



## **Cornwall councillors reject Joint Venture**

**(Extracts from two local press articles 5 September 2012)**

### **'Cabinet decision 'not in the best interests of the people'**

Councillors in Cornwall sent a clear message to leaders they do not back proposals to unite with a private company to run services.

In July, the Cabinet at Cornwall Council paved the way for a joint venture partnership with a private company by inviting bids to run services including libraries, benefit payments, IT and payroll.

However, yesterday, following a tense three-and-a-half-hour debate at County Hall, **46 councillors** voted in favour of a motion that flew in the face of what council leaders are pushing for. The motion stated the Cabinet's earlier decision was not in the best interests of the people of Cornwall.

In total, **29** voted against the motion while **14** chose to abstain. Cabinet has yet to make a final decision but insists the partnership will save money. Private firms currently in the running include BT and Computer Sciences Corporation.

The contract on the table is worth between an estimated **£210 million** and **£800 million**.

Before the debate took place councillors **voted not** to hold the discussion in private. In a narrow victory councillors voted 45 against the debate being held behind closed doors with 41 in favour.

The vote came after Richard Williams, monitoring officer, warned councillors a public debate risked members divulging "commercially sensitive and

confidential information" about the bidders. During a presentation to the chamber, Gill Steward, corporate director communities, said: "This is not outsourcing or privatisation of our services.

"It's creating a public/private partnership to deliver services for Cornwall."

With reference to libraries she said: "This contract, rather than detracting and reducing services, will enhance it, because our partner can invest in areas we can't such as updating our kiosks and e-books."

However, the **majority** of councillors **could not be convinced** the move was a step towards part-privatisation. Councillor Jeremy Rowe, who spoke in favour of the motion, said he feared the deal would lead to the **council losing control** of other services.

He said: "If this isn't privatisation, then what on earth is it?"

"Is this the thin edge of the wedge?"

"In a few year's time will it be a case of 'that went well, let's carve up the rest'?"

"This should be decided by the people of Cornwall and not the Cabinet."

Councillor Neil Burden, who was against the motion, said working with the private sector was the only way to maintain services.

He said: "We live in a world where everything is run by the private sector – GP practices and so on. "If anyone can think of a better way to protect vulnerable people and services then please tell me."

Councillor Jude Robinson, said: "The **joint venture is like a runaway train** – it has gone from a request to explore all options in 2010, to a resolution to note the progress last month with little discussion of the consequences for Cornwall.

"There are concerns about the plans themselves, the future for staff who will be transferred and the risk of failing as other councils have."

## **'Wholesale privatisation at Cornwall Council hits a big bump in the road'**

A move to sell off huge swathes of Cornwall Council's services has hit a major bump in the road, after the plan was rejected by a majority of councillors at the authority.

A meeting yesterday heard a motion calling on Cornwall Council to scrap its decision to enter into a partnership with the private sector to deliver a range of support services. This was supported by a majority of councillors following a three hour debate at County Hall.

**A bid** to have the discussions **held in secret** was also rejected, after calls that the council's much trumpeted dedication to "openness and transparency" should apply on such an important decision.

The council's cabinet had already voted to issue formal invitations to tender for the **new £300m contract** at a meeting on July 31.

Today's motion, which was proposed by Andrew Wallis and seconded by Andrew Long, was aimed at halting this process, as, "in view of its far reaching consequences, including its **potential impact on Council governance and elected member accountability**, this council believes that it is not in the best interests of the people of Cornwall for the council to enter into the proposed strategic partnership for support services and procurement".

Members had serious concerns about the potential risk and governance, as well as queries over the savings which would be generated and the number of new jobs created.

Cllr Wallis said: "Before the debate started there was a move to put the whole item, debate and vote into closed session because it was claimed from officers that some of the information, and questions could be commercially sensitive. I really struggled (as did many others) with this, as the information the councillors had been supplied with, was already in the public domain.

"The impact on the Strategic Partnership has such far-reaching consequences to the people of Cornwall, that it should be fully debated in open session and the vote in full view of the public. Not behind closed doors. Thankfully, and it was a close vote, the councillors decided not to go into closed session.

"My points came from **too many unknowns, losing democratic accountability** on so many services and **pie-in-the-sky predictions** on job creation. These '**aspirational**' jobs were a concern for the scrutiny panel looking into this plan, If the **scrutiny panel** is worried, you have to get worried, too.

"A **main selling** point of the Strategic Partnership is the **ability to 'buy' other services** from other council's. I however, pointed out what I believe is a **massive flaw** in this plan. For example, imagine if there was a motion to handover all these services to another council to run, and therefore create jobs in that authority. There would be uproar, and claims the jobs must stay in Cornwall. So you can hardly expect other councils to allow jobs to go to another council at the expense of their own. It just would not happen. I believe the **market is already flooded** with many sellers of shared services,

but not many buyers."

Mr Wallis added that a good question is what happens now as the ultimate decision lies with the cabinet.

"Will the Cabinet change its course on this? To be honest, I do not think it will drop the proposals completely. However, it could postpone the decision to after the elections in May 2013. Then the new council has the democratic mandate (and possible will) to enter into some sort of strategic partnership."

Steve Double, the Council's portfolio holder for environment, waste management and shared services, said that the proposal would bring together the best of the private and public sector in an innovative partnership which would enable the Council to protect frontline services from the impact of further Government cuts at the same time as creating up to 500 new jobs in Cornwall.

"All the concerns which have been raised today have already been considered by the Cabinet" he said. "I cannot believe that a proposal which protects frontline services, creates 500 new jobs and reduced costs by £10m a year is not in the best interests of the people of Cornwall.

"This is a very complex proposal and unfortunately the decision by Members not to move into private session meant that we were unable to share the detailed confidential information they needed to make an informed decision". Mebyon Kernow and Lib Dems on the authority have also come out against the plan.

Speaking on behalf of Mebyon Kernow in the debate, Cllr Long told councillors much of the evidence used to **support the joint venture** was "pure conjecture." He rubbished the claims about savings and the creation of jobs, describing the promises as "pie in the sky," adding we are more likely to see "bacon-clad flying mammals."

He also slammed the **lack of democratic accountability** in the proposed arrangement and condemned the proposal as "full of risks" and urged the Cabinet to "reverse its decision."

Also speaking at the meeting, fellow MK Councillor Loveday Jenkin (Wendron) blasted the transfer of staff and huge budgets into a private sector company, which she said would "inevitably result in worse terms and conditions for local workers."

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