

Session 3



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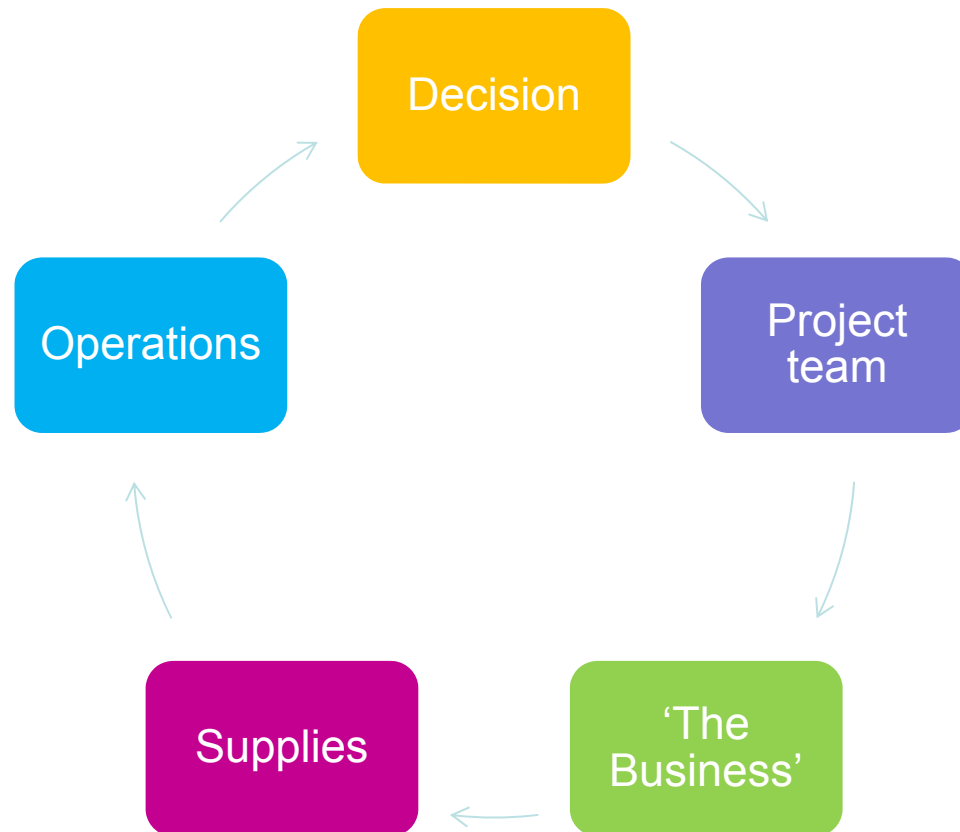
**Service delivery models and
insourcing**

What we will now cover...



- Steps to Insourcing and issues of TUPE
- What are the business planning and processes to insource a service?
- Ending a contract – is a dispute inevitable?
- TUPE – knowing your TUPE responsibilities
- What the new TUPE regulations mean for Insourced services

Steps to insourcing?



Decision



- Benchmark data?
- Contract failure?
- Contract notice period?
- Legal challenge?
- Budget? Austerity? Service integration?
- Service improvement?
- Committee report? Full council?

Project
team



- Why a project team?
- Service 'infrastructure' – Depots? Fleet? Equipment?
- Operations – Staffing? Internal structures?
- Suppliers - costs, contracts, invoicing
- HR – lead-in to insourcing, TUPE, pensions? Pay roll? H&S requirements
- Communications!

'The
Business'



- What will the service look like?
- What are the cost parameters?
- Start-up budget?
- Cost recovery on any investment?
- Service integration?
- Commercialisation?
- Capital investment? Revenue streams?

- Will you also be insourcing fleet? depots?
- Contract novation?
- Council standing orders?
- Procurement lead-in times?
- Licensing or propriety rights?
- Having the stock on hand at the contract start
- Communications. Payments. Audit.



- When is your 'go live' date?
- Pilot period?
- Transitioning arrangements
- Integration with the local authority team
- Any service changes – how will these be managed?
- Benchmarking your successes (and failures).

**Do you need a company to
insource to?**



No! But....

Local authority companies



Local authority companies



- Powers to set them up
- Are they needed
- Advantages?
- Disadvantages?
- Recent Developments

Establishing a company



- Many types of corporate entity
 - Limited Liability Partnerships
 - Community Interest Companies
 - Company limited by shares / guarantee
 - Industrial and Provident Societies
 - Charitable Trusts
- The most suitable vehicle depends on the specific needs of the authority

Danger



Procurement rules..



- EU directives
- Teckal and award of work
- Taxation
- Sustainability
- Arms length to oblivion?

What about the workers?



Workforce considerations



- TUPE (in reverse..)
- Harmonisation issues
- Terms and conditions
- Pensions
- Practical considerations with contractor staff

Successes...



- Reduced cost
- Increased customer satisfaction
- Better service integration
- Budget flexibilities
- Few legal challenges
- Opportunity to commercialise / integrate and improve financial outlooks



Thank you

LOCAL SERVICES

LOCAL SOLUTIONS



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