

LOCAL AUTHORITY TRADING COMPANY

REPORT OF THE CHIEF EXECUTIVE

1. Purpose of Report

- 1.1 To receive a presentation about the Local Authority Trading Company (LATC).
- 1.2 Philip Foster, Head of Care and Support, will be in attendance at the meeting to provide Members with information and progress.

2. Background Information

- 2.1 On 19 June, Cabinet endorsed a proposal to set up a new Local Authority Trading Company structure and transfer current in-house care and support provision to the Company.
- 2.2 The LATC will enable a more flexible and responsive approach to meeting adult social care needs and offers an opportunity to assist the council in meeting the significant financial challenges it faces. There was a strong service and financial case for the LATC to assist in the delivery of maximum choice, freedom and flexibility for individuals whilst also contributing to the achievement of value for money and significant savings.
- 2.3 The advantages for customers who are to receive services delivered by the LATC include:
 - A more effective and efficient services resulting from the need to be competitive, flexible and innovative;
 - Increased opportunities in the local economy, which could lead to greater job creation and employment prospects;
 - Encouraging a 'mixed economy' of supply that enables local authority clients to make the best use of the market place to obtain the most appropriate supply solution;
 - Longer term the creation of new opportunities for supply and support services from local companies, especially smaller businesses;
 - The potential to introduce new providers into the market for local authority services which serves to increase competition and contestability; and
 - The potential for supporting relationships between local government and the voluntary and community sectors.

3. Current Position

- 3.1 The LATC will be operational as of 1 December 2013.
- 3.2 A significant amount of consultation and discussion has been undertaken with key stakeholders during both the formation of the proposals and the subsequent implementation of the LATC, including affected staff, trade unions, service users and Elected Members.
- 3.2 Prior to Cabinet approval of the proposals for the LATC the Chair, Vice Chair and Lead Member for Health, Housing and Adult Services met with Philip Foster to discuss the proposal and what it would mean in practice for both service users and staff.
- 3.3 During this discussion, scrutiny's oversight of the LATC was discussed in detail, the first stage of which is the progress update to be provided at the meeting.

4. Recommendation

- 4.1 The Scrutiny Committee is recommended to consider and comment upon progress in regard to the LATC.

5. Background Papers

Cabinet Agenda – 19 June 2013

Contact Officer: Name Helen Lancaster, Scrutiny Coordinator
01915611233
Email Helen.lancaster@sunderland.gov.uk