

Taunton Deane Borough Council

Council Meeting – 12 November 2013

Councillor Mrs Stock-Williams

Southwest One Services Review

Back in April 2013 The Corporate Scrutiny Committee received details of a review to be undertaken by the Corporate and Client Services Team of the services provided by Southwest One (SWO).

The review followed the SWO contract changes made by Somerset County Council (SCC), as well as the Avon and Somerset Police (ASP) taking back their Property Service. It also considered the previous changes made by SCC a year earlier.

The review has largely focussed on those services and areas of services, which SCC (and ASP in the case of the Property Service) have taken back in-house. The review has been undertaken with the co-operation and support of SWO.

Detailed discussions have taken place with SWO to understand the financial, operational and staffing implications of the services considered for return.

The review considered the following in detail for each service:-

- The benefits expected;
- Financial Assessment;
- Operational Assessment;
- Contractual Issues;
- Other options; and
- Risks.

The review has concluded that there is an overall business case to transfer back the following services to Taunton Deane:-

- (1) Property;
- (2) HR Advisory (including Learning and Development);
- (3) Finance Advisory;
- (4) Facilities Management;
- (5) Design and Print; and
- (6) Corporate Administration.

In addition the Council also needs to make changes to the performance mechanism within the contract resulting from changes agreed by SCC and to ensure it remains fit for purpose.

The main rationale for returning the services selected is that Taunton Deane is no

longer benefiting from a shared services environment in wider expertise and resilience. The changes will also realign Taunton Deane's contract with SWO so that it is broadly for the same services as SWO's contract with SCC. The remaining services will be largely transactional and more easily measurable. It also returns direct control of costs and services to the Council.

The final list of services has been arrived at following discussions with SWO and reflects both the Council's and SWO's priorities for service return. The recommendations being made reflect a provisional 'agreement in the round' that has been reached with SWO, which minimises the costs of terminating these services.

The Council would be taking back financial risk in some areas, but believes that this is outweighed by the overall benefits of the agreement. However, it is important to realise that Taunton Deane cannot 'cherry pick' the services or areas of services we wish to bring back. To do so could prejudice and unbalance the provisional agreement that has been reached.

If it is decided to terminate the services the Council will need to finalise and agree the contract and financial changes with SWO. This will need specialist legal support.

The provisional high level timetable for exit (assuming a 1 February 2014 return of service) is as follows:-

- November 2013 to January 2014 – preparation for service transfer;
- December 2013 - complete commercial and contractual negotiations;
- 1 February 2014 – service transfer date;
- February to April 2014 – service integration.

A full change and transition plan will be developed in conjunction with SWO to support staff during the transfer. This will be similar to the plan that was successfully implemented earlier this year in relation to the Revenues and Benefits service return.

A series of Commercially Confidential Appendices to this recommendation are attached for the attention of Members. These relate to:-

Appendix A – Southwest One Review Summary;
Appendix B – Summary of the cost/budget impact;
Appendix C – Contractual implications;
Appendix D – Summary of feedback from the staff consultation exercise; and
Appendix E – Proposed recommendations to Full Council.

The Southwest One Review report and recommendations were considered by the Corporate Scrutiny on 22 October 2013. Although Members recommended that the report and proposals for the return of further services should be referred to Full Council for a decision on 12 November 2013, an amendment to the confidential recommendation to Full Council was requested which is shown in Confidential Appendix E.

In the circumstances, Full Council is **recommended** to:-

1. Terminate and return to the Council the Corporate Administration, Design and Print, Facilities Management, Finance Advisory, HR Advisory and Property services elements of the Southwest One contract;
2. Authorise the use of funding as set out in the Confidential Appendix B to meet the one-off costs; and
3. Delegate authority to the Corporate and Client Services Manager, in consultation with the Leader of the Council and the Chairman of the Corporate Scrutiny Committee (or nominated substitutes), to complete the necessary contractual discussions and agreement with Southwest One to facilitate the return of the above services, subject to the forecast budget requirement set out in Confidential Appendix E.