

**Meeting:** Cabinet

**Date:** 14 December 2021

**Wards affected:** All wards in Torbay

**Report Title: Local Government Association and Local Partnerships : Review of Wholly Owned Companies 2021 – Report and Action Plan**

**When does the decision need to be implemented?** Ongoing implementation of action plan

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## 1. Purpose of Report

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- 1.1 This report presents the Local Government's Association (LGA) and Local Partnerships (LP) Report on their review of the Council's Wholly Owned Companies with a primary focus on the TDA. A resulting action plan is also presented and has been prepared based on the LGA's and LP's recommendations to ensure that the opportunities and improvements identified are addressed.

## 2. Reason for Proposal and its benefits

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- 2.1 The proposals in this report help us to deliver our Corporate Plan ambitions by ensuring we respond to the LGA's and LP's feedback and the actions proposed enable the Council and the TDA to continue to improve and strengthen its ability to deliver all of the Community and Corporate Plan themes.
- 2.2 The reasons for the decision are to ensure an action plan is in place to embrace the recommendations of the LGA and LP.

### 3. Recommendation(s) / Proposed Decision

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1. That the Local Government Association and Local Partnership be thanked for undertaking their review of the Council's Wholly Owned Companies with primary focus on the TDA and their resulting Report (as set out at Appendix 1) be accepted.
2. That the LGA and LP Wholly Owned Companies Review 2021 Action Plan (as set out at Appendix 2) be approved.
3. That the Audit Committee be requested to monitor the implementation of the action plan.

### **Appendices**

Appendix 1: LGA and LP Wholly Owned Companies Review 2021 Feedback Report (exempt)

Appendix 2: LGA and LP Wholly Owned Companies Review 2021 Detailed Action Plan (exempt)

### **Background Documents**

None

# Supporting Information

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## 1. Introduction

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- 1.1 The LGA provide councils with a variety of support through peer reviews. LP is a joint venture partnership between the LGA, HM Treasury and the Welsh Government.
- 1.2 During the summer 2021, the LGA and LP undertook a review of the Council's Wholly Owned Companies at the request of the Chief Executive with a primary focus on the TDA. The review was undertaken by Martin Forbes, Strategic Director within LP, and Chris West, an associate of the LGA. The review focused on whether the work and structure of the Council's companies provides the Council with maximum value in light of lessons learnt from recent public interest reports into corporate failings of other councils and their wholly owned companies.
- 1.3 The team undertook interviews with Directors, senior TDA management and senior Council officers. At the end of their review, feedback was provided, together with a number of recommendations. The full LGA and LP Review of Wholly Owned Companies Report can be found at Appendix 1. As a result of the work undertaken, they identified a set of recommendations in order for the Council to improve the control, effectiveness and accountability of its wholly owned companies. There are some strategically significant recommendations for the future relationship between the Council and its wholly owned companies, with the remaining addressing operational effectiveness and accountability.
- 1.4 An action plan has also been prepared to respond to the LGA's and LP's recommendations, to ensure the Council embraces the learning and feedback from the review which is set out at Appendix 2. the Chief Executive has also established an Action Plan Delivery Group with key officers in the Council and in the wholly owned companies to ensure the action plan is implemented jointly.
- 1.5 Both the report and the action plan arising are exempt documents on the basis that they deal with the commercial interests of companies.

## 2. Options under consideration

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- 2.1 Not to accept the LGA and LP Report and resulting action plan – this is not recommended as implementation of the action plan will enable the Council and its wholly owned companies to continue to improve. Alternative or additional actions could be proposed.

### 3. Financial Opportunities and Implications

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- 3.1 The action plan will be delivered within existing resources and a number of the actions support the Council's future financial planning.

### 4. Legal Implications

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- 4.1 None.

### 5. Engagement and Consultation

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- 5.1 The Council's Group Leaders were interviewed as a part of the work undertaken, and also consulted on the LGA's and LP's draft report. The Leadership within the Council's wholly owned companies have also provided feedback on the report and resulting action plan.

### 6. Purchasing or Hiring of Goods and/or Services

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- 6.1 Not applicable.

### 7. Tackling Climate Change

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- 7.1 No impact on climate change.

### 8. Associated Risks

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- 8.1 The main risk associated with this report is the failure to respond to the recommendations of the LGA and LP Report. This may result in the Council not responding adequately to its recommendations. The resulting action plan addresses the recommendations by the LGA and LP.

### 9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

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- 9.1 The LGA and LP Report and resulting action plan provides indirect benefits for all its residents through the improvements identified.

### 10. Cumulative Council Impact

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- 10.1 None.

### 11. Cumulative Community Impacts

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- 11.1 None.