

SHAREHOLDER CABINET COMMITTEE

MONDAY 14 SEPTEMBER 2020
10.00 AM

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AGENDA

| | Page No |
|---|---------|
| 1. Apologies | |
| 2. Declarations of Interest | |
| 3. Minutes of the Meeting Held on 2 March 2020 | 3 - 8 |
| <i>To note.</i> | |
| 4. Review of Vivacity Transition Arrangements | 9 - 12 |
| 5. Opportunity Peterborough | 13 - 58 |
| 6. Guidance for Members and Officers who Serve on Outside Bodies | |
| The Monitoring Officer has reviewed the guidance previously presented to the Shareholder Cabinet Committee at this link - Guidance for Members and Officers who Service on Outside Bodies Document - and has confirmed that no updated is need, as the guidance remains the same. | |
| 7. Shareholder Cabinet Committee Work Programme | 59 - 60 |

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 452460 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, 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

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| SHAREHOLDER CABINET COMMITTEE | AGENDA ITEM No. 4 |
| 14 September 2020 | PUBLIC REPORT |

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|--------------------------------|--|-------------------|
| 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): | Adrian Chapman, Service Director: Communities and Partnerships | Tel. 07920 160441 |

REVIEW OF VIVACITY TRANSITION ARRANGEMENTS

| R E C O M M E N D A T I O N S | |
|--|---------------------------|
| FROM: Service Director, Communities and Partnerships | Deadline date: N/A |
| <p>It is recommended that Shareholder Cabinet notes and comments 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.</p> | |

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Shareholder Cabinet Committee following a request from the Chairman.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to describe the progress made to date relating to the transition of Vivacity services to Peterborough Ltd and City College Peterborough, as set out in the Cabinet Member Decision Notice reference AUG20/CMDN/22. A further verbal update will be provided in the meeting as this remains a dynamic process.
- 2.2 The decision to transfer Vivacity services to Peterborough Ltd and City College Peterborough was made using urgency procedures due to the limited timescales to undertake the transfer of services to the council.
- 2.3 This report is for Shareholder Cabinet Committee to consider under its Terms of Reference No. 3.2.2 (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

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| Is this a Major Policy Item/Statutory Plan? | NO | If yes, date for Cabinet meeting | N/A |
|---|-----------|----------------------------------|------------|

4. BACKGROUND AND KEY ISSUES

4.1 The Council entered into a Funding and Management Agreement dated 1st May 2010 with Vivacity Cultural and Leisure Trust under which the assets, staff and responsibility for delivering cultural and leisure services transferred to Vivacity in return for grant payments made by the Council. Services included libraries, culture and heritage venues, sports centres and swimming pools.

4.2 On 18 June 2020, Vivacity served 90 Days' Notice of Termination of the Agreement on the grounds that Regulations made under the Coronavirus Act 2020 constituted a force majeure which had persisted for more than 90 days preventing performance of the services. Services set out in the Agreement will therefore cease to be provided by Vivacity at the end of the day on 16 September 2020.

4.3 This report is being written prior to this date, and it sets out the arrangements being made at time of writing. The work to successfully and smoothly transition services is subject to significant change given the timescales involved and the dynamic nature of the project, and so the Shareholder Cabinet Members will receive a verbal update, including details of final arrangements, during the meeting itself.

4.4 The Council has the right under the Agreement to nominate a new provider instead of operating the services directly. We have given careful consideration as to how best to ensure that services (i) transition successfully, (ii) are run efficiently, and (iii) are developed in accordance with the council's strategic priorities. As a result, services formerly delivered by Vivacity will transition as follows:

- Arts, Culture and Heritage services will transfer to City College Peterborough, the council's adult skills service and part of the Communities and Partnerships service directorate
- Sports and leisure services will transfer to Peterborough Ltd, a wholly-owned company of the council

4.5 All Vivacity staff will transfer under Transfer of Undertakings (Protection of Employment) Regulations (TUPE) to one of these organisations.

4.6 **Arts, Culture and Heritage Services**

4.6.1 At time of writing, the status of arts, culture and heritage services was as follows:

- Central Library – reopened on 10 August
- Bretton, Orton and Werrington libraries – reopened week commencing 24 August
- Hampton Library – reopened on 3 September
- All other libraries, including the mobile library service – will reopen on a date to be confirmed
- Key Theatre – whilst closed to the general public, was available throughout summer for pre-arranged summer schools, and has been running cinema events in a socially distanced way. A full reopening date is to be confirmed
- Peterborough Museum – will reopen on a date to be confirmed
- Flag Fen – will reopen for the 2021 season to the general public, but will be available for school and university visits in 2020 from a date to be confirmed

4.7 **Sports and Leisure Services**

4.7.1 At time of writing, the status of sports and leisure facilities was as follows:

- Vivacity Premier Fitness – reopened on 17 August
- Regional Swimming Pool – reopened on 17 August
- Athletics Track – reopened on 17 August
- Hampton Leisure Centre – reopened on 4 September
- Jack Hunt Swimming Pool – reopened for school use only from the start of term, with the

aim of reopening for community use from 1 October

- Werrington Sports Centre and Bushfield Sports Centre – will reopen following discussions with the Headteachers as these are shared school sites
- Lido – will reopen for the 2021 season
- Bretton Splash Park – will reopen for the 2021 season

4.8 **Other Services**

4.8.1 At time of writing, the status of other services was as follows:

- Community Hydrotherapy Pool – awaiting confirmation of how the facility can be made COVID-secure
- Peterborough Sculpture Trail – sits outside the Agreement between Vivacity and the Council, and will transfer to a third party nominated by Vivacity

4.9 The Service Director for Communities and Partnerships will manage the relationship between the Council, Peterborough Ltd and City College Peterborough, and will set, with those and other partners' input, and under the political leadership of the Cabinet Member, the vision and strategic direction for services going forwards.

4.10 Following the transfer of services to Peterborough Ltd and City College Peterborough, service delivery will be reviewed between the Council and the two service delivery organisations on a quarterly basis considering effectiveness, usage, COVID-19 compliance and value for money. From this the Council will be able to build up a full understanding of service delivery in the COVID-19 and post COVID-19 environment to assess the affordability and viability of services in their current form, and consider how they might need to be adapted going forwards.

4.11 New specifications for the services can be set out from this data and an assessment made as whether to remain delivering via "in house" arrangements (Peterborough Ltd and City College Peterborough) or by other service delivery mechanisms. It is expected that at least four quarters' data will be required to come to this decision point, which will be September 2021.

4.12 To further inform this work, the existing Active Lifestyles strategy will be reviewed to ensure it remains current and relevant, and work will recommence to develop a new culture strategy for the city which will describe an ambitious new vision for the role that arts, culture and heritage needs to play in Peterborough to support recovery from COVID-19, economic growth and development, community cohesion, and educational attainment and aspiration. It is anticipated that this work will be completed in draft form by Christmas with a view to presenting further detail through the normal political governance routes in the new year.

4.13 As described above, the detail summarised in this report is correct at time of writing. However, the Shareholder Cabinet will be provided with the most up to date information during its meeting on 14 September.

5. **CONSULTATION**

- 5.1
- Statutory consultation is underway with Vivacity's staff under TUPE legislation.
 - At time of writing, Vivacity remain responsible for all current services, and are liaising direct with their customers.
 - A date is being arranged for the Cabinet Member and the Service Director to meet representatives of the various 'friends' groups that support Vivacity's work.
 - The Service Director continues to engage with various agencies including Arts Council England and Historic England.
 - The review of the Active Lifestyles strategy and the development of the new culture strategy will be undertaken in very close collaboration with local partners and service users.

6. **ANTICIPATED OUTCOMES OR IMPACT**

6.1 Vivacity services that are subject to the formal Agreement between the council and them will safely, successfully and smoothly transfer to Peterborough Ltd and City College Peterborough.

7. REASON FOR THE RECOMMENDATION

7.1 The process to transfer services from Vivacity to the new arrangements is complex and dynamic, and this report, and the verbal update which will be provided at the meeting, seek to ensure that Shareholder Cabinet members are fully appraised and reassured of the process being followed.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 Not applicable.

9. IMPLICATIONS

Financial Implications

9.1 Because of COVID-19 and multiple changes to regulations it is not clear what the full costs will be for the services that are transferring, given social distancing and other infection control measures now required. As such the Council will attempt to minimise costs by taking advantage of all Government Schemes made available in July for self-delivered services, as well as submitting a grant request to Arts Council England's Culture Recovery scheme.

Legal Implications

9.2 This programme requires compliance with a range of legislation, including TUPE, the Government's furlough scheme, the Public Contract Regulations, and pension obligations. The project is overseen by an internal board which benefits from dedicated legal support.

Equalities Implications

9.3 Services are initially transferring on a like-for-like basis, albeit they will need to be reviewed in light of COVID-19 guidance. Every effort is being made to try to ensure that services remain available for all as and when they are safe to reopen.

Carbon Impact Assessment

9.4 As this report is to note, there are no carbon impact implications to consider.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 Cabinet Member Decision Notice reference AUG20/CMDN/22

11. APPENDICES

11.1 None.

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| SHAREHOLDER CABINET COMMITTEE | AGENDA ITEM No. 5 |
| 14 SEPTEMBER 2020 | PUBLIC REPORT |

| | | |
|--------------------------------|--|---|
| Report of: | Steve Cox, Executive Director Place and Economy | |
| Cabinet Member(s) responsible: | Councillor Peter Hiller, Cabinet Member for Strategic Planning and Commercial Strategy and Investments | |
| Contact Officer(s): | Steve Cox, Executive Director Place and Economy Tom Hennessy, CEO, Opportunity Peterborough | Tel. 01733 453475 01733 317412 |

OPPORTUNITY PETERBOROUGH

| | |
|---|---------------------------|
| R E C O M M E N D A T I O N S | |
| FROM: Steve Cox, Executive Director Place and Economy Tom Hennessy, CEO, Opportunity Peterborough | Deadline date: N/A |
| <p>The Shareholder Cabinet Committee is asked to:</p> <ul style="list-style-type: none"> • 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. • Consider the benefits of Opportunity Peterborough as a valued asset, and the potential to share costs and service outcomes with neighbouring authorities such as Cambridgeshire County Council and South Kesteven District Council. | |

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Shareholder Cabinet Committee following a request from the Committee.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is 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.
- 2.2 This report is for Shareholder Cabinet Committee to consider under its Terms of Reference No. 3.2.2 (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 There is an exempt appendix (Appendix A) attached to this report that is NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because it contains information relating to the financial affairs of Opportunity Peterborough Ltd. The public interest test has been applied to the information contained within this exempt

annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.

3. **TIMESCALES**

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| 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 **Introduction**

4.1.1 Opportunity Peterborough is the city's economic development company, a private, not-for-profit company, limited by guarantee. It was formed in 2005 as an Urban Regeneration Company but in 2010/11, with the dissolution of two of its shareholders, the East of England Development Agency and English Partnerships, it was reconstituted as an economic development company under the sole ownership of Peterborough City Council.

4.1.2 Today, Opportunity Peterborough's mission is to support economic growth across the Greater Peterborough area, improving prosperity, job opportunities, and life chances for those who live and work here. It does this by engaging with local companies to support growth and development, by marketing Peterborough to attract new businesses, by working with partners at a strategic level to create an enabling environment, and by playing a leading role in the city's skills agenda to ensure the current and future talent pool have the skills they need to drive the region forward.

4.1.3 Opportunity Peterborough supports a wide range of stakeholders to achieve their objectives including Peterborough City Council, the Cambridgeshire and Peterborough Combined Authority, the Department for International Trade, the Careers Enterprise Company, South Holland District Council, schools and colleges across Peterborough and Cambridgeshire, and businesses seeking support to grow as well as those seeking a suitable location for expansion or relocation. To each of these stakeholders Opportunity Peterborough's offer is different but to each of them it is the same – a deep pool of knowledge, experience, and expertise that they can draw upon, and a creative, proactive, and dedicated team, committed to delivering excellent results, client satisfaction, and ultimately, a positive impact on the local economy for the benefit of all.

4.1.4 Opportunity Peterborough has received a core grant of £100,000 from Peterborough City Council for the last 4 years (having previously been in excess of £500,000) as well as £40,000 for the provision of services related to strategic funding, and has successfully secured substantial grant funding from European and national sources to deliver specific programmes that align with its mission. It delivers inward investment and careers education services on behalf of the Cambridgeshire and Peterborough Combined Authority and provides economic development and skills services on a commercial basis to other local authorities. It also runs a fee-based membership network for businesses and other stakeholders in and round the city.

4.1.5 The company currently employs 20 individual equating to approximately 17 FTEs.

4.2 **2019/20: A review**

4.2.1 The 2019/20 financial year saw Opportunity Peterborough build on its success for delivering economic growth in Peterborough to establish a prominent role in driving growth at a regional level. Although international economies slowed towards the end of the financial year, confidence within Peterborough remained relatively high before the COVID pandemic, and international investment is still being secured for the city and its neighbouring districts.

4.2.2 During the year 35 investment enquiries were handled by Opportunity Peterborough, and a number of international companies established operations in Peterborough including US retailer URBN, and holiday agents JTA Travel. Foreign owned businesses such as Coloplast, are continuing to show confidence in Peterborough, reinvesting and expanding their operations.

4.2.3 Based on the organisation's strong track record with local partners, Opportunity Peterborough is leading a one year pilot for the Cambridgeshire & Peterborough Combined Authority (CPCA) on a cohesive inward investment proposition for the Greater Peterborough area, comprising the Peterborough, Fenland, Huntingdonshire and East Cambridgeshire areas. This approach combines the districts' shared economic strengths across five priority sectors - Agri-tech, Digital & IT, Advanced Manufacturing & Engineering, Logistics & Distribution, and Construction - to create a more compelling proposition for international investors and make significant contributions towards CPCA's ambitious targets for jobs growth and increasing prosperity. This work is complemented with the ongoing support provided to South Holland District Council's economic development team.

4.2.4 To future-proof one of the area's most important sectors, Opportunity Peterborough has made successful funding applications to establish a Smart Manufacturing Association. The £715k award will provide the platform for optimising the sector, developing workforce skillsets and catalysing growth, building on Peterborough's success as an internationally recognised smart city. This funding will not be paid to Opportunity Peterborough but will instead be paid to a JV to be established between Opportunity Peterborough and the CPCA.

4.2.5 Throughout this period, Opportunity Peterborough has provided key strategic advice and support for a wide range of public sector partners, ensuring that local decision-making around projects such as the University of Peterborough, the Local Industrial Strategy, and the Cambridge and Peterborough Skills Strategy are informed by the areas true economic needs. This level of high level strategic engagement has continued into 2020-21 as Opportunity Peterborough has been involved in regular stakeholder meetings regarding with Peterborough City Council, the Cambridgeshire and Peterborough Combined Authority, and the Mayoral Forum regarding to the immediate response to the COVID19 pandemic as well as the longer term recovery plans, confirming OP's growing influence in policy formulation across the CPCA area.

4.2.6 As well as the success of new investment into the city, there have been a number of other key highlights for the company over the period. The Skills Service continues to be a highly regarded element of Opportunity Peterborough's economic growth portfolio with over 34,000 young people across five districts gaining direct contact with employers to help increase knowledge of careers pathways, develop employability skills, and raise aspirations. Now in its ninth year, it delivered its 1,000th event since launch, having run 205 events in the 2019-2020 financial year alone. The team were key partners for the hugely successful Peterborough STEM Festival, have established a popular digital enterprise challenge, "Inspire Your City" with CityFibre, and have also begun work with cross-sector partners to make Peterborough the UK's first Youth Employment Friendly city.

4.2.7 Fundamentally, Opportunity Peterborough's approach to building Peterborough's economic success is not only through the breadth of its work, but also building confidence in the city. Through engagement with the Peterborough Tourism Focus Group, Peterborough Positive (the city's Business Improvement District initiative), and the City Leadership Forum, work has begun to establish a member funded forum for the leisure and tourism sector in Peterborough, funding co-ordinated marketing of the city and its attractions to increase visitor numbers, and develop a longer lasting, more positive perception of the city among residents and externally.

4.2.8 An overview of performance against KPIs can be found in the Business Plan in Appendix A. As can be seen from the KPI table, Opportunity supported the creation of 338 jobs across the CPCA area in 2019-20. Using the average salary for the CPCA area of £30,000, this has resulted in a GVA uplift of £10.14m. This means that for every £1 of PCC grant funding, Opportunity Peterborough was able to generate £101.40 in increased GVA for the local economy.

4.3 Opportunity

4.3.1 The financial year 2020/21 holds many challenges and some opportunities. For Opportunity Peterborough and the company's long term security can be realised through being part of a consortium that wins the Cambridgeshire and Peterborough Combined Authority's Growth Service contract. This is a 3 year contract for the provision of economic development and skills support services across the Cambridgeshire and Peterborough area worth £32m. It also replaces a number of Opportunity Peterborough's existing contracts. The 2020/21 Business Plan (Appendix A) is based on the successful outcome of this bid and securing the 3 year contract. Our optimism is based on the success of our previous work as described earlier and the value offer that Opportunity Peterborough provides to Peterborough and beyond. It would be unwise to ignore the threat to Opportunity Peterborough from not securing this important contract and therefore a 2020-21 Reserve Business Plan is also provided within the Business Plan.

4.3.2 An announcement regarding the awarding of the contract was expected on 1st September 2020 but as of the morning of Friday 4th September no announcement has yet been made.

4.4 Support for Peterborough City Council

4.4.1 The CPCA Business Growth Service contract presents a great opportunity for the company, but as a contract it is very specific in terms of the scope of activity and the nature of outcome being procured. In this instance this would be for the provision of inward investment services across Cambridgeshire and Peterborough in order to create high quality jobs, and the creation of additional apprenticeships.

4.4.2 However, there are numerous ways on which Opportunity Peterborough supports the city's economy beyond these narrow services and which can continue to be realised through Peterborough Council's ongoing support and funding of the company.

4.4.3 Opportunity Peterborough has long enjoyed the support of Peterborough City Council and is proud of its continued close working relationship with both organisations striving to improve the resilience and vibrancy of the local economy as well as the livelihoods of residents.

4.4.4 The structure of Peterborough City Council having its economic development function placed within a wholly-owned company has been very effective over the years, providing a sense of separation from the public sector which can prove beneficial when working with the business community, enabling a degree of flexibility and agility that could not necessarily be achieved as a local authority department, but also allowing officers to work hand-in-glove when required in order to achieve positive outputs for the city.

4.4.5 Due to ongoing pressures on the public purse originating around the time of the 2008 financial crisis, PCC's funding for OP is not what it once was having reduced from in excess of £500,000 p.a. to core funding of £100,000 p.a. plus an additional £40,000 for services related to funding and strategic input. However, for a number of years, due to increasing budgetary pressures, there has existed a risk that PCC may need to withdraw its funding and so in preparation for this OP has been working towards becoming a more commercial organisation so that it can be more self-sufficient and move to a model that is sustainable without the Council's financial support.

4.4.6 However, despite Opportunity Peterborough's ability to become self-sufficient should it win the CPCA contract, continuation of funding would result in Peterborough City Council continuing to benefit from Opportunity Peterborough's activity in the city, over and above inward investment and apprenticeship activity, such as:

- Peterborough City Council would retain an experienced, effective, and reputable economic development function at a time when support for businesses, jobs, and the economy has rarely been more needed.
- PCC would continue to receive excellent value for money. OP currently takes £140,000 of PCC funding and turns it into an economic development unit with a turnover in excess of £800,000 employing 20 individuals (c.17 FTEs). In the last financial year OP supported the creation of 338 jobs just through its inward investment activity. This equates to additional economic output of £10.14m, a return on investment to PCC of £101.40 for every £1 invested.
- OP would continue to respond to consultations on behalf of Peterborough regarding the development of strategic documents such as the National Industrial Strategy, the Cambridgeshire and Peterborough Independent Economic Review, the Local Industrial Strategy, the CPCA Skills Strategy, or the CPCA Local Economic Recovery Strategy.
- OP would continue to represent Peterborough on strategic groups such as the CPCA's Economic Recovery Sub-Group or the Mayoral Forum, both of which have been set up in response to the current COVID crisis.
- OP would continue to organise events such as the Thomas Cook jobs fair which was put together at less than a week's notice in response to the closure of the company.
- OP would continue to run the Bondholder network which provides PCC with a highly effective channel through which to drive business engagement.
- OP would continue to support PCC business facing teams by presenting the needs, challenges, language, and perceptions of business in ways that enhance policy making and service delivery.
- OP would continue to support PCC in major initiatives such as the re-opening of the city centre in which OP has played a critical but low key role:
 - Leading on the development and delivery of directional signage in and around the city centre to reinforce and encourage social distancing
 - Focusing on targeting communities where English is a Second Language – producing signage and adverts on local community radio stations (including translation into Urdu)
 - Production of directional signage for businesses
 - Working with PCC Comms on COVID-19 media activity, supporting the business messaging
 - Creating and managing a Facebook group for city centre businesses, providing updates on funding / regulatory changes, answering questions
 - Test and trace - identifying and contacting employment agencies that provide staff to priority workplaces (logistics, distribution, food, cold storage, warehousing), and development surveys for agencies.

4.4.7 The very specific nature of CPCA Business Growth Service contract would require that services delivered under the contract would be focussed on inward investment and the creation of additional apprenticeships. That means foreign-owned businesses, and those headquartered outside of the CPCA area, would take priority and it would be very difficult for OP to directly support any home grown businesses. Continued funding would enable OP to continue supporting PCCs strategic work regarding sustainability, inclusive growth, and smart cities.

4.4.8 If OP were unsuccessful in securing the CPCA Business Growth Service contract then PCC's continued financial support would enable OP to pursue its reserve business plan. In doing so it would continue promoting the city through the development of a commercial, place marketing model; provide consultancy services to businesses and local authorities; continue to deliver the Smart Manufacturing Association JV with the CPCA; and refocus efforts on the commercialisation of the Bondholder Network.

5. CONSULTATION

5.1 No consultation is required at this time.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 Continued funding of Opportunity Peterborough will enable the company to continue to play an active role in supporting the Council in its strategic priorities namely:

1. Drive growth, regeneration and economic development
2. Improve educational attainment and skills
3. Implement the Environment Capital agenda

Continued funding will enable the company to work with business and residential communities across the city to help drive economic resilience and vibrancy in ways that have farther reaching impacts than those that can be achieved via commercial contracts by specifically addressing market failure.

7. REASON FOR THE RECOMMENDATION

7.1 It is 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 this time of economic uncertainty.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 **8.1.1** Peterborough City Council could withdraw funding for Opportunity Peterborough from 2021/22 with the associated loss of the benefits as outlined above.

8.1.2 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.

8.1.4 Given that Cambridgeshire County Council and Peterborough City Council enjoy a close relationship sharing many officers, and given that CCC does 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 has 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.

9. IMPLICATIONS

Financial Implications

9.1 This report is provided for information and to update Members on the opportunities and challenges currently facing Opportunity Peterborough, as well as to highlight the benefits that the Council would continue to receive in support of the delivery of its aims and objectives. The recommendation is the continued funding of Opportunity Peterborough's activities which it currently does at an annual cost of £140,000 p.a. and there are therefore no financial implications.

Legal Implications

9.2 There are no legal implication arising from this report.

Equalities Implications

9.3 There are no equalities 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 Exempt Appendix A – Opportunity Peterborough Business Plan 2020/21
Appendix B – Opportunity Peterborough Ltd Annual Report and Financial Statements Year Ended 2019/20

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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OPPORTUNITY PETERBOROUGH LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

OPPORTUNITY PETERBOROUGH LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Mr A Barker Mr I Forsythe Mrs C Gostick Dr A Kennedy OBE Mr J Holdich OBE Mr P J Hiller Mr S Magenis |
| Company number | 05377004 |
| Registered office | Allia Future Business Centre London Road Peterborough PE2 8AN |
| Auditor | Baldwins Audit Services Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire PE1 2SP |
| Bankers | Barclays Bank PLC Peterborough Business Centre PO Box 294 1 Church Street Peterborough Cambridgeshire PE1 1EZ |

OPPORTUNITY PETERBOROUGH LIMITED

CONTENTS

| | Page |
|---------------------------------------|-------------|
| Directors' report | 1 - 3 |
| Directors' responsibilities statement | 4 |
| Independent auditor's report | 5 - 7 |
| Income and expenditure account | 8 |
| Balance sheet | 9 |
| Notes to the financial statements | 10 - 16 |

OPPORTUNITY PETERBOROUGH LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The main remit of Opportunity Peterborough is to drive the economic growth of Peterborough. At its core, this involves providing business support activities through the highly popular Bondholder Network, advice and signposting to funding, as well as attracting new inward investment to Peterborough. Opportunity Peterborough has established a strong reputation in these areas and is delivering this support service to surrounding areas in the Peterborough sub-regional economy.

Alongside these core, traditional economic development activities, Opportunity Peterborough has also led the future cities programme in the city, encouraging innovation and business opportunities for a more successful and resilient economy and city. Through its Skills Service, Opportunity Peterborough brings together businesses, young people, and schools to develop work readiness in young people and inspire their career choices.

Underpinning this activity is a strong marketing and communications activity which promotes the city and its businesses, to secure new investment, and raise Peterborough's profile nationally and internationally.

To deliver this range of services and initiatives in the city, and maximise the core funding by its sole member, Peterborough City Council, Opportunity Peterborough consistently secures additional funding and has a strong record of successful partnerships both nationally and internationally.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Barker
Mr I Forsythe
Mrs C Gostick
Dr A Kennedy OBE
Mr J Holdich OBE
Mr P J Hiller
Mr S Magenis

The company is incorporated under the Companies Act 1985 and it is limited by guarantee. The liability is limited to £1 each. Peterborough City Council is the sole member and guarantor.

Auditor

In accordance with the company's articles, a resolution proposing that Baldwins Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

OPPORTUNITY PETERBOROUGH LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Review of the Year to 31 March 2020

The 2019/20 financial year saw Opportunity Peterborough build on its success for delivering economic growth in Peterborough to establish a prominent role in driving growth at a regional level. Although international economics slowed towards the end of the financial year, confidence within Peterborough remains relatively high, and international investment is still being secured for the city and its neighbouring districts.

With 35 investment enquiries handled by Opportunity Peterborough, a number of international companies have established operations in Peterborough including US retailer URBN, and holiday agents JTA Travel. Foreign-owned businesses such as Coloplast, are continuing to show confidence in Peterborough, reinvesting and expanding their operations.

Based on the organisation's strong track record with local partners, Opportunity Peterborough is leading a one-year pilot for the Cambridgeshire & Peterborough Combined Authority (CPCA) on a cohesive inward investment proposition for the Greater Peterborough area, comprising the Peterborough, Fenland, Huntingdonshire and East Cambridgeshire areas. This approach combines the districts' shared economic strengths across five priority sectors - Agri-tech, Digital & IT, Advanced Manufacturing & Engineering, Logistics & Distribution, and Construction - to create a more compelling proposition for international investors and make significant contributions towards CPCA's ambitious targets for jobs growth and increasing prosperity. This work is complemented with the ongoing support provided to South Holland District Council's economic development team.

To future-proof one of the area's most important sectors, Opportunity Peterborough has made successful funding applications to establish a Smart Manufacturing Association. This will lead the way in optimising the sector, developing workforce skillsets and catalysing growth, building on Peterborough's success as an internationally lauded smart city.

Throughout this period, Opportunity Peterborough has provided key strategic advice and support for a wide range of public sector partners, ensuring that local decision-making around projects such as the University of Peterborough are informed by the areas true economic needs.

As well as the success of new investment into the city, there have been a number of other key highlights for the company over the period. The Skills Service continues to be a highly regarded element of Opportunity Peterborough's economic growth portfolio with over 34,000 young people across five districts gaining direct contact with employers to help increase knowledge of careers pathways, develop employability skills, and raise aspirations. Now in its ninth year, it delivered its 1,000th event since launch, having run 205 events in the 2019-2020 financial year alone. The team were key partners for the hugely successful Peterborough STEM Festival, have established a popular digital enterprise challenge, "Inspire Your City" with CityFibre, and have also begun work with cross-sector partners to make Peterborough the UK's first Youth Employment Friendly city.

Internationally, Opportunity Peterborough continues to lead work with India's '100 Smart Cities' programme, and in partnership with the British Standards Institute (BSI), is now supporting cities in Africa. The Future Peterborough programme, led by Opportunity Peterborough and Peterborough City Council, has bolstered the city's international reputation even further, with the team taking up invitations to speak at 14 different international conferences in 2019-2020 to share expert insight on Peterborough's smart city and circular economy approaches. Working partnerships with the likes of PECT (Peterborough Environmental City Trust) and the Knowledge Transfer Network are also helping to tackle waste and sustainability challenges in specific sectors.

Fundamentally, Opportunity Peterborough's approach to building Peterborough's economic success is not only through the breadth of its work, but also building confidence in the city. Work has begun to establish a member-funded forum for the leisure and tourism sector in Peterborough, funding co-ordinated marketing of the city and its attractions to increase visitor numbers, and develop a longer lasting, more positive perception of the city among residents.

OPPORTUNITY PETERBOROUGH LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

By securing investment from growing companies, furthering Peterborough's international stature, and boosting the confidence and employability of the younger population, Opportunity Peterborough is recognised regionally and nationally as a partner of choice for funding bids and intervention delivery.

During the year, the directors of Opportunity Peterborough have re-assessed the level of reserves it aims to maintain and consider that the current level of reserves is satisfactory. Reserves are maintained to enable an orderly closedown of the company in the event of a significant drop in funding, to manage the cashflow impact of some of the funding streams where funding may be received in arrears and to take advantage of any new opportunities that may arise.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

.....
Dr A Kennedy OBE

Director

Date:

OPPORTUNITY PETERBOROUGH LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OPPORTUNITY PETERBOROUGH LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OPPORTUNITY PETERBOROUGH LIMITED

Opinion

We have audited the financial statements of Opportunity Peterborough Limited (the 'company') for the year ended 31 March 2020 which comprise the income and expenditure account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

OPPORTUNITY PETERBOROUGH LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OPPORTUNITY PETERBOROUGH LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

OPPORTUNITY PETERBOROUGH LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OPPORTUNITY PETERBOROUGH LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

.....

Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

OPPORTUNITY PETERBOROUGH LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

| | 2020 | 2019 |
|--|---------------|---------------|
| | £ | £ |
| Income | 865,481 | 1,045,719 |
| Project and marketing costs | (668,999) | (819,394) |
| | <hr/> | <hr/> |
| Gross surplus | 196,482 | 226,325 |
| Administrative expenses | (146,091) | (171,778) |
| | <hr/> | <hr/> |
| Operating surplus | 50,391 | 54,547 |
| Interest receivable and similar income | 1,313 | 1,018 |
| | <hr/> | <hr/> |
| Surplus before taxation | 51,704 | 55,565 |
| Taxation | (249) | (193) |
| | <hr/> | <hr/> |
| Surplus for the financial year | <u>51,455</u> | <u>55,372</u> |

OPPORTUNITY PETERBOROUGH LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

| | Notes | 2020 | | 2019 | |
|---|-------|------------------|----------------|------------------|----------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 3 | | 1,249 | | 1,186 |
| Investments | 4 | | 1 | | 1 |
| | | | <u>1,250</u> | | <u>1,187</u> |
| Current assets | | | | | |
| Debtors | 5 | 86,542 | | 139,055 | |
| Cash at bank and in hand | | 478,135 | | 376,132 | |
| | | <u>564,677</u> | | <u>515,187</u> | |
| Creditors: amounts falling due within one year | 6 | <u>(313,071)</u> | | <u>(314,973)</u> | |
| Net current assets | | | 251,606 | | 200,214 |
| Total assets less current liabilities | | | <u>252,856</u> | | <u>201,401</u> |
| Reserves | | | | | |
| Income and expenditure account | | | 252,856 | | 201,401 |
| Members' funds | | | <u>252,856</u> | | <u>201,401</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:

.....
Dr A Kennedy OBE
Director

Company Registration No. 05377004

OPPORTUNITY PETERBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Opportunity Peterborough Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Allia Future Business Centre, London Road, Peterborough, PE2 8AN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The accounts have been prepared on the going concern basis. This is dependent on the continued support of the sole legal member of the company, who are the major contributor to the organisation's core costs.

1.3 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

Expenses include VAT where the company is unable to reclaim it.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------|-----------------------|
| Computer equipment | 33% p.a straight line |
|--------------------|-----------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in surplus or deficit.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

OPPORTUNITY PETERBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

OPPORTUNITY PETERBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Operating creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operation from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Operating creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Taxation

The tax expense represents the sum of the tax currently payable.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the income and expenditure account in the year they are payable.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

OPPORTUNITY PETERBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

1.13 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to income and expenditure account.

2 Employees

The average monthly number of persons (excluding directors) employed by the company during the year was 20 (2019 - 25).

3 Tangible fixed assets

| | Plant and machinery etc £ |
|------------------------------------|--|
| Cost | |
| At 1 April 2019 | 5,979 |
| Additions | 932 |
| | <hr/> |
| At 31 March 2020 | 6,911 |
| | <hr/> |
| Depreciation and impairment | |
| At 1 April 2019 | 4,793 |
| Depreciation charged in the year | 869 |
| | <hr/> |
| At 31 March 2020 | 5,662 |
| | <hr/> |
| Carrying amount | |
| At 31 March 2020 | 1,249 |
| | <hr/> <hr/> |
| At 31 March 2019 | 1,186 |
| | <hr/> <hr/> |

4 Fixed asset investments

| | 2020 | 2019 |
|--|-------------|-------------|
| | £ | £ |
| Shares in group undertakings and participating interests | 1 | 1 |
| | <hr/> <hr/> | <hr/> <hr/> |

OPPORTUNITY PETERBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

4 Fixed asset investments (Continued)

Movements in fixed asset investments

| | Shares in group undertakings £ |
|---------------------------------|---|
| Cost or valuation | |
| At 1 April 2019 & 31 March 2020 | 1 |
| | <hr/> |
| Carrying amount | |
| At 31 March 2020 | 1 |
| | <hr/> <hr/> |
| At 31 March 2019 | 1 |
| | <hr/> <hr/> |

5 Debtors

| | 2020 | 2019 |
|---|-------------|-------------|
| Amounts falling due within one year: | £ | £ |
| Operating debtors | 15,424 | 79,064 |
| Prepayments and accrued income | 71,118 | 59,991 |
| | <hr/> | <hr/> |
| | 86,542 | 139,055 |
| | <hr/> <hr/> | <hr/> <hr/> |

6 Creditors: amounts falling due within one year

| | 2020 | 2019 |
|------------------------------------|-------------|-------------|
| | £ | £ |
| Operating creditors | 18,599 | 17,864 |
| Amounts owed to group undertakings | 1 | 1 |
| Corporation tax | 249 | 193 |
| Other taxation and social security | 17,249 | 11,141 |
| Deferred income | 153,528 | 149,489 |
| Other creditors | 103,679 | 98,791 |
| Accruals | 19,766 | 37,494 |
| | <hr/> | <hr/> |
| | 313,071 | 314,973 |
| | <hr/> <hr/> | <hr/> <hr/> |

OPPORTUNITY PETERBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Financial instruments

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost: | | |
| Operating debtors | 15,424 | 79,064 |
| Cash at bank | 478,039 | 376,111 |
| | <u>493,463</u> | <u>455,175</u> |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost: | | |
| Operating creditors | 18,599 | 17,864 |
| Amounts due to fellow group undertakings | 1 | 1 |
| Accruals | 19,766 | 37,494 |
| Other creditors | 202 | - |
| | <u>38,568</u> | <u>55,359</u> |

8 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

OPPORTUNITY PETERBOROUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

9 Related party relationships and transactions

Remuneration of key management personnel

The remuneration of key management personnel comprises of gross salary and employers pension contributions. This remuneration is as follows.

| | 2020 £ | 2019 £ |
|------------------------|-----------|-----------|
| Aggregate compensation | 77,188 | 82,128 |

Other related party transactions

The nature of the funding, including the recharging of wages costs from its member Peterborough City Council, means that large balances regularly occur between the company and the Council. Balances outstanding at the year end were:

| | 2019 £ | 2018 £ |
|---------------------------|-----------|-----------|
| Included within creditors | (104,683) | (100,995) |
| | (104,683) | (100,995) |

Owing to the nature of the company's operations and the composition of the board of directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the company's financial regulations and normal procurement procedures.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| | 17,821 | 71,284 |

11 Control

The company is controlled by Peterborough City Council, its sole legal member.

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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 | |
| | | |
| 1 March 2021 <i>Draft Report: 10 February 2021</i> | | |
| | | |

| | | |
|--|--|--|
| <p><i>Final Report: 17 February 2021</i></p> <p><i>Deadline for Exempt Information Notice: 14 August 1 February 2021</i></p> | | |
|--|--|--|

Standing Items

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