



Once bitten, twice shy!

'Insourcing' will become an increasingly attractive option for local authorities as the recession bites, according to APSE, which today launches its research on the return of council services in-house.

APSE's latest report, *'Insourcing: a guide to bringing local authority services back in-house'*, examines how local authorities are returning services that had previously been externalised to private sector contractors to delivery by directly employed teams.

It demonstrates the benefits that can be achieved from insourcing. These include: better performance; increased public satisfaction; greater value for money; efficiency savings; responding positively to changing policies and challenges; joining up services coherently at neighbourhood level; helping meet strategic goals, such as tackling climate change; and boosting local employment and economic development.

APSE's chief executive Paul O'Brien, said: **'The days where it was unfashionable to question the value of outsourced services are over. In these turbulent economic times local authorities are looking at all options available to them and what this research shows is that over fifty of them have decided that based on their experience of the market, it is more economic, efficient and effective to deliver services directly themselves.'**

He added: **'We are not suggesting insourcing should be the only option. But, as times get tighter, the benefits that can be reaped from in-house teams directly delivering local services to local communities must now surely be recognised.'**

APSE's research shows the decision to insource is being taken for pragmatic rather than ideological reasons; councils of all political denominations have brought services back in-house.

Administrative services, such as revenues and benefits, are most likely to be returned in-house, followed by grounds maintenance, street cleansing, waste and recycling, the research found. Leisure, highways, homelessness, school meals and a host of other services have also been insourced.

APSE's research concentrated on more than 50 examples to analyse the reasons for insourcing. It found the reason most commonly cited was poor contractor performance, which led to poor user satisfaction with services. Other reasons included; a tender being won at a low price but failing to meet key targets; dilapidated equipment being used; public confusion over who was responsible for what; and a desire for higher quality services.

The guide includes in-depth case studies and examples of what insourcing has achieved, such as:

- Satisfaction with street cleansing in Southwark rose from 30% to 70% post-insourcing.
- Exeter City Council has used insourcing as an opportunity to apply sustainability principles during building maintenance work.
- The return of the waste service in-house in Three Rivers has been twinned with efficiency savings of over £1.5m.
- Insourcing Oldham MBC's waste services has enabled them to be combined with parks and street cleansing and a closer link between service delivery and meeting key targets to be achieved.
- Grounds maintenance services in Maidstone BC have become more resource efficient as a result of insourcing.

Notes to editors

- APSE is the Association for Public Service Excellence. A not for profit organisation that works with over 300 local authorities throughout the UK
- Insourcing: a guide for local authorities bringing services back in-house, is available from APSE. Price £20 members and £40 non-members. Tel: 0161 772 1810 or email: mbaines@apse.org.uk.
- To arrange for interview please contact Mo Baines at APSE on mbaines@apse.org.uk or mobile 07971 843515
- Press summary copy available on request. mbaines@apse.org.uk