



## Making growth and regeneration services pay



*A case study - Peterborough City Council*



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## Peterborough — 3,500BC to 2015

- Bronze Age
- Iron Age
- Roman 9<sup>th</sup> Legion
- 12<sup>th</sup> Century Cathedral
- Napoleonic prisoner of war camp
- A New Town - 1967
- A City





# Our growth and economy – a snapshot today

## Out of 62 cities, Peterborough is:-

- 1<sup>st</sup> for annual housing stock growth (1.7%)
- 4<sup>th</sup> fastest growing city by population (1.8% annual growth)
- 10<sup>th</sup> highest for housing price growth (8.1% annual growth)
- 7<sup>th</sup> highest for the proportion of private sector jobs (3.8 private to 1.0 public)

## But:

- Has a GVA of £50,200 (£54,700 UK average)
- 9.1% of people have no formal qualifications (8.8% UK average)
- Does not yet have a full university offer



## Our Financial Challenges

- Peterborough has one of the lowest Council Tax levels in the country
- We saved £21m in 2017/18 without significant cuts to services
- We need to save a further £36m over the next 3 years
- Increased cost pressures in all people based services
- Spiralling cost of homelessness



## Our financial approach





## Place based services in 2012

- Fragmented services
- Poor reputation
- Anti growth culture in some services
- Lack of strategic vision – operational focus

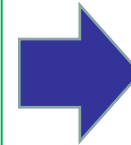




# Transforming to deliver growth and generate income

## Inputs

- Alignment of growth functions in one directorate
  - planning (policy & applications)
  - building control
  - biodiversity
  - heritage
  - climate change
  - highways & transport
  - drainage and flood risk
  - housing strategy
  - economic development
  - growth and infrastructure delivery
  - property



## Outcomes

- Less (but better) staff
- Less cost
- Greater efficiency
- More income
- Strong reputation
- Staff retention
- Clear vision & strategy
- Commercial nous
- Developer & investor confidence
- Commercial trading
- Strategic use of assets





## The building blocks for growth – some of our partners



Opportunity Peterborough



Medesham  
Homes

Peterborough  
Highway Services

Delivered by

SKANSKA

PETERBOROUGH  
CITY COUNCIL



## Commercialising regulatory services - Planning

- Voted the UK's best local authority planning team by the RTPI in 2015
- Provider of choice in the region
- Generate £1m+ in fees and £750k+ pa in trading services to other councils
- Full shared service provider to Fenland District Council and a strategy to incorporate a third council
- Contracts to prepare local plans for 5 other councils





# Planning service clients





## Commercialising statutory services - highways

### Highway services commercial offer

- Innovative partnership with Skanska
- Design & build of highway assets through the partnership for the public & private sector – profit share
- OJEU notice allows other councils to use the contract and avoid costly & lengthy procurement
- First private sector commissions delivered



### Peterborough Highway Services

Delivered by

**SKANSKA**

**PETERBOROUGH**  
CITY COUNCIL



## Economic development – doing it differently

- Not-for-profit Economic Development Company, wholly owned by the council
- £100k core grant from the Council
- Works in 4 key areas:
  1. Supporting business growth
  2. Attracting inward investment
  3. Skills
  4. Leading the Future Cities agenda
- Manages relationships with UKTI, Local Enterprise Partnership, EU, SFA etc



Opportunity Peterborough



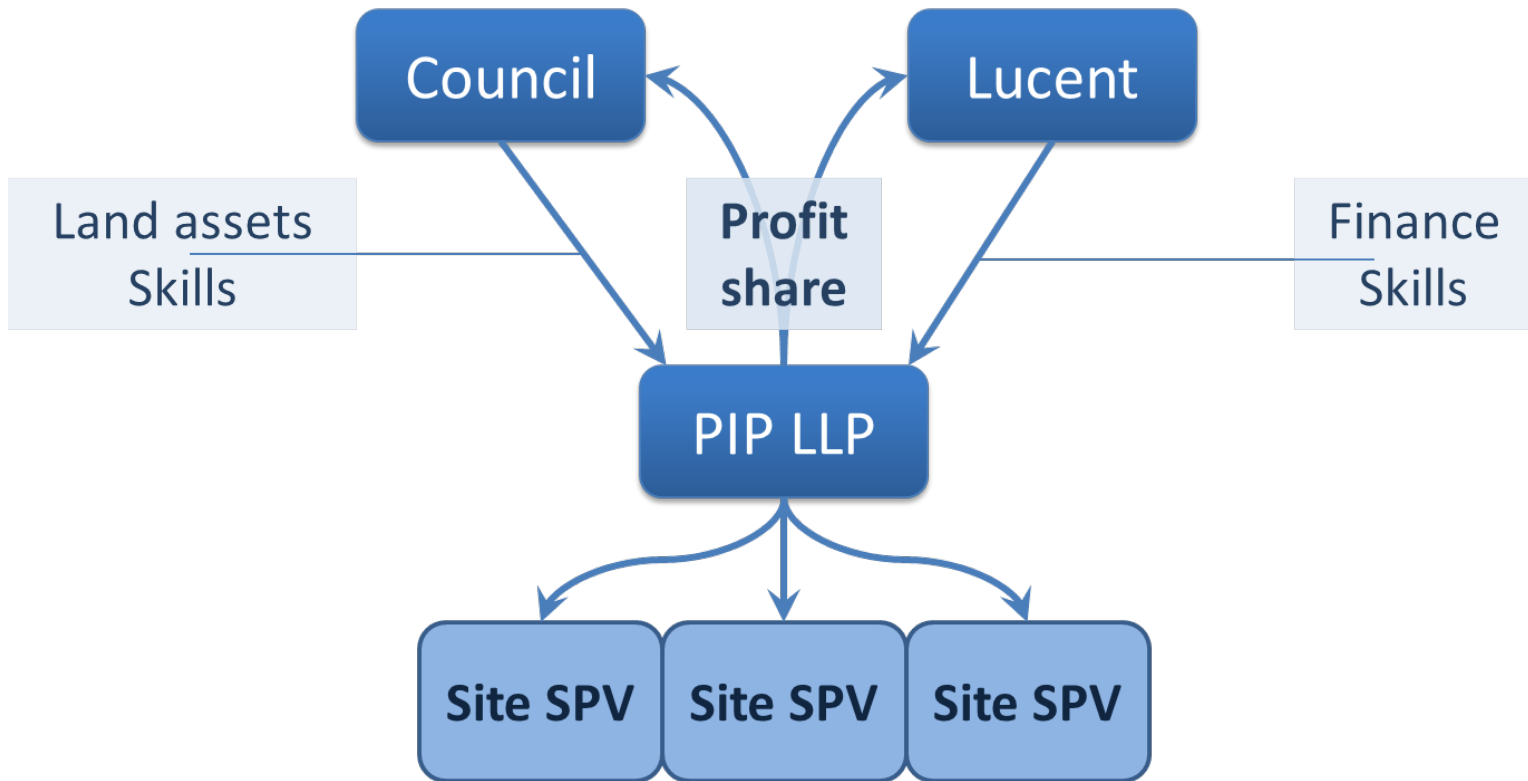


## Peterborough Investment Partnership

- A 50-50 controlled joint venture partnership (LLP) between the Council and the Lucent Strategic Land Fund
- The Council provides land to the Partnership, and Lucent cover the costs of taking a scheme through to planning permission
- Council staff costs are funded through the PIP
- Consented schemes then sold and uplift split equitably between partners
- Redevelopment of key city centre sites including Council office rationalisation
- The Council provides consultancy services and infrastructure through its partnerships and takes a fee



# Peterborough Investment Partnership





## Fletton Quays in 2014



- 7 hectare river-fronted site, 5 minutes walk from the city centre
- Redevelopment discussions for 20 years, largely derelict since 2008





# Fletton Quays





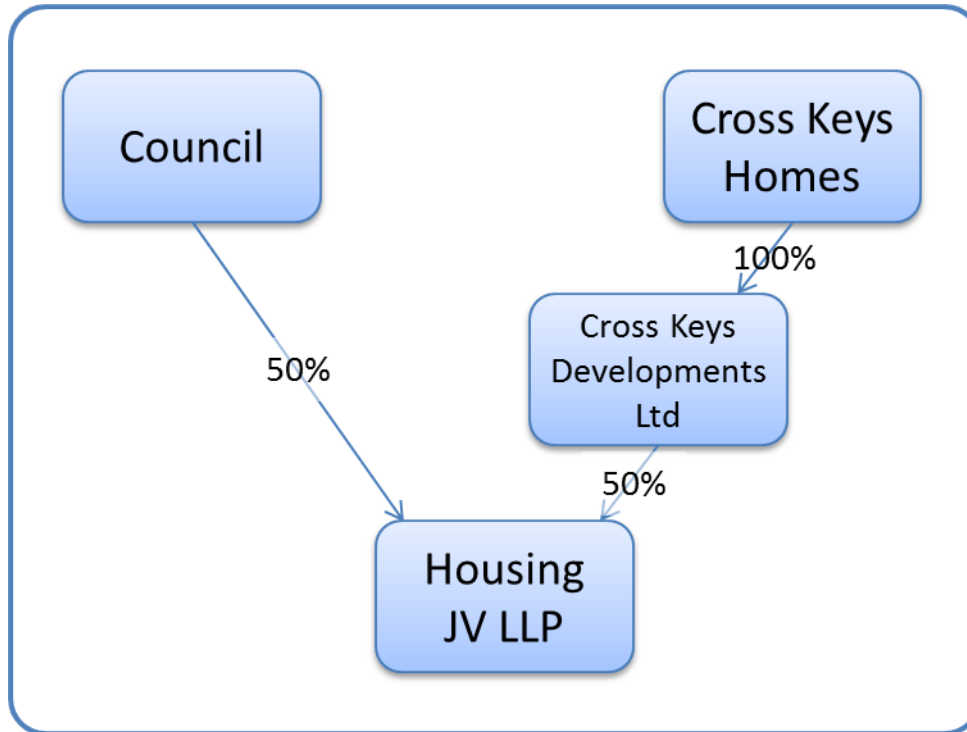
# The Fletton Quays scheme

- **Planning consent granted in December 2015 for:**
  - 160-bed hotel
  - 400 riverside apartments
  - 400 space multi storey car park
  - 3 office buildings
  - Refurbishment of 2 Grade II Listed buildings
  - Restaurants, bars, supporting retail
- **Start on site late autumn 2016**
- **Majority of site will be built by the end of 2019**





- A 50/50 joint venture with decision making by consensus

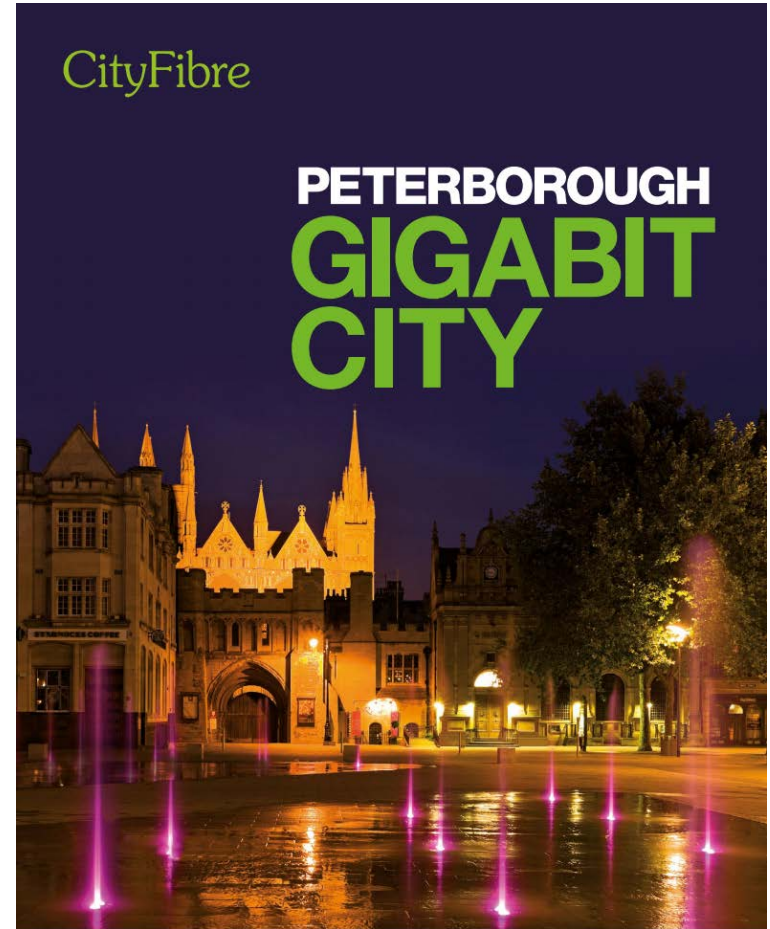


- Delivering new housing of all types and tenures at a range of scales, including
  - affordable rent, starter homes and shared equity
  - market sale and private rented
  - student accommodation
  - housing solutions for vulnerable groups
- First schemes being planned now for start on site in 2018



# A digital Peterborough

- £4m investment by the Council = £5m saving
- Over 90km of core fibre network
- Over 100 council, education and health sites now connected
- ‘Gig-Up Peterborough’
- Inward investment attracted to the UK’s first Gigabit City



# Developing New Care Homes, Delivering Affordable Capacity and Quality



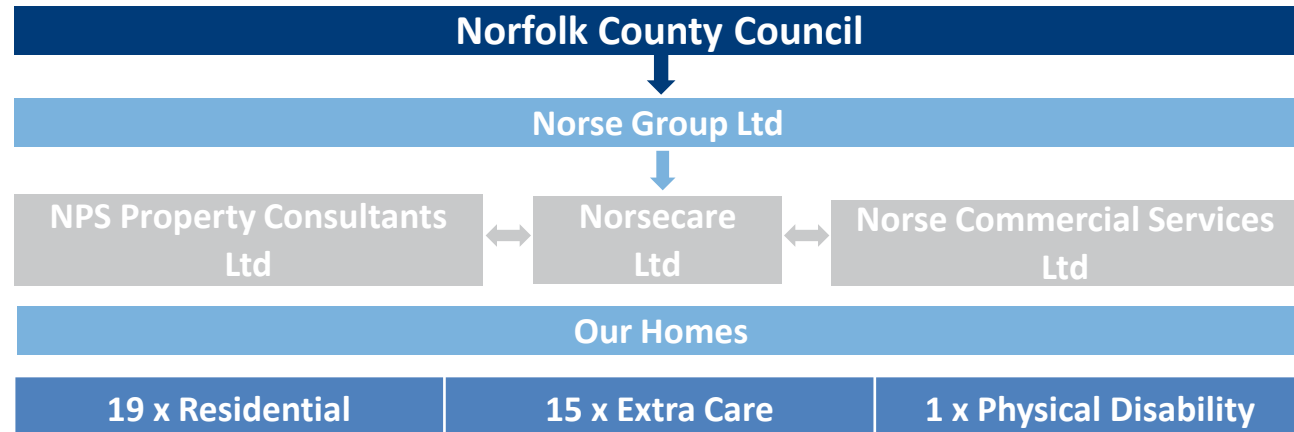
Karen Knight, Managing Director  
NorseCare

# NorseCare Ltd



- Established, April 2011 as a wholly owned subsidiary of Norfolk County Council
- The Company took over 14 Housing with Care facilities and 26 Residential care schemes, for 1,400 residents and tenants
- TUPE transfer of 1,700 staff on Local Authority Terms & Conditions
- Block contract with NCC based on a 15 year transformation programme
- Established business model for efficiency

# The Norse Group



**£250M TURNOVER**

# 6 Years on



- Provides specialist residential care, delivered in a more efficient and responsive way
- Public sector business developed, with increased income of £3m
- Eight County Council homes replaced with state of the art dementia homes – future proof homes at affordable rates
- Increase in Quality
- CQC compliance rate of over 90% compared with UK average of 69% (2016/2017)
- National Awards



# Commercialisation of residential care

- Significant reduction in operation cost of the service and improvement in quality
- Financial controls
- Changing values and culture
- Training and investment
- Drive to enhance profitability
- £6.5m rebate back to the Shareholders, Norfolk County Council
- £20m Capital raised for expansion

# Reputation and Brand



- No compromise of quality
- Putting our residents at the heart of the business
- Clear about our values
- Valuing carers and managers
- Training and career pathways
- Building a reputable brand
- Marketing

# Lydia Eva Court, Gorleston

- An 89 bed specialist dementia home on the East coast of Norfolk
- Overall Project cost of £9m
- All professional services provided by NPS Group
- Replaced 3 Care Homes previously owned by the Local Authority
- “Future” proofed dementia care capacity for this region
- Moderating the care market
- A dementia home creating an inspirational environment to support our residents with dementia



# Lydia Eva Court, Gorleston



# Bowthorpe Care Village, Norwich



# Bowthorpe Care Village, Norwich

- 92 affordable Extra Care Housing apartments
- 80 bed dementia home
- Partnership project between:
  - NorseCare
  - Homes and Communities Agency
  - Norwich City Council
  - Norfolk County Council
  - Saffron Housing Association



- Four Older Care Homes replaced by the Care Village
- Two of the homes converted to private provision providing extra rebate for Norfolk County Council

# Bowthorpe Care Village, Norwich



# The Jaws of Doom: Challenges for Providing Quality Residential Support



- Significant decrease in public sector funding
- Significant increase in number of people living longer
- Increase in people's frailty, dependency level and needing dementia support
- Providers exiting the market (short fall of 6000 places)
- Short fall of 500,000 social care jobs by 2030
- Vulnerable market place for Local Authority placements
- Private sector market continuity



# Escaping the Jaws of Doom: Future Proofing Residential Care



## Opportunities for local Authorities:

- Land – Buildings – Development opportunities
- Access to competitive capital
- One public estate – partnership network to utilise in developments
- Opportunity to sell to a profitable private market
- Generate a revenue profit to protect frontline services
- Capacity and quality control for an ailing care market
- Utilise local authority brand
- Retaining the profit from the private sector care market

# Delivery Models



- Arms length trading company
- Social enterprise
- Joint venture
- Commercial partnership

# NorseCare Can Help



- Our care philosophy is proven and can be successfully applied even in challenging industry conditions
- We have demonstrated that we are able to transform services and build up a commercial business whilst actually improving the quality of care provided, our CQC record is exceptional
- Excellent feedback from existing customers and their relatives
- We have developed a strong and growing private sector business, both in our sector leading new builds but also in our existing estate where we have an additional 100 private rooms
- We have a proven track record of working in partnerships, transformation and raising capital
- Our commercial success can generate very real tangible benefits for our JV partners via rebates and profit share



Presented by Karen Knight



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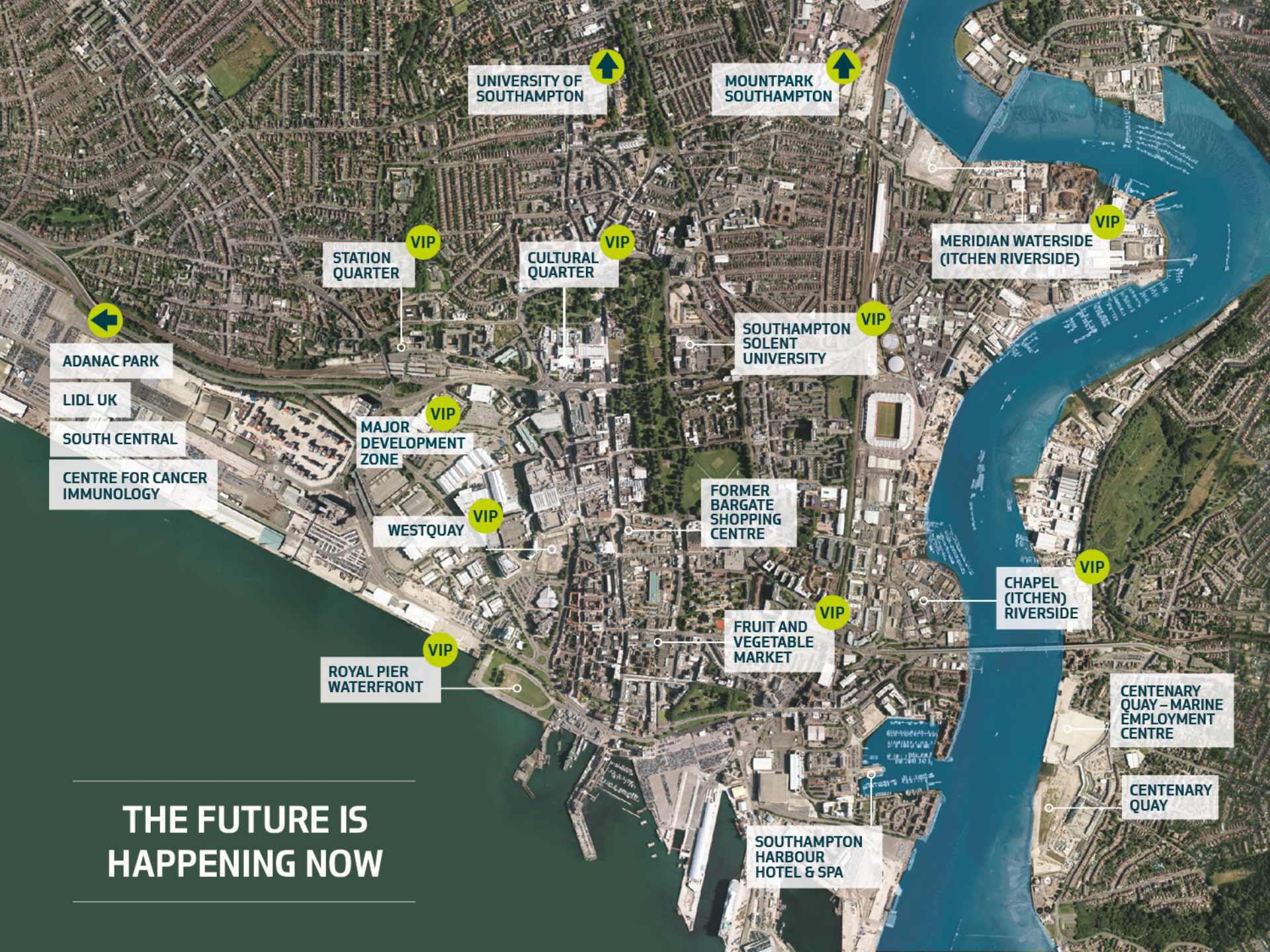
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# SOUTHAMPTON

CITY OF OPPORTUNITY

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UNIVERSITY OF SOUTHAMPTON

MOUNTPARK SOUTHAMPTON

STATION QUARTER

CULTURAL QUARTER

MERIDIAN WATERSIDE (ITCHEN RIVERSIDE)

ADANAC PARK

LIDL UK

SOUTH CENTRAL

CENTRE FOR CANCER IMMUNOLOGY

MAJOR DEVELOPMENT ZONE

SOUTHAMPTON SOLENT UNIVERSITY

FORMER BARGATE SHOPPING CENTRE

WESTQUAY

FRUIT AND VEGETABLE MARKET

ROYAL PIER WATERFRONT

CHAPEL (ITCHEN) RIVERSIDE

CENTENARY QUAY - MARINE EMPLOYMENT CENTRE

CENTENARY QUAY

SOUTHAMPTON HARBOUR HOTEL & SPA

THE FUTURE IS HAPPENING NOW



CASA BRASIL

C O S M O

ZIZZI

BYRON

CAU

ALL BAR ONE

RED-DOG SALOON

THE BELL BUSH







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# CULTURAL QUARTER STUDIO 144

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# FRUIT & VEGETABLE MARKET QUARTER



# CHAPEL RIVERSIDE







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# ROYAL PIER WATERFRONT

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# ESTATE REGENERATION



# Governance & Communications

- Clear Criteria
- Annual Business Plan
- Delegated Authority with Consultation
- Section 151 Officer and Chief Legal Officer
- Internal Team with RICS Registered Valuers
- RICS Red Book Valuation
- Independent Building Survey
- Communication with Group Leaders
- Shared Knowledge with APSE & CIPFA







Travelodge

Travelodge

KEEP CLEAR

BUS STOP

# SEVENOAKS STATION CAR PARK



EXIT ONLY

No smoking  
No charging or  
discharging of  
vehicle tanks.

NO  
SV WO SV  
NO

# SEVENOAKS PREMIER INN





# Other Commercialisation Initiatives

- Housing & Investment Company
- Energy Company
- Modular Housing Company
- LATCo Services
  - Facilities Management
  - Housing Management
  - Construction Works

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**SOUTHAMPTON**  
CITY COUNCIL