

## Annex 4

### Staffing, personnel and employment issues

1. In the first instance there is no intention to transfer any staff into the company.
2. All staff who carry out work on behalf of the company will have their time recharged to the company at a rate commensurate with their costs to the council. The business will be operated under the auspices of the *UK Corporate Governance Code*, produced by the Financial Reporting Council (FRC) and endorsed by the European Corporate Governance Institute (ECGI).
3. A key issue for directors will be the management of any conflict of interests which may be brought about by a Director, AD or other employee of the council also being a Director of the company. While situational and transactional conflicts of interest are catered for in the *Articles of Association*, An explanatory note dealing specifically with the nuances of conflicts of interest in our environment in the public sector is presented for clarity in **Annex 2** of the report to Cabinet on the establishment and governance of the local authority trading company dated 6<sup>th</sup> September 2011.
4. In the medium to longer term future, where it is identified that staff who are employed wholly or mainly in a service that is proposed to transfer to the LATC, TUPE regulations and the *Code of Practice on Workforce Matters in Local Authority Service Contracts* would apply and staff would be transferred on their existing terms and condition of service. It is likely that staff and trade unions would want assurances that the LATC is being granted admitted body status to the Local Government Pension scheme, which is

normally a chief concern to them – this will be sought through discussion and negotiation with the Pension Scheme Trustees.

5. The council's TUPE protocol and all other related policies and procedures must be followed, particularly the duty to consult with both, trades unions and staff. The business plan as well as the *Articles of Association* of the LATC are subject to such consultation, and involvement of trades unions and staff from an early stage is planned.
6. At all stages of the company's development, timely and full consultation will take place with all identified stakeholders, including Unions and staff as well as any partner agencies and organisations who may need to be kept informed of progress.
7. The terms of Directors will be for the company, and ultimately the Shareholder Committee to determine.