

# Southampton City Council consultation on the establishment of a Local Authority Trading Company - feedback

## Introduction

1. Southampton City Council undertook public consultation on proposals to establish a Local Authority Trading Company between 15 June 2017 and 13 July 2017.
2. The council continues to face financial pressures both from decreasing funding and increasing demand for services. These challenges also bring opportunities, like building on successful services to generate income to reinvest in services.
3. The proposal to explore the creation of a Local Authority Trading Company was agreed by Cabinet on 20 December 2016. Subsequently it was agreed that the initial proposals should be consulted on with staff and the public before the programme was progressed.
4. This consultation sought initial views on some ways the council could change the way it delivers services in order to promote efficiencies, generate income to reinvest in services and help safeguard them from further reductions. The process of redesigning how the council operates and delivers services takes time and more detailed consultation will be undertaken on the emerging proposals and prior to any final decisions being taken. This may include a further Best Value consultation with residents, statutory consultation with housing tenants and leaseholders and formal staff consultation required under employment law.
5. This report outlines the principles, process and outcome of the public and staff consultation on the proposed establishment of a Local Authority Trading Company. It both supplements and contextualises the summary of the consultation included within the Cabinet report.

## Aims

6. Over the last five years, the council has made savings of £92.4 million, but the council needs to close a projected financial gap of £90M by the financial year 2019/20. This is because the Revenue Support Grant we receive from central Government has been reduced by 55% and is likely to be phased out completely by 2019/20. In addition, in 2018/19 and 2019/20 the Housing Revenue Account (used for Council Housing) has to make savings of £8 million. At the same time, we currently spend £611 million delivering services and demand for some of our services is continuing to grow, especially in adults and children's social care.
7. Therefore, to remain sustainable as an organisation we must explore new ways of delivering services. One way of achieving this is to increase the amount of income the council generates through trading our services. Therefore the aim of this consultation was to:
  - Communicate clearly and make residents and staff aware of the challenges the council is facing
  - Ensure residents and staff understand the initial thinking on the establishment of a Local Authority Trading Company and are aware of what this may mean for them
  - Ensure any resident, staff member, business or stakeholder who wishes to comment on the proposals has the opportunity to do so, enabling them to raise any impacts the proposals may have
  - Provide feedback on the results of the consultation to elected Members to enable them to make informed decisions about how to progress the programme
  - Ensure that the results are analysed in a meaningful, timely fashion, so that feedback is taken into account when decisions are made.
8. This report summarises the processes and activities undertaken by Southampton City Council to achieve these aims and includes a summary of the consultation responses both for the consideration of decision makers and any interested individual or organisation.

## Consultation principles

9. The council takes its duty to consult with residents and stakeholders on changes to services very seriously. The council's consultation principles ensure all consultation is:
  - Inclusive: so that everyone in the city has the opportunity to express their views.
  - Informative: so that people have adequate information about the proposals, what different options mean, and a balanced and fair explanation of the potential impact, particularly the equality and safety impact.
  - Understandable: by ensuring that the language used to communicate is simple and clear and that efforts are made to reach all stakeholders, for example people who are non-English speakers or disabled people.
  - Appropriate: by targeting people who are more likely to be affected and using a more tailored approach to get their feedback, complemented by a general approach to all residents, staff, businesses and partners.
  - Meaningful: by ensuring decision makers have the full consultation feedback information so that they can make informed decisions.
  - Reported: by letting consultees know what was done with their feedback.
10. Southampton City Council is committed to consultations of the highest standard, which are meaningful and comply with the following legal standards:
  - Consultation must take place when the proposal is still at a formative stage
  - Sufficient reasons must be put forward for the proposal to allow for intelligent consideration and response
  - Adequate time must be given for consideration and response
  - The product of consultation must be carefully taken into account.
11. Public sector organisations in Southampton also have a compact (or agreement) with the voluntary sector in which there is a commitment to undertake public consultations for a minimum of 12 weeks wherever possible. This aims to ensure that there is enough time for individuals and voluntary organisations to hear about, consider and respond to consultations. This consultation was for a total of four weeks with but forms part of a longer series of consultation activity which will total significantly more than 12 weeks.
12. Government Best Value guidance encourages councils to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The consultation on the potential creation of a Local Authority Trading Company will comply with the national guidance and consultation will be undertaken in stages over the coming months as proposals become more detailed.

## Approach and methodology

13. The initial consultation on the establishment of a Local Authority Trading Company sought views from staff, residents, stakeholders and partner organisations. The formal consultation ran from 15 June 2017 to 13 July 2017.
14. Deciding on the best process for gathering feedback from staff and residents when conducting a consultation requires an understanding of the audience and the users of the service. It is also important to have more than one way to feed back on the consultation, to enable engagement with the widest range of people.
15. The agreed approach for this consultation was to use a combination of online and paper questionnaires, supported by public drop-in sessions, briefings for council tenants, a Facebook live question and answer session and staff briefings. The structured questionnaire was designed to include an appropriate amount of explanatory and supporting information, helping to ensure that residents are aware of the background and context to each of the proposals. At the same time, the face to face and online sessions were intended to offer an opportunity for people to ask more detailed questions. Therefore, this was judged the most suitable methodology for consulting on a complex issue such as the establishment of a Local Authority Trading Company.

16. In addition to the main questionnaire, a general response email and postal address was also advertised. This was to provide a channel for written feedback for respondents who, for whatever reason, would not wish to use the questionnaire. The council also wrote to key partners across the city, to make them aware and seek their views.
17. A draft Equality and Safety Impact Assessment was produced as a part of the consultation documentation to outline any potential impacts the proposals may have. This is a live document which will be updated with information from the consultation.

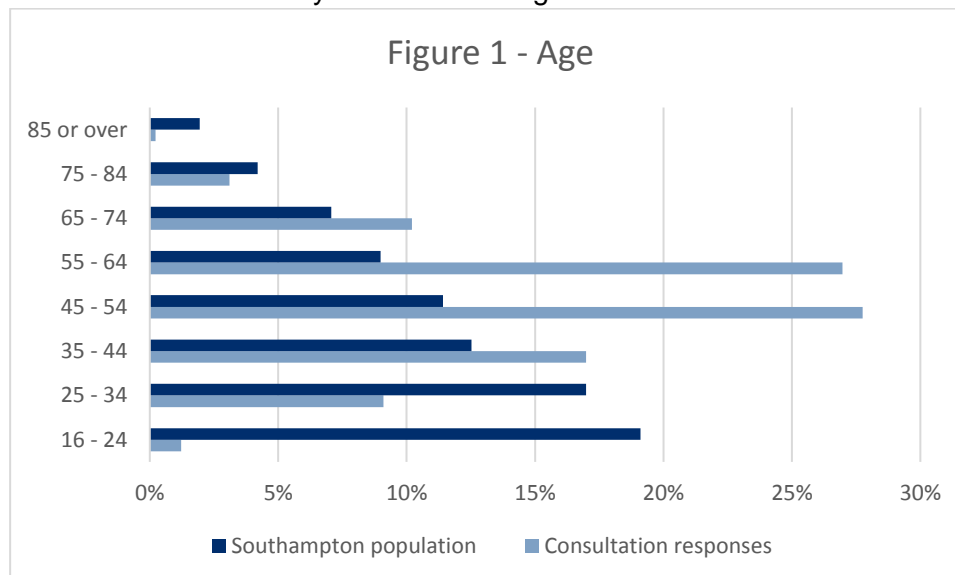
### **Promotion and communication**

18. Throughout the consultation, every effort was made to ensure that as many people as possible were aware of the consultation and had an opportunity to have their say. Efforts were also made to communicate these complex proposals in as clear and easy to understand way as possible, by providing background to the proposal at the start of the questionnaire and a Frequently Asked Questions (FAQs) document these were available on a dedicated council webpage.
19. The consultation was promoted in the following ways:
- News release issued on 15 June 2017, picked up by the Daily Echo with one article
  - Article uploaded to the 'news' section of the Southampton City Council website on 16 June 2017
  - A link to the LATCo consultation web pages was included on the council website 'have your say' page for the duration of the consultation
  - Facebook live Question and Answer session held on Monday 10 July 2017, from 17:30 – 18:30, as a quick and convenient way for people to engage with the consultation and ask questions directly of a panel of council officers
  - Stay connected e-alerts – four City News articles (5,765 subscribers) and two Your City Your Say consultation e-bulletins (3,447 subscribers)
  - The council's Facebook and Twitter accounts were used to signpost people to the consultation and information about the LATCo proposals. 11 Facebook posts and six tweets were used to promote the consultation over the four weeks
  - A range of internal communications were also used to encourage staff to participate, including:
    - The Bulletin 28 June 2017
    - The Bulletin 12 July 2017
    - Dawn's Update 21 June 2017
    - Dawn's Update 06 July 2017
    - Staff Stuff news carousel from 22 June 2017 until 12 July 2017, linking to LATCo staff stuff pages
  - Paper versions of the budget questionnaire and information were available in libraries and council offices.

### **Consultation respondents**

20. In total, 923 people responded to the consultation on the establishment of a Local Authority Trading Company through a paper or online questionnaire, with the vast majority (87%) using the online questionnaire. All the questionnaire submissions that had at least one question completed were included in the analysis, to ensure every piece of feedback was considered. Feedback was also gathered through the face to face sessions and via email.
21. This section outlines the demographic makeup of respondents to the questionnaire, showing which groups were represented in terms of age, gender, whether they consider themselves to be disabled and whether or not they are council staff. It is important to note that, as consultations should be open for anyone to answer, they will not necessarily be representative of the whole population of Southampton. It is however important that as wide a range as possible are engaged and are given the opportunity to share their views on the proposals. The analysis provided below does not cover all respondents, as some did not complete the demographic section.

22. Figure 1 shows the age breakdown of the consultation respondents compared to the mid-2015 population estimate for Southampton. The groups with the lowest representation were: 16-24, 25-34 and 85+ year olds, all having less than 20 respondents there were no respondents under the age of 16. The most over-represented groups were the 35-44, 45-54, 55-64 and 65-74 year olds, which make up 40% of the Southampton population but represented 82% of the overall respondents to the consultation. This is in line with expectations as the over 45s tend to participate in consultations in greater numbers. As an example, in Southampton City Council's budget consultation for 2017 to 2021, 78% of respondents were between 35 and 74 years old. See Figure 1 for the full breakdown.



23. The gender breakdown of consultation respondents was 50.1% male, 43.0% female, 0.3% transgender, 0.8% not identifying as female, male or transgender and 5.7% preferring not to say. Overall this is broadly representative of Southampton as it is similar to the mid-2015 population estimate for Southampton which reports 51% male and 49% female.

24. The ethnicity breakdown of consultation respondents was:

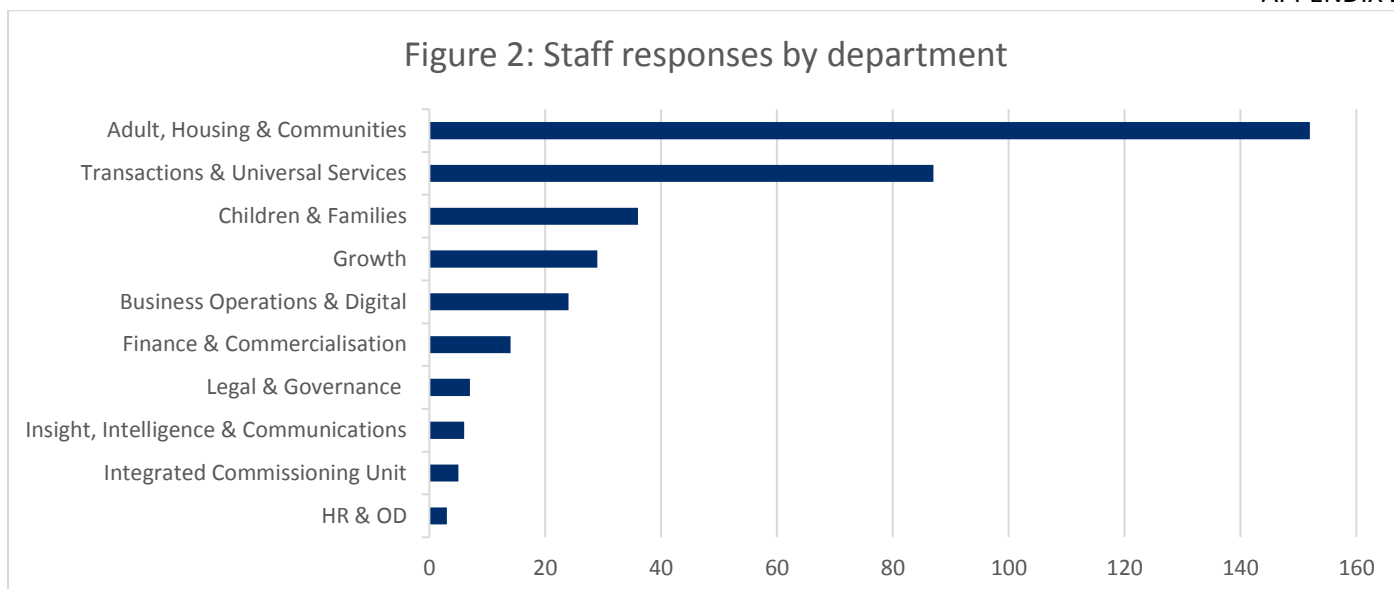
- 87% White
- 1% Mixed/multiple ethnic groups
- 2% Asian/Asian British
- 1% Black/African/Caribbean/Black British
- 1% other ethnic group
- 9% of respondents preferred not to state their ethnic group.

25. This is broadly representative of the Southampton population as recorded in the 2011 census in which 86% of the population describe themselves as White, 2% Mixed/multiple ethnic groups, 2% Black/African/Caribbean/ Black British and 1% other ethnic group. However, as 8% of the Southampton population describe themselves as Asian/Asian British compared to 2% of consultation respondents, this ethnic group was underrepresented in the consultation.

26. In total, 8% of questionnaire respondents considered themselves disabled, 86% did not consider themselves disabled and 6% of respondents preferred not to say.

27. The majority of respondents stated that they were employed by Southampton City Council (62%), 38% were not employed by Southampton City Council. Of the staff who responded 66%, provided information as to which department of the council they were employed in, figure 2 shows the breakdown of this.

Figure 2: Staff responses by department



### Face to face drop-ins and briefings

28. To supplement the questionnaire a range of face to face sessions for staff, the public and council tenants were arranged. These sessions helped explain the background to the project and answer any questions. Questions raised during these session were added to the frequently asked questions published on the council website. Some of the key themes of the questions were: accountability, practicalities, and questions about the benefits. These sessions channelled staff and residents to provide feedback via the consultation questionnaire.

### 29. Staff sessions:

- Leadership Group – 13 June 2017
- City Depot Briefing – Waste and Recycling 15 June 2017
- Waste and Recycling back office briefing 15 June 2017
- Parks and Open spaces briefing 15 June 2017
- Central depot briefing 15 June 2017
- Fleet team briefing 15 June 2017
- Transport briefing 15 June 2017
- Housing Operations briefing 15 June 2017
- Housing staff briefing 15 June 2017
- Facilities Management briefing 16 June 2017
- Parking Cash Office briefing 19 June 2017
- Parking Technical briefing 19 June 2017
- Housing staff mop-up 3 July 2017
- All staff (mop –up) briefing 5 July 2017
- Staff lunch time drop-ins 26 June and 3 July 2017
- PULSE staff engagement group 20 June 2017

### 30. Resident and tenant sessions:

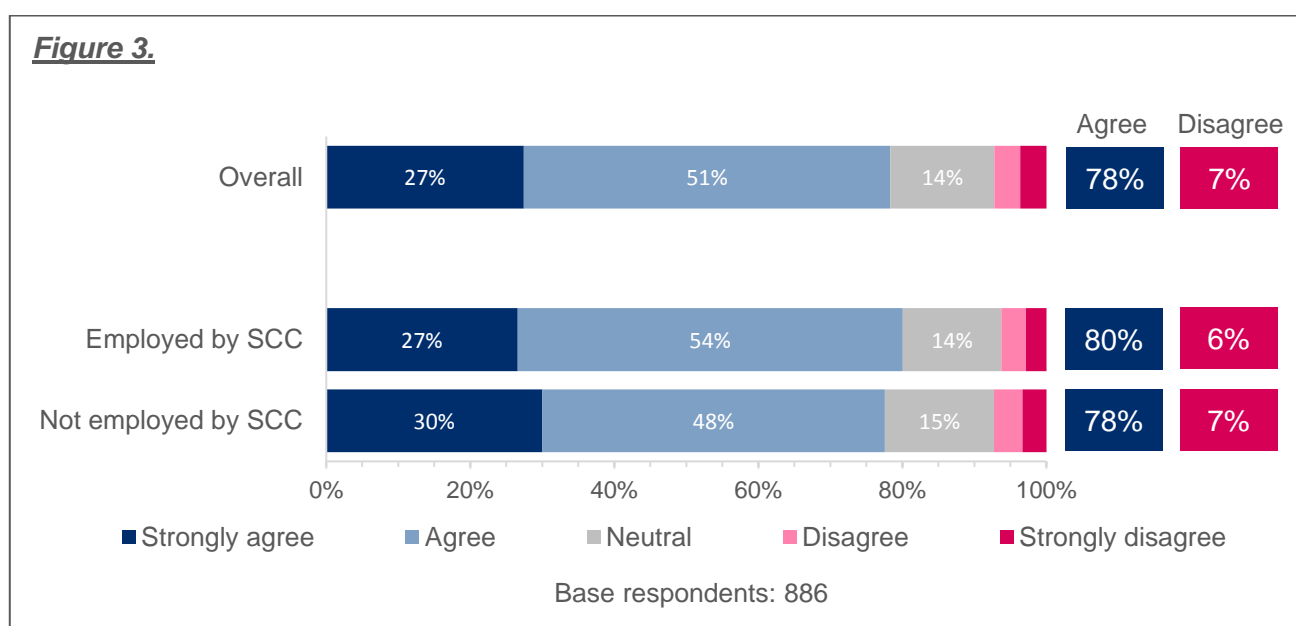
- Library drop-in sessions
  - i. Central Library 23 June 2017 11-1pm
  - ii. Bitterne Library 29 June 2017 11:30 – 1pm
  - iii. Shirley Library 5 July 2017 2-4pm
- Tenants Association representative briefing - 12 July 2017 6 pm - 7.30pm & 13 July 2017 10am - 11.30am
- Housing and leaseholders briefing- 12 July 2017 6-7:30pm & 13 July 2017 10-11:30
- Housing scrutiny, resources and inspectors meeting 16 June 2017 2.30pm

## Consultation results

31. Respondents were asked for their views on issues directly linked to the establishment of a Local Authority Trading Company, including rationale and objectives for future service delivery as well as questions on the various options for creating a Local Authority Trading Company being considered.
32. Given the high proportion of council staff who responded to this consultation, the analysis below shows the overall responses, as well as a break down showing how council staff responded and how those not employed by the council responded. 34 respondents did not answer the question regarding whether they were employed by the council; this represents less than 4% of the total respondents. As this is not a statistically significant proportion, their responses have therefore been included in the overall figures but a separate category showing how they responded has not been included.

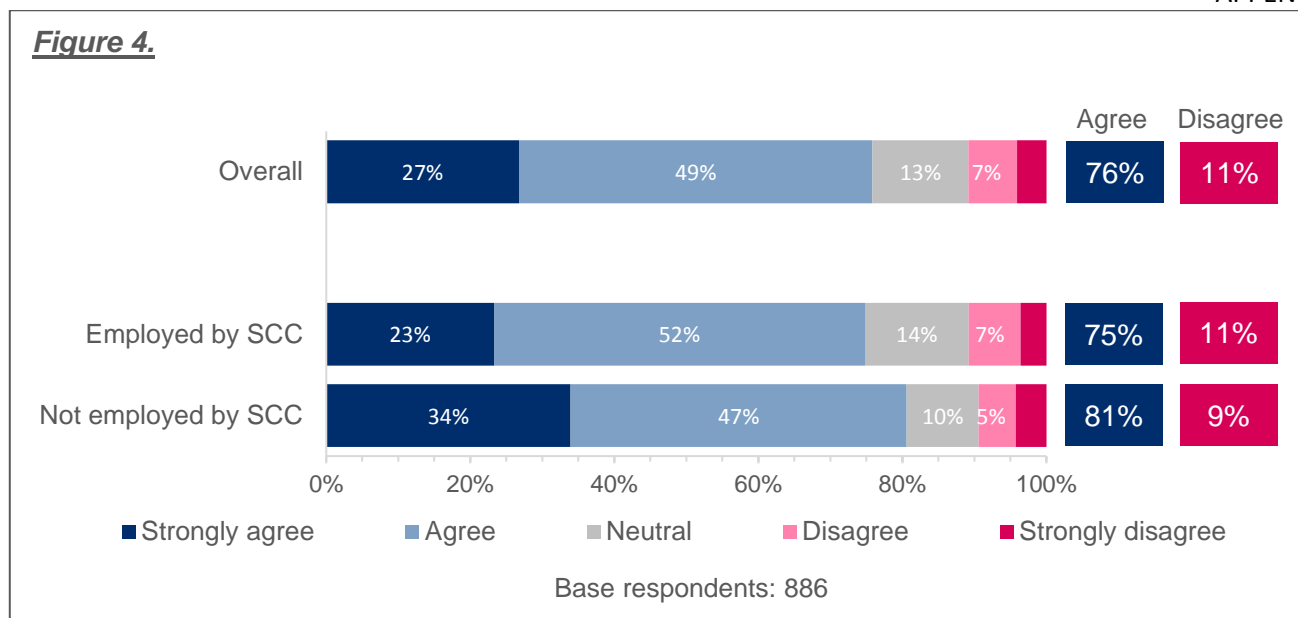
### Question 1

33. Figure 3 shows the breakdown in the level of agreement of the following statement: "To what extent do you feel Southampton City Council needs to make changes to services?".
- 78% of the respondents who completed this question stated that they either strongly agreed or agreed with the need for change
  - 14% of the respondents who completed this question stated that they were neutral about the need for change
  - The remaining 7% of the respondents who completed this question stated that they either strongly disagreed or disagreed with the need for change.



### Question 2

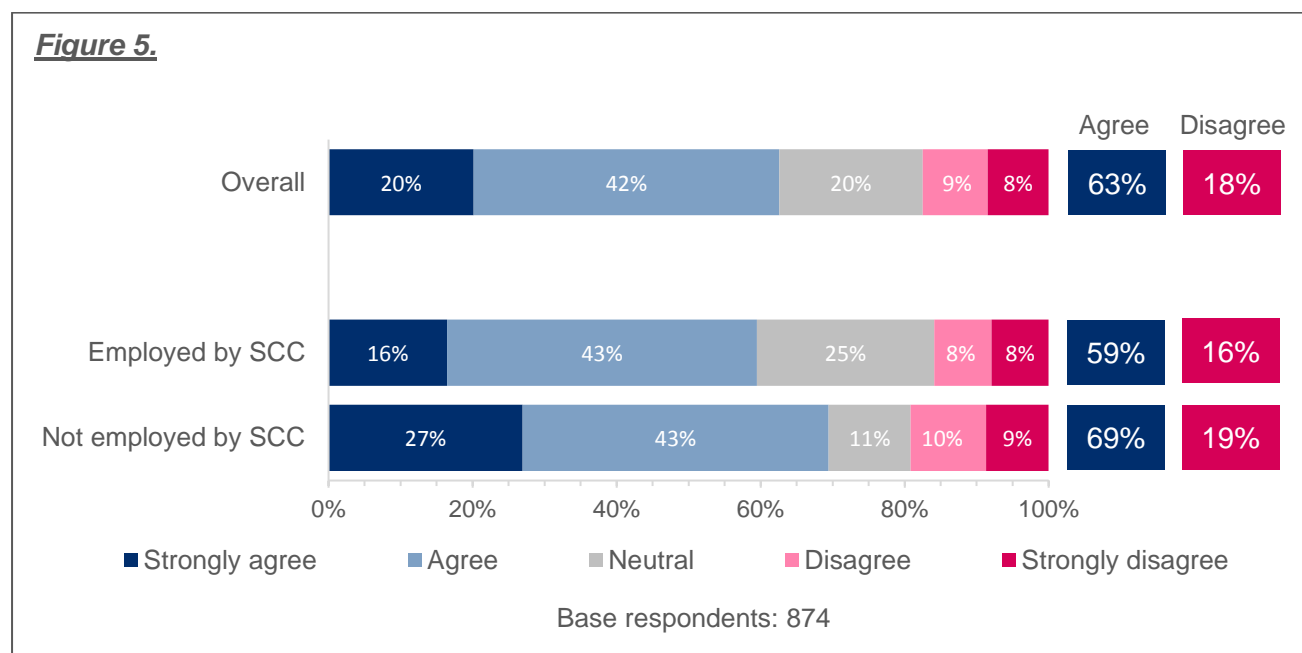
34. Figure 4 shows the breakdown in the level of agreement of the following statement; "To what extent do you agree or disagree with the overall objectives for future services?".
- 76% of the respondents who completed this question stated that they either strongly agreed or agreed with the objectives for future services
  - 14% of the respondents who completed this question stated that they were neutral about the objectives for future services
  - The remaining 11% of the respondents who completed this question stated that they either strongly disagreed or disagreed with the objectives for future services.



### Question 3

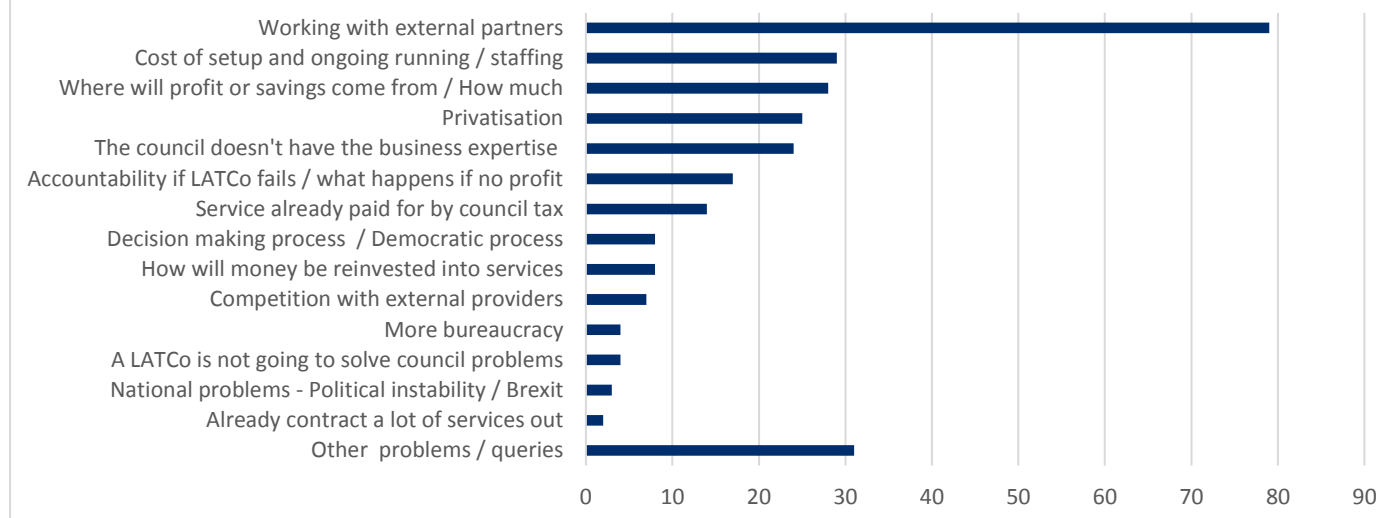
35. Figure 5 shows the breakdown in the level of agreement of the following statement; “To what extent do you agree or disagree with the council’s preferred option of creating a Local Authority Trading Company to deliver efficiencies and generate more income?”.

- 63% of the respondents who completed this question stated that they either strongly agreed or agreed with the proposal.
- 20% of the respondents who completed this question stated that they were neutral about the proposal
- The remaining 18% of the respondents who completed this question stated that they either strongly disagreed or disagreed with the proposal.



36. There was an additional question which allowed those respondents who disagreed with the preferred option of creating a Local Authority Trading Company the opportunity to say why they disagreed and outline any alternative options the council should consider. In total 179 people responded and the key themes are outlined in figure 6.

Figure 6: Reasons for disagreement with the preferred option and alternatives



37. The largest group of comments from those who disagreed with the preferred option to create a Local Authority Trading Company related to concerns about the use of external improvement partners. These comments were made by 44% of the respondents who submitted a reason for disagreeing. Some examples of these comments are below:

*'I believe the council should work on solving the actual problem, which is to make services more efficient and effective. I believe the Latco is a solution which in itself is expensive and doesn't of itself solve the real problem. Even with a Latco splitting the council services in two, the actual making the services more efficient and effective, and raising income still needs to be done. This should be being done by SLT right now across the whole council. I believe that by bringing in more private short term management consultants, the benefits required will be forecast short term & delivery over the longer term will prove unsustainable. SCC does not, as far as I am aware, have a good track record of actually gaining the long term benefits from more efficient and effective service delivery, from its work with private sector consultants.'*

*'SCC's current partnerships with Balfour Beatty and Capita have been problematic to say the least and it is staff on the front lines that see that the most. A public service is to be provided to the people from the taxes they pay, it is not to be run for profit or income generation and to make it so would be a betrayal to our citizens.'*

*'Because the arrangements with the existing external contractors, especially Capita, do not work and have cost the authority extortionate amounts of money for consistently very low-quality services'*

38. The second largest group of comments from those who disagreed with the preferred option to create a Local Authority Trading Company related to concerns about the cost of set up. These comments were made by 16% of the total respondents who submitted a reason for disagreeing. Some examples of these comments are below:

*'Would prefer the council to keep it services in house to retain job security, creating a LATCO is privatisation and will incur costs in setting it up and contract costs etc. The council also seems focused on TUPE Transferring staff when this isn't the best option for staff. If the Council chooses to go with creating a LATCO Secondment arrangements for Council staff would offer more job security and assurance that this arrangement won't see staff left open to having their terms and conditions eroded'*

*'Partners may tender for this competitively in the first year or so and then have to be bailed out costing yet more money with the council then having to pick up the pieces and start again. The process itself will be expensive. There WILL be a lack of experience, knowledge, commitment and accountability from new partners and their employees. And the list goes on .....*



*'You have not shown the added cost & resource implications of managing the company within the LA - the client interface, as the new company will also need management.'*

39. The third largest group of comments from those who disagreed with the preferred option to create a Local Authority Trading Company were around concerns about profit or savings created. These comments were made by 15.6% of the total of respondents who submitted a reason for disagreeing. Some examples of these comments are below:

*'If this will be owned by the council but run independently, and employ its own workers does this mean they will not be employees of SCC? Also this independently run company will need to make some kind of profit in order to both run and pay its employees so how exactly does the council plan on making money out of this venture. Will staff be told how much we have made and what this additional money will be spent on especially as you are planning on providing less support from actual staff in favour of everything going on line so its impossible for people to get hold of anyone in the council if they have any issues they need help with.'*

*'I am uncomfortable with the notion outlined in briefing sessions that ALL profit made by the LATCO would be ploughed back into the council: how can any company operate successfully with no profit margins to sustain it?'*

*'the only way savings will be made in staffing (whilst keeping, or even having a reasonable level of service) and the only way other non in- house options would save money, is to presumably change pay and conditions for current SCC staff? Or to disband SCC teams, and employ people on different types of contracts? i'd like much more information on how exactly becoming a LATC would save money.'*

40. The fourth largest group of comments from those who disagreed with the preferred option to create a Local Authority Trading Company were around concerns about the 'privatisation' of services. These comments made up 14% of the total of respondents who submitted a reason for disagreeing. Some examples of these comments are below:

*'While I understand the council needs to make savings because of funding cuts and austerity; I am concerned that this is a step to full privatisation of services via the back door. When public bodies are run for profit, and profits are put before people, the benefits generally accrue to shareholders and there are few if any benefits to clients and staff; and many detriments in the form of even more service cuts and even more cuts to posts, pay and conditions.'*

*'I rather you keep providing services, in-house. Too many experiences of privatisation failures, cost borne by taxpayers.'*

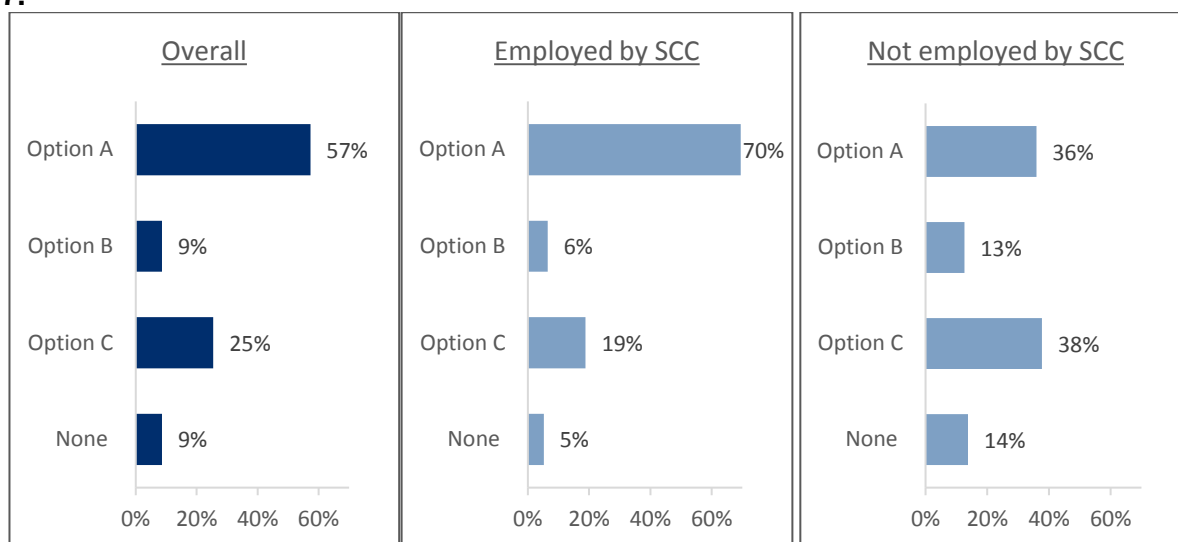
*'Again privatisation by a different name. No doubt when whatever meagre morsels of flesh have been scraped off the already bare bones of the Council all the directors will "Transfer" to the LATCo with a nice big pay off while the residents on the city are left high and dry'*

#### **Question 4**

41. Figure 7 shows the breakdown of responses to the various options being considered by the council for how the Local Authority Trading Company could operate at this stage.

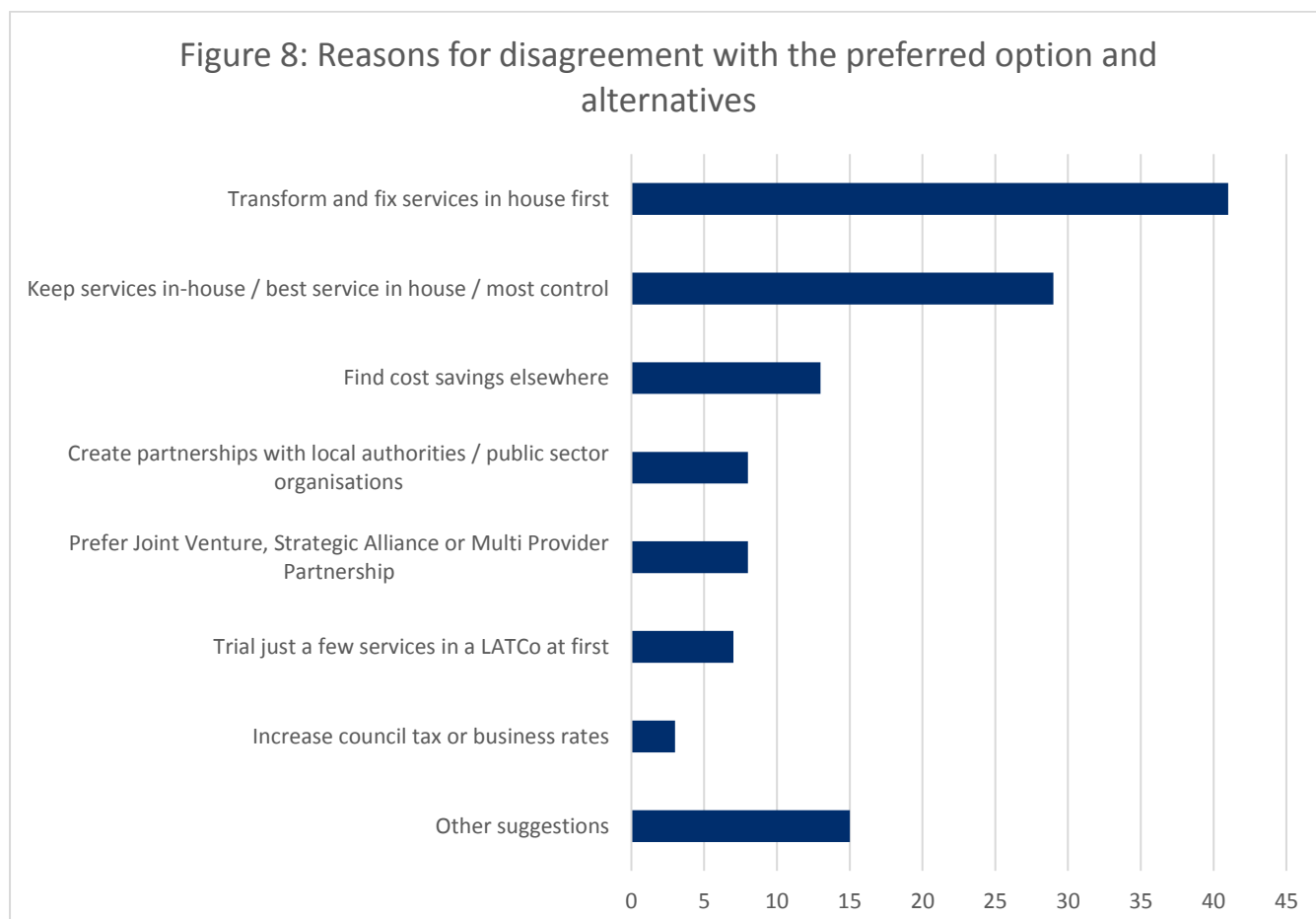
- 57% of the respondents who completed this question preferred option A (Local Authority Trading Company without improvement partners)
- 9% of the respondents who completed this question preferred option B (Local Authority Trading Company with improvement partners)
- 25% of the respondents who completed this question preferred option C (Local Authority Trading Company with some improvement partners)
- The remaining 9% of the respondents did not agree with any proposals.

Figure 7.



42. There is a marked difference in the responses to this question from people employed by the council and those who are not. A significant majority of council employees who responded favoured the option of creating a Local Authority Trading Company without any external improvement partners. Responses from people not employed by the council were more evenly spread with 36% selecting option A (no external improvement partners) and 38% selecting option C (some external improvement partners).

43. There was an additional question which allowed those respondents who didn't agree with the proposed options (A,B or C) for creating a Local Authority Trading Company the opportunity to say why they disagreed and outline any alternative options the council should consider. In total 110 people responded and the key themes are outlined in figure 8.



44. The largest group of comments from those who proposed an alternative to options A,B and C felt services should be improved in-house before any other agreements are entered into. These suggestions made up 37% of comments about alternatives. Some examples of these comments are below:

*'The council struggles at the moment to provide a coherent vision/strategy for service delivery. The council seems in an endless cycle of restructures (transformation) which seems to bring about instability and confusion to all with very questionable outcomes in terms of improvement to services. I'm not convinced that the council is well placed to manage the plethora of diverse arrangements they might potentially enter in to with partner agencies. I would think the council is better advised to focus on their own service delivery and getting it right. I am sceptical about the idea of the council company but it would be helpful to hear examples of where we (or other LAs) have been able to make money from selling services.'*

*'Fix the current structure. Do you really think the council has any business acumen - I guess you do. SCC is deluded.'*

*'its much cheaper to directly employ and recruit a manager with commercial expertise from outside SCC, rather than contracting it to a business consultant on exorbitant rates who will leave and has no loyalty to the authority'*

*'Strategically this is the worst option for the people of Southampton, the council should develop ways of supporting the city and population through cost base management, improving the way things are done internally not see commercial options as a way out.'*

45. The second highest group of comments from those who proposed an alternative to options A,B and C felt services should be run in-house. These suggestions made up 26% of comments about alternatives. Some examples of these comments are below:

*'Services should be run in house. Public services are not for sale and should not be profiteered'*

*'Concerned about the fact that are losing focus in terms of the customer in terms of service delivery. Skill development in terms of staff is all important, but vulnerability of service group I fear will get over looked. Risk of further social exclusion.'*

*'I disagree because you have continued to consider service delivery within existing parameters which are already ceasing to be viable. By that, I mean that we are already seeing a diminution (sic) of aspirations/ expectations and this needs to be promoted because of existing/ continuing/ worsening financial constraints. A community focus and a tightening of belts is the reality and you can run that in-house.'*

*'The council already has the expertise in house, they already generate income in the guise of cost recovery, and the costs of setting up the latco could be used on marketing in house services and training existing staff so they can be more efficient and therefore generate more income.'*

46. The third highest group of comments from those who disagreed who proposed an alternative to options A,B and C felt savings should be made elsewhere. These suggestions made up 12% of comments about alternatives. Some examples of these comments are below:

*'The cost and complexity of procurement and management of a range of different contracts is always very high and often fails to offset the benefits..... look at the NHS and the attempt to back peddle on contracts out to multiple partners through the STP. It would be better to try and make modifications with the existing in house arrangements given the rules and time it takes both commissioners and those parties being commissioned being tied up in rules contracts and delays... I don't believe much income will accrue because of this.'*

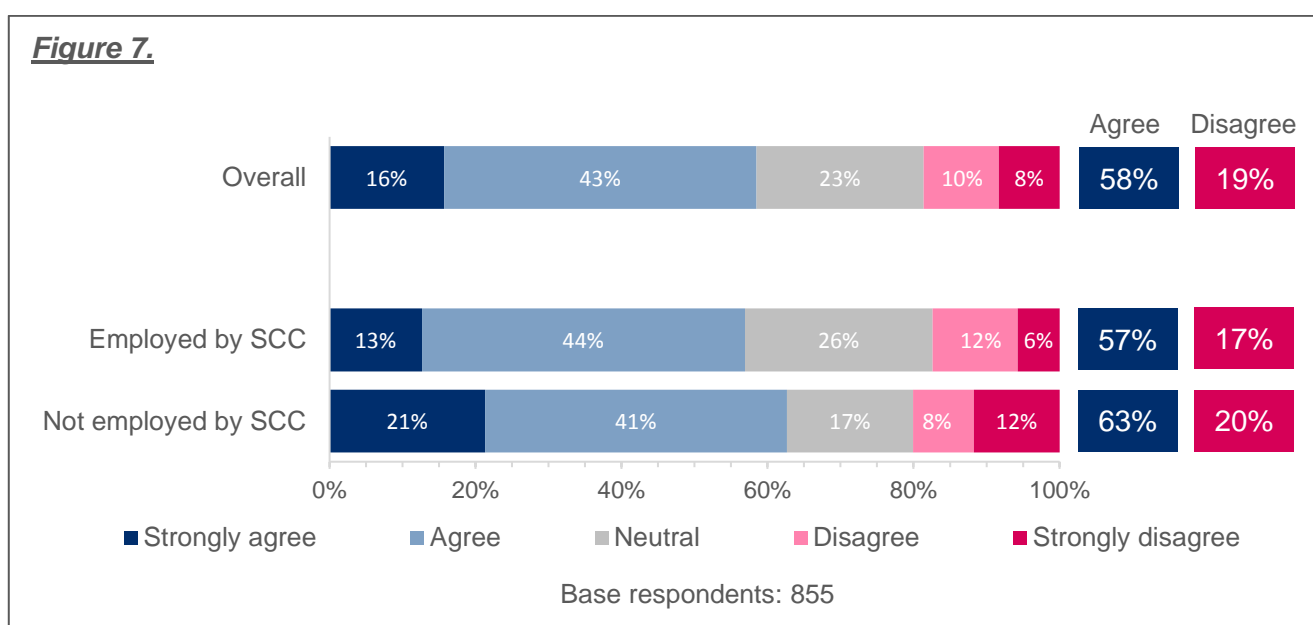
*'Make some savings by reducing the number of councillors by a third, show the public that you are prepared to share the pain.'*

*'Invest in a property portfolio like Eastleigh council'*

## Question 5

47. Figure 7 shows the breakdown in the level of agreement of the following statement; "To what extent do you agree or disagree with the services being included in the plans for a Local Authority Trading Company?".

- 58% of the respondents who completed this question stated that they either strongly agreed or agreed with the proposal.
- 23% of the respondents who completed this question stated that they were neutral about the proposal
- The remaining 19% of the respondents who completed this question stated that they either strongly disagreed or disagreed with the proposal.



48. All respondents were also given the opportunity to make suggestions about the scope of services included in the Local Authority Trading Company Proposals and in total 210 suggestions were made by 137 respondents. The key themes were: those who were unsure about what should be included, those who felt services should be excluded, and suggestions of services to include in the future.

49. There were 56 comments relating to excluding services which are currently in the proposal for the Local Authority Trading Company. Table 1 shows the breakdown of the services mentioned with the number of responses.

Exclude housing operations and management	<b>22</b>
Exclude parks and open spaces	<b>9</b>
Exclude transport	<b>8</b>
Exclude waste management and collection	<b>6</b>
Exclude street cleansing	<b>4</b>
Exclude car parks	<b>3</b>
Exclude facilities management	<b>3</b>
Exclude pest control	<b>1</b>

Table 1

50. There were 20 comments relating to excluding services which are not currently in the proposal for the Local Authority Trading Company. Table 2 shows the breakdown of the services mentioned with the number of responses.

Do not add in adult social care	<b>11</b>
Do not add in children's social care	<b>7</b>
Do not add in schools	<b>2</b>

Table 2

51. There were 103 suggestions relating to including services which are not currently in the proposal for the Local Authority Trading Company. Table 3 shows the breakdown of the services mentioned with the number of responses.

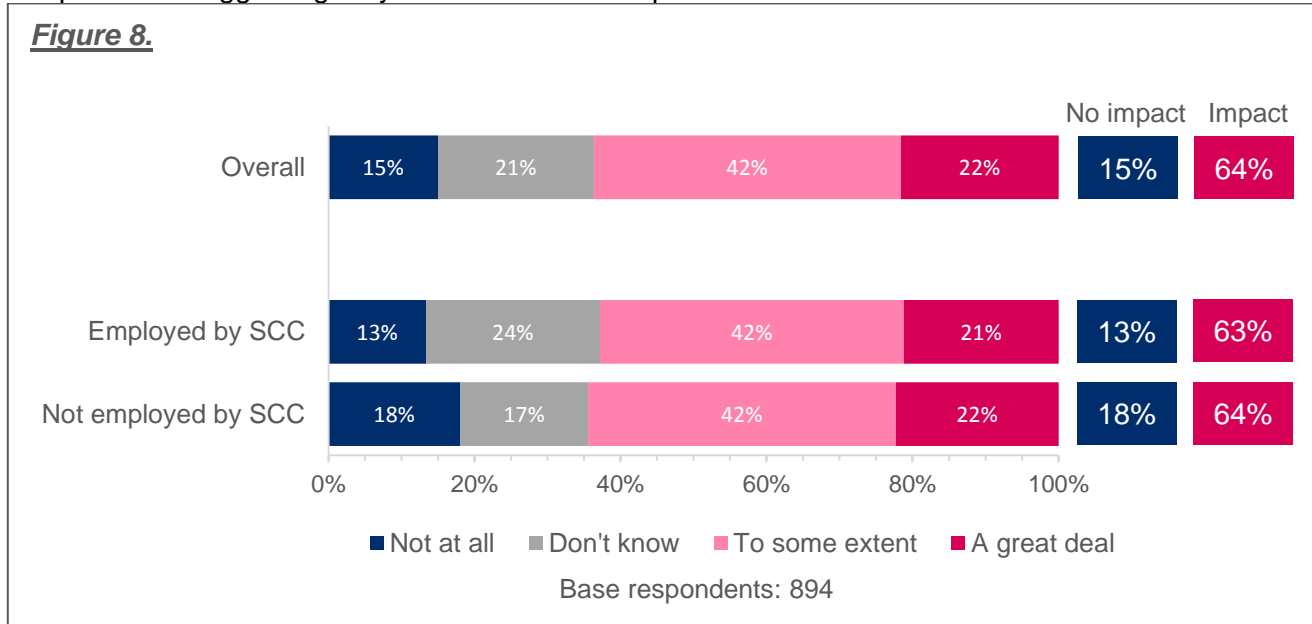
Include parking	<b>7</b>
Include pest control	<b>6</b>
Include adult social care	<b>5</b>
Include roads and pavements	<b>5</b>
Include education / schools	<b>5</b>
Include energy	<b>5</b>
Include legal services	<b>5</b>
Include arts and heritage	<b>4</b>
Include customer payment and debt team	<b>4</b>
Include transport	<b>4</b>
Include training	<b>4</b>
Include events	<b>4</b>
Include housing operations and management	<b>3</b>
Include children's social care	<b>3</b>
Include finance	<b>3</b>
Include facilities management	<b>2</b>
Include courier service	<b>2</b>
Include health and safety	<b>2</b>
Include street lighting	<b>2</b>
Include street cleansing	<b>2</b>
Include waste management	<b>2</b>
Include leisure centres	<b>2</b>
Include HR / occupational health	<b>2</b>
Include crematorium	<b>1</b>
Include environmental health	<b>1</b>
Include early years	<b>1</b>
Include town sergeants	<b>1</b>
Include trading standards	<b>1</b>
Include design	<b>1</b>
Include planning	<b>1</b>
Make housing a separate business	<b>1</b>
Taxi service	<b>1</b>
Banking	<b>1</b>
Gas and electricity supply	<b>1</b>
Broadband provider	<b>1</b>
Mobile phone company	<b>1</b>
More cameras to prosecute illegal activities or damage to council property	<b>1</b>

Buy land and build housing stock	1
Gulley cleaning	1
Gritting hospitals and private property	1
Translation services.	1
Events	1
Disabled adaptations	1

Table 3

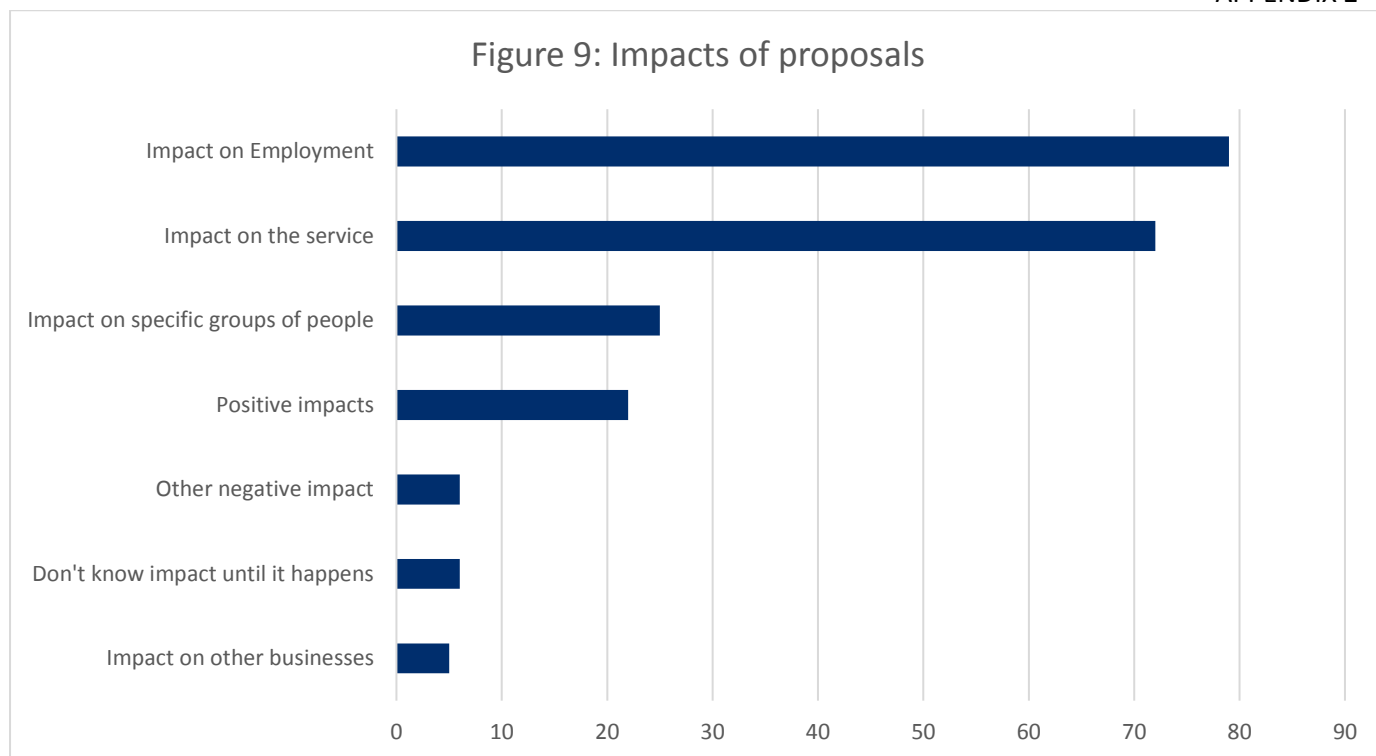
**Potential impacts of the proposals**

52. In total, 894 respondents (97%) answered the question about impacts the proposals would have if implemented. The majority felt there would be an impact on their community, with 64% of all respondents suggesting they would feel some impact.



53. Respondents were also given the opportunity to suggest any impacts they or others might face if the proposals were implemented. In total 156 respondents answered this question, the main themes of the impact comments are shown in figure 9.

Figure 9: Impacts of proposals



54. The most frequently identified impact related to employment, these made up 51% of the impact comments. Some examples are below:

*'Redundancies, changes in staff contracts.'*

*'It would probably worsen pay and conditions of staff, whether at once or later, and make it more difficult for members of the public to access services.'*

*'Secured jobs not so much now but in 5-10 years time, will our jobs still be secure then.'*

55. The second most frequently identified theme related to the potential impact on the service, these made up 46% of the impact comments. Some examples are below:

*'The majority of the public look to the council for advice, standards, authority issues but to release this to a council set up LATCO and then possibly a private company would add confusion, frustration and no one to make proper decisions in respect of safety and many companies would not shoulder responsibility and to get answers would be non-committal.'*

*'We will not know the full impact until we see the results when you change - however as a trading company it should be expected that with competition, services should improve and focus more on what customers actually want from the council. On the other hand, with a trading company delivering these services, any important but loss making services could be lost.'*

*'Commercial companies have different priorities and ethos, than public services. We should maintain the later, and look for other economies. There are probably still too many chiefs in your organisation. My experience is that these are not scaled down enough in cost saving measures.'*

56. The third most frequently identified impact related to the potential impact on specific groups of people, these made up 16% of the impact comments. Some examples are below:

*'People with disabilities are likely to suffer more than others given the higher support needs they have.'*

*'I have a disabled child, and I am very worried about the impact of commercialising transport as this has been disastrous in other authorities (Tower Hamlets) who have used partner agencies.'*

*'I think there are potential community impacts for those with disabilities, people who do not identify as White British and older members of the community by including the following services in the LATCO: Facilities management (managing and maintaining buildings) Transport (managing transport for people receiving social care, or to and from schools and dial-a-ride) If costs were to increase to cover costs of partnerships, contracts or profits this could affect people who share the above listed protected characteristics disproportionately as they are more likely to be living in poverty and having to pay increased rates to cover these services will mean their quality of life will be impacted in trying to manage finances in other areas.'*

### Feedback on the consultation process

57. The council is committed to making the whole consultation process as transparent as possible. As a part of this, any feedback on the consultation process itself received during the course of the consultation is summarised in this section.
58. Overall, out of the 923 people who took part in the consultation, a total of 61 commented on the consultation process itself, representing less than 7% of total consultation responses. In addition to this feedback there has also been verbal feedback from some stakeholders raising concerns about the accessibility of information provided. This is above the average level of feedback on a consultation.
59. A selection of the comments made regarding the consultation process are shown in Table 4.

<i>The explanation on the chart on the previous page is appalling with different colours for apparently same benefits etc.</i>
<i>This consultation is not written in a way for anyone without detailed knowledge of the LATCo to easily understand. It's all jargon and technical. Therefore cannot comment.</i>
<i>The whole thrust of this consultation seems to suggest that LATcos are money trees - they are not. At least when I buy a financial product I am warned that its value can go up or down. You must realise that LATcos can make a loss and with all LAs up and down the country rushing to set up these entities, there will be many that fail and the polltax payer ends up footing the bill.</i>
<i>What is an 'improvement partner' examples would be helpful in order to give an informed opinion</i>
<i>This survey is extremely vague, so vague in fact that the results will be invalid. It really is not clear what the Council is suggesting with these proposals. For the early part of the survey, it sounded like the Council is proposing to set up a Trading Company to raise money by providing services outside of the Council's normal remit. This might apply to some of the services listed here, e.g. waste management, facilities management - if these apply to charging private businesses for these services. But many of the services listed, such as street cleaning and managing council homes, are public services, provided to the public already out of Council Tax as part of the Council's remit. Surely you do not propose charging extra for these? So this whole survey is too vague, and it makes me very suspicious that it has been deliberately worded in a very vague way, in order to later claim that a public consultation supported charging extra for services that should be provided out of Council Tax, or changing, reducing or privatising services. I don't trust this survey, and you haven't adequately explained what you're proposing.</i>
<i>Tenants more involved not just 'lip service' consultations.</i>
<i>Oh - I thought this was a consultation. I didn't realise the decision to set up a LATco had already been taken. I am not in favour of a LATco for reasons given above.</i>
<i>The question above is actually poorly weighted - you cannot yet know that a LATCo will deliver efficiencies and generate more income even if research might support this statement. (this is not certain but could be an aim)</i>
<i>The description of "improvement partners" is too broad to be meaningful. The success of these options depends on the role of these partners and the execution of the improvements.</i>

Table 4

60. The feedback on the consultation process has raised a range of concerns, which will be considered and taken into account in future consultations, the main areas of comment were as follows:
- How clear and easy to understand proposals were
  - Terminology was not clear
  - That it was a done deal



- The document was too positive
- There were too many options to consider in one consultation.

## Conclusion

61. This consultation sought views on a range of proposals around the establishment of a Local Authority Trading Company, its scope and how it would be managed.
62. Overall there was a good level of engagement with the consultation. In total there were 923 written responses, alongside this there were face to face sessions where consultees could ask questions and find out more about the proposals. There was particular interest among those employed by Southampton City Council.
63. The demographic breakdown of the respondents to the consultation has shown that whilst certain groups were less represented than others there was still significant engagement across the board.
64. This consultation has sought to explore the views of the whole community on a wide range of factors, to elicit a full discussion on whether to create a Local Authority Trading Company.
65. The consultation questionnaire showed that there was agreement with the principle that Southampton City Council needs to make changes to services.
66. The central question of the consultation asked consultees to what extent they agreed with the preferred option to create a Local Authority trading Company, the total level of agreement with this was 63%. Although the majority of respondents agreed with the proposal comments gave the reasons why some respondents disagreed. The most common reasons for disagreeing were: issues working with external improvement partners, costs to establish and run, concerns about profitability and worries the proposals amount to, or are a step towards, privatisation.
67. Of the different options outlined the majority of respondents prefer option A (Local Authority Trading Company without improvement partners), with 57% of all consultees selecting this as their preference.
68. This consultation has ensured compliance with local and government standards. This report, outlines the full picture of the consultation results and will be used to inform decision makers.