
Insourcing in Local Government APSE Workshop

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15 November



Closing the divide

A strategy to build an inclusive and green Salford economy for all

The Salford Way.

Salford's new Inclusive and Green Economy Strategy is our ambitious new plan to build a fairer, greener and healthier Salford for all.

Our vision is to create for a fairer and more inclusive local economy that delivers greater social and environmental justice, where wealth is shared more widely across all our communities. An economy where every Salford citizen has the opportunity to participate and feel empowered to make a difference through their communities, workplaces and local democratic institutions.

Our five-point plan to deliver real change:

1. Building local community wealth.

Ensuring every pound spent in Salford is maximised for local benefit. This means awarding public contracts to businesses who are committed to recruiting locally, using local supply chains, providing decent pay and conditions, creating a healthy workforce, reducing their carbon footprint and giving something back to the community.



2. Growing the social economy

Promoting alternative models of business ownership such as co-operatives, mutuals, and other forms of social enterprise. We want to create an economy where local communities can have a real say and can benefit from the wealth that is created in Salford.



3. Accelerate transition to a zero-carbon economy

Taking bold climate action now so we can deliver significant new economic benefits for local people in terms of creating new green local jobs, new green market opportunities for local businesses, and developing the skills needed for the green industries of the future.



4. Strengthening public services

Identifying opportunities to insource more public services (where in the public interest) and maximising income from the continued growth of the city through exploring ways to commercially invest in our city's future.



5. Strengthening civic participation and local democracy

Opening up opportunities for greater citizen participation in our economy, ensuring more meaningful engagement so that every Salford citizen has the power and resource to shape the future of their local area and truly feel part of the decision-making process.



Together, these five priorities form the bedrock of Salford's new approach to economic development that will see the city join a growing movement nationally and internationally that seeks to re-imagine how economies work for local people and the planet.

Find out more about our bold ambitions at salford.gov.uk/your-council/the-salford-way

Creating an Inclusive Economy

Identifying opportunities to insource core public services

Unlike many places across the country, Salford is proud of its strong track record of ensuring key public services (such as those delivered by the local authority) are delivered in-house wherever possible. This on-going commitment recently led to the decision by the council to end its partnership with Urban Vision, and bring the city's technical services, that includes planning, property management and highways, back under democratic council control.

There is an increasing body of national evidence that is directly challenging the long-held belief that public services delivered through (largely private sector) market mechanisms, provides better value for money. Research from the Association for Public Service Excellence⁵ reveals that far from increasing cost-efficiency and enhancing delivery, outsourced services can often be inflexible; limit innovation and ultimately cost more to deliver and manage - adding significant costs to the public purse.

This is why the council is committed to expanding the range of services provided in-house wherever it is viable and in the interests of local people, by carefully appraising which services can be strategically brought back in-house. This will include putting in place a rolling calendar review of contracts in advance of end dates or break clauses, supported by the development of a new insourcing appraisal framework to develop clear evidence-based criteria to guide decision making.



Services in question

- Urban Vision – returned to SCC in early 2022 (ex Capita) – technical services, planning, property management, highways
- Commitment to review social care models of delivery – domiciliary and residential care
- Insourcing appraisal framework – standards for assessing opportunities and alternate delivery models



Benefits

- Service model – ability to reshape to reflect local need and develop local solutions
- Direct performance management and quality control
- Employment standards
- Potential to realise financial efficiency
- Democratic accountability
- Alignment to wider council priorities including management of supply chains and sub-contracting opportunities



Challenges

- Clarity of objective – creating a compelling narrative
- Implementation via commissioning and procurement teams
- Strategy v practice
- Relationships with VCSE and existing providers
- Expectation management – realistic financial assessments and pace of change
- Running current provision whilst developing new options – managing the ‘transfer’
- Underestimating skills and capacity needed from commissioners, finance, legal and HR teams

