

UK: bringing local services back in-house

(June 2011) A new [report](#) commissioned by [UNISON](#) provides survey evidence on how local authorities in the UK are insourcing services - bringing services back in-house.

The survey found that 60% of council officers said the need to improve efficiency and reduce service costs had led them to consider bringing services back in-house. And after cost, 44% of respondents said there was a need to improve service quality.

Apart from substantial cost savings, the other advantages of insourcing included flexibility (64%), greater local responsibility (52%), improved staff morale (33%) and better terms and conditions (25%).

The survey was carried out by the Association of Public Service Excellence ([APSE](#)).

The main conclusions of the APSE study include:

- Councils of all sizes, locations and political control are continuing to bring more services back in-house.
- Intense budgetary pressures are acting as a key driver in insourcing.
- Insourcing is viewed as a flexible means of delivering services within the difficult and dynamic context in which local government is operating.
- Environmental services are the most likely to be brought back in-house, followed by housing but a broad range of services are being insourced nationally.
- Councils are finding that insourcing contributes towards:
 - accountability;
 - flexibility;
 - efficiency;

- cost effectiveness;
- service improvement;
- strategy and synergy;
- added value;
- risk minimisation; and
- workforce morale.

-- Staffing issues are a vital consideration when insourcing and lessons learned from case studies show that consultation and communication is a key factor when returning services back in-house. Improved pay and conditions, access to the Local Government Pension Scheme and development helps to boost morale and performance.

One of the case studies in the report features Cumbria County Council in the North West of England. In 2001 the council outsourced a substantial group of services affecting 540 staff: highways technical services, economic development; property; pensions administration; occupational health; human resources; payroll and accounts payable.

The council has now brought most of these back in-house arguing that it has more control and flexibility over the provision of these services, some of which are provided in co-operation with other public service organisations.

Deborah Hamilton, secretary of the UNISON branch at the council highlighted the role played by the union in continuing to argue the benefits of in-house provision: "...I would say that if a council makes a decision to outsource a service that is not the end of the matter. We played a critical role in a long term campaign around outsourced services. Branches should not simply think because a service is outsourced it will never be run in-house again."

Further information

[UNISON press release on the report](#)

APSE produces a wide range of publications on public service issues. This is the [full list of publications](#)

and here is the [previous report on insourcing](#).

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