



Appendix D: Criteria for the evaluation of Privatisation

Referenced on pages 233 and 393 of the paperback.

Economy
<p>1. ECONOMIC IMPACT Strategic objectives and priorities Impact on local, regional, national economies Effect of competition, ownership and market forces Effect on efficiency and productivity Economic costs of congestion</p>
<p>2. INVESTMENT and INNOVATION Investment strategy Research and development Economic development Reconfiguration and improvement of public services</p>
<p>3. ECONOMIC & SOCIAL NEED AND DEMAND Identify and quantify social needs Private sector dictating social and public needs Demand forecasts based on different scenarios and assessed for optimism bias</p>
Public costs
<p>4. FINANCIAL IMPACT, PUBLIC COSTS AND AFFORDABILITY Financing method Public costs and affordability Cost of state support for market mechanisms, guarantees, subsidies Effect of 'buy now-pay later' financing Transaction costs Cost overruns and delays Assessment of claimed cost savings Valuation of public assets Taxation and offshoring Secondary market and profiteering Foreign direct investment Implications of refinancing deals</p>
<p>5. USER COSTS Impact of changes in charges/rents/tolls/prices/fares/tuition fees/tariffs Affordability Effect of top-ups for vouchers and personal budgets Increased debt and effects of financialisation and personalisation</p>
<p>6. CORPORATE WELFARE Dependence on public subsidies, loans, guarantees, vouchers, tax credits</p>

<p>Free trade agreements Increased corporate influence in the local economy</p>
<p>Quality of public services, networks and buildings</p>
<p>7. QUALITY OF SERVICES and INFRASTRUCTURE Performance of privatised assets Performance of privately operated public services – inputs, processes, outputs, outcomes Defaults and financial reductions for non-availability and/or poor services. Technical assessment of delivery plan Service improvement, integration and operational flexibility Urban-rural provision Quality of repairs and maintenance</p>
<p>8. DESIGN Design vision and standards Flexibility and adaptability of infrastructure Urban design policy Long-term asset management proposals</p>
<p>Equalities and social justice</p>
<p>9. SOCIAL JUSTICE AND EQUITY Access, discrimination, participation Impact on poverty Equality Impact Assessment Welfare distribution Intergenerational equity Effect on employment inequalities</p>
<p>10. SOCIAL IMPACT Community needs met Demographic change Relocation and transitional severance</p>
<p>11. PUBLIC HEALTH Health and safety Health inequalities Community well-being</p>
<p>Nature and environment</p>
<p>12. ENVIRONMENTAL SUSTAINABILITY Prevention of commercialisation and marketisation of ecosystem services Safeguarding biodiversity, flora and fauna Noise and air quality Reverse land degradation Landscape, heritage Water quality Environmental Impact Assessment Environmental and climate risks Waste management and recycling</p>
<p>13. CLEAN ENERGY ECONOMY AND CLIMATE ACTION Contribution to lean energy economy Reduction in emissions Mitigation and adaption of infrastructure to climate change</p>
<p>Employment</p>
<p>14. QUALITY OF EMPLOYMENT Staffing levels (and job creation targets if relevant) Fair/Living wage and benefits, minimum and living wages, pensions Training and education Working conditions and health and safety Trade union recognition, bargaining and facilities</p>

<p>Staff and trade union participation in planning, design and delivery</p> <p>Compliance with labour standards and rights</p> <p>Employment impact by gender, race, age, education and income group</p> <p>Offshoring jobs</p> <p>Relationship between quality of employment and quality of service</p> <p>Employer use of agency and interim staffing companies</p>
Democratic accountability
<p>15. DEMOCRATIC GOVERNANCE, PARTICIPATION AND TRANSPARENCY</p> <p>Neoliberal transformation of democratic structures</p> <p>Impact on democratic accountability</p> <p>Democratic accountability of contracts, joint ventures and ‘partnerships’</p> <p>Effect of new private organisations and zones</p> <p>Accountability of regulatory agencies</p> <p>Transparency</p> <p>Monitoring, scrutiny and reviews</p>
<p>16. CITIZEN, USER AND STAFF PARTICIPATION</p> <p>Participation of service users, citizens, staff and representative organisations</p> <p>Linkage between involvement and quality of service</p>
<p>17. POWER SHIFT</p> <p>‘Empowerment’ of poor and working class communities</p> <p>Effect on trade union and community organising</p> <p>Increased power of business interests</p>
Public sector capability
<p>18. IMPACT ON PUBLIC POLICIES AND PUBLIC SECTOR CAPABILITY</p> <p>Impact on the public domain, public rights and public interest</p> <p>Effect on other public services and welfare state</p> <p>Effect of mainstreaming procurement and contract culture</p> <p>Loss of capacity in the planning and development process</p> <p>Potential longer-term exploitation, distortion and change of core objectives</p> <p>Foreign policy impact</p> <p>Effect on government ability to regulate</p> <p>Capacity to manage, amend or terminate contracts</p> <p>Embedding public service principles and values</p> <p>Loss of intellectual knowledge</p> <p>Constraints on digitisation and automation of services</p>
<p>19. RISKS</p> <p>Assess strategic risks</p> <p>Assess allocation and responsibility for risks</p> <p>Risk retention/transfer and pricing</p> <p>Increased corruption</p>
<p>20. MARKET AND REGULATORY FRAMEWORK</p> <p>Effect of deregulation/need for re-regulation</p> <p>Planning and development controls</p> <p>Market support mechanisms required</p> <p>Effect of Regulatory Asset Base for utility services</p>

Available from <https://www.european-services-strategy.org.uk/public-ownership>