

A single shareholder, valued stakeholders and dynamic partnerships

The long-term success of our business remains, as ever, critically dependent on the way we work with a wide range of stakeholders. Since we were founded, through our life as a public company and today as part of the Wellcome Trust, we have always believed in doing things right and creating value for all our stakeholders, not only in the way we do business but in the places we craft.

2020 and 2021 were a real test for many businesses with the pandemic creating heretofore unforeseen impacts. We are proud of the way that our team faced these challenges. The business has strengthened both internal and external relationships and as people have increasingly focused on their local areas, the logic for large scale Strategic Sites, providing high quality places to live and work flexibly with great landscape, schools and facilities, has become even more compelling and widely accepted.

Working with the Wellcome Trust team has also provided us with an insight into the importance of Wellcome Trust's mission and the activities it undertakes both here in the UK and around the world.

Section 172 statement

The Directors continue to have regard to the interests of the Company's wider stakeholders, in accordance with section 172 of the Companies Act. The content on stakeholder engagement on pages 28 to 31 highlights key actions in this area of which the Board has full transparency through both direct engagement and internal reporting. Further details on how the Directors' duties are discharged and the oversight of these duties are included in the governance section on pages 70 to 97.



Shareholder

On 21 January 2021 Urban&Civic delisted and was acquired by the Wellcome Trust as an investment within its investment portfolio.

Why have they been important?

The aim of Wellcome Trust's investment portfolio is to maximise returns over the long term to ensure that Wellcome Trust continues to have sustainable resources for its charitable activities. In addition to a sound and sustainable business model, Wellcome's investment strategy targets companies that take their environmental, social and governance responsibilities seriously.

What have they wanted from us?

- NAV growth
- Profit growth (leading to increased cash flow over time)
- ESG leadership
- Transparency
- Timely and accurate reporting
- Clear strategy and execution

Engagement with our shareholder

Following acquisition, there has been extensive dialogue throughout the year with regular Board meetings, and executive and governance discussions together with a number of site tours. Peter Pereira Gray, who is CEO of Wellcome's Investment Division, is now the Chairman of Urban&Civic and Lisha Patel, Managing Director of Wellcome Trust's Investment Division, is a Board member.

Outcomes

Wellcome Trust has full visibility of our business and is strongly supportive of our strategic objectives and our purpose, vision and values. In addition, Wellcome Trust is transferring a number of land assets from other parts of its investment portfolio into Urban&Civic for us to either promote or manage. We are also assuming responsibility for the delivery and expansion of the Genome Campus at Hinxton.



Employees

We aim to maintain an open, diverse and inclusive working environment and encourage strong links between the workforce, management and the Board.

Why are they important?

It is essential for the growth of our business to support and develop all of our employees, to retain experience and broaden our base with new talent.

What do they want from us?

- Fair compensation and benefits
- Comprehensive reward and recognition systems
- Positive work environment, culture and working relationships
- Clear expectations, goals and feedback
- Learning, development and career progression
- Challenging and engaging work
- Positive work-life balance

When do we engage with employees?

Employee engagement is continuous and operates at all levels throughout the business. Formal structures such as the appraisal process and the Employee Advisory Group (EAG) complement staff surveys and regular corporate briefings as well as discussions within teams, across projects and with the senior executives.

How we engaged in the year

This year has seen an investment in technology to further improve engagement across the business. We have expanded our intranet and introduced a digital HR portal to provide a single point for employee information and appraisals. All staff briefings take place via Teams every fortnight and we were able to hold our away day in person at the Houlton School. We have also issued an online survey to supplement the extensive feedback from the EAG which continues to meet five times during the year with attendance by the Managing Director for part of the meeting and the minutes being made available to all as well as being an EMC and Board standing agenda item.

Outcomes

In our recent Employee Survey, which has been named the Bugill and for which we had a 93 per cent participation rate, our team gave the business a 91 per cent engagement score confirming Urban&Civic "has a workplace approach resulting in the right conditions for all employees to give their best each day, to be committed to their organisation's goals and values, be motivated to contribute to organisation success and have an enhanced sense of wellbeing".



Customers

We work with a range of national and SME housebuilders and housing associations to bring forward high quality homes across our sites as well as exploring new and innovative approaches with emerging providers and investors.

Why are they important?

As the leading Master Developer, whose product is serviced land, understanding and delivering on the needs of our customers is key to ensuring value and repeat business and attracting new customers.

What do they want from us?

- Integrity
- Serviced land supply
- Quality
- Site marketing
- Jobs and skills support
- Health and safety support
- Equality
- Sustainable place making

When do we engage with customers?

We are constantly engaging with our existing customers in the context of ongoing delivery and with potential customers for future parcels to ensure that our product is optimised to meet their requirements.

How we engaged in the year

With the increasing maturity and diversity of our sites we are also seeing an increase in the size and type of our customers. This has included new SME housebuilders such as Stonebond, and Build to Rent via the strategic partnership with Goldman Sachs, as well as large scale housebuilders such as Barratt operating over multiple sites alongside bespoke care home provision coming forward at Priors Hall. Health and safety remains a key point of engagement throughout their delivery process with regular workshops and safety updates. We are also working with our customers to highlight our approach to ESG and pushing sustainable development as a key focus for us going forward as well as leveraging their involvement into a range of community activities.

Outcomes

We have completed 11 parcel contracts this year to 10 housebuilders. Sales levels have remained strong throughout the year and Davidsons at Houlton was rated the best Build to Sell housing development in the country by HomeViews users.



Suppliers and contractors

We work with a broad spectrum of contractors, consultants and utility providers at various stages of the Master Developer process.

Why are they important?

Working at scale and to a consistently high quality across a range of sites means that we value the flexibility and innovation that comes from being a trusted client of our principal contractors, consultants and utility companies.

What do they want from us?

- Certainty of payment
- Flexible procurement
- Regularity of work
- Clear instruction

When do we engage with suppliers and contractors?

We are constantly engaging with our existing suppliers which are often operating across a number of sites. Regular dialogue ensures that they are fully apprised of project and corporate objectives including health and safety, modern slavery and sustainability. We also work with them on joint initiatives where we can leverage our combined involvement to promote employment and training opportunities.

How we engaged in the year

Close working relationships significantly supported our ability to continue delivery across our sites in 2021 and this was a key focus for the Board. As with our housebuilding customers, civils contractors were supported as they evolved their working practices to address ongoing pandemic restrictions. Works were continued and payments maintained. Working with our service suppliers we also supported each other's internal training programmes with virtual talks and presentations and have been looking specifically at sustainable supply chain opportunities.

Outcomes

In 2020, all construction work re-opened on site, complying with Government protocols, within seven weeks of the original lockdown being declared. Throughout this period the contractor teams worked tirelessly with Urban&Civic to better understand what could be achieved to maintain some form of productivity on site. Whilst 87 per cent of our projects notified us of potential delay during the period, we are now able to confirm that only 17 per cent were actually delivered late and only 4 per cent were delivered more than six weeks later than originally contracted to do so. This strong relationship has continued into 2021 with significant projects such as the Houlton School opening on time and on budget in September 2021.



Partners

Our partners include local authorities, landed estates, Government bodies, Homes England and investment funds.

Why are they important?

Working with the right partners which value quality and legacy is critical to establishing the alignment which underpins the promotion and delivery of large scale sites.

What do they want from us?

- Transparency
- Timely and accurate reporting
- Cost control and efficient budgeting
- Delivery
- Quality and sustainability
- Legacy
- Recognition

When do we engage with partners?

We have both structured and informal engagement with our partners during the year. Each partnership has a formal reporting mechanism with regular meetings to review progress, discuss options and agree strategy. These are then supplemented with informal updates, site visits and opportunities to share observed best practice. The Board is able to track the progress of these partnerships via our strong linear development and risk reporting.

How we engaged in the year

The ability to return to in person meetings alongside continued virtual engagement has further strengthened existing relationships and enabled new partnerships to be forged. A number of site visits have taken place in parallel with partnership board meetings which has allowed everyone to see the extent of delivery achieved during both 2020 and 2021. For those projects at the planning stage, there has also been extensive progress and engagement with stakeholders to report. Regular and consistent reporting for our partnerships underpins our approach and we have incorporated this experience into the structures that have been negotiated for our latest partnership with Hertfordshire County Council at Baldock.

Outcomes

Partners have been reassured that the acquisition of Urban&Civic by the Wellcome Trust has further strengthened our focus and capabilities. The extent and quality of delivery continues to generate considerable shared pride in what the partnership is achieving today and the legacy that will be created by doing things right.



Local communities

We passionately believe in the importance of ongoing engagement and ensure that the scale and longevity of our investments benefit local communities through opportunities, partnerships, jobs and training.

Why are they important?

Working with local communities is essential to successful large site delivery, not just at the planning stage but throughout delivery so that we can minimise the impacts and maximise the benefits of the emerging communities.

What do they want from us?

- Meaningful community engagement
- Keep our promises
- Sustainable delivery
- Quality
- Long-term alignment
- Jobs and skills
- Opportunities

When do we engage with local communities?

Across the lifecycle of the project our team actively engages with the local communities initially around our sites and then with the emerging community on site. Early engagement focuses on the proposals and evolves into ways in which we can support community initiatives and ensure communities benefit from investment in jobs and skills.

How we engaged in the year

2021 has been a year of continuing innovation and the strengthening of community spirit. Consultation and engagement for planning applications have, in part, continued online but there have been a growing number of in person events as well. Our on site teams have also worked closely with the communities on and around the sites and delighted in holding events that have brought communities physically back together.

Outcomes

During 2020 and 2021 we have continued to strengthen our communications, communities and partnerships team (CCP). This has enabled us to engage with and support the growing communities on our Strategic Sites as well as ensuring that new businesses like Bohemia at Alconbury and the Co-op at Houlton, along with the new schools at Wintringham, Houlton and Middlebeck, are able to integrate with their communities both on site and via social media. The CCP team has been active with the early stage consultation and engagement for new projects as well as the next phase of projects ahead in delivery where the views of existing residents are extremely important.



Government

We work with the Government, its agencies like Homes England and local authorities to deliver more quality homes in highly sustainable environments.

Why are they important?

Working at scale means that the proposals we bring forward will have a material impact on the delivery targets of central and local Government as well as the consequential requirements of a range of statutory bodies across topics such as schools, highways and health.

What do they want from us?

- Leadership and sustainable delivery
- Quality
- Timely and accurate reporting
- Long-term alignment
- Jobs and skills
- Meaningful community engagement

When do we engage with Government?

In addition to the formal planning processes, as the leading Master Developer, we actively engage with national and local Government and wider Government agencies to identify ways in which the planning and delivery of large scale development can be improved.

How we engaged in the year

We have hosted a significant number of site tours for local and central Government representatives as we have emerged from lockdown. People have been very keen to see the extent of delivery that has taken place during the year and also to understand what has strengthened these new communities during that time. There are significant changes coming through the legislative agenda including biodiversity net gain, climate change mitigation and net zero climate change resilience not to mention wider reforms to the planning system. Seeing is believing and site tours, alongside well illustrated presentations, help us explain the role of large sites and what we are already doing to improve their delivery.

Outcomes

Homes England has remained strongly supportive of the approach we have taken and the way in which we have used its infrastructure loan funding to deliver places of real quality. Peter Denton, the new Chief Executive of Homes England, when commenting on the Government's recent pledge of £624 million in infrastructure loan funding for housing, stated: "This new infrastructure funding will be a powerful catalyst for creating new homes, places and communities. It gives us the resources we need to back more developments like Houlton in Rugby, where a £35 million funding injection has helped to create new primary and secondary schools, a link road to Rugby town centre, and wider infrastructure needed to build a community of up to 6,200 homes."