

Appendix two Alternative Delivery Models – Options Appraisal

Option Being Explored	Cooperative/Industrial & Provident Society/Mutual (for community benefit)
Lead Project Member	Chris Burr
Description of model	A business model owned and operated by a group of individuals for the benefit of a specific community
Legal considerations	<ul style="list-style-type: none"> - Eligible for charitable status and tax exemptions - Limited Liability for members - Governed by 'Rules' - Has the ability to trade
Procurement considerations	<ul style="list-style-type: none"> - As an incorporated body, it can enter into contracts and own property
Equality considerations	<ul style="list-style-type: none"> - Open membership for eligible members - Equal say (1 member, 1 vote) - Controlled by members
Initial overview of costs to be considered	<ul style="list-style-type: none"> - Approx £2-500.00 for development worker from Cooperatives UK to constitute the organisation and file documents with Financial Services Authority - Ongoing costs for annual audit - Ongoing costs for communicating to and polling members
Comment on model for local authority	<ul style="list-style-type: none"> - Completely independent of Local Authority - Potential instability due to management structure
Comment on model for community	<ul style="list-style-type: none"> - Democratic participation for members
Can assets be protected?	<ul style="list-style-type: none"> - Community 'Asset lock' applies
Advantages	<ul style="list-style-type: none"> - Can achieve charitable status and tax exemptions - Direct links between community and control of organisation - Public accountability (public accounts are subject to public scrutiny)

Disadvantages	<ul style="list-style-type: none">- Difficulty in managing & communicating to large quorum of members- Rules are deemed to be not as flexible as a limited company (FSA)- Relatively expensive & bureaucratic model to use