

Insourcing Building Repair and Maintenance

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Why?

- Because you should consider all options
- And pick the one that best meets required objectives
- Which, in many cases, will be insourcing

Developing strategic thinking

- Reducing faith in outsourcing
 - Carillion!!
- Income generation
 - Can't trade in something you don't do
- The advantage of being in control
 - Outsourcing locks in budgets
 - Inhibits agility
 - Stops us responding to emerging priorities – climate change for example
 - Outsourcing can incentivise reactive work rather than prevention
- Community wealth building
 - Do we want to see public money leaking out of local economies?

An evidence based approach

- This is not just about the in-house option
- *All* options must be considered
- Tempting to start with the solution but...

Eating the elephant

- Current state assessment
- Establish objectives
- Identify and describe options
- Create option appraisal criteria
- Appraise options
- Compile business case



Don't start with the status quo

- The biggest decision is whether to provide the service at all
- Do we have a choice?
 - Is it required by law?
- Does it contribute to achieving council priorities?
 - Social
 - Economic
 - Environmental
 - Income generation
- Could someone else do it better?
 - Third sector?
 - Other public bodies?



Second tier questions

- Is the service optimally packaged/configured?
 - Cost effectiveness
 - Service delivery
 - Added value
- What are the alternative approaches?
 - Go it alone services
 - Integrated services
 - Variable packaging
- Is there potential for added value?
 - External trading opportunities
 - Scale economies
 - Access to additional funding sources
- How important are factors such as
 - Ability to vary volume
 - Ability to change methodology
 - Social value

How is the current service doing?

Qualitative

- Internal SWOT
- Perceptions of key stakeholders
- External complaints/satisfaction data
- Culture fit

Quantitative

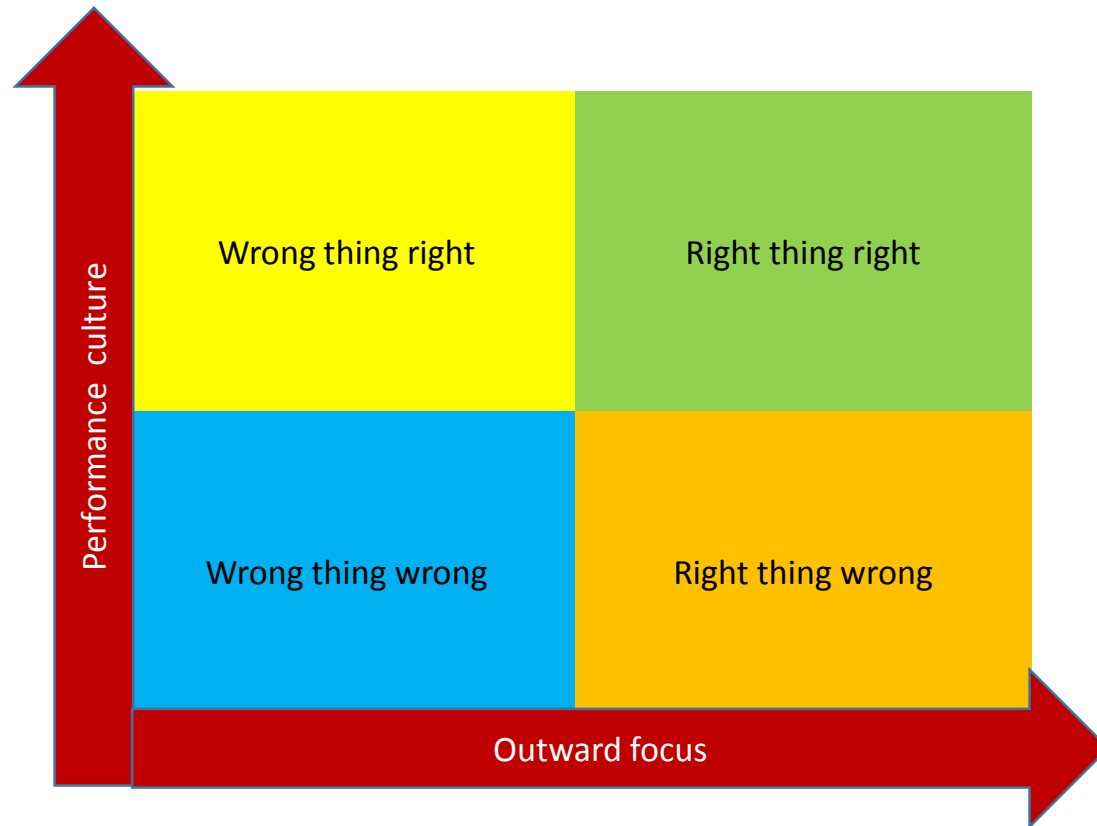
- Objective performance measures
- Contract penalties
- Headline unit cost
- Actual unit cost
- Benchmarking

Organisational culture.....

- Managing contracts is very different to running services
- Who stands to gain, who stands to lose?
- All organisations are self interested to some degree
- Doing the wrong thing well



It's not just doing what you do better



..... And capacity

- Depots
- Plant
- Machinery

Physical
Facilities



- Including digital
- Supply chain

Processes



- Front line
- Management

Personnel



- Systems and data to forecast demand

Planning



Configuration options

- Separate services or integration
 - Efficiency
 - Meeting user requirements
 - Creating an attractive commercial offer
 - Total FM approach
 - What services to include

Delivery vehicle options

- Contract out via competitive procurement
 - Term contract(s)
 - Call off contract
 - Joint venture private partner
 - Incorporate concession elements – enforcement income, recycling income etc
 - Input specs or output specs – what inputs/what outputs
- Contract via a different route
 - Arms length company (Teckal)
 - Arms length JV (Teckal) e.g. with NORSE
 - Public/public cooperation (Hamburg) e.g. with schools
- Bring in-house
 - Go it alone
 - Potential for shared service

So how do we decide which is best?

- Decide what is important – evaluation criteria
- Work out what we need to know about each option
- Make sure we know about all the potential variations and sub-options
- Score the options against the (weighted) criteria
- But don't forget the big picture stuff

- Remember, its not strictly a science
 - political environment and elected members are entitled to make the decisions
 - but there is a legal requirement to take account of the facts

Typical process



Consultancy

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Interim management requirements

**Roads & Highways, Building Maintenance, Bereavement Services, Environmental,
Parks & Open Spaces, Waste, Facilities & Leisure etc.**

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