

Local Authority Company

Local authority company
Cheltenham Borough Council
Cotswold District Council
Working in partnership



Rationale

- CBC's vision of becoming a strategic commissioning authority
- Operational management and administration of service delivery
- MTFS and cashable savings
- Gloucestershire Waste Partnership
- Potential to take on other services
- Potential to involve other partners



What is the company?

- The company will deliver a range of outcomes which will be set out in a service level agreement
- The company is a wholly owned local authority company created to deliver services for the local authorities (shareholders)
- It is not a trading company



In scope services April 2012

- Cheltenham Borough Council
 - waste collection
 - kerbside recycling collections
 - organic waste collections
 - servicing of neighbourhood recycling sites
 - operation of the Swindon Road recycling centre
 - street cleaning
 - public toilet cleaning
 - grounds maintenance



In scope services August 2012

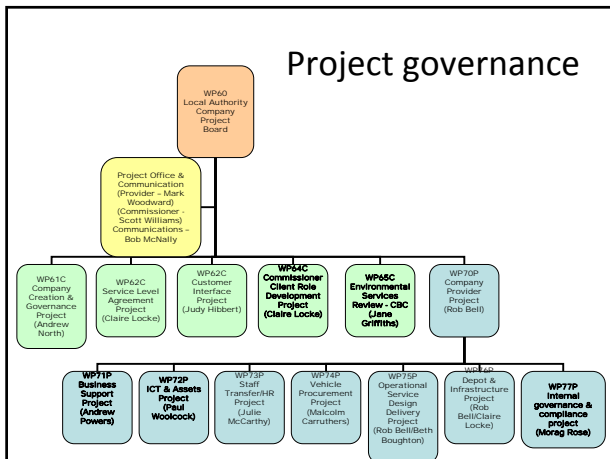
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 - kerbside recycling collections
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Project management

- Commissioner – project manager Scott Williams from CDC
- Company implementation – project manager Mark Woodward from CBC
- Project board – includes joint project sponsors Grahame Lewis CBC, Ralph Young CDC





- ## How this will impact on Cheltenham
- Client side monitoring will sit within commissioning division at CBC
 - Customer interface will sit with the customer service team within the resources division
 - Strategic support on waste/recycling/street cleaning to be provided by experienced officer seconded on a part time basis from CDC (Scott Williams)
 - Strategic support on grounds maintenance provided by Parks Development team (Adam Reynolds)
 - Partnership approach – as with CBH
 - Performance measures developed against the outcomes

- ## Support services - GO
- GO will provide
 - Financial support
 - Payroll services
 - Procurement support
 - Human resources support
 - Health & safety support
 - ICT support - CBC
 - Legal -One Legal
 - Audit – Cotswold audit partnership
 - Property services - CBC

- ## Governance-General
- CBC and CDC have control over the Company via shareholders and directors AND control over the delivery of services by the Company via the SLA/Contracts.
 - Company limited by shares
 - Shareholder Level -Shareholders have overall control exercised at General meetings with voting/shareholding split 50:50 between the 2 councils
 - Director Level- control operation and management (subject to control of shareholders). Proposal is to have 4 directors comprising 2 council nominees (1 from each council), the MD and the FD

- ## Governance-Articles of Association
- This is the contract between the shareholder councils and the company
- Public document
 - Required for the incorporation of the company at Companies House
 - Follows a model as set out in the Companies Act 2006

- ## Governance- Shareholder Agreement
- This contract defines the balance of power between the councils as Shareholders and Company directors. The key provision is the reservation of key decisions by the Shareholders. These include:
- Varying the articles
 - Permitting additional Shareholders; forming any subsidiary or acquiring shares
 - Adopting/amending the business plan
 - Entering into any contract over a stated value
 - Agreeing appointment (including remuneration) of all directors of the Company other than Shareholder appointed directors
 - Substantial changes to employment terms and conditions of service
 - Changing the capital of, or issuing any shares of the company
 - Declaring dividends to a Shareholder

Governance-Roles

Shareholder Interest- Leader to reserves these executive powers
Decision making in respect of the matters reserved to the shareholders

Contract monitoring and Performance- Leader to delegate these powers to Cabinet Member

Ensure compliance by the council through the SLA/Contract with the company including changes and service reviews

Director level- Board of Directors to consist of 1 Council nominee plus MD and FD

Day to day operation and management of the company; directors are accountable to the councils through rights reserved to shareholders and contract monitoring

Client side management

- SLA's
- Performance indicators
- Regular officer meetings – reviewing performance against the outcomes
- Regular officer meetings to update on key issues for company/CBC and what action needs to be taken

Members' roles

- Leader – shareholder
- Cabinet lead – agrees SLA, sets strategic and policy direction (although this would change if we have a joint committee for waste)
- Overview and scrutiny – receives performance reports and can call the company to account if required
- Individual members – service requests ie missed bin, complaints etc through customer service team. Discussions on the way policy being implemented with strategic client officers

Implementation timetable

- Oct 2011 – Cabinet report
- Nov 2011 – LA Co formation
- Nov 2011 – Shadow board formed
- April 2012 – LA Co begins to trade
- April 2012 – CBC staff TUPE to LA Co
- August 2012 – CDC / SITA staff TUPE to LA Co

Questions?