COLUMBIA INSTITUTE HIGHLIGHTS ONCE OUTSOURCED PUBLIC SERVICES COMING BACK IN HOUSE

The real story behind outsourcing local government services

VANCOUVER, B.C., September 20, 2016 – A new report from the Columbia Institute says that across Canada and around the world public services that were once outsourced are now finding their way back in house to municipalities, mainly because using in-house services saves money. That means the expected benefits from privatizing services are not as significant as expected.

"Back in House" debunks the myth that it's cheaper to contract out public services in order to save money and produce a better product," says Charley Beresford, Executive Director of the Columbia Institute. "This report is full of examples that show that the initial expected cost savings and quality improvement through outsourcing aren't necessarily happening."

By looking at 15 examples of Canadians communities that had recently ended private sector contracts for municipal work, "Back In House: Why Local Governments are Bringing Services Home" found that in over 80 percent of these cases bringing services back in house saved money.

The report revisits a near twenty-year old study that identified 13 communities that had decided to contract public services out of the municipality. Forty percent of these communities have now brought the work fully back in house.

"We are seeing the return swing of a pendulum that for decades has pushed local governments to contract out their work," says Beresford. "Working with contractors also has its own set of unique challenges, particularly regarding flexibility, motivation and context. In a large number of insourcing examples we found that motivation also affected the quality of services rendered to the community."

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EDITOR'S NOTE

Interview opportunities available.

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