

## **HUNTINGDONSHIRE DISTRICT COUNCIL**

<b>Title/Subject Matter:</b>	<b>Regeneration Opportunities Report</b>
<b>Meeting/Date:</b>	Overview and Scrutiny Committee (Performance and Growth) 8 July 2025  Cabinet 15 July 2025
<b>Executive Portfolio:</b>	Executive Councillor for Jobs, Economy & Housing – Cllr Sam Wakeford
<b>Report by:</b>	Head of Economy, Regeneration and Housing Delivery
<b>Ward(s) affected:</b>	Various – specific wards unknown at this time.

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### **Executive Summary**

This is a report to seek Cabinet approval to move forward to the next stages with a regeneration partnership with Capital and Centric (C&C) relating to sites within the Market Towns. This project seeks to bring forward economic and housing led opportunities which will contribute positively and create new homes, jobs and other benefits.

### **Recommendations:**

Officers are seeking Cabinet approval:

- To support Officers identifying and working up proposals for regeneration opportunities in the Market Towns, which could be brought forward for development in conjunction with C&C as a private sector partner – noting the benefits of the C&C operating model as listed within the appendix to this report.
- Endorse the principle of working with C&C as a partner to develop and potentially deliver identified proposals – noting the appointment via a Direct Award from the 'Bloom' Framework – and based on the advice of the Corporate Director of Finance and Resources (S151) advice supports the use of funding from Reserves to work up proposals to enable consideration of more detailed proposals.
- To endorse Officers proceeding to undertake engagement with stakeholders relating to any identified opportunities and potential developments as part of business case development.
- To support the principle of Officers engaging in efforts to acquire land and buildings in connection with the principle of regeneration in the Market

Towns, where this would align with the principles of delivering economic or housing led regeneration.

## **1. BACKGROUND**

- 1.1 Following the Council's attendance at UKREiiF in 2024 with the Cambridgeshire and Peterborough Combined Authority, (CPCA) discussions commenced with C&C about the opportunity for regeneration opportunities within Huntingdonshire's Market Towns.
- 1.2 The Council is already delivering a number of regeneration schemes throughout the Market Towns under the Market Towns Programme, the main element of this work has focussed on St Neots, following the allocation of Future High Streets Funding, which enabled further funding to be secured from the CPCA and Highways England. Whilst these schemes are aiming to bring significant change to the towns, the Council believes that we can do more and is looking to partner with suitably qualified and experienced regeneration specialists.
- 1.3 C&C are property developers based in Manchester and responsible for some of the most innovative and exciting new developments in the City, as well as developments under way in Stockport, Stoke-on Trent and Newcastle under Lyme. They are experienced in an engagement led design/development approach, and work regularly with Homes England to secure funding and investment. A particular characteristic of C&C is that once construction and fit out of a development has been completed, they continue to manage the development, as owners, to ensure it remains successful in terms of end user experience and satisfaction. C&C believe in creating sustainable change not just in the communities they create but also in the areas that they work in. They consider themselves to be a Social Value Developer, examples of this are a homeless initiative called Embassy Village that supports vulnerable individuals with homes and wraparound support, a further example is the Regeneration Brainery a mentoring programme to support young people from disadvantaged and diverse backgrounds and have helped over 5,000 people to date. This approach also enables them to bring forward innovative approaches to securing economic outcomes for example supporting community cafes, pop-up food outlets, and loss-leading approaches where they deliver place benefits and outcomes.
- 1.4 The C&C approach, whereby they retain ownership and management of developments once completed has a significant positive impact for the Council in terms of both financial and operational risk:
  - The model requires only short-term financing by the Council, rather than long term borrowing. This reduces interest costs from c.40 years to 2-3 years; this model reduces potential exposure for the Council in respect of funding and Minimum Revenue Provision (MRP) exposure. Additionally, this model reduces end risks relating to future ownership of the completed development, as the asset would transfer ownership once complete.
  - The model shifts the ongoing risk of maintaining occupancy of the finished development away from the Council and onto the operator.

- 1.5 Further information on this proposal from C&C is included as an appendix at the end of this report. At this stage it is not possible to advise on particular sites or specific opportunities (and in any event this would need to be treated with commercial confidentiality in mind), save to say that Officers and C&C have identified a number of potential locations within our Market Towns.
- 1.6 Officers have undertaken a significant degree of due diligence overtime since first connecting with C&C. This has included Officer and Member visits to their offices and existing schemes; statutory Officer engagement with counterparts at other Councils working with C&C; and consideration of initial proposals for a series of identified sites. Member feedback has been positive. Officers also note that Homes England see C&C as a credible partner, and have recently appointed them on the town centre proposals for Northstowe. We are also aware that C&C are in discussions with other Councils within our region.

## **2. ANALYSIS**

- 2.1 This is a new project that Officers are proposing should be taken forward. The potential to further demonstrate place leadership through a combination of 'do, enable and influence' in respect of regeneration projects in our Market Towns would align with our Corporate Plan aims; Place Strategy; and would serve as an extension of the established Market Towns Programme. Significantly, such opportunities would have the potential to create jobs, secure investment, provide homes, revitalise parts of our towns, and create new places that our communities and businesses can be proud of. There are various opportunities within our Town Centres which represent potential chances to address the current and historic challenges they have faced and bring forward investment.
- 2.2 A series of initial proposals have been identified and worked up in concept to demonstrate credibility. Officers consider that these should be developed further based on the RIBA approach and Gateway approach set out by C&C. This does not necessarily mean that the Council is committed to taking forward any or all of the sites at this stage, that will be subject for later decisions. It does not also rule in or out any other opportunities, and Officers consider it would be appropriate for Members to consider supporting the principle of the Council looking at further asset acquisitions (where appropriate) where they would support regeneration potential or be of benefit to identified sites. It should also be noted that C&C have advised that they would be in a position to support such acquisitions, or indeed work alongside the Council to secure any identified land or buildings themselves where it would be of benefit to the parties and the project aims – their experience and network in this space is also considered to be a benefit.
- 2.3 Officers are confident that the model proposed by C&C is a good fit with the Councils objectives as set out within the Corporate Plan and Place Strategy. We are also heartened to note that C&C have been appointed by Homes England within the region, to bring forward development at Northstowe.

- 2.4 We note that C&C want to work with the Council as a partner of choice due to the alignment between our Place Strategy objectives, and C&C's own strategic aims. They are also keen to work with us as an ambitious, pro-growth location, and see the potential to unlock some of the challenges faced by our Market Towns. This is demonstrated by their continued dialogue with us over a period of many months, their responsiveness to questions and queries, and ability to provide answers and solutions to challenges we have posed.
- 2.5 C&C are committed to engagement, and understanding of the challenges faced by regeneration schemes in urban contexts – particularly those involving town centres. Examples include the inclusion of social spaces within developments, or the provision of makers-markets or 'loss leading' uses that are necessary to ensure creation of high quality places and delivering beneficial outcomes such as jobs and local spend. This is a good fit with the Councils preferred approach to development. They are also experienced in looking at challenging or difficult sites; with a flexible and solution-focused outlook.
- 2.6 It is considered that their ability to deliver at scale, at pace, and to a high standard, are all positive traits which are exemplified by their track record. They place a significant emphasis on creation of place, and seeking to ensure vibrant and active schemes; that are shaped by the community and create new places people want to be.
- 2.7 The Council has considered the procurement route for this project, and have identified a pathway which allows us to work with them in a compliant way. Initially this will be via a Direct Award from the Bloom Framework to enable proposals to be worked up to more detailed business cases. This is with a view to a future approval via the Pagabo Framework in 2026 (C&C are not on the Pagabo framework in our area - although they are for other parts of the Country). They expect to be on Pagabo in our area in 2026.
- 2.8 Whilst the C&C model envisages taking developments through to completion and then purchasing the completed development and assuming the lead role in managing the operation of the development, as with all developments, there are a series of gateways through which schemes must pass to assure their viability.
- 2.9 These are based upon agreements through the Bloom and Pagabo Framework and once each stage is complete a subsequent agreement is signed for the next stage of the project development:
- Once feasibility is assessed then a new agreement to take the scheme up to planning permission and a cost envelope are obtained.
  - Upon receipt of planning permission, the final construction drawings are produced, and a contract sum is agreed.
  - Construction will then commence to an agreed plan / design and cost.

- 2.3 At this stage, the commitment to C&C extends only to Stage 1 after which the Council would need to take a formal decision to progress to Stage 2 and incur the expenses for full planning drawings and submission to gather planning approval and new target cost. The final decision on whether or not to commit to borrow and develop is then taken before the final Stage 3.
- 2.4 A critical part of this final stage would be determining which of the elements would remain in Council ownership, and which would be bought by C&C. Critically, the model which involves C&C purchasing the end development is highly significant in terms of the Council's approach to funding potential schemes. This helps to reduce risk exposure both in terms of the necessary financial implications, but also in securing an end owner of the asset. Thus it helps to mitigate some of the traditional challenges with Council-led regeneration projects. It is considered that based on the due diligence to date, C&C are a credible partner, and this is reinforced by their recent appointment by Homes England in the region. Throughout, the Council and C&C would also work to leverage other funding opportunities through bodies such as Homes England where this would be of benefit to specific projects

As a result of the above, it is recommended that a series of in principle decisions are made to enable further, more detailed work to be undertaken, with a view to creating a more formalised partnership with C&C and to actively pursue development opportunities.

### **3. COMMENTS OF OVERVIEW & SCRUTINY**

- 3.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to its consideration by the Cabinet.

### **4. KEY IMPACTS / RISKS**

- 4.1 It will be necessary for the Council to consider the risks at each relevant stage of the project and to monitor them on a regular basis. A thorough Risk Assessment will be undertaken for the project and this will be included as part of the next update on the scheme.
- 4.2 On a high level basis, there are no significant risks which cannot be managed or mitigated which would in turn pose a concern in relation to the recommendations of this report.

### **5. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES**

- 5.1 The delivery of Regeneration Schemes is aligned with "Priority 2 Creating a better Huntingdonshire for future generations through Forward Thinking Economic Growth and Improving Housing" it is expected that these schemes will not only drive economic benefits for the District but will

support the Council's aim of increasing housing supply and support our key performance indicators in number of homes delivered.

- 5.2 The delivery of this project will also support the Council's Place Strategy, specifically the Pride in Place and Inclusive Economy journeys through the regeneration of our Market Towns and the delivery of new homes. It will also support the Council's Housing Strategy in the delivery of both market and affordable housing and the Economic Growth Strategy by encouraging new businesses into the area and supporting existing companies to thrive.

## **6. LEGAL IMPLICATIONS**

- 6.1 This project will contain multiple elements where legal advice and guidance is required as part of delivery. Officers have appointed Devello Group to support the Council's Legal team to ensure appropriate legal oversight and advice is provided when relevant including the appointment of specialist to support the Council's decision making.

## **7. RESOURCE IMPLICATIONS**

- 7.1 This project will be resourced by the Council's Regeneration Team, with support from the Corporate Director of Place and Corporate Director of Finance and Resources (S151). As and when required other specialist consultants including legal and property professionals will be required to support decision making.
- 7.2 The Corporate Director of Finance and Resources (S151) has confirmed that they are in agreement with the use of reserves to fund the initial work identified, with recognition that future decisions will be required once detailed business cases are available. These can be appraised on a case by case basis. Further, there is recognition that if projects are taken forward, they can be built in to the Council's Capital Programme at the appropriate time through budget setting etc.

## **8. REASONS FOR THE RECOMMENDED DECISIONS**

- 8.1 The delivery of this project will support the Council's aims under the Priority 2 of the Corporate Plan, as well as wider objectives as set out in the report.

## **9. LIST OF APPENDICES INCLUDED**

Appendix 1 – Capital and Centric additional information

## **10. BACKGROUND PAPERS**

None.

## **CONTACT OFFICER**

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