

<b>25 March 2015</b>		<b>ITEM: 16</b>
<b>Council</b>		
<b>Serco Strategic Partnership - Update Report</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Councillor Victoria Holloway, Portfolio Holder for Central Services and Transformation		
<b>Accountable Head of Service:</b> Kathryn Adedeji – Head of Housing and Commercial Services		
<b>Accountable Director:</b> Barbara Brownlee – Director of Housing		
<b>This report is public</b>		

### **Executive Summary**

Councillors unanimously agreed the following recommendation at the meeting of Cabinet on 11 February 2015:

**Cabinet instructs officers to bring back a report to March 2015 Cabinet which explores all possible options regarding the future of the Serco contract, up to and including termination.**

Work has commenced to investigate the potential to improve this contract and all options, ranging from minor alterations to complete termination, are being explored. The underlying principles being used to drive forward these discussions for the council are that the contract continues to provide:

- Value to the Council;
- Quality service provision; and
- Low risk – in relation to service and delivery failure

The Council will need to appropriately plan this work to meet our MTFs targets the outcome may well require a change to 2015/16 budget envelop. Given the nature and pace of these discussions, a decision may be required during the pre-election period. This Council are asked to endorse the recommendations made at Cabinet to allow negotiations to be complete.

On the 11 March 2015 a report was referred to Cabinet (detailed at appendix 1) where it was also agreed that a cross-party Members Working Group be established to review the open book information provided to the Council by SERCO.

- 1. Recommendation(s)**
  - 1.1 That the recommendations agreed at Cabinet on 11 March 2015 (detailed in Appendix 2) be endorsed.**
  - 1.2 That any necessary changes to the revenue and capital budget framework to deliver the necessary outcome from negotiations be referred to full Council.**
- 2. Introduction and Background**
  - 2.1 Members are asked to consider and comment upon the report at Appendix 1 which explores all possible options regarding the future of the Serco contract, up to and including termination.
- 3. Issues, Options and Analysis of Options**
  - 3.1 As detailed in the report attached at Appendix 1.
- 4. Reasons for Recommendation**
  - 4.1 As detailed in the report attached at Appendix 1.
- 5. Consultation (including Overview and Scrutiny, if applicable)**
  - 5.1 As detailed in the report attached at Appendix 1.
- 6. Impact on corporate policies, priorities, performance and community impact**
  - 6.1 Not applicable.
- 7. Implications**
  - 7.1 Financial**

As detailed in the report attached at Appendix 1.
  - 7.2 Legal**

As detailed in the report attached at Appendix 1.
  - 7.3 Diversity and Equality**

As detailed in the report attached at Appendix 1.
  - 7.4 Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

Not applicable.

**8. Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- None

**9. Appendices to the report**

- Appendix 1 – Serco Strategic Partnership – Update report (referred to Cabinet on 11 March 2015)
- Appendix 2 – Excerpt of the Draft Minutes of Cabinet held on 11 March 2015.

**Report Author:**

Barbara Brownlee

Director of Housing and Commercial Services