

### **Local Authority Trading Company (LATC)**

In December 2021, Community Services & Licencing committee took the decision that an LATC would be the preferred option to manage Leisure Centres post October 2024 (the end of the current contract with Sports Leisure Management (SLM)).

An LATC is a company owned by SDC which operates independently as a separate business.

To develop this option, a business case and feasibility investment plan will be brought back to CS&L committee in January 2023, Strategy and Resources and Full Council in February 2023.

Leisure consultants, along with legal and tax specialists were procured to carry out this next phase. A project team and project board (made up of officers and members) have been set up to ensure all the work is completed both up to the committee dates and to mobilise the new company once it has been approved.

The business cases will include but not limited to:

1. Costs required to set up a new company
2. The company vision and values
3. Tax relief applied to a TECKAL company
4. A 5-year projected forecast including expenditure and income forecasts and the cost of repaying a loan
5. Board structure and roles
6. Senior management structure
7. Terms and conditions of employment for staff along with TUPE costs to bring 2 sets of employees into the new company
8. Support services needed to operate an independent company

Feasibility investment plan will include:

1. Recommendations on the changes to be made to.
  - a. Stratford Park Leisure Centre
  - b. The lido
  - c. The Park
  - d. The Pulse
  - e. New Build (M5/A38 corridor)
2. Cost of the work and payment terms which will be included within the business case.
3. Details and recommendations based upon both public and stakeholder consultation.

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The project board and team will be participating in a facilitated workshop to help inform the scale and mix of facilities which are needed. This will be made public as part of an online consultation with a dedicated website which shows the scale of potential investment allowing the public to make comment. Stakeholder interviews and workshops will also be conducted to get as wide a view as possible. The results of the consultation will inform the investment plan and business case.

#### Demobilisation of current contract

Alongside the work to approve and set up a new company and investment plan, work has started on the demobilisation of the current contract.

The project team are working with SLM to ensure a smooth transition is made on the 31<sup>st</sup> of October 2024 when the contract is handed to the LATC.

#### Mobilisation of the new company

Alongside the demobilisation, mobilisation has started on the new company. This work initially informs the business case and will put the council ahead of the timeline in setting up the LATC if agreed at Full Council in February 2023.

A full and detailed transfer document has been designed to support both demobilisation of the current management arrangement and mobilisation of the new one.

The project manager will keep this committee informed throughout the year on the progress of this work in readiness for the full report in January 2023.