

## RECORD OF EXECUTIVE DECISION

Tuesday, 15 August 2017

Decision No: (CAB 17/18 19254)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	LEADER OF THE COUNCIL
SUBJECT:	LOCAL AUTHORITY TRADING COMPANY FOR SOME COUNCIL SERVICES
AUTHOR:	Richard Crouch

### THE DECISION

- (i) To consider the outcome of the recent consultation activity on the proposed establishment of the LATCo and, having fully weighed the representations and issues identified through the consultation activity, to:
  - (a) endorse the proposed approach to establishing a LATCo to deliver a variety of Council services; and
  - (b) discontinue the activity for undertaking a procurement process and pursue the establishment of a LATCo without the appointment of external improvement partners.
- (ii) To confirm that the services to be included within the scope of the LATCo are as attached at Appendix 1. The inclusion of Housing services that fall within the statutory definition of 'management' as part of the scope of the LATCo is subject to Secretary of State consent.
- (iii) To note that a further Best Value consultation with residents, statutory consultation with housing tenants and leaseholders, and formal staff consultation required under employment law, will be required on the emerging proposals for the LATCo that will be presented to Cabinet in the new year.
- (iv) To note that following the activities outlined in (iii) above the final decision on the services to be delivered through the LATCo, the staffing provisions, governance arrangements, financial implications and the incorporation of the LATCo will be presented back to Cabinet and Council (as determined by the Constitution) for final decision around May/June 2018.

### REASONS FOR THE DECISION

1. To consider the representations received in response to the most recent consultation process and to ensure those representations are taken into consideration in progressing the establishment of a LATCo.
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 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. Since the Cabinet meeting of December 2016, further consideration has been given to how the preferred LATCo option could be structured and established. Three 'variant' options were identified:
  - Establishing the LATCo with no external partner support and to employ our own specialist officers;
  - 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. The rationale for preferring the establishment of a LATCo over the other alternative service delivery models, as well as the three variant LATCo structure options outlined above were consulted on during a 4 week consultation process which ended on the 13 July 2017. The outcome of the consultation and the representations received is detailed in this report.

#### **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: 15 August 2017

Decision Maker:  
The Cabinet

Proper Officer:  
Claire Heather

**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)*