

13 December 2011		ITEM 7
Children's Services Overview and Scrutiny Committee		
Alternative Delivery Models – 'Moving Forward'		
Wards and communities affected: All	Key Decision: Yes	
Accountable Head of Service: Carmel Littleton, Head of Learning & Universal Outcomes		
Accountable Director: Jo Olsson - Director of People Services		
<p>Purpose of Report: To update members on the progress of work towards the development of alternative delivery models through the identification of a suitable legal structure to serve as a vehicle for the transfer of assets and services from the public sector to the local communities in order to:</p> <ul style="list-style-type: none"> • Deliver a range of activities for children and young people across Thurrock. • Support and develop a sustainable model for youth activities, including Grangewaters outdoor education Centre, across Thurrock 		

1. EXECUTIVE SUMMARY

- 1.1 The current economic climate has necessitated a move to a more targeted approach to funding services. This will result in less funding for some activities traditionally provided by Local Authorities. To achieve the planned reductions in public spending, statutory bodies will be required to manage public resources and assets more effectively and to explore alternative delivery models.
- 1.2 Following agreement by cabinet in January 2011, an Alternative Delivery project group was established, with the aim of ensuring all aspects of the project are explored prior to presenting a range of options to Cabinet for consideration, to ensure stakeholders are consulted appropriately and to consider a range of models of delivery
- 1.3 In November 2011 a Stakeholders Workshop was held with the aim of identifying stakeholders who would work together to ensure stakeholders in youth provision throughout the borough are fully involved in the development of the Alternative delivery Models project, are represented on the on the project board and assist the project Group to ensure a full range of options are explored.

2. RECOMMENDATIONS

- 2.1 That members note the progress made and the continuing development of this project.**

3. INTRODUCTION AND BACKGROUND:

- 3.1 The report to cabinet in January 2011, highlighted the alternative models of delivery for a range of activities for children and young people across Thurrock and explored the possibility of establishing a charitable organisation to maintain delivery in a reducing financial climate.
- 3.2 The current economic climate necessitated a move to a more targeted approach to funding services and this will result in less funding for some activities traditionally provided by Local Authorities. To achieve the planned reductions in public spending, statutory bodies will be required to manage public resources and assets more effectively and to explore alternative delivery models.
- 3.3 Thurrock Council, therefore, established an Alternative Delivery Models Project Group (“The Project Group”) comprising senior management with expertise from the following areas, among others, Legal Services, Procurement, Commissioning, and the development of Social Enterprise.
- 3.4 The Project Group has been meeting at 4 to 6 week intervals to research, design and develop alternative delivery models that would provide services at minimal cost while maximising the community benefit derived from its diverse asset portfolio. The is considering the potential for the Local Authority to transfer assets and services into a separate legal entity that will be given ownership and management of such services based upon established good practice in order to make recommendations to Cabinet on these. This would secure efficiencies in both costs and the long term interests of the community.
- 3.5 The Alternative Delivery Models Project group has reviewed various legal structures with the aim of identifying the relationship that appears to best serve the long-term public interest. The options explored involved a service management that would be inclusive of the community, yet exclusive of the current cost to the Council with the aim of
- Redistributing power to communities and users.
 - Helping people to come together, empowering citizens to work together within communities to create a ‘Big Society’.

4. OPPORTUNITIES

4.1 The Project Group considered a range of options and identified that the following were suitable for further exploration:

- Unincorporated Association:
- Cooperative/Industrial & Provident Society/Mutual (for Community Benefit)
- Social Enterprise / Community Interest Company
- Charitable Trust

4.2 The Project Group are currently undertaking further work to explore in more detail the option to develop a charitable trust and the option to develop a social enterprise / community interest company as it was felt that further information was needed prior to making recommendations to Cabinet.

4.3 In considering the options examination of the advantages and disadvantages of the different models with regards to tax benefits, VAT and asset protection. The option for securing additional funding has also been considered.

4.4 One of the key aims is to develop an innovative way of delivering public services within the community thus ensuring that the local communities remain key to the delivery of services to children and young people.

4.5 By consolidating the existing arrangements for the monitoring of both formal and informal learning opportunities we would wish to streamline the approach and ensure that partners have active participation in the ongoing development of the service.

4.6 The delivery of the Grangewaters site provides a range of outdoor education opportunities in Thurrock. The site has been established for over 27 years and is currently managed and operated by Thurrock Council. The site provides opportunities to further develop and offer more opportunities to Thurrock residents and partners from other local authorities and external organisations however, this will require significant investment. The development of a charitable organisation will provide the opportunity to secure this investment from external sources; the alternative is to commission an external partner to secure this investment.

5. CONSULTATION (including Overview and Scrutiny, if applicable)

5.1 The following groups would be consulted in the development of the proposals.

A stakeholder event was held to consult with partners from across the area on the benefits of the project and on the development of recommendations on the model to be developed.

6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

6.1 This consultation will inform recommendations that will assist in the delivery of the following Council priorities:

- to improve the education and skills of local people
- to encourage and promote job creation and economic prosperity
- to provide and commission high quality and accessible services that meet, wherever possible, individual needs

7. IMPLICATIONS

7.1 Financial

7.1.1 Implications verified by: Funké Nana
Telephone and email: 01375 652 451 fnana@thurrock.gov.uk

7.1.2 There are no direct financial implications arising for this report as the purpose is to update members on the progress of the work. The financial implications are being explored as a part of the development and full implications will be included in the recommendations made to Cabinet.

7.2 Legal

7.2.1 Implications verified by: **Clinton Jackson**
Telephone and email: **01375652822**
cjackson@thurrock.gov.uk

7.2.3 The legal implications are largely set out in the attachments which describe the various project delivery vehicles and the respective advantages and disadvantages in relation to the legal and financial matters. These legal implications are being explored as a part of the development and full implications will be included in the recommendations made to Cabinet.

7.3 Diversity and Equality

7.3.1 Implications verified by: **Samson DeAlyn**
Telephone and email: **01375 652472**
sdealyn@thurrock.gov.uk

7.3.2 An Equality Impact Assessment will be completed considering the range of options explored; this has commenced and will be considered fully in partnership with the Diversity team when making recommendations on future delivery to Cabinet.

8. CONCLUSION

- 8.1 The development of an alternative delivery model is being developed in partnership with key stakeholders. In doing this a range of options are being considered including the legal, procurement and financial implications of these.
- 8.2 The project group will continue to explore these options and will make recommendations to Cabinet on the legal structure to be established to secure future delivery of services.

9. BACKGROUND PAPERS USED IN PREPARING THIS REPORT:

- 9.1 None

10. APPENDICES TO THIS REPORT:

- Appendix one – comparison of legal structures
- Appendix two – copy of initial appraisals

11. REPORT AUTHOR CONTACT DETAILS:

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