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**Report by the Chief Constable**

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**ALTERNATIVE BUSINESS MODELS PROGRAMME****1. Introduction**

- 1.1 On 20 April 2010 the Board agreed to involvement in the Alternative Business Models Programme established by the City of Edinburgh Council to deliver transformational change.
- 1.2 The purpose of this report is to update the Board on progress with the Alternative Business Models Programme.

**2. Background**

- 2.1 In December 2009, the City of Edinburgh Council approved the exploration, through the use of the Competitive Dialogue process, the potential to create three Strategic Partnerships or Joint Ventures for Corporate & Transactional Services, Integrated Facilities Management, and Environmental Services. The Council sought partners to assist them in developing radical and innovative solutions to deliver transformational change. Both Lothian and Borders Police and Lothian and Borders Fire and Rescue Service agreed to become involved in the procurement exercise.
- 2.2 The initial phase of the Competitive Dialogue process commenced on 23 August 2010 and was completed by 25 October 2010. This phase of the programme delivered a range of joint venture and strategic partnership opportunities. Outline solutions were received from 13 organisations. However, two bidders subsequently withdrew from the dialogue process.
- 2.3 Possible partners were selected based on the Evaluation Panels considering the potential for outline solutions to be developed into a compelling business case. The ABM Programme Board recommended and the Council agreed that the following organisations be invited to participate in the next phase of the programme:

**Corporate & Transactional Services**

- Accenture
- BT
- Capita

## Integrated Facilities Management

- Capita/Carillion
- Mitie/Atkins

## Environmental Services

- Enterprise
- Kier/Shanks.

- 2.4 The outline solutions developed through the Corporate & Transactional Services procurement show potential to be compelling business cases but also carry significant risks. Therefore, a further time-limited phase of dialogue will take place to gain clarity on proposals and assess the merit in pursuing dialogue with any or all of the bidders further.
- 2.5 An independent OGC Gateway Review was undertaken over the period 16-18 November 2010 when the Review Team found that the current delivery confidence assessment for the programme had improved to Amber/Green. The first Review earlier in 2010 had assessed the programme at Amber.
- 2.6 Outline equality impact assessments for the programme have been completed and these will be developed into a full equality impact assessment for each procurement as the programme progresses.
- 2.7 The Programme Board and external advisers have developed an outline plan for the next phase of the dialogue process. This outline plan will be tailored to reflect the specific characteristics and circumstances of each of the three procurements in consultation with the bidders. In general terms, the focus of this second phase of the dialogue process will be to develop detailed and fully costed solutions and draft contracts with each bidder whilst in parallel refining the public sector comparator. The current plan anticipates that a further report for Integrated Facilities Management and Environmental Services will be presented to the City of Edinburgh Council in Summer 2011 on completion of this phase of the review programme. However, an earlier report in terms of the Corporate & Transactional Services procurement will be available to the Council following the first programme review checkpoint.

### 3. Recommendation

- 3.1 That the Board note the update on the Alternative Business Models Programme.



David Strang  
Chief Constable

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