

SHAREHOLDER CABINET COMMITTEE

MONDAY 28 FEBRUARY 2022

10.00 AM

Engine Shed - Sand Martin House

AGENDA

	Page No
1. Apologies for Absence	
2. Declarations of Interest	
3. Minutes of the Meeting Held on 15 December 2021	3 - 6
4. Opportunity Peterborough	7 - 14
5. Medesham Homes Annual Review	15 - 18
6. Shareholder Cabinet Committee Work Programme	19 - 22

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Committee Members:

Councillors: Allen (Chair), Ayres, M Cereste, Coles (Vice Chairman) and I Walsh

Further information about this meeting can be obtained from Pippa Turvey on telephone 01773 452460 or by email – philippa.turvey@peterborough.gov.uk

**MINUTES OF THE SHAREHOLDER CABINET COMMITTEE MEETING
HELD AT 10:00PM ON
WEDNESDAY 15 DECEMBER 2021
VIA ZOOM**

Members Present: Councillors Allen, Councillor Coles, Councillor Ayres, Councillor Cereste, Councillor Howard

14. Apologies for Absence

Apologies for absence were received from Councillor Walsh, with Councillor Howard attending as substitute.

15. Declarations of Interest

No declarations of interest were received

16. Minutes of the Meeting Held on 13 September 2021

The minutes of the meeting held on 13 September 2021 were noted as a true and accurate record, subject to the correction of “University Peterborough” to “Opportunity Peterborough” at Minute Item 7 ‘Declarations of Interest’.

17. NPS Peterborough 2021/22 Business Plan

The Shareholder Cabinet Committee received a report in relation to the NPS Peterborough Limited Business Plan for 2021/22.

The purpose of this report was to provide the Committee with the NPS Peterborough Business Plan. The report provided the strategic plan for NPS Peterborough and considers how it would support the financial challenges ahead.

The Alex Gee, Operations Director, NPS Property Consultants, addressed the Shareholder Cabinet Committee and presented the information contained with the slideshow at Appendix 1 to the report.

The Shareholder Cabinet Committee debated the report and in summary, key points raised and responses to questions included:

- Properties on Saville Road and Northminster House would be reviewed in order to bring this arrangements to an end, as they did not benefit the Council.

At this point, Councillor Cereste left the meeting.

- Members were advised that, in the confines of operating as a Teckal company, NPS Peterborough could only carry out certain work for outside of the local authority arena. To do so would require a fundamental change in structure, as part of the Norse Group, rather than NPS Peterborough.
- When referring to moving away from a Joint Venture model, this specifically related to managing risk should the Council wish to stop work with the Joint

Venture.

- Members were advised that the retail units owned by the Council were operating at 98% fully let.
- It was confirmed that work was currently ongoing to establish priorities within maintained schools to aid in decarbonisation. The Council may also have responsibilities in relation to academy schools where the freehold for the site was Council-owned.
- In relation to the Council's farm estate, for which conversations were now ongoing to agree its disposal, discussions were being had with the university to provide some form of education on some of the sites going forward.
- Members were advised that a large amount of work was going on in relation to strategic asset management, both carefully and in consideration of the Council's financial position. There was no rush to divest the Council's assets, but valuations would be progressed in order to formulate a cohesive strategy and to ensure that any future divestment was carried out in the proper manner.

The Shareholder Cabinet Committee considered the report and **RESOLVED** to:

1. Note the contents of the NPS Peterborough Ltd Business Plan 2021/22.
2. Note the comments on the Corporate Director Resources in respect of the future direction of the overall Property function in respect of the Council budget position.

REASONS FOR THE DECISION

The Committee were asked to note the report and associated documents and raise any queries or comments.

ALTERNATIVE OPTIONS CONSIDERED

The council had a complicated property setup with delivery of various aspects by NPS Peterborough, Aragon, Housing Services, Regeneration and Schools Property. The whole service area would be reviewed as part of the 2022/23 budget process to test if the present range of delivery options were fit for purpose and could deliver the Council's requirements within the reducing resources envelope.

18. Peterborough Limited Strategic Report 2020-2021

The Shareholder Cabinet Committee received a report in relation to Peterborough Limited and its strategic report for 2020-2021.

The purpose of this report was to update the Shareholder Cabinet Committee on the Peterborough Limited Business Plan 2020-2023, through the company's annual strategic report 2020/21. The report would also set out the company's key achievements and milestones over the last eight months.

The Kitran Eastman, Managing Director Peterborough Limited, addressed the Shareholder Cabinet Committee and advised that the Business Plan had previously been agreed two years ago, just prior to the first COVID-19 lockdown. Throughout the challenges of lockdown, Aragon kept running, and kept service and vehicles running. Members were advised that the organisation's financial position had improved from losses in the first year, to be able to report a £400,000 profit and to be able to pay off a significant amount of the set up loan from the Council.

The Committee were further advised that staff levels at the leisure facilities had increased from 350 to 650. It was emphasised that Peterborough Limited operated as one company, with staff from all areas supporting essential services throughout

lockdown. Members' attention was drawn to the challenging wage market, with Peterborough Limited moving away from minimum wage. Training for staff was ongoing, however this was a long-term programme, and it was recognised by staff that Peterborough Limited offered a wide range of benefits.

Finally, the new fleet of waste collection vehicles had been purchased, which would reduce maintenance costs in the upcoming years. There were no electric vehicles available in the specific type required, though Peterborough Limited had committed to purchasing a fully electric fleet by 2030.

The Shareholder Cabinet Committee debated the report and in summary, key points raised and responses to questions included:

- Members noted that levels of fly-tipping had increased nationally since the start of the COVID-19 pandemic. While clean-up services were efficient for the resource levels available, public expectations would need to be managed.
- It was advised that work was being undertaken to increase levels of enforcement in this area.
- In relation to the introduction of an electric waste collection fleet by 2030, Members noted that no decision would be taken on precisely what type of vehicles until two 2028, in order for the new vehicles to be as up to date as possible.
- It was considered the autotomised vehicles may be useful, though may not be appropriate for some of the local road networks.
- It was further noted that, when the authority was working with developers, emphasis should be made on the use of underground waste collection banks, which would save a significant amount of money for the Council in the long-term.
- Concern was raised about a potentially aging workforce, with a number of retirements in the future. Members were reassured that the training programme for new staff was ongoing, though was approximately a year behind where wanted to be.
- Comment was made that education through the school system about fly-tipping would be beneficial.
- It was noted that the leisure services side of the Peterborough Limited had been brought on as an annual management fee for the past and current year.
- It was expected that leisure centre membership figures would be back to original levels in January 2023, seven months ahead of plan, though it was acknowledged that much depended on January 2022.
- Members were reassured that the new Operations Director appointment had the commercial experience to take the business forward, alongside an experienced and focused team.

The Shareholder Cabinet Committee considered the report and **RESOLVED** to:

1. Note the information within the report and Appendix 2, Peterborough Limited Strategic Report 2021/22.
2. Note the appointment of a New Operations Director for Peterborough Limited.

REASONS FOR THE DECISION

It was recommended that the Shareholder Cabinet Committee noted the information within the report, and the appointment of the new Operations Director, as part of its governance function for the Company.

ALTERNATIVE OPTIONS CONSIDERED

The Committee may have wished to request additional information or give additional

feedback in key areas.

Chairman
10:00am – 11:18am
15 December 2021

SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 4
28 FEBRUARY 2022	PUBLIC REPORT

Report of:	Tom Hennessy, CEO – Opportunity Peterborough	
Cabinet Member(s) responsible:	Cllr Peter Hiller, Cabinet Member for Strategic Planning, Commercial Strategy, and Investments	
Contact Officer(s):	Tom Hennessy, CEO, Opportunity Peterborough	01733 317412

OPPORTUNITY PETERBOROUGH

RECOMMENDATIONS	
FROM: Tom Hennessy, CEO, Opportunity Peterborough	Deadline date: NA
<p>The Shareholder Cabinet Committee is asked to:</p> <ul style="list-style-type: none"> Note the achievements and impact of Opportunity Peterborough with regards to support for the local economy and jobs creation, as well as plans for the financial year 2022/23. 	

1. ORIGIN OF REPORT

1.1 This report is being submitted to the Shareholder Cabinet Committee at their request.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to provide an update on the activities and achievements of Opportunity Peterborough, as well as on the company's plans for the financial year 2022/23.

2.2 This report is for the Shareholder Cabinet Committee to consider under its Terms of Reference No. 3.3.2 (a), *'To monitor performance and financial delivery of the companies, partnerships and charities set out above in line with Cabinet approved business plans...'*

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

4.1 Opportunity Peterborough is the city's economic development company.

4.1.1 Our mission is to support inclusive and sustainable economic growth across the Greater Peterborough area, improving prosperity, job opportunities, and life chances for those who live and work here whilst ensuring that growth embraces smart innovation, contributes to Peterborough's Net Zero Carbon target, and helps to build a resilient economy and city of the future.

4.1.2 We have traditionally done this by:

- Supporting Peterborough's businesses to grow, innovate, diversify, create new, good quality jobs, and become more resilient and more sustainable
- Attracting new companies to the city to create new, good quality jobs and support a diverse and vibrant economy
- Making sure students and workers have the skills they need to have power in the jobs market, and by raising the career aspirations of young people
- Working with partners at a strategic level to create an enabling environment by addressing barriers to growth in areas such as infrastructure and skills
- Delivering the Future Peterborough programme to help make Peterborough a smarter, more sustainable, resilient, and attractive city in which to work, live, and play.

4.1.3 In addition to its city focused services, Opportunity Peterborough has provided a range of services directly to Peterborough City Council, including (but not limited to):

- Leading the response to major job crises such as the John Lewis and Debenhams closure, and through organising events such as the jobs fair after the Thomas Cook closure
- Responding to consultations on behalf of Peterborough regarding the development of strategic documents such as the Local Economic Recovery Strategy, National Industrial Strategy and Local Industrial Strategy
- Representing Peterborough on strategic groups such as the CPCA's Economic Recovery Sub-Group, Business Advisory Panel, and Mayoral Forum, which have been set up in response to the current COVID crisis at various points
- Running the Bondholder Network which provides PCC with a highly effective channel through which to drive business engagement.
- Supporting PCC business facing teams by presenting the needs, challenges, language, and perceptions of business in ways that enhance policy making and service delivery.
- Supporting PCC in major initiatives such as the post lockdown re-opening of the city centre in which OP has played a critical role.

4.1.4 Below is an update regarding Opportunity Peterborough's progress on major programmes this year:

- 4.1.5
- **Promoting Peterborough** – We are building on our success in promoting the city to attract inward investment and expanding that work to become the city's Place Marketing Agency, incorporating inward investment, visitor economy, business tourism, and talent attraction. Working closely with partners, we are taking the lead in raising the profile and improving perceptions of the city, internally and externally, in order to increase the attraction and retention of international businesses; attract financial investment to aid the sustainable growth of our city; support the growth of businesses and the creation of high quality jobs; attract more people to live, work, study, and visit; and provide much needed support to the leisure, hospitality, retail, and tourism businesses in and around the city.

4.1.6 In April 2021, Opportunity Peterborough took responsibility for the Visit Peterborough website and social media channels. A number of improvements have been made to the site content, communications strategy, and specific campaigns (including promotion of the city centre animation initiative) that have resulted in a doubling in site visitor numbers compared to 2019 figures. The Visit Peterborough website also made it into the top 10 sources of ticket sales for The Cresset for the first time.

4.1.7 £15,000 was secured from the Café Culture fund to make further upgrades to the site to improve user experience. This includes the ability to integrate a promotional video into the header banner, improved navigation, Instagram integration, and the addition of an events submission module so that venues and events organisers can manage their own

profiles and data. Unfortunately, plans to support this work with the development of a promotional video for the city, and an associated online campaign, have been put on hold due to the freezing of the Welcome Back Fund.

- 4.1.8 This will form a key element in the development of a membership network for retail, hospitality, leisure, and tourism business, enabling Opportunity Peterborough to develop a sustainable financial model to increase the quality and quantity of promotional activity, resulting in increased visitor numbers, dwell time, overnight stays, and ultimately visitor spend.
- 4.1.9 The team continues to work closely with PCC's tourism manager, Peterborough Positive, City Culture Peterborough and other stakeholders in order to shape the short, medium, and long term approach to delivering better visitor economy outcomes for the city.
- 4.1.10 To date in 2021/22 Opportunity Peterborough has supported 19 inward investment enquiries, resulting in 5 new businesses establishing themselves in the city creating an additional 334 jobs. This equates to an additional £10m of additional economic activity in the city (GVA) without taking into consideration the associated capital investment in the city and the additional business rates that will be paid to Peterborough City Council as a result of newly constructed facilities. This equates to a return on investment of £71 for every £1 of funding received from Peterborough City Council.
- 4.1.11
- **Business Support** - Opportunity Peterborough worked with a number of partners and sponsors from around the city including Peterborough Workspace, CityFibre, XL Displays, the Business and IP Centre, Anglian Capital, Flex Space, and The Local View, to deliver two startup boot camps supporting 40 new businesses in the city.
- Opportunity Peterborough has is also supporting the Business and IP Centre's Jumpstart competition for startups by assessing 38 applicants business plans and mentoring 3 shortlisted applicants through their pitch development.
- 4.1.12
- **Smart Manufacturing Alliance** - The Smart Manufacturing Alliance, a joint venture between Opportunity Peterborough and the Cambridgeshire and Peterborough Combined Authority, was officially launched in October of 2021. This is a new networking organisation tasked with supporting manufacturing businesses across Cambridgeshire and Peterborough to improve productivity, innovation, and sustainability, and create a world class manufacturing cluster. The Alliance has so far secured 15 members with a further 18 in the pipeline and has hosted a number of events for existing and prospective members. It has also established an Advisory Board of exceptional industry representatives to help support the activities of the organisation. These include:
 - PKB Trade
 - Xaar
 - Chambers of Commerce
 - TWI
 - Huxley Bertram
 - The Business Board
 - ARU Peterborough
 - Korten
 - University Centre Peterborough
 - Huawei
 - The Institute for Manufacturing, University of Cambridge
 - Make UK

- Le Mark
- The National Centre for Food Manufacturing, University of Lincoln
- Photocentric
- Metalcraft
- Lintott
- OAL

- 4.1.13 • **ACMI4.0** - Advanced Capacities for Manufacturing – Industry 4.0 (ACMI4.0) is an ERDF (EU) funded business support and grant funding programme being delivered by Opportunity Peterborough and the Smart Manufacturing Alliance. Manufacturing SMEs and businesses in their supply chains can benefit from 12hrs support and up to £20,000 funding to support investment into industry 4.0 technologies such as 3D printing, AI, automation, sensors, and much more. This programme was launched in October 2021 and has already developed a healthy pipeline of grant applicants.
- 4.1.14 • **Towns Fund** - As part of the Towns Fund programme, Opportunity Peterborough has been tasked with delivering a feasibility for an Enterprise and Skills Centre, informally referred to as the Digital Incubator. The report is progressing well with very positive stakeholder input into determining a sustainable and impactful model. The final report will be completed by the end of March 2022.
- 4.1.15 • **Strategy** - Opportunity Peterborough continues to represent the city's interest in the development of strategic work such as the development of the CPCA's Economic and Skills Strategy, and as a member of the East Anglian Productivity Forum, part of a national programme run by The Productivity Institute.
- 4.1.16 • **The Skills Service and Future Peterborough** - Unfortunately, due to an increasingly challenging funding environment, key elements of Opportunity Peterborough's work, namely The Skills Service and Future Peterborough, were put on hold indefinitely resulting in 6 redundancies in September 2021.

4.2 **2022/23 – Opportunities and Challenges**

- 4.2.1 It is expected that, as per Peterborough City Council's budget consultation and in response to the financial challenges faced by the Council, City Council funding for Opportunity Peterborough will reduce from £140,000 p.a. in 2021/22 to £75,000 in 2022/23, with a further reduction to £0 in 2023/24.
- 4.2.2 As a result, at current staffing levels and with no additional income raised, Opportunity Peterborough would be facing a shortfall of £110,000 in 2023/24. As such difficult decisions will have to be made at Opportunity Peterborough regarding which services the company will continue to provide and build on, and which will have to cease, even if temporarily. Whatever Opportunity Peterborough focuses on must provide the opportunity to generate revenue and become self-funding either through membership, sponsorship, paid for services, or grant funding.
- 4.2.3 In the short term, Opportunity will focus on its place marketing work, including inward investment, visitor economy (Visit Peterborough), business tourism, and talent attraction; the Smart Manufacturing Alliance and the ACMI4.0 programme; and the Bondholder Network.
- 4.2.4 • **Place Marketing** – Inward investment, the attraction of new companies to the city with the aim of supporting a more vibrant and diverse economy and the creation of good quality jobs, has always been a core part of Opportunity Peterborough's approach to economic development and continues to be a priority for Peterborough City Council. Opportunity Peterborough is currently exploring opportunities to generate income to support this work, primarily focussed on the development of a paid-for membership

network with sponsorship opportunities, for businesses interested in and benefitting from this work. This would primarily be developers, property agents, chartered surveyors, architects, construction companies, and professional service businesses, but would be open to any business that wanted to become actively involved in the promotion of the city. Promotional work in the area would not be limited to securing new investment from incoming businesses, but also on securing capital investment in order to support the city's ambitious development programme.

- 4.2.5 A similar membership and sponsorship model is being developed around the Visit Peterborough brand, specifically to promote Peterborough's leisure, tourism, retail, and hospitality offer aimed at local communities, and national and international audiences alike. In this space Opportunity Peterborough would act as the city's Destination Management Organisation, providing a shop window for the city but working closely with all stakeholders to ensure a coordinated and collaborative effort with coherent and consistent messaging. Initial activity has been, and will continue to be, focussed on local communities, helping them to explore and re-engage with the city as we begin to recover from the last two years. As we enter years two and three we will expand our marketing reach both regionally and nationally, promoting the city as an overnight destination from which to explore local attractions as well as those in the surrounding area. In years three and four our reach will expand again to engage with an international audience, playing to the strengths of our diverse communities, and targeting specific audiences touring the UK or visiting the city in its own right.
- 4.2.6 Similarly, Opportunity Peterborough will be working with hotels and other venues such as the Arena and Kingsgate, to promote the city as a destination for conferences and exhibitions, generating revenue for these businesses but also benefiting the city through increased indirect spend.
- 4.2.7 Finally, Opportunity Peterborough will be seeking to work with FE and HE providers in the city, as well as large employers to promote Peterborough as a great place for new talent, whether that be in terms of studying or experienced talent looking for new opportunities. This will help to fill identified skills gaps in the city and ensure our businesses have access to the workforce they need to meet their growth ambitions.
- 4.2.8
- **Smart Manufacturing Alliance** – The Smart Manufacturing Alliance is a joint venture between Opportunity Peterborough and the Cambridgeshire and Peterborough Combined Authority. The Alliance has received equity investment from the Combined Authority via the Local Growth Fund. This investment provides funding to support the Alliance through its first five years, in decreasing increments, as it establishes its commercial model again based on membership fees, sponsorship, and paid for services. This funding is in place and so this work to support the development of a world class manufacturing cluster across Cambridgeshire and Peterborough will continue.
- 4.2.9
- **ACMI4.0** – Likewise, the Advanced Capabilities for Manufacturing – Industry 4.0 (ACMI4.0) programme has already secured funding from the European Regional Development Fund and will therefore continue supporting manufacturing SMEs, and those in their supply chain, to better understand and invest in industry 4.0 technologies until September 2023.
- 4.2.10
- **Bondholder Network** – The Bondholder Network is a foundational element of Opportunity Peterborough work to support Peterborough businesses. The business breakfasts, monthly newsletters, members portal, blogs, and offers will continue to support our members and we will be working with them to identify new ways of adding value in order to grow the network. We are also greatly looking forward to the highly anticipated return of the Bondholder Dinner later in 2022.
- 4.2.11 All of this work is dependent on Opportunity Peterborough being able to raise the relevant and required funding to successfully deliver these services. Unfortunately, the nature of economic development means that large parts of our work which is more strategic, or designed to address

market failure, is less commercially viable and will have to cease, at least until alternative funding sources can be identified or ad hoc funding is made available. This work includes, but is not limited to:

- Leading the response to major job crises such as the John Lewis and Debenhams closure, and through organising events such as the jobs fair after the Thomas Cook closure
- Responding to consultations on behalf of Peterborough regarding the development of strategic documents such as the Local Economic Recovery Strategy, National Industrial Strategy and Local Industrial Strategy
- Representing Peterborough on strategic groups such as the CPCA's Economic Recovery Sub-Group, Business Advisory Panel, and Mayoral Forum, which have been set up in response to the current COVID crisis at various points
- Supporting PCC business facing teams by presenting the needs, challenges, language, and perceptions of business in ways that enhance policy making and service delivery.
- Supporting PCC in major initiatives such as the post lockdown re-opening of the city centre in which OP has played a critical role.

4.2.12 Whilst this is a narrowing of Opportunity Peterborough's services we intend to do less, better, ensuring that we maximise our positive impact on the city in these key areas. It is also important that we focus on those activities that provide an opportunity to generate income in the short to medium term in order that the company remains a going concern and remains in place to support the growth of the city's economy. We will, of course, remain vigilant and open to new opportunities in order that we can expand our services and increase our impact on the city whenever possible.

5. CONSULTATION

5.1 No consultation is required at this time.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 That the Shareholder Cabinet Committee notes the contents of this report and continues to support Opportunity Peterborough in its mission - to support inclusive and sustainable economic growth across the Greater Peterborough area, improving prosperity, job opportunities, and life chances for those who live and work here whilst ensuring that such growth embraces smart innovation, contributes to Peterborough's Net Zero Carbon target, and helps to build a resilient economy and city of the future.

7. REASON FOR THE RECOMMENDATION

7.1 We believe that, with the continued support of the Council, we can make Peterborough a better place to work, to invest and do business, to visit and enjoy, and above all, to call home.

Our work programme has been mapped against Peterborough City Council priorities to ensure that what we are providing aligns with what matters most to the Council and the communities it serves.

By supporting the delivery of these priorities we believe that we can also reduce demand on the Council's services thereby having a positive budgetary impact as well as increase the Council's income via increased business rates receipts.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 This report is predominantly for information.

The alternative to supporting Opportunity Peterborough's plans is:

- To not support Opportunity Peterborough's work and progress to date.

This has been rejected on the basis that Opportunity Peterborough's work programme closely aligns with, and adds value to, the Council's own priorities and provides excellent value for money as a means of meeting these priorities.

9. IMPLICATIONS

Financial Implications

9.1 There are no financial implications arising from this report.

Legal Implications

9.2 There are no legal implications arising from this report.

Equalities Implications

9.3 There are no equalities implications arising from this report.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 None

11. APPENDICES

11.1 None

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SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 5
28 FEBRUARY 2022	PUBLIC REPORT

Report of:	Adrian Chapman, Executive Director: Place and Economy	
Cabinet Member(s) responsible:	Cllr Steve Allen, Deputy Leader and Cabinet Member for Housing, Culture and Communities	
Contact Officer(s):	Michael Kelleher, Place and Economy	01733 452586

MEDESHAM HOMES ANNUAL REVIEW

RECOMMENDATIONS	
FROM: <i>Executive Director: Place and Economy</i>	Deadline date: <i>N/A</i>
<p>It is recommended that Shareholder Cabinet Committee:</p> <ol style="list-style-type: none"> 1. Note the contents of this report 2. Specifically notes the review of companies that the Council is involved with, as part of the overall financial sustainability programme 	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Shareholder Cabinet following a request from its members.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to provide a brief annual review of Medesham Homes' activities over the last year and set the scene for the year ahead. This will be shaped by the review of the council's housing service in conjunction with CIPFA, the parallel but linked review of the companies with which the council has a relationship, and the potential development of a new Housing Strategy for the city. These workstreams form part of the council's financial sustainability programme, and are in response to the recent Government publication of its external assurance review which can be found at <https://www.gov.uk/government/publications/peterborough-city-council-external-assurance-review>
- 2.2 This report is for the Shareholder Cabinet Committee to consider under its Terms of Reference No. 3.3.2 (a), *'To monitor performance and financial delivery of the companies, partnerships and charities set out above in line with Cabinet approved business plans...'*

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

- 4.1 Medesham Homes has managed to maintain a steady programme of activity throughout the last 12 months, despite the problems with lockdown and other COVID restrictions. The three

completed schemes (which consist of 94 new homes for affordable rent at Belle Vue (Stanground), Midland Road, and Crowland Road (Eye)) are all let and continue to perform satisfactorily in management terms.

- 4.2 Medesham Homes has also owned the site at Bretton Court (which is a former office block and public house near to the Bretton Centre) since June 2019 and that project has the potential to be either a refurbishment / conversion to 45 flats, or a far more significant demolition and redevelopment project subject to planning. Both development options continue to be appraised, though the preference is to now carry out the new build option subject to planning, because Medesham Homes believes a new build scheme on this site has the potential to have far more positive impact on the area, and in helping more people in need into affordable accommodation.
- 4.3 In advance of future development plans, enabling works are now completed on the Bretton Court site to remove non-structural material from the building. This work was completed in Q1 2021. A sub lease has also been granted to Medesham Homes recently for the management of the 5 commercial units in the building, giving Medesham direct control of these units in advance of negotiations with the tenants to finalise decanting and lease surrender issues.
- 4.4 The initial scheme proposed three blocks delivering c120 units. Having taken feedback from the Council as Planning Authority (as any other developer does) at pre-app stage, Medesham Homes have an amended design for a scheme of 85 new build (one and two bedroom) flats. This will also have c500 square metres of retail commercial space at ground floor level and c110 car parking spaces. The progression of this design is subject to further planning input which is awaited.
- 4.5 In addition to Bretton Court, Medesham has also agreed Heads of Terms with the Council for the purchase of the site at 7-23 London Road, and a conditional contract is close to being signed, although this timeline is dependent on the Council's work to resolving third party legal issues with regards to the adoption of an adjoining highway to form an access road into the site. When these legal issues are resolved then the project can move into the detailed design and planning stage.
- 4.6 The sites currently under consideration would bring the potential future pipeline in Medesham Homes up to between 160 and 180 more units and these would hopefully be delivered in phases, with work beginning in 2022/3 and completion during 2023/4. These schemes will be 100% affordable, with a mix of social rent and shared ownership.

Building on sound foundations

- 4.7 Medesham Homes has delivered – and as shown above, will continue to deliver (albeit more slowly than they would like) – a series of high-quality schemes that showcase what can be achieved through true partnership working between the council and the city's largest housing association. The Board of Medesham Homes are proud of this collaboration and believe it creates a foundation for more work and further success.
- 4.8 The early years of a joint venture collaboration are inevitably always about proof of concept; whether the will and ambition that leads to the creation of a vehicle carries forward into delivering tangible outcomes. Medesham Homes has proven itself, and it is now an appropriate moment to reflect on where both Cross Keys Homes and the council want it to go next in the context of the council's reviews previously referred to.
- 4.9 More schemes will necessitate more direct financial and human resource commitment – from both partners. This could, conceivably, be on a wide variety of bases, including a revolving fund or other loan and investment arrangements. (Such topics go beyond the scope of this report and would need to be handled through the council's governance in the usual way.)
- 4.10 The starting point for this however must be to continue the partnership working, and to build on the recognition in the recent CIPFA finance review that recommended to the council a review of Medesham Homes and its potential for realising returns.

5. CONSULTATION

5.1 None on this report, though of course the planning applications mentioned in it will be consulted on thoroughly in the usual way with a wide-range of stakeholders.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 That the Shareholder Cabinet will note the contents of the report.

7. REASON FOR THE RECOMMENDATION

7.1 Medesham Homes is a unique partnership between the council and the largest residential social landlord in the area, Cross Keys Homes. It has delivered a significant number of purely affordable rental homes already and has a potential pipeline that can continue this work well over the coming period. These new homes will be a substantial help in addressing the city's need for housing of this type.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 N/A; this report is mainly for information.

9. IMPLICATIONS

Financial Implications

9.1 As part of the council's Improvement Plan, the Council's Group Companies and the governance arrangements for company oversight are to be reviewed and Medesham Homes will be part of that review.

Legal Implications

9.2 None directly from this report.

Equalities Implications

9.3 None directly from this report.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 None.

11. APPENDICES

11.1 None.

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Shareholder Cabinet Committee Work Programme 2021/22

Meeting Date	Item	Comments
14 June 2021 <i>Draft Report: 26 May 2021</i> <i>Final Report: 2 June 2021</i> <i>Deadline for Exempt Information Notice: 7 May 2021</i>	Guidance for Members and Officers who Serve on Outside Bodies Lead Officer: Fiona McMillan	
	Mayor's Charities Lead Officer: Shelley Hardy	
	Peterborough Limited Leisure Lead Officer: Pete Carpenter/Adrian Chapman	
13 September 2021 <i>Draft Report: 25 August 2021</i> <i>Final Report: 1 September 2021</i> <i>Deadline for Exempt Information Notice: 13 August 2021</i>	City Culture Peterborough with Business Plan Lead Officer: Adrian Chapman	
	Opportunity Peterborough – Interim Update Lead Officer: Steve Cox/Tom Hennessy	
	Peterborough HE Property Company Ltd Lead Officer: Steve Cox	

	Internal Audit Overview Lead Officer: Steve Crabtree	
	Mayor's Charities Report Lead Officer: Shelley Hardy	
15 December 2021 <i>Draft Report: 26 November 2021</i> <i>Final Report: 3 November October 2021</i> <i>Deadline for Exempt Information Notice: 15 November 2021</i>	Peterborough Limited Update with Business Plan Lead Officer: Steve Cox/James Collingridge/Kitran Eastman	
	NPS Update with Business Plan Lead Officer: Alex Gee/Pete Carpenter	
28 February 2022 <i>Draft Report: 9 February 2022</i> <i>Final Report: 16 February 2022</i>	Peterborough Investment Partnership (PIP) With Business Plan Lead Officer: Adrian Chapman/Howard Bright	Deferred to June 2022 Meeting

<p><i>Deadline for Exempt Information Notice: 28 January 2022</i></p>	<p>Opportunity Peterborough Lead Officer: Adrian Chapman/Tom Hennessy</p>	
	<p>Medesham Homes With Business Plan Lead Officer: Adrian Chapman/Michael Kelleher</p>	

Standing Items

- **Guidance for Member and Officers who Serve on Outside Bodies (Lead Officer: Fiona McMillan)**
 First Meeting of the Municipal Year

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