

## Appendix 2

### The Cambridge Investment Partnership (CIP)

In July 2016 Cambridge City Council Strategy and Resources Committee approved a recommendation to establish an Investment Partnership. The Leader approved setting up an Investment Partnership to optimise the use of the Council's property through investment in commercial, residential and other uses to achieve both social and financial returns.

After an assessment by a panel of external consultants and internal officers from the Council, Hill Investment Partnerships (HIP) was selected from a shortlist of companies to form the Cambridge Investment Partnership (CIP) with the City Council.

The Partnership is an equal, 50:50 Limited Liability Partnership (LLP). The investment partnership model provides an opportunity for the Council to benefit from the experience and additional resource that a development partner can bring. Each partner shares the outputs (financial and social) in proportion to the value of its input, and therefore the model allows the partners to share the development risk and the development uplift arising from a scheme. A higher percentage of development uplift in a scheme procured through an alternative single developer route, would be paid directly to the developer

The agreed objectives of CIP as set out in the Members Agreement are:

- Investment in the development of land to create successful new places that meet both the financial objectives (primarily a revenue return) and social objectives of the Cambridge City Council (particularly housing that is affordable and is needed locally), provided always that the individual sites may be developed to meet either financial or social objectives;
- Improve the use of Council assets and those of other Public Sector Bodies in the Cambridge, or Cambridge wide, area;
- Maximise financial return through enhanced asset value, (with reference to the first bullet above)
- Provide a return to the Investment Partners commensurate to their investment and the level of risk in respect to such investment.

The business of CIP is conducted in accordance with the governance processes and procedures which are set out in the Members Agreement. Cambridge City Council is represented on the CIP Board by Executive Councillor for Finance and Resources and the Executive Councillor for Housing, Hills Investment Partnership is represented by two Directors of Hill Investment Partnership.

The process by which schemes are identified and offered to CIP for development was approved in a Report which was presented to Strategy + Resources Scrutiny Committee on 9<sup>th</sup> October 2017.