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Public Service Excellence**



Session 2

- What models of delivery to insource a service?
- Do you need a trading company?
- Social enterprises, coops and charities?
- Workforce matters
- Equal pay, pensions and TUPE

What models of delivery to an insourced contract?

- It depends!

Key questions:

1. What's the vision for the future of the service?
2. What are you seeking to achieve?
3. Interface with public policy outcomes?
4. The scope and extent of other outsourced services?
5. Existing internal capacity?

Do you need a trading company?

- Not necessarily!
- If the purpose of insourcing is commercial?
- Much can be achieved through simple charging provisions
- Limited exceptions for trading (*Trade Waste, Housing Companies*)

Teckal or LATCOs

- Wholly owned by parent council(s)
- Pass the control test
- Beware limitations on trading beyond council (20% rule)
- Brexit, state aid, taxation

When to use?

- But.... May be appropriate to 'house' incoming work
- Gradual return of a series of contract
- May allow contract novation / passage through legal mechanisms
- Shares situation in Joint Ventures
- A clear purpose for profit and expansion

Social enterprises, coops, and charities

- Are they an in-house model?
- Employee ownership models?
- Public contract requirements
- Capital and inability to issue shares
- Contract or grant aid dynamic?

In-house model

- Within a council department
- Governance and reporting to where?
- Strategic and operational fit with other services and budgets?
- Use of existing management structures to compliment returning workforce
- Option to use transitional capacity – interim managers

Workforce matters

- Often identified as a barrier to insourcing – lack of capacity
- But.. TUPE most often applies
- Outsourced workforce also problematic
- Agency staff, high staff churn, local knowledge

Workforce cost and capacity

- Pay, terms and conditions often a driver to workforce instability
- Rectifying on insourcing – no false dawns on cost reductions
- Fair comparison of workforce costs
- Structures that reflect the work flow / service needs

TUPE, Equal Pay and Pensions

- TUPE Regulations
- APSE research found TUPE applies in vast majority of cases
- TUPE and Equal Pay – a matter of time but driven by principle?
Job Evaluation
- Pensions – LGPS regulations
- Returning LGPS employees

Workshop Discussion



Virtual lunch break 12.45-1.15 PM

