



The following article appeared in the Local Government Chronicle this week.

## **Cornwall joint venture plans put on hold**

**23 October, 2012 | By Ruth Keeling Local Government Chronicle**

Cornwall Council has called a **halt** to a major shared services deal after councillors raised concerns about the proposals.

Talks with BT on the creation of a large scale joint venture are to be **put on hold** and chief executive Kevin Lavery has been asked to carry out a full investigation of **alternative methods** of delivering services in the future.

The u-turn comes after former leader Alec Robertson (Con) was deposed in a vote of no confidence by deputy leader Jim Currie (Con).

Two days after the coup American firm CSC **withdrew** from the bidding process leaving only BT in the running.

Amidst concerns the former cabinet had pushed for the shared service deal without wider support within the council, the council resolved that there could be **no progression to final tender stage** without a vote of full council.

In the meantime, Mr Lavery has been asked to **look at in house options** as well as joint working with public sector bodies and joint venture arrangements which would give the authority more control over the shared service.

Although BT have said their offer is on the table until the close of the financial year, no time limit has been put on the review of the plans and during Tuesday's debate Ann Kerridge (Lib Dem) questioned whether the council would be ready to make a decision by then.

Officers have also been **instructed to amend** the council's **draft 2012-16 business** plan to reflect the decision **not to proceed** to final tender stage and the chief executive's investigation of alternatives.

The 'strategic partnership for shared services' would have created a joint venture involving the council, health services and a private sector partner with the intention of bidding for work outside of the county.

The deal was predicted to deliver savings of £5m in its first two years and create 500 jobs in support services and telecare, which would become "as big as the tourism industry over the coming years" in the local economy.

However, Graham Walker (Ind), one of the councillors behind the motion to pause work on the project, said it looked "**too good to be true**".

In an indication of how the tide has turned against the shared service venture, the motion to pause the talks with bidders was supported by 93 councillors, with none voting against and seven abstaining.

A **similar motion** passed last month, arguing the deal was "**not in the best interests of the people of Cornwall**", gained the support of just 46 councillors, with 29 voting against and 14 abstaining.

A spokesman for BT said the deal would deliver "guaranteed savings" of £149.6m and create more than 1,000 jobs - 500 directly and 500 "driven by trading".

"BT remains committed to working with Cornwall Council whilst they consider their options," he said. "We believe BT has a compelling bid that meets and exceeds all the requirements of the council and its health partners, so we welcome the robust

scrutiny of our proposal, which delivers high quality services, savings and new jobs for the county.”

### **UNISON comment:**

UNISON has written to all 63 Barnet Councillors inviting them to attend a presentation on **Wednesday 14 November** at Hendon Town Hall, Committee Room 1, from **7.00pm to 9pm**.

The presentation will seek to explain the contract procurement process, including the option of setting up a joint venture and the risks that the Council is taking in awarding these contracts to external companies. It will also provide opportunities for discussion and explore the options open to the Council at this late stage.

Over the past four years UNISON has consistently requested that the council explore alternative in-house model of service delivery to run alongside the procurement process (‘Do nothing option’ is not in-house service improvement).

The decision taken by Conservative controlled Cornwall Council demonstrates that Councils do have the **right to stop, delay, amend** the procurement process even at this late stage.

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