3,680,000	2017	2025	4	0	0	0	1204	100%	0	18	100%			
Ely Southern Bypass	£22,000,000	£14,000,000	2016	2022	1	0	0	0	250	100%	0	2000	100%	1800	0	0%
Manea & Whittlesea Stations	£395,000	£2,105,000	2017	2022	1	80	0	80	58	72.50%						
CAM Promotion Company	£995,000	£283,183	2021	2024	3	60	33	93	2	2.15%						
Soham Station	£1,000,000	£0	2019	2024	3	0	0	0	18	100%						
Metalcraft Advanced Manufacturing Centre	£3,160,000	£900,000	2020	2030	9	14	30	44	0	0.00%	105	0	0.00%			
University of Peterborough Phase 1	£12,500,000	£15,035,000	2020	2027	6	250	14000	14250	77	0.54%	2100	0	0.00%			
University of Peterborough Phase 2 (GBF)	£14,600,000	£1,900,000	2020	2030	9	262	4912	5174	2.5	0.05%						
March Adult Education Skills & Training Expansion	£400,000	£50,000	2020	2022	1	141	0	141	0	0.00%	68	0	0.00%			
PRC Food Manufacturing Centre	£586,000	£586,000	2015	2022	1	0	0	0	0	0.00%	480	32	6.67%			
iMET Skills Training Centre	£10,473,564		2015	2026	5	1	0	1	5	500%	752	48	6.38%			
CITB Construction Academy	£450,000	£496,324	2016	2021	0	1	0	1	2	200%	0	190	100%			
EZ Plant Centre Alconbury	£65,000	£89,000	2015	2016	0	0	0	0	0	0.00%						
Highways Academy	£363,784.30		2015	2016	0	0	0	0	0	0.00%						
CRC Construction Skills Hub	£2,500,000	£497,360	2020	2023	2	18	600	618	0	0.00%	180	0	0.00%			
AEB Innovation Grant	£323,700	£336,700	2020	2023	2	0	50	50	0	0.00%						
Totals	**£158,707,293.00**	**£324,989,380.00**				**8924**	**35542**	**44466**	**4152**	**9.34%**	**6625**	**2497**	**37.69%**	**6286**	**522**	**8%**

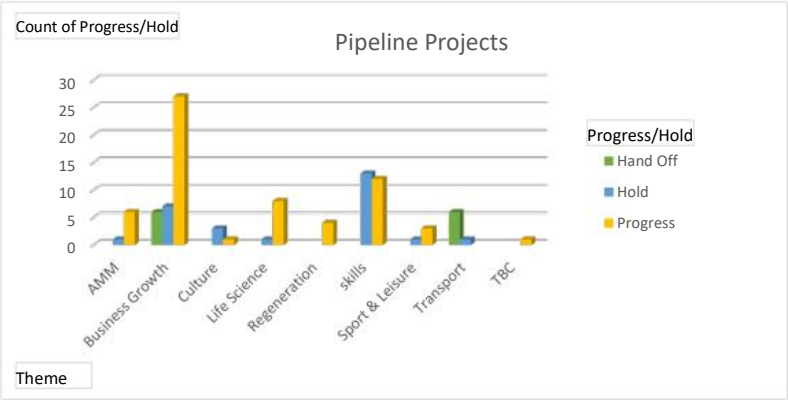
LGF Project	New Homes with New or Improved Fibre Optic Provision (Forecast)	Actual	Length of Road Resurfaced (m) (Forecast)	Actual	%completed	Length of Newly Built Road (m) (Forecast)	Actual	%completed	Length New Cycle Ways (m) (Forecast)	Actual	%completed	Area of New or Improved Learning/ Training Floorspace (m2) (Forecast)	Actual	%completed	Prior Estate Grade	Post Completion Estate Grade	%completed	Floorspace Rationalisation (m2) (Forecast)	Actual	%completed	New Learners Assisted on Courses to Full Qualification (Forecast)	Actual	%completed
The Business Growth Service																					1800	1	0.06%
Illumina Genomics Accelerator																							
Startcodon Life Science Accelerator																		34.8	38	109%			
Ascendal Transport Accelerator																							
Medtech Accelerator																							
Peterborough & Fens Smart Manufacturing Association																							
Teraview Company Expansion																							
Aerotron Company Expansion																							
Agri-Tech Growth Initiative																							
Growing Places Fund Extension												40	40	100%							2	2	100%
Signpost to Grant - CPCA Growth Hub																							
COVID Capital Growth Grant Scheme																							
Peterborough Builds Back Better																							
Cambridge Visitor Welcome 2021																							
BGS Capital Grants Scheme																							
Hauxton House Incubation Centre						10	50	500%				50	53	106%	D	A							
South Fenland Enterprise Park																							
Photocentric 3D Centre of Excellence						75	0	0%															
Cambridge Biomedical Campus																							
NIAB - AgriTech Start Up Incubator																							
NIAB - Agri-Gate Hasse Fen extension																							
TWI Engineering Centre												858	858	100%									
Biomedical Innovation Centre																					160	0	0%
Haverhill Epicentre - Jaynic																							
TWI Ecosystem Innovation Centre																							
West Cambs Innovation Park																							
TTP Life Sciences Incubator			180	180	100%	716	0	0%	516	180	35%												
Aracaris Capital Living Cell Centre																							
Whittlesey King's Dyke Crossing																							
Bourges Boulevard Phase 1 & 2			14960	14960	100%	3000	3000	100%	17450	17450	100%												
A47/A15 Junction 20			1000	1000	100%	1000	1000	100%															
Wisbech Access Stategy			13000	0	0%																		
Lancaster Way Phase Grant & Loan						545	955	175%				90	238	264%									
Ely Southern Bypass						1700	1700	100%															
Manea & Whittlesea Stations																							
CAM Promotion Company																							
Soham Station																							
Metalcraft Advanced Manufacturing Centre						70	0	0%	70	0	0%	1108	0	0%				1108	0	0%			
University of Peterborough Phase 1												450	0	0%							10000	0	0%
University of Peterborough Phase 2 (GBF)			1000	0	0%	1000	0	0%															
March Adult Education Skills & Training Expansion												1322	0	0%							695	0	0%
PRC Food Manufacturing Centre												420	420	100%							372	32	9%
iMET Skills Training Centre												2380	2380	100%							160	0	0%
CITB Construction Academy												195	195	100%							511	511	100%
EZ Plant Centre Alconbury																							
Highways Academy												432	0	0%							100	0	0%
CRC Construction Skills Hub												1000	0	0%	C	B					686	0	0%
AEB Innovation Grant																							
Totals	**0**	**0**	**30140**	**16140**	**54%**	**8116**	**6705**	**83%**	**18036**	**17630**	**98%**	**8345**	**4184**	**50%**	**0**	**0**	**0%**	**1143**	**38**	**3%**	**14486**	**546**	**4%**

LGF Project	Commerical Floorspace Created (m2) (Forecast)	Actual	%completed	Commerical Floorspace Refurbished (m2) (Forecast)	Actual	%completed	Commerical Floorspace Occupied (m2) (Forecast)	Actual	%completed	Commerical Businesses with Broadband Access (Forecast)	Actual	%completed	Land with Reduced Likelihood of Flooding (m2) (Forecast)	Actual	%completed	Homes with Reduced Flood Risk (units) (Forecast)	Actual	%completed	Commerical Properties with Reduced Flood Risk (units) (Forecast)	Actual	%completed	Enterprises Receiving Grant Support (Forecast)	Actual	%completed	Businesses Receiving Other Grant Support (Forecast)	Actual	%completed	Businesses Receiving Non Finanical Support (Forecast)	Actual	%completed
The Business Growth Service																						900	32	4%				5000	0	0%
Illumina Genomics Accelerator																														
Startcodon Life Science Accelerator																									48	9	19%	48	9	19%
Ascendal Transport Accelerator				246	0	0%	246	0	0%													3	0	0%	3	0	0%			
Medtech Accelerator																						0	8	100%				0	4	100%
Peterborough & Fens Smart Manufacturing Association																												190	0	0%
Teraview Company Expansion				991	991	100%	991	1023	103%																					
Aerotron Company Expansion	6000	6000	100%	40000	40000	100%	48000	48000	100%																					
Agri-Tech Growth Initiative																						55	85	155%						
Growing Places Fund Extension	0	2647	100%																											
Signpost to Grant - CPCA Growth Hub																														
COVID Capital Growth Grant Scheme																														
Peterborough Builds Back Better	0	36	100%	2016	3000	149%																			0	30	100%	130	50	38%
Cambridge Visitor Welcome 2021				5000	224	4%																						55	25	45%
BGS Capital Grants Scheme																						240	32	13%						
Hauxton House Incubation Centre				350	349	99.7%	170	190	112%	10	0	0%																		
South Fenland Enterprise Park	900	0	0%				900	0	0%	5	0	0%																		
Photocentric 3D Centre of Excellence	5100	5100	100%				5100	5100	100%	1	0	0%							1	0	0%	1	1	100%						
Cambridge Biomedical Campus	11398	0	0%				9290	0	0%	30	0	0%																		
NIAB - AgriTech Start Up Incubator	375	338	90%				375	368	98%	15	2	13%																15	28	187%
NIAB - Agri-Gate Hasse Fen extension				1100	375	34%	1100	375	34%	0	3	100%	0	150	100%							1	3	300%	0	1	100%	130	8	6%
TWI Engineering Centre				2480	2480	100%	2480	2480	100%																			0	10	100%
Biomedical Innovation Centre	2780	2780	100%				2780	2780	100%																			0	45	100%
Haverhill Epicentre - Jaynic	3000	3000	100%				3000	600	20%	0	12	100%										0	5	100%				50	4	8%
TWI Ecosystem Innovation Centre	644	644	100%	1944	2953	152%																								
West Cambs Innovation Park	4645	0	0%				4645	0	0%																					
TTP Life Sciences Incubator	8751	0	0%	3572	0	0%	12323	0	0%				84000	0	0%															
Aracaris Capital Living Cell Centre	12000	12000	100%		0		12000	12000	100%																					
Whittlesey King's Dyke Crossing																														
Bourges Boulevard Phase 1 & 2	32000	32000	100%																											
A47/A15 Junction 20																														
Wisbech Access Stategy																														
Lancaster Way Phase Grant & Loan	108346	52208	48%				108346	52208	48%	0	16	100%	42200	155300	368%				0	16	100%	0	12	100%				0	12	100%
Ely Southern Bypass	70000	0	0%																											
Manea & Whittlesea Stations	60	45	75%							1	1	100.00%																		
CAM Promotion Company																														
Soham Station																														
Metalcraft Advanced Manufacturing Centre	1108	0	0%				1108	0	0%	1	0	0%																		
University of Peterborough Phase 1																														
University of Peterborough Phase 2 (GBF)	2200	0	0%				2200	0	0%	15	0	0%																45	0	0%
March Adult Education Skills & Training Expansion																														
PRC Food Manufacturing Centre																												0	10	100%
iMET Skills Training Centre																														
CITB Construction Academy																														
EZ Plant Centre Alconbury																														
Highways Academy																														
CRC Construction Skills Hub																														
AEB Innovation Grant																														
Totals	**269307**	**116798**	**43%**	**57699**	**50372**	**87%**	**215054**	**125124**	**58%**	**78**	**34**	**44%**	**126200**	**155450**	**123%**	**0**	**0**	**0%**	**1**	**16**	**1600%**	**1200**	**178**	**15%**	**51**	**40**	**78%**	**5663**	**205**	**4%**

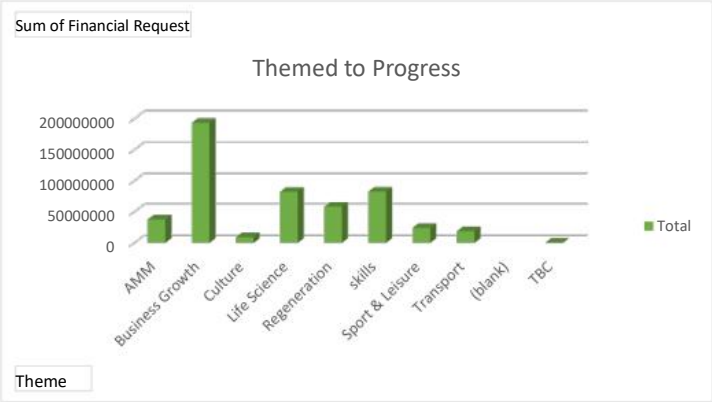
Appendix 2 – Pipeline for Future Funding (August 2021)

Project Pipeline analysis

Count of Progress/Hold	Column Labels		
Row Labels	**Hand Off**	**Hold**	**Progress**
AMM		1	6
Business Growth	6	7	27
Culture		3	1
Life Science		1	8
Regeneration			4
skills		13	12
Sport & Leisure		1	3
Transport	6	1	
Grand Total	**12**	**27**	**62**

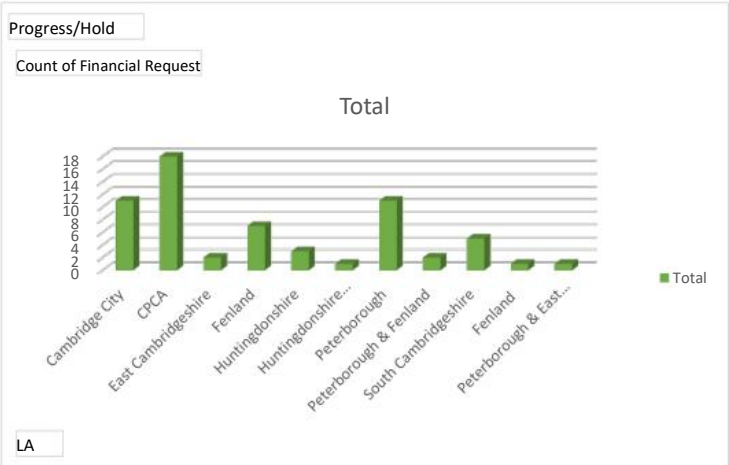


Row Labels	**Sum of Financial Request**	
AMM	£	37,467,500
Business Growth	£	193,047,310
Culture	£	8,882,000
Life Science	£	82,000,000
Regeneration	£	58,095,000
skills	£	82,278,691
Sport & Leisure	£	23,983,850
Transport	£	18,440,897
Grand Total	**£**	**504,195,248**



Progress/Hold	Progress	
Row Labels	**Sum of Financial Request**	
Cambridge City	£	82,887,500
CPCA	£	155,750,000
East Cambridgeshire	£	2,000,000
Fenland	£	6,203,510
Huntingdonshire	£	45,495,000
Huntingdonshire District Counc	£	17,000,000
Peterborough	£	100,896,400
Peterborough & Fenland	£	35,000,000
Peterborough & East Cambridge	£	10,000,000
Grand Total	**£**	**465,952,410**

Progress/Hold	Progress
Row Labels	**Count of Financial Request**
Cambridge City	11
CPCA	18
East Cambridgeshire	2
Fenland	7
Huntingdonshire	3
Huntingdonshire District Counc	1
Peterborough	11
Peterborough & Fenland	2
Peterborough & East Cambridge	1
Grand Total	**62**



Project	Sector	Financial Request	LA	Theme	Potenial Funding	Progress/Hold	Comment
Market Towns II	Regeneration	£5,000,000	CPCA	Regeneration	Gainshare	Progress	
Growth Works Extension (Yrs 4+5) – inc	Business Growth	£10,000,000	CPCA	Business Growth	SPF	Progress	
Growth Works (Yrs 2+3) – inc Inward Investment Capacity Building / Network of Networks	Business Growth	£1,750,000	CPCA	Business Growth	LGF	Progress	
2022 POSH Student Union Sports Network (Centre of Excellence)	Education	£5,000,000	Peterborough	skills	SPF	Progress	
Energy Hub Supply Chain	Business Growth	£22,000,000	CPCA	Business Growth	BEIS	Progress	
All Age Careers Advice	Education	£4,000,000	CPCA	skills	SPF	Progress	
Skills Bootcamps	Skills	£5,000,000	CPCA	skills	SPF	Progress	
University (Phase 4) – Wisbech	Education	£10,000,000	Peterborough & Fenland	skills	LUF	Progress	
University Phase 5a – Net Zero R&D Programme	Business Growth	£25,000,000	Peterborough & Fenland	Business Growth	SPF	Progress	
University Phase 5b – AMRC Capital	Business Space	£25,000,000	Peterborough	Business Growth	SPF	Progress	
University Phase 6 – Third Teaching Building	Education	TBC	Peterborough	TBC	TBC	Progress	
Academies & Incubators	Business Space	£10,000,000	CPCA	Business Growth	SPF	Progress	
Ely & Peterborough T-Levels	Education	£10,000,000	Peterborough & East Cambridgeshire	skills	SPF	Progress	
Peterborough FE Estate	Education	£20,000,000	CPCA	skills	SPF	Progress	
To create a new innovation centre Cambridge Science Park	Business Space	£ 1,347,500.00	South Cambridgeshire	Business Growth	SPF	Progress	
Development of sixth form provision with existing and new providers.	Education	TBC	East Cambridgeshire	Skills	SPF	Progress	Investigate potential to join skills projects
Expansion of site in Chatteris	Advanced Manufacturin	£ 3,000,000.00	Fenland	AMM	SPF	Progress	
Agri-Tech R&D and Growth grant scheme, with possible Rural supply chain business grant support	Agri-Tech	£ 5,000,000.00	CPCA	Business Growth	SPF	Progress	
clean-tech digital textile manufacturing products to our global stakeholders including consumers, textile manufacturers, governments and educational institutions	Business Growth	£ 1,872,500.00	South Cambridgeshire	AMM	SPF	Progress	
Expansion of facilities at Sawston site	Life Sciences	£ 2,000,000.00	South Cambridgeshire	Life Science	SPF	Progress	Progress
The large-scale regeneration of a poorly utilised prominent central riverside area through construction of a landma	Business Growth	£ 20,000,000.00	Peterborough	Business Growth	TBC	Progress	
Continuation funding for the existing programme - especially Inward Investment and Capital grant scheme	All	£ 10,000,000.00	CPCA	Business Growth	SPF	Progress	
first three Clean growth Centres are Waterbeach, Littleport and Wisbech. Each Centre will assist sustainability / 'green' focused businesses	Business Growth	£ 1,500,000.00	South Cambridgeshire	Business Growth	SPF	Progress	
Supporting innovation and inward investment across OxCam Arc	Business Growth	£ 3,000,000.00	CPCA	Business Growth	SPF	Progress	
Driving digital adoption to help all types of small businesses (including businesses in urban, rural & coastal areas)	skills and employment	£ 1,778,510.00	Fenland	Business Growth	SPF	Progress	
Development of parcels of land within the Cambourne EZ inc 4010	Business Space	TBC	South Cambridgeshire	Business Growth	SPF	Progress	
Cambridge BID Support for Tourism and VE businesses	Hospitality	£ 5,000,000.00	CPCA	Culture	SPF	Progress	
Research components of the CCRH 5,000 m² of space to accommodate key industrial partners such as AstraZe	Life Sciences and Healt	£ 20,000,000.00	Cambridge City	Life Science	SPF	Progress	
Cambridge Children's Hospital	Life Sciences and Healt	£ 20,000,000.00	Cambridge City	Life Science	SPF	Progress	
iEMU meets two of the government's most urgent priorities: pandemic control and climate change	Life Sciences and Healt	£ 20,000,000.00	Cambridge City	Life Science	SPF	Progress	
Funding sought for construction of an affordable, covid-adapted, sci-tech container village incubator on 2 acres of	Business Space	£ 2,300,000.00	Cambridge City	Business Growth	SPF	Progress	
Manufacturing facility for surgical robots	Life Sciences	TBC	CPCA	Business Growth	SPF	Progress	
The project links to the CPCA ambition to build 100,000 new homes underpinning regional economic growth. The	Education	£ 4,000,000.00	Fenland	Skills	SPF	Progress	Look at how they could work with modular businesses
Manufacturing facility for doors	Manufacturing	£ 2,000,000.00	East Cambridgeshire	AMM	SPF	Progress	
A four-site redevelopment of approximately 1.22ha plus opportunity to redevelop 100,000sqm retail space. The si	Business Growth	£ 16,095,000.00	Huntingdonshire	Regeneration	SPF	Progress	
Red Brick Farm is a major 127 acre employment site to the East of Peterborough that has been recently acquired	Business Space	£ 10,000,000.00	Peterborough	Business Growth	SPF	Progress	
Investment in the infrastruture to support SME/Start Up investment whilst engaging larger companies	Infrastructure	TBC	CPCA	Business Growth	SPF	Progress	
Engineering Dept: Move West (3rd priority)	Engineering	TBC	Cambridge City	Business Growth	SPF	Progress	
Development of the training offer to entrepreneurs and start ups	Manufacturing	TBC	Fenland	Business Growth	SPF	Progress	
Environmental Manufacturing Development	Manufacturing	£ 475,000.00	Fenland	AMM	BGS or SPF	Progress	
Regeneration of leisure sites - welfare of community - grassroots sports - local facilities to be used by wider comm	Sport & Health	TBC	Peterborough	Sport & Leisure	SPF	Progress	Join sport & health projects as a CPCA wide project
Investment across the FE estate in CPCA area inc a Green Skills hub in Peterborough	Education	£ 5,000,000.00	CPCA	AMM	SPF	Progress	Investigate potential to join skills projects
Developing the Green Tech curriculum offer	Skills	TBC	Fenland	Skills	SPF	Progress	Investigate potential to join skills projects
Training centre - The funding application is to enable research into collective skills and employment needs forinfra	Transport, Engineering	TBC	CPCA	Skills	SPF	Progress	Investigate potential to join skills projects
IfM: advanced medical manufacturing hub	Life Sciences and Healt	TBC	Cambridge City	Life Science	SPF	Progress	
Grow Your Sport Business currently being delivered in Peterborough and East London, and combine it with the skills and experience of Living Sport to create a thematic version of the curriculum	Sport & Health	£ 568,800.00	Peterborough	Business Growth	SPF	Progress	Join sport & health projects as a CPCA wide project
The Peterborough Green Active and Open for All project will create a sustainable exemplar community sports an	Sport & Health	£ 3,477,600.00	Peterborough	Sport & Leisure	SPF	Progress	Join sport & health projects as a CPCA wide project

Scale up the accelerator work to link acedemia to workplace	Life Sciences and Healt	TBC	Cambridge City	Life Science	SPF	Progress	
JV programme to bring forward R&D/Innovation programme that includes rev+cap	Manufacturing / Tech	£ 25,000,000.00	CPCA	AMM	SPF	Progress	
National Centre for Future Farming	AgriTech	£ 25,000,000.00	CPCA	Business Growth	SPF	Progress	
Satalite Innovation Hubs - pilot	Various	£ 400,000.00	Cambridge City	Business Growth	SPF	Progress	
Village Workspace	Various	£ 187,500.00	Cambridge City	Business Growth	SPF	Progress	
package of sporting facilities for Peterborough - integrated bid of schemes across the city	Health / Leisure	£ 20,000,000.00	Peterborough	Sport & Leisure	SPF	Progress	Join sport & health projects as a CPCA wide project
Manufacturing facility	Automotive	TBC	Fenland	Business Growth	SPF	Progress	
Ramsey Town regeneration	Regeneration	£ 20,000,000.00	Huntingdonshire	Regeneration	LUF	Progress	
The project is an extension of the successful Rural Gigabit Voucher scheme run by DCMS to provide connectivity vouchers to homes and bu		£ 950,000.00	Fenland	Business Growth	TBC	Progress	Look at how this could be worked into the HPC project potentially
Remodelled public transport interchange to stimulate sustainable low carbon transport solutions and improve con	Transport, Engineering	£ 17,000,000.00	Huntingdonshire District Cou	Regeneration	LUF	Progress	Hand to transport
The project represents an acceleration of the planned business space coming forward in the Strategic Eastern Ex	Business Space	£ 9,400,000.00	Huntingdonshire	Business Growth	TBC	Progress	
The Vine T Levels provision	Education	£ 1,850,000.00	Peterborough	Skills	SPF	Progress	Investigate potential to join skills projects
R&D Innovation space	Manufacturing / Tech	£ 15,000,000.00	Peterborough	Skills	TBC	Progress	
Incubator for tech spin-outs / scale-ups	Technology	TBC	Cambridge City	Life Science	SPF	Progress	
R&D facilities and programme for zero carbon flight	Aerospace	£ 20,000,000.00	Cambridge City	Life Science	SPF	Progress	
AgriTech research crowd funding project	AgriTech	TBC	CPCA	Business Growth	SPF	Hold	Move to the AgriTech Scheme should this become available
Cambridge Corn Exchange is a keystone regional cultural venue, drawing audiences from a 50 mile radius of the	Cultural	£ 1,000,000.00	Cambridge	Culture	LUF	Hold	Investgate joining cultural projects to upgarde theatre space
Developing new starters and entrepreneurs	Various	TBC	Peterborough & Fenland	Business Growth	SPF	Hold	
Developmenty of Insect Economy	Food & Drink	£ 600,000.00	Cambridge	Business Growth	SPF	Hold	
Engineering Facilty Move - March to Wisbech expansion	Engineering	£ 150,000.00	Wisbech	Business Growth	BGS?	Hold	Growth Service
An energy from waste plant at an exceptional location at the junction of the new A1 and A14 interchange. Phase	Technology	£ 2,950,000.00	Huntingdonshire	Business Growth	TBC	Hold	
tailored to meet the needs of local communities and local businesses and strengthen the IAG and employability offer to more community groups.	Skills	£ 513,280.00	CPCA	Skills	SPF	Hold	Investigate potential to join skills projects
Development of the Hauxton Life Science site further	Life Sciences		Cambridge	Life Science	SPF	Hold	
one-to-one IAG (Information, Advice and Guidance)		£ 500,000.00	CPCA	Skills	SPF	Hold	
Construction skills courses	Skills		CPCA	Skills	SPF	Hold	
Development of a talent portal and apprenticeship scheme - wants to work in partnership with others on this proje	Skills		CPCA	Business Growth	SPF	Hold	
Digital and cyber skills training	Skills		CPCA	Skills	SPF	Hold	
Education training in digital skills	skills	£ 1,250,000.00	CPCA	Skills	SPF	Hold	
STEM education project focused on manufacturing	Skills		CPCA	Skills	SPF	Hold	
The project would put on multiple events to provide a platform for the four aims of the project.	Education	£ 1,873,000.00	CPCA	Skills	SPF	Hold	
to provide training and career support to individuals With access to over 50 bite size e-learning modules and specialist careers coaching sessions	Education	£ 501,111.00	CPCA	Skills	SPF	Hold	
Manufacturing facility	Manufacturing	£ 500,000.00	Wisbech	Business Growth	BGS or SPF	Hold	
The project will replace the existing roof and install new drainage systems throughout the complex. In addition, th	Regeneration	£ 2,300,000.00	Peterborough	Culture	TBC	Hold	
This project will provide considerable technical upgrades to the theatre space, as well as a significant improveme	Regeneration	£ 582,000.00	Peterborough	Culture	TBC	Hold	
The project will deliver employment support activity in the sport, leisure, culture, tourism and hospitality industries or wish to commence employment in them.	skills	£ 566,800.00	CPCA	Skills	SPF	Hold	
The project will invest in packages of higher-level digital training and employment support, to grow Fenland and Peterborough's digital workforce.	skills	£ 500,000.00	CPCA	Skills	SPF	Hold	
Breaking down practical barriers to skills and employment take up	Skills		Fenland & Huntingdon	Skills	SPF	Hold	
Creation of local food communities. The project will set up 3 or 4 'Micro' food hubs linking residents, outlets, schools and farmers in the Peterborough & Fenland area.	sport & leisure	£ 506,250.00	CPCA	Sport & Leisure	SPF	Hold	
Development of a bike share scheme in towns and villages	Transport		CPCA	Transport	TBC	Hold	
Remove the barriers to people moving into volunteering and employment including but not limited to disability, families, mental health, domestic violence.	skills and employment	£ 1,274,500.00		Skills	SPF	Hold	
The project will involve young people aged 16-24 (who are unemployed or economically inactive) learning and applying vocational trade skills whilst helping to renovate valued community buildings, places and venues	skills	£ 450,000.00	CPCA	Skills	SPF	Hold	
Advanced manufacturing - development	Manufacturing	£ 120,000.00	Peterborough	AMM	BGS?	Hold	
Manufacturing facility	Construction	TBC	CPCA	Business Growth	SPF	Hand Off	Pass to Housing
Acquire a new site as a bus depo to enable an all electric fleet. The current bus depo is located along a busy road	Transport, Engineering	£ 6,000,000.00	Peterborough	Transport	LUF	Hand Off	Pass to transport
Provision of e-bikes infrastructure (lockers, maintenance facilities including charging points) to enable commuters	Transport, Engineering	£ 1,000,000.00	Greater Cambridge	Transport	SPF	Hand Off	Pass to transport
Expanding the current electric bus trial (2 buses), adding an additional 10-15 vehicles and necessary charging in	Transport, Engineering	£ 4,000,000.00	Greater Cambridge	Transport	SPF	Hand Off	Pass to transport
The Greater Cambridge Greenways Project aims to create a walking, cycling and equestrian travel network made	Transport, Engineering	£ 2,000,000.00	Cambridgeshire	Transport	LUF	Hand Off	Pass to transport
Signage and wayfinding emerged from the Greenways consultations as requiring improvements, especially as th	Transport, Engineering	£ 500,000.00	CPCA	Transport	LUF	Hand Off	Pass to transport
A community -led mixed use development comprising 500 homes, enterprise park, retirement village / care home	Business & Housing	£ 3,665,000.00	East Cambridgeshire	Business Growth	SPF	Hand Off	Hand over to Housing
Food Processing facility	Food & Drink	TBC	Peterborough	Business Growth	SPF	Hand Off	Growth Service
This project, "Keeping the NVR on Track", delivers significant improvements to the infrastructure of the Nene Vall	Transport	£ 4,940,897.00	Peterborough	Transport	LUF	Hand Off	Pass to transport
Manufacturing facility	Food & Drink	TBC	Peterborough	Business Growth	SPF	Hand Off	Growth Service

Station regeneration providing Gov hub, commercial, retail and leisure spaces plus housing	Government and mixed	TBC	Peterborough	Business Growth	LUF	Hand Off	Pass to Transport
Food Processing facility	Food & Drink	TBC	Peterborough	Business Growth	SPF	Hand Off	Growth Service

THE BUSINESS BOARD

Agenda Item No: 2.3

Growth Works Management Review – September 2021

To:	Business Board
Meeting Date:	14 September 2021
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	Interim Programme Manager, Alan Downton Growth Co Chair, Nigel Parkinson
Key decision:	No
Recommendations:	The Business Board is recommended to:

Note the Growth Works programme performance up to 31 July 2021.

1. Purpose

1.1 Note the financial and non-financial performance of Growth Works and request any required changes to reporting going forward.

1.2 To note and comment upon the programme performance up to 31 July 2021.

2. Growth Works Service Line Performance

2.1 The Growth Works contract was signed on 12th February 2021, and the service went 'live' following a public launch on 27th May 2021.

2.2 Overall performance to 31st July 2021 service line leading indicators are reported in the Table below (Dashboard Summary – Programme Outcome & Top Leading Indicators):

Dashboard Summary – Programme Outcome and Top Leading Indicators — Overall RAG Status

Service Line / Whole of Programme View	Target Indicator	Q3 Target	Q3 Actual (31/07)	YTD Total at Q3	Year 1 Target	Performance Against Q3 Target at 31/07	Progress against Year-1 Target (at 31/07)
All Service Lines – Outcome	Jobs created (inc. Apprentices)	N/A	15	400*	648	Up 15	61.7%
Top Leading Indicators - Growth Coaching	Businesses provided with (i.e. undertaken) a Growth Diagnostic	346	32	132	832	Up 32	15.8%
	Businesses starting coaching assignments (post-diagnostic support)	88	23	56	193	Up 23	29.0%
Top Leading Indicators - Inward Investment	Inward investors receiving information, diagnostics, and brokerage support)	5	35	80	18	Up 35	466.7%
	Inward investor commitments to expand or for new investments	1	1	9	6	Up 1	150.0%
Top Outcome and Leading Indicator – Skills	Apprenticeships created	N/A	3	14	51	Up 3	27.4%
	Additional training / learning outcomes (excludes apprenticeships)	60	21	44	209	Up 21	21.0%
Top Leading Indicators - Grants & Equity	Companies receiving grants	13	0	32	28	Level	114.3%
	Small Business Capital Growth Investment Equity (£000)	500	0	0	2,000	Level	**0.0%

2.3 Overall, the performance is robust and the pipelines for each service line are looking strong.

* 321 jobs, 80% of this number, were created in grants owing to the capital grant activity awarding £2.043m, match funded, before 31st March 2021

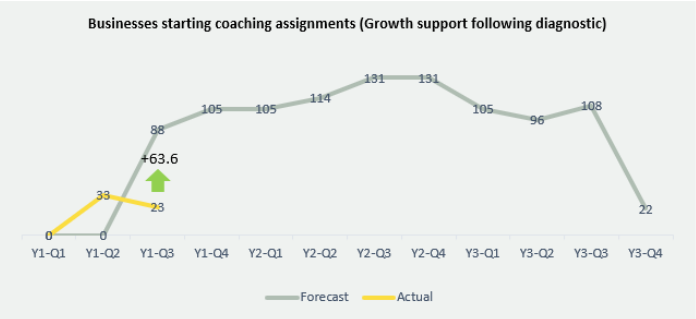
** SME equity investment is £0.5m behind target and there is nothing undue with this. This is purely down to the Investment Appraisal panel finalising the terms of reference at a meeting on 27 July and subsequently going live. Future Investment appraisal panels are scheduled on a monthly basis from September 21.

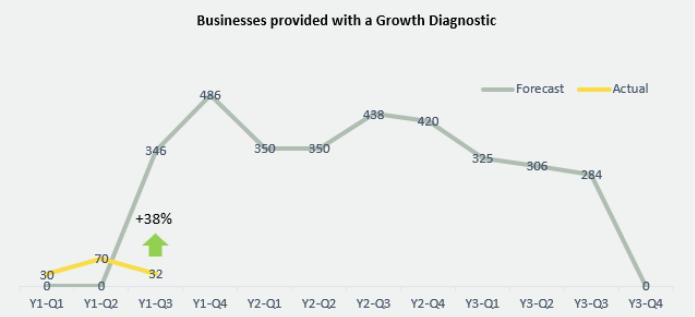
2.4 Monthly and quarterly contractual meetings with Gateley Economic Growth Services (GEG) and the consortia are scheduled up until April 2022 and are being held regularly. The quarterly contract meeting held in July 2021 included Mike Herd from the Business Board and Councillor Lis Every from the Skills Committee.

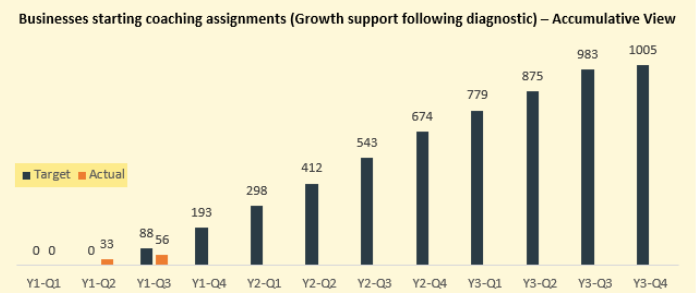
3. Growth Coaching Service Line

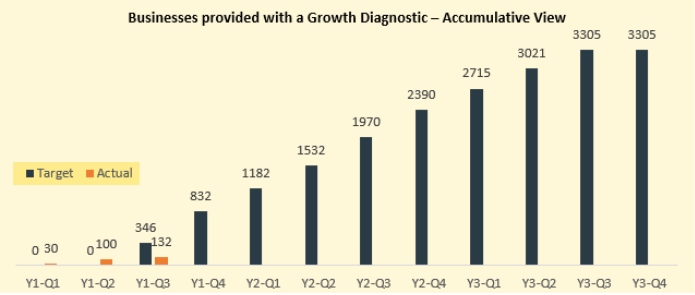
3.1 Breakdown of performance

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	(Q3) This Quarter					(Q4) Final Quarter Target	Q3 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL			Q3 Target	Actual (31/07)	Actual (31/08)	Actual (30/09)	Q3 Total to 31/07		Target (30/09)	Actual (31/07)	Variance (31/07)	Year-1 Target	YTD Actual	YTD Variance
Jobs created	75	1425	1723	3223	0	0	0	0			0	75	0	0	0%	75	0	0%
Businesses provided with (i.e. under-taken) a Growth Diagnostic	832	1558	915	3305	30	70	346	32			32	486	346	32	9.3%	832	132	15.8%
Businesses starting coaching assignments (Growth support following diagnostic)	193	481	331	1005	0	33	88	23			23	105	88	23	26.1%	193	56	29.0%
Businesses starting coaching journeys (enrolled in Get Set Accelerate)	154	385	466	1005	0	81	70	4			4	84	70	4	5.7%	154	85	55.2%
Business profiles matched (S/M/L in %)	135% / 60% / 5%	210% / 145% / 45%	155% / 195% / 50%	500% / 400% / 100%	0	TBD	70% / 30% / 0%	66%/ 33% / 0%			66% / 33% /0%	65% / 30% / 5%	70% / 30% / 0%	TBD	0%	135% / 60% / 5%	TBD	TBD
Businesses completing a coaching journey	44	327	634	1005	0	0	0	0			0	44	0	0	0%	44	0	0%
GVA generated (£ 000)	£0	33,000	70,000	103,000	£0	TBD	0	0			0	0	0	TBD	0%	0	TBD	0%









3.2 This service line has reached out to 1948 businesses, 719 of which were in July alone, and they are on target to reach the required performance of 346 (cumulative) businesses provided with a growth diagnostic, and 88 starting their coaching assignment by the end of Sept 21 (Q3 period).

4. Inward Investment Service Line

4.1 The New Market Entry competition, held on Friday July 23rd and hosted by Mayor Dr Nik Johnson, was for ambitious founders and business leaders within the Life Sciences sector looking to access the expertise and connections of the sector in Cambridgeshire.

4.2 The competition brought together some of the leading industry accelerators in the region with the innovation expertise of the Eastern Academic Health Science Network (AHSN) and gave applicants the opportunity to pitch their companies to a panel of sector experts. These included Jason Mellad (Business Board member), Bobby Kaura, Louise Jopling and Tony Kypreos, with experience ranging from commercialisation of innovation to capital raising, selling into the sector, connections and business support.

4.3 Invitations were sent out to global contacts by the Inward Investment team of Growth Works and data collected on the application form included fields such as company description, number of employees, turnover, previous investment rounds, reason for wanting to set up in the UK. The application forms were used to determine which were the most exciting businesses shortlisted to pitch on the day. City Curator coordinated this process and reduced 30 applications down to a shortlist of eight.

4.4 The eight selected applications were all serious scale-ups, with validation, traction, funding and IP that push forward healthcare innovation on many fronts, and they were serious in terms of setting up operations, or even Global Headquarters, in the region.

4.5 In addition to the companies that pitched on the day, the Growth Works Inward Investment Team are following up with every single company that registered for the event, as the calibre of all applicants was very high, and each has the potential to establish permanent operations within our region. To ensure all queries and questions raised during the event are answered comprehensively, the Growth Works Team are offering targeted one-to-one individual meetings with all the companies, both shortlisted and non-shortlisted. The press release is available for reading on the Combined Authority's website.

4.6 The next Inward Investment supply chain event will take place in Autumn 2021 and will be centred on artificial intelligence (AI). The Combined Authority region is already an internationally recognised centre for AI, and our ambition, as set out in the Local Industrial Strategy, is to establish the region as the preferred global base for firms from across the world to create and adopt the technologies of tomorrow. To help us achieve this, Growth Works will be looking to maintain Greater Cambridge's global status as a leader in AI, while seizing untapped potential opportunities in the Fens and Peterborough.

4.7 As part of Gateley Economic Growth Services (GEG) and the consortia, next 120-day marketing and communications plan, due October 21. There will be details of all planned events, which they are either organising or will attend.

4.8 GEG and its consortia are working to ensure Key Inward Investors currently in Cambridgeshire & Peterborough remain committed to the region as they grow. For example, they are working with a rapidly growing advanced engineering manufacturer with a global business headquartered in Cambridge UK. Throughout 2021 the company has been considering its need to relocate to continue its exciting growth.

4.9 Following an introduction from the Business Board Vice-Chair, Andy Neely, and discussions with the Ox-Cam Division of the Ministry for Housing Communities and Local Government and Department for International Trade (DIT), International Investment Services (IIS), leading the inward investment service with Growth Works, engaged with the business in February 2021. This was well before the Growth Works contract was signed, but early engagement with the company enabled IIS to support the Combined Authority in making the case to keep this business within our region.

4.10 Being able to present a strong case for Cambridgeshire and Peterborough was vital as the project was internationally mobile with several international and national UK locations of interest to the company:

- National competition included interest from Bedfordshire, Milton Keynes, Norfolk, Suffolk, Rotherham, Rochdale, and Wales.

- International competition included: Germany, the Netherlands, Spain, Portugal, Hungary, Czech Republic, Poland, Romania and Ireland.

- International Investment Services, operating on behalf of the Combined Authority, supported three propositions within our region. This included comprehensive research on existing med tech companies in the region, high level financial benchmarking across locations including likely energy and salary costs, indicative after tax returns, plus an analysis of our local labour market and skills outlook and how it aligns to the company's current and future needs.

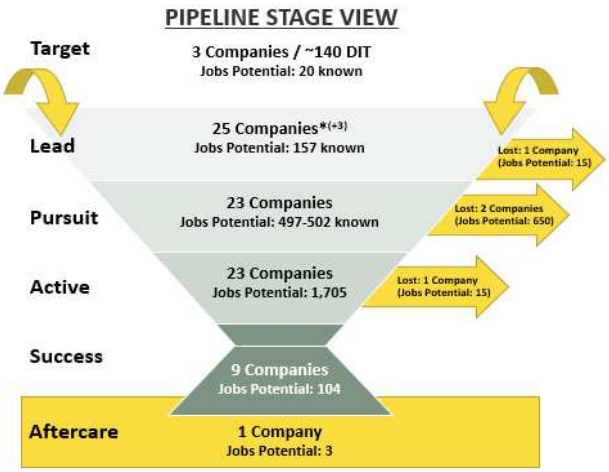
4.11 Significant amounts of time and resources were invested in our efforts to keep this business within Cambridgeshire & Peterborough, with robust and comprehensive support provided to pitches from three shortlisted locations - Alconbury, Lancaster Way and Bourn Airfield.
After discussions with the business Project Manager, we are delighted to say that we have been informed that the site to which the company will relocate, will be within the Combined Authority area.

4.12 However, at this stage, as commercial discussions with the site are ongoing, the business will not confirm which site this is. We are expecting to hear from this business with a final decision by the end of August/early September. At this time, it remains commercially sensitive until the location negotiations are completed. This project has demonstrated just how effective the successful partnership between Growth Works and the Combined Authority can be and will be going forward to position sites within our region to major global companies.

The pipeline of businesses is very healthy. Jobs created numbers reported below and jobs potential on the pipeline are not the same. Potential is a possibility, while created is where International Investment Services (IIS) have landed them. For example, last month Bright Sentinel, a Dutch Company, committed and 29 jobs will be created. However, they also qualified for an SME CapEx grant which accounts for 5 of the 29, so IIS only attribute 24 to the Service Line. The pipeline adds up to 91 companies: 84 shown here. Of the remaining 7 companies, 3 are targets not yet approached, 3 qualified out as not FDI, and 1 ‘closed out – lost’ as the engagement did not progress. There are 10 companies recorded as a ‘success’ and ‘aftercare’ in the pipeline. The ‘aftercare’ company is Mibin, who were predominantly a DIT win, so Growth Works does not count it, even though IIS substantially supported them.

SERVICE LINE PIPELINE VIEW: Inward Investment Service

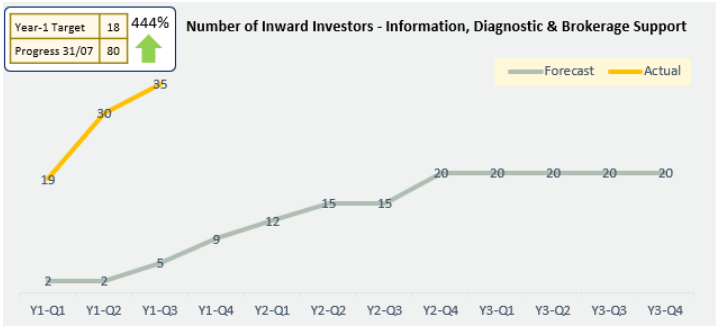
NOTE: the data illustrated is to 31st July

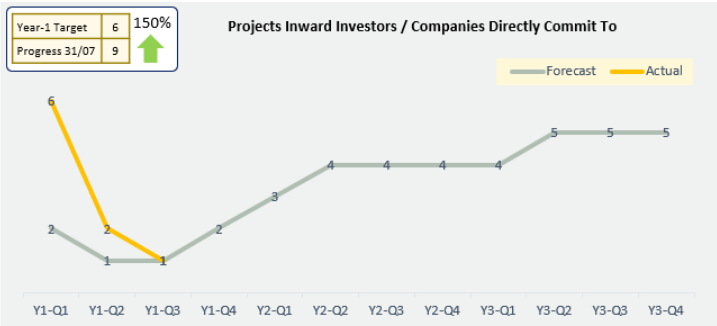


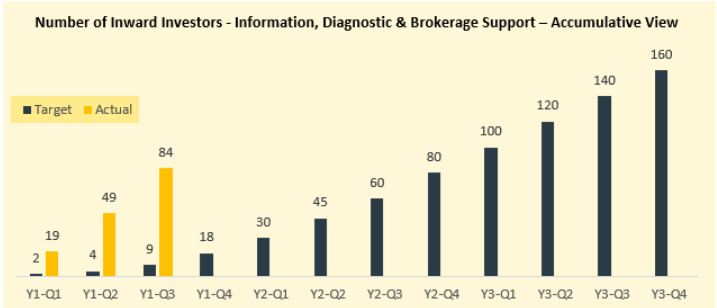
PIPELINE	
Stage	**Notes**
Target	3 companies: in July 31 companies were identified as targets. All were actively engaged and progressed, so they are recorded further down the funnel. The three here remain as targets from last month.
Lead	*All targets identified in July became leads or progressed further down the funnel. Jobs potential on several is currently unknown. In addition, there are three (Flusso, Better Origin, and Viva Arts) who were served (shown here as +3) but later qualified out as FDI clients and passed to other service lines.
Pursuit	23 companies: of these, three were engaged in February, four in April, two in May, three in June and in 11 July. The jobs potential for 11 of the companies are unknown at present. Rigby was lost in July, with 600 jobs potential.
Active	23 companies: six of the 23 account for 84.6% of the jobs total (400 – CMR Surgical; 321 – Ultimate Battery Company; 200 – Oatley; Hong Leong Manufacturing – 200; Serum Institute – 200; Global Gene Corp – 122)
Success	9 Companies: the jobs are still reported as potential until such time as they land in patch on a payroll.
Aftercare	When companies have landed and set up successfully in patch they will be account managed through the IIS aftercare process – 1 company (Mibin)
NOTE	Rigby was lost from the pipeline in July, with an estimated 600 jobs potential. The loss summary is included in the market stories annex to this report.

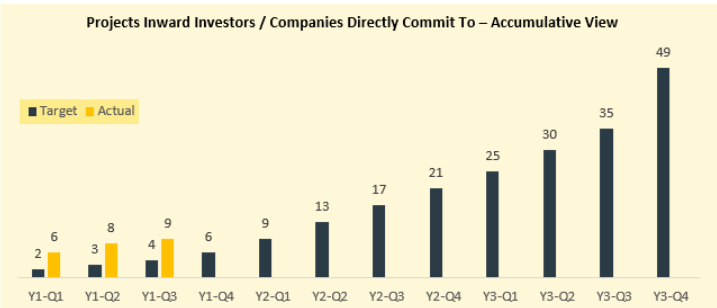
4.13 Breakdown of performance:

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	(Q3) This Quarter					(Q4) Final Quarter Forecast	Q3 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL			Q3 Target	Actual (31/07)	Actual (31/08)	Actual (30/09)	Q3 Total to 31/07		Target (30/09)	Actual (31/07)	Variance (31/07)	Year-1 Target	YTD Actual	YTD Variance
Jobs created	75	175	350	600	23	29	25	12			12	25	25	12	48%	75	64*	85.3%
Inward investors receiving information, diagnostics, and brokerage support)	18	62	80	160	19	30	5	31			35	9	5	35	700%	18	84**	466.7%
Inward investor commitments to expand or for new investments	6	15	19	40	6	2	1	1			1	2	1	1	100%	6	9***	150.0%
GVA generated (£ 000)	3,000	4,000	8,000	15,000	£0	TBD	1,000	TBD			TBD	1,000	1,000	TBD	0%	3,000	TBD	0%
Strategic capital investment	*£0*	*£0*	*£0*	*£0*	*£0*	*£0*	*£0*	*£0*			*£0*	*£0*	*£0*	*£0*	*0%*	*£0*	*£0*	*0%*
New enterprises supported (ERDF)	*5*	*10*	*10*	*25*	*1*	*0*	*1*	*0*			*0*	*0*	*1*	*0*	*0%*	*5*	*1*	*20.0%*
Enterprises supported to introduce new to the market products (ERDF)	*3*	*5*	*7*	*15*	*1*	*0*	*1*	*0*			*0*	*0*	*1*	*0*	*0%*	*3*	*1*	*33.3%*









* A diferent way of expressing the table above

4.14 Summary of International Investment Services (IIS) global enquiries for the period to 31/07/2021:

4.15 There is a large risk that without additional resources, the current team of two within International Investment Services will be overwhelmed by the volume of work, and may not be able to respond as quickly and professionally as required. If a large, strategic inward investment opportunity lands in the pipeline, all resources will go to servicing this inward investment enquiry, and smaller opportunities will not be able to be supported, and the CPCA risks losing out on investment projects. Officers are currently working with Gateley Economic Growth Services Limited (GEG), Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) and the Combined Authority on potential solutions.

5. Skills Service Line

5.1 Growth Works with Skills met or exceeded Quarter 2 targets with 3 x CO23's / SME engagements,10 apprenticeships created, and 37 learning outcomes identified. These included organisations from across the Combined Authority area, and from a range of industry sectors, such as Radical Sportscars (Peterborough SME), Movolytics (South Cambs SME), Chiltern Distribution (Fenland SME), FCC Innovation (East Cambs SME) and Rebus Financial (Peterborough SME).

5.2 There is a healthy pipeline for Quarter 3 with a range of small, medium and large businesses showing interest in accessing talent via apprenticeships, developing talent and in assessing their own position on our Talent Development Maturity Index (TDMI). Example organisations include Energise, Urban Housing, British Car Auction, Metalcraft, Cross Keys Housing, Anthem Printing, Chiltern Distribution, and Flagship. To continue raising awareness and to pipeline build we have so far directly emailed close to 870 businesses in August, promoting our events supporting the mayoral summer campaign.

5.3 European Social Fund (ESF) targets were met with three engaged SMEs completing the TDMI and taking part in consultative conversations that have led to action plans and a referral to the Growth Coaching service.

5.4 The Digital Talent Platform was reviewed, and a new user journey model implemented. This is combined with new functionality that is due in the next quarter, including an events calendar for schools to facilitate and promote employer engagement and a collaborative development with the Workforce Skills team to promote the Digital Bootcamps.

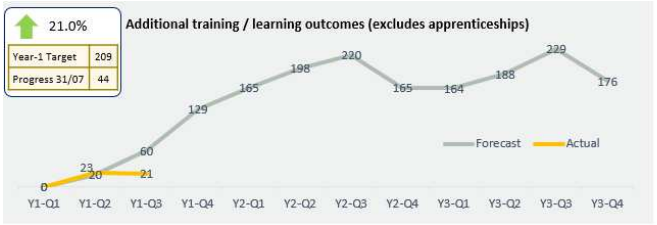
5.5 We are currently working in partnership to further improve the user journey for specific user areas that will benefit from further work which include:

- Education hub
- External links
- Internal data capture

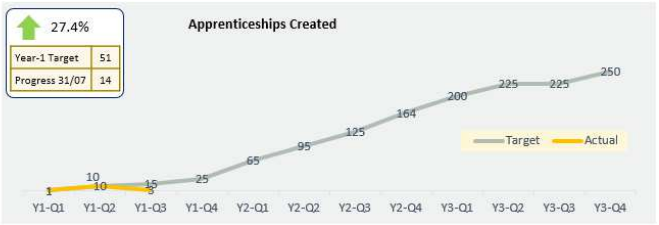
5.6 The marketing activity has increased significantly through collaboration with the Workforce Skills team to promote the Mayor's Summer campaign "Learn Work Grow" (Getting Cambridgeshire & Peterborough Back to Work), with a programme of eight events designed to engage employers and encourage them to offer experiences of work, placements, advertise vacancies and promote opportunities and inform and support individuals who are returning from furlough and/or are economically inactive.

5.7 Through the Careers and Enterprise Company (CEC) contract, work continues to offer all 72 schools and colleges across the region support in achieving the Gatsby Benchmarks, to promote and facilitate the delivery of excellent careers provision for all young people. During Quarter Two, 11 of the 13 Special Education & Disabilities Schools were onboarded to the CEC Enterprise Advisor Network, and in doing so established a pilot programme to further support these schools through the implementation of Talentino, a tool used by the CEC.

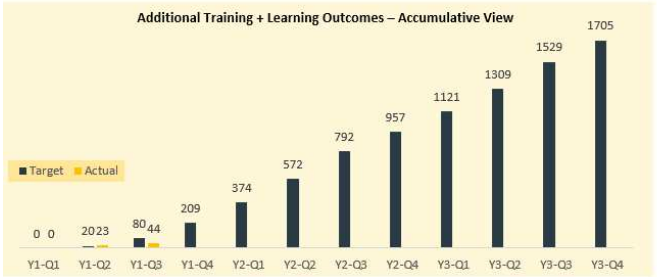
5.8 Breakdown of performance:

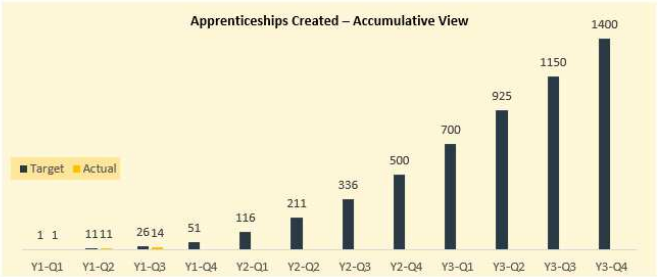


Additional Training +Learning Outcomes	Y1-Q1	Y1-Q2	Y1-Q3	Y1-Q4	Y2-Q1	Y2-Q2	Y2-Q3	Y2-Q4	Y3-Q1	Y3-Q2	Y3-Q3	Y3-Q4
Target	0	20	60	129	165	198	220	165	164	188	229	176
Actual	0	23										



Apprenticeships Created	Y1-Q1	Y1-Q2	Y1-Q3	Y1-Q4	Y2-Q1	Y2-Q2	Y2-Q3	Y2-Q4	Y3-Q1	Y3-Q2	Y3-Q3	Y3-Q4
Target	1	10	15	25	65	95	125	164	200	225	225	250
Actual	1	10										



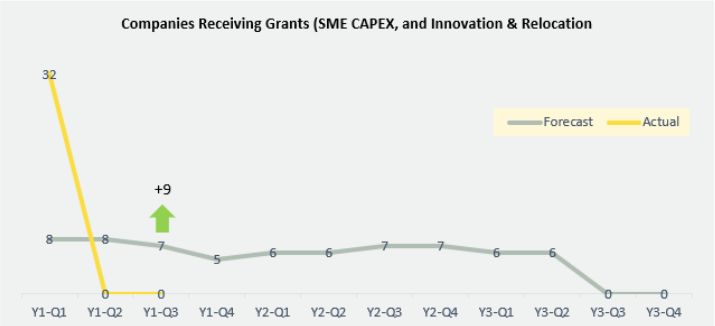


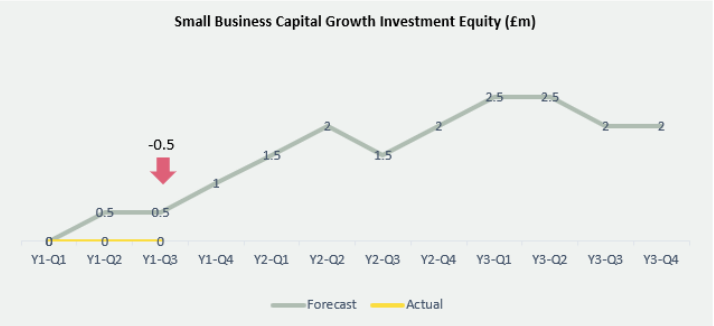
Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	(Q3) This Quarter					(Q4) Final Quarter Forecast	Q3 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL			Q3 Target	Actual (31/07)	Actual (31/08)	Actual (30/09)	Q3 Total to 31/07		Target (30/09)	Actual (31/07)	Variance (31/07)	Year-1 Target	YTD Actual	YTD Variance
Apprenticeships created*	51	449	900	1400	1	10	TBD	3			3	TBD	TBD	3	100%	51	14	27.4%
Jobs (via learning outcomes)***	50	100	200	350	0	1	TBD	0			0	TBD	TBD	0	100%	50	1	2.0%
Additional training / learning outcomes (excludes apprenticeships)	209	748	748	1705	0	23	60	21			21	129	60	21	38%	209	44	21.0%
GVA generated (£ 000)	TBD	TBD	TBD	15	TBD	TBD	TBD	TBD			TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Levy Employers signed up to pledge (£ 000)	*3,000*	*5,500*	*6,500*	*15,000*	*£0*	*564*	*1,000*	*0*			*0*	*1,000*	*1,000*	*0*	*0%*	*3,000*	*564*	*18.8%*
Levy Employers increasing utilisation of Levy (£ 000)	*2,170*	*3,272*	*4,008*	*9,450*	*£0*	*TBD*	*830*	*0*			*0*	*840*	*830*	*0*	*TBD*	*2,170*	*£0*	*0%*
SME's accessing Levy transfer (£ 000)	*1,750*	*4,690*	*6,040*	*12,480*	*£0*	*1.5*	*500*	*0*			*0*	*750*	*500*	*0*	*0%*	*1,750*	*1.5*	*0.08%*

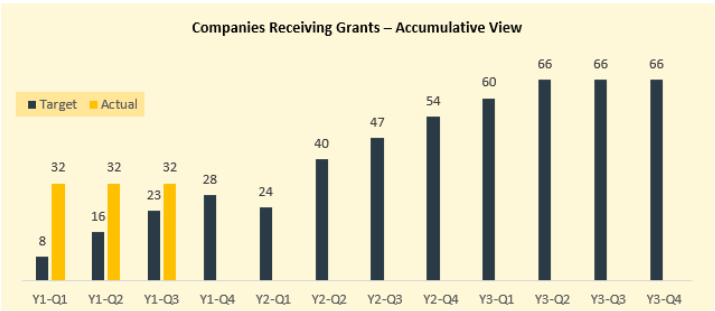
6. Grants & Equity Service Line

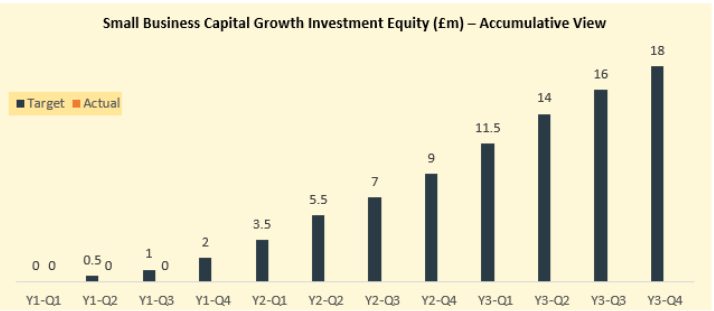
6.1 SME equity investment is £0.5m behind target and there is nothing undue with this, as it is down to the Investment Appraisal panel finalising the terms of reference at a meeting on 27 July and subsequently going live. Future Investment appraisal panels are scheduled on a monthly basis from September 2021, and a pipeline of potential businesses is already available.

Target / Indicator	Contract Deliverables				Q1 Actual	Q2 Actual	(Q3) This Quarter					(Q4) Final Quarter Forecast	Q3 Quarter Performance			YTD Performance		
	Year 1	Year 2	Year 3	TOTAL			Q3 Target	Actual (31/07)	Actual (31/08)	Actual (30/09)	Q3 Total to 31/07		Target (30/09)	Actual (31/07)	Variance (31/07)	Year-1 Target	YTD Actual	YTD Variance
Jobs	397	474	584	1455	321	0	0	0			0	397	0	0	0%	397	321	+81%
Companies receiving grants*	28	26	12	66	32	0	13	0			0	7	13	0	0%	28	32	+114%
Grants & Investments (Small Business Capital Growth Investment Fund)	18	26	12	56	32	0	5	0			0	5	5	0	0%	18	32	+178%
Innovation & Relocation Grants*	10	0	0	10	0	0	2	0			0	0	2	0	0%	10	0	0%
Small Business Capital Growth Investment equity (£ 000)**	2,000	7,000	9,000	18,000	0	0	500	0			0	1,000	500	0	0%	2,000	0	0%
Number of equity investment projects between £150k and £250k**	4	19	17	24-40	0	0	2	0			0	2	2	0	0%	4	0	0%
GVA generated - (£ 000)	1,000	14,000	30,000	45,000	*4,050 (est.)*	1,000	TBD	TBD			TBD	TBD	TBD	TBD	0%	1,000	*(4,050 est.)*	+405%









7. Financial performance

7.1 The contract began mid-February 2021, and therefore at this reporting point we are 5½ months into the programme. A vast amount of work has been undertaken on the mobilisation of the contract and work is now underway to establish a 'business as usual' (BAU) routine. Contractual payment on profile payments have been made, and some grant funding has been transferred across for defrayment.

7.2 Recently, the accounting structure has been agreed and the process for invoicing for ESF claims finalised. Currently, arrangements are being formalised for grant payments, ERDF nudge grants and programme reconciliation. It is anticipated that BAU will be fully embedded by November 2021.

7.3 Financial performance of Cambridgeshire & Peterborough Growth Company (Growth Co) is reported to the Board of Directors monthly. The next Board meeting is 8th September 2021.

8. Forward Look

8.1 Schedule of upcoming reporting deadlines and meeting dates:

- August: Investment Committee meets – first equity investment expressions of interest received.
- August: SME CapEx Grant Expressions of Interest received.
- August: HubSpot integrated with CreditSafe and Companies House to enable AML/KYC automation. AML (anti-money laundering) is an umbrella term for the range of regulatory processes firms must have in place, whereas KYC (Know Your Customer) is a component part of AML that consists of firms verifying their customers' identity.
- September: Investment Committee meets – first equity investment applications to be assessed and award decisions agreed.
- September: 120-day plans with activity to close out year-1 are reviewed and signed off by the Combined Authority.
- October: Q3 Report and Meeting, with 120-day forward look to end of year-1, showing plans to close out achieving targets.
- October – 120-day marketing plans with events calender identifying where GEG and the consortia are organising / hosting Growth Works events.

8.2 The focus for the Business and Skills Senior Responsible Officers (SROs) and the Directors of the Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) is threefold.

- Being able, through a portal, to communicate the performance. This is in development, and it will be available in the autumn with 'user testing' with nominated representatives from the Business Board, Skills Committee and Local Authorities, before going 'live' and widening the online report to a wider audience of partners and stakeholders.
- Now that the services are beginning to deliver results, look in detail at the qualitative element of each service line

- Evaluate and ensure the marketing is reaching all potential high growth / scale up businesses across the Combined Authority and it is joined up across all the service lines.

9. Marketing Communications

9.1 Growth Works continues to create and distribute regular press releases across all service lines to raise the profile of the service and showcase its successes. Going forward a greater emphasis will be placed on sector media and securing positive media coverage in target publications to generate awareness of what Cambridgeshire & Peterborough has to offer potential inward investors and scale-ups looking to relocate elsewhere in the UK.

9.2 Recently this activity has included:

- Global life sciences companies compete to invest in Cambridgeshire and Peterborough economy
- Jobs, grants, coaching and inward investment boost in first 100 days of transformational economic growth service
- New start-up programmes to help bridge the gender gap in entrepreneurship

9.3 Lead Generation - All service lines are now operating using the HubSpot CRM system, which allows all interactions with potential leads to be tracked and monitored to ensure the same potential client is not targeted multiple times by different service lines. By encouraging all service lines to cross reference their lead generation and marketing plans to identify opportunities for joint marketing, the Combined Authority are trying to ensure the best user experience for our potential clients and prevent any duplication. HubSpot's setup allows the Combined Authority to, at the click of a button, monitor and evaluate content, campaign performance and audience data as part of our ongoing contract management.

Significant Implications

10. Financial Implications

10.1 There are no direct financial implications in the progress report.

11. Legal Implications

11.1 None.

12. Other Significant Implications

12.1 None.

13. Appendices

13.1 None.

14. Background Papers

14.1 None.

THE BUSINESS BOARD

Agenda Item No: 2.4

Phase 3 University of Peterborough – Masterplan and Short-Term Financing

To:	Business Board
Meeting Date:	14 September 2021
Public report:	Yes
Lead Member:	Business Board Chair, Austen Adams
From:	Senior Responsible Officer - Higher Education, Mahmood Foroughi
Key decision:	No
Recommendations:	The Business Board is recommended to:

Note the decision of the Combined Authority Board on 28 July 2021, in relation to the mobilisation works for Phase 3 of the University of Peterborough.

1. Purpose

1.1 This paper seeks to inform the Business Board of the approval of the following recommendations by the Combined Authority Board at its meeting on 28th July 2021:

a) Approve a £100,000 grant to Peterborough City Council (PCC), to contribute to the £300,000 Master Planning works,

b) Give consent as the majority shareholder in the Peterborough HE Property Company Limited (Prop Co 1) to allow Prop Co 1 to consider and approve a short term cashflow financing proposal for Phase 3 of the University of Peterborough (UoP).

2. Background

2.1 PCC has recently completed the bid via the Levelling Up Fund for £20m to create Phase 3 of the UoP, with a decision expected in late September from the Ministry of Housing, Communities and Local Government (MHCLG).

2.2 As a result of this bid, mobilisation works are required to ensure the timely delivery of this project. Should it be successful in securing the funding, certain works are required to be carried out prior to notification of funding award, to ensure the mitigation of any risk that the project may not meet the construction deadlines required by MHCLG.

2.3 The intended enabling and mobilising work will be the following:

A. Master Planning works for the 70-acre embankment area north of the River Nene, which includes the parcel of land earmarked for the multiple phases of the ARU-Peterborough project. This work will be procured and managed by PCC with a contribution of £100,00 grant from the Combined Authority to Peterborough City Council, to their £300,000 of costs to finance the master planning works.

B. An outline planning application (OPA) for the University Master plan.

C. A full business case for the phase 3 of the University.

Significant Implications

3. Financial Implications

3.1. There are no direct financial implications. However, the details on the financial arrangement for Prop Co 1 are contained within Appendix 1.

4. Legal Implications

4.1. None

5. Other Significant Implications

5.1. None.

6. Appendices

6.1. Appendix 1 – Phase 3 Short Term Cashflow Finance (Prop Co 1 Board Paper)

7. Background Papers

7.1 Phase 3 University of Peterborough – Masterplan and Short-Term Financing – Combined Authority Board (28th July 2021)

AGENDA ITEM 6

Report Title: Phase 3 Short Term Cashflow Finance

To: Peterborough HE Property Company Ltd Board

Meeting Date: August 2021

From: Vanessa Ainsworth, CPCA Finance Manager

Recommendations: The Peterborough HE Property Company Limited (Prop Co 1) Board is recommended to:

a) Consider and approve the short term cashflow financing of the enabling and mobilisation works for Phase 3 of the University project:
    a. A spend of £120k at risk included in the £723.6k below
    b. A total spend of £723.6k, between August 2021 and February 2022, which will be returned upon the transfer of LUF funding into the company

1. Purpose

1.1 This paper seeks the boards consideration and approval of the short term cashflow financing of the enabling and mobilisation works for Phase 3 of the University project. This will enable the mitigation of risk that the project will not meet construction deadlines as required by MHCLG for the Levelling Up Fund (LUF) bid by Peterborough City Council.

2. Background

2.1 Phase 3 will provide a further teaching building, complete with public facilities for arts and culture for the wider University project. This is a vital phase as it enables capacity to grow to 5,000 enrolments per annum, which is the critical mass level to provide sufficient student revenues for the university to become commercially sustainable long-term – securing a university for Peterborough as a permanent institution. Below this level, the university operation requires financial subsidy to operate, which is currently being provided by the Combined Authority, in the form of supply of the buildings rent free. However, this is not sustainable long-term, as this £25m of equity investment is committed to be recycled into further university phases as they progress.

2.2 PCC have submitted a £20m bid to the LUF to finance the construction of Phase 3 of the University. This will involve a further £2m contribution from the CPCA Business Board (agreed on 9th June 2021), and £5.4m from PCC for sufficient land for all the remaining phases, plus £4m from ARU.

2.3 Significant work is required over the summer to enable and mobilise the Phase 3 development, and before the formal offer of the LUF grant to PCC is made from MHCLG. The formal response is expected late August/early September 2021.

2.4 The work involved includes:

- A RIBA Stage 1 design and outline planning application for the university campus,
- Appointment of consultants to develop a Full Business Case (FBC) to seek further approval from the relevant company/board to develop the design and cost certainty and allow entering into a legal agreement to deliver the project through Prop Co1.
- Resourcing three overlapping Phases of University Delivery in 2022/23.

3. Key Costs of the Project

3.1 Securing Outline Planning Permission for all phases of the University through to 2030

3.1.1 Peterborough's Embankment lies north of the river Nene and to the east of the city centre. It consists of the university opportunity area to the north and the Embankment opportunity area to the south, both east of the Frank Perkins Highway. The university opportunity area is allocated for higher education use in PCCs Local Plan 2018-36, whereas the embankment opportunity area is designated public open space. With CPCA leading the university campus programme, Phase's 1 and 2 will be completed in 2022, with later phases coming forward to 2030 as student demand increases and funding is secured.

3.1.2 To secure approval by Government for the Phase 3 LUF bid, given building is required to commence in March 2022 and complete by March 2024, it will be necessary to demonstrate a viable route to achieving planning approval rapidly enough to deliver build completion by that date. To do this, Prop Co 1 will need to advance an Outline Planning Application (OPA) during 2021 for all the later university phases.

3.1.3 While the planning strategy for Phase 1 and Phase 2 adopted an 'individual' application approach, the planning authority have indicated they are unable to determine later phases in the same way giving the need to agree design, environmental, transport and parking mitigation measures on a 'campus' basis to avoid detrimental impacts. As such, the planning authority have

recommended that an OPA comes forward as a development framework for later phases.

3.1.4 The OPA will require a budget of £543.6k (incl. VAT) in total, however enabling work is required immediately and will be prior to the outcome of the LUF bid. £423.6k of this work <u>will not</u> be commissioned until the outcome of the LUF bid has been confirmed to PCC. £120k of enabling work is required immediately to finance works on the OPA from July- September and is classified as 'spending at risk'.

3.2 Development of an FBC for Phase 3 of the University

3.2.1 An FBC is required to enable the allocation of the LUF Grant to Prop Co 1. The FBC will draw up the necessary information to enable Prop Co 1 to approve the finalising of the required legal documents, enter into contract with a design team and drawing up of the necessary design and build contracts to deliver Phase 3 of the University.

3.2.2 It is requested that £60k is allocated to finance the work of the FBC for Phase 3. This work <u>will not</u> be commissioned until the outcome of the LUF bid has been confirmed to PCC.

3.3 Project management resource to deliver Phase 3 of the UoP

3.3.1 At the point of planning and getting sign off in 2019 through to the 2020 staffing restructure that included just one Senior Responsible Officer for the whole university project, the CPCA and Prop Co 1 did not have visibility of the LUF funding that would appear in spring 2021 that we would potentially succeed in winning £20m to fund Phase 3.

3.3.2 We are in the current position of having had success in funding for Phase 2 and being engaged in delivery of two phases of the university we are now asking for more resource. The resource is mostly for Phase 3 which the current structure had not envisaged at such an early stage of the project. Being able to cope effectively with current demand and ensuring sufficient capacity for the increase in workload is crucial.

3.3.3 It is requested that £120k is allocated to finance the required resource for the delivery of the Phase3 from now till 2023. This work <u>will not</u> be commissioned until the outcome of the LUF bid has been confirmed to PCC.

3.4 It is recommended that once the LUF bid has been confirmed, PCC issue a statement in writing to Prop Co 1 confirming the success of the bid and that their intention is to invest £20m into Prop Co 1. On receipt of this statement, Prop Co 1 can commission work. This will provide Prop Co 1 with assurance that the required investment will materialise.

4. Financial Implications

4.1 The total request for funding is £723.6k to finance all the enabling and mobilisation works required for Phase 3. This funding is required to be spent between now and the end of the financial year in March 2022. The table below gives the full details. It should be noted that all figures mentioned include VAT as Prop Co 1 is not VAT registered and will therefore be unable to claim any VAT incurred.

Expenditure Description	At Risk Spend	Not at Risk Spend	Total Spend
Outline Planning Application	£120,000	£423,600	£543,600
Full Business Case	£0	£60,000	£60,000
Additional Resource	£0	£120,000	£120,000
Totals	**£120,000**	**£603,600**	**£723,600**

4.2 The board is being asked to consider facilitating the above spend by utilising its current cashflow position in advance of the LUF funding and the investment of the LUF funding into Prop Co 1.

4.3 The at risk spend of £120k must be considered carefully, as if the LUF funding is not approved by MHCLG, this money will be removed from the company's finances. It Is recommended that all options are considered by the directors, and should the funding of the work be agreed, then this sum be allocated within the contingency budget in case it does not transpire.

4.3 Confirmation of the LUF bid is expected in late August/early September 2021, and should this be successful, it is likely that funds will be transferred to PCC in October/November 2021. The development of the legal agreement between Prop Co 1 and PCC for the investment of these funds is envisaged to take a few months and therefore it is unlikely that the funds will be invested not Prop Co 1 until February/March 2022. This therefore means Prop Co 1 will be utilising its cash position for 7-8 months.

4.4 The current forecast cashflow position for the financial year is shown in the table below.

	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	FY 21/22 Total
Opening Balance	£1,749,297	£4,615,159	£3,704,490	£6,651,114	£4,656,664	£2,525,171	£6,951,927	£5,841,483	£3,909,235	**£ 2,074,497**
Total Income	£3,839,999	£ -	£4,503,000	£ -	£ -	£6,000,000	£ -	£ -	£3,000,000	**£20,542,999**
Total Expenditure	£ 974,137	£ 910,669	£1,556,376	£1,994,450	£2,131,493	£1,573,244	£1,110,444	£1,932,248	£2,148,108	**£17,856,369**
Closing Balance	£4,615,159	£3,704,490	£6,651,114	£4,656,664	£2,525,171	£6,951,927	£5,841,483	£3,909,235	£4,761,127	**£ 4,761,127**

THE BUSINESS BOARD

Agenda Item No: 2.5

iMET Investment Update and Recovery Recommendations – Urgency Procedure Update

To:	Business Board
Meeting Date:	14 September 2021
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	Senior Responsible Officer – Local Growth Fund and Market Insight & Evaluation, Steve Clarke
Key decision:	Key Decision for Combined Authority Board on 29th September 2021
Forward Plan ref:	KD2021/055
Recommendations:	The Business Board is recommended to:

Note the majority vote by Urgency Procedure in support of the recommendations in Appendix 1 of the report.

1. Purpose

1.1 This paper reports the outcome of the Urgency Procedure process undertaken in relation to an offer received on the 19th July 2021 for the purchase of the iMET vocational training centre freehold at Alconbury Weald.

2. Background

2.1 A decision was sought via Urgency Procedure (attached at Appendix 1), to provide an update to the local private company on their offer for the iMET freehold, as the company was concerned about the time that had elapsed since the offer had been made without receiving a response. This consideration by the Business Board on their offer was delayed whilst the Combined Authority Board considered its own interests in buying the iMET freehold.

2.2 The recommendations in Appendix 1 were considered by the Business Board via Urgency Procedure, sent on 26 August 2021. The Business Board resolved by a majority to recommend the proposals to the Combined Authority Board for approval. There were no votes against the recommendations.

3. Appendices

3.1 Appendix 1 – iMET Investment Update and Recovery Recommendations (Urgency Procedure Report)

3.2 Appendix 2 - Savills Red Book Valuation of iMET

4. Background Papers

4.1 None

Appendix 1

THE BUSINESS BOARD

Agenda Item No: n/a

IMET INVESTMENT UPDATE AND RECOVERY RECOMMENDATIONS

To:	Business Board
Meeting Date:	Urgency Procedures by Email on 26 August 2021
Public report:	Yes
Lead Member:	Austen Adams, Chair of the Business Board
From:	John T Hill, Director Business and Skills
Key decision:	(Combined Authority Board 29th September 2021)
Recommendations:	The Business Board is requested to:

(a) Recommend that the Combined Authority Board accepts the offer for £3.15m from a local private company and delegate authority to the Director of Business and Skills, in consultation with the Section 73 Officer, the Monitoring Officer and the Mayor, to finalise the completion of all legal and financial aspects of the sale.

(b) Recommend to the Combined Authority Board that Cambridge Regional College be released from the original Grant Funding Agreement obligations in return for foregoing any income from the sale in favour of the Combined Authority.

(c) Recommend to the Combined Authority Board that a new agreement is entered into with Cambridge Regional College in relation to the equipment to continue delivery of learner and Apprenticeship outcomes to the relative value of the equipment being retained by them.

1. Purpose

1.1 The purpose of this paper is to ask the Business Board to consider the offer received for the purchase of the iMET vocational training centre at Alconbury Weald.

1.2 In parallel the Business Board is asked to delegate authority to enable the offer to be taken forward to completion of sale from all legal and financial aspects.

2. Background

2.0 The Business Board recommended to the Combined Authority, on 10th November 2020 the principle of partial recovery of the Local Growth Fund (LGF) investment of £10.5m in the legacy project design and build of a vocational training centre at Alconbury Weald. This being through sale of the lease on the building to recover funding. The Combined Authority Board subsequently approved this recommendation at their meeting in November 2020.

2.1 Following the LEP investment in this project in 2016, ownership and management of the iMET Centre transferred to Huntingdonshire Regional College (HRC), with Urban & Civic retaining the freehold property rights. However, HRC subsequently ran into financial difficulty, and merged with Cambridge Regional College (CRC). The original outcomes for the Centre had largely failed to materialise, with the Centre operating at a considerable loss.

2.2 The Business Board, at its meeting on 10th November 2020, considered the options for reuse or financial recovery of the iMET assets in light of the closure of the Centre in April 2020 by CRC. The Business Board agreed to the disposal of the iMET building via a sale on the open market and to return any sale receipts into the LGF recycled fund.

2.3 In line with the Combined Authority Board decision in November 2020, Officers have brokered an agreement with Landlord Urban & Civic, and Cambridge Regional College to market the property as a freehold in return for Urban & Civic receiving the first £750,000 of any sale receipt as an amount equating to assignment of land value and freehold transfer. In parallel an agreement with Cambridge Regional College has also been brokered for transferring the lease to the Combined Authority for a token sum or surrendering the lease to the landlord but in that event passing any sale receipt to the Combined Authority. Enacting these agreements may all happen simultaneously at the point of completion of the sale of the freehold. The balance of any funding that the Combined Authority receives through these agreements will be paid back into the recycled Local Growth Funding budget.

2.4 A red book valuation was completed by Savills on 27 January 2021 which valued the freehold of iMET with existing lease surrendered at £3,230,000. This valuation is attached at Appendix 1.

2.5 As per the Business Board recommendation from 10th November 2020 the building has been marketed by Savills since April 2021 and there has been interest with several viewings having been conducted. This has resulted in one private sector offer from a local company at value of £3,150,000 for the freehold.

2.6 The offer from the local private company has been verified by Savills. The local private company is financially in a position to be able to proceed with the purchase.

3. Business Board Recommendation and Next Steps

3.1 The Business Board is anticipated to repatriate c.£2.4m from the sale of iMET freehold into the Business Board LGF recycled fund.

3.2 After sales fees, the offer of £3.15m from the local private company would be split to Urban & Civic and to compensating the LGF recycled fund. The Business Board must make its recommendation to the Combined Authority Board to accept this offer in its capacity as Accountable Body for the LGF.

3.3 Therefore, the Business Board is asked to recommend that the Combined Authority Board accepts the offer for £3.15m from local private company which provides for £750,000 to Landlord and the balance to be returned to the LGF recycled fund to complete claw back from the iMET project.

3.4 To affect this, recommend the Combined Authority Board to delegate authority to Director of Business & Skills in consultation with the Section 73 Officer, the Monitoring Officer and the Mayor, to finalise and complete the legal and financial sale with the local private company.

Significant Implications

4. Financial Implications

4.1 The offer has financial implications for the Business Board – returning the balance of £3.15m, less sales fees and payment to Urban and Civic's for the Freehold of £750k, expected to be c.£2.4m.

4.2 The Business Board could reject the offer and instruct officers to continue to look for other offers in the open market, however the offer is near the book value of the asset (£3.15m vs £3.23m) so there is no guarantee that returning to the market will provide a better offer than that already obtained.

5. Legal Implications

5.1 In line with the Local Assurance Framework and National Guidance, the Combined Authority, as the Accountable Body for the Local Growth Fund (LGF), is charged with approving clawback of funds on underperforming or non-compliant projects. However, at the time of entering into the agreement with iMET, no such provision was in place. This has implications on the recovery of all or part of the grant value of £10.5m, and Members should note that only the sale receipt will be available for recycling.

5.2 The transaction will require the cooperation and the joint agreement of the three parties (CPCA, CRC and U&C).

5.3 If the CPCA completes the deal with the local private company, the CPCA's costs in this matter will be substantially limited.

5.4 The offer by the local private company will produce funding which will be a gain for the Business Board recycled funding.

6. Other Significant Implications

6.1 None.

7. Appendices

7.1 Appendix 1: Savills Red Book Valuation of iMET

8. Background Papers

8.1 Combined Authority Board Paper 25th August 2021
CA Board iMET 25 August 2021

8.2 Business Board Paper meeting date 10th November 2020
Business Board Paper iMET 10 November 2020

8.3 Business Board Paper meeting date 26th May 2020, paper dated 27th May 2020
Business Board Paper iMET 27 May 2020

Report & Valuation

iMET Building, Emery Crescent, Alconbury Weald, Huntingdon, PE28 4YE

savills

27 January 2021
Ref: 474080 / KS / sg

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Urban & Civic Plc
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and

Cambridge & Peterborough Combined Authority
72 Market Street
Ely
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For the attention of Marcus Warwick, Urban & Civic Plc
Steve Clark, Cambridge & Peterborough Combined Authority

Dear Sirs,

PROPERTY: iMET BUILDING, EMERY CRESCENT, ALCONBURY WEALD, HUNTINGDON, PE28 4YE

In accordance with the instructions contained in your emails to us dated 16 December 2020, as confirmed in our letter to you dated 21 December 2020, we have inspected the property and made such enquiries as are sufficient to provide you with our opinion of value on the basis/es stated below. Copies of our letter of confirmation are enclosed at **Appendix 1.**

We draw your attention to our accompanying Report together with the General Assumptions and Conditions upon which our Valuation has been prepared, details of which are provided at the rear of our report.

We trust that our report meets your requirements, however should you have any queries, please do not hesitate to contact us.

Yours faithfully

For and on behalf of Savills (UK) Limited

Katharine Scott

Katharine Scott BSc (Hons) MRICS
RICS Registered Valuer
Director

Nicholas Heath MA FRICS
RICS Registered Valuer
Director

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

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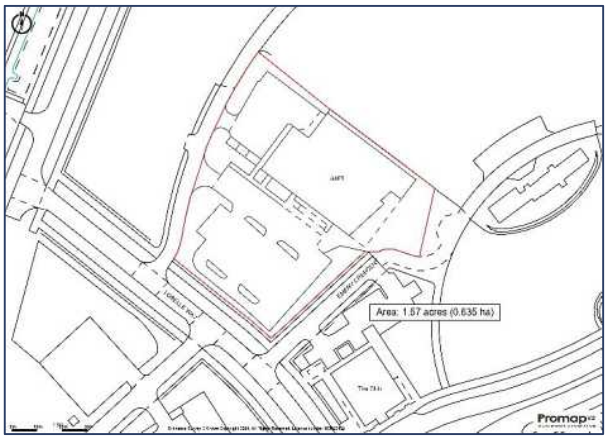
Executive Summary

Executive Summary



Address	iMET Building, Emery Crescent, Alconbury Weald, Huntingdon, PE28 4YE			
Use	Educational (Further Education College)			
Location	Situated within Alconbury Weald, a new town development on the former Alconbury Airfield, just north of Huntingdon at Junction 14 of the A1(M). The property lies within the Alconbury Enterprise Zone.			
Description	Purpose built higher education technology college, dating from 2016 / 2017, of good modern specification.			
Existing Accommodation	**Floor**	**Use**	**Sq m**	**Sq ft**
	Ground	Workshops, laboratories, teaching & ancillary accommodation	1,390	14,962
	First	Laboratories, teaching & ancillary accommodation	909	9,785
	TOTAL Gross Internal Area		**2,299**	**24,747**
Proposed Accommodation	**Floor**	**Use**	**Sq m**	**Sq ft**
	Ground	Offices & ancillary accommodation	1,085	11,679
	First	Offices & ancillary accommodation	1,072	11,539
	TOTAL Net Internal Area		**2,157**	**23,219**
Tenure	Urban & Civic Plc – Freehold Cambridge & Peterborough Combined Authority – Long leasehold			
Lease Terms	125 years from 1 October 2016 (121 years unexpired) Peppercorn rent Original tenant – Huntingdon Regional College User restricted to training & educational facility including ancillary office and research & development facilities within Class B1(a) and B1(b) Assignment sum payable if premises assigned for value, based on land value			
Market Rent (Existing Educational Use)	£222,700 per annum	£9 per sq ft GIA	£96.88 per sq m GIA	
Market Rent (Proposed Office Use)	£371,500 per annum	£16 per sq ft NIA	£172,23 per sq m	

		NIY	EY	RY	Value per sq ft
Market Value Existing Long Leasehold	£1,790,000	N/A	9.0%	11.71%	£72.33 GIA £95.35 NIA
Assignment Sum (Land Value)	£625,000	£400,000 per acre			
Market Value Existing Freehold	£125,000				
Market Value Freehold with Long Leasehold Interest Dissolved	£3,230,000	N/A	7.5%	8.5%	£130.52 (GIA existing) £172.06 (NIA existing)
Potential Marriage Value	£690,000				

1. Instructions and Terms of Reference

1.1. Instructions

1.1.1. Instructions and Basis Of Valuation

You have instructed us to provide our opinions of value on the following bases:

- The current Market Value of the freehold interest, subject to and with the benefit of the existing lease ("Market Value");
- The current Market Value of the head leasehold interest, subject to vacant possession (Market Value);
- The current Market Value of the freehold interest, on the Special Assumption that the long leasehold interest has been dissolved;

We will also comment on:

- The value of the current assignment sum, under the terms of the head lease;
- The potential marriage value that would be released should the long leasehold interest be dissolved;

1.1.2. General Assumptions and Conditions

All our valuations have been carried out on the basis of the General Assumptions and Conditions set out in the relevant section towards the rear of this report.

1.1.3. Date of Valuation

Our opinions of value are as at the date of this report. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

Please see our comments with regard to the valuation date and material valuation uncertainty as a result of the ongoing Covid-19 global pandemic at section 4.3.5 of this report.

1.1.4. Definitions of Market Value and Market Rent

In undertaking our valuations, we have adopted the definitions of Market Value and Market Rent as defined in the RICS Red Book, as detailed below:

Market Value (MV) is defined in IVS 104 paragraph 30.1 as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

Market Rent (MR) is defined in IVS 104 paragraph 40.1 as:

"The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

1.1.5. Purpose of Valuations

You instruct us that our valuations are required to ascertain the potential marriage value that would be released by extinguishing the long leasehold interest in the property, prior to negotiations.

1.1.6. Conflicts of Interest

As previously advised, Savills (UK) Limited has a material connection or involvement with the Property and parties. More particularly, we act as agent in respect of Urban & Civic's land holdings at Alconbury Weald. This notwithstanding Cambridge & Peterborough Combined Authority have provided their Informed Consent to us to proceed with a jointly addressed valuation. Accordingly, we are reporting on an objective and unbiased basis.

1.1.7. Valuer Details and Inspection

The due diligence enquiries referred to below were undertaken by Katharine Scott BSc (Hons) MRICS. The valuations have also been reviewed by Nicholas Heath MA FRICS.

The property was inspected on 22 December 2020 by Katharine Scott BSc (Hons) MRICS. We were able to inspect the whole of the property, both externally and internally, but limited to those areas that were easily accessible or visible. The weather on the date of our inspection was dry, bright & clear.

All those above with MRICS or FRICS qualifications are also RICS Registered Valuers. Furthermore, in accordance with VPS 3.2, we confirm that the aforementioned individuals have sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.1.8. Extent of Due Diligence Enquiries and Information Sources

The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuation are stated in the relevant sections of our report below.

Where reports and other information have been provided, we summarise the relevant details in this report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

1.1.9. Liability Cap

Our letter confirming instructions at **Appendix 1** includes details of any liability cap.

1.1.10. RICS Compliance

This report has been prepared in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2020 together, where applicable, with the UK National Supplement effective 14 January 2019, together the ''Red Book'.

Our report in accordance with those requirements is set out below.

1.1.11. Verification

This report contains many assumptions, some of a general and some of a specific nature. Our valuations are based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of this report.

We recommend that you satisfy yourself on all these points, either by verification of individual points or by judgement of the relevance of each particular point in the context of the purpose of our valuations. Our valuations should not be relied upon pending this verification process.

1.1.12. Confidentiality and Responsibility

Finally, in accordance with the recommendations of the RICS, we would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the parties to whom it is addressed only, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk. Neither the whole nor any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

1.2. Background

The property is held freehold by Urban & Civic Plc, subject to a long lease to Huntingdon Regional College (now assigned to Cambridge & Peterborough Combined Authority at nil consideration) from October 2016. Following the construction of the premises, the tenant's business on the site as a further education college for innovation, manufacture & engineering failed and to date an alternative operator has not been found to take on the premises in its present use.

There is potential for conversion of the building to office use, however under the terms of the long lease this is prohibited. Further, the assignment clause within the lease provides for payment of an "assignment sum" to the landlord should the lease be assigned for a consideration.

It is intended that Urban & Civic will purchase the long lease from Cambridge & Peterborough Combined Authority thereby dissolving this interest and releasing value by removing the restrictive user clause. This report is prepared to ascertain the current Market Value of the two existing interests and the resultant Market Value once the long lease is dissolved. This will allow the subsequent marriage value to be calculated, which will be used as the basis for forthcoming negotiations between the two parties as to the price that Urban & Civic will pay for the long leasehold interest.

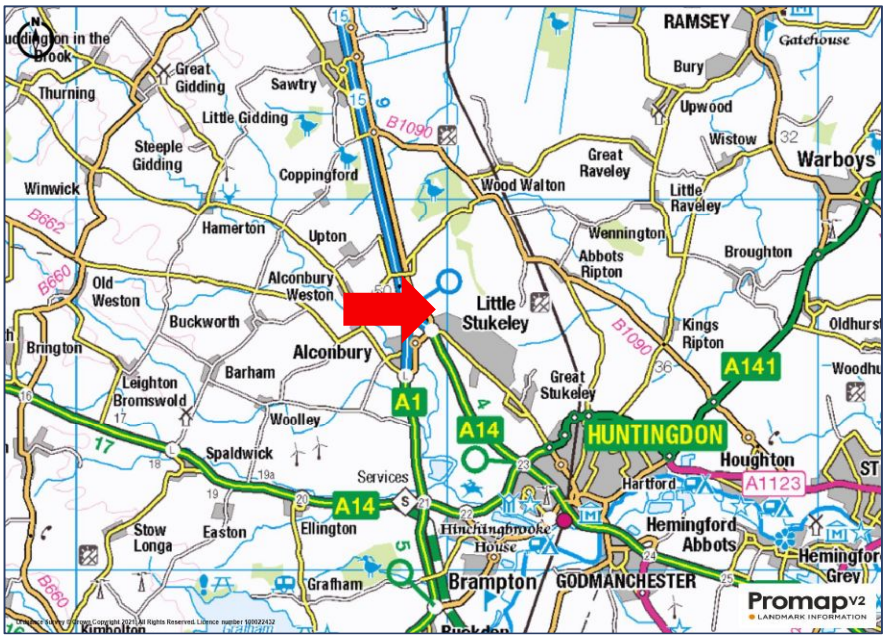
2. The Property, Statutory & Legal Aspects

2.1. Location

Alconbury Weald is a major new town development, by Urban & Civic, on the former RAF Alconbury Airfield, situated the north of Huntingdon. It lies off junction 14 of the A1(M), just north of its interchange with the A14, which has undergone substantial upgrading and re-routing over the last three years. The A14 carries a large volume of freight traffic to and from the east coast ports of Felixstowe and Harwich and connects with the M11 to the south and M1 & M6 to the west. Alconbury Weald lies approximately 18 miles south of Peterborough and 25 north west of Cambridge.

Alconbury Weald has been given Enterprise Zone status and is set to provide 3.5 million sq ft commercial space together with 5,000 new homes and associated schools and community facilities to include 700 acres green space.

We enclose below a General Location Map showing the location of Alconbury Weald in its regional context.



2.2. Situation

The subject property is situated within the Enterprise Zone. It is accessed via The Boulevard, the main road from the site entrance at the junction off the A1(M). Along the northern side of the Boulevard are two office buildings, known as the Incubator and Incubator 2. The iMET site is situated at the junction of Lobelle Way and Emery Crescent, which leads north from The Boulevard, giving access to a number of substantial industrial premises to the north.

Opposite the subject property is The Club, which provides a restaurant, gym and meeting rooms for use by occupiers of the Enterprise Campus. Adjacent is a site currently under construction to provide new office premises for Cambridgeshire County Council. In front of the council offices is a listed former watchtower building, which is currently in community use and we understand that there are plans for operating these premises as a café / restaurant. To the south east of the subject property is open green space with residential development schemes by Crest and Hopkins Homes under construction.

We have provided a Local Street Map below.

2.3. Description

2.3.1. Overview

The property comprises a purpose built higher education facility designed specifically for training of skills required by technology based businesses. The building is of steel frame construction, with a solid concrete floor, externally clad in aluminium panelling under a flat roof, incorporating light wells in the centre of the building. Windows are double glazed with powder coated aluminium frames throughout. The first floor protrudes over the front of the building providing an entrance canopy.

The main entrance to the building fronts Emery Crescent, where glazed electronic sliding doors either side of a lobby give access to the main reception. Internally the building is laid out with a double height central communal area running the length of the building with full height workshops of industrial specification to one side and offices, laboratories, teaching rooms and welfare facilities to the other. The main staircase is open and leads from the double height core to first floor balcony areas providing further teaching and laboratory space. This central area is designed as “collaboration space” and shared work areas. There are two further stair cases, one at each end of the building and a passenger lift.

The two workshops have solid concrete floors, painted blockwork walls and profile cladding to the roof. Small sections of the workshops are situated beneath first floor training rooms and have suspended ceilings with strip lighting. However, generally the workshops are lit with industrial style LED lighting and power is supplied via a combination of perimeter trunking and wall sockets. In addition both workshops have windows at first floor level and Workshop 1 has a fully glazed frontage. There is a rollershutter loading door between the two workshops and Workshop 2 also has a roller shutter loading door onto a rear yard.

The majority of the teaching rooms and offices are of the same specification with carpet covered floors, plaster and painted walls and suspended ceilings with recessed LED lighting and air conditioning cassettes. Some of the seminar rooms have a hybrid industrial/office style feature ceilings with suspended LED strip lighting. A combination of perimeter trunking and floor boxes provide power.

The laboratory facilities have pained concrete floors plaster and painted walls and feature industrial/office hybrid ceilings with suspended LED strip lights.

A relatively small kitchen is provided on the ground floor which has a sealed non-slip floor, plaster and painted walls with tiled splash backs. It is fitted with modern, but basic, wall and base level units incorporating a stainless steel sink and drainer. Unisex individual WC facilities are provided on each floor to include a DDA WC on each floor and, in addition there are male and female changing rooms with showers at ground floor level.

The first floor accommodation is provided off a mezzanine gallery overlooking the central collaboration area and also incorporates smaller collaboration areas. The majority of the rooms run along the north-western elevation and front of the buildings, with staff offices provided to the rear of the building. The teaching accommodation is designed to be flexible with retracting walls between rooms, providing varying sizes of accommodation. There are two rooms in the centre of the building, above the sides of the workshops, which do not benefit from any natural light however.

Externally to the front of the building is a brick paved “piazza”, which extends beneath the canopy. There is a large tarmac carpark adjacent to the building at the junction of Emery Crescent and Lobelle Way, providing 68 marked spaces, with an additional six DDA compliant spaces and a motorbike parking area. Cycle racks are also provided here. To the rear of the building is a further tarmac area comprising a loading area, giving access to Workshop 2, and private car park with 10 spaces, two of which are designated disabled.

Photographs of the property taken on the date of our inspection are provided below.

iMET Building – Front Elevation

Car Park & South East Elevation

Rear (North East) Elevation

Rear Loading Area / Staff Car Park

Main Entrance / Reception

Workshop 1

Workshop 2

Ground Floor Lab

First Floor Teaching Room (no natural light)

First Floor Teaching Room

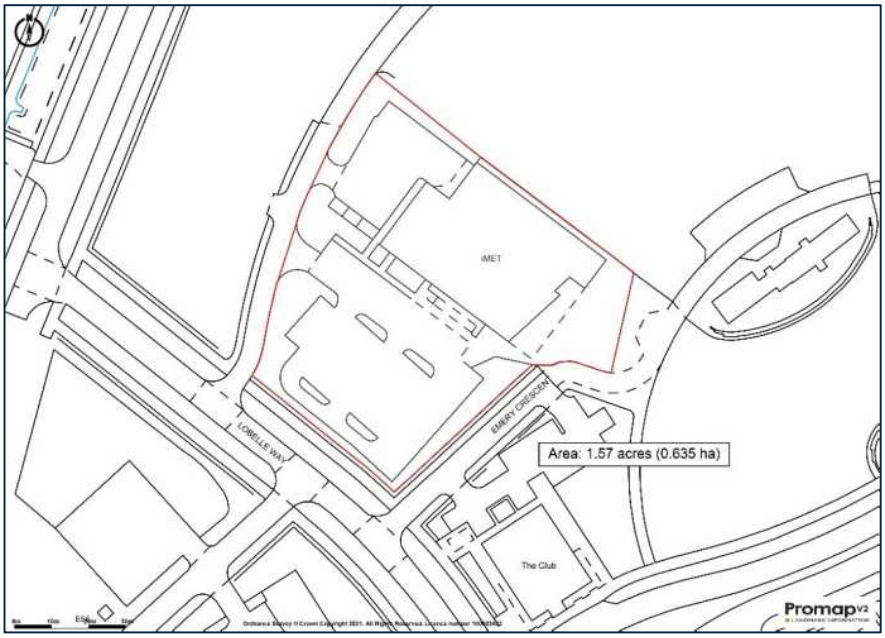
First Floor Lab

First Floor Office

2.3.2. Site Area

The site of the property is irregular in shape and is bounded by the pavement line. By reference to the Ordnance Survey Extract, we calculate that the property has an area of 1.57 acres (0.64 ha). This area and the precise site boundaries should be confirmed by your legal advisers.

We attach an extract from the Ordnance Survey sheet below showing the property edged in red and its immediate vicinity, with a scale copy enclosed at **Appendix 2**.



2.4. Accommodation

2.4.1. Existing Configuration

We have valued the property on the basis of the floor area figures set out below, which were provided by Urban & Civic on plans prepared by Bond Bryan Architects, subject to check measurements taken on site. We assume these are complete and correct, and are the net or gross internal floor areas, as appropriate, measured in accordance with the RICS Property Measurement 2nd edition, published in January 2018, which updated the RICS Code of Measuring Practice 6th Edition and incorporates International Property Measurement Standards (IPMS).

Floor	Use	GIA		NIA	
		Sq m	Sq ft	Sq m	Sq ft
Ground	Workshop	618	7,330	618	7,330
	Teaching Space	118	1,270	118	1,270
	Laboratories	70	753	70	753
	Collaboration	167	1,798	167	1,798
	Ancillary Offices & Stores	354	3,811	52	560
First	Teaching Space	419	4,519	419	4,519
	Laboratories	103	1,109	103	1,109
	Collaboration Space	98	1,055	98	1,055

Floor	Use	GIA		NIA	
		Sq m	Sq ft	Sq m	Sq ft
	Ancillary Offices & Stores	289	3,111	36	388
Total		2,299	24,747	1,744	18,773

In addition, there are 84 surface level car parking spaces, of which eight are designated disabled.

We attach, at **Appendix 3,** a set of indicative floor plans.

2.4.2. Proposed Configuration

Plans have been prepared to convert the premises to office use, to include creating a mezzanine floor above the workshops, thereby increasing the net internal floor area as follows:

Floor	Use	NIA	
		Sq m	Sq ft
Ground	Offices	784	8,439
	Meeting Rooms	101	1,087
	Reception	37	398
	Collaboration Space	163	1,755
First	Offices	929	10,000
	Meeting Rooms	52	560
	Collaboration Space	65	700
	Ancillary Stores	26	280
Total		2,157	23,219

A set of proposed floor plans are enclosed at **Appendix 4.**

2.5. Condition

2.5.1. General Condition

We have not carried out a structural survey, nor have we tested any of the services. However, we would comment, without liability, that during the course of our inspection for valuation purposes, we observed that the property, having been constructed to a high specification within the last five years, appears to be in excellent condition throughout.

2.6. Environmental Considerations

2.6.1. Informal Enquiries

We have not carried out a soil test or an environmental audit. We understand that the property previously formed part of RAF Alconbury, which may have given rise to land contamination, due to historic uses on the site. However, as the building was developed within the last five years any contamination on site will have been dealt with at the time of construction and subsequently it would be unlikely that any residual land contamination exists. This comment is made without liability.

2.6.2. Assumption

As our informal enquiries have suggested that land contamination is unlikely, we have valued the property on the basis that it has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. However, should it subsequently be established that contamination exists at the property, or on any neighbouring land, then we may wish to review our valuation advice.

2.6.3. Flooding

We have made enquires with regard to potential flooding at the Environment Agency website, www.environment-agency.gov.uk and note that the property does not lie within the flood plain and further unlikely to be affected by surface water flooding at the present time.

2.7. Town Planning

2.7.1. Statutory Background

We have made informal internet based enquiries of the local planning authority, Huntingdonshire District Council, and understand that the statutory plan covering planning policy and development control for the area is the Huntingdonshire Local Plan to 2036, which was adopted in May 2019.

Alconbury Weald is identified within the Local Plan a strategic expansion location allocated for mixed use development of 6,680 new homes and 150 ha employment land. The site itself also falls within the Alconbury Enterprise Zone.

The property is not Listed nor within a Conservation Area. However, as mentioned above it the immediate area is subject to substantial development schemes, both commercial and residential.

2.7.2. Planning History

Planning decisions of note revealed by our enquiries are as follows:

Date of Decision	Description of Development	Decisions
9 August 2017	Amendment of application reference 16/00752/REM for the amendments to roof, elevations, external lighting and external works / hard landscaping. (Ref: 16/01623/NMA)	Acceptable
26 June 2016	Submission of reserved matters (appearance, layout, landscaping, scale & mass) in respect of the construction of a mixed use Innovation, Manufacturing, Engineering Building (iMET) including office, research & development and a training facility (Use Class B1(a)/B1(b)). (Ref: 16/00752/REM)	Approved
1 October 2014	Up to 290,000 sq ft employment, including data storage and a materials recovery demonstration centre and up to 5,000 dwellings, including sheltered/extra care accommodation; a mixed use hub and mixed use neighbourhood facilities, including retail, commercial leisure, health, place of worship & community uses; non-residential institutions including primary schools, nurseries, a secondary school and land reserved for post 16 education provision; open spaces, woodlands and sports provision; retention of listed buildings; new vehicular access points from Ermine Street and the A141, with other new vehicular access points; associated infrastructure; reserve site for railway station and ancillary uses; and associated demolition and ground works at Alconbury Airfield, Ermine Street, Little Stukeley, PE28 4WX (Ref: 1201158/OUT)	Permitted

2.7.3. Summary

During the course of our inspection of the property, we did not observe anything which would indicate that the any of the above planning permissions are being contravened. In valuing the property we have assumed that the building is used in accordance with its present lawful uses and that the building complies with current planning laws and building regulations and that it is not subject to any adverse proposals or possible enforcement actions.

2.8. Taxation

2.8.1. Rates

From informal enquiries of the Valuation Office Agency Internet Rating List www.voa.gov.uk, we understand that the following entry appears on the 2010 Valuation List:

Property Address	Description	Rateable Value
IMET, Emery Crescent, Enterprise Campus, Alconbury Weald, Huntingdon, Cambs, PE28 4AY	Offices & Premises	£486,089
Total		**£486,089**

The Uniform Business Rate for 2020/2021 financial year is 51.2 pence in the Pound. We calculate that the rates currently payable are £239,660 excluding any transitional or other relief.

2.8.2. VAT

Our valuation is exclusive of VAT.

2.9. Tenure

We have valued the freehold & long leasehold interests in the property as outlined in red on the Ordnance Survey Extract at **Appendix 2**.

We have inspected a copy of the lease and summarise the principle provisions as follows:

Landlord	**Urban & Civic Alconbury Limited**
Tenant	**Huntingdon Regional College (assigned to Cambridge & Peterborough Combined Authority)**
Lease Date	**10 January 2017**
Term	**125 years from 1 October 2016, therefore presently having 121 years unexpired.**
Rent	The present rent passing is one peppercorn per annum exclusive, if demanded.
Rent Review	None
Repairs	The lease is drawn on full repairing terms, under which the tenant covenants to keep the demised premises in full repair and condition.
Insurance	The tenant covenants to insure the premises.
User	The tenant covenants not to use the premises otherwise than as "a training and educational facility including ancillary office, research and development facilities within Class B1(a) and B1(b) of the Town & Country Planning (Use Classes) Order 1987 (in the form in which it exists at the date of the lease,. Changes of use are permitted subject to the landlord's prior consent.
Alienation	The lease contains a total prohibition against assignment or underletting of part only of the demised premises. Assignment or underletting of the whole is permitted, subject to conditions and the landlord's prior consent. If an assignment is for value then a payment due to the landlord, which is calculated as the lower of: a) The greater of the "assignment sum" or Open Market Value of the premises (assuming bare land). The assignment sum is calculated as £500,000 + RPI increases from the commencement of the lease. b) The actual consideration amount. Any subsequent assignments take account of previous sums already paid.
Outside the Act	By a statutory declaration, the security of tenure provisions of The Landlord and Tenant Act 1954 are excluded from the lease.

We assume that full rights of access are enjoyed, and that no third parties enjoy any rights over the subject property. Your solicitors should confirm that there are no onerous restrictions or obligations as part of the due diligence process.

2.10. Occupational Leases

There are no occupational leases and we have therefore valued the property on the basis of full vacant possession.

3. Market Commentary

3.1. Macro Economic And Property Market Overview

We enclose a Macro Economic and Property Market Overview at **Appendix 5**.

3.2. Market for Educational Properties

3.2.1. Overview of the Higher Education Market

The number of students in the UK has increased significantly since the 1990s as governments encouraged the expansion of education to cater for 50% of school leavers which is about 500,000 undergraduates a year. There has been a huge increase in this period and a provision of a wider range of courses than ever before. The number of institutions now totals more than 450 and an estimated 2.4 million were enrolled in higher education in 2019.

It was apparent, even before the presence of the pandemic, that higher education had been feeling the pressure in a number of areas and commentators now suggest that the period of expansion is over and there is an expectation that the number of facilities and courses on offer will reduce. The pressure comes from a number of areas:

- Expansion and Debt - Universities have been criticised for expanding too quickly in the period since 2013. Expansion programmes of new buildings and campuses has been debt financed. The obligations to repay these loans remain and some universities are now very heavily indebted. In April 2020 the High Education Statistical Agency reported that 119 of 194 universities were in deficit (i.e. figures before the Covid effect). The BBC reported in July 2020 that 13 institutions were close to insolvency without government assistance.

- Pension deficits for teaching staff are rising. The university pension scheme liabilities are rising at the same time as interest rates have fallen and the coronavirus has affected global markets.

- Increased international competition. Other countries offer international students better opportunities to remain and work in the country after graduating. The feeder countries are investing heavily in providing their own university and attractive degrees at home and UK, US and European universities are all feeling the effects. Nearly three quarters of the UK's universities slipped down the international rankings this year.

- The debate of the cost/value of higher education for the proportion of the domestic population studying at university and the level of the fees do not relate to the quality of the course. Debts incurred during a typical three year undergraduate course now average mover than £50,000 per student. The UK has one of the most expenses education systems in the world.

- Brexit has had a dampening effect on recruitment and retention of staff, and reduced the volume of EU students. In addition, reductions in research funding are possible in the future.

- Student numbers: A demographic dip in the number of 18 year olds in UK. There has been a fall from the peak in 2009 of 830,000 to 710,000 in 2020). This has reduced the number of potential students available and this year one in five were considering deferring HE studies due to the pandemic. The number of full time undergraduates from outside the EU has been almost unchanged at 50,000 over the last five years, stricter immigration rules have been cited as contributing to this. It is estimated that around 14,000 fewer international students have enrolled this year resulting in further losses for the institutions.

- Focus on better institutions: Government regulation fixing the terms of student loans means universities are not able to increase fees. The cap on class sizes has led to an inter-university battle since 2015. Institutions have been competing to expand numbers through marketing to attract students, offering incentives, developing more appealing facilities, offering unconditional places not linked to exam results and more first class degrees being awarded. This has allowed applicants to trade up to more prestigious institutions, but at the cost of undermining the demand for lower ranked rivals.

- Shift to vocational training and apprenticeships.

Few countries other than the US match the extent which English higher education has been turned into business over the past two decades. In this period UK universities have had to adapt to government controls and deregulation but also deal with rising costs associated with the rapid expansion in institutions. The key factor is the dependency on the international income and how expensive universities are. This loss of income is likely to result in mergers, cutbacks and possibly even closures.

3.2.2. Past & Future Trends

In light of the discussion regarding universities in the section above, up to Covid there was still evidence of expansion and new buildings being constructed to keep ahead of the competition, however with the financial pressure faced by a proportion of the universities, the rate of expansion had slowed.

In London and city centres where there was pressure on space, office buildings were purchased for university accommodation expansion. Office space has also been of interest to free schools and colleges. Where offices have been purchased for conversion to education use, office prices have been paid and therefore prices have been reflective of the underlying property market for offices in that area, rather than being a good indication of educational space, although it does provide a historic indicator of levels educational buyers felt they were able to afford.

Since Covid the focus has been on the effects of the short term dramatic decrease in income and the financial deficit faced by many. Salary cuts or pay freezes, furlough and redundancies have been commonplace. In this environment it is unlikely that many of the institutions are considering any form of expansion.

3.2.3. Prices paid for former D1 (F Class) Educational Facilities

School and educational premises are infrequently traded on the open market, usually being included within the sale of the business. Those which are offered for sale are often sold for conversion or redevelopment to some higher value alternative use, particularly residential. Often educational premises are within dated buildings resulting in high maintenance and running costs, which reduces the desirability of such premises to alternative educational providers. Indeed, we understand that, grant funding was paid to other institutions to take on the liabilities associated with the properties when the Hadlow College premises were sold last year.

The subject property provides a modern facility of exceptional quality and not surprisingly there is little evidence of premises as modern as this or in as good condition changing hands without an associated business. Examples of such freehold sales include the following:

City Learning Centre, Portsmouth

Highbury College sold this property to Portsmouth University in 2018. It is a modern building of 48,409 sq ft situated in Portsmouth City Centre, close to other buildings occupied by the University. We understand that there were other interested parties in the premises and it sold for £5,700,000 reflecting **£95 per sq ft**.

Soundwell College, Bristol

This property comprises approximately 100,000 sq ft of educational buildings dating mainly from the 1960s and 1970s on a 4.8 acres site, previously occupied by City of Bristol College. It was purchased by the Department for Education in 2018 for a price reflecting approximately **£42.50 per sq ft**. We understand that some of the buildings on site were due to be demolished and others subject to comprehensive refurbishment and the price achieved reflects this.

Lawress Hall, Lincoln

This former training college is held long leasehold at a peppercorn rent. It was formerly a residential institution and therefore in C2 rather than D1 use and totals 122,304 sq ft of modern buildings in good condition on 6.24 acres parkland. We understand that it was under offer to a higher education institution in early 2020 at a price reflecting in the region of **£60 per sq ft**, but the sale fell through and the property is back on the market.

3.3. Local Commercial Market

3.3.1. Overview

Educational facilities generally fall into the former D1 (non-residential institutions) use class, now F, with boarding schools coming under C2 (residential institutions). Other users within the D1 sector include medical centres and associated clinics, veterinary practices and day nurseries, which we also consider fall under the 'educational' user classification.

Nationally the rents paid for former D1 premises are closely aligned to office rents as office occupiers will often be the most appropriate alternative users for such properties. Often there are restrictions on use an alienation in educational leases, which are not present in more standard offices leases, which can have a depressing effect on the headline rental figure. In the case of the subject property however, which is more of a hybrid building in nature with workshop facilities, we consider this should be reflected in the appropriate notional rental levels applied within our valuation.

3.3.2. Local office market

The building is a high specification and it is proposed that should Urban and Civic acquire the long leasehold interest they will convert it to office premises in line with their neighbouring "Incubator" buildings.

Huntingdon is not a mainstream office location. It provides for a predominantly local market and those occupiers who also have industrial premises in the town. The notable exception is the largest office occupier, Anglian Water Services, who have a modern headquarters building on the Ermine Business Park to the north of the town and several other buildings on other edge of town business parks.

The majority of the town's office offer lies on the business parks to the north of the town, close to the A1307 (formally A14, before it was re-routed to by-pass the town), which gives good access to the main road networks. Over the last decade, several of the town centre offices, including Anglian Water's former head office, have been sold for conversion to residential use under permitted development rights legislation.

Demand for office space in Huntingdon is well below supply with many office premises having stood vacant for a number of years, following substantial development in the business parks in the early 2000s.

Office rental levels in the town peaked at around £15.00 - £16.00 per sq ft at the top of the market in 2006/07, but fell under the pressure of availability of supply and the costs to landlords associated with holding empty premises, including empty rates liabilities. Lettings completed over recent years have often involved tenant incentives such as rent free periods or capital contributions for fit out works, which are not always disclosed in the open market.

Top office rents in Huntingdon are now thought to stand at close to £15 per sq ft for small modern offices on the business parks, which compares to headline rental levels of in excess of £45 per sq ft being seen for the best new office accommodation in central Cambridge close to the station, but is broadly in line with office rents in nearby St Neots and Peterborough, to the north.

At Alconbury Weald, itself, office accommodation is provided within the two incubator buildings close to the subject property. The majority of these lettings are to small occupiers on three year terms with three month rolling options to break at the end of the first 12 months. However, we have analysed two recent transactions in respect of larger suites as follows:

Suites 3A & 10/11 Incubator 1
Suite 3A is situated on the ground floor of the Incubator building and Suite 10/11 is adjacent but also extends over the first floor. Together they provide 2,083 sq ft and were let together under the terms of two separate leases to property consultants, Rapleys, in September 2020. The passing rent in respect of Suite 3A is £31,378 per annum and that in respect of 10/11 is £29,029 per annum, reflecting **£29.46 per sq ft** and **£29.00 per sq ft** respectively, inclusive of services.

We understand that the service charge is currently running at between £6 and £7 per sq ft, which reflects **£22 - £23 per sq ft** net.

Part Ground Floor North, Incubator 2
In August 2019, Roythornes, a regional firm of solicitors, took 3,771 sq ft, together with 13 car parking spaces for 15 years under the terms of an effective full repairing and insuring lease, with tenant options to break at the end of years five and ten. The initial rent was £84,850 per annum, following 9 months rent free with 5 yearly rent reviews and breaks back to **£22.50 per sq ft** or **£20.25 per sq ft net effective**, taking account of the rent free incentives.

A further 17 car parking spaces were let on licence at £400 per spaces as part of this transaction.

3.3.3. Local Industrial Market

Nationally we have seen considerable growth in the industrial market over the last five years, following the recessionary years of 2008 – 2012. The general growth in the logistics property market based on the demand for large distribution centres has combined with scarcity of sites in more metropolitan areas where demand for residential development has absorbed a large volume of older traditional industrial areas.

At Alconbury Weald itself large scale industrial premises have been constructed on a design and build basis by owner occupiers and subsequently not comparable to the industrial element of the subject property. In assessing the workshops at the property we have therefore looked at a wider area.

Within Huntingdon itself, the main industrial area is to the north of the town centre in an established commercial location made up of St Peter's Road Industrial Estate and Stukeley Meadows Industrial Estate and spreading north to the A141. There is also a smaller but established more modern commercial area at Hinchingbrooke, where there are several modern office buildings and industrial premises.

While, as reported above, nationally industrial rents have performed well over the last five years, much of the local industrial stock in Huntingdon is older mid-sized units, where rents have remained relatively low. Industrial rents in Huntingdon range up **to £8.00 per sq ft** for new small units of up to 2,000 sq ft such as those found on Kingfisher Court scheme in Hinchingbrooke. Larger newer units achieve rents close to £6.50 per sq ft as agreed on rent review at 1 Cardinal Park, Godmanchester, where the March 2019 rent review on a modern warehouse of approximately 29,000 sq ft was settled at **£6.58 per sq ft overall**.

More mainstream industrial stock in Huntingdon is older premises which attracts rents between £4.00 - £5.75 per sq ft. For example, Unit 9 Tower Close St Peters Industrial Park is in the northern industrial sector, south of A141 ring road. Dating from the 1980s this self-contained distribution centre totals 48,087 sq ft with 40% site coverage. It was let to Anglia Water Group in May 2019 on a rent breaking back to **£5.40 per sq ft**.

Closer to Cambridge, the industrial market has changed significantly over the past 3-4 years, with the emergence of the mid-tech market. Occupiers being pushed away from high rents on the traditional Science and R&D parks, searching for affordable, bespoke facilities which can be fitted to suit. The subject property fits well within this market as a hybrid office-industrial property and we have therefore also had regard to the mid-tech market in our assessment of the iMET Building. Examples of such premises include the following:

Enterprise 5000, Cambridge Research Park, Waterbeach

Cambridge Research Park is situated approximately 7 miles north of Cambridge, on the A10. Enterprise 5000 was a speculatively developed scheme of nine mid-tech units which completed in March 2018. They comprise good quality workshop / R&D space with high quality office accommodation. The first couple of units to let in 2018 achieved rents of £10 per sq ft and we have seen rental increases of between £2.50 and £3 per sq ft since.

The most recent lettings here were Unit 7 and Units 8 & 9, which completed in April and June 2020 respectively. Unit 7 totalled 6,523 and was let to Biochrom for 10 years, subject to a rent review and tenant option to break in year five at a rent of £81,537.50, reflecting **£12.50 per sq ft**, following six months rent free. A further four months rent free is granted if the tenant does not exercise there break option. Units 8 & 9 comprise two adjoining semi-detached units of 13,769 sq ft and were let to Grifols for ten years at a rent of £172,112.50 per sq ft, which also reflects **£12.50 per sq ft**. Units 2 and 5 are currently under offer to the University of Cambridge and Xaar respectively at headline rents of £12.50 and £13.00 per sq ft.

The rents achieved at Enterprise 5000 reflect its proximity to Cambridge and while similarly specified to the subject property giving an indication of demand for such product, we would expect a discount from this level for the subject property to reflect the lower value Huntingdon & Peterborough markets.

The 4Front, Buckingway Business Park, Swavesey

This is a four unit scheme building dating from 2018 totalling 155,000 sq ft at Buckingway Business Park, adjacent to Junction 28 of the A14 and therefore similarly located to the subject property, albeit closer to Cambridge. These units are industrial in nature but with high quality offices. The two smaller units here both let in mid-2018, Unit 100 is 25,513 sq ft in size and let to Pioneer Europe Ltd for 10 years from Junt 2018 at a rent of £223,239 per annum following 11 months rent free, reflecting a headline rent of **£8.75 per sq ft** , which we devalue to a net effective rent of **£8.39 per sq ft.** Prior to this, NET LED took Unit 300 of 36,086 sq ft for 10 years subject to a rent review in year five and nine months rent free at an annual retn of £315,753 per annum, reflecting a headline rent of **£8.75 per sq ft** or **£8.53 per sq ft** net effective.

Unit 200, of approximately 40,000 sq ft was let to Network Rail in December 2019 for a term of 10 years with a rent review an option to break in year five at a rent based on **£8.75 per sq ft** after six months rent free. Unit 400 extends to 50,284 let in July 2020 to Beam Group for a 10 year term, with no break options, at a headline rent based on **£9.00 per sq ft** following 12 months rent free.

These units are generally larger than the subject property and further, despite their highly specified offices, have a much greater industrial focus. However they are also situated within the Cambridge commercial orbit, which attracts a premium.

3.4. Investment Market

3.4.1. Overview

The effect of stalling the whole economy during the Covid-19 lockdown is yet to be fully evident. Despite the country being in recession, property transaction have continued to progress, but generally volumes are restrained.

The impact of Covid-19 on the general office market is still unknown. One view is that increased home working and the take up of online video meetings caused by lockdown, combined with social distancing rules will lead to reduced demand. Companies may be tempted to offload expensive city centre offices and use more flexible and cheaper working practices. On the other hand, the pattern of increasing internal densities will be reversed as workers need more space to comply with social distancing. It is clear that in the short-term, at least, landlords will have to be more pragmatic to occupiers being more flexible and agreeing shorter terms and increased incentives. While the time spent in offices is likely to reduce, they will continue to remain the focus of where we work.

The office and industrial investment markets have been particularly quiet across Cambridgeshire over the last twelve months. Councils were a significant buyer in the market in recent years, particularly in provincial towns, however it is expected this buyer sector will reduce. Investments that have strong cash flows supported by long unexpired lease terms and strong tenant covenants are likely to hold firm in pricing. Our investment colleagues currently put yields for prime provincial offices at 5.0%, a rise of 25 bps from 4.75% since this time last year. By prime we refer to modern offices in good locations let to strong tenants with long lease terms.

The industrial investment market has performed well over the last few years, with investors seeing this as an area of strong rental growth, which is set to continue, given lack of supply and the increase in demand for warehousing space as a result of the improvements in the logistics sector. Savills investment experts currently put prime industrial yields at sub 4%, showing an improvement over the last 12 months, despite the uncertainty in the global economy as a result of the Covid19 pandemic.

Within the city of Cambridge there have been several office investment sales over the last year reflecting the strength of the Cambridge market and its focus on the R & D industry. Examples include The Aerospace Office Building, a modern office building of 24,700 sq ft at Cambridge Airport, which was subject to a sale and leaseback by Marshalls in Autumn 2020. The lease was for 15 years with 5 yearly RPI reviews and it was sold to Legal and General for £10,000,000, reflecting a net initial yield of 5.5%. Prior to this, Clarendon House, situated just outside the prime office area but still within walking distance to the railway station, sold in July 2020 to M & G Real Estate. The property is multi-let to five tenants and totals 23,816 sq ft and it sold for £13.9 million reflecting a net initial yield of 4.4%. This low yield reflects potential to redevelop the site and significantly increase density.

These low yields mentioned here are for prime product in a sought after office / R & D location. Subsequently, despite the age and specification of the subject property, we would expect significantly higher yields to be payable at Alconbury. At Newmarket, approximately 15 miles east of Cambridge, 2 Craven Court, comprising 8,365 sq ft and let to Providor Limited with 3.5 years until the tenant option to break sold in March 2020 for £1,540,000, reflecting a net initial yield of **8.37%** or **£184 per sq ft**.

3.5. Commercial Development Land Market

The market for freehold commercial sites is smaller than the higher volume occupational market and subject to a wide number of variables in terms of availability, planning status, demand and build costs. Over recent years, in all but the best locations, relatively low capital values, coupled with increased construction costs, has made speculative development unviable, this has resulted in good occupancy levels in the industrial estates, but little freehold transactional evidence. With the exception of Cambridge and its immediate surrounds, there has been little speculative commercial development across East Anglia in recent years. New premises have generally only been constructed once an end user has been identified either on a pre-let or pre-sale basis. This has resulted few commercial land sales.

As with the general trends in the industrial market there has been an uplift in commercial land values in the region over the last five years however. This is illustrated within transactions at The Lakes Business Park at Fenstanton, on the A1309, former A14, where 5 years ago, 2-3 acre plots were commanding prices reflecting approximately £300,000 per acre and we understand, from the agent, that the last plot of 3.5 acres sold in September 2020 for a price reflecting between £480,000 and £490,000 per acre, depending upon analysis of the net developable area.

Higher values still have been seen within the industrial area to the north of Huntingdon where a prominent 1.2 acre plot sold in mid-2018 for a price reflecting approximately £560,000 per acre, albeit to a special purchaser. We understand a similarly located plot of 1.84 net developable acres exchanged in December 2020, on a subject to planning basis, at £600,000 per acre.

At Alconbury Weald, however, several parcels of land have sold to owner occupiers over the last few years for constructing their own facilities within the Enterprise Zone. The most recent transactions are as follows:

Cambridgeshire County Council

In December 2019, Cambridgeshire Country Council acquired a 4.03 acre site, adjacent to the subject property for the construction of their new offices. The price paid was £1,612,000, reflecting **£400,000 per acre**.

MAGPAS

In August 2018, MAGPAS exchanged on a 2.23 acre site for the construction of a new helipad on a subject to planning basis for £780,500, reflecting **£350,000 per acre**. Planning was granted and the transaction completed in October 2020.

Confidential – Under Offer

A 13.3 acre site is currently under offer and in solicitor's hands for construction of an industrial facility. The sale is due to exchange of a subject to planning basis, as the proposed purchaser requires an element of ancillary B8 use within their facility, for which the site is not currently allocated. The price agreed is based on **£450,000 per acre** and illustrates the increasing commercial land values in this area.

In light of the above, we have assessed the land value of the site, on the assumption of bare land, based on £400,000 per acre.

4. Valuation Advice

4.1. Principal Valuation Considerations

The principal matters that impact on the value of the property are as follows:

4.1.1. Location and Situation

The property is situated within the Alconbury Weald development. Once the location is more established with the 5,000 + new homes occupied and the primary and secondary schools established, it is likely there will be greater demand for further education provision. At present, however, it lies within the Enterprise Zone, adjacent to the commercially successful incubator buildings and subsequently an office use is more appropriate at the present time.

4.1.2. Building Quality and Condition

The building has been finished to a high quality and, as you would expect from a building of this age, is in good condition throughout. Given its layout and the high quality finishes, conversion to office space would be relatively straight forward.

4.1.3. Floor Areas

The size of the property is appropriate for both educational and office uses.

4.1.4. Environmental Considerations

Given the relatively recent construction, we have assumed that there is no risk of land contamination on site.

4.1.5. Town Planning

The property lies within the Enterprise Zone, which makes planning more straight forward. We have not made any allowance for planning risk within our valuations of the property.

4.1.6. Tenure

We have valued both the freehold and head leasehold interests in the property. We have had regard to the restrictive user clause within the lease and also the assignment sum payable to the freeholder on the sale of the long leasehold interest.

4.1.7. Leases

There are no occupational leases in place and our valuations are on the basis of vacant possession.

4.1.8. Strength of the market

The market for higher education premises is limited at the present time, as a result of losing international students from a combination of BREXIT and the Covid-19 pandemic. While we are seeing activity in the office markets, this has been reduced over the last year as occupiers take stock of their requirements resulting from changing working patterns and office specifications resulting from the pandemic.

By contrast the industrial market has strengthened with particular focus on the logistics sector. While this does not directly compare to the subject property, its hybrid nature will appeal to the emerging mid-tech occupiers of the Cambridge sub-markets.

4.1.9. Liquidity

At the present time there is limited demand for the long leasehold interest in the property. The user clause restricts the number of potential occupiers. With the user clause varied or the interests merged, we consider there would be greater demand for such a building from owner occupiers and regional property investors.

4.1.10. Future Prospects

As Alconbury Weald becomes more established as a community, we consider the potential demand for a further educational facility will increase and subsequently, we consider the long leasehold may perform better in the medium term.

In office use, we anticipate there to be greater demand for more flexible space over the next few years and subsequently we anticipate on conversion the property would perform well, in line with the neighbouring incubator buildings.

4.2. Approach To Valuation

4.2.1. Current Market Value of Existing Freehold Interest

In assessing the current Market Value of the existing freehold interest, we have had regard to the sum that would be payable to the landlord, should the tenant assign their leasehold interest for a value. Under the terms of the lease the sum to be paid on assignment is the lower of:

a) The higher of
   - £500,000 + RPI
   - Open Market Value of the premises assuming bare land

b) The actual consideration amount.

Based on reported RPI figures, we calculate the £500,000 + RPI to currently stand at £567,040. We have assessed the current land value based on £400,000 per acre, which reflects £625,000 and we consider to be the appropriate figure for this payment at the present time.

There is no guarantee if or when the assignment sum will become payable. This is a very unusual scenario and therefore in valuing the freehold interest subject to a long lease with this clause, we have had regard to the prices paid for ground leases where a reversionary payment is likely over the term of the lease but the timing is unknown. It is generally accepted, and agreed with the district valuer for tax purposes, that the value of such an interest is 20-30% of the value of the reversion. Subsequently, as the assignment payment, while likely to be received during the term, it is not guaranteed, we have applied the lower end of this range at 20%.

This produces a Market Value of the freehold subject to the existing lease of £125,000, which also reflects the present value of the freehold subject to vacant possession discounted 120 years at 2.75%. While we would usually expect a discount rate of closer for 5% to be appropriate, this lower rate reflects the chance of the assignment payment becoming due.

4.2.2. Current Market Value of Long Leasehold Interest

We have used a combination of the comparable and investment methods of valuation in assessing the current Market Value of the existing long leasehold interest.

We have assessed the current Market Rent to be £222,700 per annum, based on a blended rate of £9.00 per sq ft overall (GIA), which is broadly equivalent to applying £7.00 per sq ft to the workshop space and £15.00 per sq ft to the remainder of the property on an NIA basis.

We allowed a two year letting void, followed by 12 months rent free and capitalised the Market Rent until the end of the lease in October 2141 at a net equivalent yield of 9.0% and deducted usual purchaser's costs.

This produces a Market Value of £1,790,000, which reflects £72.33 per sq ft GIA or £95.35 per sq ft net, which is in line with the comparable transactions referred to above.

4.2.3. Current Market Value of Freehold Interest on the Special Assumption the Long Lease has been Dissolved

As above the comparable and investment methods of valuation were used in arriving at our opinion of the current Market Value of the freehold interest in the property on the basis that long lease has been extinguished.

We assessed the Market Rent of the property on the basis that a mezzanine floor has been added and converted to office use in line with the plans enclosed at **Appendix 4.** We applied a Market Rent of £371,500 per annum, based on £16 per sq ft on the overall net internal area, which reflects approximately £20 per sq ft on the "lettable offices", in line with the transactions in the neighbouring incubator buildings.

We applied a 12 month letting void followed by nine months rent free before capitalising the Market Rent in perpetuity at a net equivalent yield of 7.5% and deducting usual purchaser's costs. This produces a value once the conversion works are complete of £4,100,000, which reflects £176.58 per sq ft in respect of proposed net internal area and is in line with our expectations.

From this we have discounted conversion costs of £870,000. This figure is based on discussions with our building surveying experts and includes the cost of installing of a mezzanine floor over the workshop at £150 per sq m, workshop to office conversion costs at £560 per sq ft, together with additional costs relating to the installation of partition walls, as shown on the plans, and the installation of suspended ceilings and flooring to the current laboratories.

Our Market Value on this basis of £3,230,000, reflects £130.52 per sq ft in respect of the existing gross internal area or £172.06 per sq ft net.

4.2.4. Synergistic (Marriage) Value Calculation

We have calculated the marriage value that will be released should the two current interests be merged by deducting the existing freehold value, the existing leasehold value and the assignment payment due to the freeholder on assignment of the existing lease, from the value of the freehold interest on the special assumption that the long leasehold has been extinguished.

4.3. Valuations

4.3.1. Current Market Value of Existing Freehold Interest

Having carefully considered the property, as described in this report, we are of the opinion that the current Market Value of the freehold interest, subject to and with the benefit of the existing long lease, is:

£125,000
(ONE HUNDRED AND TWENTY-FIVE THOUSAND POUNDS)

We consider that a period of up to 12 months is a reasonable period within which to negotiate completion of a sale by private treaty of the property at the level of our valuation, taking into account the nature of the property and the state of the market.

4.3.2. Current Market Value of Long Leasehold Interest

Having carefully considered the property, as described in this report, we are of the opinion that the current Market Value of the head leasehold interest, subject to vacant possession, is:

£1,790,000
(ONE MILLION, SEVEN HUNDRED AND NINETY THOUSAND POUNDS)

We consider that a period of up to 24 months is a reasonable period within which to negotiate completion of a sale by private treaty of the property at the level of our valuation, taking into account the nature of the property and the state of the market.

This valuation reflects an equivalent yield of 9.0% and a reversionary yield of 11.7% in January 2024, all net of purchaser's costs of 5.91%. In addition, it reflects £72.33 per sq ft (£779 per sq m) overall gross or £95.35 per sq ft (£1,027 per sq m) net.

4.3.3. Current Market Value of Existing Freehold Interest on the Special Assumption the Long Lease has been Dissolved

Having carefully considered the property, as described in this report, we are of the opinion that the current Market Value of the freehold interest, on the Special Assumption that the long leasehold interest has been extinguished and subject vacant possession, is:

£3,230,000
(THREE MILLION, TWO HUNDRED AND THIRTY THOUSAND POUNDS)

We consider that a period of up to 12 months is a reasonable period within which to negotiate completion of a sale by private treaty of the property at the level of our valuation, taking into account the nature of the property and the state of the market.

This valuation reflects an equivalent yield of 7.5% and a reversionary yield of 8.5% in October 2022, both net of purchaser's costs of 6.24%.

4.3.4. Marriage Value released

Interest	Value
Unencumbered Freehold	£3,230,000
Long Leasehold	-£1,790,000
Assignment Sum (due to freeholder on sale of long leasehold interest)	-£625,000
Freehold subject to long lease	-£125,000
Marriage Value	**£690,000**

4.3.5. Valuation Calculations

Our valuation calculations in respect of the unencumbered freehold and long leasehold values have been undertaken using the Argus Enterprise software, and printouts of those calculations, together with a summary, is enclosed at **Appendix 6.**

4.3.6. Matters that may give rise to Material Valuation Uncertainty

Market conditions explanatory note: Novel Coronavirus (COVID-19)

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied to varying degrees in response to further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally.

Material valuation uncertainty

In respect of the education sector as at the valuation date we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuations of the existing interests are therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

For the avoidance of doubt this explanatory note, including the 'material valuation uncertainty' declaration, does not mean that the valuation cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

5. General Assumptions & Conditions to Valuations

5.1. General Assumptions and Conditions

Unless otherwise agreed in writing and / or stated in our report, our Valuation will be carried out on the basis of the following general assumptions and conditions in relation to each Property that is the subject of our Report. If any of the following assumptions or conditions are not valid, this may be that it has a material impact on the figure(s) reported and in that event we reserve the right to revisit our calculations.

1. That the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not inspected the Title Deeds or Land Registry Certificate.

2. That we have been supplied with all information likely to have an effect on the value of the Property, and that the information supplied to us and summarised in this Report is both complete and correct.

3. That the building has been constructed and is/are used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control and any future construction or use will be lawful.

4. That the Property is not adversely affected, nor likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).

5. That the building is structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the building we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the Property and our Report do not constitute a building survey or any warranty as to the state of repair or refurbishment of the Property. Our Valuation is on the basis that a building survey would not reveal material defects or cause us to alter our Valuation materially.

6. That there is unrestricted access to the Property and that it is connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.

7. Sewers, mains services and roads giving access to the Property have been adopted, and any lease provides rights of access and egress over all communal estate roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.

8. That in the construction or alteration of the building no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.

9. That the Property is free from environmental hazards and has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.

10. That any tenantsare capable of meeting its/their obligations, and that there are no arrears of rent or undisclosed breaches of covenant.

11. In the case of a Property where we have been asked to value the site under the special assumption that the Property will be developed, there are no adverse site or soil conditions, that the Property is not adversely affected by the Town and Country Planning (Environmental Impact Assessment) Regulations 2017 that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our Valuation.

12. We will not make any allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the Property.

13. Our Valuation will be exclusive of VAT (if applicable).

14. No allowance will be made for any expenses of realisation.

15. Excluded from our Valuation will be any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.

16. In the case of a Property where there is a distressed loan we will not take account of any possible effect that the appointment of either an Administrative Receiver or a Law of Property Act Receiver might have on the perception of the Property in the market and its/their subsequent valuation, or the ability of such a Receiver to realise the value of the property(ies) in either of these scenarios.

17. No allowance will be been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it will be assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EU legislation, insofar that the latter is applicable.

18. Our Valuation will be based on market evidence which has come into our possession from numerous sources, including other agents and valuers and from time to time this information is provided verbally. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions being used as comparables in our Report, we are unable to warrant that the information on which we have relied is correct.

Appendices

Appendix 1 – Savills Confirmation of Instructions

21 December 2020

Our Ref: CAKO/KS/sg
Your Ref:

Katharine Scott BSc (Hons) MRICS
E: kscott@savills.com
DL: +44 (0) 1223 347217
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Urban & Civic Plc
50 New Bond Street
London
SW1 1BJ

Cambridgeshire & Peterborough Combined Authority
72 Market Street
Ely
CB7 4LS

For the attention of **Marcus Warwick, Urban & Civic Plc and**
Steve Clarke, Cambridge & Peterborough Combined Authority

Dear Sirs,

PROPERTY: IMET BUILDING, EMERY CRESCENT, ALCONBURY WEALD, HUNTINGDON, PE28 4YE

CONFIRMATION OF TERMS OF ENGAGEMENT FOR THE PROVISION OF VALUATION ADVICE

1. Thank you for your correspondence dated 16 December 2020. We are grateful to you for your kind instructions to advise and now write to confirm the terms upon which Savills (UK) Limited (**Savills**, **we** or **us**) will provide Urban & Civic Plc and Cambridgeshire & Peterborough Combined Authority (**you**) with a valuation report (the **Valuation** or **Report**) in respect of the above property or properties (each being a **Property**).

2. Our Valuation will be undertaken on the terms set out in this letter, including its appendices.

3. Please sign and return a copy of this letter to us to confirm your acceptance of the terms set out herein. In particular, we draw your attention to the fact that when signing this letter you are confirming your agreement to the limitation of our liability set out at paragraphs 8 - 12 inclusive.

4. Please note we will be unable to formally issue our final Report to you, and you will be unable to rely upon the contents of our Report, until such time as we have received your signed copy of this letter.

5. To the extent that there is conflict or inconsistency between this confirmation of instruction letter and your correspondence referred to above, this confirmation of instruction letter will prevail.

CONFLICTS OF INTEREST

6. As previously advised, Savills (UK) Limited has a material connection or involvement with the Property or any other parties. More particularly, Savills (UK) Limited act as agent for Urban and Civic Plc in respect of their land holdings at Alconbury Weald. This notwithstanding the Cambridge and Peterborough Combined Authority provided your Informed Consent to us to proceed with a jointly addressed valuation. By the signing of this instruction letter, the Cambridge & Peterborough Combined Authority provide this consent in writing.

   We confirm that we will provide an objective and unbiased valuation.

RICS RED BOOK

7. We shall prepare our Valuation in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2020 together, where applicable, with the UK National Supplement effective 14 January 2019, together the **''Red Book''.** Accordingly, we confirm that:

(a) Identification and status of the Valuer

(i) The Valuation will be the responsibility of and the Report will be signed by Katharine Scott BSc (Hons) MRICS, RICS Registered Valuer (the **Valuer**). The Valuer will work with colleagues as appropriate, and the Report will be counter-signed by at least one other RICS Registered Valuer.

(ii) The Valuer has sufficient current knowledge of the particular market(s) and sufficiently developed skills and understanding to undertake the valuation competently.

(iii) We are acting as an "external valuer" as defined in the Red Book and within Appendix 1.

(b) Identification of the client and other intended users

The clients are the addressees of this letter. We will address our Report to the Addressees.

(c) Identification of the asset or liability to be valued

(i) The interests to be valued are detailed below:

Property Address	Tenure	Use
iMET Building, Emery Crescent Alconbury Weald, Huntingdon, PE28 4YE	Long Leasehold	Educational
iMET Building, Emery Crescent Alconbury Weald, Huntingdon, PE28 4YE	Freehold	

(ii) The interests will be valued subject to the current agreements or vacant possession, as appropriate, details to be confirmed in our Report.

(iii) The interests to be valued are held for owner occupation / investment purposes.

(d) The valuation will be in pounds sterling.

(e) Purpose of the valuation

The Valuation is required for a marriage value assessment prior to negotiation. It is important that the Report is not used out of context or for the purposes for which it was not intended. We shall have no responsibility or liability to any party in the event that the Report is used outside of the purposes for which it was intended, or outside of the restrictions on its use set out at sub-paragraph (l) below.

(f) Bases of value

The basis of our Valuation will be Market Value, the definition of which is set out at **Appendix 1** (attached).

We will provide the following valuations:

(i) The current Market Value of the long leasehold interest

(ii) The current Market Value of the freehold interest

(iii) The current Market Value of the freehold interest on the Special Assumption that the long lease has been extinguished

(g) Valuation date

The Valuation date will be the date of our report.

Our Report will include a market conditions explanatory note. The current definition, as drafted by the RICS is set out below. It is possible the definition will be updated prior to the Valuation date and if this is the case we will include the updated version in our Report.

Market conditions explanatory note: Novel Coronavirus (COVID-19)

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied to varying degrees in response to further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value.

Material valuation uncertainty

Whilst current RICS guidance indicates there may be sufficient current market activity to justify reporting a valuation without the Material Uncertainty Clause, we will need to complete our due diligence and reflect on our findings before we can make a decision either way. Our valuation of the iMET Building may therefore be reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

For the avoidance of doubt this explanatory note, including the 'material valuation uncertainty' declaration, does not mean that the valuation cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

(h) Extent of investigation

We will carry out an inspection of the Property and undertake investigations to the extent necessary to undertake the Valuation. We will not carry out a structural survey or test the services and nor will we inspect the woodwork and other parts of the structures which are covered, unexposed or inaccessible.

(i) Nature and source of information to be relied upon

(i) We will carry out our Valuation based on the information listed below:

Document/Item	Source
Lease	Urban & Civic
Floor Plans as existing	Urban & Civic
Floor Plans for potential conversion to office use	Urban & Civic

(ii) To the extent that you have provided us with information and instructed us to obtain it from a third party, you agree, unless it is otherwise agreed by us in writing, we can safely rely upon the accuracy, completeness and consistency of this information without further verification and that you will not hold us responsible in the event that any dispute regarding the Valuation arises from the accuracy of such information.

(iii) Floor areas:

We will undertake a full measurement of the Property from scale plans provided, subject to check measurements taken on site, in accordance with the Code of Measuring Practice (6th edition) and will report Net Internal Area (NIA) and Gross Internal Area (GIA). Whilst the 6th edition has been replaced by RICS Property Measurement (2nd Edition), this basis of measurement has yet to be adopted by market participants.

(iv) We will not be measuring any part of the Property which we are unable to access. In such cases we may estimate floor areas from plans, or by extrapolation. Such measurements should not be relied upon for any other purpose.

(v) We will not make formal searches with local planning authorities, but shall rely on the information provided informally by the local planning authority or its officers. We recommend you instruct lawyers to confirm the position in relation to planning and that the Report is reviewed in light of advice from your solicitors in this respect.

(vi) For the avoidance of doubt, we accept no liability for any inaccuracy or omission contained in information disclosed by you or any third party or from the Land Registry or any database to which we subscribe. We will highlight in our Report where we have relied on such information.

j) Assumptions and Special Assumptions

Unless otherwise agreed, our Valuation will be reported on the basis of the general assumptions attached at **Appendix 2.**

(k) Format of Report

We will adopt the relevant Savills (UK) Limited valuation report template, adapted, as necessary, to accommodate your instructions.

(l) Restrictions on use, distribution or publication

(i) Our Report shall be confidential to, and for the use only of, the Addressee(s) and no responsibility shall be accepted to any third party for the whole or any part of its contents.

(ii) Neither the whole nor any part of our Report or any reference to it may be included in any published document, circular or statement, nor published, reproduced, referred to or used in any way without our prior written approval (with such approval to be given or withheld at our absolute discretion).

(iii) Where any addressee is a lender, in the event of a proposal to place the loan on the Property in a syndicate, you must notify us so that we can agree the extent of our responsibility to further named parties. If this is not done or we do not agree to be responsible to further named parties, we shall have no responsibility to any party other than the Addressee(s).

(iv) Draft reports, if provided, will be sent on the basis that they are provisional (i.e. subject to completion of our final report) and for your internal purposes only. They must not be published or disclosed and you will not be entitled to rely upon them for any purpose whatsoever. Savills neither owes nor accepts a duty of care to you in connection with any drafts and shall not be liable to you for any loss, damage, cost or expense of whatever nature caused by your use of or reliance on them. Should you choose to rely upon a draft you do so entirely at your own risk and you are responsible for carrying out your own independent investigations.

(m) Confirmation that the valuation will be undertaken in accordance with IVS

We confirm we will prepare our Valuation in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2020 together, and where applicable, with the UK National Supplement effective 14 January 2019, together the **''Red Book''**.

We also confirm that the valuers will assess the appropriateness of all significant inputs.

(n) The basis on which the fee will be calculated:

(i) The agreed fee for the provision of the Valuation is **£4,250 plus VAT** and is payable in pounds sterling. This fee is inclusive of expenses.

(ii) Our agreed fee and any expenses, together with any VAT (at the prevailing rate) on such amounts, shall become due and payable by Urban & Civic Plc to us within 30 days of us issuing Urban & Civic Plc with a valid VAT invoice in respect of such amounts. In the event that our fee is not paid by the date for payment we reserve the right to charge default interest at a rate of 4% above the Barclays Bank base rate for payment.

(iii) In the event of our instructions being terminated at any time prior to completion of our work, a fee will become payable on a time basis (at our prevailing rates) for work carried out up to the date of termination, subject to a minimum of 50% of the agreed fee, together with all expenses incurred.

(iv) If we incur any expenditure on solicitors or other third parties in order to recover the fee due, such amounts will be payable by you.

(v) If we perform any additional services for you, we will agree an additional fee with you in respect of such services and such fee shall be payable in the manner set out above.

(vi) You acknowledge that you shall not be entitled to rely upon our Report until such time as our fees have been paid as detailed here.

(n) Savills Complaints Handling Procedure

A copy of our Client Complaints Handling Procedure can be made available to you on request.

(o) Monitoring under RICS conduct and disciplinary regulations

Savills (UK) Limited is regulated by RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct for Firms and all other applicable mandatory professional practice requirements of RICS, which can be found at www.rics.org. As an RICS regulated firm we have committed to cooperating with RICS in ensuring compliance with its standards. The firm's nominated RICS Responsible Principal is Tim Maynard (tmaynard@savills.com), Chief Financial Officer/Operations Director.

savills

LIMITATIONS ON LIABILITY

8. Subject to paragraph 12 below, our aggregate liability to any one, or more, or all of the Addressees or any other party who otherwise becomes entitled to rely upon the Report under or in connection with this agreement and our Valuation, however that liability arises (including, without limitation, a liability arising by breach of contract, arising by tort, including, without limitation, the tort of negligence, or arising by breach of statutory duty) shall be limited to the lower of:

   (a) 33% of the Value (as defined below) of the Property stated in our Report; and

   (b) £75,000,000

9. In paragraph 8, **Value** means:

   (a) where more than one value is stated for the same Property on different bases, the highest valuation figure recorded in our Report; and

   (b) in the case of valuations of portfolios, estates, shopping centres and other multi-unit properties within one Report, the aggregate of our valuations included in the one Report.

10. You acknowledge and agree that we shall not be liable under or in connection with this agreement and the provision of our Valuation in tort (including negligence), breach of contract, breach of statutory duty or otherwise due to, under and/or arising out of or in connection with this agreement to the extent such loss or damage is consequential, indirect, special or punitive.

11. You acknowledge and agree that none of our employees, partners or consultants individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring a claim against any such individuals personally in connection with our services.

12. Nothing in this agreement shall exclude or limit our liability for death or personal injury caused by our negligence or for any other liability that cannot be excluded by law.

INSURANCE

13. During the period that we are producing our Valuation and for a period of six years thereafter, we will maintain in force, with insurers or underwriters approved by the RICS, professional indemnity insurance in an amount not less than the amount of our liability cap, as calculated pursuant to clause 8 above and shall, on your request, produce confirmation of the same from our insurance broker.

RELIANCE

14. As stated above, we accept responsibility for our Report only to the Addressees and no third party may rely on our Report. We do not accept any responsibility to, and shall have no liability in respect of, any third parties unless otherwise agreed in writing even if that third party pays all or part of our fees, or is permitted to see a copy of our Valuation. In addition, the benefit of our Report is personal and neither you nor any other Addressee may assign the benefit of our Report to any third party without our prior written consent (with such consent to be given or withheld at our absolute discretion). You acknowledge that if we agree to extend reliance on our Report to any third party or to the benefit of our Report being assigned, we will require the relevant third party or assignee to enter into a reliance letter before such party is entitled to rely upon our Report. We will provide you with a copy of our reliance letter on request. If we agree to any such extension or assignment, we may charge you an additional fee.

CONFIDENTIALITY

15. Neither party shall disclose any confidential information relating to the affairs, business, customers or clients of the disclosing party to any other party without the disclosing party's prior written consent except to those of the receiving party's employees, officers, representatives and/or advisors who need to know the information for the purposes of carrying out the receiving party's obligations under this agreement (save to the extent that the receiving party is compelled to disclose such information by law).

16. Our Report is confidential to and for the use only of the Addressees, but the Addressees may disclose the Report on a non-reliance and without liability basis to their directors, officers, employees and professional advisers provided the relevant Addressee procures any person to whom our Report is disclosed pursuant to this paragraph 16 keeps the Report confidential and does not disclose it to any other party.

DATA PROTECTION

17. We may use your personal information in our provision of services to you. Please see our Privacy Notice for details of how your personal information will be used. Our Privacy Notice can be found at the following web address: http://www.savills.co.uk/footer/privacy-policy.aspx

REINSTATEMENT COSTS

18. If you have instructed us to report on the reinstatement cost of the Property for insurance purposes, we will provide you with an approximate opinion of such cost only. You acknowledge and agree that the provision of our opinion of the reinstatement cost is provided to you strictly without liability and on a non-reliance basis. If you require a reinstatement cost figure on which you may rely, please let us know and we will ask our building surveying colleagues to provide a fee estimate.

SUB-CONTRACTING

19. We may sub-contract the provision of any services to be performed by us pursuant to this agreement (including, without limitation, to other companies that are direct or indirect subsidiaries of Savills plc) provided that we will remain responsible to you for the provision of those services and the provision of our Report. We may request that you pay any sub-contractor directly for those of our fees which relate to work carried out by the sub-contractor. In these circumstances, the fees in question are to be paid by you directly to the sub-contractor and we will be entitled to assign to the sub-contractor any rights that we have in respect of those fees.

MONEY LAUNDERING

20. You shall promptly, upon request, provide us with any information reasonably required to enable us to comply with our obligations under the Money Laundering Regulations and our internal compliance policies relating to the same. For the avoidance of doubt, searches may also be conducted on your directors and "beneficial owners" as is required by the legislation. You agree that we may retain such information and documentation for these purposes and make searches of appropriate databases electronically. If such information is not provided within a reasonable time or you do not meet the requirements set out in our relevant internal policies, we may terminate this instruction immediately upon written notice to you.

HEALTH AND SAFETY

21. If we are undertaking physical inspections of the Property, you shall take reasonable steps to procure that the owner and/or occupier of the Property: (a) advises us of any hazards to which our staff may be exposed at the Property (b) provides us with any relevant health and safety policies and (c) arranges for any site visits to the Property to be hosted by a representative of the owner/occupier of the Property.

JURISDICTION

22. This agreement and any dispute arising from the Valuation is subject to English jurisdiction and law.

APPENDICES

23. Your attention is drawn to the attached appendices which form part of the agreement between us and on which our Valuation will be reported. By signing a copy of this letter you are also confirming your agreement to them.

Yours faithfully,

Katharine Scott

Katharine Scott BSc (Hons) MRICS
RICS Registered Valuer

For and on behalf of Savills (UK) Limited

Client Acceptance

I confirm **Urban & Civic Plc's** agreement to this letter and the attached appendices and, in particular, confirm that the limitation on liability set out in paragraph 8 above is acknowledged, considered reasonable and accepted:

Signed by **Urban & Civic Plc**, by its duly authorised signatory

Signature

Name (in capitals) MARCUS WARWICK

Position Development Manager

Date 07/01/2021

I confirm **Cambridgeshire & Peterborough Combined Authority's** agreement to this letter and the attached appendices and, in particular, confirm that the limitation on liability set out in paragraph 8 above is acknowledged, considered reasonable and accepted:

Signed by **Cambridgeshire & Peterborough Combined Authority**, by its duly authorised signatory

Signature

Name (in capitals)

Position

Date

Client Acceptance

I confirm **Urban & Civic Plc's** agreement to this letter and the attached appendices and, in particular, confirm that the limitation on liability set out in paragraph 8 above is acknowledged, considered reasonable and accepted:

Signed by **Urban & Civic Plc**, by its duly authorised signatory

Signature _____

Name (in capitals) _____

Position _____

Date _____

I confirm **Cambridgeshire & Peterborough Combined Authority's** agreement to this letter and the attached appendices and, in particular, confirm that the limitation on liability set out in paragraph 8 above is acknowledged, considered reasonable and accepted:

Signed by **Cambridgeshire & Peterborough Combined Authority**, by its duly authorised signatory

Signature

Name (in capitals) Steve Clarke

Position Strategic Funds Senior Responsible Officer

Date 08/01/2021

Appendix 1: Definitions and Bases of Valuation

Assumption

A supposition taken to be true. It involves facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, do not need to be verified by the valuer as part of the valuation process. Typically, an assumption is made where specific investigation by the valuer is not required in order to prove that something is true (RICS Valuation – Global Standards, 2020).

Depreciated Replacement Cost

The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation (RICS Valuation – Global Standards, 2020).

Existing Use Value

The estimated amount for which an asset or liability should exchange on the Valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost (RICS Valuation – Global Standards 2017, UK national supplement).

Existing Use Value is to be used only for valuing property that is owner occupied by a business, or other entity, for inclusion in financial statements.

External Valuer

A valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client or the subject of the assignment. (RICS Valuation – Global Standards 2020). Unless otherwise stated, External Valuer does not refer to the role of an external valuer within the context of the Alternative Investment Fund Managers Directive 2011/61/EU and its implementing provisions in the United Kingdom unless agreed otherwise in writing.

Equitable Value

The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties (IVS 104 – Bases of Value), (RICS Valuation – Global Standards 2020).

Fair Value

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (RICS Valuation – Global Standards 2020).

Gross Development Value (GDV)

The aggregate market value of the proposed development, assessed on the assumption that the development is complete at the date of valuation in the market conditions prevailing at that date.

Investment Value (or Worth)

The value of an asset to a particular owner or prospective owner for individual investment or operational objectives (RICS Valuation – Global Standards 2020).

Market Rent

The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgably, prudently and without compulsion (RICS Valuation – Global Standards 2020).

Market Value

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgably, prudently and without compulsion (RICS Valuation – Global Standards 2020).

Special Assumption

An assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date (RICS Valuation – Global Standards 2020).

Appendix 2: General assumptions and conditions applicable to all valuations

Unless otherwise agreed in writing and /or stated in our report, our Valuation will be carried out on the basis of the following general assumptions and conditions in relation to each Property that is the subject of our Report. If any of the following assumptions or conditions are not valid, this may be that it has a material impact on the figure(s) reported and in that event we reserve the right to revisit our calculations.

1. That the Property(ies) is/are not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. Should there be any mortgages or charges, we have assumed that the property(ies) would be sold free of them. We have not inspected the Title Deeds or Land Registry Certificate.

2. That we have been supplied with all information likely to have an effect on the value of the Property(ies), and that the information supplied to us and summarised in this Report is both complete and correct.

3. That the building(s) has/have been constructed and is/are used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control and any future construction or use will be lawful.

4. That the Property(ies) is not adversely affected, nor likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).

5. That the building(s) is/are structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the building(s) we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the Property(ies) and our Report do not constitute a building survey or any warranty as to the state of repair or refurbishment of the Property(ies). Our Valuation is on the basis that a building survey would not reveal material defects or cause us to alter our Valuation materially.

6. That there is unrestricted access to the Property(ies) and that the site(s) is/are connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.

7. Sewers, mains services and roads giving access to the Property(ies) have been adopted, and any lease provides rights of access and egress over all communal estate roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.

8. That in the construction or alteration of the building(s) no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.

9. That the Property(ies) is/are free from environmental hazards, including infestation from invasive plants (such as Japanese Knotweed), and has/have not suffered any land contamination in the past, nor is likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.

10. That any tenant(s) is/are capable of meeting its/their obligations, and that there are no arrears of rent or undisclosed breaches of covenant.

11. In the case of a Property(ies) where we have been asked to value the site under the special assumption that the Property(ies) will be developed, there are no adverse site or soil conditions, that the Property(ies) is/are not adversely affected by the Town and Country Planning (Environmental Impact Assessment) Regulations 2017 that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our Valuation.

12. We will not make any allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the Property(ies).

13. Our Valuation will be exclusive of VAT (if applicable).

14. No allowance will be made for any expenses of realisation.

15. Excluded from our Valuation will be any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.

16. When valuing two or more properties, or a portfolio, each property will be valued individually and no allowance will be made, either positive or negative, should it form part of a larger disposal. The total stated will be the aggregate of the individual Market Values.

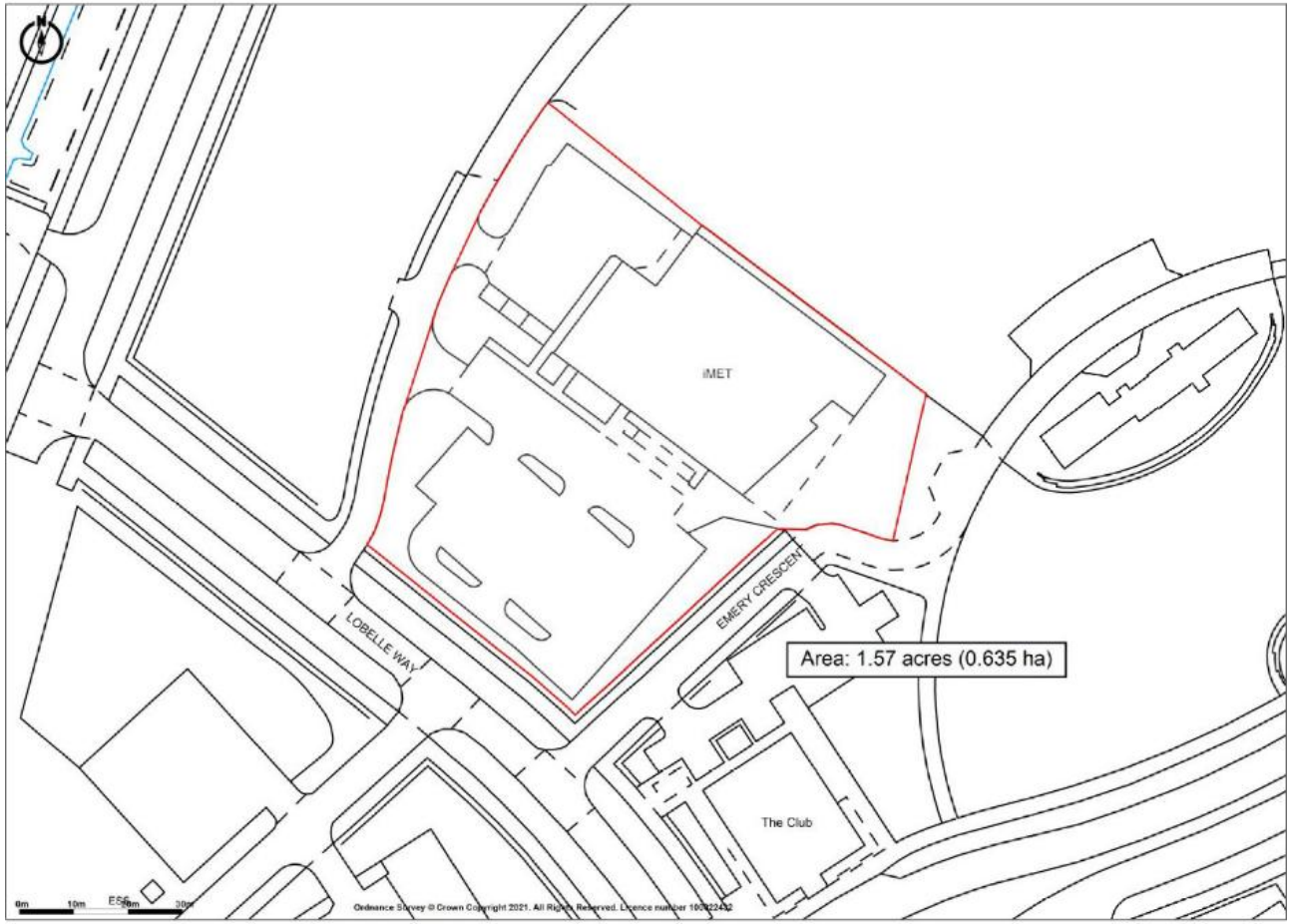
17. In the case of a Property(ies) where there is a distressed loan we will not take account of any possible effect that the appointment of either an Administrative Receiver or a Law of Property Act Receiver might have on the perception of the Property(ies) in the market and its/their subsequent valuation, or the ability of such a Receiver to realise the value of the property(ies) in either of these scenarios.

18. No allowance will be been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it will be assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EU legislation, insofar that the latter is applicable.

19. Our Valuation will be based on market evidence which has come into our possession from numerous sources, including other agents and valuers and from time to time this information is provided verbally. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions being used as comparables in our Report, we are unable to warrant that the information on which we have relied is correct.

Appendix 2 – OS Plan

iMET Building, Emery Crescent Alconbury Weald,
Huntingdon, PE28 4YE



Promap V2 LANDMARK INFORMATION

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For indicative purposes only.

Appendix 3 – Indicative Floor Plans

Proposed Gross Internal Area Schedule	
Floor	**Area**
GF Ground Floor	1,427
01 First Floor	948
	2,375 m²

1:200 0 2 4 6 8 10m

North

rev	description	drawn	checked	date
P11	Suitable for Planning	AP	JB	24.03.16
P10	Suitable for Planning	AP	JB	18.03.16
P9	Suitable for Planning	AP	ZM	09.03.16
P8	Suitable for Planning	AP	ZM	26.02.16
P7	Issue for Planning	AP	ZM	19.02.16
P6	Issue for Planning	AP	ZM	15.02.16
P5	Issue for information	AP	ZM	10.02.16
P4	Issue for information	AP	ZM	04.02.16
P3	Issue for information	AP	ZM	13.01.16
P2	Issue for information	AP	ZM	07.01.16
P1	First issue	AP	ZM	27.10.15

PRELIMINARY

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e z.master@bondbryan.co.uk

iMET

Alconbury Weald

Innovation | Manufacturing | Engineering |Technology

WILLMOTT DIXON

HRC

GA Ground Floor

bba project ref	scale(s)	original paper size
15-160	1:200	A3

drawing / document name :

project	originator	zone	level	type	role	number
ALC	BBA	Z0	ZZ	GF	A	02001

status : suitability description :

D5 **SUITABLE FOR PLANNING**

revision : revision description :

P11 **PRELIMINARY**

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GF Ground Floor	1,427
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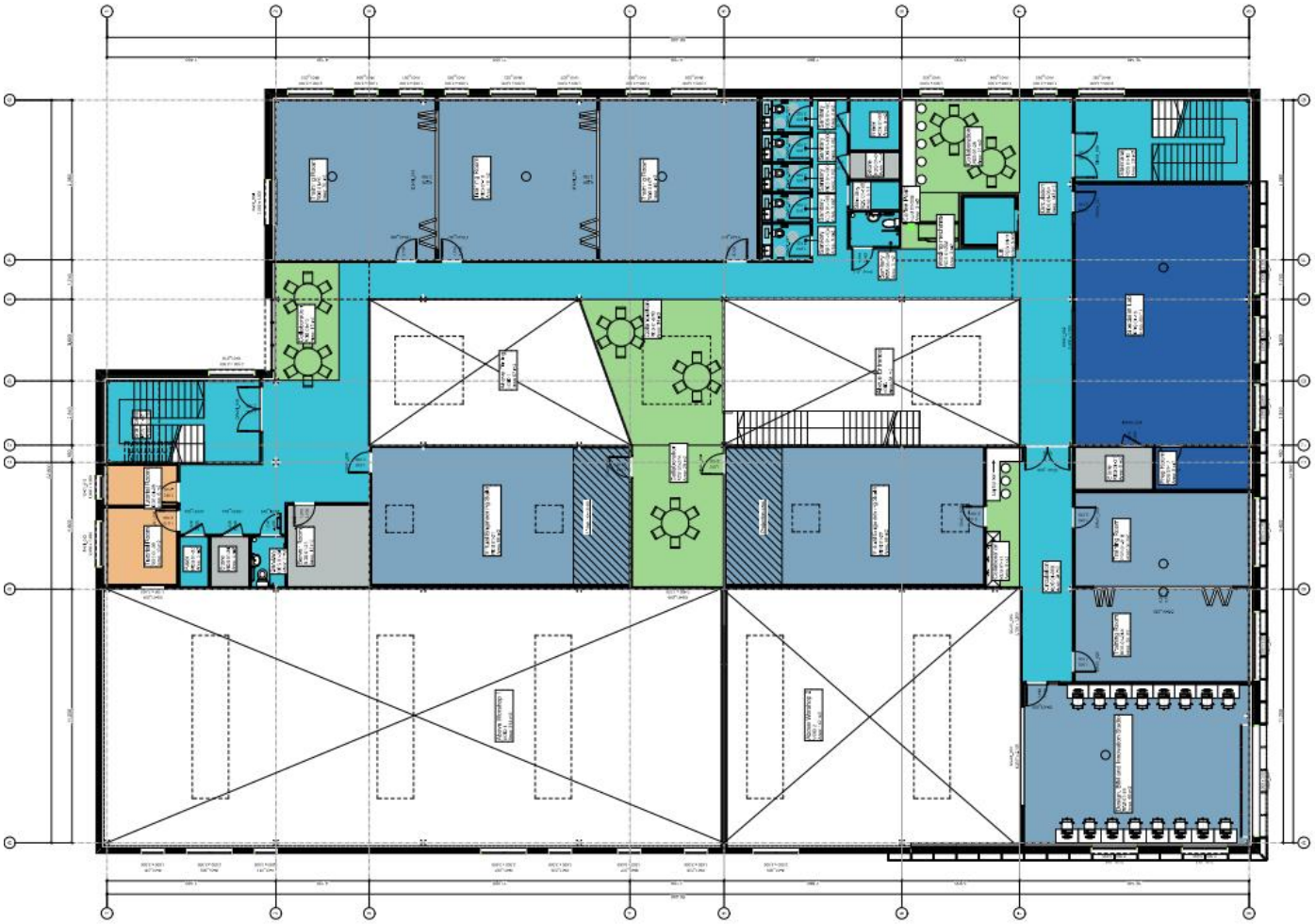

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WILLMOTT DIXON

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Appendix 4 – Proposed Floor Plans

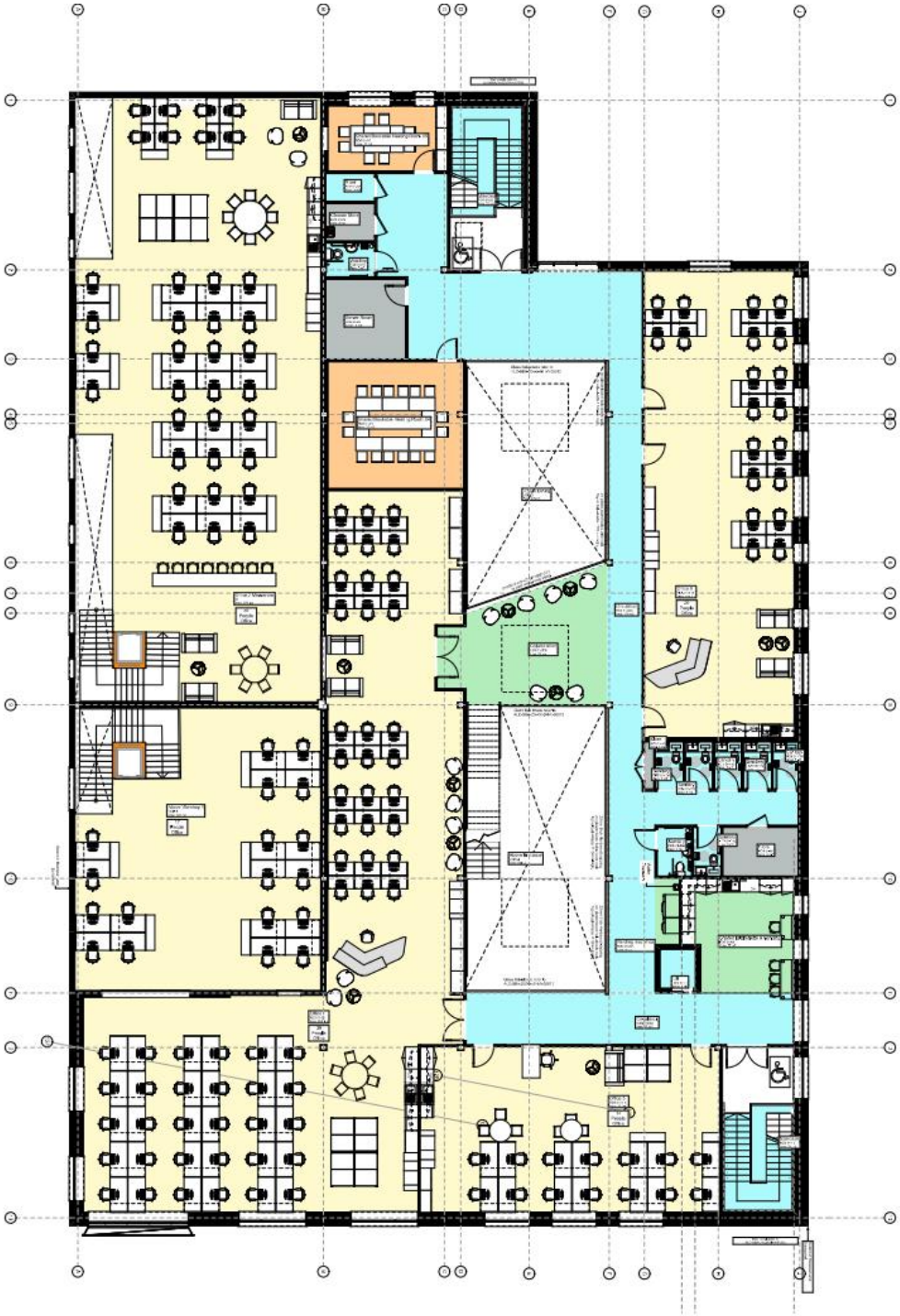
iMET | bba project ref: 20-228 | drawn: BL / SY | checked: | date: 04.01.21 | scale:

GA Ground Floor_Mezzanine Option

project originator zone level type role number: ALC - BBA - Z0 - 00 - DR - A - 02001

suitability revision: P01

BOND BRYAN



iMET | bba project ref: 20-228 | drawn: BL / SY | checked: | date: 04.01.21 | scale:

GA First Floor_Mezzanine Option

project originator zone level type role number: ALC - BBA - Z0 - 01 - DR - A - 02201

suitability revision: P01

BOND BRYAN

Appendix 5 – Macro Economic and Property Market Overview

Economic and Property Overview

October 2020

Global Economic Overview (from Focus Economics)

Global economic activity will shrink this year at the sharpest rate in decades, as measures to contain the spread of Covid-19 constrain private consumption, investment, trade and travel. Risks are elevated given a potential worsening of the pandemic and reinstatement of lockdowns. Ongoing elevated tensions between the US and China pose a further downside risk. The upside potential is a vaccine for Covid-19, which is getting increasingly closer, but still not soon enough.

In the US, economic activity appears to have recovered robustly in Q3, after GDP contracted at the fastest pace on record in Q2 due to a plunge in domestic demand amid Covid-19 containment measures. In August, the unemployment rate dropped 1.8 percentage points from the month prior while non-farm payrolls continued to rise, although they were still down 11.5 million compared to February. Moreover, retail sales continued to grow in August, albeit at the softest pace in four months as additional weekly unemployment benefits for roughly 25 million unemployed people expired at the end of July. Nevertheless, private consumption should have still rebounded firmly in Q3 compared to the previous quarter. That being said, consumer confidence remained downbeat in August, which, coupled with uncertainty over the timing of another coronavirus relief package, should limit retail sales growth ahead.

The US economy is also expected to contract notably this year due to a higher unemployment rate and anaemic consumer confidence weighing on private consumption. Next year, GDP should rebound on the back of monetary and fiscal stimulus and as the impact of the pandemic fades. Economists expect to see GDP contracting 4.7% in 2020 before growing 3.8% in 2021, which is down 0.2 percentage points from last month's consensus of economists.

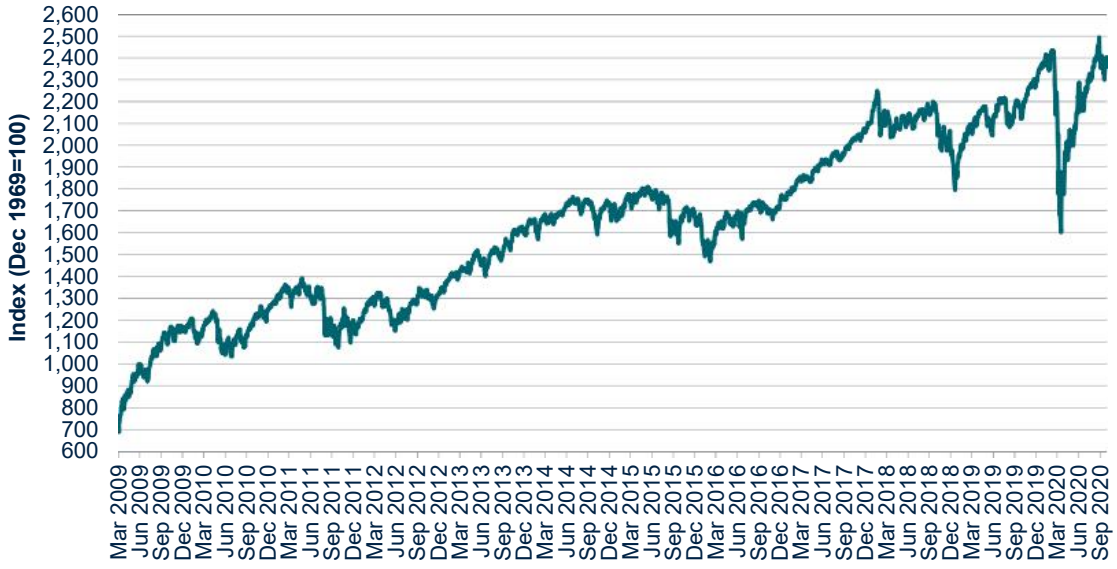
In the Euro area, lockdowns struck an unprecedented blow to the economy in Q2, with domestic demand tumbling amid frozen business and household activity and with the external sector also taking a hit. Available indicators for Q3 point to an underwhelming recovery: Industrial production and retail sales cooled, exports shrank and the unemployment rate rose again in July. Moreover, both business and consumer sentiment remained downbeat in August, while the manufacturing sector lost ground in August−September following July's spike. Additionally, outbreaks of the virus in big players France and Spain threaten the regional recovery, while S&P Global Ratings warned that European banks have increased their exposure to sovereign debt, which could result in higher "doom loop" risks. On the political front, EU finance ministers delayed any debate over the timing of the imposition of budgetary restrictions in a bid to spur the recovery.

Across the Euro zone, the economy will shrink at the fastest pace on record this year as lockdowns to contain the spread of Covid-19 lead to business closures, higher unemployment, income losses and elevated uncertainty. In 2021, the economy is expected to rebound and recover some of its lost output. Further waves of infections, high levels of public debt and trade tensions pose downside risks. The economy is seen contracting 8.1% in 2020. In 2021, GDP is seen increasing 5.5%, which is down 0.1 percentage points from a forecast a month ago.

On 10 September, the European Central Bank (ECB) reaffirmed its quantitative easing program and maintained rates unchanged at all-time lows. Moreover, ECB President Christine Lagarde announced that the Governing Council will take into account the impact of future movements of the exchange rate on the inflation outlook. The monetary stance is set to remain ultra-loose ahead. The consensus of economist project the refinancing rate to end both 2020 and 2021 at 0.00%.

More positively, as shown in Figure 1 overleaf, the MSCI World index has continued to show significant recovery from the depths recorded in the last week of March 2020.

Figure 1 MSCI World index



Source: MSCI
Note: The MSCI World Index captures large and mid-cap equity market representation across 23 developed markets countries. With 1,610 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

UK Economic Overview (from Focus Economics)

The economy appeared to rebound in Q3, following a record collapse in GDP in Q2 due to a pandemic-induced fall in domestic demand. GDP rose strongly in July as Covid-19 restrictions were loosened, while industrial production also grew in the same month. However, the labour market remained weak in July and August. Moreover, PMIs for both services and manufacturing dropped in September, indicating a potential slowdown in private sector momentum towards the end of the quarter. This comes amid the recent snap-back of some restrictions due to a second wave of cases. In other news, Chancellor Rishi Sunak scrapped plans for an autumn budget, instead revealing a job support package to replace the current furlough scheme which ends in October: The government will contribute a maximum of 22% of wages for employees who are working fewer than normal hours, in an attempt to stem further job cuts.

The economy is set for a sharp downturn this year, as the pandemic inhibits domestic demand. However, fiscal and monetary stimulus should support a rebound in 2021. That said, increased restrictions amid rapidly rising infection rates, rising unemployment and Brexit-related uncertainty all pose downside risks to the outlook. Economists project GDP to contract 9.9% in 2020 and to expand 6.5% in 2021, which is up 0.2 percentage points from last month's forecast.

The IHS Markit/CIPS UK services Purchasing Managers' Index (PMI) fell from 58.8 in August to 55.1 in September, while the manufacturing PMI decreased from 55.2 in August to 54.3 in September. The falls came amid the reintroduction of some restrictions to stem the surge in domestic Covid-19 cases. However, both indices remained above the 50-threshold separating worsening and improving operating conditions, and readings for Q3 as a whole suggest a solid rebound following Q2's economic downturn. Industrial production grew 5.2% month-on-month in seasonally-adjusted terms in July (June: +9.3% mom). July's upturn largely reflected a solid expansion in manufacturing. On an annual basis, factory output plunged 7.8% in July (June: -12.5% year-on-year). Meanwhile, the trend pointed down, with the annual average variation of industrial production coming in at minus 7.2%, down from June's minus 6.7% reading.

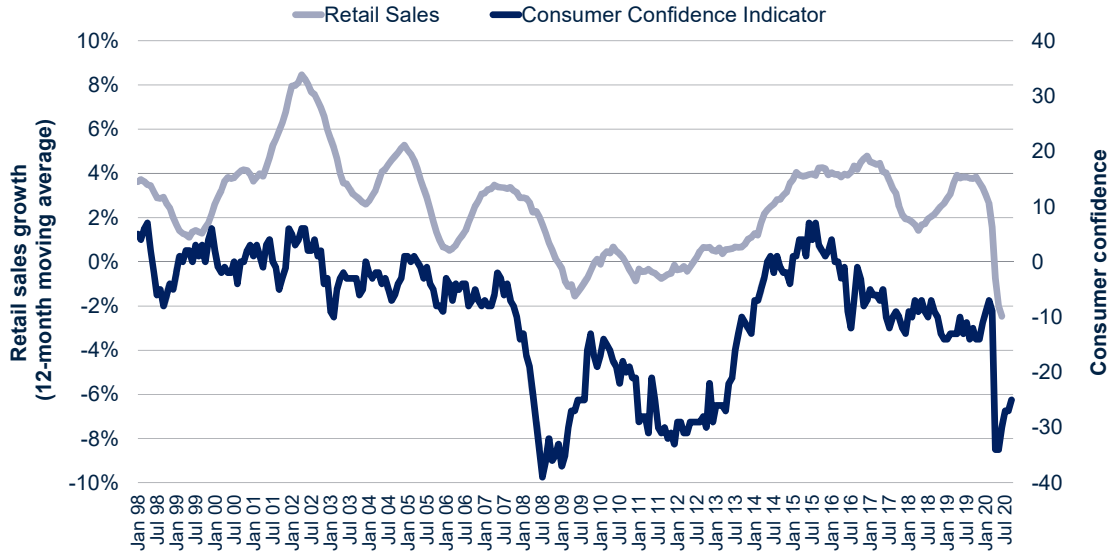
It was not surprising to see that the slowdown was especially acute in services, where the restaurant sector in particular saw demand fall sharply as the Eat Out to Help Out scheme was withdrawn. Demand for other consumer-facing services also stalled as companies struggled amid new measures introduced to fight rising infection rates and consumers often remained reluctant to spend.

Encouragingly, robust growth in manufacturing, business services and financial services has offset weakness in consumer-facing sectors.

According to the Office for National Statistics (ONS), in May–July the unemployment rate ticked up to 4.1%, while redundancies rose at the sharpest rate since 2009, increasing by 58,000 compared to the same period last year. That said, the number of people temporarily away from work came down to roughly 5.0 million in July— including workers on furlough—although over half reported being away for at least three months. Moreover, the claimant count remained stable at 2.7 million in August. Taken together, this data highlights that the labor market remains weak, as the reopening of the economy has yet to spur job growth. More positively, job vacancies rose approximately 30% in August compared to April, albeit remaining well-below pre-pandemic levels. Looking ahead, the labour market is forecast to soften as the furlough scheme winds down. While the government's recently announced wage support scheme should stem job losses, it will not stop them entirely and economist expect to see the unemployment rate rising markedly by the end of the year. The consensus of economists expect the unemployment rate to average 5.7% in 2020, which is down 0.4 percentage points from last month's forecast, and 6.6% in 2021, which is up 0.3 percentage points from last month's forecast.

Consumer confidence rose to minus 25 in September from August's minus 27. September's result marked the strongest reading since March. The rise came on the back of an improvement in consumers' views on the general economic situation, and a greater willingness to make major purchases. On the outlook, consumers are as jittery as stock markets right now and as the UK government puts the brakes back on – and there may be more to come – only an unbridled optimist will bet on confidence climbing further.

Figure 2 UK retail sales and consumer confidence



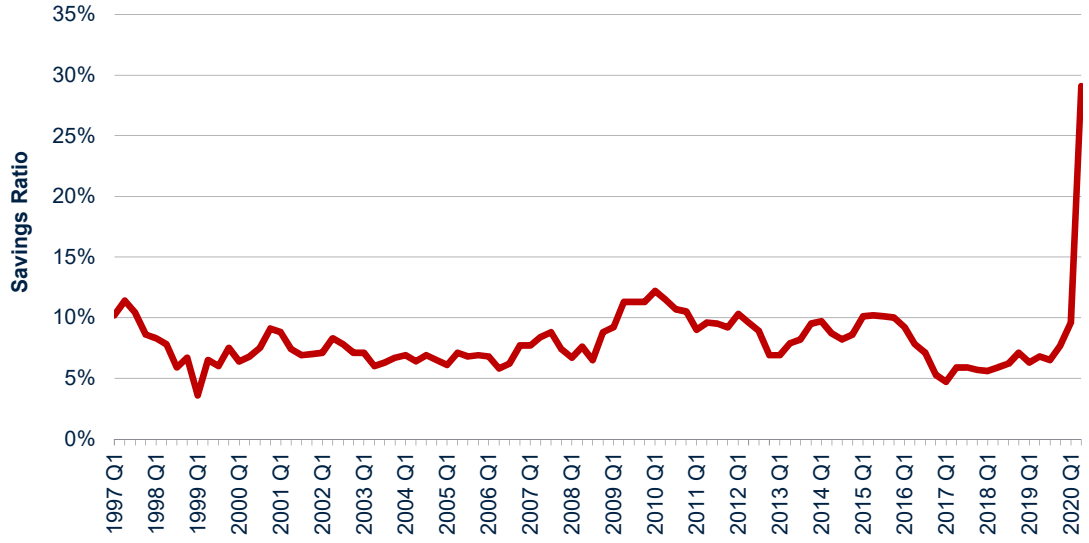
Source: Office for National Statistics / GfK

Inflation fell to 0.2% in August, down from 1.0% in July and moving further below the Bank of England's (BoE) 2.0% target rate. Going forward, economists expect to see inflation remaining substantially below target due to low prices for oil and other commodities, and depressed consumer spending. The latest forecasts for inflation show an average 0.9% in 2020 and 1.5% in 2021, which is unchanged from last month's forecast. In September, the BoE kept the Bank Rate at a record low of 0.10% and made no changes to its asset purchase program amid a gradually improving economic panorama. Economists see rates unchanged in the short- to medium-term, although Covid-19 and Brexit make the outlook uncertain, and some economists do see rates being lowered further. Latest forecasts show the Bank Rate ending 2020 at 0.10% and 2021 at 0.08%.

This is a section of the commentary has never shown any significant trends, but is an important measure for the economic health and direction of the UK economy. The second quarter of this year showed, by far, the biggest unprecedented shift and level of the savings ratio of the entire 23 year

period shown in the chart. Nearly a third of income has been saved during lockdown, which does give some protection for people and a future fillip for the retail sector.

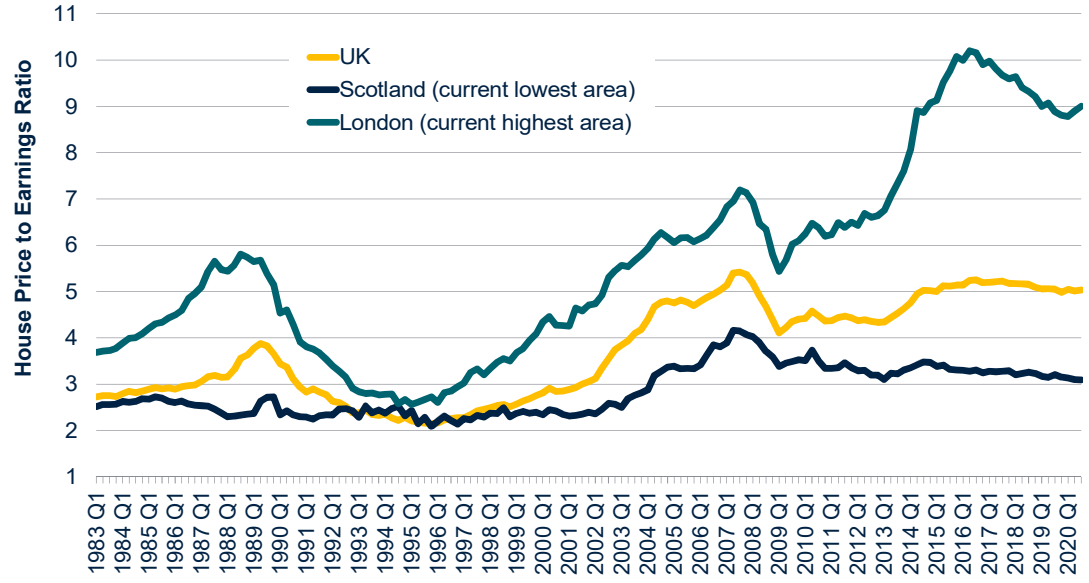
Figure 3 UK savings ratio



Source: Office for National Statistics

According to the Nationwide Building Society (NBS), house prices in the United Kingdom rose 2.0% month-on-month in August, up from July's 1.8% rise. August's increase was the largest since 2004, and was driven by an easing of Covid-19 lockdown measures and pent-up demand boosting housing activity. On an annual basis, house prices were up 3.7% (July: +1.5% year-on-year). The average house price in August was £224,123. In the next few months, pent-up demand and the stamp duty holiday could continue to support prices. Most forecasters expect labour market conditions to weaken significantly in the quarters ahead as a result of the aftereffects of the pandemic and as government support schemes wind down. If this comes to pass, it would likely dampen housing activity once again in the quarters ahead.

Figure 4 First-time buyer house price to earnings ratio



Source: Nationwide Building Society

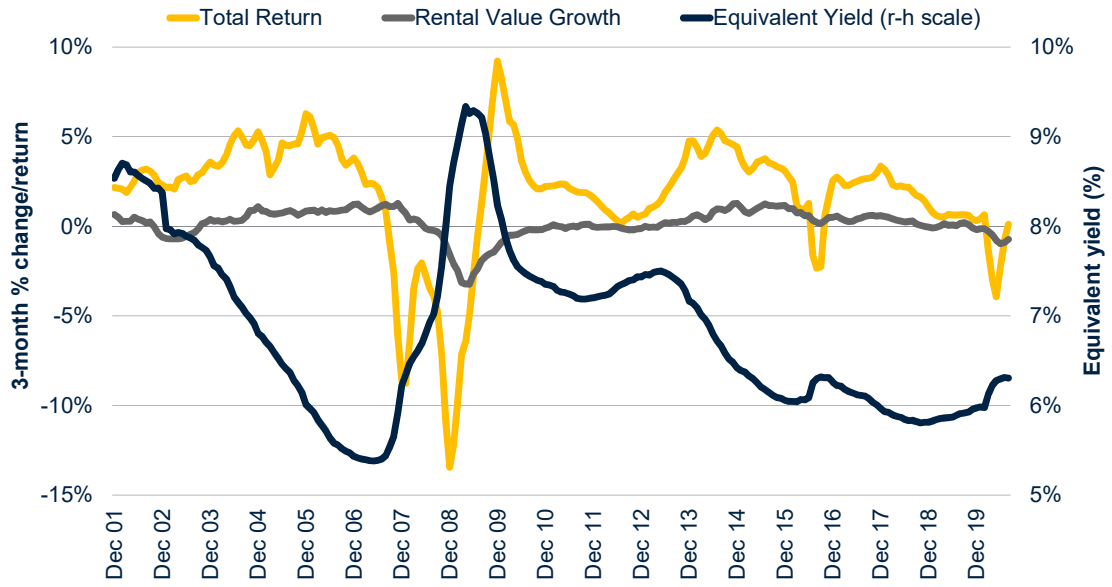
UK Commercial Property Market

MSCI is the leading authority on UK property market performance. The annual, quarterly and monthly indices for the UK provide the most comprehensive assessment of the performance and characteristics of the property market. The indices are valuation-based, but do reflect a certain degree of transactional information. The general consensus is that the index reflects the UK property market with a lag of six months.

To review the last full year, looking at the UK MSCI Monthly Index shows that 2.1% total return for the year was recorded to end-December 2019. Of this total return, -3.1% is capital growth and the income return was 5.3%. There remains a significant difference between the core property sectors. The retail sector lags far behind the other sectors in terms of total returns over the past year. For retails, a -6.4% total return is, not only negative, but much lower than the 5.0% recorded for 'All Offices'. However, both of these two sectors remain significantly overshadowed by the 7.2% total return from the industrial sector, although this is much lower than the 17.4% as at end-2018. The MSCI Annual Index uses a much larger sample of properties and shows a total return, for the 2019 full year, of 0.6%, which was 4.5% income return and -3.8% of capital growth.

As shown in Figure 5 below, driven by the impact of the lockdown and economic woes, the 3-monthly total return to the end of August 2020, was 0.1% and is back in positive territory despite an increasing yield over the past year, but has stabilised during the past few months. The rental value continues to show quarter-on-quarter decline, but the level has receded and is showing a slight uptick.

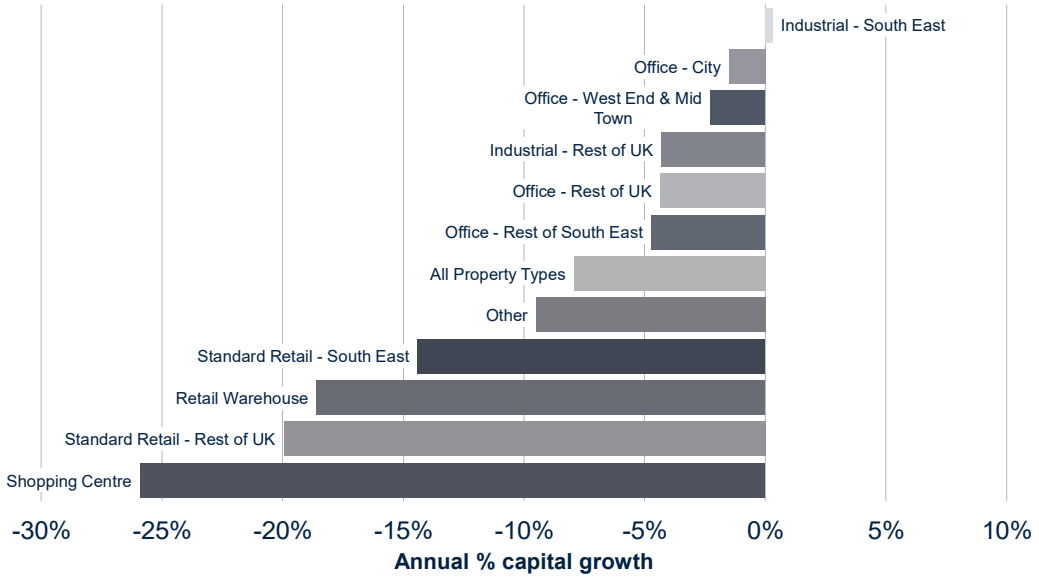
Figure 5 UK commercial property performance



Source: MSCI

Figure 6 overleaf presents the year-on-year capital value growth for 12 broad UK sectors and regions. As at the end of August, all but one of the twelve sectors remain in positive territory. The 'all property' measure in the UK is showing a 7.9% fall over the preceding 12 months. The retail sector, as a result of the inability for people to shop, has been hit very hard and is showing the lowest level of performance overall. Shopping centres are showing a near 26% fall in capital values compared to a year ago. The only positive is the fact that the rate of decline has slowed.

Figure 6 Capital value growth: 12 months to end August 2020

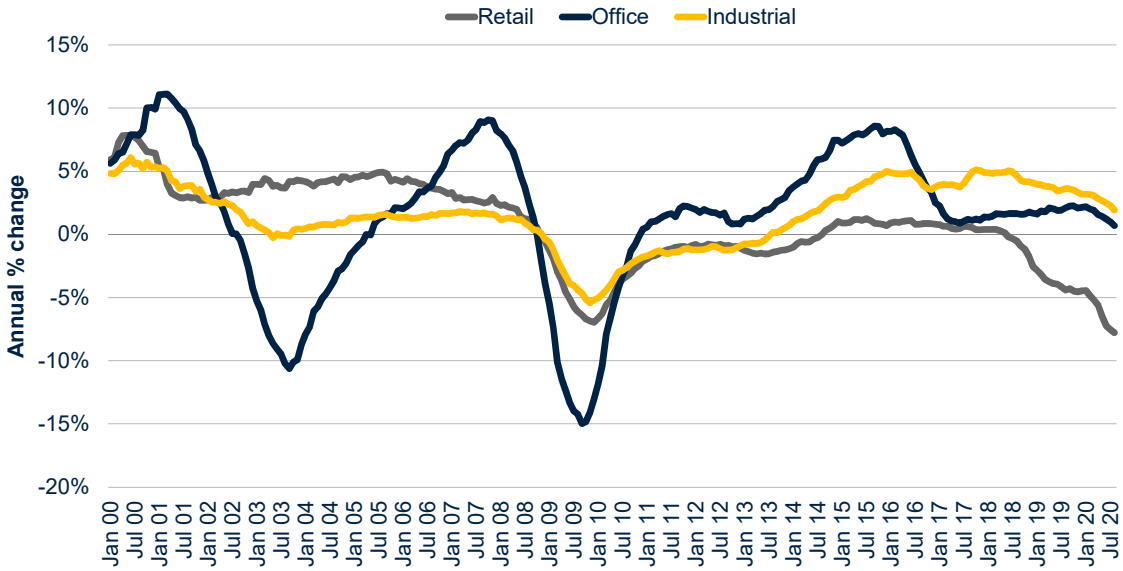


Source: MSCI

Looking at rental value growth (see Figure 7 below) the office and industrial sectors remain in positive territory, in terms of year-on-year growth. The industrial sector remains in positive, but the magnitude of growth has been receding. Despite this, the occupational market for the distribution sector is showing record levels of take-up to cater for the rising level of internet-related retailing demand.

In terms of year-on-year change, only the retail sector is currently showing rental growth declines that are of a higher magnitude than the global financial crisis.

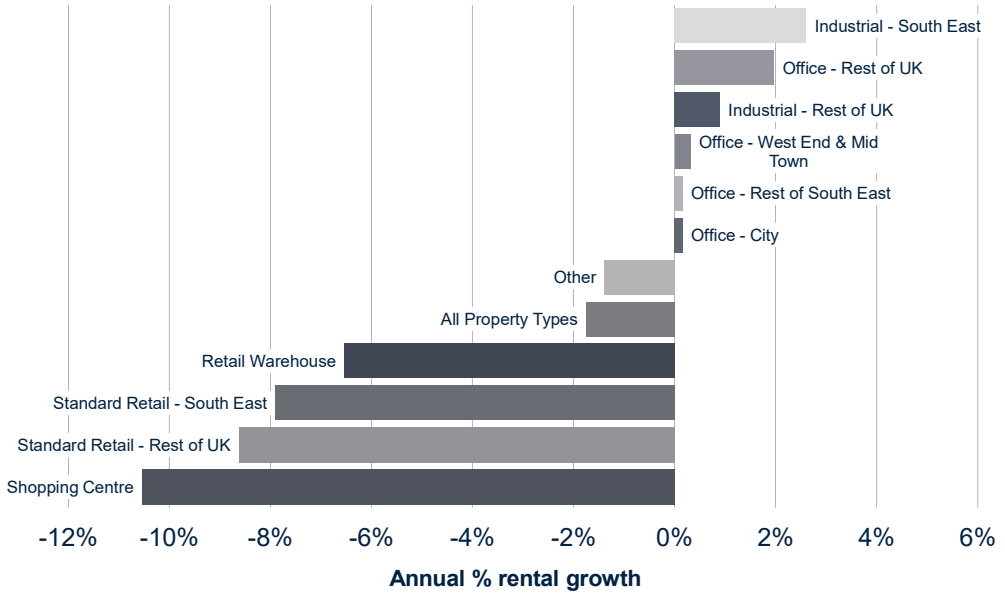
Figure 7 Rental value growth: annual % change



Source: MSCI

Following on from the previous chart and breaking down the main sectors further, as shown in Figure 8 below, the sectoral disparity remains evident with over 13 percentage points 'spread' between the highest and lowest performing sub-sectors in the 12 months to end-August. The retail sector showing annual rental decline of between 6% and 11%. The highest decline is for the shopping centre sector.

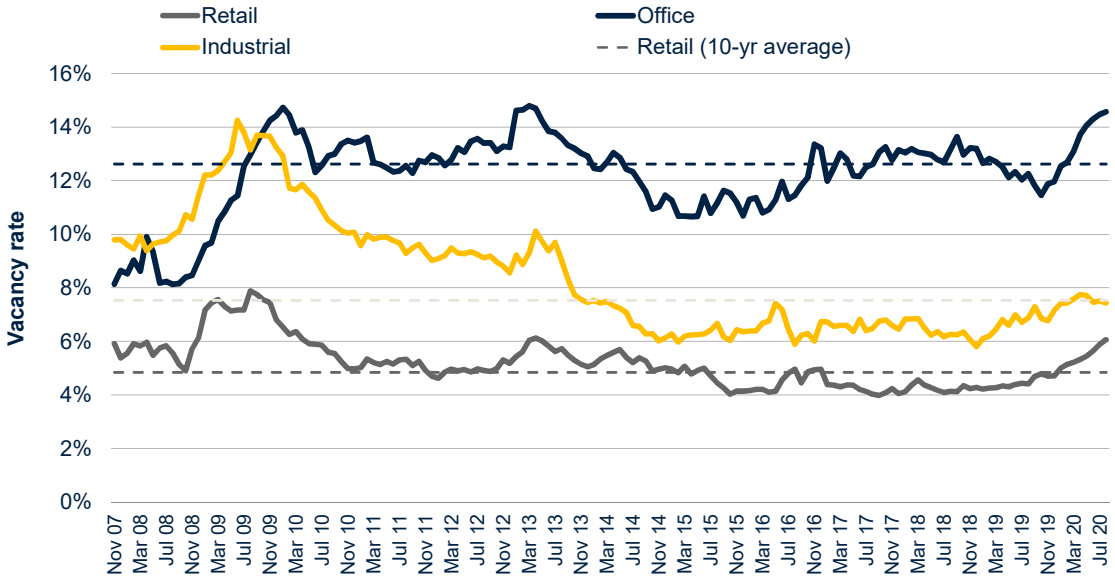
Figure 8 Rental value growth: 12 months to end August 2020



Source: MSCI

Figure 9 presents the proportion of financial-based (estimated open market rental value as void) within the MSCI UK portfolio data. The retail and office sectors are above the 10-year trend level. The industrial sector, unsurprisingly, has not trended upwards and sits on the 10-year average. The office sector has moved significantly higher as sentiment towards lower demand for offices has emerged. However, the impact will also be related to the recessionary period which is why it is at a similar level to the global financial crisis at present.

Figure 9 Vacancy rate – financial based



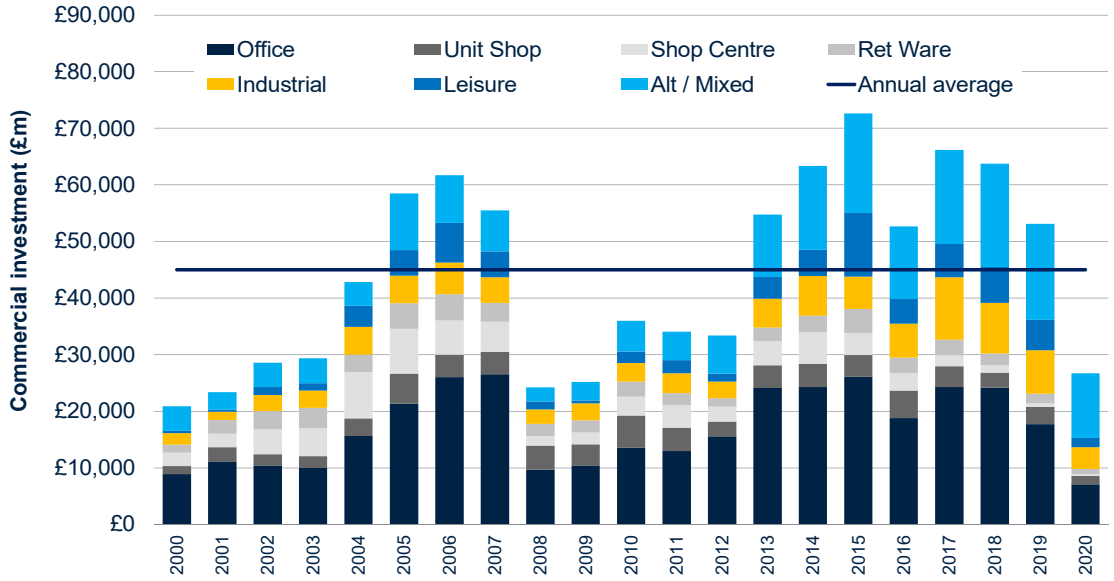
Source: MSCI
Note: Financial Vacancy, which is based on market rental value (MRV) of the vacant units divided by the total market rental value (MRV)

Commercial Investment Transactions

Commercial investment volumes reached £53bn during 2019, which was around 17% below the 2018 level, but still 16% above the long term annual average (Figure 10, below). The volume of overseas money coming into the UK reached £25.5bn during 2019, accounting for 49% of the total (2018: 44%) and above the 10-year average of 44%. Weaker Sterling continues to play into the hands of overseas investors, who are being increasingly drawn to attractive yields in the UK regions.

As we passed the third quarter of 2020, it is encouraging to see that the 2020 total is above the global financial crisis year of 2008. The expectation for next year, is for a recovery in overall volumes, unlike what was witnessed in 2009. There is a significant level of investment stock on the market, at present and this will continue to trade, albeit with investors looking for a lower price in the short-term, but knowing they are buying in to the longer-term resilience and attractiveness of UK commercial property. It is still likely that the full year will be around the £35bn level.

Figure 10 UK commercial property investment by sector



Source: Property Data
Note: * as at 6/10/2020

Of the 12 sub-sectors, shown below, nine sectors have seen yields move higher during the 12 months to the end of August 2020. Retail and leisure have moved higher, unsurprisingly. The industrial and London office sectors remain stable over the year.

Table 1 Savills prime equivalent yields

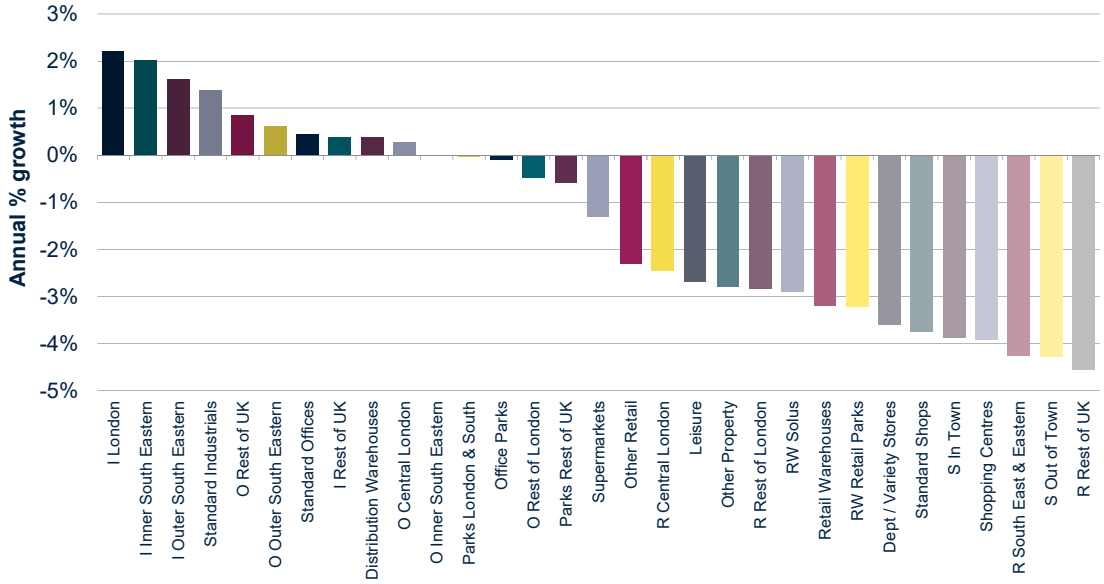
	August 2019	December 2019	August 2020	Annual change (bps)
West End Offices	3.75%	3.75%	3.75%	0
City Offices	4.00%	4.00%	4.00%	0
Offices M25	5.00%	5.00%	5.25%	25
Provincial Offices	4.75%	4.75%	5.00%	25
High Street Retail	5.00%	5.50%	6.00%	100
Shopping Centres	5.50%	5.75%	6.50%	100
Retail Warehouse (Open A1)	6.25%	6.25%	6.75%	50
Retail Warehouse (Restricted)	6.50%	6.50%	7.00%	50
Industrial Distribution	4.25%	4.25%	4.25%	0
Industrial Multi-let	4.00%	4.00%	4.00%	0
Leisure Parks	5.75%	5.75%	6.75%	100
London leased (core) hotels	3.75%	3.75%	4.00%	25
Regional pubs (RPI linked)	4.50%	4.50%	4.75%	25

Source: Savills

Commercial Property Forecasts

This section reviews the latest forecasts provided by RealFor (created Q2 2020), an industry forecast provider that uses the MSCI data as the forecasting base. Over the next five years (2020-2024), the London industrial market is expected to show the highest average annual rental growth over the forecast period (2.2% pa), followed by South East industrials (Figure 11).

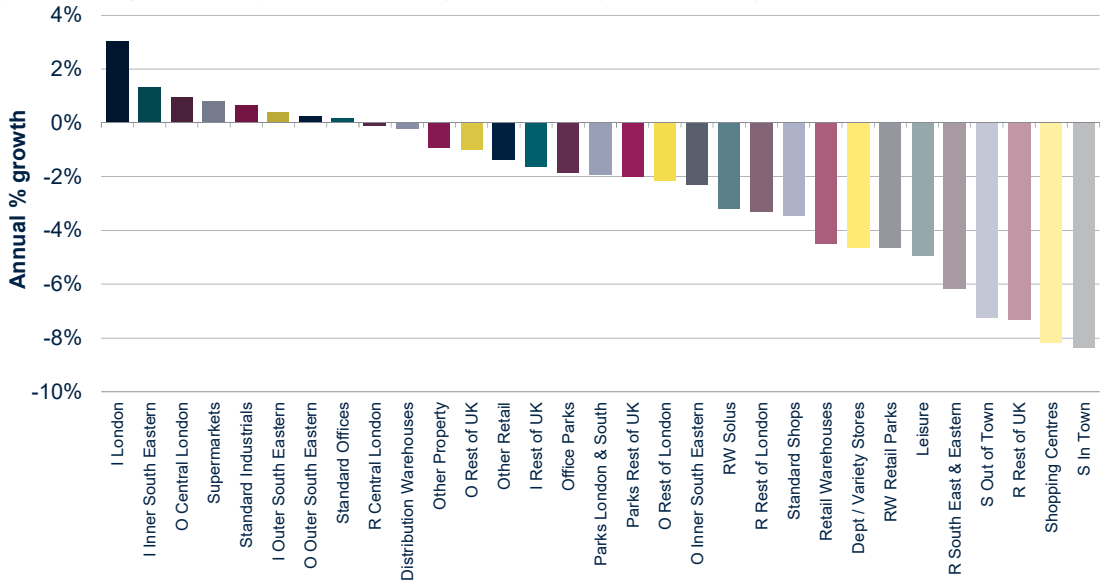
Figure 11 Rental value growth forecasts (annual average; 2020-2024)



Source: RealFor

In-line with the outlook for rental value growth, one of the strongest annual average capital value growth expectations is London industrials. Central London offices are expected to show positive growth during the forecast period and the supermarket sector is the best performing retail sub-sector. The difference between the highest and lowest forecast performance is still significant with a range of around 7%. Overall, the London markets, across all sectors, are stronger for the forecast period.

Figure 12 Capital value growth forecasts (annual average; 2020-2024)



Source: RealFor

Appendix 6 – Valuation Calculations

iMET Building, Emery Crescent, Alconbury Weald

26-Jan-21
KS
474080

Valuation Calculations

Assignment Sum

Assignment Sum	A x B / C	
A	£500,000	
B	293.5	RPI one month before the transfer (nb Nov 2020 = most recent figure available)
C	258.8	RPI January 2016
Assignment Sum	£567,040	

Current Land Value

	Acres	£ per acre	Value	
Site	1.57	£400,000	£628,000	
say			**£625,000**	Payable to freeholder on assignment of long lease

Current Market Value - Long Leasehold Interest (Existing Use)

Bases of Value

MR	£222,700	per annum
Letting Void	24	months
Rent Free	12	months
Equivalent Yield	9.0%	until lease expiry in 2141

Market Value (from Argus)	**£1,790,000**	£72.33	per sq ft GIA
		£95.35	per sq ft NIA

Current Market Value - Freehold Interest on Special Assumption Long Lease Extinguished (Office Conversion)

Bases of Value

MR	£371,500	per annum
Letting Void	12	months
Rent Free	9	months
Equivalent Yield	7.50%	

Value (from Argus)	£4,100,000	£176.58	per sq ft NIA
Conversion Costs	£870,000		
Market Value	**£3,230,000**	£130.52	per sq ft GIA (existing)
		£172.06	per sq ft NIA (existing)

Existing Freehold Value

Assignment sum		£625,000		
	20%	£125,000	equivalent to	Present Value of unencumbered freehold
			120	years
			2.75%	£124,561
Say		**£125,000**		

Detailed Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 01/01/2021

Property

Address	iMET Building - Existing Educational Use,
External ID	
Property Type	Mixed Use (Office/Retail)
Description/Notes	Template for UK Assets using TradVal Methodology
Valuation Tables	Annually in Arrears

Valuation

Gross Valuation			1,902,536
Capital Costs			0
Net Value Before Fees			1,902,536
Less	Agent's Fee	@1.00% Net Sale Price	21,495
	Legal Fee	@0.50% Net Sale Price	10,747
	Stamp Duty	@4.41% Stamp Duty	79,062
	Fees include non recoverable VAT @ 20.00 %		
Net Valuation			1,791,232
Say			1,790,000

Equivalent Yield	9.005%	True Equivalent Yield	9.4196%
Initial Yield (Valuation Rent)	-0.0001%	Initial Yield (Contracted Rent)	-0.0001%
Reversion Yield	11.713%		
Total Valuation Rent	0	Total Contracted Rent	0
Total Rental Value	222,700	Number of Tenants	1
Capital Value Per Area	72		

Capital Costs

Label	Timing	Initial Annual Amount	Discount Rate	Discounted Value

Running Yields

Date	Gross Rent	Revenue Cost	Ground Lease Expenses	Net Rent	Annual	Quarterly
01/01/2021	0	0	-1	-1	-0.0001%	-0.0001%
19/01/2024	222,700	0	-1	222,699	11.7130%	12.6233%
01/10/2141	0	0	0	0	0.0000%	0.0000%

Yields Based On Say Value + Acq.Costs + Cap.Ex

Detailed Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 01/01/2021

Tenants

Tenant Name	Suite	Lease ID	Next Review	Earliest Termination	CAP Group	Method	Contracted Rent	Valuation Rent	Rental Value	Gross Value	Initial Yield	Initial Yield (Contracted)	Equivalent Yield	Reversionary Yield
Educational User			19/01/2028	18/01/2033	Override	Hardcore(9%)	0	0	222,700	1,902,536	0.0000%	0.0000%	9.0000%	11.7054%

Detailed Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 01/01/2021

Headlease
Tenant - Educational User

Suite			
Lease Type	Other		
Lease Status	Speculative		
Lease	10 years from 19/01/2023 Expiring 18/01/2033		
Parent Tenure	Headlease		
Cap Group	Override		
Current Rent	0		
Rental Value	222,700		
Valuation Method	Hardcore(9%)	Froth	0%
Initial Yield (Valuation Rent)	0%		
Initial Yield (Contracted Rent)	0%		
Equivalent Yield	9%		
Reversionary Yield	11.7054%	Note: Based on Initial tenant Rent / Gross Tenant Value	

Notes

Areas	Area	Rental Value Group	Rental Value Rate	% of Rate	% Position	+/- % Adjust	Adjusted Rate/Year	Units	Unit Rent/Year	Rental Value
Ground Floor	14,962.00		9.00	100%	0%	0%	9.00	0	0	134,658
First Floor	9,785.00		9.00	100%	0%	0%	9.00	0	0	88,065
	24,747									**222,723**

Base Rent Schedule

Date	Years	Months	Days	Event	Gross Rent	Revenue Costs	Ground Lease Expenses	Net Rent	Yield
19/01/2023	1	0	0	Rent Free	0	0	-1	-1	-0.0001%
19/01/2024	4	0	0	Base Rent	222,700	0	-1	222,699	11.7054%
19/01/2028	5	0	0	Rent Review	222,700	0	-1	222,699	11.7054%

Capital Costs

Label	Timing	Initial Annual Amount	Discount Rate	Discounted Value

Component Valuation

Start Date	Valuation Term	Slice Type	Yield	SF,Tax	Deferred	Gross Rent	Rental Value	Revenue Costs	Ground Rent	Net Rent	Less Froth Ded.	Valuation Rent	YP	PV	Gross Value

Detailed Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 01/01/2021

Start Date	Valuation Term	Slice Type	Yield	SF,Tax	Deferred	Gross Rent	Rental Value	Revenue Costs	Ground Rent	Net Rent	Less Froth Ded.	Valuation Rent	YP	PV	Gross Value
01/01/2021	2 Yrs 0 Mths	Void (Hardcore)	9.0000%	0%,0%	0 Yrs 0 Mths	0	0	0	-1	-1	0	-1	1.7988	1.0000	-2
19/01/2023	1 Yr 0 Mths	Fixed	9.0000%	0%,0%	2 Yrs 0 Mths	0	222,700	0	-1	-1	0	-1	0.9174	0.8381	-1
19/01/2024	117 Yrs 8 Mths	Adjustment (Hardcore)	9.0000%	0%,0%	3 Yrs 0 Mths	222,700	222,700	0	-1	222,699	0	222,699	11.1107	0.7689	1,902,539
															1,902,536

Detailed Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 01/01/2021

iMET Building - Existing Educational Use

Leasehold: Headlease
Ground Lease term 125 Years from 01/10/2016
Expiring 30/09/2141
Geared Varies 0% of Tenant Market Rent
Subject to a Minimum Ground Rent 0

Base Rent Schedule

Date	Years	Months	Days	Type	Units	Amount	Gross Rent
01/10/2016	125	0	0	Base	£ / Year	1	1

Detailed Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 19/01/2021

Property

Address	iMET Building Proposed Office Use,
External ID	
Property Type	Office
Description/Notes	Template for UK Assets using TradVal Methodology
Valuation Tables	Annually in Arrears

Valuation

Gross Valuation			4,364,482
Capital Costs			0
Net Value Before Fees			4,364,482
Less	Agent's Fee	@1.00% Net Sale Price	49,157
	Legal Fee	@0.50% Net Sale Price	24,579
	Stamp Duty	@4.74% Stamp Duty	194,321
	Fees include non recoverable VAT @ 20.00 %		
Net Valuation			4,096,425
Say			4,100,000

Equivalent Yield	7.4942%	True Equivalent Yield	7.8158%
Initial Yield (Valuation Rent)	0%	Initial Yield (Contracted Rent)	0%
Reversion Yield	8.5049%		
Total Valuation Rent	0	Total Contracted Rent	0
Total Rental Value	371,500	Number of Tenants	1
Capital Value Per Area	177		

Capital Costs

Label	Timing	Initial Annual Amount	Discount Rate	Discounted Value

Running Yields

Date	Gross Rent	Revenue Cost	Ground Lease Expenses	Net Rent	Annual	Quarterly
19/01/2021	0	0	0	0	0.0000%	0.0000%
19/10/2022	371,500	0	0	371,500	8.5049%	8.9770%

Yields Based On Say Value + Acq.Costs + Cap.Ex

Detailed Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 19/01/2021

Tenants

Tenant Name	Suite	Lease ID	Next Review	Earliest Termination	CAP Group	Method	Contracted Rent	Valuation Rent	Rental Value	Gross Value	Initial Yield	Initial Yield (Contracted)	Equivalent Yield	Reversionary Yield
Proposed Office User			19/01/2027	18/01/2032	Override	Hardcore (7.5%)	0	0	371,500	4,364,482	0.0000%	0.0000%	7.5000%	8.5119%

Detailed Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 19/01/2021

Freehold
Tenant - Proposed Office User

Suite			
Lease Type	Office		
Lease Status	Speculative		
Lease	10 years from 19/01/2022 Expiring 18/01/2032		
Parent Tenure	Freehold		
Cap Group	Override		
Current Rent	0		
Rental Value	371,500		
Valuation Method	Hardcore(7.5%)	Froth	0%
Initial Yield (Valuation Rent)	0%		
Initial Yield (Contracted Rent)	0%		
Equivalent Yield	7.5%		
Reversionary Yield	8.5119%	Note: Based on Initial tenant Rent / Gross Tenant Value	

Notes

Areas	Area	Rental Value Group	Rental Value Rate	% of Rate	% Position	+/- % Adjust	Adjusted Rate/Year	Units	Unit Rent/Year	Rental Value
Ground Floor	11,679.00		16.00	100%	0%	0%	16.00	0	0	186,864
First Floor	11,539.00		16.00	100%	0%	0%	16.00	0	0	184,624
	23,218									**371,488**

Base Rent Schedule

Date	Years	Months	Days	Event	Gross Rent	Revenue Costs	Ground Lease Expenses	Net Rent	Yield
19/01/2022	0	9	0	Rent Free	0	0	0	0	0.0000%
19/10/2022	4	3	0	Base Rent	371,500	0	0	371,500	8.5119%
19/01/2027	5	0	0	Rent Review	371,500	0	0	371,500	8.5119%

Capital Costs

Label	Timing	Initial Annual Amount	Discount Rate	Discounted Value

Component Valuation

Start Date	Valuation Term	Slice Type	Yield	SF,Tax	Deferred	Gross Rent	Rental Value	Revenue Costs	Ground Rent	Net Rent	Less Froth Ded.	Valuation Rent	YP	PV	Gross Value

Detailed Valuation (Amounts in GBP, Measures in SF)

Valuation Date: 19/01/2021

Start Date	Valuation Term	Slice Type	Yield	SF,Tax	Deferred	Gross Rent	Rental Value	Revenue Costs	Ground Rent	Net Rent	Less Froth Ded.	Valuation Rent	YP	PV	Gross Value
19/10/2022	In Perp	Adjustment (Hardcore)	7.5000%	0%,0%	1 Yr 9 Mths	371,500	371,500	0	0	371,500	0	371,500	13.3333	0.8811	4,364,482
															4,364,482

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THE BUSINESS BOARD

Agenda Item No: 3.1

Reappointment of First Term Private Sector Members

To:	Business Board
Meeting Date:	14 September 2021
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	Director for Business & Skills, John T Hill
Key decision:	No
Recommendations:	The Business Board is recommended to:

Approve second term reappointments for private sector members Austen Adams (Chair), Andy Neely (Vice-Chair), Tina Barsby and Aamir Khalid.

1. Purpose

1.1 To confirm the reappointment of existing private sector members appointed in September 2018. Business Board members can serve for a period of three years with one consecutive term permitted upon unanimous vote of the Board members present and voting.

2. Background

2.1 The National Assurance Framework states that "*To support the Chair in their role, all LEPs should appoint a Deputy Chair. The LEP should have a defined term limit of three years for the Chair and Deputy Chair, with an optional extension of three years. There is an option to extend for a further three years in exceptional circumstances if approved by the Board*. (para 133)".

2.2 The Business Board Constitution states that "*The term of office for private sector representatives will normally be a maximum of three (3) years, and subject to a maximum of one consecutive term*" (para 9.10).

2.3 Five private sector members have reached the end of their first 3-year term and are up for reappointment. These are Austen Adams (Chair), Andy Neely (Vice-Chair), Tina Barsby, Aamir Khalid, and Mark Dorsett, with all these members joining the Business Board in September 2018.

2.4 Four of the members have indicated in writing that they would like to serve again and continue to comply with the eligibility criteria for appointment. These are Austen Adams, Andy Neely, Tina Barsby, and Aamir Khalid. If re-elected by the board, the second term appointments for these private members would run until September 2024.

2.5 The fifth member, Mark Dorsett, has informed officers that he is retiring from Caterpillar, a local employer in Peterborough, and will not be employed by another firm in the area. As employment locally is an eligibility criterion for Board membership, Mark Dorsett will not be standing for reappointment.

2.6 The Business Board Constitution states that "*All private sector members of the Business Board act in their individual capacity and not as representatives of their respective organisations*" (para 7.2), and that "*Members should be employed by, or have a substantial interest (by virtue of ownership / control) in businesses in the area served by the Business Board*" (para 9.4).

Significant Implications

3. Financial Implications

3.1 Provision for the continued remuneration of the Business Board is allowed for within the existing Combined Authority budget so there are no significant financial implications from this.

4. Legal Implications

4.1 Reappointments have been made in accordance with the Assurance Framework, which was reviewed in March 2021.

5. Other Significant Implications

5.1 None.

6. Appendices

6.1 None.

7. Background Papers

7.1 Business Board September 2018 Minutes – Appointment of Members

7.2 National Assurance Framework

7.3 Cambridgeshire & Peterborough Combined Authority Constitution

THE BUSINESS BOARD

Agenda Item No: 3.2

Business Community Insight

To:	Business Board
Meeting Date:	14 September 2021
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	Director for Business & Skills, John T Hill
Key decision:	No
Recommendations:	The Business Board is recommended to:

Consider the two proposed options to broaden membership of the Business Board to include representation from local Business Representative Organisations and Trade Unions.

1. Purpose

1.1 The Business Board has been asked to consider the options set out within this report to ensure the Business Board remains truly representative of the communities and cross section of businesses it serves by including representation from local Business Representative Organisations and Trade Unions.

2. Background

2.1 Larger firms find it easier to release staff to participate and engage with LEP Boards and events, as the staff time involved is a much smaller proportion of their resources than for a smaller business. It will always be a challenge, therefore, to get small businesses to sit on LEP Boards and committees. It is therefore important to consider available resources for gathering evidence and business insight, and this can be achieved through good links with locally based Business Representative Organisations.

2.2 It is best practice for LEPs to ensure a diverse Board that draws on the representation of sectors and all parts of their geography, with representation from entrepreneurial and growing start-ups and from the voluntary and community sector bodies who will often work with and deliver services on behalf of the most vulnerable in society. The Government encourages LEPs to consider how to reflect different sectors of the local community through Sub-Boards. Furthermore, this ensures that LEP Boards continue to attract and retain the required expertise to better represent the key sectors and wider business community.

2.3 The Business Advisory Panel (BAP) is the current Sub-Board, which was set up by the Business Board as an opportunity to feed in the views of the wider business community, through connectivity with the local chapters of national business organisations, such as the Federation of Small Businesses, Institute of Directors, Confederation of British Industry and Chambers of Commerce, as well as placed based organisations, like Opportunity Peterborough and Cambridge Ahead. The initial meetings were relatively successful, although the Business Board were keen to develop the BAP's role and interface into Business Board meetings over the course of 2020. However, due to Covid-19, meetings were suspended in February 2020 on the basis that the BAP role was subsumed into the operations of the local Economic Recovery Sub-Group (ERSG).

2.4 Members are reminded that in May 2021, the Business Board supported a reconfiguration of the BAP to replicate the more dynamic and powerful role the ERSG has been able to deliver during Covid-19. It was agreed that as the LEP landscape evolves, it was sensible for the Business Board to maintain strong relationships with all its stakeholders, including changes to ensure the BAP remains an effective mechanism and bolsters the Business Board's ability to provide coordinated responses to the Government on behalf of the whole area.

2.5 Whilst the ERSG has been instrumental in connecting partners into a regular forum to collaboratively co-create an Economic Recovery Strategy for Cambridgeshire and Peterborough, there is a need to review its role as Covid-19 restrictions are removed and the economy continues to fully open. On this basis, it makes little sense to continue with both Sub-Groups, and it is therefore proposed that the ERSG is wound down and replaced by the newly reconfigured BAP to assume lead role in support of the Business Board.

2.6 Finally, the Trade Union Congress (TUC), through its network of over 54 affiliated Unions, has recently raised with the Government concerns at the nature of the make-up of LEP boards, that can often have too narrow a focus on partnerships between business representatives and local authority leaders, which leads to the exclusion of other important social, economic and environmental partners (SEEPS), including Trade Unions. These partners are keen to ensure that representatives on LEP boards are genuinely representative and can speak on behalf of the diversity of business interests across a LEP area. There is a noticeable lack of consistency with the LEP landscape offering a very mixed picture on how this is being addressed by the LEP network. The local affiliated network of Unions believes that there is need for greater clarity about the process for appointment to the board of LEPs, and the need to facilitate more effective engagement with Trade Unions and is something that should be explored and considered by the Business Board.

3. Options available to the Business Board

3.1 To ensure the Business Board continues to remain truly representative of the communities which it serves and to strengthen business insight, members are asked to consider the following options.

3.1.1 Option 1 - To further strengthen links with Business Representative Organisations:

- *Recruiting a local Business Representative Organisation representative to chair the BAP Sub-Group as a voting member on the Business Board.*

  This would help to bring in additional economic insight and input through closer links with the recently incepted self-organised cooperative group of Business Representation Organisations under the leadership of Cambridgeshire Chambers of Commerce. This representative would be agreed with both the BAP and the Business Board.

3.1.2 Option 2 – To strengthen links with Trade Union organisations:

- *Recruiting a local Trade Union representative as a voting member on to the Business Board.*

  This could be achieved by recruiting a local Trade Union representative as a voting member on to the Business Board, to feed-in perspectives and insight from the local community of Trade Unions. In a similar approach to our local Business Representation Organisation communities, this could involve exploring the potential of local affiliations of Trade Unions forming into a self-organised local group to share insight and issues, and electing a chair to be put forward as a candidate for one of the three vacant Business Board positions.

3.2 The Business Board is being asked to give consideration to the above options on the proposed expansion in membership representation. Subject to the Business Board's position, CPCA officers will undertake further governance and legal review, and follow-up with the Business Board to seek approval prior to any changes being implemented.

Significant Implications

4. Financial Implications

4.1 The options have no net financial impact as they identify options to fill vacant positions on the Business Board for which allowances are already budgeted.

5. Legal Implications

5.1 The Local Assurance Framework would be revised accordingly to reflect any future changes, subject to Combined Authority Board approval.

6. Other Significant Implications

6.1 None.

7. Appendices

7.1 None.

8. Background Papers

8.1 National Assurance Framework

8.2 CPCA Constitution

8.3 Business Advisory Panel Report – 19 May 2021 – Item 3.5

8.4 Business Board Recruitment paper – 19July 2021 – Item 3.4

THE BUSINESS BOARD

Agenda Item No: 3.3

Format of Business Board Meetings

To:	Business Board
Meeting Date:	14 September 2021
Public report:	Yes
Lead Member:	Chair of the Business Board, Austen Adams
From:	Director for Business & Skills, John T Hill
Key decision:	No
Recommendations:	The Business Board is recommended to:

a) Reconsider the recommendation from the Audit and Governance Committee, 'that there should be a presumption that meetings of the Business Board are carried out in public (unless otherwise determined by the Chair); and

b) Recommend the Combined Authority approve the proposed format change for future Business Board meetings.

1. Purpose

1.1 To seek agreement to the proposed format change to allow meetings of the Business Board to be carried out in public (unless otherwise determined by the Chair) and make recommendation to the Combined Authority Board to approve the change.

2. Background

2.1 On 5th March 2021, the Audit and Governance Committee considered the draft revised Local Assurance Framework. During that meeting, the Committee expressed concern that meetings of the Business Board were held in private and requested that the Business Board made recommendations to address this concern. The minutes of that meeting record the following:

Committee members raised concerns around the open and transparent nature of the Business Board. Members felt there was a conflict between the Nolan Principles outlined within the Assurance Framework and the statement that all meetings of the Business Board would be private, except for the Annual General Meeting and other meetings as the Chair deemed necessary. The Committee were advised that there was no requirement within the National Assurance Framework to have the Business Board meetings held in public. The degree of openness was thus a decision for the CA Board, as the Accountable Body. The Committee were strongly of the opinion that the Combined Authority's policy of openness, in line with the Nolan Principles, should apply equally to the Business Board, as to all other Committees. The presumption should be that the Business Board would hold meetings in public, except where the Chair deemed there were reasons of confidentiality not to do so.

2.2 The committee resolved to:

(a) Recommended to the CA Board that the word 'not' be removed at point 4.1.7 of the Assurance Framework to read: 4.1.7: All other meetings of the Business Board shall be open to the public unless determined otherwise by the Chair.

2.3 On 24th March 2021, the Combined Authority considered the revised draft Local Assurance Framework, as recommended by the Audit and Governance Committee. In order to facilitate the decision of the committee detailed at 2.2 above, the Business Board would first need to consider and agree to the proposed change, prior to implementation by the Combined Authority. In consequence, the Combined Authority resolved to:

(f) Refer the recommendation of the Audit and Governance Committee, 'that there should be a presumption that meetings of the Business Board are carried out in public (unless otherwise determined by the Chair)', to the Business Board for comment and consideration.

2.4 On 30th June 2021, the Combined Authority further considered the recommendation from the Business Board that "Business Board meetings retain the current format, holding meetings in private with one public annual meeting each year, recognising the need to improve transparency but not at the expense of compromising confidentiality, and to work earnestly with the Overview and Scrutiny Committee to explore mechanisms to improve that".

2.5 The Mayor commented that prior to his election he had stated that the Business Board should meet in public. He now understood the more nuanced position, but in the course of time he would like to see more public sessions. On being put to the vote the recommendation was lost. It was agreed that Austen Adams (Chair of the Business Board) and John Pye (Chair of the Audit & Governance Committee) would meet to discuss a way forward in terms of a solution.

2.6 This meeting was held on 11th August 2021, and it was agreed to propose that all meetings of the Business Board shall be open to the public unless determined otherwise by the Chair. This would enable commercially sensitive and confidential items to be discussed and for open and frank exchanges of information and views to be expressed that might not otherwise be offered in an open forum. This forms an important element within governance arrangements.

2.7 Reference is shown below from the Assurance Framework with the proposed amendment as a tracked change (removal in strikethrough):

4.1.7 All meetings of the Business Board ~~shall not~~ WILL be open to the public unless determined otherwise by the Chair. This enables commercially confidential items to be discussed and ~~for open and frank exchanges of information and views to be expressed that might not otherwise be offered in an open forum. This~~ forms an important element within the Combined Authority governance arrangements.

Significant Implications

3. Financial Implications

3.1 There are no direct financial implications from this decision, as a decision to meet in public does not require meeting “in-person”. There would be a financial implication to in-person meetings, as appropriate space and AV resources would need to be acquired.

4. Legal Implications

4.1 The proposed change (as set out in para 2.7 above) to the Assurance Framework must be approved by the Combined Authority Board.

5. Other Significant Implications

5.1 None.

6. Appendices

6.1 None.

7. Background Papers

7.1 CA Board Meeting – 30th June 2021 - CMIS > Meetings

THE BUSINESS BOARD

Business Board Forward Plan

Published 6th September 2021

Business Board Meeting – 14th September 2021							
	Report Title	Decision Maker	Decision Expected	Decision	Purpose	Report Author	Lead Member
1.	Minutes of the Meeting Held on 19th July 2021	Business Board			To approve the minutes of the last meeting as a correct record.		
2.	Budget and Performance Report	Business Board			To provide an update and overview of MTFP funding lines within the Business & Skills Directorate.	*Vanessa Ainsworth, Finance Manager*	Chair
3.	Strategic Funding Management Review – September 2021	Business Board			To monitor and review programme performance, evaluation, outcomes and risks.	*Steve Clarke, SRO LGF and Market Insight & Evaluation*	Chair
4.	Growth Works: Management Review – September 2021	Business Board			To monitor and review programme delivery and performance.	*Nigel Parkinson, Growth Co Chair*	Chair
5.	Phase 3 University of Peterborough – Masterplan and Short-Term Financing	Business Board			To note the report to Combined Authority Board (28 July).	*Mahmood Foroughi, SRO Higher Education*	Chair
6.	iMET Investment Update and Recovery Recommendations – Urgency Procedure Update	Combined Authority Board	29th September 2021		To note the outcome of the urgency procedure and make recommendations to the Combined Authority Board.	*Steve Clarke, SRO LGF and Market Insight & Evaluation*	Chair

7.	Reappointment of First Term Private Sector Members	Business Board			To confirm reappointment of first term private sector members to the Business Board, including the Chair and Vice-Chair.	*Domenico Cirillo, Business Programmes & Business Board Manager*	Chair
8.	Business Community Insight	Business Board			To consider the options available to extend the membership of the Board.	*Domenico Cirillo, Business Programmes & Business Board Manager*	Chair
9.	Format of Business Board Meetings	Combined Authority Board	29th September 2021		To consider the implications of holding Business Board meetings in public.	*Domenico Cirillo, Business Programmes & Business Board Manager*	Chair
10.	Forward Plan	Business Board			To note the Forward Plan.	*Monitoring Officer for Combined Authority*	Chair

Business Board Meeting – 9th November 2021 **(Public meeting)**							
	Report Title	Decision Maker	Decision Expected	Decision	Purpose	Report Author	Lead Member
1.	Minutes of the Meeting Held on 14th September 2021	Business Board			To approve the minutes of the last meeting as a correct record.		

2.	Budget and Performance Report	Business Board			To provide an update and overview of MTFP funding lines within the Business & Skills Directorate.	*Vanessa Ainsworth, Finance Manager*	Chair
3.	Strategic Funding Management Review – November 2021	Combined Authority Board	24th November 2021	Decision	To monitor and review programme performance, evaluation, outcomes and risks.	*Steve Clarke, SRO LGF and Market Insight & Evaluation*	Chair
4.	Community Renewal Fund (CRF) Bids Update	Combined Authority Board	24th November 2021		To update members on the outcome of the submission of bids to the CRF.	*Steve Clarke, SRO LGF and Market Insight & Evaluation*	Chair
5.	Growth Works Inward Investment Service – request for recycled Local Growth Funds	Combined Authority Board	24th November 2021	Decision	To approve the use of £1,750,000 from recycled Local Growth Funds to be reinvested into the Inward Investment Service line within the Growth Works contract.	*Alan Downton, Interim Programme Manager*	Chair
6.	Sector Strategies - Agri-Tech and Digital	Combined Authority Board	24th November 2021	Decision	To approve and adopt the strategies for the Agri-Tech and Digital Sectors in Cambridgeshire & Peterborough.	*Martin Lutman, Agri-Tech Sector Specialist & Steve Clarke, SRO LGF and Market Insight & Evaluation*	Chair
7.	Combined Authority Implications of the LEP Review	Combined Authority Board	24th November 2021		To note the outcomes of Government's national LEP Review.	*John T Hill, Director, Business & Skills*	Chair

8.	Business Board Annual Report	Business Board			To present the published Business Board Annual Report.	*Domenico Cirillo, Business Programmes & Business Board Manager*	Chair
9.	Business & Market Engagement Update	Business Board			To update members on latest PR activity.	*Emily Martin, Head of Communications*	Chair
10.	Forward Plan	Business Board			To note the Forward Plan.	*Monitoring Officer for Combined Authority*	Chair

Business Board Meeting – 11th January 2022							
	Report Title	Decision Maker	Decision Expected	Decision	Purpose	Report Author	Lead Member
1.	Minutes of the Meeting Held on 9th November 2021	Business Board			To approve the minutes of the last meeting as a correct record.		
2.	Budget and Performance Report	Business Board			To provide an update and overview of MTFP funding lines within the Business & Skills Directorate.	*Vanessa Ainsworth, Finance Manager*	Chair

3.	Strategic Funding Management Review – January 2022	Combined Authority Board	26th January 2022	Decision	To monitor and review programme performance, evaluation, outcomes and risks.	*Steve Clarke, SRO LGF and Market Insight & Evaluation*	Chair
4.	Growth Works Management Review – January 2022	Combined Authority Board	26th January 2022		To monitor and review programme delivery and performance.	*Nigel Parkinson, Growth Co Chair*	Chair
5.	Opportunities to Develop the Greater South East Energy Hub	Combined Authority Board	26th January 2022		To note the opportunities for a green manufacturing supply chain and skills requirements.	*Alan Downton, Interim Programme Manager*	Chair
6.	Local Industrial Recovery Brexit and Skills Strategy	Combined Authority Board	26th January 2022		To present the integrated Local Industrial Recovery Brexit and Skills Strategy for approval.	*Alan Downton, Interim Programme Manager*	Chair
7.	Climate Commission Report Update	Business Board			To update members on the final Climate Change Commission Report.	*Domenico Cirillo, Business Programmes & Business Board Manager*	Chair
8.	Business Board Recruitment – New Appointments	Combined Authority Board	26th January 2022	Decision	To confirm the appointments of new private sector Board members.	*Domenico Cirillo, Business Programmes & Business Board Manager*	Chair
9.	Adult Education Budget – Delivery outcomes and impact	Business Board			To present a review of the CPCA's performance in improving delivery of Adult Education.	*Parminder Singh Garcha, SRO Adult Education*	Chair

10.	University of Peterborough – Multi-Phase Delivery Plan and Basis for Campus Outline Planning	Business Board			To note the University of Peterborough Multi-Phase Delivery Plan and Basis for Campus Outline Planning.	*John T Hill, Director Business & Skills*	
11	University of Peterborough Phase 3 Full Business Case	Combined Authority Board	26th January 2022		To approve the Full Business Case for the University of Peterborough Phase 3.	*Mahmood Foroughi, SRO Higher Education*	
12.	Enterprise Zones Programme Update	Combined Authority Board	26th January 2022		To provide members with an update on the Enterprise Zones Programme.	*Domenico Cirillo, Business Programmes & Business Board Manager*	Chair
13.	Forward Plan	Business Board			To note the Forward Plan.	*Monitoring Officer for Combined Authority*	Chair

Business Board Meeting – 15th March 2022							
	Report Title	Decision Maker	Decision Expected	Decision	Purpose	Report Author	Lead Member
1.	Minutes of the Meeting Held on 11th January 2022	Business Board			To approve the minutes of the last meeting as a correct record.		
2.	Budget and Performance Report	Business Board			To provide an update and overview of MTFP funding lines within the Business & Skills Directorate.	*Vanessa Ainsworth, Finance Manager*	Chair

3.	Strategic Funding Management Review – March 2022	Combined Authority Board	30th March 2022	Decision	To monitor and review programme performance, evaluation, outcomes and risks.	*Steve Clarke, SRO LGF and Market Insight & Evaluation*	Chair
4.	Business Board Performance Assessment and Evaluation Report	Business Board			To present the final report following the performance assessment of the Board.	*Domenico Cirillo, Business Programmes & Business Board Manager*	Chair
5.	Business & Market Engagement Update	Business Board			To update members on latest PR activity.	*Emily Martin, Head of Communications*	Chair
6.	Forward Plan	Business Board			To note the Forward Plan.	*Monitoring Officer for Combined Authority*	Chair

Business Board Meeting – 10th May 2022							
	Report Title	Decision Maker	Decision Expected	Decision	Purpose	Report Author	Lead Member
1.	Minutes of the Meeting Held on 15th March 2022	Business Board			To approve the minutes of the last meeting as a correct record.		
2.	Budget and Performance Report	Business Board			To provide an update and overview of MTFP funding lines within the Business & Skills Directorate.	*Vanessa Ainsworth, Finance Manager*	Chair

3.	Strategic Funding Management Review – May 2022	Combined Authority Board	25th May 2022	Decision	To monitor and review programme performance, evaluation, outcomes and risks.	*Steve Clarke, SRO LGF and Market Insight & Evaluation*	Chair
4.	Growth Works Management Review – May 2022	Business Board			To monitor and review programme delivery and performance.	*Nigel Parkinson, Growth Co Chair*	Chair
5.	Digital Skills Bootcamps Evaluation	Business Board			To share the evaluation data with the Business Board to inform future work.	*Fliss Miller – SRO Workforce Skills*	Chair
6.	Nomination of Business Board Representatives for the Combined Authority Board	Combined Authority Board	25th May 2022		To nominate the Chair and Vice-Chair to be member and substitute member of the Combined Authority Board for the municipal year 2022/23.	*Domenico Cirillo, Business Programmes & Business Board Manager*	Chair
7.	Business Board Annual Report and Delivery Plan	Combined Authority Board	25th May 2022		To approve the Business Board Annual Report for 2021-22 and Annual Delivery Plan for 2022-23.	*Domenico Cirillo, Business Programmes & Business Board Manager*	Chair
8.	Business & Market Engagement Update	Business Board			To update members on latest PR activity.	*Emily Martin, Head of Communications*	Chair
9.	Forward Plan	Business Board			To note the Forward Plan.	*Monitoring Officer for Combined Authority*	Chair

SUBMIT YOUR COMMENTS OR QUERIES TO BUSINESS BOARD

Your comment or query:

How can we contact you with a response?
(please include a telephone number, postal and/or e-mail address)

Name ……

Address ……

……

Tel: …….....

Email: ……

Who would you like to respond?