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**Alternative Delivery Model – Infrastructure Services**

**Building a successful local authority company – Governance Options**

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**Reason for the Report**

1. This report considers the options available as part of the Infrastructure Alternative Delivery Model Project and Full Business Case to build a successful local authority company and the related corporate governance issues that require consideration.
2. The purpose of the Report is to provide the Committee with information and opportunity to make comment or recommendation on the matters identified back to Cabinet.
3. The Report does not:-
  - (i) Comment on whether a company is the most appropriate future vehicle for the Council's Infrastructure Services. This matter will be the subject of consideration in a Full Business Case. It should be noted that there are restrictions on trading commercially, which restrictions are not addressed in this report but should be considered when looking at the full business case.
  - (ii) Provide detailed advice on the Companies Act 2006. The Companies Act 2006 regulates company law throughout the United Kingdom. It is a large Act with more than 1300 sections and 16 Schedules, and it is not practical in this report to set out detailed advice on the Act.

## Background

4. On 16 July 2015 Cabinet received a comprehensive report on the Outline Business Case which considered five alternative delivery models for a range of Council services including Waste Collection, Highway Operations, Parks Management and Central Transport Services. Cabinet agreed as follows;

- *the content of this report and the Outline Business Case, attached in Appendix 1, be approved;*
- *the conclusion of the report that the most appropriate future delivery model for the services in scope is a Wholly Owned Company (Teckal) be agreed;*
- *the establishment of a Full Business Case and Shadow Board to govern the company establishment be agreed and authority delegated to the Chief Executive to work with the Leader of the Council and the Cabinet Member for the Environment to define the appointments of the Directors and Non Executive Directors to the Shadow Board;*
- *the completion of a Full Business Case for the Wholly Owned Company model and also the Modified In-House Model be agreed and the findings be reported back to Cabinet early in 2016 together with recommendations as appropriate regarding:*
  - a) *The detailed financial analysis for delivering a full range of efficiency and income benefits against cost complete with sensitivity analysis;*
  - b) *The appropriate legal vehicle for the proposed trading company, for example, a company limited by shares or by guarantee;*
  - c) *The proposed governance of the company, including possible alternatives for the composition of the company Board;*

- d) *The proposed contractual arrangements between the Council and the proposed company, in particular, what company matters would be 'reserved' and require Council approval prior to implementation, and also performance management of the contract;*
  - e) *The proposed arrangements between the Council and the company regarding the provision of support services, for example, the provision of HR, Finance, Commissioning and Procurement, and ICT services;*
  - f) *Opportunities for increasing external trading and local market analysis;*
  - g) *Whether or not it would be appropriate to remove some services currently in scope due to robust business alternatives and reasoning, or parts thereof due to strategy setting roles, and whether some other services should be included at this stage or set out phases in the following year(s);*
  - h) *Requirements in relation to the proposed transfer of staff to the new company in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended;*
  - i) *Financial implications in respect of pensions, day to day management of the Wholly Owned Trading company, and taxation;*
  - j) *The transfer of relevant assets, for example, relevant accommodation, vehicles and equipment, and;*
  - k) *The initial investment required to fully establish the proposed Wholly Owned Company.*
- *The allocation of resources as identified in paragraph 68 of this report for the completion of Recommendations 3 and 4 above be approved and authority delegated to the Chief Executive in consultation with the Cabinet Member for Corporate Services and Performance and the Corporate Director Resources to*

*authorise amendments to these resources as necessary for the satisfactory completion of the Full Business Case, and;*

- *Consultation commence on and thereafter implement the saving opportunities identified for the Modified In-house and Wholly Owned Company Trading options to allow the financial benefits to be achieved within the timescales identified.*
5. Cabinet's decision was called in by a non-executive Member and on 26 August 2015 a joint Committee of the Environmental and Policy Review & Performance Scrutiny Committees unanimously agreed that the decision should not be referred back to Cabinet for reconsideration (see Section headed "Previous Scrutiny" later in this report).
  6. The Project Team then commenced work on the Full Business Case to assess the Wholly Owned Company and Modified In-House delivery options, to determine the preferred future delivery model for the services in scope.
  7. It is anticipated that Cabinet will be asked to consider the Full Business Case in February 2016.

## **Previous Scrutiny**

8. Scrutiny has engaged with the Cabinet proposals to deliver an Alternative Delivery Model as a mechanism to protect and deliver services since its inception.
9. A joint task and finish group of the Policy Review and Performance, and Environmental Scrutiny Committees delivered their findings in July 2015 following an extensive inquiry. The aim of the inquiry was to review the range of available alternative delivery models that could be used by the Council to deliver front line services, focussing on the potential range of services that could be delivered using alternative service delivery models; and operating models currently being considered by the City of Cardiff Council. The full report is available by following

this link:

<http://cardiff.moderngov.co.uk/documents/s4959/Item%208%20Cabinet%2016%20July%202015%20ADM.pdf>

10. The two Committees held a joint meeting on the 9 July 2015 to undertake pre-decision scrutiny of the Cabinet report on Infrastructure Services & Alternative Delivery Model Proposals, following which the Chairperson wrote a letter to the Cabinet Member for the Environment setting out the observations and concerns of both Committees about the proposals. The Cabinet Member for the Environment replied to this letter on 16 July. Copies of both letters have been attached to this report as **Appendices 3** and **4** respectively

11. Following Cabinet consideration of the Outline Business Case for Alternative Delivery Models on 16 July 2015, a non-executive Member submitted a request to Call In the decision. The report had sought approval to take the Wholly Owned Arms-Length Company and Modified In House alternative delivery models forward from the list of five shortlisted options for the development of a Full Business Case. The reasons given for the Call In were:

- To explore the extent of staff and trade union consultation around developing the Outline Business Case for identifying a suitable alternative delivery model for services in Cardiff;
- To establish if there is sufficient detail in the Cabinet report to take a decision on which alternative delivery model proposal is taken forward to the Full Business Case development stage;
- To establish at which point during the development of the Outline Business Case that Members had the opportunity to provide their views and feedback;
- To establish a timeline for the alternative delivery model process to include how and where (Cabinet, Council, etc.) decisions are taken.

12. Members voted unanimously not to refer the matter back to Cabinet and, therefore, the decision taken by Cabinet on the 16 July 2015 now stands.

However, in addition to supporting the Cabinet decision, Members stressed the importance of ensuring that detailed consultation and engagement with staff and trade unions was undertaken on a regular basis during the development of the Full Business Case, to help ensure that all parties remain in an informed position during this very important process. A copy of the Committee's letter to the Cabinet Member Environment, and the Cabinet Member's reply are attached at **Appendices 5 and 6** respectively.

### **Scope of the Scrutiny**

13. To facilitate the Committee's consideration of the governance options available to build a successful local authority trading company Councillor Bob Derbyshire, Cabinet Member for the Environment; Marie Rosenthal, Director Governance & Legal Services; and Tara King, Assistant Director Environment will give a presentation and respond to Members questions.

14. Members are invited to focus on the governance proposals contained in this report and presented at Committee. An opportunity for consideration of the Full Business Case will be afforded the Committee in January 2016. Members will also have an opportunity to consider the restrictions on trading commercially at that time. To be clear the purpose of this Scrutiny is not to consider whether a trading company is the most appropriate vehicle for the Council's Infrastructure services, but to ensure appropriate arrangements are put in place to provide effective governance to preserve and enhance Council services to the citizens of Cardiff.

### **Why is a company structure necessary?**

15. The Outline Business case (OBC) proposed that the most appropriate future delivery model for the services in scope is a Company wholly owned by the Council.

16. The OBC assumes that any such company would be able to trade for a profit with any party (subject to legal constraints), and the Council would be able to directly award (without open competition) services and works contracts to the company, so that the company could carry out such works and services on behalf of the Council. The Procurement regulations would therefore not apply to the award of such contracts.
17. The Council already charges for the delivery of some services within scope of the project, based on existing powers. But the requirement for a general trading power points to the establishment of a company in order to rely on the trading powers available pursuant to the provisions of Section 95 of the Local Government Act 2003 ('Section 95').
18. Section 95 enables the relevant Minister (by regulation) to authorise relevant authorities to undertake commercial activities ('trading') in relation to their ordinary functions (section 95(1) (a), 2003 Act). In Wales the relevant order is, The Local Government (Best Value Authorities) (Power to Trade) (Wales) Order 2006 (SI 2006/979). ('2006 Trading Order').
19. Whatever level of trading activity is contemplated by a local authority, Section 95(4) provides that the activity can only be carried out by a company within the meaning of Part V of the Local Government and Housing Act 1989 (1989 Act).

### **What form should the Company take?**

20. The 1989 Act provides for the following four structures (each has a different legal status):

#### **Structure 1: A company limited by shares ('CLS')**

These may be either public or private companies, incorporated under the Companies Act 2006 (CA 2006). This form of company has been used by a number of Local Authorities and would be the usual vehicle used by a Local

Authority wishing to set up a corporate structure providing services back to it, but also with the ability to trade. The principal advantages of using a CLS include:

- (i) Limited liability – as a separate legal entity, it can own and deal in assets, sue and be sued and contract in its own right. The circumstances in which shareholders (be it the Council or future partner(s)) can be held legally liable for a company's debts (beyond their unpaid capital contribution) are relatively limited;
- (ii) Distribution of profits – allowing profits (after deduction of tax) to be returned to the Council, as shareholder, by way of share dividend or reinvested in the company;
- (iii) Ability to attract investment – in terms of overall control and financial and tax planning, the structure provides potential for flexibility through the creation of different types of shares and rights attaching to shares and loan capital; and
- (iv) Through the issue of shares, the potential exists for other Local Authorities to take an interest in the company, for example if the company was to be used to provide services for more than one authority.

**Structure 2:**

**A company limited by guarantee with or without a share capital**

The guidance suggests that this type of vehicle is more suited to a not-for-profit company that may also be registered as a charity.

**Structure 3:**

**An unlimited company**

The problem is that this type of company is unlikely to offer the level of protection a local authority would want.

**Structure 4:**

**A registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014**

Charitable trusts, non-charitable trusts, joint committees and limited liability partnerships or unlimited partnerships are not available for local authorities to trade commercially, since, inter alia, section 67 of the 1989 Act does not refer to these vehicles.

21. Given the above, a company limited by shares would seem the most appropriate form of company structure. Para 39 of the Wales Assembly Government Guidance January 2009 (General power for local authorities ... to trade in function related activities) provides:

*... Any of these forms may comprise a company for the purposes of section 95. However, it seems most likely that the company form taken will be a company limited by shares which provides more flexibility to trading companies, particularly with regard to distributions of profit and raising risk capital. The choice will have a fundamental impact on how people are employed, and the skills and numbers required.*

22. This report assumes that it would be the Authority that would establish the company, for its own purposes, so this report does not consider options such as entering into an arrangement with another local authority to use an established company or to set up a joint venture company for the purposes of providing services to both authorities and as a vehicle for function-related trading. As stated above, the structure of a company limited by shares offers flexibility in terms of future expansion should the Authority wish to look at working with other authorities through the company structure established, or in terms of future joint ventures with, or sale to, the private sector.

### **Potential legislative changes**

23. Companies under the control of local authorities are governed by the provisions in Part V of the 1989 Act (including financial and propriety controls). Part V of the 1989 Act is scheduled for repeal in its entirety by section 216 of the Local Government and Public Involvement in Health Act 2007. Section 212 of the 2007

Act introduces "local authority entities" in place of companies controlled by or under the influence of authorities, although an order under this section has yet to be made by the Secretary of State or Welsh Ministers. There is no indication that any such order will be made, and certainly not in the timescale to affect decisions on this project.

## **Control**

24. The structure and governance of the Company will also be dictated by the degree of control which the Authority will require to exercise over the company:

### **Procurement Regulations**

- (i) The requirement that the Council should be able to directly award contracts to the company (i.e. without procurement or competition) means that the Company and the degree of the Authority's control over the company, will have to meet the requirements of regulation 12 of the Public Contracts Regulations 2015 (SI2015 No 102).
- (ii) Regulation 12(1) (which is based on previous case law and is known still as the "Teckal" test) states that:

A public contract awarded by a contracting authority to a legal person governed by private or public law shall fall outside the scope of Part 2 of the PCR 2015 where **all** of the following three conditions are fulfilled:

**1. The contracting authority exercises over the legal person concerned a control similar to that which it exercises over its own departments.**

2. More than 80% of the activities of the controlled legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authority or by other legal persons controlled by that contracting authority (i.e. more than 80% of the WOC's activities must be the delivery of

services back to its owning council and this figures must not be breached at any time).

**3. There is no direct private capital participation in the controlled legal person** with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled legal person.

25. In the case of the proposed WOC, the key test to explore further is Test One i.e. the control test. Control can be demonstrated through the overall arrangements which the Authority makes to control the company, through its constitution/articles and its operation. The key areas in the Council's Constitution which are central to showing control are:

- i. the reserved matters – decisions which only the Authority can make as owner and cannot be taken by the Board of the company alone and
- ii. the composition of the Board itself.

### **The Company's Constitution, Board and its membership (presuming the company would be wholly owned by the Authority)**

#### **Company Constitution**

26. A company's constitution and the rules governing its administration are set out in its memorandum of association (memorandum) and its articles of association (articles). The Company's directors and officers will derive their authority from the articles of association and the law relating to companies. The company will be run by its board of directors answerable to the shareholders in accordance with the articles. The articles are important documents and it is suggested that at the time when a decision is sought (on whether or not to establish a wholly owned company), draft articles are prepared and considered alongside the full business case. By way of example only, attached to this report as **Appendix 1** are the

articles of association of Cormac Contracting limited, which are publicly available from Companies House.

## **Board and Membership**

27. So far as Board membership is concerned, the Articles of Association would set out the rules for the appointment of directors. In respect of directors, issues to consider include; the number of directors, types of directors and quorum to be set for meetings of directors.
28. Government guidance suggests that a board of between three and eight directors is most likely to be practical (ODPM Local Authorities Trading Guidance, July 2004 (since updated but still in place in this respect) – and para 43 of WG Guidance). Many WOC have 7 or 9 directors to give an opportunity for a spread of skills and experience, whilst ensuring council control. A board must be able to respond quickly to commercial opportunities and change.
29. The articles could provide for the company to have both Executive Directors (that is a director who is engaged full time in the day to day running of the company) and Non Executive Directors (who are not engaged full time in the day to day running of the company but have the same company law responsibilities as Executive Directors), for example council officers or elected Members.
30. There are issues to consider in relation to potential conflicts for both elected Members and officers – see section below on conflicts.
31. The Authority may wish to consider the appointment of an Independent Director (who is neither an elected Member nor employee of the company), subject to ensuring the Authority retains sufficient control over the company. Independent directors can serve as a point of constructive challenge and bring further expertise to a Board.

32. It is important that Boards have the appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively. (See UK Corporate Governance Code September 2014).
33. Quorum - by way of example in the case of Cormac Contracting Limited, the quorum for Directors meeting is 4, consisting of two Executive and two Non Executive Directors.
34. It is not imperative to ensure Teckal compliance that the Authority has an absolute majority on the board, but this is a clear way to help demonstrate it easily and would be recommended.

### **Reserved Matters**

35. In terms of decision making, demonstrating Teckal compliance and in order to provide the Authority with comfort, the Articles of Association would usually include for 'Reserved Matters'. This would require the shareholder's consent (that is the Authority, presuming the Authority is the sole shareholder) to be obtained before a decision could be made by the company as regards a Reserved Matter. Reserved matters, by way of example could include:-

- Agreement on the annual business plan;
- Expenditure ( limiting the amount of capital and revenue expenditure before consent required);
- Acquisition and disposal, (for example, acquiring or selling of fixed assets or property);
- Entering into contracts (above a certain value - not normal day to day activity);
- Loans and financing agreement;
- Litigation;
- Altering or ceasing business;
- Giving of guarantees and indemnities;

- Open or closure of bank accounts;
- Appointment and remuneration of Executive directors;
- Variation of business plan;
- Branding;
- Corporate matters – (allotment or issue of shares).

36. Attached as an **Appendix 2** is a longer list of potential "Reserved matters" showing the extent of control an Authority may exercise through this mechanism. There needs to be a balance between clear control of strategic decisions and the company board being given sufficient flexibility to make commercial decisions.

37. The Authority will need to arrange for its shareholder decision making to be carried out in an effective way. Decisions will include standard annual meeting business as well as reserved matters as required. Exercising the shareholder role is an executive decision but there are various options for how this is carried out in practice – for example by Cabinet jointly, individual portfolio holder, cabinet committee etc. There may be the need for a quick commercial decision to be taken to allow the company to take advantage of a time-limited opportunity and this should be factored in to the shareholder arrangements.

## **Conflicts of interest**

38. Any Members or officers of the local authority who are appointed directors of a company would have a fiduciary duty to the company. They have the powers and duties of company directors while they are appointed directors, and as directors, they are answerable to the membership of the company in accordance with the company's articles of association and company law.

39. Any elected Member appointed as a company director would, however, still be bound by the authority's code of conduct.

40. Paragraph 45 of the ODPM and WG guidance states:

*"Authority members and officers should be aware of potential conflicts of interest when carrying out their roles for their authorities, or when acting as directors of trading companies. The conduct of authority members is governed by their authority's code of conduct."*

41. The CA 2006 codifies existing duties on directors and explicitly imposes a general duty on directors to avoid conflicts of interest (though this can be mitigated by provisions in the Articles recognising certain inherent conflicts). Accordingly when considering who should be nominated as directors, it will be important to be conscious of the potential for conflict of interest. This has implications for all but especially Cabinet Members serving on the Board, given their role as a cabinet Member.

42. Best practice would be to appoint Council Directors who do not have a role or post within the Authority which would bring them into conflict with their director responsibilities or put them in a position of making (or advising on) a Council decision relating directly to the company (which could give rise to challenges based on bias and predetermination) . It is therefore prudent for any Member with a role in services provided by the Company, not to be on the Board and also for any officers who are (1) involved in a client role or (2) in a statutory role e.g. the s.151 officer not to be on the Board.

43. Any Members or officers who are to be Directors of the company may need to be given training on their new obligations and a protocol established on how to deal with conflicts.

### **Transparency /Scrutiny**

44. A local authority must ensure that a trading company is not used as a device for inhibiting legitimate public access to information about local government and local government services. The scrutiny committee of the authority must be able to exercise its powers in relation to the discharge of local authority functions under

the relevant legislation and when establishing a company appropriate provision should be made to facilitate scrutiny.

45. The financial and propriety controls that apply to local authority controlled companies, as set out in the 1989 Act, would need to be complied with.

### **Relationship between the Authority and the Company**

46. As explained above, the Authority will own the Company and there will be control of its activities through the governance arrangements put in place, primarily through roles on the Board and through the reserved matters list.

47. The Authority will also have a relationship with the Company through the contract(s) for services which it will enter (through direct award). It is unlikely that the Council will ever take action to enforce a contract against its WOC (if the delivery of service breaks down there will be other action the Authority can take including change in management, bringing services back in house, sale or joint venture of the business).

48. However there will need to be clarity as between the Authority and its service provider (the Company) as to what services will be delivered, to what standard and to what price. A specification and contract will therefore need to be agreed between the Authority and the Company to underpin the guarantee of appropriate levels of service delivery to the citizens of Cardiff.

### **Retained activities in the Authority**

49. The Authority has identified the scope of services it is considering arranging to be delivered through the WOC. It is, though, more complex than simply the current activities in this list (and the staff who deliver/support them) being transferred to the Company and run through a contract.

50. The Authority will need to make arrangements to retain sufficient staff and expertise to:

- Manage the contract with the Company;
- Deliver the strategic role the Authority has decided to retain; and
- Exercise the statutory functions which the Authority cannot legally delegate to a company.

51. The first two points should be self-explanatory. The third is based on the legal position that the duty to take a statutory decision is placed on the local authority and there is no general power for the decision to be taken by anyone other than the local authority (or part of it or another authority).

52. Under Section 101 of the Local Government Act 1972 (and the Discharge of Functions Regulations for executive functions) an authority may arrange for the discharge of functions (i.e. arrange for another body, here the WOC, to deliver services to support the exercise of the function) but the authority cannot transfer that decision-making power to anyone else. It can obtain supporting information and an expert opinion from others, but the final responsibility for taking the decision remains with the authority.

53. Whilst this is the general position in relation to decision making, Section 70 of the Deregulation and Contracting Out Act 1994 does enable the Secretary of State to make an Order which allows local authorities to arrange for the discharge of their functions.

54. It will be necessary to review the list of activities the Authority is considering arranging for the WOC to carry out to check if any are actually statutory functions in that list and then to check if there is any specific provision which allows them to be delegated to the WOC.

55. If there is no such ability, the usual position is that the Authority has to retain staff with the necessary skills and capacity to make those decisions. Some authorities have adopted a "joint employment" model to obviate the need for retained staff to carry out this role. This is based on staff having an employment contract with both the Authority and the Company so allowing them to "choose" which hat they are wearing at any one time, either to make statutory decisions (as the council) or to deliver services (as the company). This is a new model which has risks and has not yet been tested. This new model is put forward by way of information only and further detailed work would be required to assess the risks and suitability of such a model for Infrastructure Services.

## **Other issues**

56. There are a number of issues that require consideration when setting up a company and detailed proposals regarding the same should be set out in any report recommending the establishment of a company. In respect of company matters, by way of example:

- **Employment issues** - local government employees may be transferred to the new company and individuals may well be concerned as to the potential impact of working for a wholly owned company. There will need to be consideration of TUPE, equal pay and pension issues. These issues are not considered in this report but will be addressed in the Full Business Case.
- **Personal Liability of Directors** - Company directors may incur personal liability, for example in respect of breach of duty, wrongful trading, fraudulent trading, breach of a disqualification order and other specific liabilities such as corporate manslaughter. It is good practice for the company to insure against this risk and potentially for the Authority to indemnify any Council directors.
- **Tax issues** – there will need to be specialist financial advice on the tax issues of setting up and running a WOC to ensure tax consequences are mitigated.

- **State Aid** - when an Authority sets up a WOC it must be careful not to breach the rules on state aid. These require that a public body does not give aid to an undertaking (which would include a WOC) which could distort competition in the market. There are various exemptions and ways of mitigating this risk but this will need to be taken into account if the Authority is considering, for example, giving a loan to the WOC to assist with initial cash flow or allowing the WOC to occupy council premises.

## **Legal Implications**

57. The legal advice is reflected in the body of this report. There are a number of express and implied powers pursuant to which the authority could form a company.

58. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

59. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

## **RECOMMENDATIONS**

The Committee is recommended to:

- Consider the information presented in this report and at this meeting; and
- Decide whether it wishes to make any comments or recommendations to the Cabinet.

**MARIE ROSENTHAL**  
**Director Governance & Legal Services**  
**25 November 2015**

## **BACKGROUND PAPERS**

### **Reference**

- Sections 95 of the Local Government 2003 Act. ('Section 95').
- The Local Government (Best Value Authorities) (Power to Trade) (Wales) Order 2006 (SI 2006/979). ('2006 Trading Order').
- The Companies Act 2006. ('CA 2006').
- The Public Contracts Regulations 2015 ('Procurement Regulations').

- General power for local authorities, fire and rescue authorities and National park authorities to trade in function related activities January 2009 (Welsh Assembly Government ) –draft (‘WG guidance).
- Welsh Government guidance on the power in the Local Government Act 2003 ([www.practicallaw.com/0-501-9075](http://www.practicallaw.com/0-501-9075)) – published 1 January 2010.
- Previous Cabinet and Scrutiny Reports on this matter.