
Report to	Scrutiny Co-ordination Committee	27th September, 2006
Report of	Head of Corporate Policy	
Title	Review of Serco Contract - Appointment of Task and Finish Group	

1 Purpose of the Report

To propose the establishment of a task and finish group of interested Scrutiny members to review the Serco IT contract.

2 Recommendations

2.1 Scrutiny Co-ordination Committee is recommended:

- a) to establish a task and finish group to review the Serco IT contract, as proposed in section 4 below.
- b) to agree the scoping document for the review, shown in the Appendix to this report.
- c) to appoint the Chair, Deputy Chair and members of the task and finish group.

3 Information/Background

- 3.1 The Council awarded ITNET UK Ltd a 5 year contract commencing on 1st April 2004 to provide a managed desktop service for PC's, laptops, printers and scanners including a refresh or upgrade of one third of all desktop computers each financial year. A management service for the Council owned Local Area Networks (LAN), Wide Area Networks (WAN), Councils servers and software applications, corporate email service, bulk printing, supply of local cables, corporate telephony services, including mobile phones and mobile computing device fault diagnosis. In February 2005, ITNET were purchased by the Serco Group Plc and launched as Serco Solutions from May 2005.
- 3.2 The contract has the option of a two-year extension period from April 2009 through to April 2011 subject to performance.
- 3.3 In April 2005 a report to Scrutiny Board 1 on the performance of Serco against the contract was presented with the conclusion that ITNET performance had been satisfactory to date but below the target of a good level of service. Users undertook a user satisfaction of service in February 2006 revealing a 40% level of dissatisfaction.
- 3.4 A Service Excellence Review of Serco's performance was therefore commissioned in January 2006 to consider the options of contractual refinement, a shared services approach or indeed in-house service provision through contract termination for poor performance against the contract's service level agreement (SLA). The Service Excellence

work remains ongoing but has focused predominately on making some contractual variations to facilitate a reduction in risk and lift performance. The Senior Officers Group of Coventry Direct are currently analysing performance, but it is considered that it would be beneficial to involve a group of Scrutiny members in this key strategic work.

4 Proposal and Other Option(s) to be Considered

It is therefore proposed:-

- a) that the Committee establish a task and finish group of five Scrutiny members to review the Serco contract, consider future targets and performance measures and make recommendations to the Cabinet.

The elected members need not be members of this Committee, but should be appointed on the basis of their interest in this issue. **The political balance rules do not apply.**

- b) that Linda Bonner (IT Manager – London Borough of Enfield) be invited to take part in the review as an independent external advisor.
- c) that the Committee appoint the Chair and Deputy Chair of the task and finish group.
- d) that the Committee agree the scoping document for the review attached as the appendix to this report.

5 Other specific implications

	Implications (See below)	No Implications
Best Value		✓
Children and Young People		✓
Comparable Benchmark Data		✓
Corporate Parenting		✓
Coventry Community Plan		✓
Crime and Disorder		✓
Equal Opportunities		✓
Finance		✓
Health and Safety		✓
Human Resources		✓
Human Rights Act		✓
Impact on Partner Organisations		✓
Information and Communications Technology		✓
Legal Implications		✓
Neighbourhood Management		✓
Property Implications		✓
Race Equality Scheme		✓
Risk Management		✓

	Implications (See below)	No Implications
Sustainable Development		✓
Trade Union Consultation		✓
Voluntary Sector – The Coventry Compact		✓

	Yes	No
Key Decision		✓
Scrutiny Consideration (if yes, which Scrutiny meeting and date)	✓ Scrutiny Co-ordination Committee 4th October, 2006	
Council Consideration (if yes, date of Council meeting)		✓

List of background papers

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Papers open to Public Inspection - NIL

SCRUTINY REVIEWS – SCOPING DOCUMENT

Title of Review: Review of Serco Solutions service performance

Purpose/Anticipated Value of Review:

The purpose of the review is to make recommendations to the Cabinet on whether to exercise the Council's option to extend the contract beyond April 2009 to April 2011.

Main Objectives:

1. To examine Serco's current performance.
2. To develop targets and performance measures against which Serco's performance can be measured over the next six months.
3. To assess performance after six months and make recommendations to the Cabinet on whether to exercise the option to extend the Serco contract beyond 2009

Members carrying out this Review:

To be decided by Scrutiny Co-ordination Committee

Methodology:

To consider written and oral information from Council officers and representatives from Serco.

To consider information from an officer from another local authority which has a similar contract with Serco.

To use this information to develop targets and performance measures for the Serco contract.

Timescale:

Scrutiny Co-ordination Committee to appoint the task and finish group - September 2006

Series of task and finish group meetings to agree key performance measurement - October and November 2006

Six-month assessment of Serco performance - December 2006 –May 2007

Recommendations to Cabinet - July 2007

Officers supporting the Review:

It is proposed that the Officer's who took part in a focus group as part of the Service Excellence Review will be asked to take part in the task and finish groups as well as members of Customer and Business Services..

Resources required:

Support from Council Officers, the cost of which can be met from existing budgets.

Support from an Officer from another local authority for which there may be a small cost (for expenses). This can be met from the Scrutiny budget.