



Outsourcing in Language Services

Mike Orlov Executive Director & Registrar July 2024

Past to the Future



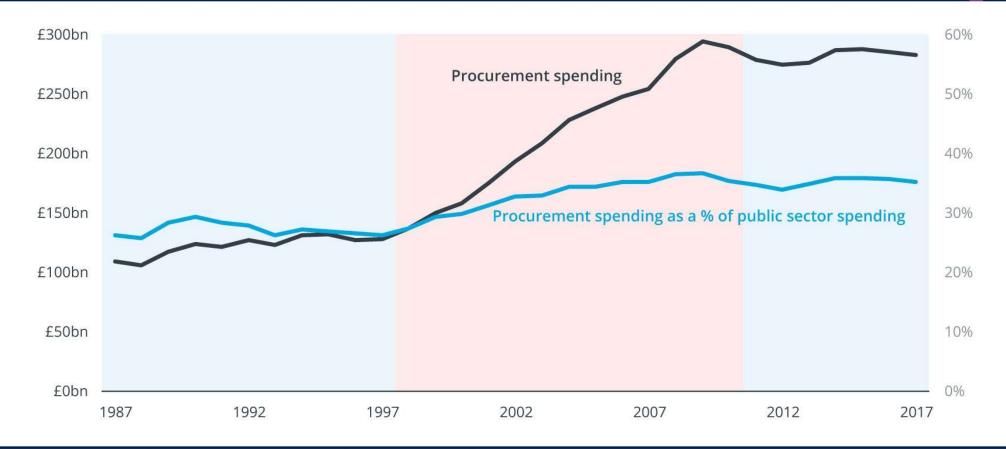
Government spent £284 billion in 2019 on buying goods and services from external suppliers

This was a third of all public expenditure

The money is spent on everything from goods such as stationery and medicine, through to the construction of schools and roads, the daily delivery of back-office functions such as information technology and human resources, and front-line services such as probation, social care and interpreting

The introduction of compulsory competitive tendering in the 1980s led to a significant expansion of private contracting, especially after 2003 and accelerated post financial crash of 2008

Public sector procurement spending, 1987-2017



Source: Institute for Government analysis of ONS Blue Book data. Figures are shown in June 2019 prices.



Originally The term was *outside resourcing*, and the business activity emerged in the 1950s in US companies

Not called *outsourcing* until the 1970s

Companies sought efficiency and began hiring outside firms to manage non-core, less-than-essential processes

It was introduced by the UK's Conservative government in the early 1980s as a way to neuter strikes, downsize council and NHS workforces, and cut costs

It was seen as a means of rolling back the 'bureaucratic' state, and injecting into supposedly moribund services the competition that was needed to drive up quality and make them more responsive

- 1980: Compulsory competitive tendering (CCT) first introduced by the Local Government, Planning and Land Act 1980
- 1982: Health authorities instructed to introduce competitive tendering for support services
- 1988: The Local Government Act 1988 extends CCT to refuse collection and ground maintenance, libraries and arts centre management
- 1989: Local authorities tender sports and leisure management services
- 1992: The private finance initiative is introduced to finance and operate hospitals, schools, prisons and other public buildings
- 1992: The NHS internal market is introduced
- 1994: Guidance is issued on Transfer of Undertakings (Protection of Employment) regulations 1981 TUPE
- 1996: Professional services provided by councils such as legal, construction and property, and personnel, come under the auspices of CCT legislation
- 1997: Labour wins the general election. It replaces CCT with best value, which still requires councils to look at outsourcing services
- Labour embraced and expanded the private finance initiative
- 2000: Labour signs a concordat with the private health industry under which it agrees to send thousands of NHS patients to be treated in independent hospitals
- 2001: Labour r explicitly states that private or voluntary sector providers should be brought in where public providers are failing to improve, or where they can add value to public services
- 2002: Private health companies are invited to compete for multimillion pound contracts
- 2003: Ministers announce that they will consider drafting in private management teams to run NHS trusts that perform consistently badly

Too many outsourcing contracts to mention from 2003 onwards but of note, outsourcing grew exponentially after the global financial crisis which began in 2008, leading to the chaos in outsourcing of public sector foreign language service delivery in the MoJ after 2012, through the inability of ALS and then Capita to deliver, and the subsequent contracts with the and those companies chosen as sub-contractors such as Debonair

The Trade Union Congress criticised the Government saying it 'has tended to rush' into outsourcing approaches 'without evaluating whether they are appropriate or how to mitigate any risks if they are not appropriate'. There are examples in which decisions about whether and how to procure were made even before a formal business case process was concluded; many cases of being 'penny-wise but pound-foolish' decisions

Ways of delivering services

fG

More government control











Less government control

In-house

A public body delivers a service itself.

Direct service organisation

A public body establishes a separate business unit it deliver the service, often to compete with external providers in competitive tenders. Staff are employed by the parent body.

Shared services organisation

Two or more public bodies form an entity that provides services across them. Staff can be employed by the shared services organisation or the parent organisations.

Local authority trading

An authority sets up a wholly-owned company tha is free to generate revenues from the wider public and private sectors. LATCs employ staff directly and do not have to offer them full local government pension entitlements. Some are highly independent while others are closely controlled by a controlled

Joint venture

Two or more entities, often a council and private or voluntary organisation, set up a commercial partnership in which risks and benefits are shared. Like LATCs, joint ventures are typically free to trade more widely.

Outsourced

A public body contracts a private company, charity or social enterprise to deliver the service. Staff are employed by the contractor.

Examples

Hammersmith and Fulham council created a direct labour organisation in 2018 to run part of its housing repairs service, alongside private providers, following complaints from residents

Huntingdon District Council and Cambridgeshire County Council established a shared call centre in 2005. Previously they had separate centres. The partnership covers servers, software, building rental and business support.

Oxford District Services builds homes, maintains parks and properties and collects waste for clients including local authorities, businesses, schools and universities. It generated £1.8m in profit in 2018/19, which it reinvested in the city.

Staffordshire Council and Amey set up Staffordshire Highways to maintain the county's roads. The new organisation was staffed by both organisations. The council retained control and flexibility to decide on overall direction while Amey provided engineering expertise and delivery capability.

Source: Institute for Government analysis of DCMS, Alternative delivery models explained, GOV.UK, 28 March 2017; Amey, Staffordshire Highways; ODS, *Annual report 18/19 - A doing good company*; Hammersmith and Fulham, 'H&F to return its housing repair service to council control', press release, 18 October 2018; Local Government Group, *Shared Services and Management: A guide for councils*, 2011.



Inexorable Inevitability



Mandatory engagement

Statutory Regulation

Self-regulation by the profession

Public interest merits greater regulation

Limited Regulation; nascent, budding profession

No Regulation; Occupation

Journey to the best possible regulatory frameworks with 'Protection of Title'

The rationale for outsourcing

Applying market mechanisms and private sector expertise to the work of government can reduce costs, raise quality and achieve wider benefits such as greater innovation and improved efficiency

The consensus is breaking up...

While few question whether government should purchase goods such as stationery or IT hardware from private providers, there is an increasingly vigorous public debate about the supply of more complex public services – including spoken language services

The consensus is breaking up...

The outsourcing industry continues to be keen to encourage further outsourcing, but there are now many organisations suggesting government has driven down the pricing of contracts too far while others questioned the adequacy of the protection of employees and those delivering the service when they are self-employed who were actually carrying out work on behalf of public sector organisations and the government

The consensus is breaking up...

The House of Commons public accounts committee recently revealed a contract for 'Gemini', the case management system for tagging prisoners which was managed by Capita for the MoJ, had to be cancelled at a cost of nearly £100 million. This 'tagging fiasco' meant the MoJ wasted public funds - but added to the stakeholder value of Capita

There are questions about:

- What is to be checked is actually the right measurements
- The quality of government supervision of the list of checks
- Cost and supply focus without a focus on quality
- Definitions of quality and how this is measured
- Flow of information from private companies to the public sector
- Whether the public and the public services were adequately protected from a failure by a supplier
- Small suppliers of big contractors should carry as much risk as they do

List of just some outsourcing scandals

- Army drafted in to provide security at the Olympics
- The fiasco over G4S and Serco charging the MoJ for tagging offenders who turned out to have left the country
- Failures in probation services
- G4S allowed a prison it ran to fall in to chaos
- Capita failed to send letters to 40,000 women about cervical cancer screening
- Circle's contract for Hinchingbrooke Hospital failed
- Contract between Cornwall Council and BT prematurely ended after only two out of ten years because the company did not provide '...the service it had promised to the standard it had promised'
- The Department for Education (DfE) terminated its contract with Randstad, which had won the bid for the National Tutoring Programme (NTP) but failed to deliver
- School meals outsourced to Edenred; failed to meet demand
- Interserve went into administration owing more than £100m to creditors
- Collapse of Carillion
 - Debonair

'As a Conservative MP observed when commenting on yet another failing contract " the projected savings are a wish list of hope over stupidity"...it seems even some of the most unlikely people like Jeremy Hunt have begun to question some of the fundamental thinking around outsourcing core public services in recent press statements. With the former suggesting that in times of austerity it is better to retain direct control over services as it gives you the flexibility to change and adapt that being locked into a long-term contract doesn't.

Maybe I am being too optimistic in hoping that more decision makers will start to ask some fundamental questions about who is best placed to deliver the very services the public depend on, with the minimum amount of risk. I certainly think that anyone who ignores the lengthening list of outsourced failures and doesn't build safeguards into their processes will do so at their peril.'

Paul O'Brien

Chief executive: Association for Public Service Excellence

Governments have repeatedly outsourced in pursuit of large savings, with little reason to think suppliers could deliver – think ALS

'Often poorly thought through, many of these government programmes are inefficient, counterproductive and lead to greater costs at the public expense. The decision to privatise court interpreting services, covering foreign language and deaf interpreting in England and Wales, which marked its first anniversary on 30 January 2013, is no exception' Aisha Maniar

NRPSI



Registered and Regulated Interpreter

ACCREDITED









National Register of **Public Service Interpreters**

www.nrpsi.org.uk

LoM

The Ministry of Justice's

The MoJ doesn't require

anyone on its list of interpreters

with any level of public service

provide evidence of any public

service interpreting experience.

interpreting qualification to

language services

Where would you put your trust?

7. #Experience

NRPSI

The National Register of Public Service Interpreters

95% of NRPSI Registered Interpreters possess a minimum of 400 hours of proven public service interpreting experience.

Of the 5% who do not possess 400 hours of experience, the 2% who speak Rare Languages are required to provide evidence of 100 hours of experience. The remaining 3%, who possess the relevant DPSI* qualification, must demonstrate they are working towards the required hours of experience

As of March 2021, there are 1,660 NRPSI Registered Interpreters and 2,184 language speakers on the MoJ list of interpreters.

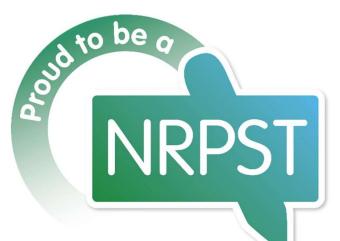
Where would you put your trust when a court judgement is at stake: in a bilingual

speaker who hasn't provided any evidence of any practical experience of public service interpreting or a Registered Interpreter who has provided evidence of 400 hours of practical experience and has also had this verified by an independent regulator?

Just some of the many images developed for NRPSI social media ad campaigns

NRPST





Registered

Translator

and Regulated









Just some of the many images developed for NRPST social media ad campaigns

Outsourcing Tomorrow

According to the House of Commons' Public Administration and Constitutional Affairs Committee, public trust in outsourcing has been seriously damaged

The future of outsourcing is no longer whether it will go or stay; it is the extent to which it will continue to change the nature of public services and which public services should be outsourced

If the Government wishes to continue with outsourcing for particular services it needs to rebuild trust in the process by which it makes decisions – at a time when trust generally in the government is at an all time low – standards in public service need re-building, including standards in public sector language services

Outsourcing Tomorrow

The Government can only achieve this rebuilding of trust by being transparent about how and why it decides to purchase a good or service – at a time when transparency and ethical probity seems to be lacking in the UK's Executive branch

Authorities wanting to outsource should make a special effort to ensure that there is robust oversight and effective appeal mechanisms

The Government should publish its rationale for each decision to outsource, notify parliament and be accountable for the processes it went through to make the decision

Outsourcing foreign spoken language services in the MoJ was due for review in late 2022/2023 but has not yet happened

Time for Insourcing

There will be constant maneuvering over issues of:

- Outsource or not
- Cost issues
- Supply problems
- Quality: what to be, and how to be, measured
- Experience levels required
- Accountability
- What information remains commercially sensitive if outsourced
- Whether regulation is necessary
- If so, independent or government-controlled regulation
- Engagement remuneration, terms, conditions and rights

Inexorable Inevitability...

This happens, when management thinks anybody can do any work.







Outsourcing Tomorrow

- https://publications.parliament.uk/pa/cm201719/cmselect/cmpubadm/748/748.pdf
- https://www.instituteforgovernment.org.uk/sites/default/files/publications/government-outsourcing-reform-web.pdf
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