Service Review Options Summary

Name of Service Review: **Service Savings Target:**
SRO: Robert Sampson

Options		Ballpark cost to implement option			Key Risks & Benefits	Resource needed to deliver	Liability	Complexity of implementation	Ballpark Implementation Go Live
No.	**Delivery Type** *(select from drop down)*	*2012/13*	*2013/14*	*2014/15*					
1	Internal Provision				**Benefits:** • SCC is able to ensure savings targets are achieved. • SCC is able to drive service improvements. • No additional procurement costs are incurred. • The infrastructure is already in place and local arrangements can be protected. • Safeguarding arrangements can be secured via links to Children's. **Risks:** • No evidence that SCC management achieves better outcomes than other providers. • DfE in its Statutory Guidance wants to see private, voluntary and community groups and organisations involved in the management of Children's Centre. • This does not fit with the SCC Target Operating Model.	N/A		Low	eg QI FY 12/13
2	Externalisation	50k	50k		**Benefits:** • SCC could control the achievement of savings targets and service improvement via LA led organisations. • Staff would leave SCC employment. • Partially fits with Government's view re management of Children's Centres. • Subcontracting could allow PVI involvement. • Could be a phased approach to a full market tender. **Risks:** •Initial establishment of a legal entity could be costly. • Some duplication in back office costs	100k		High	e.g. Q3 FY 13/14

3	Outsource - To One Provider	50k	50k		**Benefits:** • Service can be evaluated against current market rates. • Savings achieved via the outsourcing. • Organisation with a strong track record can be engaged. • SCC workforce is reduced. • Operational overheads reduced. **Risks:** • Cost of initial tender could be high. • Consultation is required. • Need for a robust tender process. • Adverse impact on PVI sector who are currently involved in Children's Centres. • Possible duplication of overhead costs. • VAT costs may apply.	100k		High	eg Q1 FY 13/14
4	Outsource - By Cluster	50k	50k		**Benefits:** • Allow for local arrangements. • Opportunities for PVI organisations. • Achieve the Change Programme objectives of reducing SCC workforce. • SCC workforce is reduced. • Operational overheads reduced as providers bring their own capacity. • Involvement of service users in procurement process. **Risks:** • Procurement can be costly and complex. • Tendering and contract monitoring needs to be robust. Varied arrangements re TUPE and Pension deficit. • Service will be fragmented and driving performance management will be challenging.	100k		High	eg Q1 FY 13/14

Comments
e.g. Finance view on VAT, pensions, corporate overheads impacts (not figures)
Resources: Based on current service costs. **Go-live:** As of now as no service reconfiguration required. **Staff:** No change; staffing levels remain unchanged. **VAT:** No change for VAT purposes - local authorities are permitted to fully recover VAT incurred in connection with non-business, exempt or taxable activities. **Pensions:** No change providing staffing levels remain unchanged. If staff are made redundant, then anyone over 55 years is entitled to their pension. This will result in an immediate cost to SCC.
Resources: Contract Management capacity required £50k from 2012/13 and 2013/14. **Go-live:** Financial Year 2013/14. **Staff:** Would transfer to the new entity. **VAT:** Costs incurred for new legal entity. **Pensions:** Implications may vary depending on model agreed.

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