

SHAREHOLDER CABINET COMMITTEE

MONDAY 9 NOVEMBER 2020
10.00 AM

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AGENDA

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Committee Members:

Councillors: Allen, M Cereste, W Fitzgerald (Chair), D Seaton and I Walsh

Further information about this meeting can be obtained from Pippa Turvey on telephone 01733 452560 or by email – philippa.turvey@peterborough.gov.uk

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**MINUTES OF THE SHAREHOLDER CABINET COMMITTEE MEETING
HELD AT 10:00AM, ON
MONDAY, 14 SEPTEMBER 2020
VIA ZOOM**

Members Present: Councillor Fitzgerald (Chair), Councillor Allen, Councillor Cereste, Councillor Seaton

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Walsh.

2. DECLARATIONS OF INTEREST

There were no declarations of interest received.

3. MINUTES OF THE MEETING HELD ON 2 MARCH 2020

The minutes of the Shareholder Cabinet Committee meeting held on 2 March 2020 were referred to Cabinet for approval.

4. REVIEW OF VIVACITY TRANSITION ARRANGEMENTS

The Shareholder Cabinet Committee received a report in relation to the progress of the Vivacity transition arrangements.

The purpose of this report was to set out the process made to date relating to the transition of Vivacity services to Peterborough Ltd and City College Peterborough.

The Acting Corporate Director for Resources, addressed the Shareholder Cabinet Committee and advised that the date of transfer for Vivacity Services to the City Council had been deferred to 1 October 2020. Within the report it was identified what services would be open, when. It was considered that the services would need to run for at least a year before the Council could have a full understanding of the running costs. Additionally, further time would be needed to understand the significant impact of the Coronavirus on the industry. It was advised that a high number of third party services across the country remained closed.

The Committee were advised that 'Lost World' would transfer to the Nene Park Trust, rather than the Council. Plans were also afoot for the Key Theatre to open over the winter period.

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

- The Acting Director of Resources would circulate an update on the opening of football pitches in the area ahead of the football season.

- A third party had been brought in to provide valuations on all fixtures and fittings, including equipment, ahead of the transfer of services. Such details were covered within the funding management agreement.
- It was advised that the deferment of the transfer for a further two weeks was to enable a smoother transfer for staff, for example, to avoid the issuing of two separate payslips.
- It was considered that Members would need to see evidence that the transfer of services back to the Council would be beneficial.
- It was noted that Coronavirus restrictions were significantly curtailing income in these services areas.
- Queries were raised as to why 'Lost World' was transferring to the Nene Park Trust and not the Council, if this was a reliable income generator, and Members were advised that 'Lost World' was outside the funding management agreement. Further detail would be circulated to the Committee following the meeting.

The Shareholder Cabinet Committee considered the report and **RESOLVED** to note and commented upon the progress being made to secure the safe transition of services from Vivacity, specifically referencing any points that need to be considered as part of the transition or following transition, relating to the other services overseen by Shareholder Cabinet Committee.

REASONS FOR THE DECISION

The process to transfer services from Vivacity to the new arrangements was complex and dynamic, and the decision, and the verbal update which was provided at the meeting, sought to ensure that the Shareholder Cabinet Committee members were fully appraised and reassured of the process being followed.

ALTERNATIVE OPTIONS CONSIDERED

No alternative options were considered.

5. OPPORTUNITY PETERBOROUGH

Councillor Cereste left the meeting at this point.

The Shareholder Cabinet Committee received a report in relation to the activities of Opportunity Peterborough.

The purpose of this report was to provide an update on the activities and achievements of Opportunity Peterborough, to provide an overview of the opportunities and challenges that face the company in the very near future, and to provide information to the Committee for its consideration regarding the continued funding of the company.

Tom Hennessy, the Chief Executive of Opportunity Peterborough, addressed the Shareholder Cabinet Committee and gave an overview of the 2019/2020 year, and introduced the business plan for the current financial year. With the past year Opportunity Peterborough had made a successful bid for a smart manufacturing association within the area. The company had also been instrumental in working with the Council and the Combined Authority in disseminating business grants and information to local business, the Committee were advised. Additionally, following the closure of schools in the area due to the Coronavirus pandemic, Opportunity

Peterborough had extended its work with schools around digital infrastructure, and were looking to roll out a programme on a national level.

The Committee were informed that the company had created 338 jobs in 2019/20, contributing £10 million to the local economy. It was therefore felt that the Council's investment was worthwhile. Opportunity Peterborough was currently working towards a bid for a growth services contract with the Combined Authority. This contract would replace much of the work currently undertaken by the company and, therefore, should the bid be unsuccessful, the company may see a reduction in income. A reserve for this had been included in the business plan. However, if it was considered that if the Council were to withdraw its funding, there would be some services that Opportunity Peterborough would no longer be able to provide.

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

- The Committee were advised that Opportunity Peterborough provided services to the 'greater Peterborough' area to support the Peterborough economy, However, the company also looked to enhance the talent pool and economy of area that Peterborough would benefit from.
- The value of Opportunity Peterborough was emphasised to Members, while also seeking consideration of future budgetary implications.
- It was suggested that the Committee make a recommendation to Cabinet to take into account the continuing benefits of the company when considering the Council's budget.
- It was noted that a greater focus on communication by Opportunity Peterborough to Members may ensure that Members had a greater understanding of the company's value.
- The Committee emphasised the importance of the visitor economy and expressed a wish to see further work carried out on how to sell the city and its assets as a more tourist-centric asset.
- Officers agreed with this point and referenced work undertaken by London and Partners and Making Manchester as successful models.
- The Committee requested that Opportunity Peterborough circulate information to Members of the Committee on a bi-monthly basis, or as often as possible, to keep them informed of future developments.

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

- Note the achievements and impact of Opportunity Peterborough with regards to support for the local economy and jobs creation.
- Note the opportunities for enhancing its services, and thus its impact, as laid out in the Business Plan in Appendix A.
- Note the challenges that the company will face should it be unsuccessful in securing a new contract with the CPCA.
- Recommend that Cabinet consider the continuing benefits of Opportunity Peterborough as a valued asset, and to pursue the potential to share costs and service outcomes with neighbouring authorities such as Cambridgeshire County Council and South Kesteven District Council.

REASONS FOR THE DECISION

It was recommended that the Shareholder Cabinet Committee consider the benefits of continued funding for Opportunity Peterborough to enable the company to continue delivering valuable services to the city, particularly in the time of economic uncertainty.

ALTERNATIVE OPTIONS CONSIDERED

Peterborough City Council could withdraw funding for Opportunity Peterborough from 2021/22 with the associated loss of the benefits.

Peterborough City Council could contract Opportunity Peterborough to deliver specific services to the Council on a case by case basis. However, without a long term commitment to levels of funding it would be difficult to retain resources to enable delivery.

Given that Cambridgeshire County Council and Peterborough City Council enjoyed a close relationship sharing many officers, and given that CCC did not have its own economic development function, services could be further enhanced or a cost saving could be realised if costs were shared with CCC and both organisations were provided with access to OP's services. Likewise, an approach by PCC to South Kesteven District Council suggesting a merging of OP with InvestSK, which had recently been through a streamlining process, could again provide some costs savings to PCC whilst retaining access to services currently provided by OP. Such arrangements would not have to be mutually exclusive and could provide increased efficiencies and collaborative working across Cambridgeshire, Peterborough and South Lincolnshire providing ongoing benefits to all involved.

6. GUIDANCE FOR MEMBERS AND OFFICERS WHO SERVE ON OUTSIDE BODIES

The Monitoring Officer advised the Shareholder Cabinet Committee that the 'Guidance for Members and Officers who Served on Outside Bodies' had not been updated, as the guidance remained the same.

7. SHAREHOLDER CABINET COMMITTEE WORK PROGRAMME

The Shareholder Cabinet Committee received the Shareholder Cabinet Committee work programme for the 2020/2021 municipal year.

The Shareholder Cabinet Committee considered the report and **RESOLVED** to note the latest version of the work programme.

Chairman
10:00am – 11:04am
14 September 2020

SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 4
9 NOVEMBER 2020	PUBLIC REPORT

Report of:	Adrian Chapman, Service Director: Communities and Partnerships		
Cabinet Member(s) responsible:	Cllr Steve Allen, Cabinet Member for Housing, Culture and Recreation		
Contact Officer(s):	Pat Carrington, City College Peterborough	Tel. 01733 293891	

Peterborough Museum and Art Gallery update

RECOMMENDATIONS	
FROM: <i>Adrian Chapman</i>	Deadline date
<p>It is recommended that Shareholder Cabinet Committee:</p> <p>(i) notes the progress of the transfer of the Museum and Art Gallery to City Culture Peterborough (part of the City College Peterborough Foundation).</p>	

1. ORIGIN OF REPORT

1.1 This report is submitted to Shareholder Cabinet Committee as an annual update to the committee.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is

(a) to give an update on the transfer of services to City Culture Peterborough (part of the City College Peterborough Foundation)

(b) to update on the re-opening plans

(c) to update on the role of the service during and post the covid-19 pandemic

2.2 This report is for 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 by means of monthly performance monitoring and scrutiny'.

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 Transfer of Museums and Art Galleries to City Culture Peterborough (part of the City College Peterborough Foundation).
- 4.1.1 In June 2020, due to the long term effects of the Coronavirus pandemic, the Vivacity Trust confirmed that it would no longer be in a position to deliver services for the council. As a result, the Trust gave notice on June 18, beginning a 90-day transition period.
- 4.1.2 Closely supported by Vivacity, the council carried out a review of the services to consider how they might be delivered in the future and as a result successfully transferred services to City College Peterborough and Peterborough Limited, with Museums and Art Galleries transferring to City College Peterborough.
- 4.2 Progress of transfer to date
- 4.2.1 At the point of transfer to City College Peterborough, all but five staff were furloughed and the heritage and arts sites were closed.
- 4.2.2 During the early stages of the planning of the transfer, it was decided that it would not be appropriate to call Peterborough's Cultural Services City College Peterborough, as this would be confusing to members of the public and not fully represent what the services offered. Therefore, City Culture Peterborough was created, as part of the City College Peterborough Foundation.
- 4.2.3 The transfer of Vivacity services back to the council saw the uncoupling of sports and leisure from culture, with culture and heritage moving to City Culture Peterborough and sport and leisure transferring to Peterborough Limited and to ensure all aspect of the transfer were managed as smoothly as possible there have been twice weekly meetings between the Council, Peterborough Limited and City Culture Peterborough.
- 4.2.4 During this time, a bid was submitted to the Arts Council Culture Recovery Fund to support the reopening and financial recovery of Flag Fen, the Key Theatre and the Museum and Art Gallery over the next six months. The sites have been awarded the full amount requested, £493k. Existing grants as previously received by Vivacity have all now also been transferred to City Culture Peterborough.
- 4.2.5 As part of the transfer process, partners and stakeholders have been engaged and meetings have so far taken place with:
- Arts Council England
 - Historic England
 - Civic
 - Friends Groups
 - Peterborough Culture Forum
- 4.2.6 Transfer of services was successfully concluded on the 1 October 2020.
- 4.3 Next Steps
- 4.3.1 **The Museum**
As the new organisation responsible for the Museum and the collections, City Culture Peterborough are currently updating the archives and collections agreement with the Council, whilst updating governance details to ensure the Museum and Art Gallery maintains its accredited status, a UK industry standard for museums and galleries. We are also commencing the work again with the Towns Fund project team on the application for an extension to the museum which would significantly enhance the buildings facilities as well as provide a display and storage space for the internationally important Must Farm log boats and associated artefacts, for which we will need to secure additional match funding.
- 4.3.2 **Flag Fen**
As a key part of telling Peterborough's story, we are developing some ambitious development plans for Flag Fen. Investment in facilities, improved all-year-round access, and the development

of relevant and audience-led programmes will undoubtedly provide fantastic opportunities for families, schools, academics and residents alike in the future. Security of the site is being increased as it has suffered some vandalism, theft and recently there was a fire in which a teaching room and its contents were destroyed. A meeting has taken place with Francis Pryor, the archaeologist who discovered Flag Fen, to gather his ideas, support and advice for the site.

- 4.3.3 Historic England are very also excited about the emerging ideas for Flag Fen and they would like to work in partnership with City Culture Peterborough to help support the planning and development of this internationally important prehistoric site.

4.4 Opening Plans

- 4.4.1 Peterborough Museum and Art Gallery is planning to open its doors from Thursday 12 November 2020, welcoming visitors old and new, supporting the message that Peterborough is open for culture and leisure. We will launch the opening with a 'new artists' community exhibition in the art gallery alongside an exhibition in the temporary exhibition space looking at the culture service past, present and future.

- 4.4.2 Priority will be the health and wellbeing of staff, volunteers and visitors. As such, the re-opening will follow strict government guidance and is subject to any changes in local and national restrictions. There will be significant changes to the operation of the exhibitions and the building itself including a restriction on the visitor numbers in the building, sanitising stations and a limited Squires Café offer.

- 4.4.3 There will be a reduction in opening hours to enable additional cleaning to happen at the beginning and at the end of the day. Our new opening hours will be 10am - 4pm Tuesday - Saturday, 12pm- 4pm Sunday. We will continue to be closed on Mondays.

4.5 The role of the service during and post the covid-19 pandemic

- 4.5.1 It is vitally important to the City of Peterborough that it has a strong cultural sector that improves health and wellbeing, raises aspirations and contributes to a distinctive and attractive city that people want to visit, live and work in. Our role is to work collaboratively with local, regional and national partners to develop a transformative and strategic programme of a high quality that will attract inward investment and build sustainable audiences.

- 4.5.2 Moving forward, we will be working to develop a service plan that focuses meaningfully on several key areas such as developing resources, sustainable partnerships, audience development and community engagement.

5. **CONSULTATION**

- 5.1 Formal partnership management arrangements are in place between City Culture Peterborough and the City Council, via a new Partnership Board. Consultation has commenced with the Friends Groups and a plan is being formulated in which to consult with the local communities

6. **ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 To provide assurance to Members of the arrangements in place relating to the management of the Museum and Art Gallery.

7. **REASON FOR THE RECOMMENDATION**

- 7.1 To give an update on the transfer of services and in helping to improve service provision.

8. **ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 None

9. IMPLICATIONS

Financial Implications

- 9.1 These are currently being identified and work is in progress to understand the costs of delivering these services both during the pandemic and in the longer term recovery of the City.

Legal Implications

- 9.2 None

Equalities Implications

- 9.3 The delivery and design of the future services will be carried out in such a way as to widen participation and be inclusive to all.

Carbon Impact Assessment

- 9.4 The assessment is based on the carbon impact post COVID-19 lockdown and transfer of the Museum and Art Gallery from Vivacity to City Culture Peterborough. Buildings will be re-opened with appropriate infection control interventions. There will be a reduction in the opening hours to the public, however additional time will be needed at the beginning and end of each day and therefore there will be a similar demand for energy demand and water consumption.

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.

SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 5
9 November 2020	PUBLIC REPORT

Report of:	Pete Carpenter – Acting Corporate Director Resources	
Cabinet Member(s) responsible:	Peter Hiller - Cabinet Member for Strategic Planning and Commercial Strategy and Investments	
Contact Officer(s):	Alex Gee - Operations Director, NPS Property Consultants	Tel. (0) 7770 283154

NPS PETERBOROUGH PLAN

RECOMMENDATIONS	
FROM: <i>Enter who – e.g. Scrutiny Committee, Director, Cabinet, Cabinet Members</i>	Deadline date: <i>N/a</i>
It is recommended that the Shareholder Cabinet Committee notes the contents of the report.	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Shareholders Committee as part of its normal programme of works.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to provide the Committee with the NPS Peterborough Business Plan and strategic overview of how the business supports Peterborough City Council.

The attached slides provide additional background information as requested by the Committee in March 2020.

- 2.2 This report is for Peterborough City Council 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 by means of monthly performance monitoring and scrutiny'*.

- 2.3 The attached presentation documents how NPS Peterborough Ltd align its own strategy with the Council's long term Corporate Priorities, namely driving growth and economic regeneration; improving educational attainment and skills; and promote healthy, safe and cohesive communities.

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 NPS Peterborough Ltd is a 50/50 joint venture company owned by Peterborough City Council and the Norse Group (a wholly owned subsidiary of Norfolk County Council).

4.2 The objectives of the joint venture are to support the City Council's property aspirations through the delivery of its property estate functions and provide strategic asset management advice to support the City's growth and regeneration ambitions. The joint venture can also commission and provide other professional property services that support the Council's agenda.

4.3 As the joint venture evolved and Aragon Direct Services has come into effect, there has been criticism as to clarity of the different areas of responsibility between the 2 organisations. Whilst both organisations work closely together, communication to stakeholders could be greatly improved.

4.4 The annexed presentation seeks to address the areas of responsibility NPS Peterborough Ltd perform in the delivery of its strategy aligned to the Council's corporate priorities.

4.5 The annex also sets out the high level NPS Business plan for review for this year and delivery over the past 4 years.

5. CONSULTATION

5.1 None.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 It is anticipated that the annexed document will provide the Committee members with a clearer understanding of the role NPS Peterborough plays in supporting the Council's objectives and aspirations

7. REASON FOR THE RECOMMENDATION

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

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 None.

9. IMPLICATIONS

Financial Implications

9.1 The Council provides circa £1.2m income per annum to support the Core services outlined in the service level agreement. The JV has returned £473K in total over 4 years back to the Council in volume discount., exceeding business plan forecasts in years 2,3 & 4.

Other Implications

9.2 There are no legal, equalities, or carbon impact 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 Appendix 1 - NPS Peterborough Ltd Business Plan 2020-21

Business

plan 2020/2021

NPS Peterborough

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Business Plan Summary

Our Strategy

The NPS Peterborough Business Plan is designed to **support key strategic priorities of Peterborough City Council** that drive growth and economic regeneration; improve educational attainment and skills; and promote, healthy, safe and cohesive communities; whilst building on the strengths of the JV partnership, our staff, and the Norse values.

With 6 years to run on the existing arrangement, NPS Peterborough are seeking to **deliver high quality Estates and Asset Management services** to Peterborough City Council, whilst seeking to grow our external income through the **provision of consultancy services.**

Business Plan Summary

To deliver our strategy, we will:

Improve our **reputation** and build on our **relationship** with Peterborough City Council; provide **strategic advice** to the Council and its City Centre Development Framework (which sets the future vision for the city); to conduct **asset review options** for all property asset types; to **regularise market rate rents** on commercial and retail investments; to grow our external **market share**; and **continue to deliver returns back to PCC** in line with BP forecasts.

We aim to:

Maintain a healthy and **sustainable profit margin**

Deliver **high quality** Estates and Asset Management services and facilitate work for other disciplines across the Norse Group

Develop our staff who are at the heart of what we do, to ensure they are **empowered and trusted** to deliver their work

Strategic Asset Management

- Conduct options appraisals for different asset types to identify alternative uses, consolidation or commercial / development opportunities
- Work with PCC officers to attain best value in negotiating terms for strategic acquisitions and disposals
- Assess and appraise property investment and regeneration opportunities, working closely with developers and providers to bring forward schemes
 - Examples such as Northminster car park and the market redevelopment through PIP or the acquisition of TK Maxx site on Bridge Street as a library and community hub
- Actively support the Council's Strategic Asset Group

Commercial / Industrial Estate

- Promote a strong and healthy local economy through supporting local enterprise
- Minimise the number of void units through active marketing with local agencies to identify and secure tenants
- Maximise the number of units paying benchmarked market rent through securing inflation linked tenancies with regular rent reviews
- Working to find potential subtenants for PCC to maximise rental income and bring additional footfall into the city centre (CITB, Pintec)
- Work with finance colleagues to monitor and reduce rental arrears

Rural Estate

- Review and update the Rural Asset Strategy
- Work closely with the tenants and the NFU to maximise opportunities to promote the rural estate, education initiatives and sustainable farming techniques
- Seek to amalgamate the holdings in line with recommendations as tenants exit the estate
- Identify development / conversion opportunities
- Develop a business case for sustainable energy initiatives on the estate

Housing

- Ensure PCC compliance data is compiled as properties come on stream and reviewed annually to minimise risk
- Provide *Asset* and Insurance valuations to ensure that units have adequate cover and are compliant with PCC insurers requirements
- Carry out fabric condition surveys to understand and support the programming of any capital improvements required
- Provide asbestos surveys to ensure risk is managed in properties build prior to 2000
- Source properties for housing services teams that meet the demand profile provided

Building Management Services

- Monitor and provide safe spaces for staff to occupy
- Ensure that building management controls are in place and deployed efficiently
- Monitor and oversee soft FM contracts and manage suppliers of soft FM services

Financial BP

	2016/17*	2017/18	2018/19	2019/20	2020/21
Income	£1,622,341	£2,203,102	£1,951,555	£1,877,229	£1,719,343
Direct Costs	£1,253,087	£1,807,656	£1,523,605	£1,478,652	£1,303,952
Indirect Costs	£96,210	£96,300	£90,985	£70,113	£81,719
Fixed Costs	£114,541	£125,249	£155,178	£145,180	£143,932
Total Costs	£1,463,838	£2,029,205	£1,769,768	£1,693,945	£1,529,602
Profit	£158,503	£173,897	£181,787	£183,284	£189,741
Vol. Disc	£79,252	£86,949	£90,894	£91,642	£94,870
Actual Vol Disc	£46,000	£108,000	£121,000	£198,000	

2016/17* BP based on full financial year though the service commenced from 6 July 2016.
Actual Vol Discount is based on 9mths trading

Learning and Development Plan

Learning and Development Objectives - NPS Peterborough					
Strategic Objective	Activity	Source	Cost	Deadline	Outcome
Succession planning for senior management	<ul style="list-style-type: none"> * Consider strengths of management team * Provide opportunities for senior colleagues to lead activities * Provide management and development training 	Mix of skills hub and external mentoring	£20K	31-Mar-21	Creation of opportunities resulting in retention of staff and succession planning for senior team
Support Staff through Professional Development	<ul style="list-style-type: none"> * Support Building Surveyor Apprentice through course offering opportunities to maximise learning in a supervised environment * Support staff with other professional accreditations / affiliations 	External providers	£5k	Ongoing	Competent, professionally staffed business
Embed Estates Best Practice and Group ISO into everyday working	<ul style="list-style-type: none"> * Internal CPD from Estates BPG * Internal ISO CPD 	Internal staff	£2k	Ongoing	Ensure staff are fully cognisant of best practice guidance and that NPS Peterborough is operating in accordance to Group standard for ISO accreditation
Greater understanding of Housing agenda	*Selected staff to attend CPD and Conferences to understand the strategic drivers and tools to further facilitate Housing support to PCC	External conferences	£5K	31-Mar-21	Provide competent strategic advice to PCC on property related housing issues
Enhance the NPS Peterborough reputation	* Communications training for all staff focussed on managing client expectations	NPSP Management Team	£5K	30-Sep-20	Better able to manage client expectations through effective communications and stakeholder management

Risks to BP/potential opportunities

Risks

- PCC **Budget pressures** impacting core funding
- Suitably **qualified staff** to fill current vacant posts
- **Reputation** of NPS Peterborough with Leader of PCC
- **Housing** works offered elsewhere (£50k pressure)

Opportunities

- Offering **Asset Valuation** services commercially
- Further develop and implement **Housing services offer** (including Building Surveying)
- Continue developing external relationships
- Maximise local **networking opportunities** through Opportunity Peterborough and sponsor Peterborough Bond Holders event

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SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 6
9 November 2020	PUBLIC REPORT

Report of:	Kitran Eastman – Managing Director Peterborough Limited	
Cabinet Member(s) responsible:	Cllr Mohammed Farooq – Chairman of Peterborough Limited Board	
Contact Officer(s):	Kitran Eastman – Managing Director Peterborough Limited James Collingridge – Head of Environmental Partnerships	Tel. 864736

Peterborough Limited Business Plan 2020-2023

RECOMMENDATIONS	
FROM: Peterborough Limited	Deadline date: N/A
<p>It is recommended that the Shareholder Cabinet Committee:</p> <ol style="list-style-type: none"> Note the information within the report and the impact which COVID-19 has had on Peterborough Limited. 	

1. ORIGIN OF REPORT

- 1.1. This report is presented to the Shareholder Cabinet Sub Committee following a request from the Committee to be provided with an update on progress against the Business Plan which was agreed on 2 March 2020.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to update the Shareholder Cabinet Sub Committee on the Peterborough Limited Business Plan 2020-2023 (See Background Papers), as well as the financial position of the company, and key achievements and milestones over the last nine months.
- 2.2 This report is for 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 by means of monthly performance monitoring and scrutiny*'.
- 2.3 This report contains exempt appendices that are NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because they contain commercial information. The public interest test has been applied to the information contained within these exempt appendices and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it

3. TIMESCALE

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 Limited is wholly owned by Peterborough City Council and was formed as a Teckal compliant Local Authority Trading Company (LATCo). This means that the company is autonomous from the Council but does require a council appointed board and relies on the Council for guidance and input on strategic matters or important issues of policy.
- 4.2 In February 2019 Peterborough Limited operating as Aragon Direct Services commenced delivery of some services for the Council. During the Company's first year of operation it concentrated on providing a smooth transition of operational services, getting under the skin of the finances of the operations and its support services and building a solid foundation for future growth.
- 4.3 Some of the key elements planned for the second year of operation (2020/21) include plans that the company would
- Focus on property and professional service and become the service provider of choice for managing and delivering the property and professional service related elements of the PCC capital programme, with a ringfence delivery fund of £15 M. Also to target similar customers to those we have now such as schools and public sector clients
 - Introduce a commercial recycling and waste service to businesses in the Peterborough areas – utilising the Council's commercial waste as the corner stone of the service
 - Focus on packaged operational services as a one stop shop to similar customers to those we have now such as schools and public sector clients
 - Continue to deliver high quality services to PCC specifications via Aragon Direct Services
 - Work with PCC to replace the ageing P-Ltd fleet to improve resilience and reduce the impact on the environment
- 4.4 The full list of areas of focus across 2020 to 2023 can be seen in Appendix 2.

Impact Of COVID-19

- 4.5 In March shortly after the P-Ltd business plan had been agreed, COVID-19 started to unfold and like the rest of Team Peterborough (those organisations who deliver for the residents of Peterborough) P-Ltd moved to focus on the fight against the virus.
- 4.6 A small number of staff started working from home, but the majority of staff continued as frontline key workers focusing on delivering essential services, and supporting the Council and the local community in its COVID response.
- 4.7 As an organisation P-Ltd /Aragon has responded well to the COVID-19 crisis. It started with early work done in January looking at cleansing and PPE supply, as well as hygiene processes, sickness processes and business continuity planning. Strong staff communication throughout was welcomed by employees as was positive press and social media engagement about their outstanding work. Absence levels for non COVID related sickness was low and staff morale was high due to the positive response from the public. COVID cases have been low within the company, highlighting the effective steps taken regarding sanitising and social distancing where possible.
- 4.8 The main impacts on services were caused by:
- 30% increase in waste collected when compared to the weeks before lock down (in line with national increases)
 - Increase in fly tipping

- Staff being medically shielded
- Self-isolation due to COVID or COVID within an employee's household
- Where possible staff being put into lone working or smaller crews to enable social distancing
- Supply chain disruption
- Difficulty accessing sites for property work due to other companies/ organisations having furloughed staff
- Alterations in work patterns due to COVID restrictions (i.e. closing of schools, playgrounds, toilets)

4.9 This resulted in:

- Reduction of Garden Waste Collections to monthly
- Suspension of Bulky Waste Services
- Suspension of Bin Deliveries
- Restructuring of work to key areas for street cleansing and grounds maintenance

4.10 As of October 2020, most services are running as normal, with a revised bulky waste service to enable the most efficient collections possible, and bin deliveries being done where resources allow (including weekends).

4.11 In addition to the service impacts the Company has faced due to COVID, the majority of proactive work planned had to be put on hold, and all management focus and capacity was diverted to keeping staff safe and delivering the highest level of service delivery possible for the public.

4.12 Staff across the company have worked tirelessly throughout this year, going over and above. They have been an incredible asset both to the Company and Peterborough. We are very proud of them.

4.13 ADS have supported PCC in several areas during COVID, this has included additional cleaning in the City Centre to Viricidal clean touch points like bike racks and benches etc. to support the economic recovery of the City Centre. Sanitiser stations were also installed to ensure residents felt comfortable and safe to enter the City Centre again. ADS also supported through the closure and then subsequent safe reopening of play areas were arranged or signs to be installed in all play areas advising on safe use and also ensured where play equipment was not at least 2 meters apart it was removed to ensure safe social distancing. ADS continue to carry out weekly inspections of all play areas ensuring they are both safe to use and that signage remains in situ.

4.14 Due to the impact of COVID-19 the planned commercial expansion in 2020 has not been possible. The changing economic situation locally means that the markets will need to be reassessed and reprogrammed for a post COVID world. During 2021 we will make every endeavour to look at new potential commercial expansions and in relation to those that have not been able to come into fruition during 2020 we will re look to see how these can be adapted and implemented during 2021.

Finance Impact

4.13 to 4.16 **See Appendix 1 Part 1- Exempted Section Not for Publication**

Vivacity Leisure

4.17 Another key impact of COVID has been the handing back of the Vivacity Contract.

- 4.18 On 1st October 2020 P-Ltd took over the running of Leisure Services, from the Vivacity Trust. There are significance synergies between the Aragon operation and Vivacity leisure services. Key areas of sports and leisure overlap with parks, open spaces and grounds and sports pitch maintenance. Both Aragon and Vivacity Leisure have a large workforce providing local services for Peterborough residents. Property repair and maintenance is contracted to Aragon, and many of our back office functions such as HR, IT, Legal, are run by the same providers.
- 4.19 On transfer the Leisure service formed a separate operating arm of the company. This enables clear open and transparent finances. The service will continue to operate under the name “Vivacity” or “Vivacity Leisure”. We will ensure, however, that there are not silos between “Vivacity” and “Aragon”, and the service managers and teams will work together.
- 4.20 The Company will then “Run, Review and Reshape” the services. This will take into account the Council’s strategic and service provision views, commercial opportunities, and the challenges of COVID-19.
- 4.21 to 4.22 See Appendix 1 Part 2- Exempted Section Not for Publication
- 4.23 Transfer of services has gone smoothly, and work is currently ongoing to reopen services where safe and viable to do so.

Fleet Procurement

- 4.24 P-Ltd have provided the Council with a list of proposed asset replacements, this will be a mixture of lease, purchase out existing leases and capital purchase. The new vehicles will be a phased replacement program of aging assets across, Waste and Recycling, Street Cleansing, Parks and Open Spaces and Home to School Transport.
- 4.25 Aragon has been trialling various options for the fleet replacement to ensure the most cost effective and efficient vehicles are procured.

5. CONSULTATION

- 5.1 No consultation is required at this time

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 The Company will continue to
- Run its the core services as efficiently as possible,
 - Work to keeping staff safe and the public safe during COVID
 - Commence the commercial waste services from December 2020

7. REASON FOR THE RECOMMENDATION

- 7.1 It is recommended that the Shareholder Cabinet Sub-Committee note the information within the report and the impact which COVID-19 has had on Peterborough Limited.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Due to the current COVID-19 situation, options are limited at this time.

9. IMPLICATIONS

Financial Implications

- 9.2 See Appendix 1 Part 1- Exempted Section Not for Publication

Legal Implications

9.3 Peterborough limited is a “Teckal” compliant company (advice is detailed in KEY/11JUN18/04 – Link found in background documents) and thus exempt from needing to compete with other companies under procurement legislation for works and services provided to the Council.

9.4 Peterborough Limited as a “Teckal” compliant company, has the ability to trade commercially up to 20% of its turnover, over a three-year period. As such at least 80% of the company’s income must come from the Council.

Equalities Implications

9.5 There are no negative equalities implications.

HR Implications

9.6 None at this time

Carbon Impact Assessment

9.7 This report does not contain any decisions that will have an impact on Carbon Dioxide emissions. It allows for an update to the Shareholder committee on the operations of ADS.

10.0 BACKGROUND DOCUMENTS

10.1 Cabinet Meeting, 11th June 2018. Item 6

<https://democracy.peterborough.gov.uk/ieListDocuments.aspx?CId=116&MId=4142>

10.2 Cabinet Meeting, 17th December 2018. Item 4.

<https://democracy.peterborough.gov.uk/ieListDocuments.aspx?CId=116&MId=4214>

10.3 Shareholder Committee Meeting, 2nd March 2020. Item 5.

<https://democracy.peterborough.gov.uk/ieListDocuments.aspx?CId=721&MId=4346&Ver=4>

11. APPENDICES

- Appendix 1 - Exempted Section Not for Publication
- Appendix 2 - Peterborough Limited Business Plan Areas of Focus

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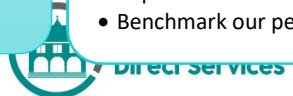
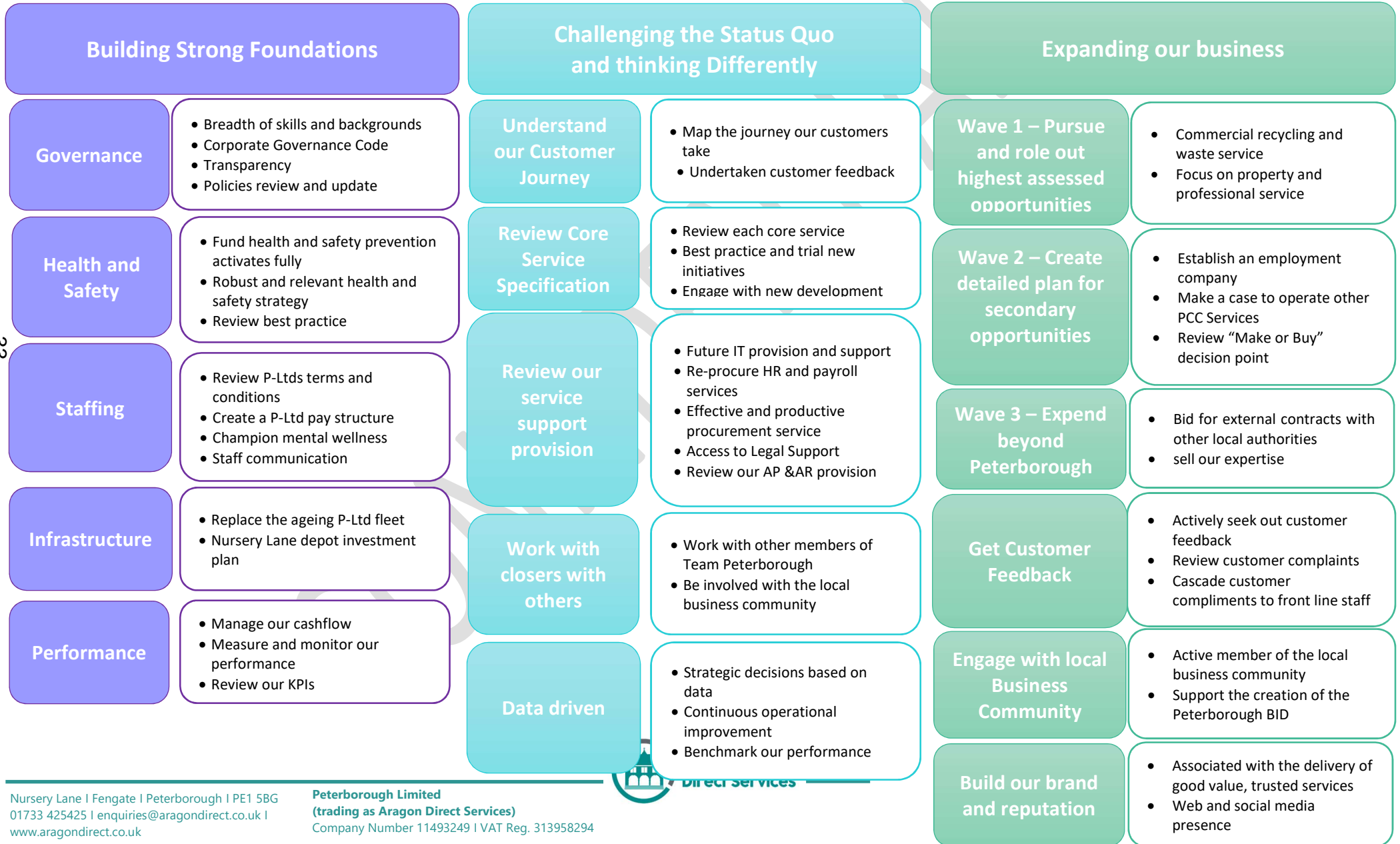
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of the Local Government Act 1972.

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Appendix H: Theme areas

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Shareholder Cabinet Committee Work Programme 2020/21

Meeting Date	Item	Comments
14 September 2020 <i>Draft Report: 26 August 2020</i> <i>Final Report: 2 September 2020</i> <i>Deadline for Exempt Information Notice: 14 August 2020</i>	Guidance for Member and Officers who Serve on Outside Bodies Lead Officer: Fiona McMillan	
	Vivacity Lead Officer: Adrian Chapman	
	Opportunity Peterborough Lead Officer: Steve Cox	
9 November 2020 <i>Draft Report: 21 October 2020</i> <i>Final Report: 28 October 2020</i> <i>Deadline for Exempt Information Notice: 12 October 2020</i>	Peterborough Museum and Art Gallery with Business Plan Lead Officer: Adrian Chapman	
	NPS Update with Business Plan Lead Officer: Alex Gee/Pete Carpenter	
	Peterborough Limited Update with Business Plan Lead Officer: Steve Cox/James Collingridge/Annette Reader	
1 March 2021		

<i>Draft Report: 10 February 2021</i>		
<i>Final Report: 17 February 2021</i>		
<i>Deadline for Exempt Information Notice: 14 August 1 February 2021</i>		

Standing Items

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