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In-house is best

Read why PCS has a policy to bring outsourced work in-house.

Outsourcing in the public sector is broken. That is why PCS sponsored a parliamentary event on the 2 March along with the RMT and Unite unions, on the need to insource work.

Speakers included PCS general secretary, Fran Heathcote, Paul Novak of the TUC and Justin Madders, Shadow Labour Minister for Future of Work and Employment Rights and Protections. Mr Madders reiterated the Labour Party's promise "to carry out the largest wave of insourcing in a generation, if elected."

There is no balanced reason for a Labour government to stick with the continued outsourcing of Facilities Management (FM) work. This model is expensive, rigid, discriminatory and fails workers employed on outsourced contracts.

With the 1 April statutory minimum wage increase to £11.44 per hour, many FM workers employed on government contracts are paid the same as their civil service colleagues. However, if the FM staff are paid the [Living Wage Foundation's real living wage](#) of £12 per hour nationally and £13.15 in London, they are actually paid more than their in-house equivalents. When you factor in the high costs associated with tendering and awarding contracts, and then the cost associated with monitoring those contracts, having FM services delivered in-house is cheaper. Then if you add in FM companies' profit margins, the cost of outsourcing will be markedly dearer.

Certainly insourcing is fairer. When you compare the racial composition of FM staff to civil servants you see that a greater proportion of FM workers are from a Black, Asian and Minority Ethnic (BAME) background. Over the years 'market forces' have led to the racial segregation of staff working in the civil service/public sector. In-house staff tend to be white whilst those on the FM side, tend to be BAME and/or migrant workers. The reasons for this are complex but it is a fact. Your PCs reps believe this racial segregation is indirect discrimination and the only proper way to end that is to bring FM staff in-house.

Lastly outsourcing is rigid. Once you contract services then everything becomes monetarised and legalised. This incentivises outsourcing companies to demand more money to provide a service if it is not covered in the original contract. However, in-house services are directly managed and can be re-configured more easily if circumstances change, without the need to consult a lawyer.

Back to Mr Madders. We believe he is personally committed to more insourcing, but all the unions involved in the event know that pressure must be kept up to realise this commitment. We are therefore planning a follow up event that outsourced FM members can get involved with. PCS will continue to make the case that if you want greater expense, complexity and discrimination then outsource work, but if you don't, then in-house work is best.