

**WRITTEN STATEMENT OF A NON-KEY DECISION
CABINET**

| | |
|---------------------------|--|
| ITEM: | HEREFORDSHIRE CONNECTS |
| Members Present: | Councillors: RJ Phillips (Leader), Mrs LO Barnett, PJ Edwards, Mrs JP French, JC Mayson, DW Rule MBE (Deputy Leader), RV Stockton, DB Wilcox, RM Wilson. |
| Date of Decision: | 12th April 2007 |
| Exempt: | No |
| Confidential | No |
| Urgent Decision: | No |
| Purpose: | To advise Cabinet of the results from the evaluation process for the three short-listed suppliers for the Herefordshire Connects Programme. This is the second round of the process and the object is to select a preferred supplier. |
| Decision: | <p>THAT (a) Cabinet endorses the recommendation of Corporate Management Board that Deloitte be confirmed as the preferred supplier, with SERCO as reserve;</p> <p>(b) Cabinet agrees that the Director of Corporate and Customer Services conducts negotiations with the preferred supplier, supported by the Director of Resources and the Head of Legal and Democratic Services, bringing back a further report to Cabinet on the outcome of those negotiations; and</p> <p>(c) Cabinet notes the recommendations made by the Audit Commission in its report 'Herefordshire Connects', and agrees the actions proposed in response.</p> |
| Reasons for the Decision: | To note progress with the procurement phase of the Herefordshire Connects programme and endorse the recommendation of a preferred supplier. |
| Options Considered: | <p>Alternative options include: total outsourcing, shared service provision, and doing nothing.</p> <p>Outsourcing has been undertaken by a number of authorities, but evidence suggests that it is not always easy to realise cost benefits e.g., Walsall Council who recently pulled out of a £500m outsourcing deal. This option also carries additional significant risk with regard to staff transfer to the new provider.</p> <p>The shared services option has not been discounted, although it is recognised that in the immediate geographical vicinity there is</p> |

| | |
|--------------------------|---|
| | <p>little current interest in such an option and potential partners would need to be identified from further a field. It is worth noting the recent announcement made by Southampton City Council last which has given approval to select Capita as their preferred Supplier. Negotiations will now take place with Capita to become the Council's Strategic Service Partner (SSP). This Programme will provide improved services to its customers while reducing costs. The partnership at Southampton will deliver a range of Council services, including Customer Services, IT, Property Services, HR, Payroll, Revenues and Benefits, and Procurement. This will include the development of a brand new contact centre and an improved `one stop shop`, which together will become the first point of contact for all Council services. Southampton has a population of 222,000 (based on 2005 mid-year estimates) and a budget for 2007-08 of £168.9m.</p> <p>The option to do nothing would result in the council's financial strategy being at significant risk within two years. In the absence of additional income or efficiency savings, this could only result in significant cuts to services.</p> |
| Declaration of Interest: | |

| | |
|--|------------------------------|
| <p>COUNCILLOR RJ PHILLIPS:..... LEADER OF THE COUNCIL</p> | <p>Date: 12th April 2007</p> |
|--|------------------------------|