

# **City of Cardiff Council**

Alternative Delivery Models

## **Part 3: Consensus Model Scores**

**Consensus Scores developed by Infrastructure Project Board Members**

**13<sup>th</sup> March 2015**

## Scoring system

The scoring system is as an aid to decision-making, not the sole mechanism for determining the outcome - other factors will need to be taken into account.

Each model has been scored according to its ability to deliver against each of the Key Criteria / Critical Objective.

All models were scored on a 1 to 6 scale in terms of their ability to achieve each criteria, where 1 represents a minimum ability and 6 a maximum ability.

Infrastructure Project Board Members used the Assessment Pack to independently score the five shortlisted models against the 8 key criteria. The scores were collated by Local Partnerships who then facilitated a discussion on the scores to agree the consensus scores set out in the table below. The reasoning for the consensus scores are also set out below.

The Enabling and Commissioning Board meeting on 14<sup>th</sup> April agreed that 'The Model Scores developed by the Project Team be used on the Infrastructure Services Project'. The use of the Consensus Model Scores on the Infrastructure Services Project will be assessed before being rolled out across the Council. There will be the potential to vary the Models scores in certain limited cases to reflect the specific circumstances in a service – the reasons / evidence for any proposed change will need to be clearly set out.

In terms of reaching a recommended delivery model the score of each model against each criteria will then be multiplied against how each service weighted each criteria.

	<b>Evaluation Criterion Statement</b>	<b>Question to Ask When Assigning Model Score</b>		<b>Modified In-house</b>	<b>Council Owned Trading Company</b>	<b>Public/Public Joint Venture</b>	<b>Public/Private Joint Venture</b>	<b>Outsourcing</b>
1.	How important is that the chosen model for service delivery will allow the Council to transfer risk in relation to cost reductions	How able is the model to transfer risk for achieving cost savings away from the Council?	<b>Score</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>6</b>
			<b>Group reasoning</b>	<b>Broad agreement on score that as you move from in-house to outsourcing and there is more involvement and engagement with others outside Cardiff Council, the greater the transfer of risk. Discussion was held around the differences in transferring risks between a public / public JV and a public / private JV and it was felt in general that there is the potential to transfer more risk to a private sector JV partner as they would have been subject to a competitive procurement whilst the public sector JV partner is likely to be more aligned in terms of ethos. All would be dependent on the structure of the precise deal / contract.</b>				
2.	How important is it that the chosen model for service delivery will allow the Council to exploit income opportunities for its benefit	How able is the model to exploit income generation opportunities for the Council's benefit?	<b>Score</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>2</b>
			<b>Group reasoning</b>	<b>Assumes trading powers can be fully utilised for any model involving a direct role for Cardiff Council (models 1-4). For Public &amp; Private JV equal ownership is assumed, hence equal income sharing arrangements would apply, as agreed as part of the selection process, with such models benefitting from the partner's commercial experience. Assumes in outsourcing, that the private sector retains this for its own shareholders.</b>				
3.	How important is it that the chosen model for service delivery will allow the Council to maintain influence and control over day to day decision making	How able is the model to allow the Council to maintain influence and control over day to day decision making?	<b>Score</b>	<b>6</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
			<b>Group reasoning</b>	<b>Broad agreement that the in-house model allows 100% control and as you move away from that, control over decision making diminishes. Discussion was held around the differences in transferring risks</b>				

				<b>between a public / public JV and a public / private JV and it was felt in general that there is the potential to maintain a greater degree of control with a public sector JV partner as they are likely to be more aligned in terms of ethos. All would be dependent on the structure of the precise deal / contract.</b>
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4.	How important is it that the chosen model for service delivery will allow the Council flexibility to change service scope and delivery specifications in future years	How able is the model to allow the Council to easily change service scope and delivery specifications in future years?	Score	6	5	4	3	2
			Group reasoning	<b>As with #3 above, if there is greater control, it is believed there will be more flexibility for the Council. Assumes that whilst an outsourced contract can be changed, then there would be a cost premium for such flexibility.</b>				
5.	How important is it that the chosen model for service delivery will allow the Council to transfer risk in respect of operational performance	How able is the model to transfer risk in respect of operational performance?	Score	1	2	3	4	5
			Group reasoning	<b>Broad agreement on score that as you move from in-house to outsourcing and there is more involvement and engagement with others outside Cardiff Council, the greater the transfer of risk. Discussion was held around the differences in transferring risks between a public / public JV and a public / private JV and it was felt in general that there is the potential to transfer more risk to a private sector JV partner as they would have been subject to a competitive procurement whilst the public sector JV partner is likely to be more aligned in terms of ethos. All would be dependent on the structure of the precise deal / contract.</b>  <b>It was discussed, that this would not be the same for all services in scope as some have statutory indicators and the Council cannot divorce itself of the responsibility. There will always be some form of reputational risk.</b>				
6.	How important is it that the chosen model for service delivery will allow the Council to transfer risk in respect of repaying financial investment (if required)	How able is the model to transfer risk in respect of repaying financial investment (if required)?	Score	1	1	4	4	6
			Group reasoning	<b>For the first two models responsibility ultimately still remains fully with the Council, though under a Council wholly owned company as a parent “guarantor”. For three and four it is shared (assumed to be equally) with a partner. Need to be clear from the start where risks sit.</b>				

7.	How important is it that the chosen model for service delivery will allow the Council to transfer the risk to improve service delivery performance and increase capacity?	How able is the model to transfer the risk to improve service delivery performance and increase capacity?	<b>Score</b>	1	3	4	5	5
			<b>Group reasoning</b>	<b>Some debate as this appears to be two questions within one. The scores assume that this will be discussed as part of any negotiations to establish the deal / contract. This needs to be reflected in the Outline Business Case. There was an assumption that the private sector (as potential JV partner or outsourced contractor) would bring in additional resources / staff / expertise.</b>				
8.	How important is it that the chosen model for service delivery will allow the Council to realise benefits within the short term.	How able is the model to realise benefits in the short term?	<b>Score</b>	4	3	3	2	2
			<b>Group reasoning</b>	<b>Assumption was made that short term is within the year from when a decision is made, based on the MTFP. The scoring reflects the projected time taken to establish the necessary vehicles, and in the case of arrangements involving the private sector, undertaking a competitive procurement.</b>				

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