

# Peterborough **LIMITED**

## Peterborough Limited Annual Report 2022-2023

## Content

1. Introduction .....	3
2. Our Vision and Values.....	3
2.1. Vision.....	3
2.2. Values.....	3
3. Our Operating Context .....	4
3.1. Team Peterborough! .....	5
3.2. Our Company Structure .....	5
3.3. Culture Service .....	5
4. Performance .....	5
5. Commercial Activity.....	7
6. Our Financial Performance this Year .....	9
7. Our Performance Against Our Business Plan .....	10
8. Gender Pay Gap .....	13
9. Governance.....	13
10. What challenges does 2023/24 hold? .....	14
11. Conclusion.....	15

## 1. Introduction

Peterborough Limited (P-Ltd) is now coming to the end of its first Business Plan phase (2020-2023) following four full years of trading. We started on the ground services in February 2019 and have been growing in size and scope since. Our purpose is to make Peterborough the best place we can, and ultimately aid making Peterborough residents happier. We have further ambitions to grow and become an established part of the Peterborough community.

Our company delivers a diverse range of interconnected services. Our staff have many skills, but we specialise in:

- 🌍 Making and keeping places and spaces special both in the natural and built environment.
- 🌍 Helping people stay or keep mentally and physically fit and healthy.
- 🌍 Making our heritage accessible for all.

2022/23 was our fourth full year of operations, and the first year since the pandemic without lock-down restriction on our facilities. It was an extremely busy year starting with the transfer of Library and Heritage services into the company. These were taken to ensure business continuity for Peterborough City Council and utilise the skills within the company to review services. The Lido was also opened for Easter following the success of the previous year, with the "Lido Light" timetable continuing through until the full summer season. This year also saw our leisure memberships recovery outstripping the national recovery following the pandemic, thanks to the significant focus we placed on the growth of our gym memberships and leisure outreach services. The Aragon services continued to drive efficient ways of working, as well as taking on more commercial works. This enabled the company to move away from the National Living Wage for all staff who had successfully completed their probation period, for the first time since its foundation.

## 2. Our Vision and Values

### 2.1. Vision

In 2018 PCC set the vision for P-Ltd during its set up:

*Peterborough Limited's vision is to support the aims of the Council in delivering high quality sustainable services in a socially responsible and environmentally friendly way.*

*At the same time, it will maximise commercial opportunities that will provide funding for the Company, meaning reduced reliance on taxpayers' funding that would in turn protect other valuable Council services*

This remains the Vision of the company. It clearly sets out the balance which we will try and strike between quality of service, positive environmental and social impact, and commercialisation.

### 2.2. Values

Pre-go live the Council set out values for the P-Ltd as:

- Ⓜ **Staff:** We will value staff, developing, promoting, and rewarding people in line with their performance. We will protect their health and safety, encourage their career development and participation and involvement in the future management of Peterborough Limited.
- Ⓜ **Ethics:** We will maintain the highest ethical standards through our staff and for our customers. We will be accountable for our decisions and actions and endeavour to keep the promises we make.
- Ⓜ **Health & Safety:** We will adopt the best Health & Safety practices and seek continually to improve them. We will have zero tolerance to non-compliance with Health & Safety policies and procedures by our employees. We will conduct our operating activities at our sites and in the public realm with the Health & Safety of the public, of visitors and of our employees in mind at all times.
- Ⓜ **The Environment:** We will ensure that Peterborough is a clean, safe and hazard free place to live in, work in or visit. We will implement Circular Economy Thinking in the way we procure and operate, endeavouring to minimise negative environmental impacts whilst maximising positive ones, and endeavouring to ensure focus on priorities such as increasing recycling rates.
- Ⓜ **The Economy:** Driven by “Localism,” we will have a positive impact on the economy, ensuring Peterborough is a place people wish to visit, stay in and live in. Our values will include supporting businesses and the commercial sector in realising their ambitions for the wider good. We will encourage them to spend with goods and service providers whose profits and wages paid contribute to the welfare of the City and its residents.
- Ⓜ **The Council’s / Residents’ money:** We will ensure that every penny spent is spent well, endeavouring to provide value for money to the Council and our residents.

As the company moves in 2023/24 to our new business plan we will work to review our Vision and Values to ensure they reflect the Company’s ambitions and ethos for the future. We will look to align with the new Peterborough City Council’s Sustainable Future City Council Strategy 2022-25 priorities:

- The economy and inclusive growth
- Places and communities
- Prevention, independence and resilience
- Creating a Sustainable Future City Council

This will allow us to report on how we have supported the Council in its strategic ambitions.

### 3. Our Operating Context

P-Ltd is wholly owned by Peterborough City Council (PCC) 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. The Company can trade with the wider market and does not need to rely solely on income from core services provided to the Council.

Our primary focus, however, must be on delivery back to the local authority, but we can trade with third parties up to 20% of our activities, helping to generate revenue to a degree.

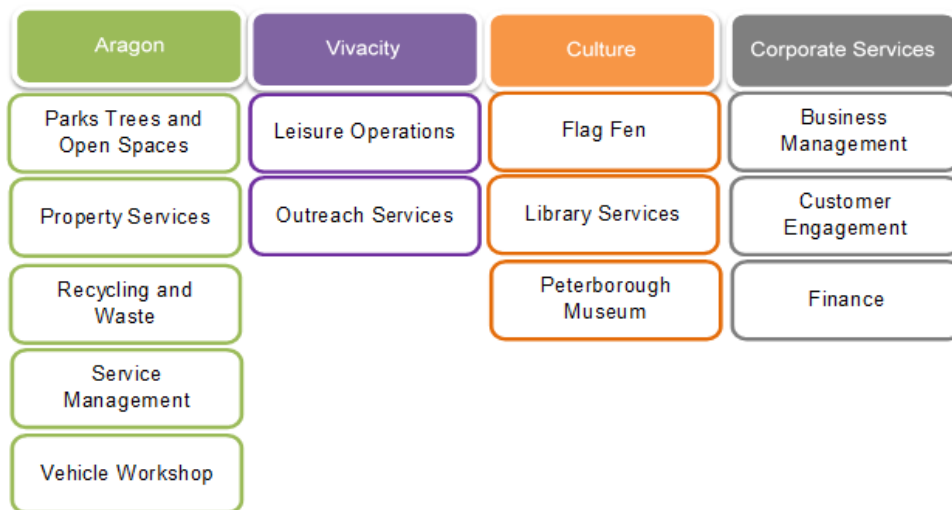
In February 2019 P-Ltd operating as Aragon Direct Services commenced delivery of some services for Peterborough City Council. Over the following months more services were transferred into the company. On 1st October 2020 following a request from PCC, P-Ltd transferred leisure services into the company. In March 2022 PCC requested that we transfer Library and Heritage (Culture) services into the Company. This took place on 1st April 2022.

### 3.1. Team Peterborough!

All elements of P-Ltd, be they Aragon, Culture Services or Vivacity are fully part of Team Peterborough. This means that, although we are a private company, everything we do is ultimately to make Peterborough the best place we can to help make its residents happier. This means that our business plan, and operating context closely aligns to the ambitions and strategic directions of PCC, as our shareholder.

### 3.2. Our Company Structure

The company structure is reflected below. It is split into 13 Business Units, in four divisions.



The company at the end of 2022/23 employed 655 staff, with over 51% in Aragon.

### 3.3. Culture Service

On 1<sup>st</sup> April 2022 the business expanded again to take on culture services including, Peterborough Museum, Flag Fen and Peterborough Libraries. The company took on these services to give Peterborough City Council solid financial and operational data for future service provision to enable the reshaping of services.

The transfer saw us welcome 88 new staff. Our new team have many new specialisms including literacy, heritage, teaching and exhibition and event management, along with complimenting skills relating to staff and building management, catering, customer service, finance and IT.

## 4. Performance

This year the company has performed strongly both financially in service delivery and through social value through a diverse range of interconnected services to Peterborough residents. Our successes this year have been down to the hard work and dedication of our staff. These include:



*Collecting 7.15 million wheeled bins*



*Over 100,00 Children's Swim lessons attended*



*Over 252,000 book loans made through our Libraries*



*Transporting 674 children to and from school each day*



*Over 610,000 visits to our sports centres and pools*



*Clearing over 10,000 illegal flytipes*



*Over 80,000 visits to Peterborough Museum and Flag Fen*



*1,259 statutory water tests carried out in schools, community, and Council facilities*



*Planting over 4,400 new trees and maintaining and survey over 20,000 existing trees*

In addition to our week in week out front-line service delivery other notable successes include:

- ④ **Transfer of culture services** – The smooth transfer of culture services and the getting under the skin of their financial impact of the services and staff deployment.
- ④ **Tree Project** – Following a successful bid with PCC, £99K of funding was received from Treescape for tree planting. The planting programme incorporated a mix of replacement trees and new woodland planting. Standard trees, feathered trees and whips were all planted.
- ④ **Driver Training** – An ongoing programme to upskill staff has been highly successful to train Class 2 (Recycling and Waste) and PSV (Passenger transport) drivers. This year nine drivers have been trained and passed their test with four more still in training. This has, not only increased resilience but has also improved staff retention.

- 🏢 **VPF Café refurb** – A refurbishment of the café facility at Vivacity Premier Fitness, including the removal of walls, has brought light and openness into the site reception, giving a better impression to potential new members. It has also enabled new grab and go functions for customers and trialling of new menu options.
- 🏢 **Netfit** – The expansion of our women’s health and wellbeing scheme “Netfit” has now completed Season 5. Over 80 ladies completed this season and, as it continues to prove popular, Season 6 will be adding an additional team to allow more ladies to sign up for the sessions. One of the newly appointed referees has added support sessions in for the ladies to help improve their mental health. Scheme users are also taking a coaching course to expand their skills and develop the programme further. The scheme was initially funded through a bid to the “this girl can” campaign but is now self-funding.
- 🏢 **Move away from National Living Wage** – For the first time since its foundation the company paid above the national living wage for all staff who had successfully completed their probation period, getting closer to its ambition of paying the Real Living Wage.
- 🏢 **Performance and Development Review programme** – In the second full year the company PDR programme was carried out for all staff. This ensured all staff had a review of the previous year’s performance, and targets were set for the next year, and training needs discussed. Eight nominations were selected to be placed on management training as part of our “Rising Stars” programme. The top 5% of staff received the Awesome Achievement Award, and a £50 voucher as a small thank you gesture, following on from a moderation session across the whole company.
- 🏢 **Volunteer Programme** – A project to create a new volunteer agreement and standardise all volunteer processes across the company, including logging hours and recording interests, was completed. This will give us greater ability to advertise for volunteers, onboard them, support them and give us greater standing when bidding for funding. By the end of the year we had 140 volunteers who carried out 450 volunteer hours a month.
- 🏢 **Lido Dog Swim** – The end of the summer saw the second year where we held the end of season Lido Dog Swim. The sell-out event saw four legged and two legged swimmers take to the water. Not only did our canine customers enjoy showing off their doggy paddle, but also enjoyed puppuccino’s and other treats. The event gained great positive media coverage, locally and regionally.

## 5. Commercial Activity

P-Ltd are here not just to deliver our core contract work, but also to gain more work commercially to support the business. This work can come from:

- i. PCC itself where we have taken on work which would have been given to a fully external provider such as catering for citizen ceremonies or commercial waste collections.
- ii. The wider Team Peterborough family such as carrying out grounds maintenance work on behalf of Milestone on highways projects.

- iii. Work done for full external customers such as our building cleaning contracts to businesses.

It is only the last work which falls into our 20% Teckal threshold, but all are commercially gained.

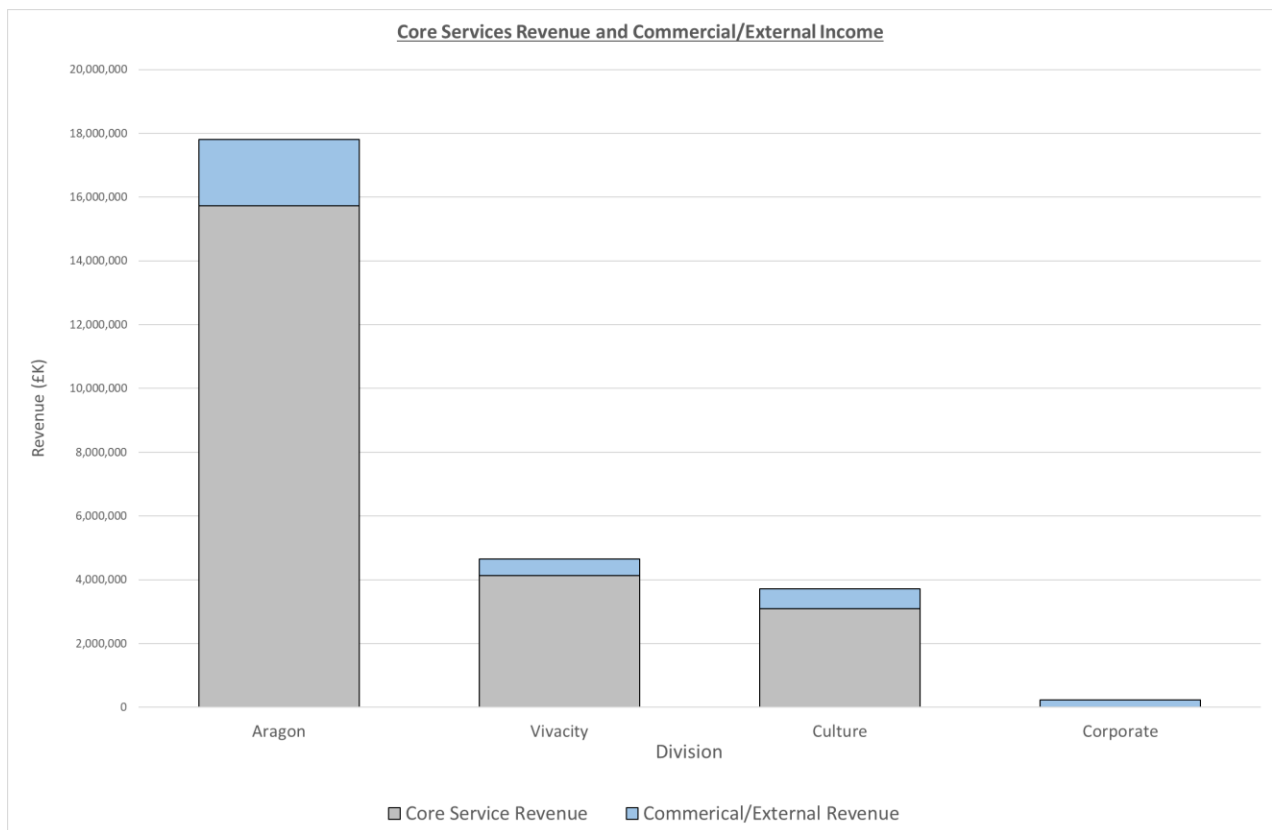
The table below shows the Teckal work carried out since the company commenced operations.

Teckal is assessed, however, on a 3-year rolling basis, as highlighted in the last column.

	2018/19	2019/20	2020/21	2021/22	2022/23	Rolling 3 Year
Total Revenue	£112K	£14,314K	£18,607K	£22,258K	£26,403K	£67,269K
Total Shareholder Derived Revenue	£91K	£13,359K	£17,459K	£20,364K	£24,957K	£62,780K
Total External Derived Revenue	£20K	£955K	£1,149K	£1,894	£1,446K	£4,489
<b>Teckal Level (%)</b>	<b>82%</b>	<b>93%</b>	<b>94%</b>	<b>91%</b>	<b>95%</b>	<b>93%</b>

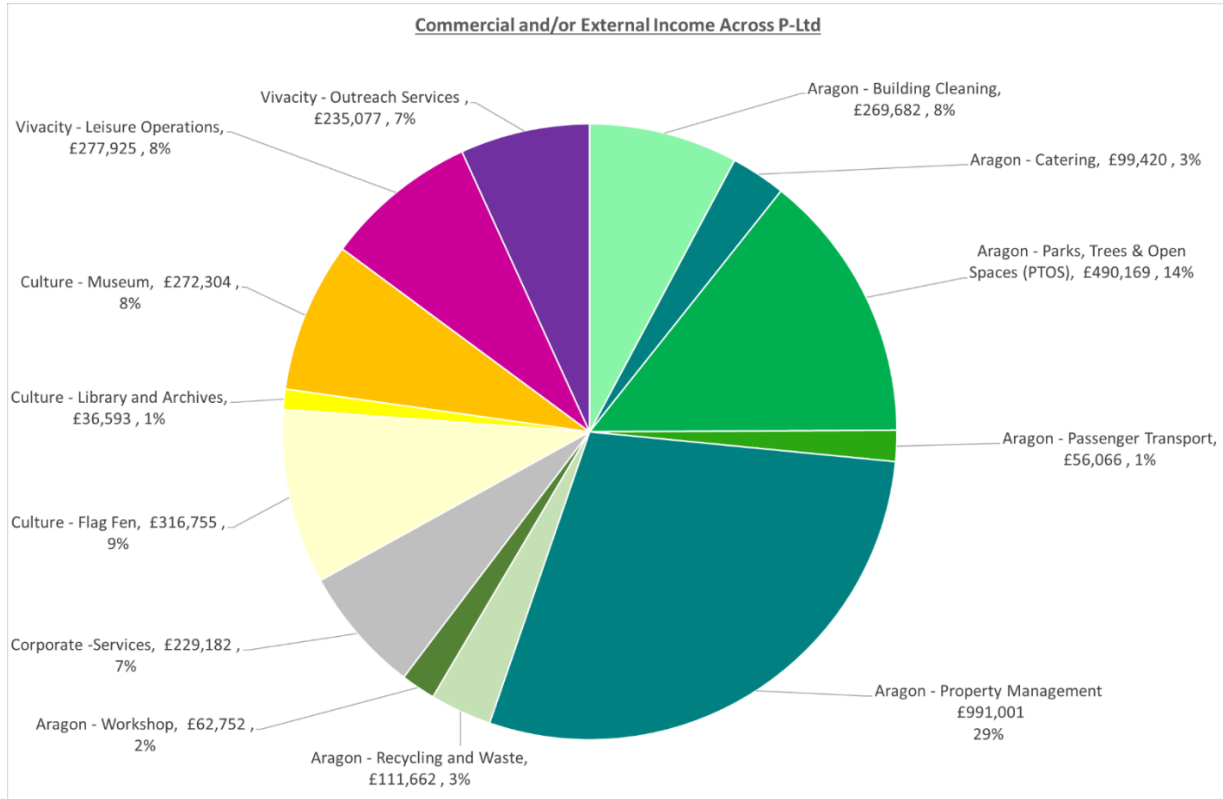
The current rolling rate is 93% which gives the company headroom to further expand its Teckal trading and gain further external revenue.

The wider commercial work which P-Ltd did in 2022/23 totalled **£3.4 million**. This was spread across all parts of the business but was concentrated in Aragon, as the chart below shows.





This is further split out in the pie chart below, which shows that Property Management and Parks Trees and Open Spaces (PTOS) have secured the most elected, brokered or external commercial works into the company.



P-Ltd is currently working on its 2024-2029 business plan, where it will set out its plans to expand its commercial work further. This includes the hard launch of our new commercial recycling and waste service which is currently running but has recently recruited a Sales Lead to expand the services and gain new business.

The profitable outturn figure in 2022/23 (see section 7) means that the company now has three years of accounts filed with Companies House which show profitability. This is often a minimum requirement for working with some companies, charities and public bodies. Previous bids for some contracts with Academy schools have been unsuccessful due to not having the three years of profitability. As such this is another positive step forward to gain more commercial work.

## 6. Our Financial Performance this Year

Our 2022/23, outturn position was £5,031 profit, this was a stronger performance than expected due to strong operational performance from the Aragon trading arm, as well as an above forecast performance of the Vivacity Leisure trading arm. This stronger performance helped to offset the additional inflationary pressure, including fuel cost rises and above budget pay award.

	<b>P-Ltd</b> <b>2022/23</b> <b>£,000</b>
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<b>Revenue</b>		
<b>TOTAL</b>		<b>£26,403</b>
<b>Cost</b>		
	Staffing Related Costs	£13,221
	Subcontractors	£4,970
	Materials	£1,207
	Plant Hire	£190
	Vehicle Costs	£1,728
	Property Costs	£3,439
	Communications	£62
	Other Costs	£1,499
	Financing Costs	£75
<b>TOTAL</b>		<b>£26,391</b>
<b>Gross Margin (Profit)/-Loss</b>		<b>(£12)</b>
<b>Gross Margin %</b>		<b>-0.00%</b>
<b>Total Depreciation and Amortisation</b>		<b>£7</b>
<b>(Profit)/-Loss Pre-Tax</b>		<b>(£5)</b>

Our 2022/23, outturn position was a profit of £5K against a forecasted loss within our business plan of £217K. This ongoing positive performance has kept a solid cashflow position and ensured ongoing stability of the company.




## 7. Our Performance Against Our Business Plan

Our 2019 – 2023 business plan set our focus in three main areas to move the business forward.



The tasks and their status to deliver against the three main areas can be seen below as at March 2023. As can be seen good progress has been made against our three-year priorities. 60% are now completed, with 33% in progress and many nearing completion. Elements which sit around benchmarking performance, reviewing best practice, and looking at KPIs are now nearing completion. In 2022/23 a new performance dashboard system was introduced for all business units. Each service area now has a singular performance hub which holds monthly information on service delivery, staffing, finance, and health and safety. This data is now feeding into the next corporate business plan.

Progress against their status is marked as per the key below:

Key	
	Complete and/or now ongoing
	In Progress
	Not Started

**Building Strong Foundations**

**Governance**

- Breadth of skills and backgrounds
- Corporate Governance Code
- Transparency
- Policies review and update

**Health and Safety**

- Fund health and safety prevention activates fully
- Robust and relevant health and safety strategy
- Review best practice

**Staffing**

- Review P-Ltd terms and conditions
- Create a P-Ltd pay structure
- Champion mental wellness
- Staff communication

**Infrastructure**

- Replace the ageing P-Ltd fleet
- Nursery Lane depot investment plan

**Performance**

- Manage our cashflow
- Measure and monitor our performance
- Review our KPIs

**Challenging the Status Quo and thinking Differently**

**Understand our Customer Journey**

- Map the journey our customers take
- Undertaken customer feedback

**Review Core Service Specification**

- Review each core service
- Best practice and trial new initiatives
- Engage with new development

**Review our service support provision**

- Future IT provision and support
- Re-procure HR and payroll services
- Effective and productive procurement service
- Access to Legal Support
- Review our AP & AR provision

**Work with closers with others**

- Work with other members of Team Peterborough
- Be involved with the local business community

**Data driven**

- Strategic decisions based on data
- Continuous operational improvement
- Benchmark our performance

**Expanding our business**

**Wave 1 – Pursue and role out highest assessed opportunities**

- Commercial recycling and waste service
- Focus on property and professional service

**Wave 2 – Create detailed plan for secondary opportunities**

- Establish an employment company
- Make a case to operate other PCC Services
- Review "Make or Buy" decision point

**Wave 3 – Expend beyond Peterborough**

- Bid for external contracts with other local authorities
- Sell our expertise

**Get Customer Feedback**

- Actively seek out customer feedback
- Review customer complaints
- Cascade customer compliments to front line staff

**Engage with local Business Community**

- Active member of the local business community
- Support the creation of the Peterborough BID

**Build our brand and reputation**

- Associated with the delivery of good value, trusted services
- Web and social media presence

## 8. Gender Pay Gap

The Company has calculated its gender pay gap statistics for the last financial year. The gender pay gap or gender wage gap is the average difference between the remuneration for men and women who are working. Gender pay gap data sets out the difference in average pay of all women compared to the average pay of all men within the company, regardless of type of work or level of work done. It also does not consider if staff are full time, part time, set hours or Zero hours.

P-Ltd has a Gender Pay Gap +0.02% in favour of Men. A positive figure indicates a pay gap in favour of men and a negative figure indicates a gap in favour of women.

Female Staff Total	Males Staff Total	Female Mean Hourly Rate	Male Mean Hourly Rate	Female Median Hourly Rate	Male Median Hourly Rate	Gender Pay Gap (Mean)
286	378	£12.33	£12.33	£10.46	£10.60	+0.02%

The mean gender pay gap is virtually zero which is a very positive position to be in as a company. The Median pay for women, however, is slightly lower by approximately 1.4%.

	Female	Males	Female %	Male %
Upper Quartile	69	97	52%	48%
Upper Middle Quartile	64	102	38%	61%
Lower Middle Quartile	88	78	53%	47%
Lower Quartile	65	101	39%	61%

Our gender pay gap will be reported to government in line with their timescales.

## 9. Governance

During the year, the Board of directors have continued to oversee and direct the company. Our interaction with our shareholder has also continued, both via PCC's Shareholder Committee and through our Partnership and Contract meetings. Documents for the Shareholder Committee can be found at:

<https://democracy.peterborough.gov.uk/mgCommitteeDetails.aspx?ID=721>

The company had two changes in Directors in 2022/23, the details of which can be found at:

<https://find-and-update.company-information.service.gov.uk/company/11493249/officers>

The Company had its accounts for year ended 31 March 2023 externally audited in May 2023 and filed with Companies House in August 2023.

## 10. What challenges does 2023/24 hold?

Moving into 2023/24 the key challenges which the business will manage and risks identified by the business are:

- 🏢 **Labour Market** – 2022/23 saw continued stagnation of supply in the labour market, especially for roles where evening and weekend work is required, such as leisure centres. As more jobs nationally move to be able to be done remotely, the company as a front-line, in person service delivery, will need to track trends in both employment and mechanisation. The company continues to work with our recognised Unions to negotiate the 2023/24 pay award, with an ambition to move the company to the real living wage.
- 🏢 **Inflation and Cost of Living** – The ongoing impact of inflation reduces the purchasing power of the business especially when combined with the cost-of-living crisis. This means that there is not always the ability to increase prices to the market, without a loss of customer base. As such reviews will continue to be carried out, service by service on pricing and product purchases. The main review for customer pricing will be held in August for implementation (if applicable) in September.
- 🏢 **Utility and fuel costs** - The current cost of utilities and fuel will continue to pose challenges into 2023/24. These are being mitigated in part with fuel and energy efficiency reviews which are taking active steps to reduce usage and thus cost. Financial forecasts have been updated to reflect the known higher costs. The end of 2022/23 did see a dip in unit rate costs of diesel, it is expected, however, that costs may rise again later in 2023.
- 🏢 **Supply chains delay** – The current rates of inflation, and the impacts that global events have had on supply chains will be continually managed closely, to ensure a management of both costs and expectations.
- 🏢 **Equality and Diversity** – At Peterborough Limited we are committed to making our work environment welcoming to everyone. We wish to encourage diversity amongst our staff and ensure that our jobs are attractive and accessible to as wide a group as possible. We hope that our work force is a reflection of the communities which we serve. To help us achieve this in April 2023 P-Ltd carried out our first equality and diversity survey. We hope to carry out a survey each year to enable us monitor how we are doing, let us know where we have good representation and where we don't. It also helps us plan better when it comes to changing facilities, mess rooms, toilets, uniform etc. Each year we will ask staff to return the anonymous form, to keep a track of our statistics across the company. The key areas which are measured and monitored are around gender, race, nationality, marital or civil partnership status, religion or belief, sexual orientation, gender reassignment, disability or age. No Staff were obliged to answer the questions, but we encourage staff to return by enabling staff to nominate their favourite charity, for a donation which related to number of surveys returned. There was also an individual prize draw which all those who completed the survey could enter (names kept separate from their survey answer).
- 🏢 **Training and development** – The company will further expand its formal and informal training and development program. This will help us build on strengths and address deficiencies in

knowledge or skills or improve resilience where specialism is resting with one or two individuals. A program of bite size training in HR and finance has started, with feedback from courses earlier in the year being used to develop the next wave of courses. New apprentices in Property and Leisure have also been hired.

- ④ **Quality Management System (QMS)** – P-Ltd is developing a company wide QMS to ensure that all business processes are documented, managed and regularly reviewed. This will aid bringing together processes which have been brought across from different organisations and ensuring consistency with processes which are already implemented across the company. An accredited system will also improve the Company's ability to bid for external commercial works.
- ④ **New Business Plan** – The development and adoption of our next business plan will be essential in setting the future direction for the Company. The process to create the next Company Business Plan is underway and it is expected that it will be approved by March 2024. It is anticipated the new Business Plan will set out the Company's road map from 2024 to 2029 but may allow for a mid-point refresh. The Company is very different from when it started operation in 2019. It has become financially stable, paid back a significant amount of its setup loan, expanded to cover more services for PCC, expanded commercial works and moved away from paying the National Living Wage. All of this has come about whilst working to be as efficient and effective as possible. The Company is very proud with the progress, but also knows there is still lots still to do. The Business Plan will set the exciting next steps in our journey.

## 11. Conclusion

2022/23 was a year of stabilisation for the Company. The Company continued to be profitable in 2022/23, against a forecasted loss, which is once again due to the hard work and dedication of our staff. We made good inroads into moving away from the national living wage towards the real living wage and will try to keep this momentum up in 2023/24.

Our challenge in 2023/24 will be balancing the pressure of inflation, and cost of living crisis with the need to deliver critical services for the people of Peterborough and sell both business to business and business to customer services, directly. Spring 2023 has seen the start the process for the next company business plan, and the next chapter for us.

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