

ITEM 12 APPENDIX A

Option	Costs	Advantages/Disadvantages
Full outsource (1)	£534k - £668k	<p><u>Advantages</u></p> <ul style="list-style-type: none"> • Greater resilience • Access to wider/specialist resources • No recruitment costs • Potentially better quality but experience of Welland partners has been mixed in the past <p><u>Disadvantages</u></p> <ul style="list-style-type: none"> • Contract management required • Continuity of staffing not guaranteed • Increased cost even if external providers argue 10-20% productivity gains • Takes time and cost as OJEU process is required (or use of framework if possible) • Change of scope may require changes in contract
Co-source (2)	£480k - £520k	Combination of models 1 and 3
Fully staffed model (3)	£300-£320k	<p><u>Advantages</u></p> <ul style="list-style-type: none"> • Continuity of staffing • Greater familiarity with clients • Scope of service easily modified <p><u>Disadvantages</u></p> <ul style="list-style-type: none"> • Lack of resilience • Access to specialist advice is limited • Some difficulties in recruitment as pay rates not always competitive in this market
Collaboration/ Delegated model (4) e.g. Another Council take over Audit service	£320k	<p><u>Advantages</u></p> <ul style="list-style-type: none"> • Greater resilience • Access to wider/specialist resources • No recruitment costs or sickness problems • Continuity of staff with TUPE transfer • Avoids any redundancy costs as staff TUPE (RCC) • No OJEU required but negotiation needed over TUPE etc.(RCC) <p><u>Disadvantages</u></p> <ul style="list-style-type: none"> • Management of agreement required • Continuity of staffing not guaranteed • Lack of resilience if not collaborating with a partner of sufficient size • Potential for cost increases

Notes		
<p>Option 1 - Costs based on days require multiplied by an estimated day rate range of £400-£500 per day following informal discussions with suppliers and knowledge of rates charged elsewhere. As current staff would TUPE transfer, providers would wish to see terms and conditions before deciding rates.</p>		
<p>Option 2 - Assumes 400 days commissioned and the remainder provided in-house. Day rates higher as buying-in a Head of Audit would cost more per day (£500 - £650 per day) than a general composite rate.</p>		
<p>Costs are shared between 5 local authorities</p>		