

Option 1- In House

<p>S</p> <h3>Strengths</h3> <ul style="list-style-type: none">•Control of decision making by HBC•Quick response to local issues•In depth local knowledge•Public sector expertise•Changes to service specification at minimal cost•Local authority partnerships/networking•Good union relations•Flexible work force•High quality service•Community trust/reputation•Passion for local initiatives	<p>W</p> <h3>Weaknesses</h3> <ul style="list-style-type: none">•Limited Commercial acumen•Financial constraints•Lack of focus on new opportunities•High levels of sickness absence•Support Service costs•Limitations on income•Complacency•Process driven,•Risk averse
<p>O</p> <h3>Opportunities</h3> <ul style="list-style-type: none">•Collaborate with other councils i.e. joint procurement•Potential for improved services•Development of existing services i.e. Beach huts/garden waste/ Vehicle Maintenance workshop•Creation of new services i.e. /trade waste	<p>T</p> <h3>Threats</h3> <ul style="list-style-type: none">•The need for year on year financial savings•Savings may not materialise•Redundancies•Continuing pressure on council budget•Not progressing/Moving forward

Option 2- Outsource to Private Contractor

SWOT ANALYSIS

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Strengths

- EU Procurement Regulations compliant.
- Open and transparent approach to procurement.
- All of the market approached.
- No reliance on winning private work.
- Agreed specification from start.
- Potential for reduced HR and Payroll.
- Control of decision making by HBC.
- Commercial acumen from private contractor.
- Competitive Dialogue route to the procurement, result in bespoke service.
- Potential gain/pain sharing.

W

Weaknesses

- Long expensive procurement process.
- Parties understanding of specification
- Any specification changes may cost - e.g. compensation if work cut.
- Potential gain/pain sharing.
- If open book contract – heavy on administration for client, and potential poor outcomes.
- Employee protection maybe only guaranteed for minimum period under TUPE, relocated etc.
- Limited investment
- Produce detailed specification documents – Will be expensive and time consuming.
- Will have to create a new Technical Client team
- Will still have some residual central overheads

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Opportunities

- Potential 11% savings delivered through tendering to the private sector (CBI).
- Collaborate with other councils
- Include the ability to trade commercially in partnership with contractor.
- Cost savings realised.
- Potential Improved Service.
- Playing to strengths.
- Potential Staff development.
- Focus on technology.
- Commit to providing more apprentices helping objectives relating to NEETS. (Include Community Benefits)
- Staff training – staff training and development part of contract.
- Investment.

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Threats

- Not in place in time. For 2016/17
- Pensions.
- Trade Unions.
- Savings may not materialise in current market.
- Potential Redundancies.
- Contractor may claim for every change to agreed contract however minor.
- No interest from market
- Challenges on procurement decision.

Option 3- Local Authority Partnership/Private Contractor

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Strengths

- EU Procurement Regulations compliant.
- Open and transparent approach to procurement.
- All of the market approached.
- No reliance on winning private work.
- Agreed specification from start.
- Potential for reduced HR and Payroll.
- Control of decision making by HBC.
- Commercial acumen from private contractor.
- Competitive Dialogue route to the procurement, result in bespoke service.
- Potential gain/pain sharing.

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Weaknesses

- Long expensive procurement process.
- Parties understanding of specification
- Any specification changes may cost - e.g. compensation if work cut.
- Potential gain/pain sharing.
- If open book contract – heavy on administration for client, and potential poor outcomes.
- Employee protection maybe only guaranteed for minimum period under TUPE, relocated etc.
- Limited investment
- Produce detailed specification documents – Will be expensive and time consuming.
- Will still have some residual central overheads

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Opportunities

- Potential 11% savings delivered through tendering to the private sector (CBI).
- Include the ability to trade commercially in partnership with contractor.
- Cost savings realised.
- Potential Improved Service.
- Playing to strengths.
- Potential Staff development..
- Staff training – staff training and development part of contract.
- Investment.
- Shared client team

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Threats

- Not in place in time. For 2016/17
- Pensions.
- Trade Unions.
- Savings may not materialise in current market.
- Potential Redundancies.
- Contractor may claim for every change to agreed contract however minor.
- Political Challenges
- No interest from market
- Challenges on procurement decision.

Option 4a- Joint Venture - Public / Public SWOT ANALYSIS

S Strengths

- Six months turnaround.
- No Procurement – Does not breach EU Procurement Regulations (Teckal).
- Profit Split 50/50
- Profit share based on a guaranteed discount, discount set at the beginning of each financial year.
- Due to 80% share Norse and 20% share HBC and guaranteed discount means no corporation tax liability to the Council
- Norse Group takes all the commercial risk.
- Havant Borough Council represented on Board of JVC (3 Norse and 2 HBC)
- Financial transparency and greater control due to HBC representation on Board.
- Thin Client – so savings on HR, Payroll, Contact Centre etc.
- Ability to trade commercially.
- Public Service ethos and Commercial Flair.
- Shared vision and objectives due to make up of Board.
- 10 year contract offering long term stability and security.
- 12 month termination clause.
- Investment.
- Employee protection – TUPE T&Cs for whole of contract period.
- Norse has national agreements with GMB, Unite, UCATT and Unison.
- Norse has established 22 JVCs since 2002.
- Partly owned by HBC so limited number of contract managers required.
- "Norse Commercial" advertises brand and bid for external contracts – JVC carry out external contracts for a management fee and all of the profits.
- Will purchase existing equipment for nominal price and replace with likewise at end of contract.
- Council get 100% of budget reductions

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Weaknesses

- 12 month termination clause could be used by Norse, and also the Council
- Redundancies.
- Norse 3 to 2 on Board
- Norse 80% shareholder.
- Discount set at the beginning of each financial year so could dictate approach. – by Council –
- Will still have residual central overheads

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Opportunities

- Win external contracts.
- Cost savings and profit share realised.
- New Brand – use marketing and sales to achieve fresh business.
- Other local Authorities join JVC more savings due to Economies of Scale.
- Average 11% frontline savings across all of Norse's other JVCs.
- Improved Service.
- Playing to strengths.
- Staff development.
- Focus on technology.
- Committed to providing more apprentices helping objectives relating to NEETS.
- Staff training – staff training and development among Norse's top priorities.
- Develop current facilities – Workshop Garage
- Develop associated business – Trade Waste, Trade Waste Recycling, MRF recycling facilities - new items

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Threats

- Pensions "Pass through"
- Trade Unions/buy in
- May not win external contracts initially
- Existing private market may come to see Norse JVCs as a threat and compete harder in the market.
- Savings may not materialise.

Option 4b – Joint Venture - Private / Public

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Strengths

- EU Procurement Regulations compliant.
- Open and transparent approach to procurement.
- Wider market approached.
- Agreed specification from start.
- Potential for reduced HR and Payroll.
- Control of decision making by HBC.
- Commercial acumen from private contractor.
- Competitive Dialogue route to the procurement, result in bespoke service.
- Potential gain/pain sharing.

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Weaknesses

- Longer expensive procurement process.
- Parties understanding of specification
- Any specification changes will cost e.g. compensation if work cut.
- Potential gain/pain sharing.
- If open book contract – heavy on administration for client, and potential poor outcomes.
- Employee protection maybe only guaranteed for minimum period under TUPE, relocated etc.
- Limited investment
- Produce specification documents – Limited information available at present
- Will have to create a new Technical Client team
- Will still have some residual central overheads

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Opportunities

- Potential 11% savings
- Collaborate with other councils
- Include the ability to trade commercially in partnership with contractor.
- Cost savings realised.
- Potential Improved Service.
- Playing to strengths.
- Potential Staff development.
- Focus on technology.
- Commit to providing more apprentices helping objectives relating to NEETS. (Include Community Benefits)
- Staff training – staff training and development part of contract.
- Investment – develop facilities & business, e.g. Garage, Trade Waste, MRF etc

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Threats

- Not in place in time for 2016/17
- Pensions.
- Trade Unions.
- Savings may not materialise in current market.
- Potential Redundancies.
- Contractor may claim for every change to agreed contract however minor.
- No interest from market
- Challenges on procurement decision.