



Joint Venture to sue Somerset Council

(Extracts from local news articles 5 September 2012)



County Hall

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“Southwest One sues Somerset County Council”

An outsourcing partnership is launching legal action against Somerset County Council, one of the authorities which set up the group.

Southwest One carries out back office tasks for Somerset county and Taunton Deane borough councils and Avon and Somerset Police.

The county council said the dispute was over procurement quality and what payments Southwest One was entitled to.

Southwest One said it complied with its contractual obligations. In 2007, Southwest One won the administration and back office task contract, with the aim of saving the Conservative-led authority about £180m over 10 years.

In February **Ken Maddock**, the then leader of the county council, said the firm was **failing to deliver promised savings**.

Southwest One said later it was on target with its long-term savings plan.

In March, it was announced that the county council was to bring back 160 staff who had been outsourced to Southwest One.

'Standards not met'

In a statement, Somerset County Council said: "We are in **disagreement** with Southwest One about the quality of the procurement service and what payments Southwest One is entitled to as a result of savings made by getting better deals through the joint venture.

"As set out in the **terms of the contract**, we had hoped we would be able to settle this issue through mediation and negotiation.

"It is now apparent that this will not be possible and it is disappointing that we are in the position of going to court.

"It is paramount that we look after the best interests of tax payers and take action when standards of performance and quality are not being met.

"We will therefore robustly defend our position and make counter-claims where we believe we have suffered losses.

"Somerset County Council will not be commenting any further on this issue at this stage."

Southwest One said in a statement it had taken court action because an agreement could not be made with Somerset Country Council.

"Southwest One complies with its contractual obligations, providing a robust service to all partners which includes the identification of substantial procurement savings.

"Throughout the course of the contract, Southwest One has secured procurement savings that amount to £22 million which have been approved by all partners, with contracts in place to deliver a further £71 million of savings.

"Southwest One has also successfully achieved external recognition from the Cabinet Office for Customer Service Excellence and operates an award-winning Customer Contact Centre."

“Somerset County Council statement on legal dispute with Southwest One”

Somerset County Council has issued a statement after it emerged the authority is being taken to court by Southwest One. The public-private partnership was announced in 2007 with the aim of saving the authority millions of pounds.

The dispute has arisen because the council and Southwest One disagrees on the amount of savings made so far – and therefore how much Southwest One is owed.

The council's statement reads: "We are in **disagreement** with Southwest One about the **quality** of the procurement service and what payments Southwest One is entitled to as a result of savings made by getting better deals through the joint venture.

"As set out in the **terms of the contract**, we had hoped we would be able to settle this issue through mediation and negotiation. It is now apparent that this will not be possible and it is disappointing that we are in the position of going to court.

"It is paramount that we look after the **best interests of tax payers** and take action when **standards** of performance and quality are not being met.

"We will therefore robustly defend our position and make counter-claims where we believe we have suffered losses.

"Somerset County Council will not be commenting any further on this issue at this stage."

Barnet UNISON is seeking a meeting with the Leader and Cabinet to discuss a less risky **Alternative** model which will be able to deliver within the Medium Term Financial Plan.

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