

**Richard Lee, Member at Women's Business Council, and Chief People Officer at Willmott Dixon Holdings Limited – Written evidence (FFF0061)**

**Public Services Committee 18 May - Additional Written Information**

**Outsourcing and Shared Services**

Sometimes public services may go to outsourcing, almost as a default, to improve efficiency, but there are caveats to consider. In my experience, outsourcing over promises and under delivers. The larger the service, the more likely it is to be inaccurate and impersonal.

Rather than outsourcing, and in order to improve efficiency from within, public service organisations can also share back-office service, HR, IT, Finance, across different locations within a public service, health service, police, local authorities, or across different services (so the police and the health service), using their own existing resource, which can be reduced over time, as they achieve efficiencies from:

- Scale – more employees supported by the same, or fewer people.
- Scope – there may be potential to bring in more 'back office' services, e.g., communications, health and safety.
- Systems – proven systems to support 'back office' services. License costs may be cheaper as fewer licenses are needed if different organisations share the same service.
- Skills – the people running the service become more skilled in what they do, as that is all they do.

They can also outsource these services – but the same caveats apply above.

*19 May 2022*