

**MINUTES OF THE SHAREHOLDER CABINET SUB-COMMITTEE MEETING
HELD AT 10:00AM, ON
MONDAY, 16 SEPTEMBER 2019
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

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

4. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Cereste.

5. DECLARATIONS OF INTEREST

Councillor Allen declared that he held the position of Blue Sky Peterborough Board Member.

Agenda Item 4, 'NPS Peterborough Limited 2018-19'

Councillor Seaton declared that he had previously held the position of NPS Peterborough Limited Board Member, but no longer did so.

6. ARAGON DIRECT SERVICES

The Shareholder Cabinet Committee received an overview report in relation Aragon Direct Services.

The purpose of this report was to provide the Shareholder Cabinet Committee with an overview of all the key areas of the contract and of the Key Performance Indicators (KPIs), along with a general update on the mobilisation and performance of each of the departments within the contract.

James Collingridge, Head of Environmental Partnerships, and Kieron King, Interim Managing Director, addressed the Shareholder Cabinet Committee and advised that the service had been live for four months in the form of a like for like offer with previous providers, Amey. The transition had gone well, with no rise in complaints and a steady delivery in service. A reduction in sickness levels had also been observed in staff, with a staff satisfaction survey soon to be undertaken. The Cabinet Committee was advised that a new Managing Director had been recruited and would be pursuing growth and third party income generation. The refuse collection fleet would be replaced in three years and options for this were currently under investigation.

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

- It was confirmed that replacement 'hot washing' equipment had been sourced and was a newer model of the previously outsourced machine.
- The company currently had 50 out of 80 suppliers set up. More suppliers were sought in order to become more commercially competitive.

- The next twelve months would involve service improvements around management processes, mobile technology, and generating third party income.
- The company was in the process of seeking accreditations that would enable it to compete with the private sector.
- Work was being undertaken with another company to test whether bin sensors would work with the needle bins.
- In relation to fly-tipping it was advised that, in consultation with the Prevention and Enforcement Service, consideration was being given to empowering Aragon to collect evidence from small fly-tips, in order to avoid multiple-visits.
- It was clarified that 'whip planting' referred to the planting of less mature, smaller tree stems.
- The use of new play area equipment was monitored, however, work needed to be done to establish how the Council can get the most information out of the app to see which type of equipment is used most regularly.
- Officers agreed that the cleaning up of unauthorised encampments should be included as a KPI.
- The Cabinet Committee was advised that all staff were trained 'bio-cleaning' and supervisors always visited as site before cleaning was undertaken to carry out a risk assessment.
- Complaint figure results were queried and the Cabinet Committee was advised that it was not uncommon for Member complaints and public complaints to diverge. It was considered that more comparable data on complaint figures was needed in order to observe a pattern.
- It was noted that Aragon operatives were empowered and encouraged to proactively collect fly-tipping without a corresponding report, however, had to take into consideration the loading capabilities of their vehicle and schedule for the day when doing so.
- The Cabinet Committee advised officers that they would like to see more strategic level detail in reports going forward.
- It was felt that the aims of the company should be to improve the service to residents and to reduce costs to the Council through revenue generation.
- Members were interested to see how Peterborough City Council compared to other authorities on garden waste collection.
- It was considered that Aragon's aims and timetable for growth should be included within future reports.
- Concern was raised by Members in relation to the split in responsibility between the property services and Aragon that needed clarification between the two partners.
- It was questioned whether there was a team in place, or plans to create a team that would be able to sell Aragon services with the relevant expertise.
- Members suggested that a further report be submitted to the Shareholder Cabinet Committee in six months time, including a two year view, and plans for service improvement and income generation.
- It was noted that Aragon were using the Council's Communications Team to ensure that information about the service was provided to the public.

The Shareholder Cabinet Committee considered the report and **RESOLVED** to noted the contents of the report and requested that a further report be provided in 6 months' time including detail on Aragon Direct Services' two year plan, plans for income generation, and suggestions as to how the service could be improved.

REASONS FOR THE DECISION

The reason for the recommendation was to ensure that the Shareholder Cabinet Committee were up to date on the operation of the Aragon Direct Services and have an overview of the mobilisation and current service delivery.

ALTERNATIVE OPTIONS CONSIDERED

The alternative option was to not present this report to the Shareholder Cabinet Committee, this option was not taken forwards as it was important that the new contract arrangement will benefit from the input of the committee.

7. NPS PETERBOROUGH LIMITED 2018-19

The Shareholder Cabinet Committee received an overview report in relation to NPS Peterborough Limited for 2018/19.

The purpose of this report was to provide the Shareholder Cabinet Committee to consider and questions officers of the Council and NPS Peterborough Joint Venture Director on the performance of NPS Peterborough during 2018/19.

Alex Gee, Operations Director, and Sally House, Partnership Director, addressed the Shareholder Cabinet Committee and advised that Peterborough NPS Limited had five directors; two from the Council, two from NPS, and an Operations Director. The profit from the company, generated from £347 million worth of assets, was split 50/50 between the Council and NPS. This comprised operation buildings, tenant holdings on rural estates and over 135 retail units. The Cabinet Committee were advised that the Board approved annual business plan set out a plan for external growth. The 2018/19 profit share for the Council was £121,000, which represented £33,500 growth.

It was noted that Peterborough NPS Limited's remit did not cover any of the education estate, though the School's Capital Programme Team were able to use them as a resource.

Community Assets Transfers were highlighted as a particular challenge for the company, with six completed and 12 in progress.

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

- It was clarified that, when Peterborough NPS delivered services to other local authorities, the overall profit of the scheme was returned to the company to split evenly between Peterborough City Council and NPS.
- It was noted that the previous year's disposals target had been exceeded by £5 million. The current year's disposals target was nil, as the disposal of the football stadium and Allia Centre was being dealt with by the Council directly.
- Members were pleased that relationships with rural estate tenants had improved.
- Members emphasised that all assets, prior to disposal, were reviewed in relation to their beneficial use and their value to the Council.
- It was advised that profit made did not correlate to the size of the assets maintained. The Council was seeing a 10% return on their investment, which was considered to be performing well.
- Comment was made that future reports would benefit from the inclusion of strategic vision and ambition, as well as investment and growth aims.
- Concern was raised in relation to a number of anecdotal accounts of instances where administration process that were undertaken poorly.
- In relation to the Community Asset Transfer Programme, it was considered important to ensure that communities were aware of the potential implications of not taking on responsibility for the community assets in their areas.

- Members noted that the decision on what to communicate to communities was political, however, once this was established, advice could be taken from NPS as experts in the area.
- It was advised that one of the key challenges for NPS in delivering house was predicting the demand, as if incorrect could result in extra units. Members queried whether it could be established if extra units would be more cost effective than the cost of homelessness.

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

1. Noted the contents of the report and requested that future reports include detail on NPS's strategic plan, targets for growth and where this could be achieved, and suggestion as to how the service could be improved.
2. Requested that the Acting Corporate Director of Resources write to the Corporate Management Team to obtain a collective view on the performance of NPS and makes any appropriate recommendations to the Committee as necessary.
3. Recommended that representatives from NPS, Aragon Direct Services and Peterborough City Council's legal, finance and schools teams met to discuss their collective roles and responsibilities. The outcome of this meeting would be communicated to Shareholder Cabinet Committee members prior to March 2020
4. Recommended, once a timeline was available for communication to communities in relation to the end of the community asset transfer programme, that NPS work with Peterborough City Council to formulate a plan for the future.

REASONS FOR THE DECISION

Service delivery of major partnership contracts should be reviewed annually and outcomes of these reviews should be used to improve service provision.

ALTERNATIVE OPTIONS CONSIDERED

This report set out performance of an operational contract. Alternative options would be considered if service delivery was not being delivery, shown via budget spend and Performance Indicator delivery.

8. SHAREHOLDER CABINET COMMITTEE WORK PROGRAMME

The Shareholder Cabinet Committee reviewed their work programme and it was noted that should the Cabinet Committee wish to consider business plans, meetings may need to be held in exempt session, as these could be commercially sensitive.

The Shareholder Cabinet Committee **RESOLVED** to note the latest version of the work programme, with the following amendments:

2 December 2019

Should 'Empower Peterborough' not be necessary, officers would consider whether sufficient information was available for 'Aragon Direct Services' and 'NPS Peterborough Limited' to return to the Cabinet Committee.

2 March 2020

The addition of 'Aragon Direct Services'.

Chairman
10:00am – 12:19am
16 September 2019