

PPP Database

Strategic Partnerships 2011

ICT and corporate services

Planning and design

Highway services

Waste and environmental services

Dexter Whitfield



**European Services
Strategy Unit**

(Continuing the work of the Centre for Public Services)

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(Continuing the work of the Centre for Public Services)

Dexter Whitfield, Director

Adjunct Associate Professor, Australian Institute for Social Research, University of Adelaide

Mobile 0777 6370884

Tel. +353 66 7130225

Email: dexter.whitfield@gmail.com

Web: www.european-services-strategy.org.uk

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Summary

Strategic partnerships in 2011

- 48 strategic partnership contracts have been awarded since 1998 with a total value of £9.6bn and employing over 19,000 staff when the projects commenced.
- 44 contracts are currently operating, three were terminated (a fourth will be terminated but is still operating) and one completed the contract term but was not renewed.
- A further 14 projects are in procurement – 6 ICT, corporate and technical services; 4 highway services and 4 waste contracts.
- The new Strategic Partnership Performance Ratio is 22.7% (combining contract terminations, major reductions in the scope of contracts, and significant problems in contracts).
- Three companies – Capita, BT and Mouchel dominate the rankings in all three categories with a 59.9% market share by contract value. The same three companies, but in reverse order, have a 63.1% market share based on the percentage share of staff employed.
- 56.6% of staff were TUPE transferred with a further 3.8% transferred under TUPE Plus. 31.0% of staff were seconded to a joint venture company between the authority and contractor, and a further 6.2% were TUPE transferred to a joint venture company.
- 50% of the current operational contracts are in the North (the North East, North West and Yorkshire and Humberside regions). The North West of England has the highest concentration of strategic partnerships by number, value and the number of staff employed.
- One local authority (Newcastle City Council) submitted an in-house bid, which was successful.
- Eleven local authorities developed strategic partnership projects, in many cases reaching the procurement stage, but ultimately rejected this approach. One of these authorities later retendered and established a strategic partnership.
- A new trend has emerged with private companies offering inducements, usually publicly funded, to establish funds to train apprentices and/or fund community projects.
- 40 waste management contracts are in operation, virtually PFI projects valued at £23.3bn, of which 9 include collection of household waste and other local environmental services.

Five-year trends

A comparison of the 2011 and 2007 PPP Databases reveals:

- A 37.1% increase in the number of strategic partnerships in a five-year period.
- The total value of contracts increased 32.2% and the number of staff involved increased by 22.0%, indicating a decline in the average size of contracts with a smaller number of staff.
- Capita, BT and Mouchel retain their position as the three largest contractors by number of contracts, value and number of staff, but their share by value has declined from 65.4% in 2007 to 59.9% in 2011. Their share of the number of staff employed in strategic partnerships has fallen from 70.2% to 63.1% in the same period.
- Ten projects were in procurement in 2011 compared to four in 2007.

Introduction

A Strategic Service-delivery Partnership (SSP), or strategic partnership, is a long-term, multi-service, multi-million pound Public Private Partnership (PPP) between a local authority and a private contractor. Between 50 – 1,000 staff are transferred to a private contractor or transferred or seconded to a Joint Venture Company (JVC). Contracts are usually ten years with an option for a further five years. Highway and waste services are PFI contracts, usually for 25 years.

Strategic partnerships usually cover ICT and related services such as revenues and benefits, financial and legal services, customer contact centres, human resources, payroll and often include property management. Some SSPs include architectural, highways, engineering and other technical services.

Strategic partnerships are service contracts with relatively small capital expenditure for equipment and buildings. They are funded through local authority revenue budgets via monthly payments to a private contractor who may frontload investment and recoup the costs in the latter stages of the contract. SSP objectives usually include the transformation of public services, increased employment and social and economic aims.

Whole service concept

“The days when public private financial structures were mainly about delivering chunks of capital – that’s probably not going to be the focus in the future. The focus will be about delivering whole services, delivering outcomes that the taxpayer wishes to achieve. ...It isn’t just about buildings and infrastructure, its about delivering whole solutions” stated Philip Hammond, the Shadow Chief Secretary to the Treasury (Public Private Finance, 2009).

Four major local authority strategic partnership contracts for highway services (Birmingham operational, Sheffield, Hounslow and Isle of Wight in procurement) are examples of the ‘whole service’ approach. Almost the entire highways service of road maintenance and improvement for 25 years is outsourced to the private sector and includes street lighting, traffic signals, pavements and landscape. These contracts also include a Private Finance Initiative (PFI) component because of the infrastructure element, such as road improvement and renewal of street lighting, largely absent from strategic partnerships in ICT, corporate and technical services. Integrated waste management and disposal contracts also have a PFI component for new recycling and incineration plants.

Types of strategic partnerships

A detailed typology and discussion of strategic partnerships is available in *Global Auction of Public Assets: Public sector alternatives to the infrastructure market and Public Private Partnerships* www.european-services-strategy.org.uk/global-auction-of-public-assets/

The Database has contracts in the following services:

- ICT and corporate services (financial services, revenues and benefits, human relations, property management, procurement) for Local Authorities and Police Authorities.
- Planning and design.
- Highways maintenance and improvement services.
- Waste and environmental services.

Notes

The Database is updated on at least an annual basis.

Data sources include reports to Cabinet/Executive and full Council, company Stock Exchange Announcements, technical journals, company press releases and web sites and PPP journals.

Please reference the *European Services Strategy Unit PPP Database, 2011*.

Please read the following Notes

- The employment data uses actual numbers of jobs rather than Full Time Equivalents (FTE).
- The contract value (£m) is the total value announced at the contract award.
- Tables 1, 2, 11, and 12 are based strategic partnership contract awards and thus include operational, terminated and completed contracts.
- Tables 4, 5, 6 and 7 are based on operational contracts and thus exclude Bedfordshire County Council and West Berkshire Council, which terminated their strategic partnership contracts in 2005 and Cumbria CC whose contract has concluded.
- The operational contracts analysis is based on the main contractor and does not include those with a secondary partner or subcontracting role – see note at Table 7.
- Single service contracts, for example for ICT or revenues and benefits, have been excluded.
- Sources: Local authority strategic partnership documentation, Cabinet/Executive Board reports, Company Stock Exchange announcements, private sector websites and ESSU reports.
- See Strategic Services-delivery Partnerships section in the Outsourcing and PPP Library for critical assessment of strategic partnership projects, business cases and contracts. www.european-services-strategy.org.uk/outsourcing-library/

Additions, amendments and comments on the PPP Database are welcome – see contact details on page 2.

Take overs and mergers

HBS Business Services was acquired by Mouchel plc in August 2007.

Amey PLC was acquired by Ferrovial, the Spanish infrastructure services company, in 2003.

These take overs meant that the following authorities appointed one contractor only for it to be taken over by another company, none of which to date, had been one of unsuccessful bidders:

- Bath & North Somerset Council
- Lincolnshire CC
- Middlesbrough Council
- Milton Keynes Council
- West Berkshire Council

Part 1

Contract and market analysis

ICT, corporate and technical services

48 strategic partnership contracts have been awarded since 1998 with a total value of £9.6bn and employing over 19,000 staff when the projects commenced. 44 contracts are currently operating, three having been terminated and one completed the contract term, but was not renewed.

Table 1: PPP: Strategic Service-delivery Partnerships for local authority ICT, corporate and technical services in Britain (2000-11)

Local authority	Date started	Total value £m	No of staff	Transfer or secondment	Contractor	Services	Length of contract
Barking & Dagenham LBC	Dec 2010	250	375	Transfer JVC	Agilisys	ICT and related	7
Bath & N. Somerset Council	2003	70	70	transfer	HBS Services	ICT and related	10
*Bedfordshire CC	June 2001	265	550	transfer	HBS Services	ICT and related	12
***Birmingham City Council	July 2006	604	450	secondment – JVC	Capita	ICT and related	10
Blackburn MBC	July 2001	205	470	transfer	Capita	ICT and related	10
Bournemouth BC	Dec 2010	150	300	transfer	Mouchel	ICT and related	10
Bradford MBC	2005	160	150	'choice'	IBM/Serco	ICT	10
Bromley LBC	April 2002	68	150	transfer	Liberata	ICT and related	7
Chesterfield BC	Nov 2010	54	204	TUPE Plus transfer	Arvato Services, Kier Group	ICT and related, engineering	10
Cumbria CC****	Feb 2001	140	600	transfer	Capita	Property, finance, Human resources	10
East Riding UA	October 2005	200	600	transfer	Arvato Services,	ICT and related	8
Edinburgh City Council	2001	150	100	transfer	BT	ICT	15
*Essex CC	May 2002	164	100	transfer	BT	ICT	10
Glasgow City Council	Feb 2008	265	280	secondment and transfer	Serco	ICT and related	10
Hammersmith LBC	Oct 2006	120	120	transfer/JVC	Agilisys	ICT and related	10
Lambeth LBC	August 2011	60	80	transfer	Capita	Revenue, benefits & customer services	10
Lancashire CC	May 2011	400	800	Secondment JVC	BT	ICT and related	10
Lincolnshire CC	April 2000	306	1,088	transfer	HBS Services	ICT and related	10
Liverpool City Council	2001	300	850	secondment – JVC	BT	ICT and related	10 extended to 2017
Liverpool City Council	Oct 2003	100	170	transfer to JVC Liverpool	Mouchel	Highways, traffic, property, estates	10

				2020			
Knowsley MBC	April 2005	25	40	transfer to JVC	Mouchel plc & Liverpool 2020	Architectural, engineering, landscape	10
Mendip DC	July 2005	30	50	transfer	Capita	ICT and related	12
Middlesbrough Council	June 2001	250	1,045	transfer	HBS Services	ICT and related	10
Milton Keynes Council	Jan 2004	200	730	transfer	HBS Services	ICT and related	12
North East Lincolnshire Council	July 2010	250	300	transfer	Balfour Beatty plc	regeneration, highways, transport and planning, asset management and architectural support.	10
North Somerset DC	Oct 2010	104	184	transfer	Agilisys	ICT and related	10
Norwich City	April 2002	85	30	transfer	Steria UK	ICT/BPR	15
Oldham MBC	April 2007	210	400	Transfer to JVC	Mouchel Agilisys	ICT and related, property & professional services	12
Pendle Council	Feb 2005	100	185	transfer	Liberata	ICT and related	15
**Redcar & Cleveland Council	2003	200	500	transfer	Liberata	ICT and related	10
Rochdale MBC	April 2006	200	350	secondment – JVC	Mouchel Agilisys	ICT and related, highways, property, design,	15
Rotherham MBC	April 2003	150	550	secondment – JVC	BT	ICT and related	12
Salford MBC	Feb 2005	250	420	secondment – JVC	Capita	Engineering, highways, planning & property	12
Sandwell MBC	April 2007	300	500	transfer	BT/Liberata	ICT and related	15
Sefton MBC	Oct 2008	167	450	transfer	Arvato (Bertelsmann)	ICT and related Technical services	10
Sefton MBC	Oct 2008	70	150	transfer	Capita Symonds	Architecture, engineering, property & highway services	10
Sheffield City Council	1998	275	450	transfer	Liberata	ICT and related	10
Retendered	2008	(200)	(500)	transfer	Capita	ICT and related	7
Somerset CC, Taunton Deane DC and Avon & Somerset Police Authority	October 2007 Police contract March 2008	400 + 185	830 + 600	secondment to JVC Southwest One	IBM and Mouchel	ICT and related and property management	10
Southampton City Council	October 2007	290	650	transfer	Capita	ICT, property management and related	10
South Tyneside MBC	October 2008	184	450	transfer	BT	ICT and related	10
Suffolk CC	June 2004	330	700	secondment – JVC	BT	ICT and related	10
**Swansea City	January	100	110	transfer	CapGemini	ICT	10

Council	2006						
Swindon Council	Feb 2007	243	400	transfer	Capita	ICT and related	15
Thurrock Council	April 2005	427	600	transfer	Vertex	ICT and related	15
Welwyn Hatfield BC	Nov 2008	31	68	transfer	Steria	ICT and related	12
*West Berkshire Council	June 2002	104	168	transfer	Amey	ICT and related	10
Westminster LBC	Nov 2002	240	400	transfer	Vertex	ICT and related	10
Police Authority							
Avon & Somerset Police Authority	See Somerset CC above						
Cleveland Police Authority	Sept 2010	175	470	TUPE Plus transfer	Steria	ICT, corporate services, call handling.	10
Total 48		9,606	19,337				

Source: European Services Strategy Unit, PPP Database, 2011.

* Contract terminated ** Contract reduced in scope *** Contract expanded **** Contract concluded

Contract length

Average length of contract (excluding highways and waste contracts) is 10.7 years. Contracts usually have clauses that provide for extension periods of between two and five years.

Table 2: Length of contracts

Number of years of contract	No. of contracts	% of total contracts
ICT, corporate and technical services		
7 years	3	6.2
8 years	1	2.1
10 years	31	64.6
12 years	7	14.6
15 years	6	12.5
Sub total	48	100.0
Highways and Waste contracts		
1- 10 years	1	16.7
20 – 30 years	5	83.3
Sub total	6	100.0

Source: European Services Strategy Unit, PPP Database, 2011

Table 3: Strategic partnerships in procurement

In Procurement	Shortlisted companies or Preferred bidder	Services
Essex County Council	IBM	Transformation Delivery Partner worth up to £5.4bn to make £300m annual savings (EssexWorks, Cabinet Report, 13 October 2009).
Hounslow LBC	Skanska/John Laing, Vinci/Ringway and Balfour Beatty	£1.7bn Highways Maintenance and Improvement PFI, 25-30 year contract
Sheffield City Council	Amey and Carillion/Mouchel	£1.2bn Highways Maintenance and Improvement PFI, 25 year contract
Isle of Wight Council	Colas, Amey and Vinci/Ringway	£1.2bn Highways Maintenance and Improvement PFI, 25 year contract
Essex CC	Ringway/Jacobs preferred bidder, Balfour Beatty as reserve. Amey, Atkins, Costain, Serco/Capita Symonds, May Gurney/WSP, Mouchel/Carillion eliminated earlier.	£3.bn Highway Maintenance 10 year contract.
London Borough of Barnet	DRS Jacob engineering Capita Symonds FM Conway/EC Harris Enterprise Mouchel	Regulatory Services – planning, transport planning, regeneration, environmental health, trading standards: 10 year, £270m - £290m.
London Borough of Barnet	BT Capita Serco AXL/liberata	Customer Services and corporate support services, 10 years, £600m - £700m.
London Borough of Tower Hamlets	Agilisys, Capita, HCL, Logica and Northgate shortlisted. Agilisys and HCL to submit final bids.	ICT with support for in-house transformation of corporate services with potential transfer later, 7 years, £200m - £1bn.
Cornwall County Council	n/a	Commercial trading company for transactional and customer services, with possible extension to transport management, environmental health, trading standards, design services. Joint project with Peninsula Community Health, Cornwall Partnership Foundation Trust and Royal Cornwall Hospitals Trust. (Contract Notice: November 2011).
West Sussex County Council	n/a	10 year ICT and range of business support services, £200m - £750m (Contract Notice May 2011).
Waste contracts		
Essex CC & Southend on Sea Council	Resources from Waste (Shanks, Costain & John Laing) and Urbaser/Balfour Beatty	£2bn waste contract
Bradford MBC	Earth Tech Skanska and 3SE	£410m waste contract
Wakefield MBC	Shanks/Babcock	£750m waste contract
Bucks CC	WRG	Waste contract

Source: European Services Strategy Unit, PPP Database, 2011

Table 4: Regional distribution of operational strategic partnerships

Region	No of SSPs	%	Total value £m	%	No of jobs	%
North East	4	9.1	809	9.1	2,465	13.8
North West	11	25.0	2,027	22.7	4,285	24.0
Yorkshire & Humber	7	15.9	1,395	15.6	3,342	18.7
North	22	50.0	4,231	47.4	10,092	56.5
East Midlands	0	0	0	0	0	0
West Midlands	2	4.5	904	10.1	950	5.3
Eastern	4	9.1	1,042	11.7	2,060	11.5
London	5	11.4	738	8.3	1,125	6.3
South East	2	4.5	321	3.6	718	4.0
South West	6	13.7	1,182	13.2	2,434	13.6
Wales	1	2.3	100	1.1	110	0.6
Scotland	2	4.5	415	4.6	380	2.2
Total	44	100.0	8,933	100.0	17,869	100.0

Source: European Services Strategy Unit, PPP Database, 2011.

This Table excludes the terminated contracts at Bedfordshire CC, West Berkshire Council, Essex County Council; and Cumbria CC which has concluded.

Table 5: Employment model in operational strategic partnerships

Employment model	No of contracts	No of jobs	Percentage of jobs
TUPE Transfer	29	10,110	56.6
TUPE Plus transfer	2	674	3.8
Transfer to JVC	3	1,105	6.2
Secondment to JVC	8	5,550	31.0
Choice of transfer or secondment	2	430	2.4
Total	44	17,869	100.0

Source: European Services Strategy Unit, PPP Database, 2011.

This Table excludes the terminated contracts at Bedfordshire CC, West Berkshire Council, Essex County Council; and Cumbria CC, which has concluded.

Table 6: **Contracts and market share of main contractors in operational ICT, corporate and technical services**

Local authority	Date started	Total value £m	No of staff	Transfer or secondment
Agilisys				
Hammersmith LBC	Oct 2006	120	120	transfer/JVC
North Somerset DC	Oct 2010	104	184	
Barking & Dagenham	Dec 2010	250	375	transfer JVC
Sub total		474	679	
Percentage share		5.3	3.8	
Arvato Services				
Chesterfield BC	Nov 2010	54	204	transfer TUPE plus
East Riding UA	October 2005	200	600	transfer
Sefton MBC	October 2008	167	450	transfer
Sub total		421	1,254	
Percentage share		4.7	7.0	
BT Group PLC				
Edinburgh City Council	2001	150	100	transfer
Lancashire CC	May 2011	400	800	secondment – JVC
Liverpool City Council	2001	300	850	secondment – JVC
Rotherham MBC	April 2003	150	550	secondment – JVC
Sandwell MBC	April 2007	300	500	transfer
South Tyneside MBC	October 2008	184	450	transfer
Suffolk CC	June 2004	330	700	secondment – JVC
Sub total		1,814	3,950	
Percentage share		20.3	22.1	
Balfour Beatty plc				
North East Lincolnshire	July 2010	250	300	transfer
Sub total		250	300	
Percentage share		2.8	1.7	
Capgemini				
**Swansea City Council	January 2006	100	110	transfer
Sub total		100	110	
Percentage share		1.1	0.6	
Capita Group PLC				
***Birmingham City Council	July 2006	604	450	secondment – JVC
Blackburn MBC	July 2001	205	470	transfer
Lambeth LBC	Dec 2011	60	80	transfer
Mendip DC	July 2005	30	50	transfer
Salford MBC	Feb 2005	250	420	secondment – JVC
Sefton MBC	Oct 2008	70	150	transfer
Sheffield City Council	Dec 2008	275	450	transfer
Southampton City Council	October 2007	290	650	transfer
Swindon Council	Feb 2007	243	400	transfer
Sub total		2,027	3,120	
Percentage share		22.7	17.5	
IBM				
Bradford MBC	2005	160	150	'choice'
Somerset CC, Taunton Deane DC and Avon & Somerset Police Authority	October 2007 + March 2008	400 + 185	830 + 600	secondment – JVC
Sub total		745	1,580	
Percentage share		8.3	8.8	
Liberata				
Bromley LBC	April 2002	68	150	transfer

Pendle Council	Feb 2005	100	185	transfer
**Redcar & Cleveland	2003	200	500	transfer
Sub total		368	835	
Percentage share		4.1	4.7	
Mouchel Group PLC				
Bath & N. Somerset	2003	70	70	transfer
Bournemouth BC	Dec 2010	150	300	transfer
Lincolnshire CC	April 2000	306	1,088	transfer
Liverpool City Council	October 2003	100	170	transfer to JVC
Knowsley MBC	April 2005	25	40	transfer to JVC
Middlesbrough Council	June 2001	250	1,045	transfer
Milton Keynes Council	Jan 2004	200	730	transfer
Oldham MBC	April 2007	210	400	transfer/JVC
Rochdale MBC	April 2006	200	350	secondment – JVC
Sub total		1,511	4,193	
Percentage share		16.9	23.5	
Serco Group				
Glasgow City Council	February 2008	265	280	secondment & transfer
Sub total		265	280	
Percentage share		3.0	1.5	
Steria				
Cleveland Police Authority	Sept 2010	175	470	transfer TUPE Plus
Norwich City	April 2002	85	30	transfer
Welwyn Hatfield BC	November 2008	31	68	transfer
Sub total		291	568	
Percentage share		3.3	3.2	
Vertex				
Thurrock Council	April 2005	427	600	transfer
Westminster LBC	Nov 2002	240	400	transfer
Sub total		667	1,000	
Percentage share		7.5	5.6	
Total 44 contracts		8,933	17,869	

Source: European Services Strategy Unit, PPP Database, 2011.

* Contract terminated ** Contract reduced in scope *** Contract expanded

This Table excludes the terminated contracts at Bedfordshire CC, West Berkshire Council and Essex County Council; and Cumbria CC, which has concluded.

Strategic partnership contractors are ranked according to the number of contracts, the percentage value of contracts and the percentage share of staff employed in Table 7.

Three companies – Capita, BT and Mouchel dominate the rankings in all three categories with a 59.9% market share by contract value. The same three companies, but in reverse order, have a 63.1% market share based on the percentage share of staff employed.

IBM and Vertex combined market share declined to 15.8% compared to 17.7% in 2009.

Six of the twelve companies are foreign owned (see Table 7) and have a 29.0% market share by contract value.

Table 7: **Summary of operational strategic partnership market share in operational ICT, corporate and technical services**

Private contractor	No of contracts	Rank	% share by contract value	Rank	% share by number of staff	Rank
Agilisys (owned by Netdecisions and Jarvis)	2	=4	5.3	6	3.8	8
Arvato Services (Bertelsmann AG, Germany)	3	=3	4.7	7	7.0	5
BT Group PLC, UK	7	2	20.3	2	22.1	2
Balfour Beatty plc	1	=5	2.8	11	1.7	10
Capgemini (France)	1	=5	1.1	12	0.6	12
Capita Group plc, UK	9	=1	22.7	1	17.5	3
IBM (IBM Corporation, USA)	2	=4	8.3	4	8.8	4
Liberata (76% owned by private equity group General Atlantic)	3	=3	4.1	8	4.7	7
Mouchel Group plc, UK	9	=1	16.9	3	23.5	1
Serco Group plc, UK	1	=5	3.0	10	1.5	11
Steria (Groupe Steria, France)	3	=3	3.3	9	3.2	9
Vertex (owned by a consortium of three US private equity firms – Oak Hill Capital Partners, GenNx360 Capital Partners and Knox Lawrence International)	2	=4	7.5	5	5.6	6
Total	44		100.0		100.0	

Source: European Services Strategy Unit, PPP Database, 2011. This Table excludes the terminated contracts at Bedfordshire CC, West Berkshire Council, Essex County Council; and Cumbria CC which has concluded.

Note: Excludes secondary partner or subcontractors: Agilisys – Rochdale and Oldham: Mouchel – Somerset/Taunton Deane: Liberata – Sandwell: Serco – Bradford

Local authorities that rejected strategic partnerships

The March 2010 termination of the procurement process for a SSP in Stoke-on-Trent City Council brings to 12 the number of local authorities that have commenced procurement but then rejected an SSP for the reasons summarised in Table 8.

Newcastle City Council is the only authority that submitted an in-house bid and this was successful on grounds of value for money, innovation and employment (see *Public Service Reform – But Not As We Know It*, Wainwright and Little, 2009, for the highly successful transformation of in-house services) – see Table 8.

Table 8: **Local authorities that rejected strategic partnerships**

Local authorities which started procurement but retained in-house provision	
Barnsley MBC	Decided not to proceed with BT bid in May 2003 because first three year payments could not be guaranteed. Risk of frontline services being cut to meet contractually binding investment requirements.
Dacorum District Council	Withdrew from preferred bidder negotiations with Northgate in 2001/02.
Isle of Wight Council	Decided to adopt an internal strategic transformational approach drawing on private expertise instead of outsourcing to a strategic partner.
Kent County Council	Terminated preferred bidder negotiations with HBS Business Services in 2001. Established in-house improvement strategy.

Newcastle City Council	<p>Awarded £200m to in-house service and rejected rival BT bid on grounds of value for money and quality of service improvements in 2002 – <i>No Corporate Takeover of Council Services</i> http://www.european-services-strategy.org.uk/publications/public-bodies/strategic-service-delivery-partnerships/no-corporate-takeover-of-council-services/</p> <p>In 2006 the City Council excluded ICT from the BSF project following a mandatory bid in which the in-house service scored significantly better than the BSF consortia.</p>
North East Lincolnshire Council	<p>Originally had in-house strategy, then 12 year £175m contract with Capita for ICT, regeneration and environment with 348 staff to be seconded to JVC. Contract start planned for November 2007 but Cabinet decided that a mutual commercial agreement could not be reached. The Council Leader stated the contract had to be delivered without adding a penny to council tax and this could not be guaranteed.</p> <p>The Council later awarded regeneration, highways, transport and planning contract to Balfour Beatty plc – see Table 1.</p>
Northamptonshire County Council	<p>Withdrew during procurement process from joint partnership with Milton Keynes Council in 2003.</p>
Salford City Council	<p>Decided against SSP approach for corporate services in 2001 and did not commence procurement – <i>Social, Economic and Environmental Audit of Salford</i> – http://www.european-services-strategy.org.uk/publications/public-bodies/strategic-service-delivery-partnerships/social-economic-and-environmental-audit-of-sal/</p>
Stoke-on-Trent City Council	<p>A review of a proposed £250m Strategic Partnership project in March 2010 concluded that savings were likely to be only 3% over the life of the contract. The Council had spent £1.5m on consultants but concluded that an SSP “is unlikely to deliver the service improvement and efficiency benefits previously envisaged without expending further additional cost and time” (Cabinet Decision, 10 March 2010); economic circumstances have changed significantly since the process was started; “the current competitive dialogue process for procuring the Strategic Partnership for support services is discontinued and that an internal business improvement programme is developed” (ibid).</p> <p>ICT and related services – 793 jobs Phase 1: ICT, facilities management, property, HR shared services, payroll and pensions, performance and transformation. Phase 2: Contact centre, postal service, revenue and benefits. Bidders were Serco and Balfour Beatty/BT.</p>
Wakefield MBC	<p>Decided not to pursue a SSP after research of Liverpool, Newcastle and Middlesbrough. Wakefield’s healthy financial reserves meant that a mixed economy approach would be more effective.</p>
Walsall MBC	<p>£650m project requiring transfer of 1,500 staff to Fujitsu Services abandoned in January 2006 at the preferred bidder stage. Planned to create 750 new jobs. Council said “<i>strong service improvements achieved by the local authority in the past few years, felt that “it is now better placed to meet the needs of local people without the joint venture.”</i></p>
Wolverhampton MBC	<p>Commenced a 10-year £60m partnership with Axon Group PLC (HCL Technologies, India) in March 2008 for finance, procurement, HR and payroll. ‘Insourcing’ deal (Council effectively outsources technical and management support) but Council refused to sign contract, on the basis of affordability, after six months of the design phase. The Council paid £7.1m compensation to Axon for six months work.</p>

Source: European Services Strategy Unit, PPP Database, 2011.

Terminated and reduced strategic partnership contracts

Of the 44 contracts in the Database, 4 have been terminated and 2 have been significantly reduced in scope. One contract has been concluded - see Performance Ratio in Part 2.

Table 9: Terminated and reduced strategic partnership contracts

Authority	Contractor	Reasons for termination
Bedfordshire County Council	HBS Business Services	Terminated contract in 2005 four years into a 12-year contract after failure to achieve key deliverables and poor performance. Services and over 500 staff returned to in-house provision. (see <i>Strategic Partnership in Crisis</i> and details of termination at www.european-services-strategy.org.uk/outsourcing-library)
West Berkshire Council	Amey plc	Terminated 10-year contract with Amey Group in 2005 after three years because of poor performance.
Redcar & Cleveland Council	Liberata	Following a 'strategic review of services' HR and Payroll, Finance and Accounting, ICT, Public Access and Business support brought back in-house in September 2006 after only 3 years of the 10-year Liberata contract.
Sefton MBC	Capita Group	Failure to achieve planned savings in £70m contract for architectural, engineering, property and highway services which commenced October 2008. Council agreed to terminate contract in September 2013 (Cabinet Meeting, 17 November, 2011)
Swansea City Council	Capgemini	£83m ICT contract with Capgemini. Phase 1 savings reduced from £26m to £6m and Phase 2 abandoned.
Essex County Council	BT	The 10-year contract commenced 2002 but in January 2009 the Council served BT with a notice of material breach of contract. A spokeswoman for the council said: "We decided it wasn't value for money and we weren't getting the level of service we required, so we decided to terminate the contract." (Financial Times)

Source: European Services Strategy Unit, PPP Database, 2011.

Community trusts

Private contractors are increasingly offering to support community organisations and providing training and other support to young people and the unemployed as part of contract packages – see Table 10.

These are inducements and clarity is essential in the public interest. The funding of these projects comes from one of two sources, or a combination of both. Firstly, part of the contract payments received by the contractor from the local authority is redirected to training and community organisations. Secondly, the company may redirect part of its corporate social responsibility programme (that normally funds charities, community events and other activities) to the local authority, if the company is awarded the contract.

This approach also benefits the private sector by diverting attention from the significant loss of jobs over the contract period. Most contractors commit to creating 'new jobs', but the small number of additional jobs obtained by relocating internal units to the local authority or as a result of shared services work are a relatively small percentage of the jobs lost by the transformation of services and cuts in services.

Table 10: **Community Development Trusts in strategic partnerships**

Local Authority	Contractor	Name of Trust	Proposal	Value £m
Lambeth LBC	Capita Group plc	Capita's Community Development Trust	Mentoring, training and employment opportunities for young people and unemployed.	0.5
Lancashire CC	BT	Via One Connect joint venture with council	Support community organisations selected by County Council	0.25 per annum for 4 years
Liverpool City Council	BT	n/a	New fund for social care, community development and social housing. Funding to schools for Duke of Edinburgh Award Scheme.	12.0 between 2011-2017. 0.6 over six years

Source: European Services Strategy Unit, PPP Database, 2011.

Part 2

Recent developments in strategic partnerships

Local authorities with SSPs have reported significant changes in contracts and operational problems. Recent experience in local authorities is summarised below.

- Birmingham
- Bournemouth
- Lambeth
- Liverpool
- Middlesbrough
- Oldham
- Sandwell
- Sefton
- Somerset
- Swindon

Birmingham

An independent review of Service Birmingham, the council's strategic partnership with Capita, concluded that it "...was driven by *“commercial considerations”* with little sign of any *“strong, focused”* management by the council." The Council has refused to publish the full review by accountants Grant Thornton, but released a summary. It concluded:

- *“The customer services function, service areas and the contact centre are not working together effectively enough to deliver services to Birmingham citizens.*
- *The roles and accountabilities of all involved in service delivery are not clearly enough defined and the relationship with Service Birmingham, while described as a strategic partnership, is one largely driven by commercial considerations.*
- *The council has not managed the outsourced service contract with Service Birmingham for the operation of the contact centre as strongly as it might have done. There has not been the strong, focused contract management, which we would expect to see from the client side of an outsourced relationship.*
- *The contact centre compares well in its efficiency with private sector equivalents, but requires greater awareness of and focus on the quality of service outcomes for citizens. There is not sufficient measurement of the quality of service provided to citizens in the end-to-end process of service delivery”* (Birmingham Post, 17 November 2011).

In June 2011 Service Birmingham announced that it planned to outsource up to 100 jobs to India (where Capita has subsidiary companies), but this was withdrawn following trade union opposition and public criticism.

Bournemouth

In October 2011 the Council agreed to transfer human resources and organisational development to Mouchel in the second stage of the contract at a cost of £10.7m over nine years, plus £3.4m for the retained client functions. The transfer is planned for early 2012, subject to a risk assessment when Mouchel publishes its annual accounts (Report to Cabinet, 12 October 2011).

The Council's chief accountant was suspended just prior to the Cabinet meeting. He had emailed Councillors expressing concern that the risks of transferring additional services to Mouchel had been under-estimated. He stated: *“The cabinet report does not provide an*

adequate assessment of risks or deliver an independent and robust evaluation of the two options considered.” An options appraisal had assessed retaining in-house provision and transfer to Mouchel.

Mouchel has had a series of financial and management crises in 2011. Its chief executive resigned in October when a £8.5m hole was discovered in the company's accounts. A Mouchel statement stated: *“...as a result of an actuarial error, the one-off gain will be £4.3m lower than previously expected which has an immediate and corresponding impact on the profits the Group will report for the year to 31 July 2011.”* In addition, a review of *“...contract risks and project claims....the Group has decided to increase provisions in respect of these contract risks and project claims by a similar amount to the reduction in the one-off gain”* (Mouchel Trading Update, 6 October 2011). In March both Costain plc and Interserve plc decided not to make a take over bid for Mouchel (Costain were reportedly considering a £172m bid but by October 2011 Mouchel's share price had plummeted leaving the company valued at just £19m).

Mouchel reportedly has a £87m debt. The company chairperson resigned in October after Mouchel reported that it could breach its banking covenants. An interim chair resigned after four days when the company's main lenders, Lloyds, RBS and Barclays, expressed concerns. Sir Michael Lyons was then named interim chairperson. Meanwhile, Mouchel has been selling assets. It sold Mouchel Rail to SKM for £3.4m and its pipeline design business to Mott MacDonald for £2.5m in October 2011. Meanwhile, some of Mouchel's largest shareholders have been reducing their investment in the company in 2011 (Schroder Investment 17.0% from 18.2%, Legal & General Group 3.8% from 4.8%, and Norges Bank 3.0% from 3.8%).

London Borough of Lambeth

The Council extended Capita's contract in June 2011 for ten years and expanded the scope of work outsourced to include the council's call centre service, Council Tax, business rates, ICT support services and the benefits resilience service. The existing revenues and benefits contract with Capita was due to expire at the end of November 2011. The Lambeth ALMO decided to opt out of the contract. The £60m contract will lead to the transfer of Lambeth's call centre to Southampton, affecting about 80 staff. Despite the obvious consequences of the loss of eighty jobs in Lambeth, the Equality Impact Assessment submitted to the Cabinet meeting (consisting of three different documents) was shoddy and incomplete. It focused on the impact on existing and potential service users, but lacked a basic assessment of the impact on staff.

Liverpool

A detailed value for money review of Liverpool Direct Limited (LDL), the joint venture between the City Council and BT that commenced in 2001, revealed that the Council was overcharged by £19m over the last nine years. The review identified excessive mark-up of the cost of equipment, support charges, software, hardware and training. Some desktop and laptop prices were marked up 93% - 143% compared to the cost of alternative suppliers. It concluded that in-house provision would save £82m up to 2016/17 with annual savings of £23m for 2017/18 and beyond. The review was unable to verify the planned £100m investment, financed by the City Council, because of a systemic lack of transparency (Liverpool City Council, 2010).

In July 2010 BT submitted Contract Refresh proposals, conditional on the contract continuing to 2017. Negotiations with BT led to a revised financial deal for the remainder of the contract approved by Cabinet in June 2011. It consists of:

- a £9m price reduction phased between 2011-2017;
- investment of £17.5m (at no cost to the city council) in hardware, software or project works;
- £12m will be allocated by BT in the 2011-2017 period to a new fund to finance social housing, social care or community development;

- £6m over the same period to an apprenticeship fund to finance 56 new apprenticeships each year;
- a share of third party business estimated to be £1m between 2011-2017;
- sponsorship of £1m, for example, the BT Convention Centre;
- allocation of £100,000 per annum to community initiatives;
- BT will 'write-off' potential claims of £56m that might be liable if the Council terminated the contract.

The city council will also increase its shareholding in LDL from 20% to 40% and increase Board representation from one to three (Liverpool City Council, 2011).

The city council could have exercised a break clause in the contract, but the Cabinet report claimed this would have incurred liability for a termination payment consisting of:

- *“Repayment by the City Council of £14m discount received by the City Council from BT since 2006 together with interest estimated at approximately £1million.*
- *Repayment of £1.5m investment provided by BT by way of sponsorship to Capital of Culture and Arena and Convention Centre.*
- *Repayment of investment which BT has made to enhance service levels estimated at a minimum of £15m”* (Liverpool City Council, 2011).

The city council commissioned accountants Ernst & Young to carry out a review of the refresh proposals, which were considered to 'reasonable in the market' and the 'the performance terms are reasonable' (Liverpool City Council, 2011).

Middlesbrough

Accountancy, property services, enterprise centres, facilities management, leisure business development and procurement and 130 staff are returning in-house in June 2011. The Council has negotiated a £1m reduction in the contract price in 2010/11 as part of a contract extension (Middlesbrough Council, 2010)

The SSP committed to create 500 new jobs but only a just over 100 staff are currently working on non-council business, 20% of the target. Originally 1,045 staff transferred to the contractor who currently employs about 600 staff.

Oldham

A merger between the Oldham (Unity Partnership) and Rochdale's (Impact Partnership), both operated by Mouchel with Agilisys as ICT subcontractor. In 2010, Mouchel recommended a merger of the two partnerships. It also claimed that the sustainability of the partnership was dependent on the Phase 2 transfer of services proceeding and winning additional work from other organisations. Mouchel's 2007 bid was heavily dependent creating a monopoly supply of professional and technical services in planned infrastructure projects (detailed analysis of the proposals – <http://www.european-services-strategy.org.uk/publications/public-bodies/strategic-service-delivery-partnerships/oldham-strategic-service-delivery-partnership/>). Predictably, this has not happened. Mouchel also wanted to change the contract so that its three-year rent-free accommodation from the Council would continue, so it could 'save' nearly £200,000.

In November 2010, the Council agreed to proceed with the second phase of the contract, transferring 85 staff in transactional services in human resources and finance, some customer service functions and highways asset management (Mouchel Press Release, 12 November 2010).

The Unity Partnership has failed to deliver on job creation, failed to build a new contact centre in Oldham and has failed to bring additional work to benefit the Borough. The ESSU analysis of the bid in 2007 concluded that the contribution of the strategic partnership to community cohesion was minimal, job creation figures were highly questionable, value for money had not been proved, and the regeneration impact of a business centre was overstated.

Not only did Mouchel not build the promised new contact centre, but Oldham's existing contact centre was moved to an isolated industrial estate in Rochdale in March 2011. Nine of the 43 staff refused to move. The Unity Partnership were forced to provide a mini-bus service for staff.

The Oldham Unity Partnership incurred a loss of £1.25m in 2009/2010 following losses of £310,140 in 2008/2009 and £124,296 in 2007/2008 (Company Annual Accounts). Rochdale's Impact Partnership made a loss of 1.1% of turnover, compared to Oldham's 2.6% loss in the same period.

The cost of contract termination was claimed to be £15m in 2010 (consisting of a £11.5m default costs, the purchase of ICT hardware and transfer costs).

Sandwell

The Council transferred the Business Systems Support Unit (BSSU), comprising staff from Adults Services and Children and Young People, out of the strategic partnership with BT and Liberata in June 2010. Eleven staff transferred back to the council. The reasons for the move included difficulty in maintaining a collaborative style of working previously enjoyed by the unit, the loss of shared understanding and objectives between BSSU and Adults and Children services, and *"the required formality of an outsourced service delivery arrangement has constrained the responsiveness of the services to the needs of the business"* (Sandwell MBC, 2010).

Sefton

In early 2011 the Council carried out a review of its strategic partnerships with Capita Symonds (architectural, engineering, property and highway services) and Arvato Services (ICT and corporate services). The Council has decided to terminate the £70m strategic partnership with Capita Symonds, which commenced October 2008 on the basis that it failed to achieve the planned savings (Cabinet Report, 17 November 2011). The contract will be terminated in September 2013 and will be staff transferred back to the Council. Capita undertook to create 100 new jobs within the first five years of the contract but failed to do so.

Somerset

Somerset County Council's contract renegotiations with Southwest One are intended to deliver an ongoing, sustainable and material saving on the SCC Southwest One budgets; a simplification of the contract (to focus more on transactional delivery); an improved Southwest One governance structure; and a return to direct SCC control of some Southwest One functions and staff.

The County Council is proposing to transfer the following services back to its own management responsibility:

- HR and Finance 'advisory', Shared Accounting and Business Development functions within the Finance Service.
- The HR Development service and the Learning and Development function.
- The Dillington Advertising and Somerset Staffing traded functions.
- The Business Analyst function within ICT, as well as the ICT support staff currently engaged in supporting SCC's Somerset Skills and Learning service.
- The SCC element of the Design and Print service.

"The above list outlines specific services where negotiations are sufficiently mature. All other services are subject to further negotiations, and we are not ruling anything out at this stage" (Somerset County Council, 2011).

Southwest One accumulated losses of £19m in the first two years of operation. It suffered pre-tax loss of £16.5m in 2009/10 following a £2.5m loss in its first year. Planned savings of

£200m over ten years have plummeted to £144m “pipeline” savings according to the latest accounts. The strategic partnership is a joint venture between IBM, Somerset County Council, Taunton Deane Borough Council and Avon & Somerset Constabulary. It has also to date failed to attract any additional contracts or create the promised new jobs.

“Progress on developing the potential for more effective joint working between Somerset councils has been mixed and there is still a lack of clarity as to how the partnership will secure benefits. Current leadership arrangements need to be enhanced and speed of delivery improved if the potential benefits are to be realised” concluded the Audit Commission’s Annual Governance Report (Audit Commission, 2010).

Suffolk

The cost of the ten-year BT contract was originally £330m when it commenced in June 2004. However, by late 2010 it had soared to £417m, a 26% increase. A BT spokesman claimed that the additional cost of Customer Service Direct was due to *“...additional services contracted by the council”* (The Guardian, 16 December 2010).

Swindon

Swindon BC outsourced ICT and corporate services to Capita Group in February 2007. An Internal Audit in 2009 concluded *“there have been prolonged performance issues with some services that have not always been resolved on a timely basis. In the case of the Benefits Service, continued performance failures against contractual targets have not been clearly escalated to the Partnership Executive for resolution, where service performance has not increased to contracted levels.”*

It also identified *“...significant wider contractual obligations in the service output specifications that must also be delivered by Capita. There is not a consistent method of monitoring whether the partner is delivering these wider obligations.”*

“...in some areas, the client is spending time carrying out activities that should be managed by Capita.”

“...there is currently little validation of KPIs reported by the partner”

“...the speed of additional transformational activity generated through the Partnership has not been at the anticipated pace. Only five business cases submitted by Capita have been formally approved in the two years the Partnership has been operating.” (Swindon BC. 2010)

Capita incurred £293,857 penalties for poor performance up to September 2009, but only £87,238 (29.7%) were implemented. The penalties were not applied where the Partnership Executive *“...have seen sufficient evidence to show that the value of the remedial action that Capita has put in place, is in excess of the value of the penalty that could have been applied”* (Audit Committee, 24 November 2009).

Swindon Council agreed to ‘reshape’ the contract in 2011 *“...to create a more flexible platform”* because the Council has changed significantly since the contract was awarded. Swindon Commercial Services is now an arms length organisation, Adult Social Care is transferring to a social enterprise, and the council’s ‘Stronger Together’ project will outsource more services. The Council and Capita have agreed to amend the commercial terms of the contract to *“... enable resources to be released from the contract as the organisation reduces in size and becomes less heavily dependent of the level of support services currently within the contract”* (Cabinet, 13 July 2011).

This is further illustration of why local authorities are ill-advised to enter long-term, fixed price service delivery contracts.

Cumbria County Council ends Capita contract

A strategic service delivery partnership contract for property, finance, highways, human resources and pension administration with Capita Group will be concluded on 31 January 2011. The Council agreed to a mixture of in-house provision, shared services and joint provision with other authorities. Over 600 staff originally transferred to Capita in February 2001.

Outsourcing track record

The SSP track record is part of a wider analysis of 105 outsourced public sector ICT contracts in central government, NHS, local authorities, public bodies and agencies that revealed significant cost overruns, delays and terminations. The evidence was drawn from government audits and House of Commons Select Committee investigations. Total value of contracts was £29.5bn but 57% of contracts experienced an average cost overrun of 30.5%, major delays in 33% of contracts and 30% of contracts were terminated (European Services Strategy Unit, 2007).

Strategic Partnership Performance ratio

The four contracts that commenced in the preceding year have been excluded on the basis that performance information and reviews are rarely available in the initial period of a contract. So the assessment is based on 44 local authority ICT, corporate and technical services contracts.

The category of 'significant problems in contracts' are authorities where audits have revealed major financial and operational problems in contracts. Four authorities – Somerset, Oldham, Liverpool and Birmingham are included in this category in Table 11. The **Performance Ratio** is 22.7% (combining contract terminations, major reductions in the scope of contracts, and significant problems in contracts) – see Table 11.

Table 11: **Strategic partnership Performance Ratio**

Contract performance	Number	Percentage (%)
Contract terminations	4	9.1
Major reductions in scope of contracts	2	4.5
Significant problems in contracts	4	9.1
Total contracts	10	22.7

Source: European Services Strategy Unit, PPP Database, 2011.

Note: Excludes 4 new contracts becoming operational in the previous year.

Table 12: **Contractor's performance**

Contract performance	No of contracts
Contract terminations	
HBS (Bedfordshire CC)	1
Amey plc (West Berkshire)	1
BT (Essex CC)	1
Capita (Sefton)	1
Reduced scope of contract	
Capgemini (Swansea)	1
Liberata (Redcar & Cleveland)	1
Significant problems	
Capita (Birmingham)	1
BT (Liverpool)	1
Mouchel (Oldham)	1
IBM (Somerset)	1
Total	10

Source: European Services Strategy Unit, PPP Database, 2011.

Part 3

Highway and waste services contracts

Highway Services

The first of four large whole-service highway SSPs with a Private Finance Initiative element commenced in Birmingham in July 2010. Three other projects are at the procurement stage – see Table 3.

Table 13: **Highway maintenance and improvement contracts (PFI)**

Local authority	Date started	Total value £m	No of staff	Transfer or secondment	Contractor	Services	Length of contract
Birmingham MBC	July 2010	2,700	250	transfer	Amey plc	Highway repair & improvement, bridges, street lighting, traffic signals, street scene & footpaths	25

Source: European Services Strategy Unit, PPP Database, 2011.

Waste and Environmental Services contracts

Waste and environmental services contracts are divided into two groups, those that include household collection and other local environmental services, and those that are primarily waste treatment and disposal contracts. Most are waste management contracts focused on the construction and operation of energy recovery and materials recycling facilities and waste disposal - see Table 14. Virtually all the projects are design, build, finance and operate Private Finance Initiative projects.

Table 14: **Waste and environmental services contracts**

Local authority	Date started	Total value £m	No of staff	Contractor	Services	Length of contract
Waste management contracts that include household collection and other local services						
Isle of Wight	1997	n/a		Biffa	Refuse collection & resource recovery facility	18
Leicester City	2003	300		Biffa	Refuse collection & Mechanical Biological Treatment plant	25
Sandwell MBC	Nov 2010	650	n/a	Serco Group	Refuse collection, recycling, street cleaning, waste processing & disposal	25
Sheffield MBC	Aug 2001	1,300	n/a	Veolia	Refuse collection, recycling, street cleaning, waste processing & disposal	25
Shropshire CC	Oct 2007	600	n/a	Veolia	Refuse collection, recycling, street cleaning, waste processing & disposal	27
Southwark LBC	Feb 2008	665	n/a	Veolia	Refuse collection, new waste & recycling centre	25
South Gloucestershire	2000	n/a		SITA	Refuse collection & includes energy-from-	25

Council					waste facility	
West Berkshire Council	2008	500		Veolia	Refuse collection & Materials Recycling	25
Westminster LBC	Sept 2010	518	650	Veolia	Refuse collection, street cleaning & recycling	7
Waste management contracts						
Aberdeen City Council	2000	n/a		SITA (Suez)	MRF facility	25
Aberdeenshire Council	2010	200		SITA	n/a	15
Argyll & Bute Council	2001	25		Shanks	n/a	25
Barnsley, Doncaster & Rotherham	2011	750		Shanks & Scottish & Southern Energy	New MBT plant	25
Cambridgeshire	2008	730		Donarbon	Mechanical Biological Treatment	28
Central Berkshire	2006	600		WRG (FCC)	Materials Recovery & recycling	25
Cornwall CC	Oct 2006	500		SITA (Suez)	ERC planned	30
Cumbria CC	2009	700		Shanks	Mechanical Biological Treatment	25
Dumfries & Galloway Council	2004	270		Shanks	n/a	25
East London Waste Authority	2002	132		Shanks	Mechanical Biological Treatment	25
East Sussex CC & Brighton & Hove City Council	2003	1,000		Veolia	Energy from Waste facility	30
Greater Manchester	2009	3,800		Viridor/ John Laing	Mechanical Biological Treatment	25
Hampshire CC & 13 local authorities	1995	n/a		Veolia	n/a	28
Hereford & Worcester	1998	n/a		FCC	Energy from Waste facility	25
Hertfordshire CC	2011	544	n/a	Veolia (preferred bidder)	Combined heat & power	25
Kirklees MBC	1998	n/a		SITA	Energy from Waste facility	25
Lancashire CC & Blackpool Council	2007	2,000		Global Renewable	Mechanical Biological Treatment plant	25
Leeds City Council	2012	550	n/a	Veolia (preferred bidder)	Energy from Waste facility	25
Merseyside Waste Disposal Authority	June 2009	640		Veolia	Mechanical Biological Treatment plant	20
North Lincolnshire Council	July 2011	250	n/a	Waste Recycling Group (FCC) & CEMEX (preferred bidder)	Mechanical Biological Treatment plant, turn residual waste into Climafuel for Cemex's cement kilns.	27
North Yorkshire	2010	900		AmeyCespa	Mechanical Biological Treatment plant	25
Northumberland CC	Dec 2006	200		SITA	Includes energy-from-waste facility	28
Nottinghamshire	2006	850		Veolia	Energy from Waste facility	

South Lanarkshire Council	2011	459		Viridor		25
Staffordshire CC	2011	1,000		Veolia	Energy from Waste facility	25
Suffolk CC	2010	612		SITA	Includes energy-from-waste facility	25
Surrey CC	1999	n/a		SITA	Includes energy-from-waste facility	25
South West Devon Waste Partnership	2011	796		MVV Umwelt	Energy from Waste facility	25
South Tyne & Wear Partn. South Tyneside & Sunderland	April 2011	727	n/a	SITA, Lend Lease & ITOUCHU Corp	Includes energy-from-waste facility	25
Teeside (Stockton, Redcar & Cleveland, Middlesbrough & Hartlepool)	1998	n/a		SITA	Energy from Waste facility	25
West Sussex	2004	540		Biffa	Mechanical Biological Treatment plant	25
Total 40 contracts		23,308				

Source: European Services Strategy Unit, PPP Database, 2011.

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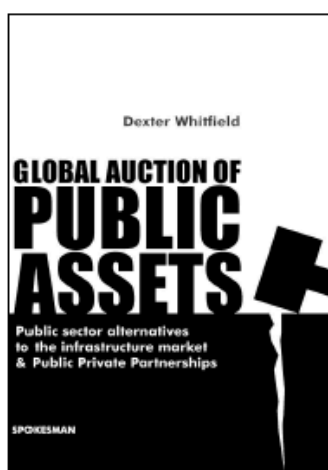
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