

SHAREHOLDER CABINET COMMITTEE	AGENDA ITEM No. 6
9 November 2020	PUBLIC REPORT

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 James Collingridge – Head of Environmental Partnerships	Tel. 864736

Peterborough Limited Business Plan 2020-2023

RECOMMENDATIONS	
FROM: Peterborough Limited	Deadline date: N/A
<p>It is recommended that the Shareholder Cabinet Committee:</p> <ol style="list-style-type: none"> 1. Note the information within the report and the impact which COVID-19 has had on Peterborough Limited. 	

1. ORIGIN OF REPORT

- 1.1. This report is presented to the Shareholder Cabinet Sub Committee following a request from the Committee to be provided with an update on progress against the Business Plan which was agreed on 2 March 2020.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to update the Shareholder Cabinet Sub Committee on the Peterborough Limited Business Plan 2020-2023 (See Background Papers), as well as the financial position of the company, and key achievements and milestones over the last nine months.
- 2.2 This report is for 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 set out above in line with Cabinet approved business plans by means of monthly performance monitoring and scrutiny*'.
- 2.3 This report contains exempt appendices that are NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because they contain commercial information.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 autonomous from the Council but does require a council appointed board and relies on the Council for 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 some services for the Council. 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.
- 4.3 Some of the key elements planned for the second year of operation (2020/21) include plans that the company would
- Focus on property and professional service and become 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. Also to target similar customers to those we have now such as schools and public sector clients
 - Introduce a commercial recycling and waste service to businesses in the Peterborough areas – utilising the Council's commercial waste as the corner stone of the service
 - Focus on packaged operational services as a one stop shop to similar customers to those we have now such as schools and public sector clients
 - Continue to deliver high quality services to PCC specifications via Aragon Direct Services
 - Work with PCC to replace the ageing P-Ltd fleet to improve resilience and reduce the impact on the environment
- 4.4 The full list of areas of focus across 2020 to 2023 can be seen in Appendix 2.

Impact Of COVID-19

- 4.5 In March shortly after the P-Ltd business plan had been agreed, COVID-19 started to unfold and like the rest of Team Peterborough (those organisations who deliver for the residents of Peterborough) P-Ltd moved to focus on the fight against the virus.
- 4.6 A small number of staff started working from home, but the majority of staff continued as frontline key workers focusing on delivering essential services, and supporting the Council and the local community in its COVID response.
- 4.7 As an organisation P-Ltd /Aragon has responded well to the COVID-19 crisis. It started with early work done in January looking at cleansing and PPE supply, as well as hygiene processes, sickness processes and business continuity planning. Strong staff communication throughout was welcomed by employees as was positive press and social media engagement about their outstanding work. Absence levels for non COVID related sickness was low and staff morale was high due to the positive response from the public. COVID cases have been low within the company, highlighting the effective steps taken regarding sanitising and social distancing where possible.
- 4.8 The main impacts on services were caused by:
- 30% increase in waste collected when compared to the weeks before lock down (in line with national increases)
 - Increase in fly tipping

- Staff being medically shielded
- Self-isolation due to COVID or COVID within an employee's household
- Where possible staff being put into lone working or smaller crews to enable social distancing
- Supply chain disruption
- Difficulty accessing sites for property work due to other companies/ organisations having furloughed staff
- Alterations in work patterns due to COVID restrictions (i.e. closing of schools, playgrounds, toilets)

4.9 This resulted in:

- Reduction of Garden Waste Collections to monthly
- Suspension of Bulky Waste Services
- Suspension of Bin Deliveries
- Restructuring of work to key areas for street cleansing and grounds maintenance

4.10 As of October 2020, most services are running as normal, with a revised bulky waste service to enable the most efficient collections possible, and bin deliveries being done where resources allow (including weekends).

4.11 In addition to the service impacts the Company has faced due to COVID, the majority of proactive work planned had to be put on hold, and all management focus and capacity was diverted to keeping staff safe and delivering the highest level of service delivery possible for the public.

4.12 Staff across the company have worked tirelessly throughout this year, going over and above. They have been an incredible asset both to the Company and Peterborough. We are very proud of them.

4.13 ADS have supported PCC in several areas during COVID, this has included additional cleaning in the City Centre to Viricidal clean touch points like bike racks and benches etc. to support the economic recovery of the City Centre. Sanitiser stations were also installed to ensure residents felt comfortable and safe to enter the City Centre again. ADS also supported through the closure and then subsequent safe reopening of play areas were arranged or signs to be installed in all play areas advising on safe use and also ensured where play equipment was not at least 2 meters apart it was removed to ensure safe social distancing. ADS continue to carry out weekly inspections of all play areas ensuring they are both safe to use and that signage remains in situ.

4.14 Due to the impact of COVID-19 the planned commercial expansion in 2020 has not been possible. The changing economic situation locally means that the markets will need to be reassessed and reprogrammed for a post COVID world. During 2021 we will make every endeavour to look at new potential commercial expansions and in relation to those that have not been able to come into fruition during 2020 we will re look to see how these can be adapted and implemented during 2021.

Finance Impact

4.13 to 4.16 **See Appendix 1 Part 1- Exempted Section Not for Publication**

Vivacity Leisure

4.17 Another key impact of COVID has been the handing back of the Vivacity Contract.

- 4.18 On 1st October 2020 P-Ltd took over the running of Leisure Services, from the Vivacity Trust. There are significance synergies between the Aragon operation and Vivacity leisure services. Key areas of sports and leisure overlap with parks, open spaces and grounds and sports pitch maintenance. Both Aragon and Vivacity Leisure have a large workforce providing local services for Peterborough residents. Property repair and maintenance is contracted to Aragon, and many of our back office functions such as HR, IT, Legal, are run by the same providers.
- 4.19 On transfer the Leisure service formed a separate operating arm of the company. This enables clear open and transparent finances. The service will continue to operate under the name “Vivacity” or “Vivacity Leisure”. We will ensure, however, that there are not silos between “Vivacity” and “Aragon”, and the service managers and teams will work together.
- 4.20 The Company will then “Run, Review and Reshape” the services. This will take into account the Council’s strategic and service provision views, commercial opportunities, and the challenges of COVID-19.
- 4.21 to 4.22 See Appendix 1 Part 2- Exempted Section Not for Publication
- 4.23 Transfer of services has gone smoothly, and work is currently ongoing to reopen services where safe and viable to do so.

Fleet Procurement

- 4.24 P-Ltd have provided the Council with a list of proposed asset replacements, this will be a mixture of lease, purchase out existing leases and capital purchase. The new vehicles will be a phased replacement program of aging assets across, Waste and Recycling, Street Cleansing, Parks and Open Spaces and Home to School Transport.
- 4.25 Aragon has been trialling various options for the fleet replacement to ensure the most cost effective and efficient vehicles are procured.

5. CONSULTATION

- 5.1 No consultation is required at this time

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 The Company will continue to
- Run its the core services as efficiently as possible,
 - Work to keeping staff safe and the public safe during COVID
 - Commence the commercial waste services from December 2020

7. REASON FOR THE RECOMMENDATION

- 7.1 It is recommended that the Shareholder Cabinet Sub-Committee note the information within the report and the impact which COVID-19 has had on Peterborough Limited.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Due to the current COVID-19 situation, options are limited at this time.

9. IMPLICATIONS

Financial Implications

- 9.2 See Appendix 1 Part 1- Exempted Section Not for Publication

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 exempt from needing to compete with other companies under procurement legislation for works and services provided to the Council.

9.4 Peterborough Limited as a “Teckal” compliant company, has 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.

Equalities Implications

9.5 There are no negative equalities implications.

HR Implications

9.6 None at this time

Carbon Impact Assessment

9.7 This report does not contain any decisions that will have an impact on Carbon Dioxide emissions. It allows for an update to the Shareholder committee on the operations of ADS.

10.0 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>

10.3 Shareholder Committee Meeting, 2nd March 2020. Item 5.

<https://democracy.peterborough.gov.uk/ieListDocuments.aspx?CId=721&MId=4346&Ver=4>

11. APPENDICES

- Appendix 1 - Exempted Section Not for Publication
- Appendix 2 - Peterborough Limited Business Plan Areas of Focus

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