

SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 5
12 JUNE 2023	PUBLIC REPORT

Report of:	Adrian Chapman, Executive Director for Place and Economy	
Cabinet Member(s) responsible:	Cllr Wayne Fitzgerald, Leader of the Council	
Contact Officer(s):	Adrian Chapman, Executive Director for Place and Economy Tom Hennessy, Head of Economic Growth and Development	Tel. 07952096424 07950960108

PETERBOROUGH INVESTMENT PARTNERSHIP 2022/2023

RECOMMENDATIONS	
FROM: Adrian Chapman, Executive Director, Place and Economy	Deadline date: N/A
<p>It is recommended that the Shareholder Cabinet Committee:</p> <ol style="list-style-type: none"> 1. Note the contents of the report for 2022/2023. 2. Note the company activity for 2022/2023. 	

1. ORIGIN OF REPORT

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

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to provide a brief annual review of the activities of the Peterborough Investment Partnership up to and including the period 2022/23.

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

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 Peterborough Investment Partnership (PIP) LLP is a development and regeneration joint venture between Peterborough City Council and Peterborough Partnership Ltd, a subsidiary of investment specialists IAGH3. PIP was created in 2015 and its first project was to masterplan and lead the delivery of the £120m Fletton Quays scheme on the south bank of the river Nene.

4.2 The Fletton Quays scheme comprises various plots, the progress for which is as follows:

- 4.2.1 **Fletton Quays Plot 1 - The Hilton Garden Inn Hotel and apartment block.**
The Hilton Garden Inn Hotel will be an excellent addition to Peterborough city centre, with its sky bar promising to become a destination in its own right. Completion was originally scheduled for 2022 but a number of COVID-related setbacks including staff illness, supply chain challenges, and the collapse of the main contractor, have meant that the earliest pre-bookings at the hotel are now being taken for December 2023.
- 4.2.2 **Fletton Quays Plot 2 – Government Hub.**
The Government Hub, which houses 1,000 government employees predominantly from Defra and the Passport Office, officially opened in March 2023.
- 4.2.3 **Fletton Quays Plot 3 – Apartments.**
Weston Homes have completed work on the riverfront apartments on Plot 3. A number of opportunities remain for occupation of commercial space on the ground floor of these buildings.
- Fletton Quays Plot 4 - Goods Shed.**
- 4.2.4 The Goods Shed is currently being marketed via Eddisons and a number of parties have expressed interest. This is the only plot still under the ownership of PIP. We are keen to see the development of the iconic Goods Shed as one which can incorporate an attractive food and beverage offer, to support the existing and continued increase in city centre living and to support our visitor economy.
- Fletton Quays Plot 5 – Sand Martin House.**
- 4.2.5 At time of writing, Sand Martin House is currently in the ownership of Legal and General and is occupied by Peterborough City Council and the Construction Industry Training Board (CITB). Peterborough City Council commenced a 25-year lease of the property in 2018 and is currently in the process of purchasing the freehold of the building.
- For information, **Fletton Quays Plots 7 and 8 (Whitworth Mill and adjacent land)** were not part of the original acquisition of the Fletton Quays site by the PIP. This area wasn't available when the rest of the site was acquired, and so was separately acquired by the council and has been sold to a developer via that route. The PIP did however grant an easement due to access issues. A planning application is believed to be forthcoming relating the redevelopment of Whitworth Mill for residential use.
- 4.2.6
- 4.3 There are other locations within the city that the PIP has had interest in, and the updates relating to those are as follows:
- Pleasure Fair Meadows car park.**
- 4.3.1 Pleasure Fair Meadows car park has been sold by the PIP to Medesham Homes. There are no formal plans in place yet for its intended use.
- Former Market site, Northminster.**
- 4.3.2 The Northminster site was sold to Cross Keys Homes in June 2022. The site was brought forward using a £12.5m grant from the Cambridgeshire and Peterborough Combined Authority and will deliver a £70m development providing 315 new affordable homes in the city centre. It is due to be completed by October 2024.
- 4.4 A number of Special Purpose Vehicles were set up to bring forward each of the sites under the PIP's control – PIP (Fletton Quays) Limited, PIP (Pleasure Fair Meadows) Limited, and PIP (Northminster) Limited:
- PIP (Northminster) Limited was sold to Cross Key Homes as part of the commercial agreement to bring forward that site.
PIP (Pleasure Fair Meadows) Limited has a small cash balance.
PIP (Fletton Quays) Limited has a small cash balance and still has ownership of Plot 4 – The Goods Shed.

4.5 During 2022/23, the council-appointed directors of the remaining SPVs changed to the Executive Director for Place and Economy, and the Chief Executive of Opportunity Peterborough.

4.6 It is anticipated by all parties that, following the sale of Fletton Quays Plot 4, which is expected will take place during 2023, Peterborough Investment Partnership LLP should be dissolved and that collaboration regarding future sites and opportunities would be assessed and dealt with on a case-by-case basis.

5. CORPORATE PRIORITIES

5.1 Although the content and recommendations within this report do not directly link to the corporate priorities, the projects and sites brought forward do.

5.2 Regarding the Economy and Inclusive Growth priority, the schemes promoted by PIP reduce poverty and inequality by attracting good paying jobs, support existing and new businesses to make it easy to invest and grow, enable more new and affordable homes for purchase or rent, enable safer and more independent living, and prevent homelessness.

6. CONSULTATION

6.1 No consultation is required for this report or the recommendations within, although all planning applications associated with any of the projects mentioned in it will be, or have been, consulted on in the usual way with a wide range of stakeholders.

6.2 No other consultations are suggested other than those that would be associated with any related planning applications.

7. ANTICIPATED OUTCOMES OR IMPACT

7.1 That the Shareholder Cabinet Committee will note the contents of the report.

8. REASON FOR THE RECOMMENDATION

8.1 The recommendation contained within this report is designed to allow the Shareholder Cabinet Committee to review the status and activities of PIP LLP and assure itself that the Council is fulfilling its role in the company appropriately.

9. ALTERNATIVE OPTIONS CONSIDERED

9.1 Not applicable, as this report is for information only.

10. IMPLICATIONS

Financial Implications

10.1 None directly from this report. However, the PIP LLP Consolidated Accounts for the 2021/22 financial year are attached at appendix 1 for information. These comprise financial data relating to the various SPVs and have been thoroughly reviewed by our own finance team prior to being approved.

The PIP LLP made a loss in the financial year 2021/22 of £166k, however the entity held reserves at 31 March 2022 to the value of £1.3m. The major land sales of the Northminster site and the Pleasure Fair Meadows car park were made in the financial year 2022/23 and so will be reflected in the accounts of that financial year.

Legal Implications

10.2 None directly from this report.

Equalities Implications

10.3 None directly from this report.

11. BACKGROUND DOCUMENTS

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

11.1 None.

12. APPENDICES

12.1 Appendix A – PIP LLP Consolidated Accounts 2021-22. These are the latest consolidated accounts currently available.