

# CAMPAIGNING FOR CARE

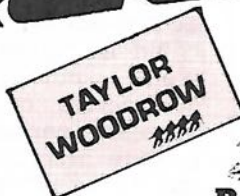
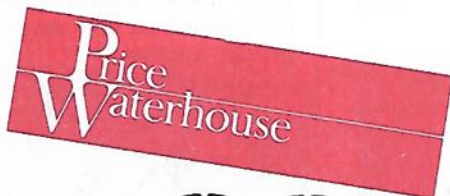
in social services

## COUNTER OFFENSIVE AGAINST CONTRACTORS

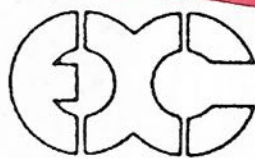
The government plans to introduce statutory tendering to force local authorities to put an increasingly wide range of services out to tender (see separate action sheet). It will also impose laws severely limiting the type of contract conditions which can be imposed on private firms. The use of private residential homes and employment agencies continues to increase rapidly. This section shows what can and must be done now and once the legislation comes into force. It covers:

- Immediate demands and action
- The tendering process explained
- In and out of the tender trap
- Specifying quality of service, standards and performance
- Imposing conditions on contractors
- Comparing costs
- Organising contractors
- Controlling use of private residential homes
- Action against agencies

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# IMMEDIATE DEMANDS AND ACTION

You cannot afford to wait for the legislation on tendering to come into effect in 1986/87 before you take action. If you do you will end up fighting privatisation on the Tories' terms within the narrow confines of the tendering process. Here are some demands and action to be taken now.

1. Try to persuade the council to launch an immediate counter offensive against firms which already have council contracts. This will require strengthening Standing Orders and imposing stringent conditions on contractors covering the quality of service, staffing ratios, standards and performance with stiffer penalties for defaults, wages and conditions of employment, health and safety, training and equal opportunities, and implementing contract conditions right up to the time some of them are made illegal in 1986/87. This means expanding the role of existing contract compliance units to focus equally on the quality of service as well as conditions of employment.

2. Get the council to agree not to put any services out to tender unless specifically required by the government, and then to include only the very minimum work adopting the maximum delaying and phasing tactics.

3. Get an agreement from the council that there will be freedom of information on privatisation in which it will readily release and make available to trade unions documents including specifications, tenders, council reports on contractors. Some councils have already set up inter-departmental working parties to examine the impact of privatisation and work out the council's strategy — it's important to know what they are up to.

4. Get the council to carry out a Privatisation Audit. This could be in 3 parts. Firstly, to compile a list of all the services in all departments which are already contracted out and the firms involved. This will reveal different departments using the same firm and/or firms being used which another department may have struck off its approved list for poor or costly service. Secondly, to examine ways in which social services use of contractors, private homes, and agencies can be terminated. It would also include:

□ investigating whether other

departments could carry out the work for social services rather than use contractors

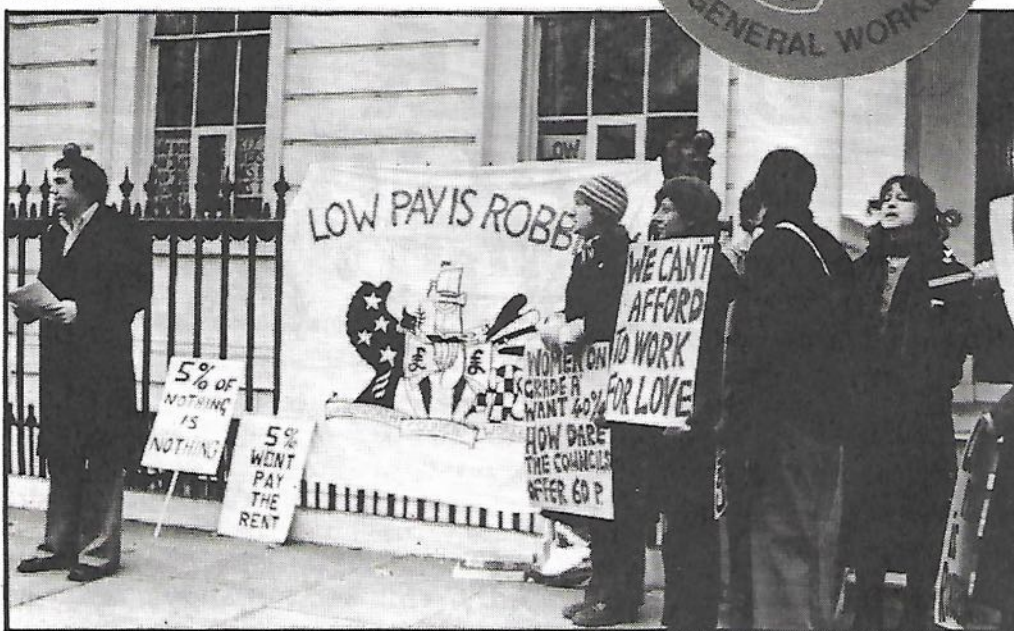
□ whether combining together all the similar contracted-out work from different departments would make it feasible for the council to use direct labour

□ exploring the possibility of entering into a consortium or joint deal with neighbouring authorities to share the use and cost of residential homes, set up a pool of standby staff, bulk purchase of supplies etc.

□ investigate where resources — staff, equipment, facilities — which are not being fully utilised at present within social services, could be harnessed to take over work currently done by contractors or to improve and expand services. This could include investigating the 'peaks' and 'troughs' in the department.

Councillors and senior management may well be unwilling to investigate these possibilities. Individual unions and/or Joint Shop Stewards' Committees should develop their own ideas and plans, try to force the authority to negotiate over these proposals by tying them into wage, productivity and reorganisation negotiations, as well as publicising them in the wider labour movement.

Thirdly, to assess the impact of



privatisation on jobs, wages and conditions in the local authority, together with the knock-on effects on the local economy. A Privatisation Audit in Sheffield showed that for every 4 council jobs lost through privatisation a further 1 job will be lost in the local economy. It also showed that the government is paying, through increased spending, lost taxes etc, 53 per cent more to 'create' the same job in the private sector with lower earnings for workers compared to the same job in the public sector.



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5. Try to get council/union action against directors and managers of council services trying to set up their own companies to bid for contracts in their own departments. This is likely to increase. Try to get a policy agreed before it happens to re-deploy those involved and/or take other appropriate action. Get all unions to agree a set of sanctions should any of their members attempt to bid for their own and other workers' jobs.

6. Try to get an agreement with the council to hold regular or half day trade union educational workshops on privatisation for shop stewards and members to jointly work out the implications of privatisation on jobs, pay, conditions and services and to develop an effective trade union strategy.

7. Use the Monitoring sheets on contractors, private residential homes, and agencies to gather and publicise examples of poor service, fines and failures. Use the Monitoring sheets on volunteers to ensure they are not being used to undermine jobs or reduce the quality of the service.

8. Try to get a commitment from the council to campaign against the proposed tendering laws and to join other local authorities, trade unions, and other bodies in coordinated opposition.

9. Urge the council to set up a special sub-committee or working party, with trade union representation, to coordinate the council's policy against the proposed legislation and to establish common procedures which all departments will adhere to.

## TENDER WASTE

**Tendering is wasteful.** The tendering process is expensive — the Association of Metropolitan Authorities estimated that the original tendering arrangements in the Local Government, Land and Planning Act 1980 increased DLO costs by 7 per cent — yet these costs are rarely taken into account in comparing costs. They become absorbed into general overheads or central services pushing up these costs still further. The cost of tendering represents a diversion of badly needed resources away from running and improving services and better pay and conditions.

**Tendering does not always result in the lowest possible price.** Other areas of work here or abroad may be more profitable for contractors so they may refuse to tender or put in high bids. Price fixing can also take place. Contractors may carve up between them who gets which contract or they will share information about tender prices.

**Tendering also depends on specifying and quantifying the work.** This is very difficult in caring services like health and social services. If it's not in the contract then the contractor will not be obliged to do it. If standards are not specified, then the contractors will simply do the work at their own standard or the lowest feasible standard.

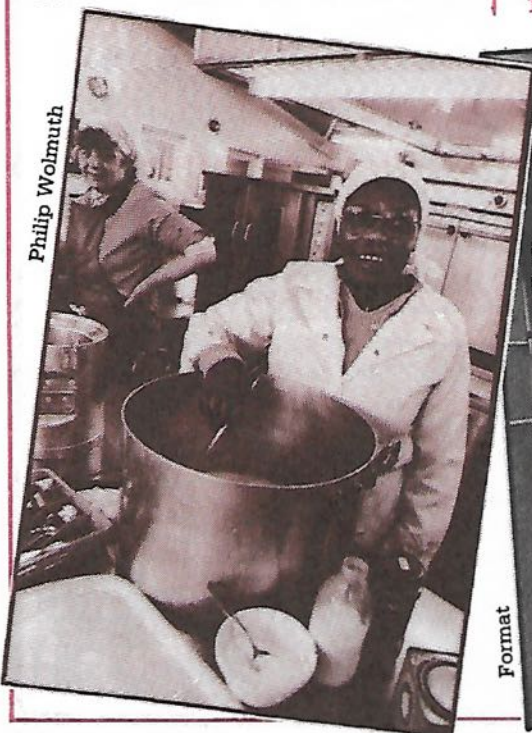
**Tendering is only the start.** The specification and conditions of the contract become the maximum standard for contractors. Their profit is increased every time they can get away with undercutting and not meeting the set standards or doing the work with fewer and fewer workers. Hence the need for thorough supervision and resources to continuously monitor and check contractors' work.

10. Start to inform trade union members and users of services now about the consequences of privatisation on jobs and services. It is different from rate capping. The threat is greater and there is already a lot of damning evidence from those councils which have already privatised services. Leaflets and posters should make the case for public services, their effectiveness, their value for money, and the potential for improvement and expansion contrasting this with private sector waste and inefficiency.

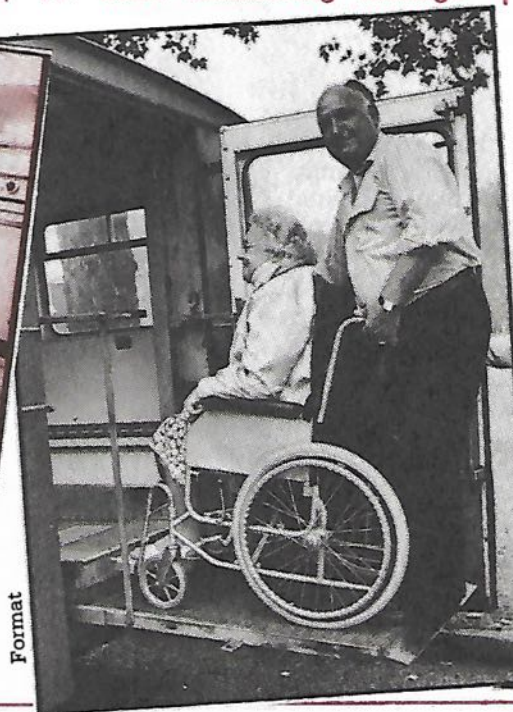
11. Start monitoring manage-

ment's response to privatisation now. The impact of privatisation will start now, not in two years time. Management's response will be to start a new round of pruning in preparation for privatisation using the traditional management techniques of shedding jobs, keeping more posts vacant, changing working practices, resisting wage increases etc, in the hope that by cutting to the bone they can then outbid contractors. But this rarely works. One of the main lessons learnt in early campaigns against privatisation is that defensive action alone is not effective.

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Format





# THE 8 STAGES OF TENDERING

## The Tendering Process Explained

### Stage 1

Council officers will have to decide which parts of their department are covered by the statutory tendering legislation when it becomes operative. Councilors, officers and consultants also suggest privatisation schemes and a report to the relevant committee usually recommends further investigation or starting the tendering process.

#### Action

- Call a joint meeting of all unions to discuss coordinated action
- Prepare a leaflet spelling out the dangers of privatisation to distribute at lobby of the council/committee meeting.

### Stage 2

A detailed specification will be drawn up which describes the service, standards and level of service. Officers will also draw up conditions of the contract which spells out how the contract will operate and the obligations on the firm and the council.

#### Action

- Draw up a trade union/user set of standards, quality of service and performance criteria to use as the basis of your campaign.
- Get a copy of the specification and contract conditions and compare these with the current level of service and that demanded by unions and users. Expose the differences.
- See sections on specifications and contract conditions for ideas for further action.

### Stage 3

The council advertises that it is inviting tenders or sends an invitation to tender to those firms on its approved list. Interested contractors get a copy of the specification, contract conditions, the tender document, tendering instructions and any supporting information required by the council.

#### Action

- Get a list of all contractors invited to tender and compile as much information on their fines, failures, employment practices.

### Stage 4

Firms draw up their tender applying their own staffing levels, wages and conditions and working out prices, estimating other costs and profits. They will also estimate other firms' tenders and decide whether to submit a loss leader, how much this will cost and how it can be clawed back. Contractors will also visit the department, homes, facilities to see what is involved in the work.

#### Action

- Make sure that no one cooperates or supplies any information to contractors on site visits.

### Stage 5 (running parallel to stage 4)

Management must now draw up an in-house tender to be submitted alongside those of private firms. They are likely to assume or seek union agreement on cuts in staffing levels, working hours, standards of service in order to 'compete' with contractors.

#### Action

- See section In and Out of the Tender Trap for details.

### Stage 6

After the closing date for tenders the bids are opened and council officers will prepare a report for committee comparing the tenders. Some firms may be asked to clarify parts of their tender and/or asked to supply further information. The officers' report will usually recommend accepting one of the tenders.

#### Action

- Get a copy of the officers' report as soon as possible and examine it in detail.
- Prepare your own report for wide circulation detailing criticisms of the officers' report and putting the case for direct labour.
- See section on Comparing Costs.

### Stage 7

Council committee will discuss officers' report and recommend acceptance, rejection or further investigation of tenders. The decision will then go to full council for final approval.

#### Action

- Organise a mass lobby of council meetings.
- Try to get support and commitment to reject the report from Labour Party branches, CLP, Labour Group.

### Stage 8

If a contractor's tender is accepted, there is a period of a few months in which the council will issue redundancy notices and prepare for the contractor to take over.



## Don't make Business practice Union practice

### THE TENDER TRAP

There can be little question that tendering is a trap. The process only exists to provide work for private firms — there would otherwise be no need for it within public services. It is a method of obtaining a price for a specific amount of work carried out to a standard within an agreed timetable. This leads to a degree of competition between firms to employ the fewest feasible number of workers paying the lowest possible wages and benefits. Since most public services are by definition labour intensive, labour costs usually form a large part of the tender compared to equipment and supplies. So the 'competition' to submit the lowest tender will focus on staffing levels and wage costs. This applies equally if direct labour submits a tender.

#### In and out of the tender trap

##### Summary of strategy

##### Be involved in

1. Drawing up stringent contract conditions to be imposed on private firms.
2. Drawing up specifications setting standards, quality of service and staffing levels (ie up to Stage 2 in the tendering process)
3. Cost comparison stage of analysing tenders to make sure all the costs are taken into account. (Stage 6 in the tendering process).

##### Don't be directly involved in

1. Responding to invitations to tender (Stage 3).
2. Cooperating with contractors preparing their tenders (Stage 4).
3. Preparing an in-house tender.

**BUT** remember it is equally important to implement the other 6 points in the strategy — education and propaganda, building stronger workplace organisations, joint action with users, industrial action, direct action, and alternatives to improve and expand services — before, during, and after the tendering process.



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Wandsworth Photo Co-op



The tendering process may be the procedure for contractors and management but to make what is essentially a business practice into union practice will have dire consequences both for public services, jobs, pay and conditions, and the trade union movement.

It is not a question of being involved in tendering or not. The preceding section explained the 8 stages in the tendering process. Clearly, it is vitally important for both trade union and users' organisations to be involved in Stages 1 and 2, particularly the specification stage. This can be done in two ways:

1. **Formal negotiations.** Entering into detailed negotiations with management and councillors on various aspects of the specification in addition to campaigning around demands for improved standards and quality of service. You will have to judge whether the advantages to be gained from entering formal discussions, eg greater influence and information, outweigh the disadvantages, eg being drawn and diverted into secondary details. Of course formal negotiations may not be possible in many local authorities. You will then have to rely on the second option.

2. **Campaigning for a charter** or set of demands covering the type, level, quality and standards of services to be provided under democratic local control with good pay and working conditions. This will involve using union and political action to try to get public debate and acceptance of standards of service to form the basis of all specifications.

## THE DANGERS OF GETTING INVOLVED WITH IN-HOUSE TENDERS

1. In most cases it will not increase your chances of retaining direct labour
2. You will end up making proposals, or at least agreeing to management's proposals, to make drastic cuts, job losses, and changes in working practices.
3. You can more effectively safeguard jobs, wages and working conditions by making sure that comprehensive specifications and stringent contract conditions are drawn up whilst at the same time taking other action as part of the 7 point strategy.
4. You will feel compromised about taking other forms of action whilst you are cooperating with management in preparing a tender.
5. It will create a credibility gap — how can you forge much needed alliances with the users of services (which will include other trade unionists) if at the same time you are a party to cutting the service.
6. It will increase divisions between part-time/full-time, male/female, manual/white collar workers over cuts, job losses, changes to working procedures when unity and joint action are more important than ever.
7. Some councillors and managers/supervisors will exploit trade union involvement in tendering to settle old scores, try to 'buy-off' union leaders, etc, so creating splits within the unions to hamper further action.
8. It will set a precedent which will put a lot of pressure on workers in other departments who do not want to be involved in tendering.
9. It is likely to compromise action in other departments on trade union issues not connected with privatisation.

We cannot afford to wash our hands of this stage of the tendering process. The specification stage is crucial not only for the future of public services, staffing levels etc, but also lays the basis for all tenders including those prepared by your own department. The more detailed the specification, the more it is based on good quality standards of service and employment, the more it spells out the duties and responsibilities for the caring part of social services, the greater difficulty contractors will have in meeting and pricing the work.



## In-house tenders

Getting involved in the further stages of tendering, particularly the preparation of in-house tenders, will have major consequences. It will also set precedents which may be used to undermine other groups of workers. **The overriding experience of campaigns against privatisation in local government and the NHS is that getting involved in in-house tenders is dangerous and is highly unlikely in itself to result in direct labour winning the tender. You are likely to be far more effective taking other forms of action outlined in this action kit.**

It is at the actual tender preparation stage that further major cuts in jobs are worked out. Staffing levels, working hours, wages and conditions, duties and working practices will all be under close scrutiny. Involvement with management in preparing tenders or submitting a union-agreed tender will mean that you are a party in this cutting process. Cuts there will be — the imposition of privatisation and tendering is specifically geared to achieve substantial cuts which the government has been unable to achieve through cuts in local authority spending, rate capping and grant penalties. It is a

method of self-inflicting cuts. Getting involved in this process to 'soften the blow' is rarely successful. Remember too, that most senior managers and councillors have paid scant regard to ending low pay and other trade union issues for years — there is no evidence that the tendering system will change any of this. In fact it is likely only to reinforce present attitudes.

There cannot always be hard-and-fast rules. There will be some situations where management is fully committed to retaining direct labour and draws up a detailed specification and comprehensive contract conditions. As workers, your knowledge of the job, the work involved, and your idea to improve services could make it more difficult for contractors to prepare comparative tenders and may increase the possibility of the in-house tender succeeding. It would remain a management tender and not a joint or trade union tender.

The terms (eg level of service, staffing levels, wages and conditions) of trade union co-operation or assistance in preparing an in-house tender must be hammered out before hand. Make it clear at the outset that you will withdraw assistance at any stage if these terms are not met. Remember, don't rely on management to rep-

resent your interests, needs and demands.

## Dealing with poor or unsympathetic management

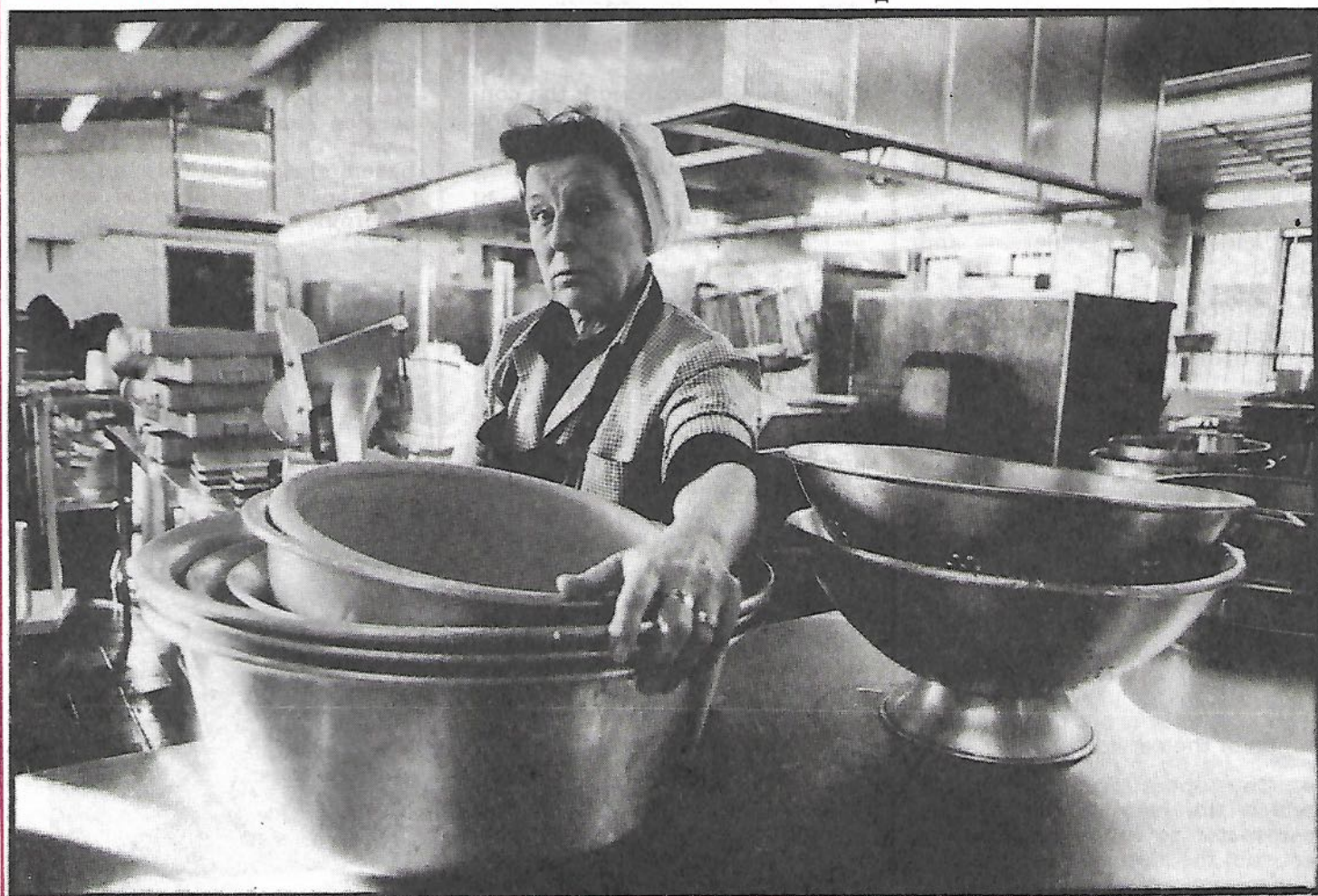
There will be some situations where you have little confidence in management's ability to prepare comprehensive tender documents including a full specification. Management may decide not to submit an in-house tender or may prepare one half-heartedly. Do **not** get drawn into trying to prepare your own in-house or trade union tender. This would be highly complex, time-consuming, and fraught with political difficulties. In this situation the most effective strategy would be to prepare a set of demands covering:

- ★ specification for the quality and level of service
- ★ contract conditions
- ★ staffing levels
- ★ wages and conditions

and to campaign to delay the issuing of tender documents to contractors for as long as possible so that you can try to persuade councillors to instruct management to prepare an in-house tender.

If this fails then continue to press your demands and build wider support. If there is sufficient political pressure the council could still decide to re-tender even after tenders have been submitted.

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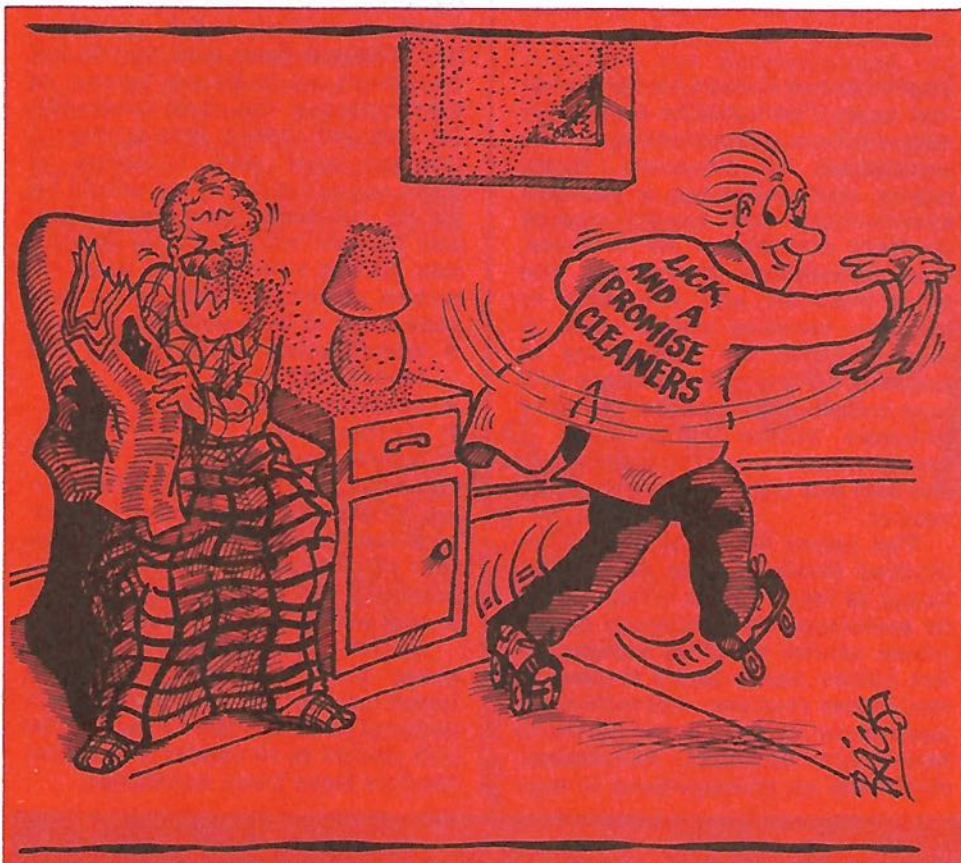




# SPECIFICATIONS

## Specifying quality of service, standards and performance

The specification stage of the tendering process involves drawing up documents which explain the following:



1. The legal responsibilities and statutory duties imposed on the local authority covering the specific service which is being tendered. It will also identify how the contractor and the authority will meet these regulations and duties.

2. The local authorities' policies, including what it provides in services over and above the statutory duties.

3. A description of the different elements of the contract detailing what has to be done, numbers involved and frequency, eg 2500 meals on wheels 5 days per week from three separate kitchens. This part will also include schedules of the facilities and equipment (including its type, age and condition) used by the council for the existing service. It will also detail the charges imposed on users. This section sets out the level and range of the service.

4. The operational procedures which the council expects the contractor to fulfil. This section sets out the standards and quality of the service and will cover:

- specifically what work the contractor has to undertake, eg clean walls, floors, toilet cubicles, wash basins, tops, urinals etc.

- the frequency of the work, eg which has to be done daily, weekly and the timing of special cleans.

- when the work will be carried out, eg not to interfere with other work.

- the contractor's responsibilities in the case of accidents and emergencies.

- responsibilities for structural and routine repairs and maintenance of facilities and equipment.

- the limits on user charges for services and the use of this income.

- who will supply materials and equipment, eg light bulbs, towels.

- the existing labour force employed by the council to carry out the work, eg the numbers of workers at each location, duties.

This stage opens up new opportunities for trade union and user organisations to campaign on the level and standard of service and employment, by exposing:

- what it is like now

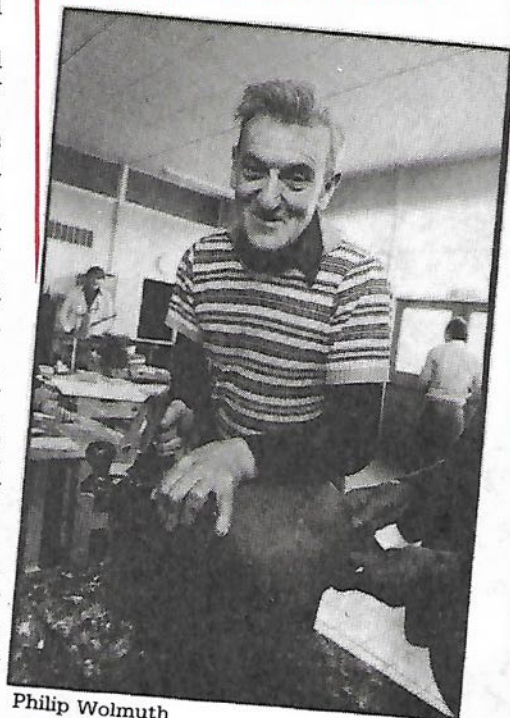
- what it should be like
- what contractors will be asked to provide

This is the stage when important decisions are made about the quality of the service. Whilst an inventory of cleaning work can be drawn up, eg measuring floor areas, frequency of cleaning, and then work study times used to calculate staffing requirements, it is much more difficult to define work involved in caring for people. It is therefore vitally important to identify all the caring duties involved in social service jobs and to ensure that the specification is based on these duties.

Remember, under the contracting system minimum standards will be regarded as maximum standards by contractors. If any item of work is not specified, the contractor is under no obligation whatsoever to do it without additional payment. If duties and standards are not clearly spelt out, these will be the focus of future disputes between contractor and the council.

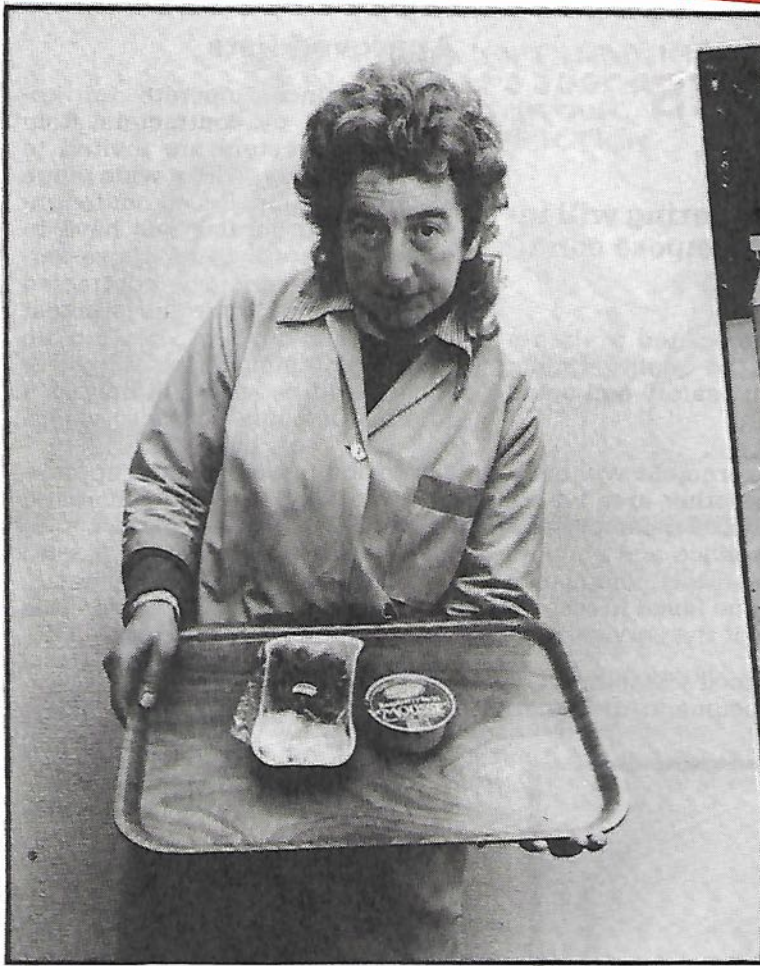
This stage should also involve spelling out and quantifying work currently undertaken by workers as a result of tacit agreements with management, eg they may not be included in current job descriptions, together with unpaid work carried out by workers at the end of their normal working hours.

**Unless you take action at this stage, the level and quality of service and the employment levels and conditions will be based almost entirely on management's view of what should be provided, how and when.**



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Wandsworth Photo Co-op



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## Whose standards?

Drawing up a charter or set of demands covering the level and standard of service together with minimum staffing levels is not as difficult as it may at first seem. Most services are covered by at least one, if not all, of the following.

- ☐ legislation including health and safety
- ☐ guidelines established by government departments, local authority associations
- ☐ research studies by universities
- ☐ your council's own studies including work study measurements
- ☐ 'good practice' established by other local authorities
- ☐ trade union guidelines and standards

**In addition, work out staffing levels and standards based on your own knowledge of the job, and on trade union and user demand for improved services and jobs.**

- what resources do you need to do your job effectively
- what resources are needed to provide full cover
- how are current staffing levels inadequate
- what benefits will new and better equipment bring

It is vital to expose the differences between existing and planned levels of services and staffing levels. Draw up a charter explaining these standards and publicise it widely. We cannot afford to leave the setting of standards to management and/or councillors. The quality of service is important to us both as workers and as users.

This again emphasises the need for all workers to have clear job descriptions. It may be possible to argue for changes in job descriptions to increase and/or spell out the caring duties. This may make it more difficult for contractors to bid for your job. In this context some form of cooperation with effectiveness and efficiency studies should not immediately be ruled out. It will obviously depend on the terms of reference of such studies but they may give you the opportunity to press for changes to define and increase the caring role. (see the sheet on Value for Money/Consultants)

However, the scope for such changes may be very limited. It may help some workers but will ultimately lead to some manual work going out to tender — manual workers could well be the sacrificial lamb in order to 'preserve' better paid jobs.

## Bending or avoiding the rules

Several local authorities have found ways around the DLO legislation, which, coupled with a certain amount of creative accounting, has enabled direct labour to retain much improvement, repair and maintenance work. However, this will be more difficult under the proposed statutory tendering legislation. The government has learnt the lessons from the DLO legislation and will be prohibiting the use of many contract conditions.

However, no legislation is watertight and there are bound to be some loopholes. New ideas and ways of trying to avoid the legislation will no doubt be given much greater prominence than they are likely to deserve. This can lead to dangerous optimism. Anyway the government will have the power to change the rules and procedures whenever it wishes. No anti-privatisation campaign can be built merely on the hopes and legal arguments surrounding possible mistakes or omissions, useful as they may be, in Tory legislation. **Never rely on loopholes — stop campaigning at your peril.**



# IMPOSING CONDITIONS ON CONTRACTORS

**The proposed new legislation on statutory tendering will include limits to which councils will be able to impose conditions in contracts with private firms.**

Conditions will be limited to those which are "directly related to the required performance by the contractor... in respect of the quality, timing and cost of the specified goods or services". Health and safety and equal opportunities legislation will have to be complied with.

However, it remains to be seen how effective the government will be in imposing and enforcing its own regulations. This is another area where trade unions, users and local authorities should press hard for comprehensive contract conditions covering both standards of service and employment. Again it opens up new opportunities because contract compliance to date has focused mainly on employment conditions and failed to take on effectively the conditions relating to the performance of the service.

Conditions covering contracts are included in the council's Standing Orders and in the contract conditions section of tender documents drawn up for specific services.



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## Approved lists

Many councils operate an approved list of contractors from which contractors are invited to submit tenders. With a wide range of services being forced out to tender local authorities will have to draw up new lists for those services not previously contracted out. It is vital that the strictest criteria are used in drawing up and maintaining lists. However this should be regarded only as a first sift to eliminate the cowboys.

Try to obtain a copy of the application form used by Middlesbrough Borough Council for inclusion on its selected tendering list. (copies from NUPE, 83 Borough Road, Middlesbrough TS1 3AA) This form requires firms to give full details of the company, its financial status, other contracts, its capacity to undertake different types and sizes of work, health and safety record, training and so on.

## Financial information

The council should demand that, in accordance with normal business practice and the prudent use of public money, the experience, reliability and track record of every firm submitting a tender is closely investigated. This should include divulging fines and failures incurred on similar or related work for other public bodies, reasons for termination of any contracts etc.

The tender document should include a requirement to provide copies of company annual reports for the last 3 years together with independently audited accounts, names of directors and their financial holdings in the company, and an up to date analysis of their financial position. The council should also demand to know of any current takeover or merger talks with other companies.







It is usual practice for councils to interview contractors for larger contracts or where work has not previously been contracted out by the council.

- demand trade union representation at these interviews
- try to ensure that at least one sympathetic councillor is given a list of important questions to ask.
- find out which companies are being interviewed and get as much information about each firm and its contracts as possible (see Public Service Action, Labour Research, NUPE Journal), draw up a list of important questions, prepare a leaflet highlighting the issues to distribute at lobbies etc.

## CONTRACT CONDITIONS

These can be divided into two kinds — general conditions and performance conditions. Below we list the different conditions which should be imposed on all contracts. Each contract will have specific and more detailed conditions concerning the work to be tendered for. Some of these conditions may be affected by the government's statutory tendering legislation when it comes into effect in 1986/87.

### General Conditions

1. The parent company of any subsidiary company bidding for contracts must guarantee the contract. A deed of guarantee will be part of the tender documents.
2. The firm will have to put up a performance bond from a reputable bank or insurance company for at least 10 per cent of the total contract sum over the length of the contract and to be increased annually in line with other increases in the contract.
3. The contractor must not assign or sub-let any part of the contract to any other firm or individual whatsoever without written agreement with the council.
4. The contractor should employ sufficient people at all times with sufficient abilities and skills to properly perform and supervise the work in accordance with the terms of the contract.
5. The contractor must be bona fide, registered with the appropriate National Joint Council, trade or professional association, and directly employ all those people who work for it and any sub-contractors, ie no self-employed. All wages earned by workers engaged on work under the contract must be paid directly to them.
6. Contractors must provide written evidence to the council of having public liability and employer's liability insurance cover and must indemnify the council in respect of any claim arising from acts of the contractor, his/her employees or equipment in operating the services contracted for. If the contractor uses the council's premises, eg garages, workshops, then the contractor must show evidence of adequate cover for hire and property insurance.
7. The contractor will pay rates of wages and observe hours and conditions not less favourable than those established for the trade or services in the area where the work is carried out.
8. Contractors must employ a reasonable proportion of apprentices or trainees genuinely receiving training based on the best known practice in the trade or service.
9. All those employed by the contractor at the site or premises relating to the contract must have the opportunity and every facility

for being a member of an appropriate trade union. The authority should demand a commitment to recognise and negotiate with an appropriate trade union.

10. Contractors must fully comply with government legislation against racial and sexual discrimination as covered by the equal opportunities, sex discrimination and race relations Acts. They must provide details of any prosecution for failure to comply with the relevant legislation, together with details of any Industrial Tribunal claims brought against them by any present or former employee under current legislation.

11. Contractors must fully comply with the Health and Safety at Work Act 1974 and submit an acceptable policy statement of how they intend to implement it on the contract, ensure that there are properly recognised and elected safety reps, and permit the council's Chief Safety Adviser to inspect all parts of the contractor's operations at any time. Failure to meet health and safety standards will lead to being struck off the approved list of contractors for a specific period. Contractors must also produce copies of any reports made about their activities by the Health and Safety Executive.

12. Contractors will face automatic disqualification if they lobby or canvas for the contract during the tendering process. (You should ensure that the council demands complete disclosure of any councillor's or officer's interests in the firms tendering.)

13. The contractor should use the local Department of Employment





and local newspapers for recruitment of workers after those already employed by the local authority have been given first option of employment.

14. The contractor must display a copy of these conditions together with the performance contract at every place of work for the entire period of the contract.

15. The contractor should employ proportionally at least the same number of registered disabled persons as does the council.

16. All these conditions apply equally to all sub-contractors.

### Performance Conditions

It is equally important that the local authority allocates resources to enforce contract conditions as it is in getting stringent conditions in the contract. Contractors soon learn whether a council's bark is bigger than its bite. Councils must allocate sufficient staff to monitor the contract and the firm's performance, process user complaints, prepare reports to committee on defaults, enforce improvements in services and so on.

1. Council officers will investigate all complaints and regularly monitor the performance of the contract and have access to the contractor's operations and facilities at all times.

2. In each case where council officers are satisfied that the contractor has failed to perform or failed to achieve the required standard within an agreed timetable, the council will instruct the contractor to remedy the failure within a time period stated by the council, ie 24 hours.

3. On failure to comply with the instruction the council will issue a written Default Notice.

4. The council will deduct from the monthly payment to the contractor a set amount calculated on the number of Default Notices issued each week. These 'fines' will increase in severity the larger the number of default notices issued. (These may vary from service to service. The following example was used by Gloucester City Council in its contract conditions for refuse collection tenders in 1983 — the service remained with direct labour.)

# PUBLIC CLEANSING SERVICES

## CONTRACT DOCUMENT No. 1 PART I - REFUSE COLLECTION

# PUBLIC CLEANSING SERVICES

## CONTRACT DOCUMENT No. 2 THE SPECIFICATION

# PUBLIC CLEANSING SERVICES

## CONTRACT DOCUMENT No. 3 THE CONDITIONS OF CONTRACT

# PUBLIC CLEANSING SERVICES

## CONTRACT DOCUMENT No. 3 THE SPECIFICATION PART III - STREET CLEANSING

5. The council will also deduct from monthly payments the value of any work not carried out by the contractor.

6. If the council has to carry out work or engage others to do so on its behalf, work which is considered urgently necessary as part of the contracted service but the contractor is unable or unwilling to do it, then the council will deduct the actual cost from the contractor's monthly payment.

7. If the contract is terminated the

contractor must fully and promptly indemnify the council the cost of completing the remainder of the contract if these costs exceed what would have been payable to the contractor had the contract continued.

8. The contractor will be given a specified 'settling-in' period (usually between 4-8 weeks) after which the issue of default notices will commence.

9. The council will be entitled to require the contractor to:

### Default Notices

Between 5-11 per week  
Between 10-21 per week  
Between 20-31 per week  
More than 40 per week

### Deductions

0.5 per cent of monthly payment  
1.0 per cent of monthly payment  
2.0 per cent of monthly payment  
5.0 per cent of monthly payment  
10.0 per cent of monthly payment

In addition to these deductions, the council can terminate the contract where a given number of default notices are issued in any one week or month. (The Gloucester example specified that the contract could be terminated if there were more than 40 default notices in any one week or more than 120 in any four week period). The council can also terminate the contract if the contractor breaches any of the other conditions in the contract.



— omit or cease to perform any part of the service for a period determined by the council.

— perform the service in a manner required by the council.

— perform additional services directly related to the contracted service on the basis of additional payment according to the agreed schedule of rates.

10. The contractor will be charged for the use of other council facilities and services including the use of canteens, toilets, telephones, storage space, equipment and materials.

11. If the council decides to hire its vehicles and equipment to the contractor, then the contractor must:

— pay the agreed hire or licence

charges.

— keep the equipment in good repair and condition throughout the contract.

— at the end of the contract the council will have the option to purchase any equipment or vehicles owned and used by the firm on the contract, at an agreed price.

— if the contractor hires other equipment the hire contract must contain a clause permitting the council to take over the hire arrangement.

12. The contractor will be obliged to purchase a list of supplies and materials produced by the council's own workshops, nurseries etc at an agreed price for the duration of the contract.

13. Fixed price contracts relating to the provision of council services will be reviewed annually and the contract sum and the schedule of rates will be adjusted according to the rate of inflation.

14. Any cost overruns incurred on capital projects undertaken by contractors will be fully investigated by council officers who will report in detail to the relevant committee who will decide on such matters.

15. All goods and materials used or supplied and all work undertaken must meet the appropriate British Standard Specification and the British Standard Code of Practice.

Philip Wolmuth

## CONTRACTORS' UNDERCUTTING TACTICS

(see also the sheet on Working for Contractors)

- ★ Submit low 'loss leader' bids to secure the contract and claw back the 'loss' over the contract period and when it comes up for renewal.
- ★ Submit tenders which do not include all the work required to be done to maintain the service and/or at the standard set out in the specification.
- ★ Reduce the standard of service and use the contract specification as the maximum target to be achieved attempting all the time to do only the minimum amount of work necessary.
- ★ Employ fewer and less skilled supervisory staff and attempting to use the council's monitoring and supervisory staff to indirectly help to manage the contract.
- ★ Bid only for profitable work leaving the local authority responsible for difficult and costly work, emergency cover etc.
- ★ Employ fewer workers than direct labour.
- ★ Reduce wages, bonus and overtime rates and have inferior sickness, pension and holiday benefits.
- ★ Reduce total working hours with increasing proportion of workers employed on a part-time casual basis.
- ★ Increase productivity and flexibility in jobs (de-skilling) and use/load equipment and vehicles to the maximum (often beyond safety limits).
- ★ Rationalise operations with other public and private contracts to reduce overheads and investment.
- ★ Use the council's supplies, materials, equipment and facilities as much as possible avoiding payment for as long as possible.



## COST COMPARISONS

It is vital that the specification and contract conditions are as comprehensive as possible so that reasonable cost comparisons can be made. It is far better that they are part of the tender than the basis of debate and negotiation afterwards. Of course many councils will not entertain strict conditions, so it is important that you get as much information on the tenders, the council's analysis etc, to prepare your own cost comparison.

After tenders are submitted council officers will analyse the documents to determine whether, in their opinion, the contractor can deliver the specified service in the way outlined in the tender, check the figures, and compare all the costs on an equitable basis. They may also seek further information or clarification of the tenders directly from the contractors.

If the contractors undercut the in-house tender, prepare your own cost comparison — get help from your full-time officer, union research department, resource centres etc. Use it to mobilise support for the council/committee meeting where the tenders will be discussed.

The following checklist can also be used to ensure that 'value for money' or cost comparisons for professional/technical services are fairly compared. Comparisons should cover the following:

- ☐ costs of providing the same level and quality of service
- ☐ costs of maintaining the same standard of work and quality of materials
- ☐ differences in staffing levels and wages and benefits
- ☐ costs to the authority for all supervision and monitoring (staff and their overheads) of the contractor and enforcing statutory obligations, eg environmental health.
- ☐ price increases and/or new

charges to be made by the contractor directly to the users of the service

- ☐ costs of redundancy payments to council workers
- ☐ costs of indexing the contract each year and the cost of renewing it when it terminates
- ☐ losses on the sale of vehicles and equipment
- ☐ accrued and future depreciation of equipment, and outstanding leases
- ☐ debt charges still owed on council built facilities now to be used by contractors
- ☐ changes in the total and unit costs to other departments resulting from the reduced use of central services and specific facilities
- ☐ increases/decreases in rent

from facilities

- ☐ cost of job training
- ☐ cost of checking and operating the monthly payments system to the contractor.
- ☐ costs associated with the knock-on effects in other sections of the social services department.

**Other points to examine are:**

● Check into the central administration costs levied onto social services from Finance Department, Legal Services etc for payment of wages, legal advice and so on, as they can often be relatively high. Are these charges fairly distributed between departments and sections?

● If social services shares any facilities with other departments, eg housing, make sure that all the costs including debt charges, repair and maintenance are shared or that there is a good reason for distributing the costs unevenly.

● Examine any claims about 'savings' so that they are based on the right budget figures and compare like with like.

● Examine the knock-on effects on the local economy of council redundancies, wage cuts, local firms losing council supplies contracts as multinational firms gain council contracts. The council is often a major local employer, so adverse changes can have an important effect on local spending and jobs. SCAT has developed a method of calculating these knock-on effects. Write to us for details.



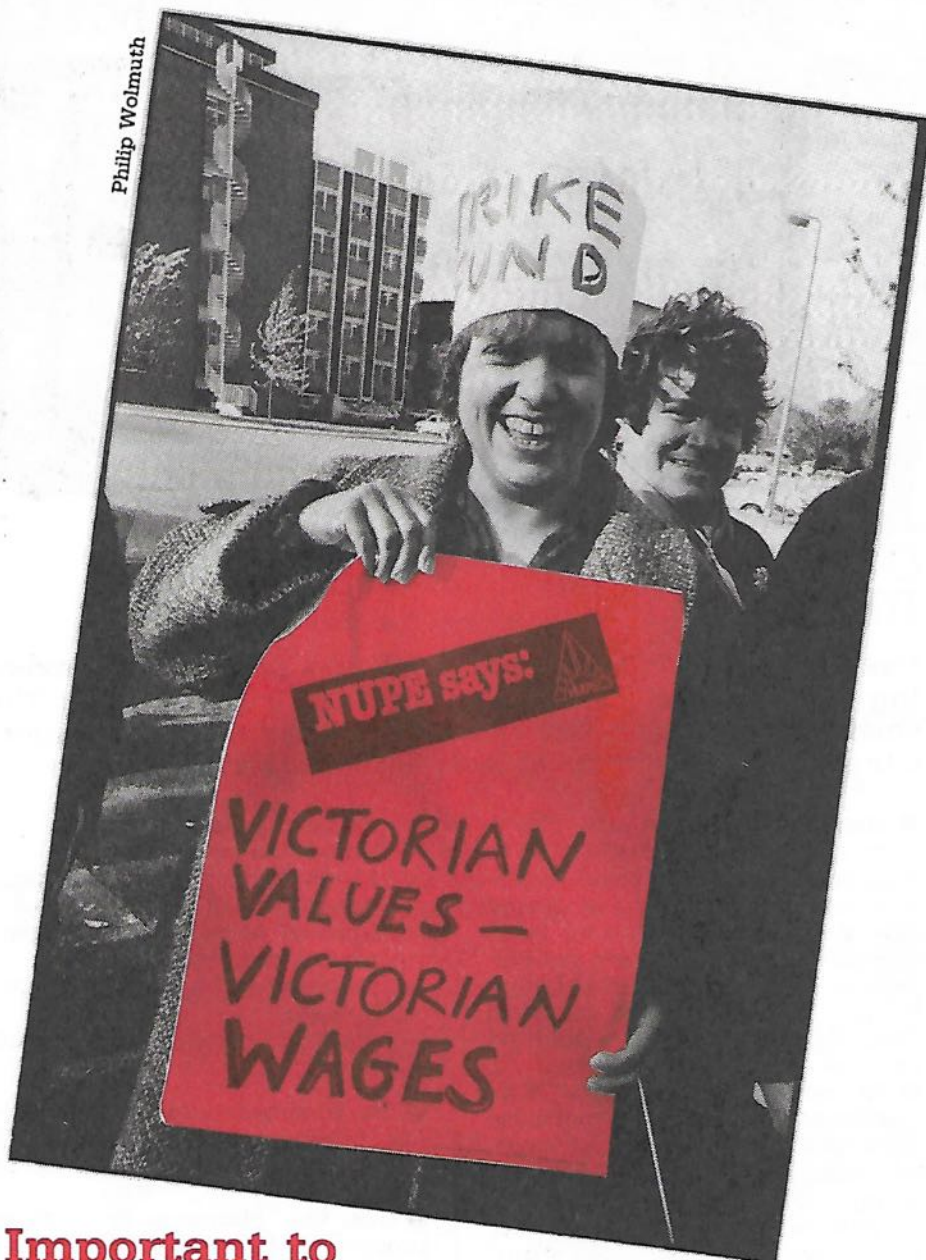
Philip Wolmuth



## ORGANISING CONTRACTORS

Most contractors employ non-union labour. Some firms publicly claim that they are opposed to workers belonging to a union. Others claim that they will recognise and negotiate with a trade union if sufficient (sometimes 50% or 90%) workers join a union. In practice, most contractors will do their utmost to prevent workers joining a union. Since contractors mostly refuse to employ shop stewards and union activists previously employed by a council, health authority or government department, the task of organising can become even more difficult.

Philip Wolmuth



### Important to unionise

It is important to try to unionise contractors' workers. Union membership can lead to:

- improved pay and conditions
- employment of more workers
- less victimisation and harassment
- greater support for and organisation of industrial action
- ultimately — job security
- better services.

Recruitment must be part of a union's longer term strategy to get the work returned to the public sector. Organising and increasing demands on contractors is one important part of this strategy.

**Organising a contractor's workforce can be a long and difficult struggle.**

Most workers have no protection from unfair dismissal in their first

year of employment (soon to be two years under new laws). Contractors often try and sack workers for trying to join a union. But union organising has been done recently despite all the odds:

● NUPE has organised most of the workers employed by Initial on its estate caretaking contract in Wandsworth.

● The T&GWU has organised WasteCare refuse workers in Basingstoke, Waste Management workers in the Wirral and Pritchard's street cleaners in Wandsworth.

● NUPE are engaged in a successful recruitment drive amongst Mediclean domestics at St Helier Hospital, Carshalton.

● The GMBATU are organising Pritchard's security guards in Birmingham and WasteCare (now owned by BFI) refuse workers in Wandsworth.

### Some ideas for what can be done include:

● raise the issue at your union shop stewards meeting, branch meeting or trades council meeting to explain why it is important to organise contractors' workers. There is likely to be some opposition and misunderstanding. The issue may not be resolved at the first opportunity, so press for further meetings and educational on the issue.

● it is important to give morale boosting and organisational support to contractors' workers who are trying to organise. Get your branch to hold at least one meeting close to the contractor's workplace/site so as to encourage as many of the workers as possible to attend to discuss their problems and difficulties.

● arrange for one or two stewards to liaise regularly with the workers who are trying to organise.

● make sure that union full-time offices know about the recruitment drive so that they can give further support and assistance.

● prepare special leaflets and bulletins as well as regular union literature to distribute to contractors' workers explaining the advantages of joining a union, what has been achieved in other organising drives, exposing company tactics on other contracts, generally making workers feel that they are not isolated.

● talk to contractors' workers at the beginning/end of their shift at meal or break times (if they have any!) Arrange informal meetings if necessary.



## Recognition

Once the majority of the workers on a contract are in a union there is the lengthy process of negotiating formal recognition with the company.

One of the best levers is to have organised workers on as many of a particular company's contracts at the same time. This way, in the event of an industrial dispute for example, the company is less able to 'bus in' workers from nearby contracts to carry out work instead.

● demands on the contractor must range from the basics, ie washroom facilities, protective clothing etc, through to proper wages and conditions.

**No contractor simply gives in. It may be necessary to organise industrial action to press for demands to be met.**

● Try to organise union action over manageable issues, eg refusing to take out vehicles until defects have been remedied. Pick an issue where the firm is acting illegally. Contractors hate bad publicity more than anything as it can affect their chances of winning other contracts, so make sure that the press, local radio and TV are kept informed of your action — and most importantly, why you are taking it.

● Don't let contractors' workers be isolated. Build support for their struggles throughout the authority and in the community. It is vital that other unions, tenants associations, other community groups and users of services are involved in any campaign right from the start.

## ACTION AGAINST AGENCIES

● Use the Monitoring sheets to find out how extensive the use of agencies is and, through union stewards in other departments, try to build up an overall picture.

● Develop a set of criteria or rules which would limit the continuing use of agencies and covering the circumstances when agencies could be used, alternative ways of providing cover, qualifications of staff from agencies, continuity of staff, cost etc.

● Suggest alternative ways of providing adequate staffing

levels, eg the council taking on more permanent or temporary workers, using or setting up a joint staff pooling arrangement with neighbouring councils and/or health authorities.

● If the use of agencies is extensive try to get the council to set this up on a proper basis as op-

posed to officers in different departments using their powers individually and at random. This will mean that agencies will have to tender for work or a continuing agreement with the council and would have to comply with all the contract conditions outlined earlier. This could be an important first step in limiting their use.

## Code on private homes for elderly will not stop abuses, says Labour

### Minister orders report on private nursing home

By David Services

A code out some in the r of priva derly a launched

The Depart 218 r prove minim lines privac It ha Centre

By David Hencke, Social Services Correspondent

Mr John Patten, the Social Services Minister, has ordered a report on conditions at a Blackpool nursing home after

past year are estimated to have been in the region of £50,000," he says.

The allegations from former nursing staff say that the home did not feed

## CONTROLLING PRIVATE RESIDENTIAL HOMES

**Use the Monitoring Sheets to build up a picture of the existing use of private residential homes by the council. The sheet also contains ideas on how to use this information. Other action to take could include the following:**

● Make sure the council has a fully staffed monitoring team to regularly inspect and regulate private residential homes. (see Home Life: A Code of Practice for Residential Care, from Centre for Policy on Ageing, Nuffield Lodge Studio, Regents Park, London NW1 4RS) This code should be used as a minimum standard.

● The code has a useful list of all the responsibilities of registration authorities. Make sure your council fully implements this code using it to stem the rapid increase in private residential homes and not to give them assistance in setting up new homes. Pre-registration should include:

- investigating the suitability of applicants and their financial status.
- examining the proposed facilities and service, experience and qualification of applicants.

Regular monitoring should cover the following:

- provision and condition of facilities

- diet and food preparation
- admission procedures
- terms and conditions of residence
- upkeep of records and complaints procedure
- personal and health care of residents
- staffing levels, duties and cover

● Get Environmental Health Officers to investigate any complaints about cleanliness and quality of food.

● Use the planning application procedures to try to block the expansion of more private homes. Prepare a set of objections (on planning grounds) to get local residents to submit to the council, and local councillors on the Planning Committee.

● Contact campaigns which have been organised to resist private residential homes.

● Contact the local Fire Brigade to make sure that they have inspected all private residential homes and that any enforcement orders or recommendations have been carried out.