

**MINUTES OF THE SHAREHOLDER CABINET COMMITTEE MEETING
HELD AT 10:00AM, ON
MONDAY, 2 MARCH 2020
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

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

14. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Seaton.

15. DECLARATIONS OF INTEREST

There were no declarations of interest received.

16. MINUTES OF THE MEETING HELD ON 27 JANUARY 2020

The minutes of the Shareholder Cabinet Committee meeting held on 27 January 2020 were referred to Cabinet for approval, subject to the correction of typographical errors.

17. PETERBOROUGH INVESTMENT PARTNERSHIP

The Shareholder Cabinet Committee received a report in relation to the Joint Venture Peterborough Investment Partnership.

The purpose of this report was to provide the Shareholder Cabinet Committee with a position update on one of the Council's joint venture delivery companies, the Peterborough Investment Partnership.

The Shareholder Cabinet Committee considered exempt appendix 1 to the report and **RESOLVED** that the appendix be considered in public, with the exception of the final sentence, as the information contained within was available with within Peterborough City Council's published accounts.

Howard Bright, Peterborough Investment Partnership Board Member, addressed the Shareholder Cabinet Committee and advised that the Peterborough Investment Partnership's aim was to problem solve issues within regeneration. The Fletton Quays project had now come to an end, and the company was now looking to its next project in with Northminster.

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

- The Peterborough Investment Partnership was 50% owned by Peterborough Partnership PCC Limited, a Guernsey based entity. Originally, Peterborough Investment Partnership had been 50% owned by a small Luxembourg based company, who had sold its interests to INGH3, the parent company of Peterborough Partnership PCC Limited.

- The investment of the Council to the Partnership had been repaid and the interest was paid, the Council therefore has no debt inside the Partnership.
- The Partnership was first and foremost a vehicle to ensure project delivery within the city.
- Following the past five years of experience, there were a number of changes suggested to the Members Agreement, based on best practice experiences.
- It was felt that the Partnership would be able to handle multiple projects at one time. The Partnership was designed to have low internal resources, so it could hire people with the right skills when needed to in order to deliver what was required.
- It was considered that, subject to the agreement of both partners, the Partnership body could work in other locations outside of Peterborough.
- It was noted again that the entire £3million investment in the Partnership had been repaid to the Council, along with £300,000 in interest and dividend returns.
- Members further emphasised the work undertaken in improving the vista and riverside sites, highlighting the work as an example of positive public and private partnership.

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

1. Note the contents of the report.
2. Support the Council's continued involvement in the now-proven model of the Peterborough Investment Partnership as outlined in the report, including re-affirming the Council's commitment to the original objectives as set out in 4.1.3 of the report.
3. Delegate authority to review and if necessary update the members agreement for the Peterborough Investment Partnership to the Executive Director Place and Economy in consultation with the Director of Law and Governance and the council's s.151 Officer.
4. Agree that the Executive Director Place and Economy draft a press release detailing the success of the Peterborough Investment Partnership Fletton Quays project for publication.

REASONS FOR THE DECISION

The Council remained committed to being a direct and proactive participant in the delivery of the city's ambitious growth agenda. PIP was created as a mechanism by which it could take that agenda forward and is now a proven success. As the Council looked at how it could continue to shape and drive the city's growth in a challenging financial climate, the benefits to continuing to use this partnership made it clear that PIP should continue to be used for taking significant regeneration schemes, like Fletton Quays and Northminster, forward.

ALTERNATIVE OPTIONS CONSIDERED

There were alternatives to the Council continuing to use PIP as its primary regeneration vehicle

- a) A new wholly-owned company: Building on its experiences with Aragon, the Council could create a new wholly-owned company for regeneration (revisiting, perhaps, some of the intentions for Opportunity Peterborough when it was originally created), commissioning a range of activity from this new company. This had a number of disadvantages, not least that it would be starting from

scratch with this approach and therefore needing to spend significant time and financial resource (at time of fiscal constraint) in building a delivery capability in an unproven model.

- b) A new public-private JV partnership or company: Whilst the Council could create a new arrangement similar to PIP for future schemes, or even scheme by scheme having a different vehicle each time, this would be resource intensive and ignore the Council's original intent of being able to re-use success rather than recreate a set up each time. It was a sensible and resource-effective intent and solution to reuse PIP rather than reinvent the wheel, and this rationale remains valid today.
- c) Leave it to the private sector to drive growth: The Council accepted that much growth was delivered by the private sector without its direct involvement in delivery. However, the Council had for over a decade been an active participant with a deliberate agenda in shaping the city, from its investment in public realm and infrastructure, through to its commitment to the university and the wide-ranging benefits it would bring, through to its current leading role in co-ordinating a vision for Station Quarter and beyond. The Council's desire for an active role did not align to stepping back in this way.
- d) The rationale for creating PIP remains valid; moreover, PIP had proven itself capable of leading large-scale regeneration, managing the risks and providing a financial return. For all of these reasons, the alternative options were not recommended.

18. PETERBOROUGH LIMITED BUSINESS PLAN 2020-2023

In accordance with Standing Orders, the Shareholder Cabinet Committee was asked to determine whether appendix 1 and 2 of item 5 'Peterborough Limited Business Plan 2020-2023' as defined by Paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972, should be exempt and the press and public excluded from the meeting when they were discussed, or whether the public interest in disclosing this information outweighed the public interest in maintaining the exemption.

The Shareholder Cabinet Committee **RESOLVED** to exclude of the press and public for the discussion of appendix 1 and 2 of agenda item 5.

The Shareholder Cabinet Committee received a report in relation to the Peterborough Limited Business Plan 2020 to 2023.

The purpose of this report was to seek approval from the Shareholder Cabinet Committee to recommend the revised Peterborough Limited Business Plan 2020-2023 to Cabinet, and to approve the revised Peterborough Limited Procurement Strategy and Contract Rules.

Kitran Eastman, Managing Director Peterborough Limited, addressed the Shareholder Cabinet Committee and advised that in the first year of the company the stabilisation period had gone very well. There were considered to be two key challenges going forward; Aragon's place in the Peterborough family, and how to let other Peterborough City Council colleagues know what about the service was relevant to them. Commercialisation was important to the company, but it was considered vital to make sure that the foundations of the service remained steady.

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

- Queries were raised in relation to the arrangements around the Business Plan. Where 80% of the company's income must come from the Council, 20% may come from external business. If this 20% is reached, there is a potential to set up a subsidiary company in order to expand external business.
- It was confirmed that this would require the approval of the Council to do so.

As agreed, the meeting moved into exempt session to consider the information contained within appendix 1 and 2 of the report.

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

1. Recommend to Cabinet the revised Peterborough Limited Business Plan 2020-2023 as set out in Appendix 2 of the report for approval.
2. Approve the revised Peterborough Limited Procurement Strategy and Contract Rules as set out in Appendix 3 of the report.
3. Endorse the actions set in section 4.26 to 4.34 of the report and section 6 of Appendix 2 of the report, for the Council and Peterborough Limited to work together to fulfil the ambitions of the Cabinet Reports of 17 December 2018 and 11 June 2018.
4. Note the financial position of Peterborough Limited as set out in the report and endorse Peterborough Ltd becoming 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 in 2020
5. Approve the revision of Peterborough Limited list of Reserved Matters as set out in Appendix 4, subject to the addition of "exceeding £25,000" to point 14 and point 21.
6. Request an update report return to the Shareholder Cabinet Committee in nine months' time.

REASONS FOR THE DECISION

- To enable the Company to plan its active over the next three years.
- To ensure they reflect the agile more commercial nature which is expected within the vision set by the Council.
- To give a clear focus for the Council and Peterborough Limited to work together to fulfil the ambitions of the Cabinet Report of 17 December 2018 and 11 June 2018.
- To enable Peterborough Ltd to move to a sustainable financial footing by September 2020 and enable focus to be moved to increasing commercialisation.
- To improve the ability of the company to act more commercially while still retaining the appropriate level of control for the Council.

ALTERNATIVE OPTIONS CONSIDERED

It was considered as to whether the business plan which was created before Peterborough Limited become an active company should be retained in its entirety. That business plan was, however, as was stated at the time based on limited information as the previous contractor would not release its commercially sensitive financial information. It was considered that a review of the position of the new company would be needed once the state of play was fully understood.

It was considered as to whether the Peterborough Limited Procurement Strategy and Contract Rules which were created before Peterborough Limited became an active company should be retained. Considering the ambitions for the Company and the need for the Company to provide rapid responses to the Council's needs, a more streamlined business focused approach which still met the obligations of the Public Contracts Regulations 2015, was believed to be essential.

During the creation of the revised business plan many potential options were reviewed to ascertain the best route to achieve the ambitions which the Council had for Peterborough Ltd.

19. NPS PETERBOROUGH UPDATE

The Shareholder Cabinet Committee received a report in relation to NPS Peterborough.

The purpose of this report was to provide the Shareholder Cabinet Committee with an update on work being undertaken with NPS Peterborough.

Pete Carpenter, Acting Corporate Director for Resources, and Alex Gee, Operations Director, addressed the Shareholder Cabinet Committee and advised that monthly meetings were taking place between relevant parties, including schools, in order to allow for a more streamlined process and with the aim of achieving one point of contact. It was further advised that all property information was now contained in one place, though work was being undertaken on a communications strategy to ensure that all relevant bodies were kept up to date. There were several recommendations set out in the report, namely in order to achieve a complete process to ensure the delivery of a valued service. Finally, it was commented that further work still needed to be completed to determine precise who was responsible for a number of functions, some of which were shared with Aragon Services.

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

- It was considered that once the service was running in a more streamlined manner, further work should be carried out to ensure that the service was best value for money.
- The service experienced peaks and troughs of demand and needed to manage its resources. This was currently being done through external work when demand allowed.
- It was noted that if technology could be used to improve communication between different Council partners, such as using one shared system, this should be investigated.
- It was felt by Members that a misunderstanding of responsibilities and a perception of duplication of work may have been detrimental to the company, and that further delineation of responsibility was required.
- Members were advised that a communications strategy was now in place and that, following approval by the Board, the NPS Peterborough Business Plan could be shared with Members in order to provide further financial detail.

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

1. Note the contents of the report.
2. Request that a further report be provided to the Shareholder Cabinet Committee in September 2020 including the NPS Peterborough Business Plan, a strategic overview from NPS Peterborough, and an update on the progress made following the recommendations set out with the report.

REASONS FOR THE DECISION

To provide the Shareholder Cabinet Committee with an update on work being undertaken with NPS Peterborough.

ALTERNATIVE OPTIONS CONSIDERED

There were no alternative options considered.

20. SHAREHOLDER CABINET COMMITTEE WORK PROGRAMME

The Shareholder Cabinet Committee received the Shareholder Cabinet Committee work programme for the 2019/2020 municipal year.

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

Chairman
10:00am – 12:19am
2 March 2020