

Address by Mark Ladbrooke:

Is the Cabinet prepared to sign off this procurement given that the report before you says that:

1. Financial risk is marked as a band of red in the risk register (Appendix 9)
2. The pre-contract discussions about enforcement are reported as incomplete (Section 47.1)
3. It is recognised that Serco may be unable to deliver on the mobilisation for the contract, so a 2-month extension is built in (bringing the mobilisation period close to that of the in-house comparator) (47 and 48)
4. Standard membership costs for Leisure facilities will increase by 17%. In addition, it's unclear whether council tax payers will be picking up utility bill costs in the first year and funding utility bill increases in excess of the Retail Price Index in future years (57)
5. Council officers predict that management fees will be over budget in the 10-year period of the contract and anticipate council reserves will need to be used (53)
6. Uncompleted dilapidation works from the existing contract will not be recovered from Fusion but it's proposed will need to be paid by council tax payers (55)
7. The council will need to employ an additional officer for client monitoring and corporate property matters - cost not specified (48)
8. The council will offer a £2 million capital grant to the winning company (32)
9. In contrast to the generous council tax payer support to be offered to wealthy corporations - money has been saved by denying the largely low paid workforce access to the Local Government Pension Scheme (65). There appears to have been no user or union involvement in the evaluation of the bids or indeed in setting the procurement criteria
10. The Ice Rink and Ferry Leisure Centre will also have schedules of condition, with the council tax payers funding costs over £100,000 (57)
11. No break clause has been specified in the contract. At the very least, in the light of the poor performance of Fusion, delivery should be reviewed in the short term with the option to end the contract

For the last 5 years council officers would have been aware the Fusion contract was due to end in 2024. The risk of delay in mobilisation constantly cited by officers as a justification for rejecting the in-house bid is difficult to understand.

Serco is an outsourcing company with a poor reputation in a number of fields. In addition this is a poor deal for the council tax payer.

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