

Authorities splash £20 billion on outsourcing



They should focus on services, not lining the pockets of private companies

Local authorities awarded outsourcing contracts worth £20 billion over the last three years (2016 to 2018), a new probe by GMB, the union for local government workers, has revealed.

The figures, which were commissioned from Tussell, a data provider on UK government contracts, will be presented to GMB's Annual Congress in Brighton today.

Meanwhile, the Cabinet Office has refused to release its own estimates of the scale of public sector outsourcing, claiming that the information is too 'commercially sensitive' to be published.



Transport for London (TfL) was the biggest outsourcer of services by value, issuing 253 awards worth £2.3 billion over the period. The rest of the top five buyers are made up of London Borough of Harrow, the Metropolitan Police, the Northern Ireland Housing Executive and North Lanarkshire Council.

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Rehana Azam, GMB National Secretary, said:

The top supplier was Veolia PLC, which won contracts worth £1.4 billion, followed by IBM, Pennon Group, Amey and Amazon.

Facilities management was the largest sector, with awards worth £5.2 billion, followed by waste management, business and IT services.

GMB’s Go Public campaign calls for an end to outsourcing and privatisation in UK public services and for a better deal to the taxpayer.

Carillion collapse: the dangers of outsourcing

Rehana Azam, GMB National Secretary, said:

“It we’ve learnt anything from the collapse of Carillion – it’s that outsourcing doesn’t work.

“At a time when local authority funding is already cut to the bone, this out of control outsourcing places even more risks and burdens on budgets and workers.

“Taxpayers’ cash shouldn’t be propping up an outsourcing industry descending into chaos as companies underbid each other for contracts in a race to the bottom which will see a serious decline in public services.

“We are calling time on the outsourcing of public services – it’s a bad deal for the public and a bad deal for local authority workers.”

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