

ALCONBURY AIRFIELD ENTERPRISE ZONE

MEMORANDUM OF UNDERSTANDING BETWEEN THE GREATER CAMBRIDGE & GREATER PETERBOROUGH LOCAL ENTERPRISE AND URBAN AND CIVIC LIMITED

1. This memorandum of understanding sets out the principles that should underpin the development of the Alconbury enterprise zone, as agreed by the Greater Cambridge Greater Peterborough (GCGP) local enterprise partnership and the developer and landowner Urban and Civic Limited (U&C).
2. On 17 August 2011 the Government awarded (GCGP) an enterprise zone covering 150 hectares of land within Alconbury Airfield. The attached map highlights the boundary of the enterprise zone as agreed with Government. An enterprise zone is a geographically defined area agreed between the local enterprise partnership and the Government. An enterprise zone will benefit from business rate discounts for businesses located or locating within the zone, simplified planning arrangements and include support if needed to ensure the roll out of super fast broadband.
3. Urban and Civic Limited are the landowners of the Alconbury Airfield, including the 150 hectares designated as an enterprise zone and will lead the development and marketing of the zone.
4. Under this memorandum of understanding, GCGP and U&C jointly commit themselves to the following Key Principles in taking forward the development of the Alconbury enterprise zone:
 - In developing the enterprise zone all effort should be made to ensure that it avoids local displacement whilst recognising the current constraints facing businesses within the area
 - Companies locating within the Alconbury enterprise zone should bring genuinely additional business growth and the marketing of the Alconbury enterprise zone should be targeted in that way;
 - The enterprise zone should support GCGP's wider economic priorities and relevant target sectors for this site, including ICT and communications, knowledge-based industries, and high-technology manufacturing; and
 - The Alconbury enterprise zone should contain no significant retail, nor permanent or standalone "B8" uses..
5. In this context:
 - local displacement is defined as a scenario whereby a business that is currently located within the local area relocates to premises within the enterprise zone with no expansion benefits (i.e. solely to benefit from the business rate discounts).
 - if a local business intends to expand its operations (signified by an increase in GVA, jobs or profit over three years) by taking up premises within the enterprise zone, this is not defined as local displacement.

- Where a business already located within the local area (meaning “the LEP area” in this context) that expresses a wish to relocate to the enterprise zone is actively looking at relocating outside of the GCGP’s area the potential job losses resulting from such a move will be a material factor for all parties to consider in the context of displacement.

6. GCGP and U&C will work together on communications, marketing and delivery of the Alconbury enterprise zone as well as reviewing and handling expressions of interest, so as to deliver the enterprise zone in accordance with the Key Principles. U&C will have particular regard to the need to avoid local displacement from local businesses moving into the enterprise zone and GCGP will give due consideration to U&C’s business plan for the wider Alconbury site and its need to achieve a sustainable return on its investment. In so doing, both GCGP and U&C will seek to promote businesses which would be particularly beneficial to the wider LEP economy.

7. U&C will bring forward development across Alconbury Airfield which compliments and enhances the viability of the enterprise zone.

8. These principles are consistent with the Government’s approach to Enterprise Zones, as set out its Enterprise Zone Prospectus (DCLG March 2011), with the LEP’s bid to Government for Alconbury to be an Enterprise Zone and with the Alconbury enterprise zone Implementation Plan (November 2011).

9. The enterprise zone was awarded by Government to GCGP and the Local Enterprise Partnership therefore has a responsibility for its establishment and long term success.

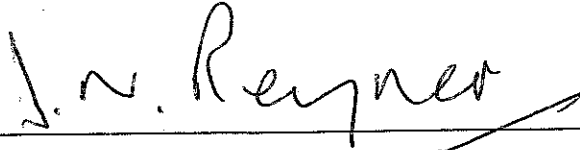
EZ Steering Group and Project Board

10. The Alconbury Steering Group will sit below the GCGP LEP Board and will report to the Board on the development of the Enterprise Zone and business enquiries. Membership of the steering group will be comprised of GCGP, Urban and Civic Limited, Huntingdonshire District Council and Cambridgeshire County Council. Where possible, day to day decisions over contentious business enquiries will be taken by the steering group. Where the steering group is unable to reach agreement on a particular case, this would then be escalated up to the GCGP Board for further review.

11. At a working level, the Alconbury Project Board will support the Steering Group in relation to enterprise zone issues, and also address the wider issues related to development of the site as a whole. This will be co-chaired by the LEP Strategy Director and the Managing Director of Huntingdonshire District Council and include representation from Urban & Civic and the County Council, and others as needed.

12. Where it is agreed that a business' proposed move to the enterprise zone would lead to local displacement, GCGP will work with the business to see whether there are other options available that would enable it to remain located within GCGP's area but not within the enterprise zone.

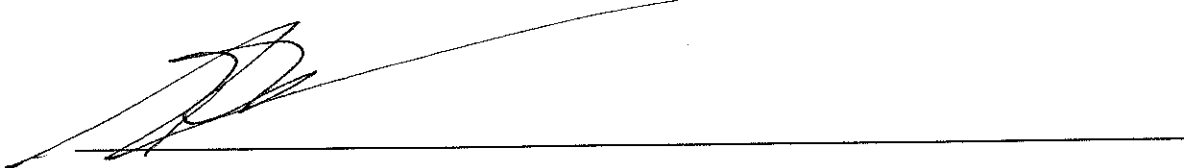
Signed for and on behalf of the Greater Cambridge Greater Peterborough Enterprise Partnership by:



Neville Reyner CBE DL, Chairman

4/4/12

Signed for and on behalf of Urban & Civic by:



Robin Butler, Managing Director