

Appendix 4 – Options appraisal findings

A thorough options appraisal was applied to a number of models and functions. Appendix 3 summarises the process and scoring. By completing this process, some models were discounted and others included in the draft strategy. This paper summarises the options appraisal findings.

Private Company

In this option, a private company is employed to do some or all of the functions and/or secure income. This would be achieved either via commercial leases or contracts. In all cases, some internal resource would be required to ensure that the company meets its agreed responsibilities. The level of requirement would vary depending on the number of contractors in place.

Unit costs were calculated across all functions. A Request For Information (RFI) was issued and completed by eight Small and Medium Enterprises (SMEs) in East Sussex. This enabled comparison of cost on estimates for fingerposts, kissing gates, stiles, bridges, clearance and surfacing. Costs were also compared with the Surrey County Council (SCC) procurement framework and SCC's Commercial Insight Team completed a Market Analysis Report on East Sussex.

None of these options are proposed for progression to the next stage for two main reasons:

- 1) Assessment of the market has found that employment of an SME contractor would be largely comparable to the current cost. In addition to this it is unlikely one SME would have the capacity to do all the work. Therefore a larger client resource would be required to manage and appoint as required, further reducing the likelihood of savings.
- 2) A larger contractor would be expected to subcontract some of the work, which would increase costs. Furthermore large companies interested in conservation work as well as maintenance have not been identified. If this remained the case at tender stage, a large amount of the work would be subcontracted.

Association

Here 'Association' represents an organisation in the Voluntary and Charity Sector (VCS), Local Government or community groups.

The level of ESCC resource required for this model would depend on the mechanism employed and conditions negotiated during the proposed transfer.

Understanding a variety of information was necessary for this model including unit costs, a range of site specific information, how well this model worked in different areas and the level of interest.

The proposal to work to identify the right delivery partner to manage the sites in the future is included in the draft strategy. This is because the sites may be better managed by alternative organisations that are able to prioritise community involvement, conservation and visitor engagement.

Partnership

In this model, a partnership is created with another Local Authority (LA) for the various functions.

Understanding a variety of information was necessary for this model, including unit costs, commercial analysis and benchmarking results.

A partnership was found to be inefficient as it would generate longer travel times and distance staff from local knowledge and experience. We intend, however, to work closely with LAs to learn the strengths and weaknesses of their respective working practices.

Spin Out and Local Authority Trading Company (LATC)

Spin Out: In this option an independent company is created to manage the functions. It then operates separately to the Council, which retains control of function provision via a contract or lease. The company can take any form, such as private, charity or community interest company (CIC) and can trade privately. Staff interest from those that would be within and leading the company is essential.

LATC: In this option a trading company is created to manage the function. A LATC is able to trade and make profit. Again staff interest is essential.

It is proposed that these models are not progressed due to the lack of interest from staff and furthermore because no benefits or enhancements to the way in which the Council meets need were identified from this option.

In-house

With the in-house model, staff are employed directly by the Council to complete work. This is the model currently operated by the Council.

The unit cost and market analysis has been essential to this work, as has benchmarking and assessment of our network and site condition.

The current model meets need, but changes may enable increased impact and better use of resource. A modified in-house provision model for PRow should be progressed to the next stage.

Site handover

In these models, the site(s) are passed to another organisation permanently. This would reduce ESCC responsibility and ongoing resource requirement. No in-house resource would be needed for the sites as there would be no contract or lease to monitor. Sites would only be passed to organisations which can meet the need and are experienced in community involvement, conservation and visitor engagement.

This model should be considered as a method for the right delivery partner to be able to manage the sites.

A high level of care would be required to ensure need can be met in the future and demonstrate best value. There may be private buyers interested; however, the sale of sites on the open market is not proposed. It is the preference of the County Council to consider organisations which prioritise community involvement, conservation and visitor engagement.