



Wales Co-operative Centre
Canolfan Cydweithredol Cymru

Alternative Delivery Models for the Public Sector

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Llywodraeth Cymru
Welsh Government



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We Are Trusted Experts In:-

- Social Enterprises & Community Co-operatives
- Multi Stakeholder organisations
- Asset Transfers
- Employee Owned Business
- Establishing Consortia

Delivery Partners of:-



Re-Shaping Welsh Public Services - We can help you:-

Understanding Your Options

- Service assessments
- Options appraisal
- Feasibility studies
- Business case development

Be Your Transition Partner

- Design a Transition plan
- Business and financial planning
- Specialist governance and legal advice

Support Growth & Development

- On-going business support
- Training for new Directors and staff
- Peer to peer mentoring
- Succession planning





Drivers For Change

- ▼ Reductions in central funding
- ▼ Williams Review
- ▼ Social Services and Well Being Act 2014
- ▼ White Paper 'Reforming Local Government, Power to the People'
- ▼ The Well-Being of Future Generations Bill/Act
- ▼ Welsh Government ADM action plan - consultation
- ▼ 'Is the feeling Mutual' – Keith Edwards
- ▼ Report of the Welsh Co-operative and Mutual Commission
- ▼ Other factors – increased demand for services, aging population and requirement for services to integrate





Key Questions?

- How much control do we want to retain?
- Will it save us money?
- Will it improve the service?
- Can/should we do it?





Types of ADM's

Delivery model	Ownership	Governance	Services
Improved in-house delivery	100% parent LA	Within LA management structures and hierarchy	Can only deliver local public sector services
Local Authority Trading Company (LATC) <i>Sometimes referred to as a Wholly Owned Company</i>	100% parent LA	Can be designed for flexibility/autonomy Requires an LA appointed Board SLA/contract with parent LA(s) – <i>control test</i>	Flexible – but majority of services delivered on behalf of parent LA(s) – <i>function test</i>
Public Service Mutual (PSM)	Variety of options: <ul style="list-style-type: none"> • LA + staff • Staff + community • 100% staff 	Can be designed as required Board membership dependent upon ownership SLA/contract with LA(s)	Flexible – can deliver services to LAs, private or VCS customers
Outsource	100% third party provider	Arranged via contract	Contracted services delivered on behalf of LA(s)
Joint Venture (JV)	Potential for joint ownership, including staff, LA(s) and/or third party provider	Can be designed as required SLA/contracts as required	Flexible – can be delivered to LA(s) and private/VCS customers

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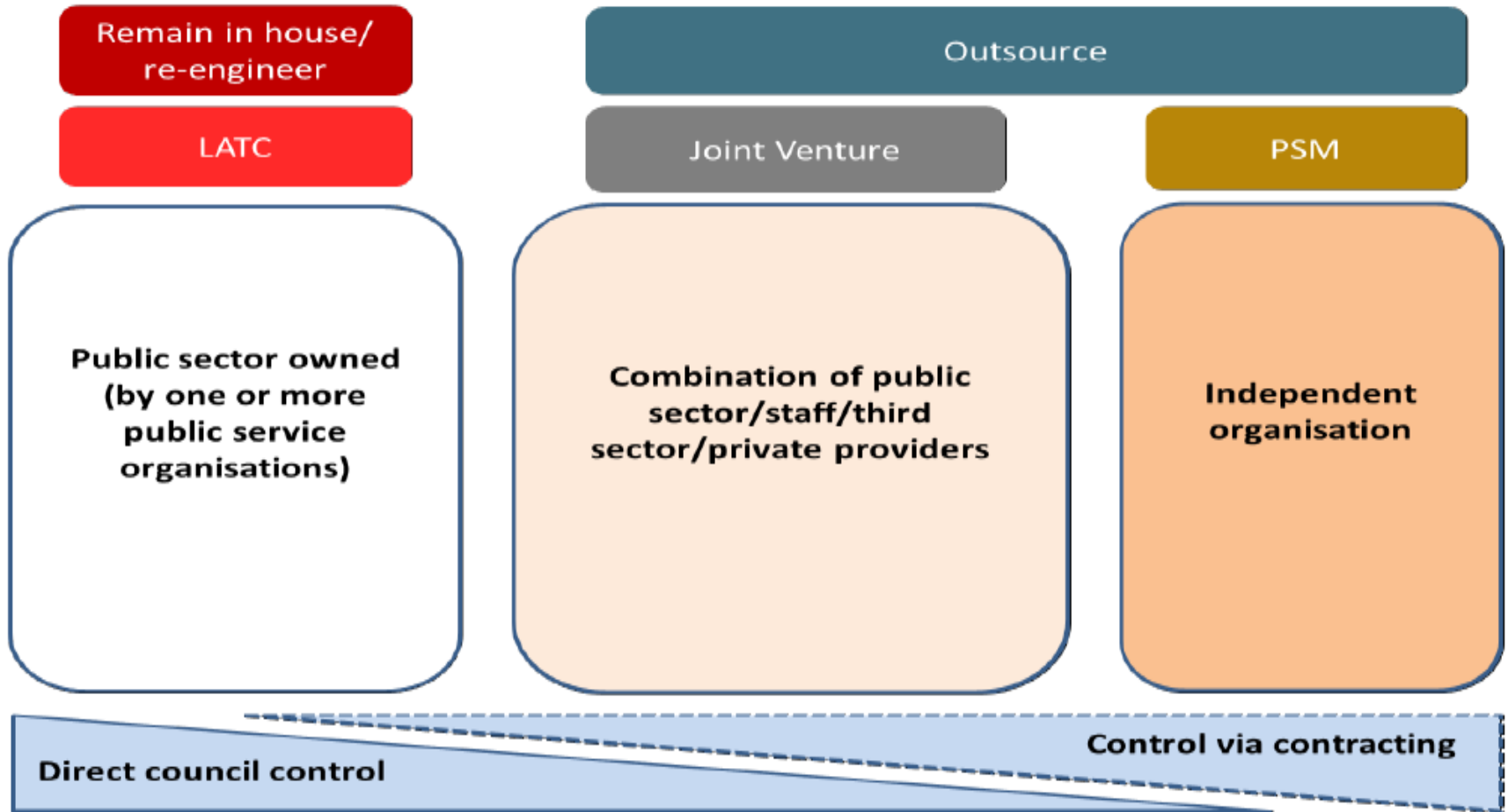
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Each Model's Strengths

- ▼ **In-house & LATCs** - protected from unplanned financial failure
- ▼ **Outsourcing/private provision** can create scale, efficiency and system-level innovation
- ▼ **PSMs** are usually smaller scale and focused on social impact and innovation at a local level
- ▼ Not Welsh Government's role job pick a winning model/mix
- ▼ LAs can commission services so that:
 - A balanced market place emerges
 - Each model keeps the others "honest" through demonstrating their particular strengths







Potential Benefits

- ▼ New delivery models can create different incentives and behaviours
- ▼ These can embed continuous cost reductions and quality improvements





Potential Challenges

Complicated process to 'spin out'

Over reliance on a single contract

New organisation challenges

Taxation issues

Asset transfer

Pensions

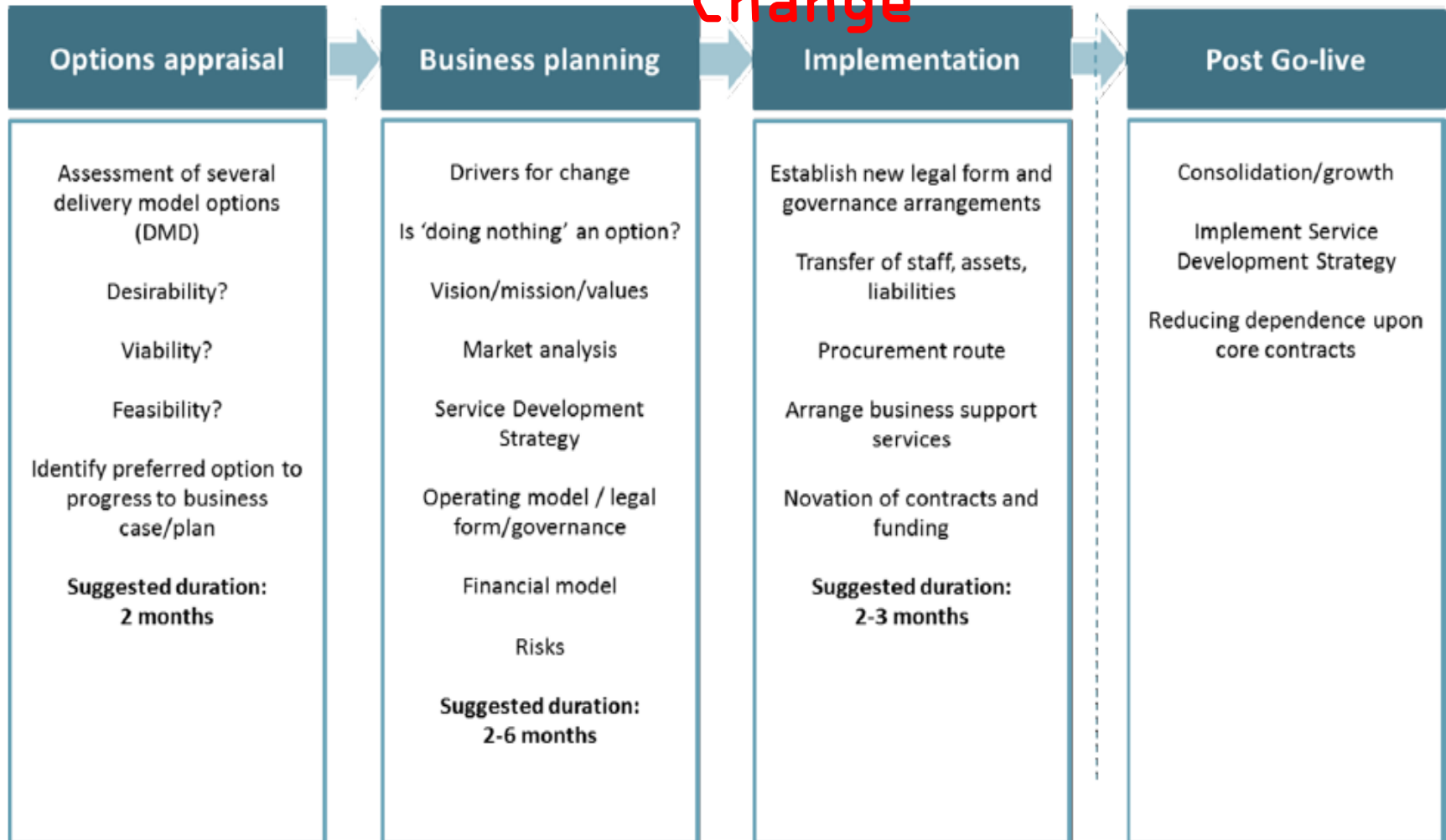
Capacity restrictions

Capability gaps





The Process For Change





Some Examples

- **PossAbilities** (Rochdale) -
Health/Social Care

www.possabiliites.org.uk

- **Social Adventures** (Salford) -
Health/Social Care

www.socialadventure.org.uk

- **Achieving for Children** (Richmond)
Children's Services

www.achievingforchildren.org.uk

- **Seqol** (Swindon) - Health/Social
Care



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Any Questions?

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