

Minutes of a meeting of the Cabinet on Wednesday 24 January 2024



Committee members present:

Councillor Brown	Councillor Turner
Councillor Chapman	Councillor Lygo
Councillor Munkonge	Councillor Railton
Councillor Linda Smith	Councillor Upton

Officers present for all or part of the meeting:

Laura Bessell, Benefits Manager
Ian Brooke, Head of Community Services
Lucy Cherry, Policy and Partnerships Officer
Caroline Green, Chief Executive
Tom Hook, Executive Director (Corporate Resources)
Emma Jackman, Head of Law and Governance
Jason Jones, Finance Business Partner (HRA)
Clare Keen, Policy and Partnerships Officer
Nigel Kennedy, Head of Financial Services
Hagan Lewisman, Active Communities Manager
Emma Lund, Committee and Member Services Officer
Peter Matthew, Executive Director of People and Communities
Megan McFarlane, Affordable Housing Supply Programme Officer
David Morrell, Leisure and Active Wellbeing Manager
Carolyn Ploszynski, Head of Regeneration and Economy
Gail Siddall, Regulatory Services Manager
Mish Tullar, Head of Corporate Strategy
Tom Woodhams, Team Leader Lawyer

Also present:

Councillor Lucy Pegg, Chair of Scrutiny
Councillor Chris Jarvis

Apologies:

Councillor Jemima Hunt, Cabinet Member for Culture and Events, sent apologies.

107. Addresses and Questions by Members of the Public

Diana Volpe, Mark Ladbroke, Cat Hobbs and Jamie Clarke addressed Cabinet on the subject of the Leisure Services Contract Award.

Caroline Raine and Liz Peretz had submitted questions relating to the Leisure Services Contract Award.

The statements and questions, and the response provided by the Leader, are attached to these minutes.

108. Councillor Addresses on any item for decision on the Cabinet agenda

Councillor Chris Jarvis addressed Cabinet on the subject of the Leisure Services Contract Award, expressing concerns about the proposed award of the contract to Serco Leisure and urging Cabinet not to accept the recommendations set out in the report.

A statement from Councillor Jarvis clarifying a comment made in his address is appended to these minutes.

109. Councillor Addresses on Neighbourhood Issues

None received.

110. Items raised by Cabinet Members

Councillor Anna Railton, Cabinet Member for Zero Carbon Oxford and Climate Justice, spoke to express appreciation and gratitude to ODS and Oxford City Council employees for their work in responding to recent flooding in the city. Councillor Railton commended the well-planned, co-ordinated and well-executed response involving the two councils, emergency services and Environment Agency to mitigate the effects of the flooding. This had involved putting up flood barriers, moving sandbags, manning pumps, finding temporary accommodation, finding working toilets, disseminating information, checking on vulnerable people, and cleaning up once the floodwater had receded.

111. Scrutiny Reports

Councillor Lucy Pegg, Chair of Scrutiny, presented the outcomes of considerations by the Scrutiny Committee and its Panels.

The Scrutiny Committee had met on 16 January 2024. The following reports had been considered:

- (i) Leisure Services Contract Award
- (ii) Draft Corporate Strategy 2024-28 for Consultation
- (iii) Private Rented Sector Regulation Policies – Result of Consultation
- (iv) Domestic Abuse Housing Alliance (DAHA) Accreditation and Domestic Abuse Review Group Update

In total, 19 recommendations had been made to Cabinet which were included in the separately published supplement together with Cabinet Members' responses.

The Finance & Performance Panel had met on 22 January 2024 and had considered the Council Tax Reduction Scheme 2024/25 and the Housing Revenue Account Rent Setting report. No recommendations on these two reports had been made: recommendations on the Corporate KPI review which had also been considered would be reported to a future Cabinet meeting.

Councillor Pegg also presented the outcomes of scrutiny in relation to the following reports which had been considered by the Climate and Environment Panel on 29 November 2023:

- (v) Biodiversity Action Plan for Oxford City Council Parks and Nature Areas Review
- (vi) Retrofit.

In total, 7 recommendations on these two reports had been made to Cabinet which were included in the separately published supplement, together with Cabinet Members' responses.

112. Leisure Services Contract Award

The Head of Community Services had submitted a report to recommend the award of a contract to Serco Leisure Ltd to manage and develop Oxford's three leisure centres, Hinksey Outdoor Pool, and the Oxford Ice Rink.

Councillor Chewe Munkonge, Cabinet Member for Leisure and Parks presented the report, thanked all those who had made representations on the proposal, and acknowledged the concerns which had been raised. Cllr Munkonge reiterated the Council's commitment to retaining its leisure centres and providing a good quality leisure service, highlighting that a number of options had been considered in relation to the procurement. This had included considering the option of bringing the service in-house. However, detailed work undertaken by officers had concluded that this would have required a level of investment which was not an affordable option within the context of the Council's Medium Term Financial Plan. Officers had worked hard to ensure that the procurement process had been robust, open and fair: it had also been undertaken in accordance with the legal parameters. As a result of this procurement process it had been concluded that Serco Leisure's tender best met the Council's criteria and requirements.

Councillor Munkonge highlighted some of the benefits of Serco Leisure's proposal, which included an investment of over £2.7m to enhance Oxford's leisure centres and facilities; a contribution of annual operative revenue to promote inclusive access; a commitment to increase participation rates and staffing; and an offer which included inclusive activities such as free swimming and youth night activities.

Councillor Munkonge reported that, should Cabinet agree the proposal, officers would complete the due diligence required to finalise the contract, including ensuring that it contained appropriate contractual terms to safeguard Serco Leisure's delivery of its commitments. Specialist legal advice would be taken throughout this process. Officers would also work with Serco Leisure on their mobilisation plan to ensure a smooth transition from Fusion.

Councillor Anna Railton, Cabinet Member for Zero Carbon Oxford and Climate Justice, highlighted the wider financial context relevant to the re-procurement, noting the closure of leisure centres in a number of areas the country - including in areas of high deprivation - with further closures predicted in future years. As it was not a statutory service, leisure services were often the subject of cuts in order to balance tight budgets. The proposal before Cabinet would safeguard leisure provision for the people of Oxford; included a commitment to future investment and a commitment to pay staff the Oxford Living Wage; would maintain important schemes such as free swimming for children; and would not require substantial cuts to other services in order to achieve these aims.

Cabinet also noted that the process for procuring contracts was prescribed in law and the Council would be held financially liable in the event that the lawful process was not followed.

Cabinet resolved to:

1. **Award** a ten-year contract (with a five-year extension option) for managing and developing the Council's three leisure centres, Hinksey Outdoor Pool and the Oxford Ice Rink to Serco Leisure Ltd, subject to officers completing necessary due diligence and pre-contract negotiations;
2. **Delegate authority** to the Interim Executive Director (Communities and People), in consultation with the Head of Financial Services (Section 151 Officer), Head of Law and Governance (Monitoring Officer) and the Cabinet Member for Leisure and Parks to:
 - i) complete due diligence, contract negotiation and final contract terms prior to the award of the contract;
 - ii) agree, subject to the limits set by procurement law and the Council's Constitution and for a maximum period of 2 months from the contract start date, interim arrangements for the delivery of the contract services by Serco Leisure Ltd where necessary to allow them to complete contract mobilisation after 29 March 2024;
 - iii) vary the current contractual arrangements with Fusion to enable them to continue to provide essential members data systems and related back-office support functions for a period of up to 2 months to ensure the continuation of these specific functions and ensure a smooth transition, to the end May 2024, only should the need arise; and
 - iv) establish necessary service and corporate staff arrangements for the effective commissioning, delivery and management of the leisure services contract; and
3. **Agree** to receive annual reports on the performance of leisure services and the contractor and agree the business plan priorities for the following year.

113. Brownfield Land Release Fund: Development of Small Sites for Affordable Housing

The Executive Director (Development) had submitted a report to seek project and contract approvals and delegations; budget; and delegations in relation to affordable housing schemes across five small / garage sites. All sites had been allocated initial funding through the Brownfield Land Release Fund following a successful bid. The report sought approval for appropriation from the General Fund to the Housing Revenue Fund, and to a planning purpose, where necessary; approval for the disposal of land as required; approval for the demolition of garages held in the General Fund and approval for demolition of vacant units currently held within the Housing Revenue Account.

Councillor Linda Smith, Cabinet Member for Housing, highlighted that the proposal would allow for derelict small and garage sites, which often attracted litter and anti-social behaviour, to be put to better use for affordable housing. It was hoped that up to

30 new homes would be provided (subject to planning permission), of which 100% would be affordable housing. Councillor Smith reported that work was ongoing to survey other unused small sites across the city which might also be suitable for redevelopment for affordable housing should future funding opportunities allow.

Cabinet resolved to:

1. **Note** the Council's participation in the Brownfield Land Release Fund (BLRF2) in order to undertake demolitions and groundworks and prepare five Council-owned sites to deliver affordable housing. The sites are at:
 - a) Underhill Circus (referenced in paragraphs 26 - 35 of this report)
 - b) Leiden Road (referenced in paragraphs 36 – 44 of this report)
 - c) Balfour Road (referenced in paragraphs 49 - 54 of this report)
 - d) Harebell Road (referenced in paragraphs 55 - 64 of this report)
 - e) Pegasus Road (referenced in paragraphs 65 - 74 of this report);
2. **Grant project approval** to undertake the works on the basis of which BLRF 2 grant has been made available and for which budgetary provision is detailed;
3. **Recommend to Council** the allocation of a £340,213 capital budget (which will be funded entirely by the BLRF2 grant) to carry out the demolition/ enabling works on each site as detailed within the BLRF2 application (see table, paragraph 14);
4. **Delegate authority** to the Executive Director (Development) in consultation with the Cabinet Member for Housing; the Head of Financial Services/Section 151 Officer; and the Head of Law and Governance/Monitoring Officer, to enter into agreements and contracts to facilitate the works specified within the BLRF2 application, within the allocated capital budget;
5. **Grant project approval** to the proposals to enter into contracts and any other necessary agreements or contracts and incur associated development cost spends, as set out in this report, and within the allocated Housing Revenue Account capital budget and business plan, for the purpose of delivering more affordable housing in Oxford for the sites of Underhill Circus and Leiden Road - conditional on the Council approving the budget for these sites;
6. **Delegate authority** to the Executive Director (Development) in consultation with the Cabinet Member for Housing; the Head of Financial Services/Section 151 Officer; and the Head of Law and Governance/Monitoring Officer, to enter into build contracts and any other necessary agreements or contracts for the purpose of delivering more affordable housing in Oxford in relation to the sites at Underhill Circus and Leiden Road and within the allocated Housing Revenue Account capital budget and business plan and to apply to the Secretary of State for consent (insofar as required) to the appropriations and disposals under section 19 of Housing Act 1985;
7. **Delegate authority** to the Executive Director (Development) in consultation with the Cabinet Member for Housing; the Head of Financial Services/Section 151 Officer; and the Head of Law and Governance/Monitoring Officer, to agree the final terms and enter into the agreement with Oxfordshire Community Land Trust (OCLT) to dispose of the land via a long lease; along with any licences, party wall agreements, grant agreement, or other necessary agreements to enable delivery of the affordable housing at the former garage/ garage sites at Balfour Road; Harebell Road and Pegasus Road for the purpose of enabling the delivery affordable

housing subject to compliance with the legal requirements of S123 of the Local Government Act 1972;

8. **Approve** the appropriation of land at Underhill Circus from the General Fund (GF) to the Housing Revenue Account (HRA); and agree to commence appropriation to a planning purpose for the purpose of developing affordable housing noting the intent to take a full report to Council;
9. **Agree** to commence the appropriation to a planning purpose process on sites at Harebell Road and Pegasus Road noting the intent to take a full report to Council;
10. **Approve** the demolition of garages at sites on Harebell Road and Pegasus Road (held in the GF) for the purposes of delivering affordable housing; and
11. **Approve** the demolition of two homes at 71 and 73 Leiden Road (held in the HRA) for the purposes of delivering affordable housing.

114. Private Rented Sector Regulation Policies - Results of Consultation

The Head of Planning and Regulatory Services had submitted a report to provide the results of the consultation exercise carried out into three key policies and to seek approval for the following policies attached to the report:

- Fit and Proper Person Policy
- Banning Orders and Rogue Landlord Database Entry Policy
- Civil Penalty Policy

Councillor Linda Smith, Cabinet Member for Housing, highlighted that regular updating of these policies represented good practice. No major amendments had been proposed: the changes mostly related to providing improved clarity and transparency for members of the public and for officers in terms of interpreting the policies.

Cabinet resolved to:

1. **Note** the results of the public consultation shown in the report;
2. **Approve** the amended policies, as attached at Appendix 1-3 to the report, in relation to:
 - Fit and Proper Person
 - Banning Orders & Rogue Landlord Database Entry
 - Civil Penalties in relation to residential enforcement
3. **Delegate authority** to the Head of Planning and Regulatory Services to review and update the policies in consultation with the Head of Law and Governance where new legislative powers have been enacted to give the Authority powers to issue fines for private rented homes.

115. Housing Revenue Account (HRA) Rent Setting Report 2024/25

The Head of Financial Services had submitted a report to present the outcome of Oxford City Council's annual rent review and associated rent setting proposal for 2024/25 in respect of all council dwellings within the Housing Revenue Account, including the setting of associated services and facilities charges.

Councillor Linda Smith, Cabinet Member for Housing, outlined that the report's recommendations were consistent with the Council's budget consultation. An increase to rents and service charges of 7.7% was proposed in the next financial year, in order to keep pace with inflation and ensure that landlord services and investment in the Council's properties could continue to be delivered. Social rents would remain less on average than £130 per week, and would remain covered by Local Housing Allowance rates.

Councillor Smith drew attention to a key paragraph within the report which set out that: *'A rent increase that is lower than inflation will have a detrimental impact on the viability of the HRA as the income will not be able to keep pace with rising costs and as a consequence would be at risk of failing its tenants in the supply of services and support.'*

Responses to the budget consultation had also indicated support for continued investment in new social housing, investing in current stock and improving the energy efficiency of properties.

Councillor Ed Turner, Deputy Leader (Statutory) – Finance and Asset Management, drew attention to the anomaly between the proposed increase in garage charges of 7% and the proposed rent and service charge increase of 7.7%. Councillor Turner proposed an amendment to the recommendation to Council in the report, which was accepted by Cabinet, such that the increase to the charge for a garage be 7.7%.

Cabinet resolved to:

1. **Recommend to Council** to approve an increase of 7.7% for 2024/25 (subject to any subsequent cap on increases imposed by central government) in social dwelling rents from 1st April 2024 giving an average weekly increase of £9.27 per week, and a revised weekly average social rent of £129.72 as set out in the Financial Implications section of this report;
2. **Recommend to Council** to approve an increase to rents for shared ownership dwellings as outlined in paragraph 15 of the Financial Implications;
3. **Recommend to Council** to approve an increase to service charges by 7.7% (CPI + 1%) to enable the HRA to recover the associated cost of supply;
4. **Recommend to Council** to approve an increase to the charge for a garage of 7.7%, equating to an increase of £1.37 per week for a standard garage with a revised charge of £19.22 per week, and an increase of £1.55 per week for a premium garage with a revised charge of £21.71 per week; and
5. **Recommend to Council** to approve the option to exercise the Rent Flexibility option in respect of re-lets to new tenants as outlined in paragraph 6.

116. Draft Corporate Strategy 2024-28 for Consultation

The Chief Executive had submitted a report to seek Cabinet approval to publicly consult on the Council's Draft Corporate Strategy 2024 to 2028.

Councillor Susan Brown, Leader, highlighted that there had already been much input from various sources into the draft strategy, which would set out the Council's priorities for the next four years. It had also been supported and shaped by the LGA peer review in terms of prioritisation. The new strategy retained much in common with the

current one (such as priorities for zero carbon housing, ensuring a thriving city and an inclusive economy); however, the new strategy sought to set these out more clearly and with clearer performance indicators.

Following approval by Cabinet, the strategy would be subject to a public consultation period over the forthcoming weeks.

Cabinet resolved to:

1. **Delegate authority** to the Head of Corporate Strategy, in consultation with the Leader of the Council, to make any changes to the draft Corporate Strategy 2024-28 as may be required following its consideration by the Scrutiny Committee and then publish the draft Corporate Strategy 2024 to 2028 for public consultation.

117. Oxfordshire's Strategic Economic Plan

The Head of Regeneration and Economy had submitted a report to seek endorsement for the Oxfordshire Strategic Economic Plan.

Councillor Susan Brown, Leader, outlined that the Plan had been commissioned and approved by the Oxfordshire Local Enterprise Partnership (OxLEP). It was therefore before Cabinet for endorsement only. The document set out the strategic plan for Oxfordshire's economy but was also based on some of the issues which this Council wished to see, such as a recognition of the growth in Oxfordshire's economy; the need for housing; the need for a fairer economy; and prioritisation of the Oxford Living Wage and inclusive employment opportunities. It was considered that endorsement of the Plan might offer opportunities to regionally escalate and collaborate on issues which were important to the Council and could potentially also open further routes to government funding bids.

Cabinet resolved to:

1. **Note** and **endorse** Oxfordshire's Strategic Economic Plan (SEP) 2023-2033; and
2. **Delegate authority** to the Head of Regeneration and Economy, in consultation with the Cabinet Member for Inclusive Economy and Partnerships, to agree the SEP Action Plan including Oxford City Council's role in supporting the delivery of actions within existing committed budgets and legal and constitutional constraints.

118. Council Tax Reduction Scheme for 2024/25

The Head of Financial Services had submitted a report to seek approval for changes to the Council Tax Reduction Scheme for 2024/25.

Councillor Ed Turner, Deputy Leader (Statutory) – Finance and Asset Management, highlighted that the Council Tax Reduction Scheme provided assistance to people of working age with Council Tax. The Council was unusual amongst authorities in funding up to 100% of Council Tax, although this was now becoming financially very difficult. The scheme for 2024/25 did not introduce any major changes; however, it did increase the income bands which were used to assess entitlement. This meant that eligible recipients whose income had increased due to inflation would continue to be supported.

Cabinet resolved to recommend to Council to:

1. **Approve** the increase in the income bands used in the Council Reduction Scheme for 2024/25 as per table 2;

2. **Note** that no further changes are being recommended to the scheme for 2024/25; and
3. **Adopt** the Local Council Tax Reduction Scheme for 2024/25.

119. Minutes

Cabinet resolved to approve the minutes of the meeting held on 13 December 2024 as a true and accurate record.

120. Dates of Future Meetings

Meetings are scheduled for the following dates:

7 February 2024
13 March 2024
17 April 2024
12 June 2024
10 July 2024
14 August 2024

All meetings start at 6.00pm.

The meeting started at 6.00 pm and ended at 7.22 pm

Chair

Date: Wednesday 7 February 2024

When decisions take effect:

Cabinet: after the call-in and review period has expired

Planning Committees: after the call-in and review period has expired and the formal decision notice is issued

All other committees: immediately.

Details are in the Council's Constitution.

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Address by Diana Volpe:

Given that:

1. Serco Leisure is a part of the Serco Group PLC, and is therefore functionally indistinguishable and an integral part of Serco and the Serco Group;
2. Serco has a reputation as a leading name in running immigration detention centres for profit, a motive that inevitably seeks to drive down costs to the detriment of those subject to immigration control and earning a terrible track record in doing so. These include, but are not limited to: cases accommodation filled with rats, sewage-filled sinks and cockroaches; allegations of abuse by Serco staff at Yarl's Wood culminating in a highly critical report by the HM Inspectorate of Prisons in 2015; systematic denial of abuse and degrading treatment even in the face of over 100 migrant women going on hunger strike in protest of their conditions;
3. Oxford's repeatedly asserted its aspiration to be a City of Sanctuary;
4. The public feels strongly about this decision, as evidenced by the petition arising from the news of this bid and the people standing outside today;
5. That this bid includes plans to convert much sought-after hall space in Blackbird Leys in ways that may take away important community spaces from local sports clubs that are dedicated and inclusive to women and nonbinary people, migrants and asylum seekers as well as other marginalised populations.

I ask: Do you not see a fundamental contradiction between SERCO's well-documented abuse of asylum seekers and refugees, and Oxford's aspiration to be a Local Authority of Sanctuary?

By proceeding with this, you are essentially sending a message to our community that it is acceptable to take money funding for public infrastructure through the exploitation of migrants, all while claiming to be a place of refuge for them.

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Address by Mark Ladbroke:

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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Address by Catriona Hobbs:

I am here today because I love this city; I love its swimming pools, I love its ice rink. I grew up here and I support the Council's agreed strategy for 2020-2024.

Your strategy talks about the Oxford Model: wholly-owned companies and commercial properties which create jobs, support the local economy and provide additional funds that support the delivery of public services. It talks about supporting social enterprises and cooperatives and thriving communities, and it talks about Oxford being a world class city.

I truly understand that these are very difficult times for councils. You've got a lack of funding and ambition for public services from national government, falling numbers for leisure services from the pandemic and you've got unhelpful procurement laws. But this council should not allow itself to be pressurised by Serco or any other bidder. You represent the people of Oxford.

If there is pressure, do you want to work with that for the next 10 years or pay millions to get out of it early when the contract doesn't deliver or ends up costing more? Because Serco will squeeze the council at every opportunity, every re-negotiation. That's how this company works and they have a whole legal department behind them which is far bigger than this council's. That is a huge risk and a huge distraction to your mission.

Whilst Oxford City Council is trying to get into a contract with Serco, other councils are shelling out to get out. Just this month Peterborough announced that it is ending its contract with Serco seven years early, bringing 275 staff in-house: ending the contract to save money and bring best value to residents, and I quote: "We are satisfied that the savings we will make over the next seven years will far outweigh the sum we have agreed (an undisclosed sum) with Serco to exit the contract". There are many other examples too which I don't have time to go into now.

Other councils are also insourcing leisure services. Haringey's deputy leader has said 'having control of our leisure services is the right step. We live in the borough, we understand and use the services ourselves. This is the way we can provide the best service.' Tower Hamlets and Warrington are other examples.

The Association for Public Service Excellence has said that councils have been insourcing leisure because they've been handing over money to cover losses and getting very little back for it, which by the way is a repeating story in the public sector with private companies.

I have been keeping a close eye on Serco's failures for ten years now. I believe the evidence is abundantly clear. Serco's expertise is in winning contracts and extracting as much value as possible, not in delivering high quality services. There has been no public consultation about this: there should be one. I am here today to beg you to please press pause on this decision. Please ask the community, hold a public consultation. Please look again at all the options. Please look again at insourcing and please say no to Serco so that Oxford can continue to be a world class city.

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Address by Jamie Clarke:

My name's Jamie, I live down the road. I'm a resident who shouldn't be here. I know a number of you, and I care about issues like transport and climate change. This is not something I normally get involved in, but my family (I've got three kids and my wife) we use the leisure services week in and week out. We support Fusion through the difficult times and, in the past through the good times, because we believe in public services. Because we believe in bringing leisure centres to be an affordable place in which people feel comfortable and able to enjoy their leisure time. My kids and I don't want to have the next ten years being dominated by Serco's incompetence and failures, as you've heard from Cat.

Last week I was so upset about it I thought someone's got to do something about it and I set up a petition. Within four days we've had over 800 signatures from local people, who look to you for their representation.

Serco has a terrible reputation. You don't want to be binging them into our leisure services. We're deeply worried about the ethics: you all know about them, I know you do. You've heard about some of them tonight. The fraud that they've been found guilty of. The misdemeanours. The constant problems. Do you really want to take that on board and be dealing with that for the next ten years? And it'll be on your watch. You might feel that you have no choice, but we're showing you that there is a choice and other councils have made the same. I notice that you're all Labour Party representatives: Rachel Reeves, just a couple of years ago when talking about the outsourcing of track and trace said "This is grim beyond belief. While Serco is raking in the profits, people are paying the price for its failure. It is time to sack Serco." Don't end up in that situation where you feel conflicted. It's got to be now or it won't ever happen.

After the revelations of the post office scandal where these contract processes were used to justify going through with something that fifteen years later we're all now knowing happened I would like to ask you to stand by the courage of your convictions: stand up now for my kids and their future, as well as the council and all the other residents who are going to be impacted by this. You can put a pause on this: I know it's not going to be easy but we will support you to make it happen. This is democracy: don't be blackmailed by a big multi-national.

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Question from Caroline Raine:

I note that the Council is proposing awarding its Leisure Services Contract to SERCO.

Overall the company has an appalling record in service delivery, as has been widely reported in national media. This includes dangerous and unethical practices. I am also aware, through long and recent experience as a trade union organiser (albeit I am asking my question in a personal capacity), that SERCO's running of local authority and health services tends to be marked by workforce problems, not least pay disputes. The Council will of course require SERCO to adhere to the Oxford Living Wage, which is welcome, but that does not cover pay scales above the minimum level, nor the conditions of service that SERCO may subsequently impose on new and transferred staff. Should SERCO subsequently fail to adhere to the Oxford Living Wage or get into dispute with unions over wider pay and conditions issues, this will surely be extremely costly for the Council, particularly if it results in any breach of contractual commitments and requires legal action or early termination.

I am further concerned that the SERCO contract the City Council is proposing to commit to promises many benefits to residents but at a low cost compared to other bidders. I wonder how SERCO can achieve the benefits to residents, along with paying the Oxford Living Wage, while also fulfilling its obligations to maximise returns to shareholders. Services such as leisure should be run in the interests of the citizens of Oxford, not distant shareholders. I recognise that until now the City Council has always had a policy of keeping services in-house. I wonder when this policy was debated and changed as I can find no record of it. Award of a significant contract to a private company such as SERCO is a very different matter to running services through arms-length companies or in partnership with charities and it is a deeply concerning shift in direction.

I am also concerned at the cost implications of the significant monitoring this contract will need, surely employing staff resources which could be better spent on direct service provision.

I therefore wish to ask will Cabinet now reconsider the decision to risk awarding the leisure services contract to SERCO?

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Question from Liz Peretz and Bill MacKeith:

We note you will be making a decision at your meeting on 24th 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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Response from Councillor Susan Brown, Leader of the Council

Thank you Mark Ladbrooke, Catriona Hobbs, Diana Volpe, Jamie Clarke and Councillor Jarvis for your addresses and for raising your concerns about the recommendations to award the leisure management contract to Serco Leisure.

The Cabinet has also received similar representations from Caroline Raine, Liz Peretz, and Oxford District Trade Unions Council.

I will respond to the overall representations that you and the others have made to Cabinet. Officers will also prepare written answers to the detailed questions which were circulated more widely and to Councillors.

We are today considering the officers' recommendation to appoint Serco Leisure as the preferred leisure operator.

Nationally, several Councils have declared that they are unable to balance their budgets, where many are reducing their leisure provision, and in some cases closing leisure centres. The Council is keen to ensure that our leisure offer is one that is sustainable in the longer term, provides much improved services, looks to strongly align with health priorities, whilst also being accessible and affordable to our diverse communities in the City.

Following a transparent and competitive process which has fully complied with procurement policies and legal requirements, Serco Leisure has presented a bid that matches the priorities of the Council whilst also driving investment and improving quality within our facilities - including providing brand new gym equipment and improvements - whilst also enabling them to be sustainable over the longer term.

Serco Leisure is one of the country's leading leisure operators and is the current UK Pool and Spa water Leisure Operator of the year. It also manages Stoke Mandeville Stadium (the birthplace of the Paralympic movement), national sports centres such as Bisham Abbey and Lilleshall, alongside many local authority centres including Birmingham, a City of Sanctuary and has recently been awarded Buckinghamshire.

Serco Leisure's proposal includes secure several public benefits, including concessions for low-income families, free swimming for all children and young people aged 16 and under who live in Oxford, and secure £2.75m investment in upgrading our centres. The contract would see the Council working with Serco Leisure alongside the Oxfordshire health system to ensure the leisure facilities continue to support public health and reduce pressure on the NHS. There will also be a funding pot where we can better target communities in need to help break down any barriers to access.

The appointment of the leisure operator is a legal process which follows procurement law and is not open to political intervention. Serco Leisure's tender scored best against The Council's criteria which included both qualitative and financial elements, and which we are legally required to accept.

The Council can only consider the behaviour and performance of Serco Leisure Ltd as the bidding company in its assessment of the bid. We cannot consider issues raised relating to other companies in deciding the procurement outcome.

If Cabinet approves the recommendation, one of the next key steps will be to talk to Serco Leisure in early February about any key details, including actions to be put in place and the right contractual arrangements for ensuring that they deliver their commitments, and to secure the smooth transfer of services from Fusion at the end of March.

We remain committed to Oxford being a place where everyone feels welcome, and to our work in supporting refugees and asylum seekers and celebrating the contribution they make to our communities.

Councillor Chris Jarvis - Clarification of comments made at 24 January Cabinet Meeting

On January 24, I made an address to a meeting of Oxford City Council's Cabinet concerning the decision around the contract for the council's leisure services. Following the address it became clear that some of my comments had been interpreted differently to how they had been intended. Specifically, it was inferred that my comments had implied that City Council officers had acted dishonestly in the preparation of the papers for the meeting. This was not in any way my intention.

During my address, I referred to elements of the public papers as being a 'dishonest' representation of the detail contained within the private papers. In doing so, I was seeking to make a point that had already been raised at Scrutiny Committee and was reflected in a recommendation from that committee to Cabinet, while maintaining the confidentiality of the private papers. On reflection, I recognise that I should have chosen my words more carefully, and that I should not have used the word 'dishonest' in my description of the public papers. All councillors have a responsibility to be measured and clear in our language and, in this instance, it is clear that I should have been both more measured and clearer. As such, I wish to apologise for and withdraw my use of that word.

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