

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Cabinet

Date: 04 February 2019

Reporting officer: Stuart Bobby, Director (Corporate Services) and Jan Guylar, Head of Legal Shared Service.

Subject: Scrutiny Topic Review Report - Review of proposed council-endorsed trading companies

Purpose and summary of report:

To present Members with the Topic Review report of proposed council-endorsed trading companies approved by Members of the Overview Scrutiny Committee.

Recommendations:

1. Members are asked to discuss and review the topic review report at appendix two, taking into account the recommendations made by the Overview Scrutiny Committee.

1. Introduction

- 1.1 As part of their work programme, the Overview Scrutiny Committee identified the subject of a proposed council-endorsed trading companies as an area for review at its meeting in June 2018.
- 1.2 A Member sub-group was established with the membership as follows:
 - 1.2.1 Cllr John Burden (Chair), Cllr Shane Mochrie-Cox, Cllr Leslie Hills and Cllr William Lambert.
- 1.3 Two meetings of the sub-group has been held (October 2018 and November 2018) in order to in order to progress the review and determine recommendations associated with the review.

2. Review of proposed council-endorsed trading companies Topic Review

- 2.1 The report for the proposed council-endorsed trading companies review is attached at appendix two to this report and sets out six recommendations for consideration by Cabinet:
 - 2.1.1 The creation of a local authority trading company is in no way intended to result in the transference of existing council functions or the erosion of staff terms and conditions.

To carry out certain functions or services beyond the normal remit of the council however, there is a need for a company structure.

Accordingly, there is a need to ensure that advice and guidance is sought when establishing a trading company and subsidiaries to ensure that it is appropriate for the function/service being delivered.

- 2.1.2 Whilst the responsibility to set-up a trading company at the council may be for Cabinet or Full Council (depending on the type of service), Cabinet or Full Council may wish to delegate the discharging of shareholder responsibilities of the company (or some of them) to a sub-group/committee or officer.
 - 2.1.3 An Executive Member should be made responsible for oversight of shareholder responsibilities for the commercial entities within the council but should have no other Executive responsibilities i.e. for other services in the council.
 - 2.1.4 There must be a clear segregation of duties to ensure that, for both officers and Members, it gives no rise to conflicts of interest.
 - 2.1.5 Both Members and officers to receive full training to support their respective roles and responsibilities within any new trading company.
 - 2.1.6 Where training is delivered, in so far as possible, this is attended by all Members who act as trustees or Directors for other organisations beyond the LATCO that may be formed by Gravesham Borough Council.
- 2.2 The detailed information to support these recommendations is contained within the main body of the topic review report.

3. Proposed Way forward

- 3.1 Cabinet Members are asked to discuss the review findings and in particular the recommendations and, if they are supportive of the recommendations, task the Director (Corporate Services) and the Head of Legal Shared Service with progressing these recommendations accordingly.
- 3.2 As set out in the report, and subject to Cabinet approval, an update on the recommendations will be provided to the Overview Scrutiny Committee in six months.

4. BACKGROUND PAPERS

- 4.1 There are no background papers pertaining to this report.

Anyone wishing to inspect background papers should, in the first place, be directed to Committee & Electoral Services who will make the necessary arrangements.

IMPLICATIONS		APPENDIX 1
Legal	There are no legal implications resulting from this report. The Constitution sets out the roles and responsibilities of the Overview Scrutiny Committee and the activities set out within this report are in line with this.	
Finance and Value for Money	There are no specific financial or value for money implications resulting from this report	
Risk Assessment	There are no risks associated with this report. The recommendations resulting from the report look to provide suggestions which may help to mitigate future risks, should the council establish a trading company.	
Equality Impact Assessment	Screening for Equality Impacts	
	Question	
	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer.</p> <p style="text-align: center;">No</p>	
	<p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.</p> <p style="text-align: center;">No</p>	
<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>		
Corporate Plan	<p>The work of the Scrutiny Topic review sub-group in relation to the proposed council-endorsed trading companies assist in the delivery of the following Corporate Plan Objectives:</p> <p>4 - Sound and self-sufficient council</p> <ul style="list-style-type: none"> • Commit relevant resources to implement a culture of innovation and awareness, generating vital income for future services. • Deliver on opportunities for the sharing and selling of council services • Continuously review and adapt how we deliver our services to achieve financial efficiencies and improved performance. 	
Crime and Disorder	There are no implications in respect of crime and disorder	
Digital and website implications	There are no implications in respect of Digital and Website interactions.	
Safeguarding children and vulnerable adults	There are no implications in respect of safeguarding children and vulnerable adults.	

