



The role of Local Authority Trading Companies in Delivering Waste and Environmental Services

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What is a Latco and how does it work?

- A Limited Company, registered as its own legal entity
- Can either be owned by a single council, or have multiple owners
- Used for a broad range of Council service delivery

The logo for Bristol Waste, with 'BRISTOL' in dark blue and 'waste' in a lighter blue, lowercase font.

What is a Teckal?

- Prior to Procurement Act 2023, a Council could direct award a contract to a Latco under a 'Teckal' exemption
- Now reframed as a Vertical or Horizontal exemption under Schedule 2 of the Act
- Arrangements can also act in reverse, where a Council provides services to the Latco, eg payroll
- All other duties under PA '23 must still be met; there is scope for challenge by third parties

Why use a Latco?

- ✓ Running the core services on a commercial basis can unlock efficiencies and high-quality performance
- ✓ Partnering with an established provider can bring added value
- ✓ Latco model can unlock wider benefits to locality and environment
- ✓ It offers a lower cost pensions model than in-house provision

What are the downsides?

- High project delivery costs due complexity of setting up
- Indirect control of service delivery
- Some overheads can be higher than in-house delivery
- Commercial strategies may fail
- If partnering with a third party, then they will want profit
- Profits earned for the Council are taxed
- Potential equal pay claims under 'associated employer' rights in Equalities Act 2010

The pensions question

- Lower pensions are often cited as a benefit of LATCo model
- Can be £3k to £4k cost per employee
- For a District waste service, circa £500k annual differential

but...

- Other additional operating costs can offset this
- Equal pay risk
- Low pay contributes to low productivity

Commercialism: Chasing Revenue v. operating effectively

- Primary focus should be to deliver the core contracts better:
 - Clear purpose and objectives
 - Performance measure which are targeted
 - Governance activity which scrutinises this
- Effective decision-making processes:
 - Financial planning structures which are flexible
 - Clear and simple processes for business cases
 - Risk aware, not risk averse
- Empowered and incentivised workforce
 - Shared purpose
 - Authority and accountability delegated downwards
 - Pay and reward linked to strategic objectives and collective achievement

Commercialism: Transformation and Continuous Improvement

- Transformation
 - Radical changes to service delivery
 - Long planning and delivery timescales
 - Often over-promise and under-deliver, why?
- Continuous improvement
 - Better, faster, cheaper
 - Process focused
 - Data driven
 - Empowered workforce
- Both rely on new ways of working, adopting technology, risk

Delivering Social Value

- Driven by clear strategic objectives
 - Environmental
 - Local economy
 - Local needs, eg Council priorities, employment, better neighbourhoods
- Senior leadership judged on delivery against Strategic Objectives
 - Embedded in business plan
 - Clear long term KPIs
- Community engagement in purpose and service delivery

Why do things go wrong?

- Failure is usually financial
 - Escalating costs
 - Failed commercial strategies
 - Poor investment choices
- Driven by poorly controlled management
- Worsened by optimism bias
- Fuelled by inertia



How can we guard against failure?

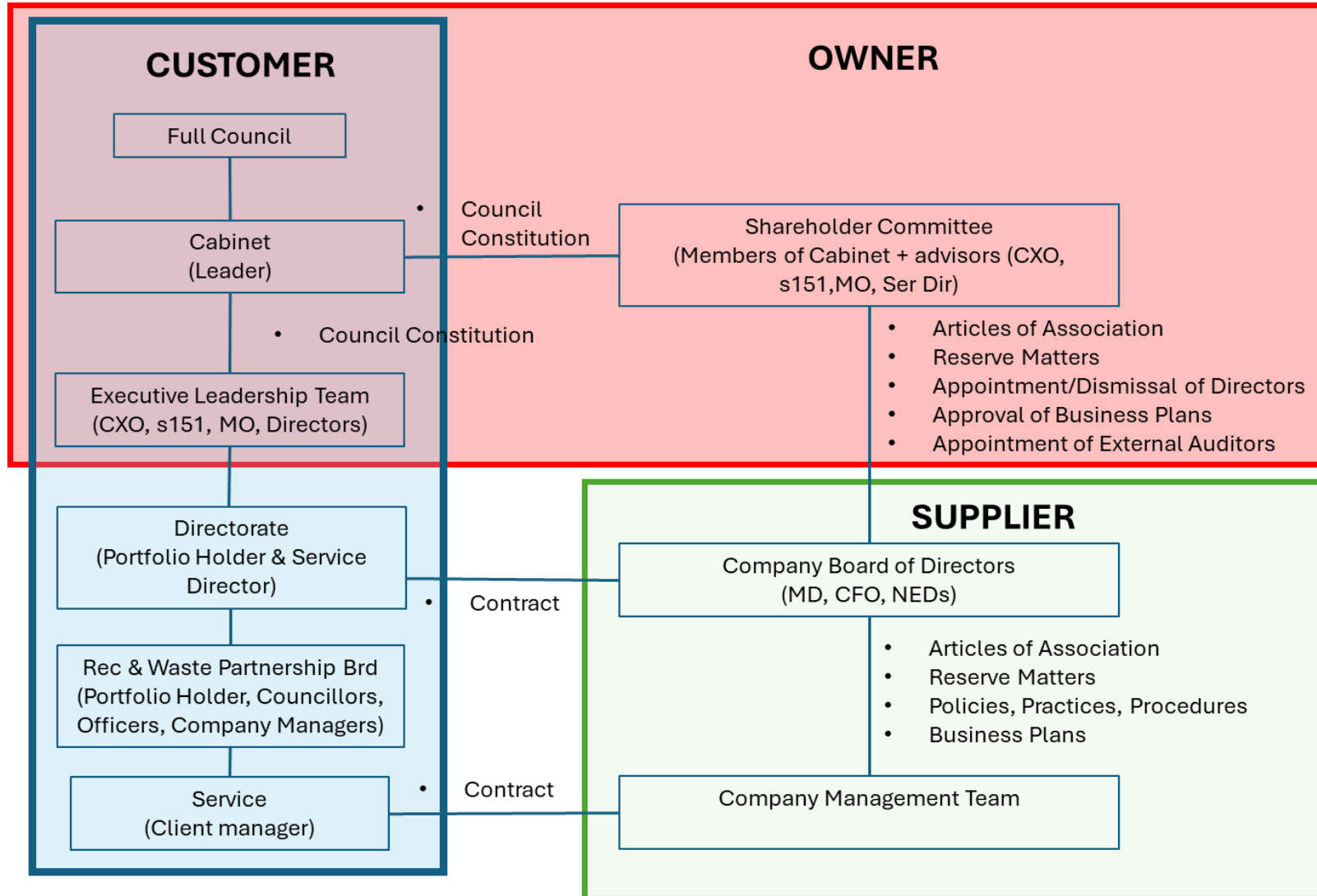
- Governance!
- Governance!
- Governance!

[LATCo guidance 2023 edition - Local Partnerships](#)



Tips for success

- Evaluate options objectively, eg Business Case using 5-case model
- Have clear objectives/purpose
- Give the company autonomy and make it accountable
- Be prepared to fail, and to change strategy
- Adapt how the Council works to align with running a company
- Apply good governance





Association for Public Service Excellence

Questions and discussion



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A bit about us...



Waste, Recycling & Circular Economy

How can we help you?



Join our network:

Briefings, sharing best-practice, network meetings, the latest policy updates, advocacy, and network queries across our 3,000+ contacts in local government.

apse membership resources



Training:

High-quality training courses, including:

- Introduction to Waste Collection & Street Cleansing
- Health and Safety in Waste & Environmental Services
- Carbon Literacy
- ...and many more!

apse training



Consultancy and Interim Management:

Providing service specific specialists that can assist with service reviews, transformation, commercialisation and any strategic overview you and your authority might need!

apse solutions



Performance Networks

Analyse key metrics across cost, performance, and productivity. Benchmark your refuse collection with the UK's leading local authority network. Use the LAMS app to carry out real-time street scene and cleanliness inspections

apse performance networks



Energy

Climate Change and Energy advice to support your journey to decarbonisation – from depot to fleet decarbonisation, we have it covered.

apse energy





Solutions

An architectural rendering of a vibrant city street scene. In the background, a tall, modern building with a grid-like facade of windows stands prominently. To its right is a brick building with a large, ornate stone archway. The street is filled with activity: people are walking on a wide, paved sidewalk, some are jogging, and others are cycling on a green-painted bike lane. Several cars are parked along the curb. A yellow signpost with a clock and a directional arrow is visible. The overall atmosphere is bright and sunny, suggesting a clear day.

Supporting City and Town Centre Recovery

Matt Miller, Executive Consultant
APSE Solutions

APSE Synergy

- APSE Solutions & APSE Energy
- Provide ethical consultancy to local authorities
 - Consultancy
 - Interim Managers
- Public sector experience



Looking for a consultant or interim
to step in and hit the ground
running?

APSE has an enriched database of
specialists within local
government....



Interim Management

Critical friend

Workforce strategy

Survey-based work

Commercial development

Diagnostic health check

Coaching and mentoring

Service improvement planning

Comprehensive service review

Data Insights

Local Government Reorganisation



Supporting City and Town Centre Recovery





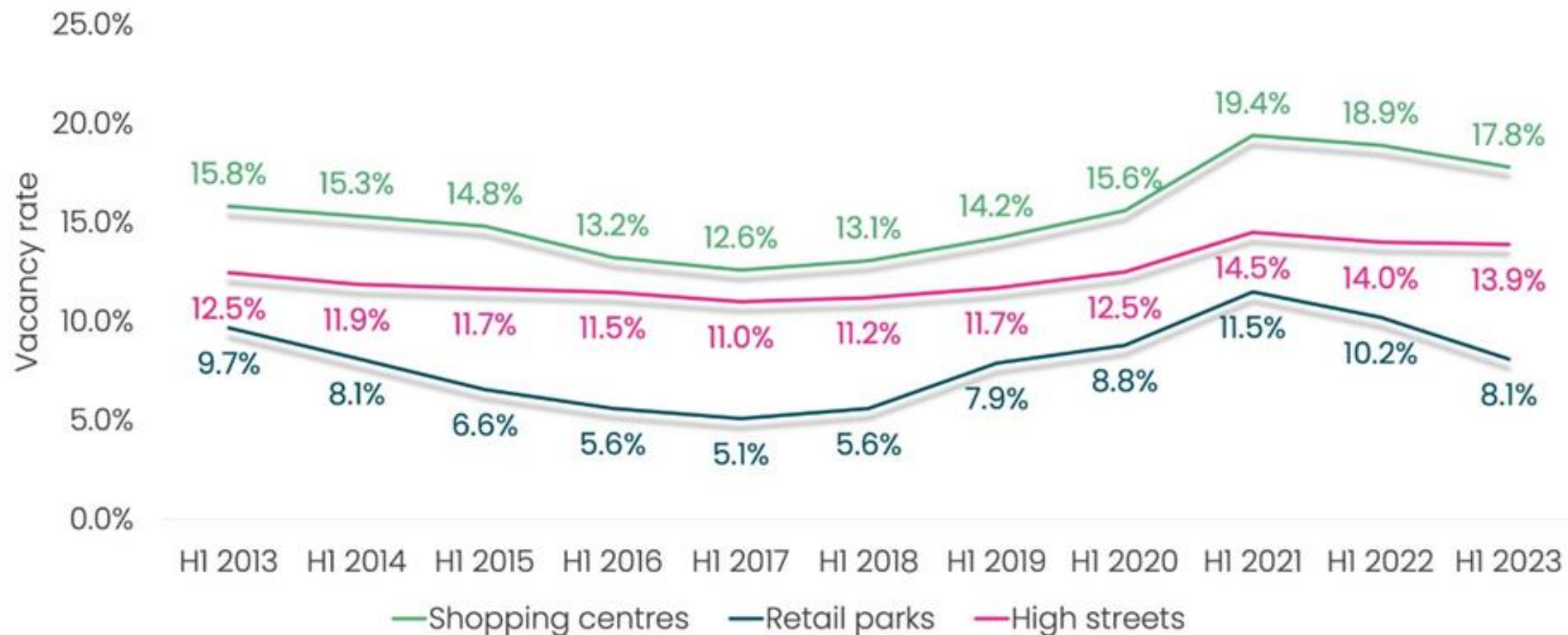
Introduction: Why Our Highstreets Matter

- Addressing Decline
- Exploring causes and solutions
- Highlight the role of Local Authorities
- APSE Support

Challenges Facing Town and City Centres

- Understanding the decline
 - Rise in online retail
 - Increased business rates and rents
 - Public transport and parking
 - Impacts of COVID -19
 - Decline in nighttime economy

Retail Vacancy Rates





The Role of Local Authorities

- Long term planning and infrastructure improvement
- Partnership working
- Securing funding
- Lobbying Government
- Supporting businesses

Swift House / Goods Yard – Stoke-on-Trent



Swift House / Goods Yard – Stoke-on-Trent

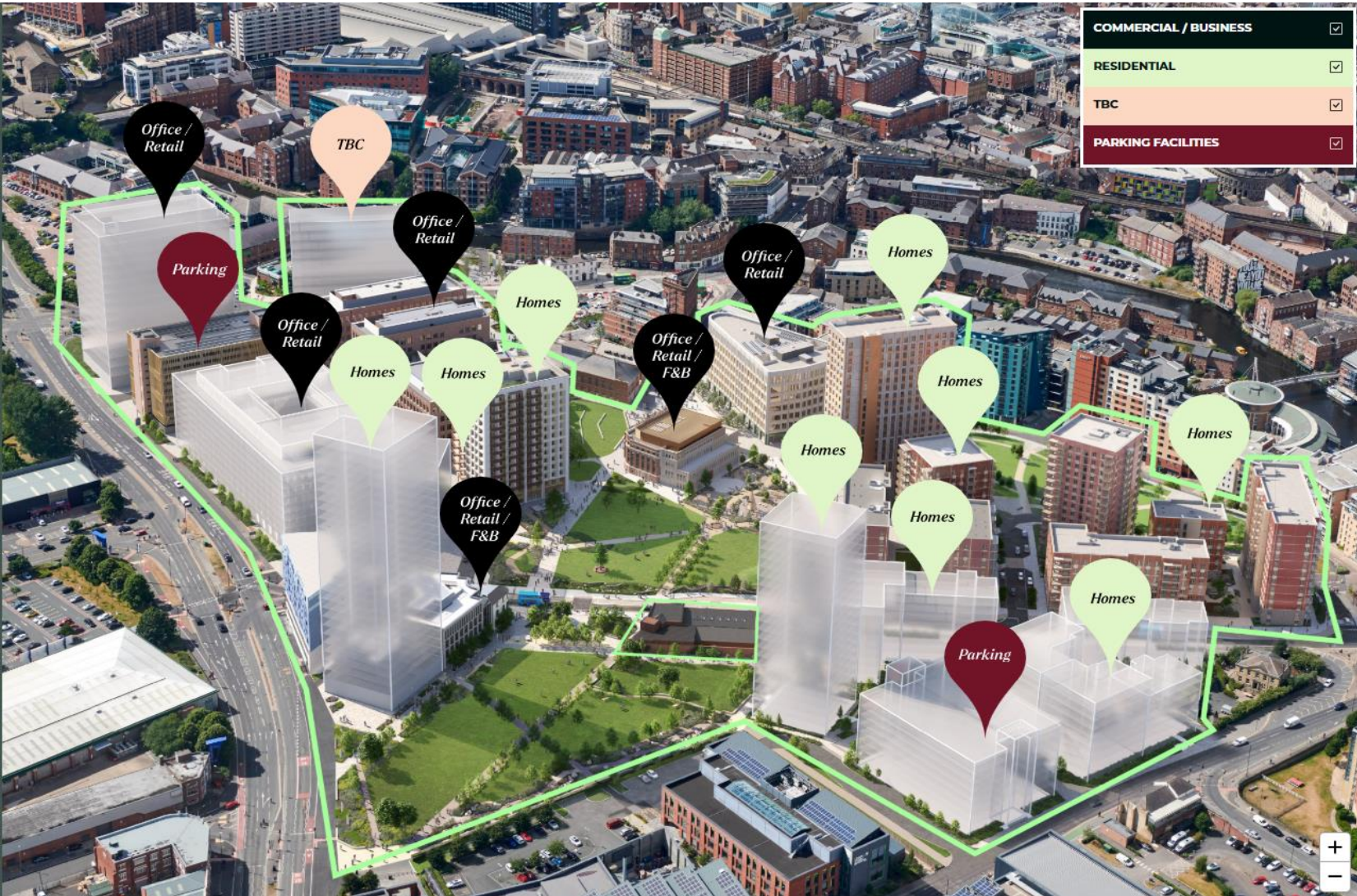




Regeneration in Action

- Mixed use developments
- Heritage and Greenspace
- Make up of city centre space

Leeds





Increasing Footfall and Improving the Public Realm

- Parks and green spaces
- Pedestrian and cycle friendly infrastructure
- Climate resilience and climate change



Commercial, Hospitality & Retail Space

- Flexible commercial space
- Support start-ups
- Business rates and rent challenges



How APSE Can Help

- Consultancy and interim management support
- Training
- Benchmarking
- Principle Advisors
- Research
- Seminars and online events
- Network queries



Questions and Comments

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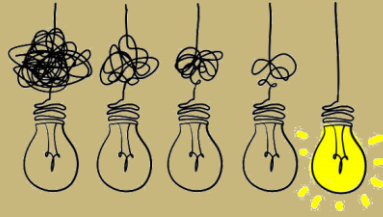


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Social Value and the Public Interest Test: Procurement Act 2023

**Come and join us on Tuesday 2nd
and Wednesday 3rd December**

Matthew Baqueriza-Jackson, APSE Associate



During this course you will...

1. Appreciate the requirements of the Procurement Act 2023 regarding the Public Interest Test, SME engagement, lotting of contracts, reserving contracts, and embedding local economic, social and environmental considerations.
2. Consider how Social Value can be embedded across each step of the 'Cycle of Procurement' and to explore examples from elsewhere.
3. Evaluate how Social Value can be applied in practice through working on a fictional procurement exercise.
4. Develop the skills required to embed Social Value considerations in procurement in your own local authority, public sector bodies or context.

Why is Procurement Important?

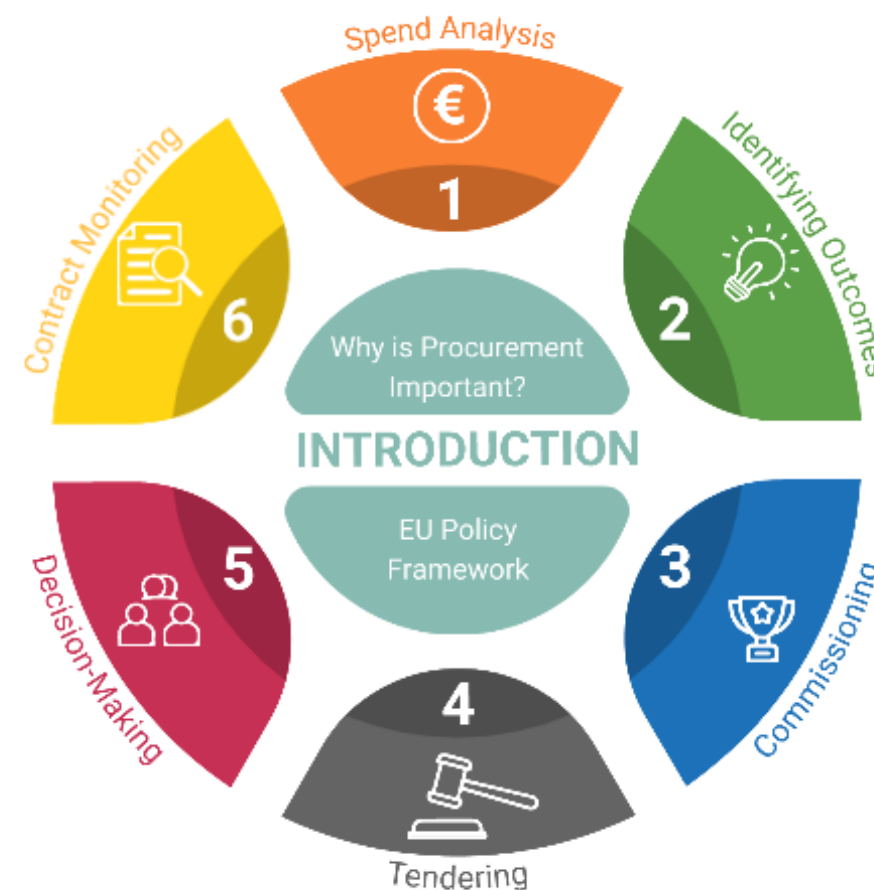
- 1. Scale of Spend**
- 2. It is public money**
- 3. We have significant inequality**
- 4. Lots of organisations use Procurement**
- 5. It can be used to realise wider goals**
- 6. There is law and regulations**
- 7. We need to grow the economy**

The Policy Context

- 1. EU Procurement Directives (2014)**
- 2. The Public Services (Social Value) Act (2012) and barriers to implementation**
- 3. The Procurement Act (2023) and key new and relevant parts around Social Value**
- 4. The new Public Interest Test**

Delivering Social Value through the Act - The Cycle of Procurement

- Procurement is not just a transaction
- Procurement does not just involve Procurement Officers
- Procurement is not just about filling out documentation
- Procurement is strategic
- Procurement sits across the local authority
- Procurement is everyone's business
- Social Value sits across 6 stages or parts



Social Value and the Public Interest Test: Procurement Act 2023

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Contact us

The team is ready to help.

Please direct enquiries to: training@apse.org.uk | 0161 772 1810

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Senior Training Officer: **Amy Caldow**

Training Co-ordinator: **Helen Reed**

Business Support Assistant (Finance): **Daniel Lee**

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Delivering for local people and local economies



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Procurement and Commercialisation Network

The Procurement Act 2023
Initial learnings since February 2025

Phil Williams
Director of Procurement
November 6th 2025

The Procurement Partnership Ltd

Specialist procurement solutions for the public sector

TPPL?

The Procurement Partnership Ltd (TPPL) are a private limited company offering a range of procurement solutions and services to the Public Sector.

Our frameworks and consultancy services aim to maximise the efficiency of our member organisations, drive value for money, and ensure compliance with regulations and the new.



90%

Our members currently consist of over 980 public sector organisations, including over 90% of all UK Local Authorities.



£1 Billion

TPPL have tendered over 1 billion pounds of contracts on behalf of its members in the last 4 years.



Initial learnings – Today's Session

- **Recap – What has changed under PA23**
- **Feedback & observations from our membership since go live**
- **Lessons learned from first tender activity**
- **Challenges and opportunities of the new procurement regime**

RECAP

What Has Changed Under the Procurement Act 2023

- Replaced Public Contracts Regulations 2015 (PCR 2015)
- New focus on:
 - Value (MAT, not MEAT)
 - Transparency
 - Social value
 - Streamlined procedures: “Competitive Flexible Procedure”
- Central Digital Platform (Find a Tender enhanced)
- National Procurement Policy Statement (NPPS) mandatory consideration
- Published guidance covers: planning, definition, procurement, contract management phases

1. Member Feedback

Caution and a Preference for Frameworks

- Most members adopted a conservative approach initially
- Strong reliance on existing or renewed frameworks to mitigate risk and meet compliance with new regime
- Framework uptake motivated by:
 - Resourcing concerns: Shortage of skilled procurement staff
 - Process unfamiliarity: Cautious interpretation of Act requirements
 - Time pressure: Avoiding delays during learning curve
- Frameworks viewed as “safe harbours” for compliance and value

Why the Cautious Approach?

- Only 28% of procurement leaders felt ready for the new transparency requirements at go-live
- 1 in 3 admitted to “little or no knowledge” of the Act’s provisions or NPPS aims
- Senior engagement varies: only 55% of chief executives considered the Act transition a priority; even fewer Heads of Procurement felt fully supported
- Local government most prepared; NHS and education sectors less confident
- Around a third of authorities concerned about their ability to resource compliant, transparent procurement under the new Act

Source: Commercial Services Group survey of over 500 senior executives and procurement leaders across a range of sectors, including local government, health, housing, education and blue light services.

Collaboration and Sector Partnerships

- Strong appetite for collaboration: four in five* public sector organisations plan to partner under the new regime
- Centralised frameworks enable cross-authority collaboration, pooling expertise and resource
- Wider use of "market engagement" – more proactive early consultation with suppliers to shape specifications, lots, and social outcomes
- Sharing best practice on new tools (digital platforms, KPIs, feedback processes)

*79% of respondents said they were likely to adopt collaborative procurement agreements under the new regime – Commercial Services Group: “Procurement at a Crossroads”

CSKL and TPPL Bus Framework (2025 Iteration)

2. Lessons Learned

- First large joint TPPL/CSKL framework under the Procurement Act 2023 (due to go live in December 2025)
- 4 year closed framework using the open procedure
- Covers supply of vehicles (minibus, bus, coach), community and passenger transport services—scope shaped by early market engagement with suppliers
- Included robust social value and carbon reduction requirements
- Structure: 5 lots by vehicle type/service; both direct award (objective mechanisms) and mini-competition available

Bus Framework Case Study

Key lessons so far:

- Early, cross-functional engagement is essential.
- Allocate more time and resource.
 - If it's your first PA23 tender, take the opportunity to conduct a full and comprehensive rewrite of tender documentation
- Preliminary market engagement has been a huge positive
- Recent case law, assessment summaries, contract award and details notices demand more comprehensive outputs from the evaluation process
- Current status of FTS/CDP is a little 'clunky'
 - Using in conjunction with our preferred tender platform
 - Some smaller suppliers required more support to adapt to new approach

Bus Framework Case Study

Example of change: Document design change — consolidated question guidance

- Historically, our document structure provided supplier guidance regarding the qualitative questions and evaluation expectations in a separate location to the questions.
- The premise being to keep questions relatively short and accessible for bidders.
- Following our root and branch review of documents a revised approach was agreed with stakeholders.
- We merged guidance into each question, so suppliers see minimum requirements and expected evidence at point of response.
 - Result: reduced clarifications during tender and clearer, faster scoring during evaluation

3. Challenges & Opportunities

Challenges and opportunities of the new regime

Challenges:

- Skills and resource availability remain a limiting factor for swift and effective adoption
- Capacity to design and manage more nuanced, outcome-based contracts (social value, environment, inclusivity)
- Is the Central Digital Platform where we need it to be yet?
- Change fatigue from calls for “transformational” change post-pandemic and Brexit

Opportunities:

- Increased flexibility and fewer procedures
- Increased transparency of public sector procurement activity
- Stronger market engagement, SME and social enterprise access
- Sharing best practice, collaboration and frameworks are proven accelerators

Key Takeaways and Next Steps

In summary

- Start with robust internal training and ensure all key stakeholders understand the new processes, terminology, and reporting requirements
- Frameworks, collaborative solutions, and early supplier engagement are proven to manage risk and deliver both compliance and value
- Use available resources: Government Commercial College e-learning, CCS guidance documents, peer documents, and attend relevant events when possible
- Maintain focus on outcomes, not just compliance, maximising the benefit of the new focus for public sector procurement

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