

APPENDIX 1 - Summary of strengths and weaknesses of the various delivery model options considered by each LA and agreed by Cabinets / Committees summer 2016 (option 2 agreed)

Option	Strengths	Weaknesses
Option1 - Hosted by a single LA on behalf of a number of LAs (Single LA)	<ul style="list-style-type: none"> • Easier to implement as utilising existing infrastructure • Reduced impact on staff change • Lower service risk during transition 	<ul style="list-style-type: none"> • Weaker engagement of VAAs • Limited potential for culture change • More likely to adopt processes of host rather than best practice of all partners and beyond • One LA takes majority of risk and workload to transition • One LA takes on staff • Requires a willing lead LA • Requires other LAs to accept lead LA
Option 2 - Joint Venture between LAs – a new public sector owned entity E.G. Local Authority Company Limited by Guarantee <u>AGREED</u>	<ul style="list-style-type: none"> • Re-designed processes and structures to improve quality and achieve outcomes • Opportunity for new identity and innovation • Leaner / more efficient operational delivery • Favourable procurement / tax position • Scope to include VAAs • 	<ul style="list-style-type: none"> • More complex transition than option 1, however could utilise LAs' infrastructure • Subject to greater financial control than option 3 (public sector finance regulations) • VAA involvement limited (but VAA desired outcomes achievable)
Option 3 - Creation of a new VAA – possibly a joint venture (e.g. Flexibility for public & third sector ownership)	<ul style="list-style-type: none"> • Potentially stronger platform for innovation working integrally with VAA • VAA involvement and risk sharing • Financial freedoms 	<ul style="list-style-type: none"> • Procurement and tax implications – increased cost • Complex / higher risk transition • Reduced protection for staff as external • Requires VAAs to invest in Joint Venture • VAA to accept staff/pension liabilities