



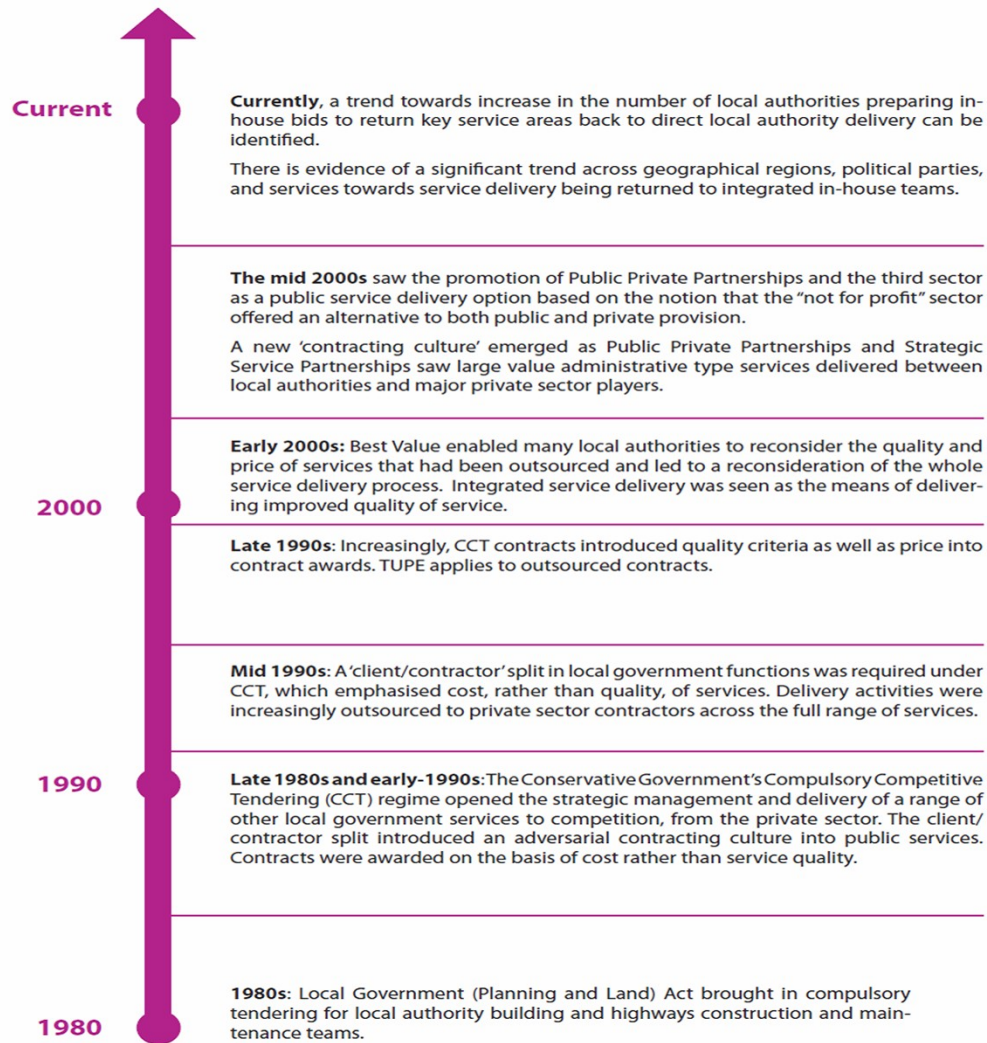
Remunicipalisation of public services

Paul O'Brien
Chief Executive, APSE

www.apse.org.uk



Time-line



Other drivers for insourcing



- Market failure
- Railways
- Banks
- Lack of risk transfer
- Lack of access to investment
- Growing confidence in direct delivery
- Specific service failures

The Deloitte logo is positioned in the top left corner. It features the word "Deloitte" in a bold, blue, sans-serif font, with a small yellow dot at the end of the word. The background of the entire slide is a photograph of a ship's wake in a dark, stormy sea under a cloudy sky. Two horizontal blue lines are located below the logo and above the word "Consulting".

Deloitte.

Consulting

Calling a Change in the Outsourcing Market

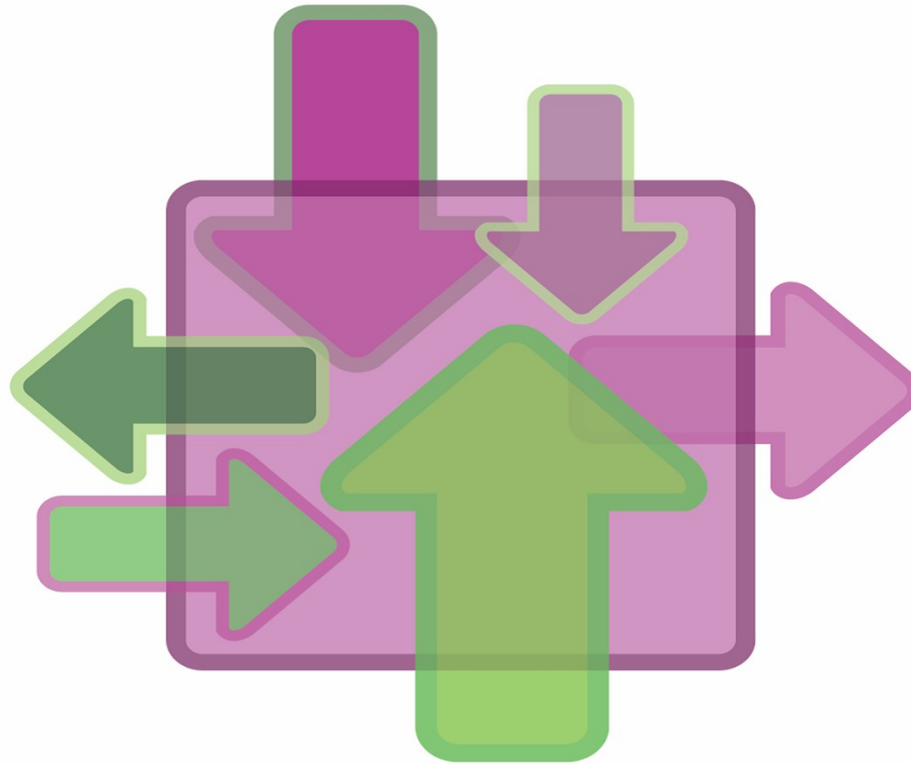
The Realities for the World's Largest Organizations

April 2005

Insourcing:



A guide to bringing local authority services back in-house



APSE's
research
shows
insourcing is
happening
for **practical**
reasons rather
than any
ideological
stance.



A primary reason for insourcing appears to be related to **poor performance.**





Insourcing update: The value of returning services in-house in an era of budget constraints

A report by APSE for UNISON

Figure 1 – Insourced services (by service area)

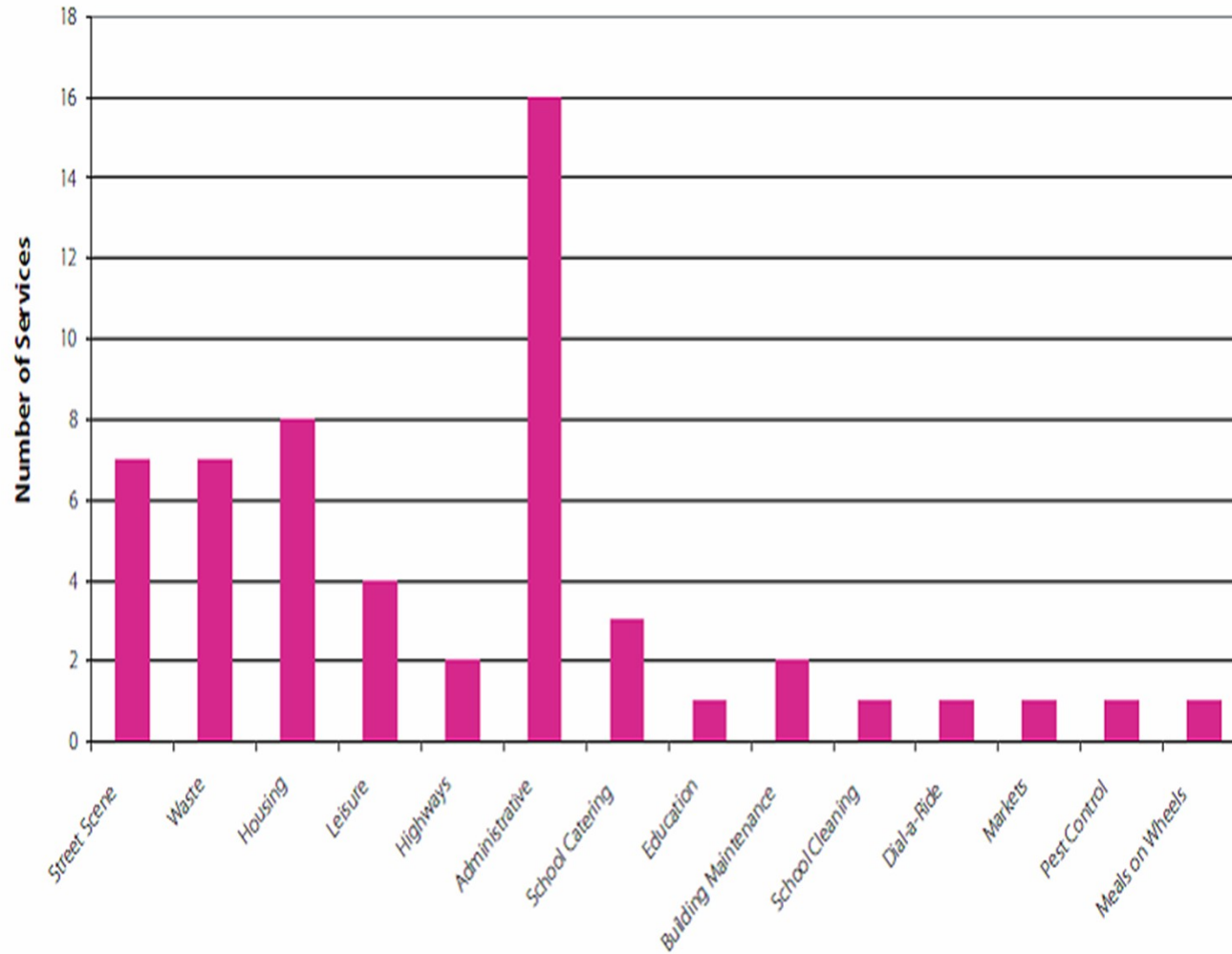




Figure 2 – Insourced services (by region)

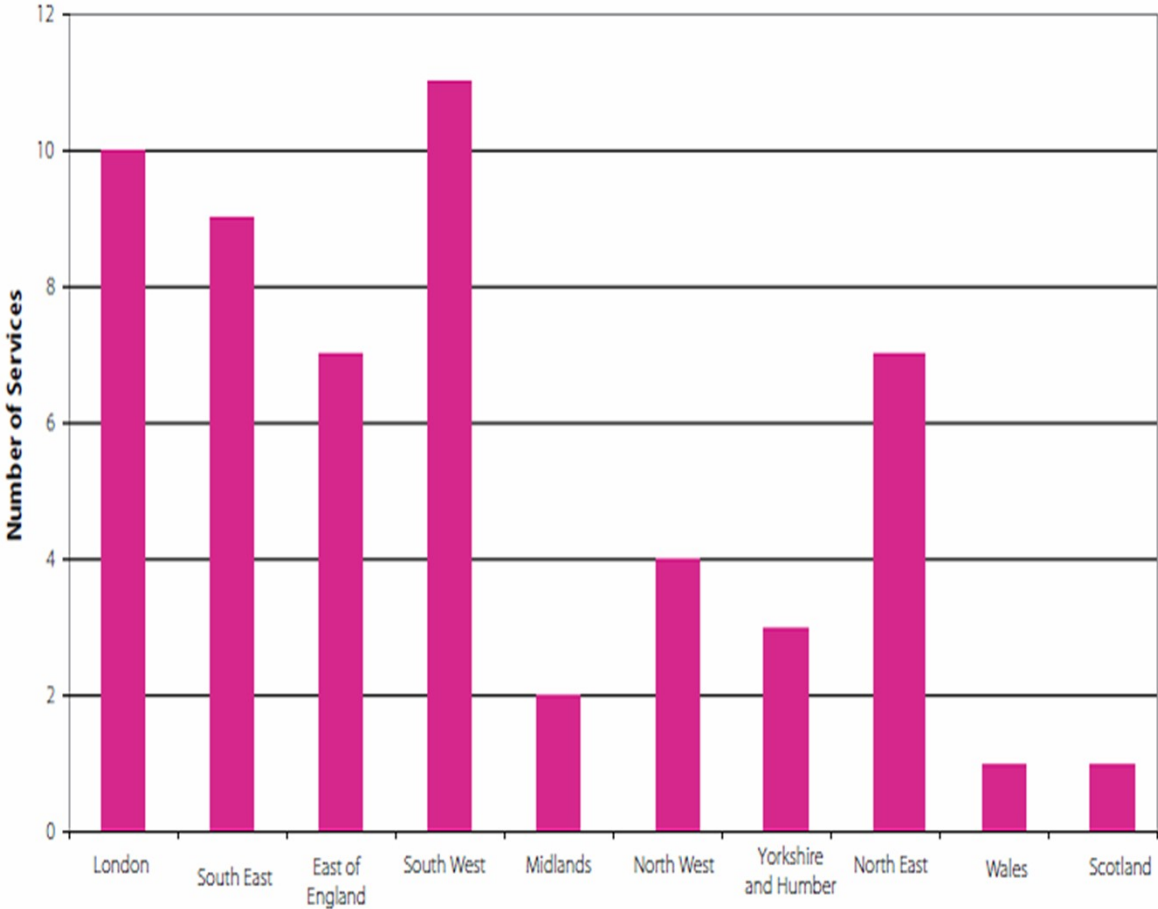
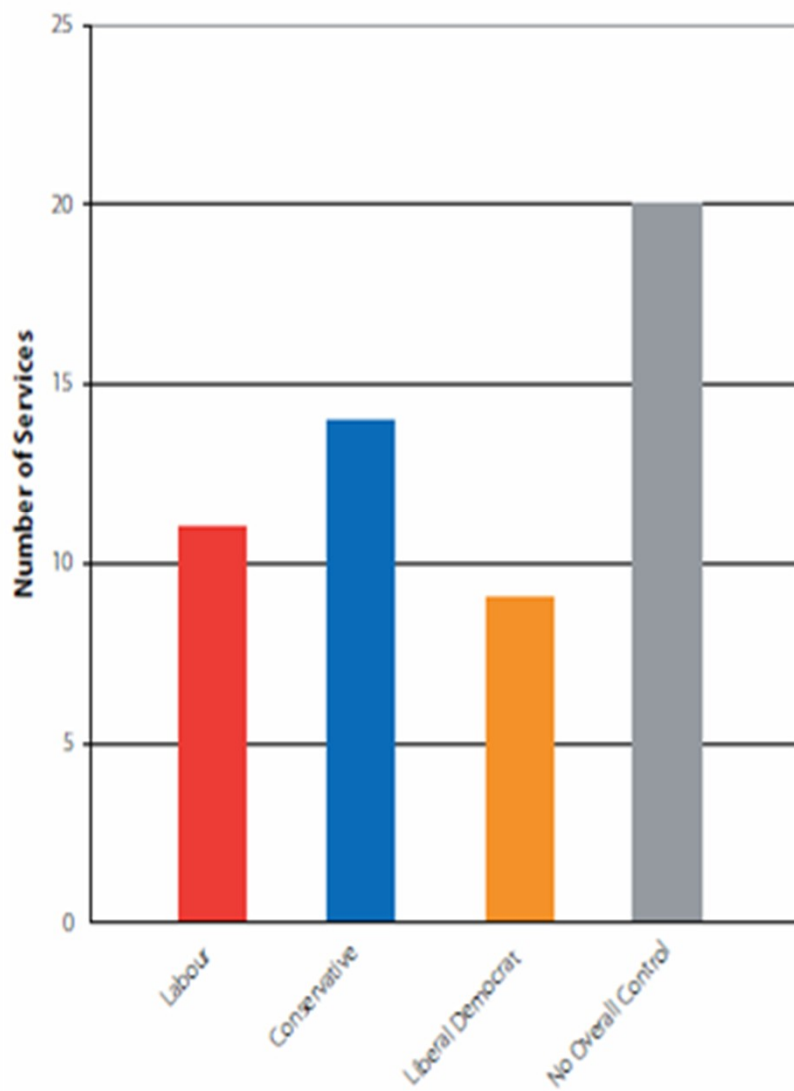




Figure 3 – Insourced services (by political control, May 2008)



4 Most quoted reasons for insourcing services



- Poor contractor performance
- A need to improve the quality of service
- Workforce problems, morale and motivation
- A need to address poor customer satisfaction levels

The London Borough of Southwark has seen resident satisfaction ratings of its street and estate cleaning service increase from 30% to 70% in the last four years.



Economic footprint of in-house services



- Every £1 generates £1.64 in local economy
- Lack of leakage from local area
- 96% of staff lived in council area
- 53p of every £1 earned spent locally
- 51p of every £1 spent on suppliers locally

Insourcing survey



- 140 local authorities
- 57% brought back, in process off or considering
- Need to improve efficiency and reduce costs was main reason for 60%
- For 44% reason was improving quality

Increased efficiency



- Scale of service related to savings
- 13% savings up to £25,000 per annum
- 8% savings up to £250,000 per annum
- 6% savings up to £500,000 per annum
- 5% expected savings up to £1m p.a.

Key benefits of insourcing

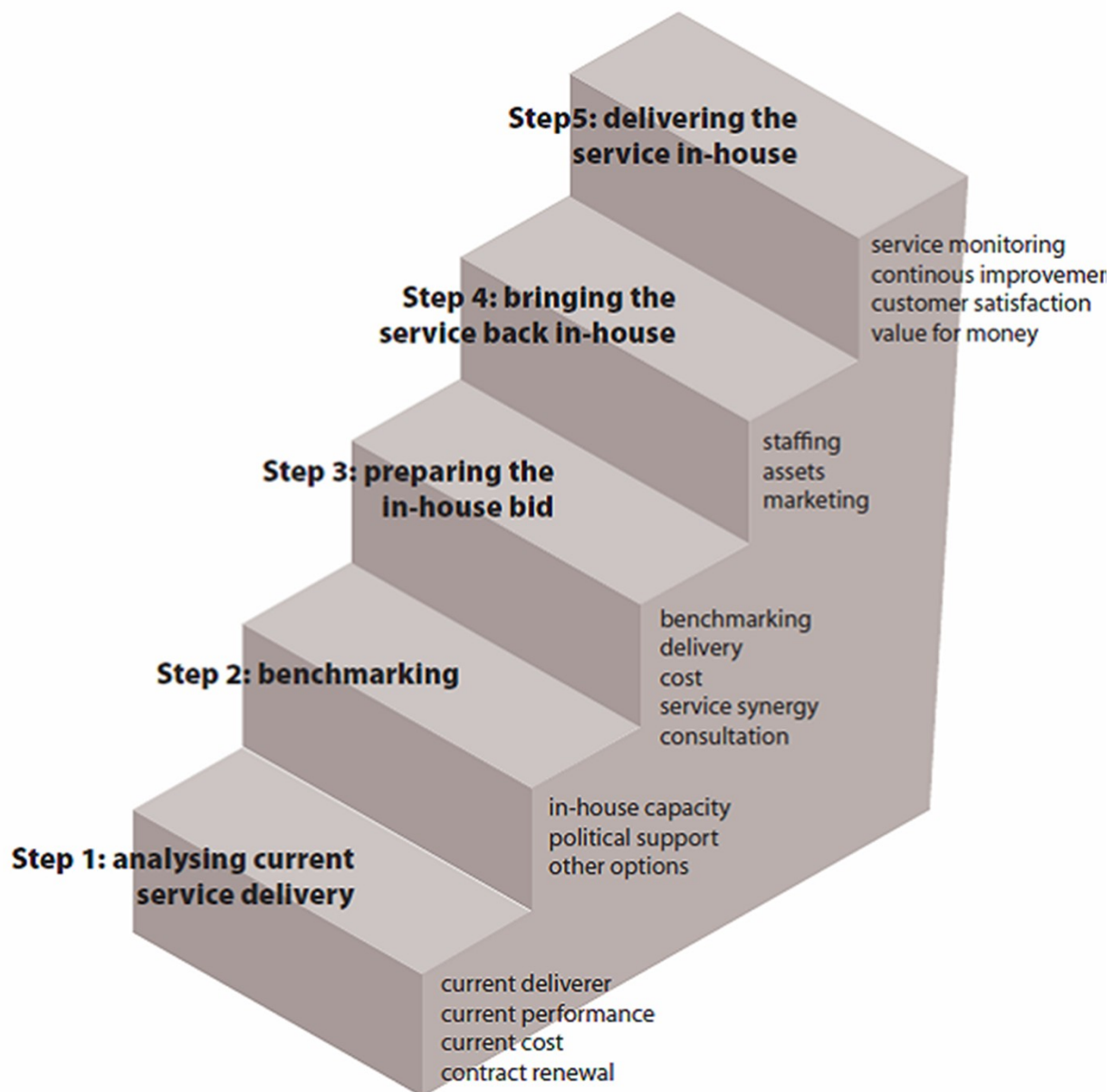


- Improved efficiency / reduced costs
- Ability to integrate services
- Flexibility
- Minimising risk
- Regaining control
- Reducing cost & time managing contracts
- Local engagement & accountability
- Greater staff motivation & improved quality
- Maintaining expertise & capacity

There is
**mounting
evidence** that
councils have
been bringing
services back
in-house and
are continuing
to do so.



Figure 4: key steps and considerations in insourcing services



Services have
been insourced
as part a local
authority
drive for
quality service
provision
and value for
money.



LOCAL SERVICES

LOCAL SOLUTIONS



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