



Agenda Item No: 2.3

## Changes of Control from PIP Northminster to CKH

- To: Housing and Communities Committee
- Meeting Date: 14 November 2022
- Public report: This report contains an appendix which is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendix.
- Lead Member: Councillor Lewis Herbert, Lead Member for Housing & Chair of Housing Committee
- From: Roger Thompson, Director of Housing and Development
- Key decision: No
- Forward Plan ref: N/A
- Recommendations: The Housing and Communities Committee are recommended to:
- a) Note that CKH has bought the PIP Northminster Limited, and all liabilities have been transferred to CKH, to allow the project to continue to completion. Start on site has already been declared, in March 2022. A Deed of Covenant has been agreed with CKH, to acknowledge the transfer and grant funding awarded by the CPCA
  - b) Note a Deed of Novation, referring to the change of provider will be completed in due course.
- Voting arrangements: No vote required – for noting.

## 1. Purpose

- 1.1 The PIP Northminster project was presented to Housing Committee in June 2021, and received full approval from Housing Committee, for a “Build to rent” project, providing 315 new homes. This project is now being completed by CKH.
- 1.2 The start on site was declared at the end of March 2022, and grant money of just over approximately 38% of the agreed £12.5m was paid in April 2022. The first grant amount paid is approximately £4.7m.

## 2. Background

- 2.1 The PIP Northminster project had received Housing Committee approval in June 2021 and the PIP signed all legal documents. In May 2022, the PIP decided to sell the project over to another key player/provider in the area of Peterborough, being Cross Keys Homes.
- 2.2 Cross Key Homes will take the project forward. Cross Keys Homes Limited (CKH), is now the parent RP entity and acquired “PIP (Northminster) Limited” on 6th June 2022.
- 2.3 The PIP had informed the CPCA informally, of the intention for the company to be sold to CKH. CKH conducted their due diligence, and the PIP owners agreed to the terms of the sale. PIP Northminster Ltd has been sold to CKH (who have bought 100% of the shares) and therefore the company is now a directly owned subsidiary of CKH.
- 2.4 Due to the event of CKH taking over the company, they have effectively taken over the delivery of the project.
- 2.5 CKH will build out the project. The demolition is near complete, the physical construction has started following the Reserved Matters Planning consent in late August.

## Significant Implications

### 3. Financial Implications

- 3.1 There are some financial implications, as the first payment for start on site has been paid to the PIP. This amounted to approximately 38.03% towards the agreed costs for the project, which was £4,762,126 million. There is still an outstanding amount from the first payment, as it was agreed as being 40% upon start on site. Therefore £246,374 is still to be paid, which we now anticipate will be included in the second tranche of 35% at mid-point payment.
- 3.2 The PIP will be incorporated into CKH. CKH can claim the grant for future build costs once all legal processes have been transferred.
- 3.3 No further monies will be paid to PIP Northminster, but future grant will be applied for and paid to CKH. The CPCA will agree and sign up to the novation, with the same terms and liabilities as initially agreed by the PIP. The payment percentages are 40% upon start on site (already paid 38.03%), 35% plus 1.97% at the construction mid-point and 25% upon Practical Completion.

## 4. Legal Implications

- 4.1 A Deed of covenant has been agreed whereby CKH will accept all liabilities under the Grant Funding Agreement, including liability for the first instalment of grant payment made to the PIP Northminster.
- 4.2 A Deed of Novation will also be drafted to formally note the change of ownership as well the transfer of liabilities, and obligations from the PIP Northminster to CKH.
- 4.3 The CPCA holds a restriction over the Freehold title which means any disposal of land is subject to CPCA consent. The restriction will remain on the title until the build is completed.

## 5. Public Health implications

- 5.1 There are no public health implications, other than the project will be built out to improve the lives of people living in Peterborough, who require such accommodation to live and work in, in their area of choice. With a mixed tenure site development, this will make the area, a more favourable location.

## 6. Environmental and Climate Change Implications

- 6.1 The development is intended to be supplied with both on and off-site generated renewable energy. In addition, external scheme lighting will be powered from solar panels provided within the development where possible. Electric Vehicle Charging points will also be provided within the car park. The scheme will also utilise Brown, Blue and Green roofs as part of a sustainable drainage solution, with rain gardens at ground level. The use of low carbon materials or even better carbon negative materials such as Timber to develop a future proofed building, with the concept of change and adaptability in the long term.
- 6.2 These developments were included in the initial brief and will remain the same, providing a positive outcome for the environmental and climate change implications.

## 7. Other Significant Implications

- 7.1 No further significant implications, such as Equalities and Risk, Engagement and Consultation which have not been dealt with under the legal or financial implications

## 8. Appendices

- 8.1 Exempt Appendix 1 – Updated programme for Northminster Oct 22 & Business Plan. Site plan, Development Appraisal & Accommodation Schedule

## 9. Background Papers

- 9.1 None