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**From:**

**Sent:** 23 April 2010 5:52 PM

**To:** Punton Colin; Collington John

**Cc:** Homer Lin; ; Holliday Justin; Luetchford Jacqueline; Coats Matthew; Kilpatrick Helen (submissions); Wren Andrew; Kershaw Stephen; Rimmer Stephen (Submissions); Spencer Fiona

**Subject:** David Normington's Meeting with Serco 19/04/10

Colin,

Thank you for coming along to the meeting on Monday 19<sup>th</sup> April when David Normington met with Serco. Lord Filkin was supposed to attending however he was stuck in Greece due to the no fly restrictions, instead Tom Riall (Chief Exec of Serco Civil Government) and Jeremy Stafford (Managing Director Home Affairs, Serco) attended the meeting. The attached presentation had been sent through to David before the meeting and formed the basis of their discussion. Many thanks to John Collington for the briefing provided ahead of the meeting.

Firstly Tom Riall said that he felt that, after a tough couple of years, the Home Office/Serco relationship was now on a good footing. There were a few noticeable success stories which included Cyclamen and E-Borders. David agreed saying the Home Office now had greater confidence in Serco than ever before and that he was grateful for all of the hard work that had they had put into the relationship.

The discussion then moved onto Serco's work on Project Advance. Tom Riall and Jeremy Stafford set out the productivity gains that Serco have made in the middle office (in this instance caseworking). In a direct comparison with the UKBA staff they have calculated gains of 100% which they attributed to good management practices but also that they split the casework into four stages which are dealt with by different individuals with the appropriate skills. David was impressed by the savings and commented that it was interesting that Serco had reverted to the system that meant multiple people had responsibility for a case rather than an individual overseeing the entire process.

With the financial constraints that we will be facing Serco felt that, using lessons from the USA, there was further scope for efficiencies within the immigration system. Currently the USA outsources many of the services that we keep 'in house' (slide 6) and it is the outsourcing of staff intensive work that present the most opportunity to drive costs out of the system – saving up to 30%. Tom Riall said that conversations were taking place between Serco and UKBA around the possibility of driving out costs in process heavy areas. In addition to driving out costs in immigration, Serco felt that there were large savings which could be made in the police but they did not feel that the police were convinced of the advantages or need for improvements. David outlined the work that the Home Office was involved in with forces and agreed that the procurement of services by individual forces didn't help.

Finally Tom Riall and Jeremy Stafford discussed the Shared Service Centre in Newport. Whilst they think that the Shared Service Centre is impressive they think that in order to run at full capacity there would need to be a 25-50% increase in work. They believe that a joint venture, similar to those they have already done with Glasgow City Council and Guy's & St. Thomas' Hospital, would help generate this business. David said that whilst he agreed that we needed to increase the capacity at Newport, it was the MoJ that 'owned' the Shared Service Centre, but said that he would mention it to Suma Chakrabarti.

Many thanks