

SHAREHOLDER CABINET COMMITTEE

MONDAY 7 NOVEMBER 2022

10.00 AM

Bourges/Viersen Room - Town Hall

AGENDA

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Committee Members:

Councillors: Allen (Chair), Ayres, M Cereste, Coles (Vice Chairman) and Howard

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

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**MINUTES OF THE SHAREHOLDER CABINET COMMITTEE MEETING
HELD AT 10:00PM ON
MONDAY 13 JUNE 2022
BOURGES/VIERSEN ROOM, TOWN HALL**

Members Present: Councillors Allen (Chair), Councillor Ayres, Councillor Cereste, Councillor Howard

1. Apologies for Absence

Apologies for absence were received from Councillor Coles.

2. Declarations of Interest

Agenda Item 6 Review of Guidance & Assurance Review of Partnership Arrangements

Declarations of interest were received from Councillor Steve Allen in relation to his position as Director of Empower Ltd. This company, however, was dormant and his position would not impact is taking part in the Committee debate.

3. Minutes of the Meeting Held on 28 February 2022

The minutes of the meeting held on 28 February were noted as a true and accurate record.

4. Exclusion of the Press and Public

The Shareholder Cabinet Committee **RESOLVED** that the press and public be excluded from the meeting on Item 7, 'Peterborough Limited Update' on the grounds that the item contains exempt information under Paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed (relating to the financial or business affairs of any particular person).

5. Amendment to the Trustees for the Mayor of Peterborough's Charity Fund (MPCF)

The Shareholder Cabinet Committee received a report in relation to an amendment to the trustees for the Mayor of Peterborough's Charity Fund (MPCF).

The purpose of this report was to supply the Shareholder Cabinet Committee with an update of the trustees of the MPCF.

The Head of Constitutional Services addressed the Shareholder Cabinet Committee and outlined the contents of the report.

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

- It was noted that the Mayor would be using his Mayoral allowance to assist with issues and hardships faced by the citizens of Peterborough during and coming

out of the pandemic, particularly in relation to loneliness.

- Members would be advised as soon as possible on where organisations can apply for this support.
- It was further noted that these arrangements were not typical for the MPCF and, as such, it was good for the Committee to continue to monitor.

The Shareholder Cabinet Committee considered the report and **RESOLVED** to note the amendment to the Trustees of the Mayor of Peterborough's Charity Fund (MPCF).

REASONS FOR THE DECISION

The reason for the recommendation was to update the Shareholder Committee of the changes which were required to enable the MPCF to continue to raise valuable funds for the MPCF charitable purpose.

ALTERNATIVE OPTIONS CONSIDERED

The alternative option was to not appoint Councillor Alan Dowson and Councillor Nick Sandford as the Chair and Secretary. However, this may not have provided sufficient quorum and the purpose of their role was to benefit the decision making of the MPCF and enable the continuation of effective fund raising.

6. Review of Guidance & Assurance Review of Partnership Arrangements

The Shareholder Cabinet Committee received a report in relation to the review of guidance and assurance review of partnership arrangements.

The purpose of this report was to review the remit and powers of the Committee, recommend an assurance review is carried out of the Council's partnership arrangements, highlight potential conflicts of interest that members need to be aware of in order to manage interactions more pro-actively, and endorse training proposals for members and officers.

The Director of Law and Governance addressed the Shareholder Cabinet Committee and outlined the contents of the report.

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

- It was noted that changes to the Council's partnerships arrangements would be reported to Shareholder Cabinet Committee.
- Comment was made that, although CIPFA had provided its recommendation, the law in relation to company directorship was clear whether you were an officer or a Councillor.
- It was further advised that a key difference between the position being held by a Member or an officer was that Members were decision-takers, and thus there was greater opportunity for potential conflicts of interest.
- Members were of the opinion that it was of key importance to have someone on the Board of the Council's partner companies to advocate for the Council's interests, and that training for Councillors on this point was very important.
- Comment was made in relation to what insurance was in place for Members representing the Council and officers confirmed that they would ensure that work on partner board was included in indemnity.
- It was felt that in situations where officers were placed on partnerships boards, rather than Members, work needed to be done to ensure the flow of relevant

information remained.

- If it was further noted that in a number of circumstances it would be more appropriate to have a Member representative, rather than an officer representative.

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

1. Note this report and its attached guidance note "Guidance for Member & Officers who serve on outside bodies".
2. Agree that officers should carry out an assurance process on the Council's partnership activities to assess the strength and robustness of the current governance arrangements.
3. Delegate responsibility for carrying out this assurance process to the Director of Corporate Resources and the Director of Law and Governance with progress to be reported back to the next Committee meeting.
4. Agree that further refresher training for Members and officers on their roles and responsibilities in relation to council companies and partnerships, to be organised by Democratic Services.

REASONS FOR THE DECISION

To add further governance measures into arrangements for the Council's companies and partnerships following the publication of new CIPFA advice on good practice for local authority owned companies.

ALTERNATIVE OPTIONS CONSIDERED

There were no alternative options considered.

7. Peterborough Limited Update

The Shareholder Cabinet Committee received a report in relation to the progress of Peterborough Limited.

The purpose of this report was to update the Shareholder Cabinet Committee on the recovery of leisure services in a post COVID world, as well as the financial position of the services, and key achievements and milestones over the last 18 months.

As agreed at agenda item 5, the Committee went into exempt session to discuss this item.

Kitran Eastman, the Managing Director of Peterborough Limited, addressed the Shareholder Cabinet Committee and outlined the contents of the report.

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

- It was noted that current discussions included exploration of charitable status for the future of some services, and legal exploration of these models
- All finances between the culture element of the operation and Aragon and Vivacity Leisure were separate, however, the intention was to avoid any kind of silo working, by managers from different areas working together and support each other.
- Queries were raised in relation to the appropriateness of communication that had been circulated in relation to changes to bin collection days. It was noted that importance was placed on the accuracy of information that was provided and that all information had been delivered to Members with the best intention, at no additional cost.

- Discussion was had in relation to the gender pay gap and it was noted that, the gender pay gap was in favour of woman. More men, however, were employed than women, although a key issue to be addressed was getting women in the 'high skilled' areas.
- Officers confirmed they were happy to discuss the inclusion of photovoltaic panels on leisure buildings, although this would require a review of the Heads of Terms for some areas.
- A trial of some of the new fleet was about to commence using renewable fuel, which would allow data to be compared, as anecdotal feedback from other authorities was mixed. Results of this would be shared with Members.
- It was advised that plans were in place to re-open the Werrington Leisure Facility in September, as per original arrangements. A review was underway to determine what aspects of the facility were a priority to bring back, with a survey to be undertaken with local groups for new services.
- The key issue, it was advised, was insufficient staffing levels across the whole of the leisure service, due to the national labour shortage, and therefore the Werrington centre was closed as the financial most costly site per hour in order to redeploy staff to other sites.
- Members were advised that two electric waste collection vehicles would be arriving in January 2023 for garden waste collection and that, depending on how well these operated, the next fleet would be completely electric.
- The cost of charging stations for these vehicles had been included within the initial scoping exercise.
- It was noted that a range of fuel scenarios would be factored into the calculations around the budget setting process for the upcoming year.
- Discussion was had in relation to what benefits could be offered to younger staff, including deposits into housing schemes.
- Members were advised that revenue from 2021/22 had been deferred for use in leisure in the current year meaning the Peterborough City Council fund was being paid this year for leisure. For the current year it was anticipated that Peterborough Limited's position relating to leisure would improve (as indicated by gym membership levels). If the service was not profitable, by the end of the year then this would need to be discussed with the Council.
- It was considered that Peterborough Limited would need to be in a more established position before making any new arrangements in terms of attraction management.
- Members felt that further work could be done to commercialise the Flag Fen site and to bring further expertise on board.
- It was noted that a review was being undertaken in relation to the utility costs of the Werrington Leisure Centre.
- Members queried why there was a loss incurred at the Hampton Leisure Centre, but a profit at Premier Fitness.
- Further discussion was had in relation to car cruising issues in the Premier Fitness car park, however, Members were advised that the site was not owned by the Council and while the issue had been raised with the landlord, the site was under the management of the owners.

The Shareholder Cabinet Committee considered the report and **RESOLVED** to note the information within the report and the progress made this year by Peterborough Limited.

REASONS FOR THE DECISION

To ensure that the Committee were aware of the information within the report and the progress against the business plan.

ALTERNATIVE OPTIONS CONSIDERED

The Shareholder Cabinet Sub Committee could have not noted the report and instead requested alternative directions were explored for the Company.

8. Shareholder Cabinet Committee Work Programme

The Shareholder Cabinet Committee received the Shareholder Cabinet Committee work programme for the 2022/2023 municipal year. It was requested that the Monitoring Officer and the Section 151 Officer report back to the Council's partners in relation to the Assurance Review.

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

Chairman
10:00am – 11:29am
13 June 2022

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SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 4
7 NOVEMBER 2022	PUBLIC REPORT

Report of:	NPS Peterborough Ltd	
Cabinet Member(s) responsible:	Cllr Andy Coles - Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Christine Addison – Resources Directorate Alex Gee – Operations Director, NPS Property Consultants	

NPS PETERBOROUGH BUSINESS PLAN STRATEGY

RECOMMENDATIONS	
FROM: Corporate Director Resources	Deadline date: N/A
<p>It is recommended that Shareholder Cabinet Committee:</p> <ol style="list-style-type: none"> 1. Notes the contents of the NPS Peterborough Ltd presentation covering the 2022/23 period. 2. Notes the comments in this report in respect of the future direction of the Property function relating to the decision to end the current joint venture with NPS (Peterborough) Ltd and the transition to providing the property function internally. 	

1. ORIGIN OF REPORT

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

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to provide the Committee with an outline of the work that NPS are currently undertaking for the Council as part of its business plan.

2.2 This report is for Peterborough City Council Shareholder Cabinet Committee to consider under its Terms of Reference No. 3.3.2 (a), *'To monitor performance and financial delivery of the companies, partnerships and charities ... in line with Cabinet approved business plans by means of monthly performance monitoring and scrutiny'*.

2.3 The attached presentation documents how NPS Peterborough Ltd plans to deliver the Council's property service during the transition period in line with Council requirements and its Business Plan.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

- 4.1 NPS Peterborough Ltd is a 50/50 joint venture company owned by Peterborough City Council and the Norse Group (a wholly owned subsidiary of Norfolk County Council). The Council's contract with NPS started in 2016 with a ten year contract period. The objectives of the joint venture are to support the City Council in using its property and land asset to support service delivery, regeneration and growth in line with the Council's corporate plan by providing a professional property estates, landlord and tenant matters including the commercial estate management, and strategic asset management advice to support the City's growth and regeneration ambitions. The joint venture can also commission and provide other professional property services that support the Council's agenda
- 4.2 NPS Peterborough Ltd also undertakes some additional FM related activities on behalf of the Council including energy billing and management of the security contract. In addition NPS took on the management of Peterscourt business centre, where its offices are located, from Opportunity Peterborough.
- 4.3 The Shareholder Committee report in December 2021 advised that a review would be carried out as part of the 2022/23 budget process. The review was carried out by CIPFA as part of the Council's Improvement Programme, with the outcomes and a summary reported to Cabinet in June 2022.
- 4.4 The CIPFA review highlighted a number of areas of concern relating to the Council's delivery of property services and the JV including in summary:
- Lack of corporate oversight in the Council on property matters
 - The structure and model of the JV contributing to a fragmented approach to property with core and non core work treated differently
 - The oncost associated with non core work including external valuations or advice.
 - Various FM services included in the JV adding to fragmentation in Council delivery of FM
 - High number of vacancies in in the professional property team with insufficient staff to provide the core work leading to delivery / timing failures due to lack of resource.
 - No staff in any Asset Management posts resulting in a weak draft Asset Management Plan which was judged not suitable for inclusion in the February Budget Cabinet in 2022.
 - Insufficient performance management with only two KPIs and insufficient ability of the Council to test VFM of the arrangement.
 - Concerns expressed by External Audit in relation to the Annual Asset Valuations.
- 4.5 Cabinet agreed in June 2022 to terminate the JV with 12 months notice (to end of June 2023). NPS Peterborough Ltd and the Council have been working together since that time on the transition plan. In the first instance, the Council is establishing its own internal property function under the new Service Director Commercial and Property, providing corporate property and asset management planning advice across the Cole of the Council and professional property services and property data management. Work is underway to identify which of the facilities management-related or ancillary services will continue and where these are best placed within the Council. It is the Council's intention to implement the new arrangements earlier than the stated termination date and work is underway to confirm the date and any associated implications.

5. CONSULTATION

- 5.1 None

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 It is anticipated that the is report and the presentation will give Committee members an understanding and update on progress with the transition from the JV with NPS Peterborough

Ltd and how NPS intend to deliver the Council's requirements and property priorities over this period.

7. REASON FOR THE RECOMMENDATION

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

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 The review carried out earlier in 2022 and the report to Cabinet in June set out the basis of the decision to terminate the JV. The alternative of continuing was ruled out at that time and an alternative external delivery is not considered appropriate for the strategic elements of the service. The council will consider any framework of contract arrangements to deliver all elements of the property service as necessary in due course.

9. IMPLICATIONS

Financial Implications

- 9.1 The Council provided circa £1.7m income in 2021/22 with a lower level anticipated in the current year. The JV has returned c£700k over the past 5 years back to the Council in volume discount.

Legal Implications

- 9.2 The contract is managed via the Service Deed of Agreement dated 8th July 2016./

Equalities Implications

- 9.3 Referred to in the Learning and Development Plan slide in the Business Plan.

Rural Implications

- 9.4 This contract manages the Councils Rural portfolio.

10. BACKGROUND DOCUMENTS

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

- 10.1 Cabinet report June 2022 "Agreement to Terminate the Council's Agreement with NPS Peterborough Ltd in relation to Property and Estate"

11. APPENDICES

- 11.1 Appendix 1 – presentation provided by NPS Peterborough Ltd

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Shareholder Committee



13

7th November 2022
NPS Peterborough



Strategic Summary

In June 2022, PCC Cabinet took the decision to serve notice on the Joint Venture with The Norse Group, with a view to bringing the Estates and Asset Management functions back into the Council, effective from 1 July 2023.

The JV transition strategy is to support the Council's current strategy in respect to Property, manage the ongoing portfolio of work and ensure smooth transition of staff and activities, and is keen to support PCC beyond the contract termination.

HR Teams from both organisations are in the process of transferring data in respect to staff roles and salaries to firm up a TUPE list.

We continue to focus on the delivery of high quality Estates and Asset Management, we will focus on delivering savings and maximising income from its commercial portfolio, and support the knowledge and understanding of how the Council can achieve its net carbon zero estate by 2030.

Operational Delivery

We remain committed to undertaking the following activities:

Recommend asset review options that seek to **maximise opportunities to generate positive sustainable income**; continue to provide **strategic advice and Project management; regularise market rate rents**; and continue to **deliver returns back to PCC** in line with BP forecasts for this financial year.

We aim to:

Provide accredited advice and services that support the Council's **strategic objectives** that support a **financially and environmentally sustainable future for Peterborough**. We will continue to develop our staff who are at the heart of what we do, to ensure they are **empowered and trusted** to deliver their work to the highest standards.

Strategic Asset Management

- Conduct options appraisals for different asset types to identify alternative uses, consolidation or commercial / development opportunities
- Work with PCC / CIPFA officers to attain best value in negotiating terms for strategic acquisitions and disposals
- Assess and appraise property investment and regeneration opportunities
- Actively support the Council's Strategic Asset Group to appraise investment and divestment opportunities

Commercial / Industrial Estate

- Consider redevelopment opportunities in improving assets (e.g. light industrial units) using existing Council assets
- Secure more favourable terms that minimise PCC's liability for repairs and maintenance and achieving market rents with regular rent review provisions
- Minimise the number of void units through active marketing with local agencies to identify and secure tenants
- Identify potential for PCC to maximise rental income for operational buildings and increase investment value and potential city centre footfall
- Work with finance colleagues to monitor and reduce rental arrears

Rural Estate

- Identify and bring forward disposal / development / conversion opportunities inline with PCC financial objectives
- Identify and promote initiatives that support environmental and decarbonisation benefits across the retained Estate
- Work closely with the tenants and the NFU to maximise opportunities to promote the rural estate, education initiatives and sustainable farming techniques
- Monitor condition programme of work to ensure assets are being maintained to deliver healthy revenue income
- Review and update the Rural Asset Strategy

Building Management Services

- Monitor post COVID repopulation procedures to ensure safe working spaces
- Ensure that building management controls are in place and deployed efficiently
- Ensure compliance risks are highlighted and escalated in line with PCC H&S policies
- Monitor and oversee soft FM contracts and manage suppliers of soft FM services to obtain value for money services

Financial BP

	*2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Income	£1,622,341	£2,203,102	£1,951,555	£1,877,229	£1,719,343	£1,657,570
Direct Costs	£1,253,087	£1,807,656	£1,523,605	£1,478,652	£1,303,952	£1,240,234
Indirect Costs	£96,210	£96,300	£90,985	£70,113	£81,719	£84,773
Fixed Costs	£114,541	£125,249	£155,178	£145,180	£143,932	£158,815
Total Costs	£1,463,838	£2,029,205	£1,769,768	£1,693,945	£1,529,602	£1,483,822
Profit	£158,503	£173,897	£181,787	£183,284	£189,741	£173,748
Vol. Disc	£79,252	£86,949	£90,894	£91,642	£94,870	£86,874
Actual Vol Disc	£46,000	£108,000	£121,000	£198,000	£203,158	£213,067 **

*2016/17 BP based on full financial year though the service commenced from 6 July 2016.

Actual Vol Discount is based on 9mths trading

** Subject to audit sign off

Learning and Development Plan

- Support staff through their professional accreditation journey
- Company wide ISO training and development
- Post COVID office repopulation training
- Deliver equality and diversity refresher training for all staff

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SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 5
7 NOVEMBER 2022	PUBLIC REPORT

Report of:	Adrian Chapman, Executive Director Place and Economy	
Cabinet Member(s) responsible:	Cllr Wayne Fitzgerald, Leader of the Council	
Contact Officer(s):	Adrian Chapman, Executive Director Place and Economy Tom Hennessy, CEO, Opportunity Peterborough	Tel. 01733 863887 01733 317412

OPPORTUNITY PETERBOROUGH

RECOMMENDATIONS	
FROM: Adrian Chapman, 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, as well as plans for the financial year 2022/23. 	

1. ORIGIN OF REPORT

1.1 This report is being submitted to the Shareholder Cabinet Committee at their request.

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, as well as on the company's plans for the financial year 2022/23.

2.2 This report is for the Shareholder Cabinet Committee to consider under its Terms of Reference No. 3.3.2 (a), *'To monitor performance and financial delivery of the companies, partnerships and charities ... in line with Cabinet approved business plans by means of monthly performance monitoring and scrutiny.'*

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

4.1 Opportunity Peterborough is the city's economic development company.

4.1.1 Our mission is to support inclusive and sustainable economic growth across the Greater Peterborough area, improving prosperity, job opportunities, and life chances for those who live

and work here whilst ensuring that growth embraces smart innovation, contributes to Peterborough's Net Zero Carbon target, and helps to build a resilient economy and city of the future.

4.1.2 We have traditionally done this by:

- Supporting Peterborough's businesses to grow, innovate, diversify, create new, good quality jobs, and become more resilient and more sustainable
- Attracting new companies to the city to create new, good quality jobs and support a diverse and vibrant economy
- Making sure students and workers have the skills they need to have power in the jobs market, and by raising the career aspirations of young people
- Working with partners at a strategic level to create an enabling environment by addressing barriers to growth in areas such as infrastructure and skills
- Delivering the Future Peterborough programme to help make Peterborough a smarter, more sustainable, resilient, and attractive city in which to work, live, and play.

4.1.3 In addition to its city focused services, Opportunity Peterborough has provided a range of services directly to Peterborough City Council, including (but not limited to):

- Leading the response to major job crises such as the John Lewis and Debenhams closure, and through organising events such as the jobs fair after the Thomas Cook closure
- Responding to consultations on behalf of Peterborough regarding the development of strategic documents such as the Local Economic Recovery Strategy, National Industrial Strategy and Local Industrial Strategy
- Representing Peterborough on strategic groups such as the CPCA's Economic Recovery Sub-Group, Business Advisory Panel, and Mayoral Forum, which have been set up in response to the current COVID crisis at various points
- Running the Bondholder Network which provides PCC with a highly effective channel through which to drive business engagement.
- Supporting PCC business facing teams by presenting the needs, challenges, language, and perceptions of business in ways that enhance policy making and service delivery.
- Supporting PCC in major initiatives such as the post lockdown re-opening of the city centre in which OP has played a critical role.

4.1.4 Below is an update regarding Opportunity Peterborough's progress on major programmes this year:

- 4.1.5
- **Promoting Peterborough** – Inward investment activity this year has predominantly focussed on supporting existing investors and developers with their on-going growth projects; working with investment funds and developers who have expressed interest in strategic city centre sites; and supporting a small number of potentially large occupiers interested in establishing offices in the city.

The quantity of enquiries received so far has been lower than in previous years. This may be down to a combination of the current economic climate as well as reduced availability of development land and vacant properties in the city.

Visit Peterborough promotional activity continues to improve with growing audiences and a recent focus on low-cost summer holiday activities. Facebook followers have increased 10% to c.2,600 since April and website visits have increased to 170,000 for the April-August period this year compared to 99,000 for the same period last year.

Positive relationships were developed with LPH Concerts who staged large performances on the embankment in early summer. Discussions with influential stakeholders regarding sponsorship and the membership scheme continue positively. Work is ongoing to establish a Visitor Information Centre in the city centre and discussions regarding the city's Christmas programme have begun.

- 4.1.6
- **Smart Manufacturing Alliance** - The Smart Manufacturing Alliance, a joint venture between Opportunity Peterborough and the Cambridgeshire and Peterborough Combined Authority, was officially launched in October of 2021. This is a new networking organisation tasked with supporting manufacturing businesses across Cambridgeshire and Peterborough to improve productivity, innovation, and sustainability, and create a world class manufacturing cluster. The Alliance has so far secured 23 members with a further 15 in the pipeline and has hosted a number of events for existing and prospective members. This includes hosting a manufacturing sector marquee at the recent Cambridgeshire County Day celebrations at Newmarket Racecourse.
- 4.1.7
- **ACMI4.0** - Advanced Capacities for Manufacturing – Industry 4.0 (ACMI4.0) is an ERDF (EU) funded business support and grant funding programme being delivered by Opportunity Peterborough and the Smart Manufacturing Alliance. Manufacturing SMEs and businesses in their supply chains can benefit from 12hrs support and up to £20,000 funding to support investment into industry 4.0 technologies such as 3D printing, AI, automation, sensors, and much more.

To date, 19 manufacturing businesses have received world class analysis and support regarding their Industry 4.0-readiness with a further 12 scheduled and two have had grant funding applications approved with a further 10 applications are being developed.

- 4.1.8
- **Towns Fund** - As part of the Towns Fund programme, Opportunity Peterborough was tasked with delivering a feasibility for an Enterprise and Skills Centre, informally referred to as the Digital Incubator. This report has been completed and well received by the Towns Fund Board. It has already been used to underpin an application to the Shared Prosperity Fund for c.£300,000 to deliver a digital accelerator programme, and is being used by other stakeholders to support the development of their business plans regarding business support in the city.

In addition, Opportunity Peterborough has been supporting the development of The Vine through participation in a number of working groups overseeing its design and delivery.

- 4.1.9
- **Strategy** - Opportunity Peterborough continues to represent the city's interest in the development of strategic work such as the development of the CPCA's Economic and Skills Strategy, and as a member of the East Anglian Productivity Forum, part of a national programme run by The Productivity Institute.

4.2 2022/23 and beyond – Opportunities and Challenges

4.2.1 At Peterborough City Council's Cabinet Meeting, held on 20th June 2022 (Item 11), Cabinet voted in favour of supporting the integration of Opportunity Peterborough into the council in order to develop a coherent and joined-up approach to economic development, growth, and regeneration.

4.2.2 Since then, discussions have been taking place between PCC officers, Opportunity Peterborough's Chief Executive, and Opportunity Peterborough's Board in order to facilitate this move.

- 4.2.3 Whilst this move is still subject to a meaningful TUPE consultation process, it is currently suggested that the Opportunity Peterborough brand is retained for the council's economic development work. In the short term, it is proposed that activity continue to focus on delivery of inward investment, Visit Peterborough, the Bondholder Network, and the Smart Manufacturing Alliance. Current discussions regarding Visit Peterborough activity include the potential to continue developing a fee-paying membership and sponsorship model in order to fund the appropriate level of activity, as per models used elsewhere in the country.

5. CONSULTATION

- 5.1 No consultation is required at this time.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 That the Shareholder Cabinet Committee notes the contents of this report and continues to support Opportunity Peterborough work to promote economic growth in the city.

7. REASON FOR THE RECOMMENDATION

- 7.1 We believe that, with the continued support of the Council, we can make Peterborough a better place to work, to invest and do business, to visit and enjoy, and above all, to call home.

Our work programme has been mapped against Peterborough City Council priorities to ensure that what we are providing aligns with what matters most to the Council and the communities it serves.

By supporting the delivery of these priorities we believe that we can also reduce demand on the Council's services thereby having a positive budgetary impact as well as increase the Council's income via increased business rates receipts.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 This report is predominantly for information.

The alternative to supporting Opportunity Peterborough's plans is:

- To not support Opportunity Peterborough's work and progress to date.

This has been rejected on the basis that Opportunity Peterborough's work programme closely aligns with, and adds value to, the Council's own priorities and provides excellent value for money as a means of meeting these priorities.

9. IMPLICATIONS

Financial Implications

- 9.1 There are likely to be financial implications regarding the integration of Opportunity Peterborough into the council. These are currently being explored and identified through work being conducted with the Assistant Director: Growth & Economy, as well as colleagues from PCC's Corporate Finance team.

Legal Implications

- 9.2 There are likely to be legal implications regarding the integration of Opportunity Peterborough into the council, specifically regarding the transfer of staff under TUPE, transfer of data, transfer of contracts, and possible transfer of shareholder responsibilities regarding the Smart Manufacturing Alliance. These implications are currently being explored with colleagues from PCC's HR and Legal teams.

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 None.

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SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 6
7 NOVEMBER 2022	PUBLIC REPORT

Report of:	Executive Director for Place and Economy		
Cabinet Member(s) responsible:	Cllr Lynne Ayres, Cabinet Member for Childrens Services, Education, Skills and University		
Contact Officer(s):	Adrian Chapman	Tel. 07920 160441	

PETERBOROUGH HE PROPERTY COMPANY LTD

RECOMMENDATIONS	
FROM: Executive Director for Place and Economy	Deadline date: N/A
<p>It is recommended that Shareholder Cabinet:</p> <ol style="list-style-type: none"> 1. Notes the work of the Peterborough HE Property Company Ltd, and the council's role as shareholder in that company; 2. Assures itself that the role of the council as shareholder in that company is being fulfilled appropriately. 	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Shareholder Cabinet at the request of the committee.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to provide an overview to Shareholder Cabinet of the council's role and interests in the Peterborough HE Property Company Ltd, enabling Members to scrutinise and challenge as well as inform future activity.
- 2.2 This report is for the Shareholder Cabinet Committee to consider under its Terms of Reference No. 3.3.2 (a), *'To monitor performance and financial delivery of the companies, partnerships and charities ... in line with Cabinet approved business plans by means of monthly performance monitoring and scrutiny.'*

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

- 4.1 The Peterborough HE Property Company Ltd is a private limited company established to govern and deliver the physical development of certain phases of Peterborough's new university. The company, which is known informally as PropCo1, is responsible for phases 1 and 3 of the university project. Governance and delivery of phase 2 – the research and development building which is close to completion – is the responsibility of a separate company, Peterborough R&D Property Company Ltd (known informally as PropCo2).

4.2 PropCo1 has three shareholders: Peterborough City Council, Anglia Ruskin University (ARU), and the Cambridgeshire and Peterborough Combined Authority. The shareholding of each member is based on the value of financial contribution made to the overall project, with each £1 invested being equivalent to one share. The distribution is currently:

Peterborough City Council: 21,870,000 shares
Combined Authority: 26,800,000 shares
ARU: 7,800,000

Due to the value of shares held by the council, we have two company director places on the board (as does the Combined Authority). ARU has one place. The council has appointed the Executive Director for Place and Economy as one of its directors, with the second place to be filled by the Assistant Director for Growth and Regeneration. The Articles of Association for the company can be found at this link: [PropCo1 Articles](#)

4.3 The Board meets monthly and is chaired by the council's Executive Director for Place and Economy. At each meeting, the Board receives input from a range of colleagues, including the overall development programme managers, finance professionals, and from ARU.

4.4 For information, the delivery of the university curriculum and associated delivery matters is governed by a separate company, ARU Peterborough, on the board of which the council has one director place currently filled by the Executive Director for Place and Economy. However, although PropCo1 is concerned with the development and build of the university, it will be of interest to Members to be reminded of some of the key reasons why a new university for Peterborough is so important to the prosperity of our city and its residents:

- 32% of our population has achieved NVQ level 4 or above, compared to 43% nationally
- 17% of our young people are in full time education, compared to 33% nationally
- 25% of people in Peterborough are living in poverty, compared to 17% nationally
- Peterborough has relatively high levels of in-work poverty
- Peterborough has poor social mobility, ranked 191st of 324 council areas

The new university will significantly contribute to the aspiration and achievement of our city and its residents, improving over time these metrics, and the council has been instrumental in bringing forward the development and realising our university.

4.5 Phase 1 of the university is the teaching building that opened last month. The overall programme was managed by the contractor, Mace, with a number of sub-contractors responsible for different build and fit-out elements. In headline terms, phase 1 was delivered on time and within budget. There are a small number of outstanding snags still to be resolved, but the PropCo1 board has secured absolute assurance that these remain on target to be resolved by the end of October.

4.6 The phase 1 building opened to its first cohort of students in September, with teaching capacity for 846 students in specialist labs and teaching rooms. ARU received over 1,600 applications to start courses this autumn and is expecting to support more than 950 learners this trimester. This includes up to 650 students based at University House (the phase 1 building), and via other provision including short courses and work-based learning. Just under half of the students in this intake live in a PE postcode area. Unlike many universities, ARU Peterborough will have a second start date in January each year, providing greater flexibility for students.

4.7 The 'before and after' pictures below show the site as it was prior to the phase 1 build commencing and the building as it now is:

Before:



Now:



- 4.8 Phase 3 of the university, also overseen by the PropCo1 board, is a further teaching block to be built on the site of the current regional pool car park. Mace will also programme manage this build and will continue to inform PropCo1 of progress and risks as necessary. The planning application for the phase 3 build was submitted to the council on 23 September 2022 following positive pre-

application engagement with planning officers. The application is expected to be determined by Planning Committee in January 2023. Alongside this, a contractor kick-off meeting has been held, as well as a risk workshop.

- 4.9 The overall build timetable for phase 3 is tight, with completion expected around September 2024. The council's financial contribution to this phase is via the Levelling Up Fund, and adherence to this timetable is a condition of that funding. There are a number of significant milestones and other factors that need to be met or considered in order to meet this timetable, including overall cost pressures as a result of inflationary increases, any delays in the planning process, and the successful closure and handover of the regional pool car park (by March 2023). All these factors are contained within the overall risk register for the programme, which is reviewed at each PropCo1 board meeting.
- 4.10 The phase 3 building will combine teaching space with a living lab, creating an innovative learning environment. It is hoped that the facility will incorporate Extended Reality and Artificial Intelligence technologies.
- 4.11 For information, the phase 2 building is the research and development facility, the development of which is overseen by the PropCo2 company. As mentioned above, PropCo2 (the Peterborough R&D Property Company Ltd) is a separate limited company, the shareholders of which are the Cambridgeshire and Peterborough Combined Authority and Photocentric. The council does not have a place on this board. However, the council's Executive Director for Place and Economy has recently been appointed to the board as a Combined Authority-appointed director, which will provide greater local visibility of the development of the phase 2 project.
- 4.12 The external works on the phase 2 building are progressing at pace, with practical completion expected on 15 December 2022. Internal fit out however will follow as and when research and development tenants are identified.

5. CONSULTATION

- 5.1 Not applicable.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 It is anticipated that Shareholder Cabinet has greater visibility of the role and work of the Peterborough HE Property Company Ltd and is assured that the council's formal role in the work of the company is being appropriately fulfilled.

7. REASON FOR THE RECOMMENDATION

- 7.1 The recommendations contained in this report are designed to ensure Shareholder Cabinet can assure itself that the council is fulfilling its role in the company appropriately.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Not applicable.

9. IMPLICATIONS

Financial Implications

- 9.1 The council has made a financial contribution to both phases 1 and 3 of the new university and this has resulted in the issuing of shares equivalent to that value. The process to release this funding has been subject to separate and rigorous governance and decision making.

Legal Implications

9.2 The work of PropCo1 is often complex, and the company directors are advised by both in-house and externally commissioned legal advisers at every stage.

Equalities Implications

9.3 Not applicable.

10. BACKGROUND DOCUMENTS

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

10.1 None.

11. APPENDICES

11.1 None.

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Shareholder Cabinet Committee Work Programme 2022/23

Meeting Date	Item	Comments
13 June 2022 <i>Draft Report: 25 May 2022</i> <i>Final Report: 1 June 2022</i> <i>Deadline for Exempt Information Notice: N/A</i>	Guidance for Member and Officers who Serve on Outside Bodies Lead Officer: Fiona McMillan	
	Mayor's Charities Lead Officer: Rachel Edwards	
	Peterborough Limited Leisure Lead Officer: Adrian Chapman	
	CANCELLED	
7 November 2022 <i>Draft Report: 19 Oct 2022</i> <i>Final Report: 26 Oct 2022</i>	NPS Lead Officer – Cecilie Booth/Christine Addison	Deferred from September 2022

<i>Deadline for Exempt Information Notice: 7 Oct 2022</i>	Opportunity Peterborough – Interim Report Lead Officer – Tom Hennessey	Deferred from September 2022
	Peterborough HE Property Company Ltd Lead Officer – Adrian Chapman	Deferred from September 2022
27 February 2022 <i>Draft Report: 8 Feb 2023</i> <i>Final Report: 15 Feb 2023</i> <i>Deadline for Exempt Information Notice: 27 Jan 2023</i>	Peterborough Investment Partnership Lead Officer – Adrian Chapman	Deferred from November 2022
	City of Culture Peterborough Lead Officer – Adrian Chapman	Deferred from September 2022
	Medesham Homes Lead Officer – Adrian Chapman	Deferred from November 2022
	Peterborough Limited Update Lead Officer – Kitran Eastman	Deferred from November 2022