

CIPFA Report Recommendations

A number of recommendations were made within the report, which are set out below.

We recommend that the TOR for each group be established to avoid any duplication/conflict (not we have shared model TORs extracted from our best practice guidance), a skills audit of group members be undertaken and that these governance arrangements be kept under review.

Terms of Reference for each of the Council's companies are in place.

We recommend ongoing training for directors of a company, to ensure that they are very clear on their respective duties, encouraging directors to distance themselves from any decision that might be a perceived conflict of interest.

Director training took place in September 2022.

We recommend that consideration be given to whether strengthening contract management might have improved the relationship with the current JV, but more importantly strengthening contract management will be vital for the new LATCo, as the trying to control/guide the LATCo using only the shareholder powers is unlikely to provide an optimal solution, especially around day-to-day detailed business

This was recognised and one of the factors in deciding to create ESSL. A new Waste Strategy and Contracts Management Team has been put in place.

In order to avoid conflicts of interest where the Council provides back-office services (Finance, Legal, Payroll etc.) to the LATCo it is important to see this relationship as akin to any arms-length customer. We recommend that this be addressed through encouraging the use of arms length SLAs/MoUs/contractual arrangement for delivery of back-office services akin to what would be seen from other providers

As part of contract arrangements, SLAs for support services will be put in place.

As requested, we have specifically considered the above documents. We have taken a tick list approach when considering these documents, the tick list being developed from our best practice guidance. The outcome of the tick list is shown at section 4 – and in a separately provided document. We have also now provided a second separate tick list dealing with a range of supplementary issues, including some thoughts on the terms of reference of the various groups. We recommend that you consider our original, competed tick list and the second tick list (to be completed for the supplementary issues and including terms of reference).

Noted.

There is very little/nothing said on how this improves services for service users – i.e. socio-economic benefits (vs costs and risk being taken on). We recommend that consideration be given to the socio-economic benefits of this proposal for service users.

Noted.

The focus appears to be on – that circa 60% of Council services currently delivered via the JV and ESC wanting to have more control. Also, there might be cost efficiencies. We recommend that consideration be given to how these efficiencies will be secured.

A number were sighted in the original business case for ESSL which are being pursued. Detailed specifications are also being produced which will also provide efficiencies. A pre launch review of the original objectives will also be carried out.

It is acknowledged that the preferred option is reasonably risky – against a background environment of increasing risks. We recommend that consideration be given to the service risks associated with this proposal, including what impact and likelihood and what mitigating action would be taken should the risks crystallise.

Noted.

Unclear why a mixed model / incremental transfer model not selected. We recommend that the mixed model / incremental transfer model be considered, i.e. gradually moving services across into the LATCo.

A detailed options review process was carried out before coming to a final decision. There is a scheduled break clause in the current joint venture arrangements with Norse, which will be reached in June 2023 and therefore transferring everything across at one time is preferable for the Council. A Project Team was set up two years in advance to manage the transition, to ensure it goes smoothly. This included the appointment of the Managing Director a year in advance of the company going live, and Senior Leadership Team being in place by January 2023.