



National Outsourcing Association responds to Jon Cruddas regarding his plans for UK outsourcing in the Labour party's manifesto.

The Telegraph has reported that Jon Cruddas, Ed Miliband's top policy chief, has said that the public sector should no longer allocate outsourcing contracts to firms that prioritise making money over 'social purpose'.

Cruddas is currently helping to write Labour's 2015 general election manifesto. He has also been quoted saying it is 'staggering' that £10bn of public contracts are allocated to around 20 private companies.

A policy along this lines could negatively impact on companies with the biggest government contracts, such as BT, Capita, HP, Serco and Vodaphone, not to mention the hundreds of thousands of British workers they employ and the billions of pounds that they generate for the UK economy.

It would also serve to reinforce the claims that Labour's leadership is anti-business.

Kerry Hallard, CEO of the National Outsourcing Association, has responded: "Cruddas's plans entirely miss the core premise of outsourcing: specialise in what is core to your business, then outsource the non-core to industry specialists who do them better and cheaper."

The UK public sector is the largest public sector market outside of the US – it has an enormous amount of services to provide and all within ever decreasing budgets. The austerity measures are not going away and engaging in outsourcing contracts with the private sector allows for these services to be delivered on time, within decreasing budgets and often to a higher quality.

To include more social outcomes when outsourcing, it would be more prudent for our next government to review its tendering processes and concentrate on developing its managers to become more intelligent customers. This would make them better able to maximize the value from outsourcing contracts whilst building 'social purpose' into the outsourcing contracts that they manage. Cruddas would do well to remember that outsourcing is the second largest employment industry in the UK today and contributes more than £30bn to the Treasury, before he tries to destroy it!

Removing the public sector contracts will have far reaching ramifications for the entire UK outsourcing industry, its global competitiveness and significantly impact those UK employees within it, not to mention the coffers of the Treasury!"

CONTACT

Kerry Hallard is available for interview – please contact Jeremy Coward on +44 (0)207 292 8691.

About the NOA

The National Outsourcing Association (NOA) is the leading association serving both the outsourcing professional and the global outsourcing industry. Our vision is to grow the size and positive reputation of the outsourcing industry. Our mission is to be both the home and global ambassador of world class outsourcing. www.noa.co.uk

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