

Question from Liz Peretz and Bill MacKeith:

We note you will be making a decision at your meeting on 24<sup>th</sup> January to proceed with a contract with Serco Leisure.

We note you consider the financial risk to be high (Appendix 9) at a period when Council finances are stretched to the limit and in the period of the proposed contract are very likely to get worse, would you not consider this inadvisable?

Our question: regarding this point – have you contacted the other 47 councils where Serco Leisure is operating, mainly in partnership with very well established not for profit Community Trusts? If so, can Cabinet members be given the full information of your findings so they can inform their decisions?

Our long experience with NHS outsourced companies to giants like Serco – InHealth, United Health, Virgin, is that the bottom line is firms expect to make a c. 10% profit margin from the contract. Our experience is that they do this by poor terms and conditions for staff, asset stripping, working to the letter of the performance framework rather than its spirit, and cutting corners – and where even that doesn't reap the profit, they pull out of the contract often leaving a mess behind them. Serco did this to their NHS contracts in Cornwall, Suffolk and many other places explicitly saying this:  
<https://morningstaronline.co.uk/a-9c89-serco-confirms-clinical-health-contract-exit-1>

*GREEDY outsourcing behemoth Serco confirmed its total exit from scandal-hit clinical health contracts in a statement to investors yesterday.*

*The sprawling firm which has hoovered up billions in publicly funded contracts in nearly every sector signalled its retreat from front-line NHS care following a "further review of the costs" and "onerous" contract demands.*

*Its decision casts fresh doubt on Tory plans to parcel England's entire health service up to private subcontractors.*

Serco had already handed back the keys to Cornwall out-of-hours GP services and Braintree Community Hospital.

A brief look at Serco Leisure on the Companies House website should be enough for Cabinet Members to see how much this company is a shell standalone – and is very much part of the parent company; a further look at the information gathered by Corporate Watch will allow members to see clear evidence of decades of poor performance.

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