

BSA Annual Lecture delivered by Rupert Soames O.B.E., Group Chief Executive Officer, Serco

The BSA, in partnership with BSA Associate Members Barclays, held the tenth Annual Lecture. Rupert Soames O.B.E., Group Chief Executive Officer at Serco addressed more than one hundred BSA members, government officials, academics and journalists. The theme was Outsourcing: the Road to Redemption.

Outsourcing: The Road to Redemption

Mark Fox, Chief Executive of the BSA welcomed Rupert Soames O.B.E. to the lecture. Rupert's speech was an open, honest and frank observation of the relationship between Government and the private sector in the context of public service contracting and delivery.

Rupert opened the lecture by recognising that the market conditions were seriously challenging. Public services are, by their nature, hard to deliver properly and are subject to scrutiny. He suggested that the industry has forgotten that it operates by political permission and has neglected to talk to its customers who are the taxpayers and the politicians who represent them. The relationship between industry and the Civil Service is becoming more fractious and the early gains from first generation outsourcing have already been banked. Current services providers operate on very thin margins. Government is a monopoly buyer in this market and is imposing terms and conditions which are iniquitous and unfair.



Rupert therefore suggested that there should be a rebalance of risk and reward in contracts. If this is not addressed, suppliers to government will withdraw from the market and the supply chain will evaporate. Rupert said that he believed that the relationship between government and the industry needs to be reset to create a vibrant and diverse supply chain which is investible to shareholders. Questions around government's management of strategic suppliers must be answered in order to rebalance this relationship. Industry and government need to work together to re-establish in the minds of the tax-payer that private companies have a vital role to play in the delivery of public services.

Rupert proposed a code of conduct for outsourcing which includes four principles: transparency, security of supply, early exit options and fairness. He believes that the arguments for the private delivery of services are not evident to the taxpayer and voter. These benefits must be better demonstrated to illustrate that they offer value for money, innovation and expertise.

Rupert Soames concluded that there is a fierce urgency for action to rebuild confidence in the ability of the private sector to supply public services. *The full speech can be found [here](#).*

Barclays was delighted to sponsor the BSA annual lecture this year delivered by Rupert Soames O.B.E. Rupert's theme was very topical given events in the sector over the last couple of years and his proposed code of conduct was very well received. This led to plenty of engagement with the audience over the Q&A session, and we are sure this will be debated still further.

Steve Francis, Relationship Director

