

RECORD OF EXECUTIVE DECISION

Tuesday, 16 January 2018

Decision No: (CAB 17/18 19963)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	SUSTAINABLE LIVING
SUBJECT:	LOCAL AUTHORITY TRADING COMPANY FOR SOME COUNCIL SERVICES
AUTHOR:	Richard Crouch

THE DECISION

- (i) To note the progress on the proposed establishment of the LATCo and endorse the continued implementation of the programme based on the proposals contained in this report, namely;
 - the proposed governance arrangements;
 - the migration of services in the proposed order of priority; and
 - the development of final business plans for the LATCo services.
- (ii) To note the proposed cross-party composition of the Shareholder's Group for the LATCo.
- (iii) To endorse the launch of a Best Value consultation, and further briefings with staff on the emerging proposals for the LATCo.
- (iv) To note that a further specific consultation with tenants and leaseholders (required under s27/105 of the Housing Act (1985)) will follow later in the year (2018) to cover the proposed transfer of Housing Services to the LATCo. Formal staff consultation will also be required later in the year relating to TUPE, should Full Council approve final proposals.
- (v) To note that the outcome of the staff and Best Value consultations, as well as the final recommendations on the establishment of the LATCo, including the staffing provisions, governance arrangements, financial implications and operational plans will be presented to Council (as determined by the Constitution) for final decision May/June 2018.

REASONS FOR THE DECISION

1. To fulfil the Council's legal requirements for undertaking a Best Value consultation on its proposals for the services in question.
2. To enable the on-going transformation of a range of in-scope council services, particularly the need for a new operating model that supports on-going cost efficiency in the delivery of services back to the Council, together with further commercialisation and potential trading opportunities.
3. To maximise the effective, efficient and economic management and operation of

the in-scope services.

4. To develop a commercial capacity that can, where appropriate and in the public interest, profitably trade the services with other councils, public sector organisations, businesses and, where relevant, residents of the City and the broader commercial market.
5. To support the Council in achieving its aim of continuing to grow the local economy, bringing investment into the city and increasing employment opportunities for local people.

DETAILS OF ANY ALTERNATIVE OPTIONS

1. The original options appraisal presented to Cabinet in December 2016 considered a number of service delivery models including: the option to retain and to continue operating the services 'in-house' as undertaken currently; outsourcing; joint venture; and disposal. These options did not support the aims and aspirations of the Council to the same extent as the recommended option of establishing a LATCo.
2. After the Cabinet meeting of December 2016, further consideration was given to how the preferred LATCo option could be structured and three 'variant' options were presented to Cabinet in August 2017. These included:
 - Establishing the LATCo with no external partner support;
 - Establishing the LATCo with external partner support for all services in scope;
 - Establishing the LATCo with external partner support for some of the services in scope.
3. Following consideration of these variant LATCo options and the representations obtained on them from the initial Best Value consultation held in June/July 2017, Cabinet agreed that the option of establishing a LATCo with no external partner support was in the best interests of the Council, and that the continued development of the LATCo project should proceed on this basis.

OTHER RELEVANT MATTERS CONCERNING THE DECISION

None

CONFLICTS OF INTEREST

None

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 16 January 2018

Decision Maker:
The Cabinet

Proper Officer:
Pat Wood

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*