

Appendix 1 – Range of Operating Models (1 = Highest ranking)

Option Name	Descriptor	Ranking Order
Primary design and add on	Primary design of services, comprising setting and determination of policy, programme priorities are delivered in-house. Specialist design and consultancy services and all blue collar services are outsourced.	1
Contractor and Designer Separate	Single external contractor providing all blue collar services with separate single external consultant providing all white collar consultancy and design services, but in-house client retaining influence and control.	2
Integrated Contractor and Designer	Single external service provider providing all blue collar and white collar services, but with in-house client retaining influence and control.	3
Function orientated service providers	E.g. Winter Service, Street Lighting and Drainage each contract with a single external providers, which may or may not be a different provider for each function.	4
Cyclical and reactive in-house	Reactive and cyclical services provided in-house, all other services contracted out.	5
4 year Framework agreements	4 years, as this is the term defined by NEC. Contract that operates through highways alliances. There can also be local frameworks.	6
Shared service (neighbouring Authority)	Shared service with neighbouring authority. The extent of sharing and exact configuration to be defined with the specific authority under review, depending on whether shared administration or two very distinct and separate services under a single contract.	7
Multiple providers per service area	E.g. Winter Service, Street Lighting and Drainage each contract with multiple external providers.	8
Current service model	Single external service provider providing all blue and white collar services with extremely 'lean' in-house client.	9
Primary and secondary providers	The Client contracts with two different contractors to spread risk, one of which is the primary option.	
Joint Venture (JV)	Two or more arrangements coming together to form a separate legal entity for commercial purposes.	
Pseudo JV	As above but without the formation of a separate legal entity.	
Arm's Length Company.	Wholly owned local authority company limited by shares or guarantee.	

Private Finance	Private Finance Initiative.	
Best option by service/function	Each function contracts separately with the best provider; this may be internal or external. For the purposes of this exercise at least one function must be contracted out and at least one function provided in-house.	
All in-house	All services are provided internally, e.g. nothing is contracted out.	
Regional combiner service	Service contracted and provided on a regional basis by one of the ten regional combined authorities.	

The greyed out models were ruled out for the following reasons.

The **primary and secondary supplier** was not an option, because it was not something that the industry would be interested in and not submit any serious offers.

The **JV** was not an option, because of the difficulty and cost of setting it up, in addition to the lack of any existence in this particular area of service.

The **Pseudo JV** was not an option, because of similar reasons to the above.

The **Arms Trading Company** was not an option because of similar reasons to above but also the examples of where they didn't last long where it has been tried elsewhere, and thereafter, the costs and disruption in disbanding, in particular for a service of this nature. In principle might be ok for other services areas.

The **Private Finance** was not an option, because it is not really being supported at present by government.

The **best option by function/provider including comparing against in house** was not an option, because having no in-house capacity at present and the costs and difficulty of creating such a team is too great.

The **All in house** was not an option because Buckinghamshire were not in a position to be able to deliver on this having no in-house capacity at present and the costs and difficulty of creating such a team is too great.

The **Regional Combined** was not an option because it potentially became too large for the market to cater for, was little interest in the market for such an option and the potential conflicts between authorities.