

SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 5
2 MARCH 2020	PUBLIC DOCUMENT

Report of:	Kitran Eastman – Managing Director Peterborough Limited	
Cabinet Member(s) responsible:	Cllr Mohammed Farooq – Chairman of Peterborough Limited Board	
Contact Officer(s):	Kitran Eastman – Managing Director Peterborough Limited	Tel. 864736

PETERBOROUGH LIMITED BUSINESS PLAN 2020 -2023

RECOMMENDATIONS	
FROM: <i>Peterborough Limited</i>	Deadline date: <i>N/A</i>
<p>It is recommended that the Shareholder Cabinet Committee:</p> <ol style="list-style-type: none"> 1. Recommends to Cabinet the revised Peterborough Limited Business Plan 2020-2023 as set out in Appendix 2 for approval. 2. Considers and approves the revised Peterborough Limited Procurement Strategy and Contract Rules as set out in Appendix 3 3. Endorses the actions set in section 4.26 to 4.34 of this report and section 6 of Appendix 2, 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. Notes the financial position of Peterborough Limited as set out in this report and endorses 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. Considers and approves the revision of Peterborough Limited list of Reserved Matters as set out in Appendix 4. 	

1. ORIGIN OF REPORT

- 1.1. This report is presented to the Shareholder Cabinet Committee following a request from the Committee to be provided with, plans for income generation, and suggestions as to how the service could be improved following on from the first nine months of full operations.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to seek approval from the Shareholder Cabinet Committee to recommend the revised Peterborough Limited Business Plan 2020-2023 to Cabinet (See Appendix 2), and to approve the revised Peterborough Limited Procurement Strategy and Contract Rules (See Appendix 3).
- 2.2 This report contains exempt appendices that are NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because they contain commercial information. The public interest test has been applied to the information contained within these exempt appendices and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.

3. **TIMESCALE**

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 Peterborough Limited is wholly owned by Peterborough City Council and was formed as a Teckal compliant Local Authority Trading Company (LATCo). This means that the company is a separate legal entity to the Council but does operate with a Council appointed board and in accordance with Council guidance and input on strategic matters or important issues of policy.
- 4.2 In February 2019 Peterborough Limited operating as Aragon Direct Services commenced delivery of certain services for the Council. Over the following months more services were transferred into the company. During this time there have been a number of improvements in the quality of the services, such as hot jet pavement washing in the city centre and the introduction of a dedicated Waste and Recycling Education Officer.
- 4.3 During the Company's first year of operation it concentrated on providing a smooth transition of operational services, getting under the skin of the finances of the operations and its support services and building a solid foundation for future growth. As anticipated before the company was operational, a review of the position of the new company would be needed once the state of play was fully understood. This report and Appendix 2, 3 and 4 are based on the updated information now available and build upon the previous business plan and the operational and governance arrangements which have been put in place.
- 4.4 This report and associated appendix set out:
- The financial position of Peterborough Limited
 - The company's Business Plan
 - The revision to Peterborough Limited's Procurement Strategy and Contract Rules
 - A Proposed revision to Peterborough Limited list of Reserved Matters
 - Key support needed from the Council for Peterborough Limited
- 4.5 Consider the revision to the Peterborough Limited list of Reserved Matters - As set out in Appendix 4, it is recommended that some are made to the reserved matters to enable Peterborough Limited to update what work/tasks the Company can carry out without the need to seek approval from The Councils Cabinet or Sub Cabinet shareholder Committee. The changes remove items which would affect the ability to expand commercial customer base if opportunities arose, but still retains suitable protection for the Council.

5. **CONSULTATION**

- 5.1 No consultation is required at this time

6. **ANTICIPATED OUTCOMES OR IMPACT**

- 6.1 If approved, implementing the direction of travel in this report will i) move the core services delivery to a funded model, ii) Enable the company to create a solid foundation for running services of any kind iii) Start the role out of commercial services, based in areas of current skills.

7. **REASON FOR THE RECOMMENDATION**

- 7.1 It is recommended that the Shareholder Cabinet Committee approves the revised Peterborough Limited Business Plan 2020-2023 as set out in Appendix 2 to enable the Company to plan its active over the next three years.
- 7.2 It is recommended that the Shareholder Cabinet Committee approves the revised Peterborough Limited Procurement Strategy and Contract Rules as set out in Appendix 3 to ensure they reflect the agile more commercial nature which is expected within the vision set by the Council.

- 7.3 It is recommended that the Shareholder Cabinet Committee endorses the actions set in section 4.9 to 4.13 of this report and section 6 of Appendix 2. This will 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.
- 7.4 It is recommended that the Shareholder Cabinet Committee note the financial position of Peterborough Limited and endorses Peterborough Ltd becoming the service provider of choice for managing and delivering the property and professional service related elements to the PCC capital programme, with a ringfenced delivery fund of £15 M each year. This will enable Peterborough Ltd to move to a sustainable financial footing by September 2020 and enable focus to be moved to increasing commercialisation.
- 7.5 It is recommended that the Shareholder Cabinet Committee Considers and approves the revision to Peterborough Limited list of Reserved Matters as set out in Appendix 4. This will improve the ability of the company to act more commercially while still retaining the appropriate level of control for the Council.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 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. This report and Appendix 2 and 3 are based on the updated information now available.
- 8.2 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 Councils needs, a more streamlined business focused approach which still meet the obligations of the Public Contracts Regulations 2015, was believed to be essential.
- 8.3 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 has for Peterborough Ltd. Those which are contained in Appendix 2 and 3 represent the best route to success.

9. IMPLICATIONS

Financial Implications

- 9.1 Set out in the exempt appendix.

Legal Implications

- 9.3 Peterborough Limited is a “Teckal” compliant company (advice is detailed in KEY/11JUN18/04 – Link found in background documents) and thus exemption from needing to compete with other companies under procurement legislation for works and services delivered to the Council.
- 9.4 Peterborough Limited is a “Teckal” compliant company which gives it the ability to trade commercially up to 20% of its turnover, over a three year period. As such at least 80% of the company’s income must come from the Council.
- 9.5 Peterborough Limited is a contracting authority for the purposes of the Public Contracts Regulations 2015 – a body governed by public law. The Company is therefore bound to comply with these Regulations.

Equalities Implications

- 9.6 There are no negative equalities implications.

HR Implications

- 9.7 None at this time

10. BACKGROUND DOCUMENTS

10.1 Cabinet Meeting, 11th June 2018. Item 6

<https://democracy.peterborough.gov.uk/ieListDocuments.aspx?CId=116&MId=4142>

10.2 Cabinet Meeting, 17th December 2018. Item 4.

<https://democracy.peterborough.gov.uk/ieListDocuments.aspx?CId=116&MId=4214>

11. APPENDICES

- Appendix 1 - EXEMPT Section Not for Publication
- Appendix 2 – EXEMPT Peterborough Limited Business Plan 2020-2023
- Appendix 3 - Peterborough Limited Procurement Strategy and Contract Rules
- Appendix 4 - Revised Peterborough Limited List of Reserved Matters