

# ***Report***



**APPOINTMENTS – (i) NEW LOCAL AUTHORITY TRADING COMPANY FOR PLACE MANAGEMENT SERVICES (ii) SUNDERLAND CARE AND SUPPORT (HOLDING COMPANY) LIMITED AND SUNDERLAND CARE AND SUPPORT LIMITED**

**Report of the Head of Law and Governance**

**1.0 Introduction**

1.1 The purpose of this report is to consider appointments to the Board of the new Local Authority Trading Company (LATC) for Place Services and to clarify the position with regard to Sunderland Care and Support (Holding Company) Limited and Sunderland Care and Support Limited.

**2.0 New Local Trading Company (LATC) for Place Services**

2.1 Cabinet at its meeting held on 10<sup>th</sup> February, 2016 approved a proposal to set up a new Local Authority Trading Company (LATC) in order to externally trade Place Management services to public and private customers on a commercial basis. The Council's existing in-house Place Management services do not have legal freedom to trade commercially outside the Council in some areas. The establishment of an LATC will allow the Council to pursue commercial opportunities in a wider market place to supplement the budget available to deliver place management services to the residents of Sunderland.

2.2 The LATC will be a company limited by shares with one issued share to be held by the Council. This structure is the most commonly used Local Authority commercial vehicle and offers the Council the best long-term flexibility in terms of future ownership and strategic direction of the company.

As sole shareholder, the Council will appoint and remove directors of the board as required. Cabinet recommended to Council that the following Directors be appointed to the Board of the new LATC:

- Leader of the Council,
- Portfolio Holder, Cabinet Member for City Services,
- Executive Director of Commercial Development,
- Head of Place Management.

### **3.0 Sunderland Care and Support (Holding Company) Limited and Sunderland Care and Support Limited**

- 3.1 The Council is sole shareholder in Sunderland Care and Support (Holding Company) Limited and therefore has the right to appoint directors to that company. The Holding Company is the sole shareholder in the Subsidiary Company, known as Sunderland Care and Support Limited and may appoint Directors to that company.
- 3.2 In practice, both of these companies are controlled by the Council and have the same set of Directors for convenience and consistency. At the meeting of the Council held on 27 January 2016, the Council approved the appointment of additional Directors to Sunderland Care and Support, however it was not made clear that these appointments were to both the Holding Company and the Subsidiary Company.
- 3.3 For the avoidance of any doubt, the Council is asked to note the appointment of the Chief Operating Officer and the Chief Finance Officer of Sunderland Care and Support to the Board of Directors of both Sunderland Care and Support (Holding Company) Limited and Sunderland Care and Support Limited.

### **4.0 Recommendations**

- 4.1 The Council is accordingly recommended:-
- (i) to appoint the Leader of the Council, the Portfolio Holder Cabinet Member for City Services, the Executive Director of Commercial Development and the Head of Place Management as directors of the new Local Authority Trading Company for Place Management Services; and
  - (ii) to note the appointment of the Chief Operating Officer and the Chief Finance Officer of Sunderland Care and Support Limited to the Board of Directors of Sunderland Care and Support (Holding Company) Limited and Sunderland Care and Support Limited.