

The appendix to this report contains exempt information contained in Paragraphs 3 of 12A of the Local Government Act 1972 (information relating to the financial and business affairs of the Council)

Report to: **South Hams District Council Executive**

Date: **14th September 2017**

Title: **Local Authority Controlled Company (LACC)
Project Review and Closure Report**

Portfolio Area: **Leader of the Council - Strategic Vision**

Wards Affected: **All**

Relevant Scrutiny Committee:

Approval and clearance obtained: **No**

Urgent Decision: **N/A**

Date next steps can be taken: Following Call In period – 26 September 2017

Authors: **Neil Hawke**
Support Services Specialist Manager
neil.hawke@swdevon.gov.uk

Recommendations:

1. That the Executive Committee notes the Local Authority Controlled Company project closure report.

1.0 Executive Summary

- 1.1 The Joint Steering Group (JSG) was formed between West Devon Borough Council and South Hams District Council in August 2016. The JSG was tasked to consider further detailed information and to make a final recommendation to both Councils, in respect of the proposal to set up a Local Authority Controlled Company (LACC).
- 1.2 Having fully considered the matter, in January 2017 the JSG recommended to both Councils not to proceed with the implementation of a LACC as proposed at that time.

- 1.3 The JSG recommendation, together with the Final JSG Report was presented to South Hams District Council on 9th February 2017. The Council agreed with the JSG recommendation not to implement a LACC and arrangements were made by Officers to close down the project.
- 1.4 As part of the Project Management process, the JSG LACC project was formally debriefed and a closure report produced. This detailed the Lessons Learnt, Project Performance and its Closure Activities.
- 1.5 At the meeting of the Joint Steering Group on 6th March 2017, the LACC Project Review and Closure report was approved. It was agreed that once the PWC fee had been finalised, the report should go to both Councils.
- 1.6 The financial settlement with PWC was agreed in June 2017 and the LACC Project Review and Closure Report was again approved by the JSG at its 17th July 2017 meeting.

2.0 Background

- 2.1 On 27th July 2016, a full meeting of South Hams District Council considered a detailed business case prepared by Price Waterhouse Coopers into the viability of establishing a Local Authority Controlled Company.
- 2.2 At that meeting, it was resolved that a Joint Steering Group (JSG) be formed to consider a number of matters which Members felt required further investigation before making a final decision on implementing a Local Authority Controlled Company (LACC).
- 2.3 The JSG was made up of four Members from South Hams District Council and four Members from West Devon Borough Council, with the chair role rotating to the Leader of the hosting Council.
- 2.4 At the JSG first meeting, nine key areas were identified where further analysis was required to enable Members to make a final decision on whether or not to implement a LACC for the delivery of services to the Councils.
- 2.5 A Project Team was formed from Officers and external Legal and Financial advice was commissioned, in order for the nine key issues to be fully understood and the implications to the Councils made clear. Regular reports and updates were provided for the monthly JSG meetings.
- 2.6 When the JSG recommendations were made in January 2017, this in effect closed down the JSG LACC Project. The process for reviewing and closing down the project was commenced.
- 2.7 Debrief forms were sent to all JSG Members and Project Team Officers. This form asked for feedback on various aspects of the JSG LACC project, including what went well and what could have been improved.

3.0 Outcomes/outputs

- 1.1 The JSG LACC Project Review and Closure Report was reviewed and agreed at the JSG meeting on 6th March 2017. The content was agreed and suggested that the report be approved by both Councils.
- 1.2 As the final settlement figure with PWC report had not been agreed and paid, it was felt that this should be resolved prior to presenting the project closure report.
- 1.3 Following the financial settlement agreement with PWC in June 2017, the LACC Project Review and Closure Report was again reviewed and agreed at the JSG meeting on 17th July 2017.
- 1.4 The report highlighted the following;
 - The JSG worked well in bringing Members of both Councils together in a forum to consider the matters of setting up a LACC
 - The structured project approach was generally considered to be effective with clear reports setting out the issues to be considered
 - The Project Team liaised with other councils that are establishing LACC's, to exchange information and documents
 - Many Lessons Learnt were captured in feedback from JSG Members and Project Team Officers
 - The overall project performance was considered to be good, with its objectives met, keeping to timescales and within budget

- 3.4 The report made the following recommendations;

Recommendation 1 – The JSG worked well in offering a regular opportunity for Members of both Councils to consider matters which would have an impact across South Hams and West Devon. This forum should therefore continue albeit with a revised terms of reference

Recommendation 2 – Planning and project management worked on the whole effectively and ensured that the process was managed in a structured way. This approach should be further embedded across the organisation with standard templates and guidance for those staff commencing projects

3.0 Options available and consideration of risk

- 3.1. The project has closed and the Executive Committee are asked to note the content of the closure report.
- 3.2. There are no risks associated with this report and no key decisions required.

4.0 Proposed Way Forward

- 4.1. The JSG has continued to meet under new terms of reference and has been examining the One Council and Wholly Owned Company/Outsource options.
- 4.2. A Programme Board is being set up, to coordinate and manage all projects across both Councils. The Project Management principles will become embedded into the way the Councils approach future projects.

6.0 Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/ Governance	N	N/A
Financial	N	N/A
Risk	N	N/A
Comprehensive Impact Assessment Implications		
Equality and Diversity		N/A as no change to service delivery or policy
Safeguarding		N/A as no change to service delivery or policy
Community Safety, Crime and Disorder		N/A as no change to service delivery or policy
Health, Safety and Wellbeing		N/A as no change to service delivery or policy
Other implications		N/A as no change to service delivery or policy

Supporting Information

Appendices:

Appendix A – Joint Steering Group LACC Project Review and Closure Report (Exempt from publication)

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report	Yes

also drafted	
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