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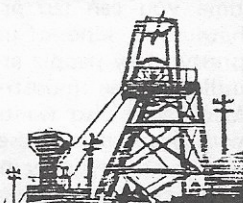
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AN ANTI-PRIVATISATION NEWSLETTER FOR THE LABOUR MOVEMENT

No 10 SEPT 1984

THE **Miners Strike** **HIDDEN AGENDA**



Philip Wolmuth

Secret Plans

Detailed plans and proposals are already being investigated — some occasionally hit the headlines only then to 'disappear' leaving the illusion that they have been shelved. Rumours in recent years of the impending sale of opencast operations have been countered by the Department of Energy claiming that there were no immediate plans. But John Moore, now Financial Secretary to the Treasury and responsible for the government's privatisation programme, claimed that opencast mining was 'more akin to quarrying, a privately owned industry, than to deep mining' when he was at the Department of Energy. In May this year the *Times* newspaper leaked news of a Cabinet sub-committee which had agreed to allow the NCB to seek private capital for the new generation of highly profitable pits.

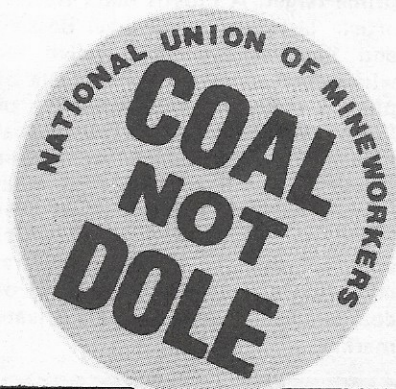
The Monopolies and Mergers Commission investigation into the coal industry in 1983 called for NCB areas to be operated as 'separate business units' and more 'value for money' audits. The NCB then brought in multinational

Further massive pit closures and redundancies leaving only a handful of highly profitable pits; division of the NCB into area companies and then sold off; the bargain price sale of new coalfields at Selby and Vale of Belvoir; opencast sites hived off to contractors together with NCB subsidiary companies — these are only some of the proposals being advocated by right-wing economists, business interests and under study by the government.

But first the Tories have to break the power of the NUM. Privatisation is part of the hidden agenda in the current strike. If the miners can stop the current programme of pit closures this would be a major setback for plans to privatise coal. This is another reason why the definition and negotiations over the closure of 'uneconomic pits' is so crucial. The NUM know that this could be used to close pits at random to re-organise the industry ready for takeover by financiers and contractors.

The Tories' plan for Britain's economy envisage much greater reliance on nuclear power with dwindling coal needs purchased at the cheapest possible price ie. buying more and more imported coal. The few remaining pits would be privately owned and operated and government subsidiaries and investment would be slashed. Thousands of jobs and whole mining towns and communities would be declared redundant with devastating consequences.

Cont. on page 2



FROM PAGE 1



management consultants McKinsey and Co to undertake a major organisational review. A few months earlier the *Economist* magazine editorial argued for decentralising the NCB into area companies for sale, the run down of all 'unprofitable' pits, and schemes devised for miners buy-outs of pits and purchase of shares in those sold to financiers and contractors.

Carve-up

MacGregor had similar ideas for miners taking a 'stake in the industry' when he took over at the NCB last year. 'Anytime you can tap private capital you have some kind of understanding that pretty savvy people are interested. That indicates the industry has a future.' MacGregor also wants decentralisation with negotiations based at area and pit level — a key ploy to divide and rule whilst carving up the industry.

Two years ago the NCB revealed it was negotiating with merchant bankers S.G. Warburg, Grindlays Bank and other financiers to set up a 'futures market' for coal. Private capital would have been used, via a separate trading company, to finance coal stocks — in effect selling coal in advance and cutting the £100m annual costs of retaining large coal stocks.

CONTRACTORS IN NOW

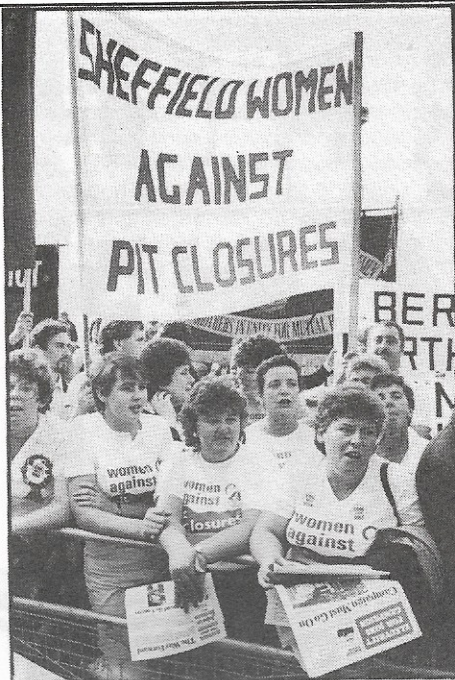
But the privatisation of coal is already underway:

- 15 per cent of the 106 million tonnes coal output in 1983/84 came from privately run opencast sites and licenced private mines.
- All 55 opencast sites in Britain,

WHAT THE RIGHT WANTS

The Institute of Directors has urged the government to end the NCB's statutory monopoly of coal mining and to lift all restrictions and licences for private mines.

Calls for widespread privatisation of nationalised industries and public services by right wing political groups and economists include the NCB as a prime target. A Lloyds Bank Review article last year by Michael Beesley and Stephen Littlechild called for widespread closures and the sale of pits. A study by the University of Surrey 'What Future for British Coal Policy' recently called for similar policies including lifting of coal import restrictions (running at over 5 million tonnes before the strike) and replacing the NCB with several coal supply companies. The future of coal would lie entirely in the private market.



Philip Wolmuth

producing 14.1 million tonnes last year, are owned by the NCB but run by private contractors. Taylor Woodrow has two sites as well as owning USA mining companies), Wimpey (7 sites), Derek Crouch (5 sites) and Fairclough (3 sites). The NCB employs only 280 direct labour workers on opencast mining: 0.1 per cent of its total workforce. Opencast mining is highly profitable for the NCB and the contractors. The NCB had £211 million profits on turnover of £577 million from opencast operations in 1983/84 in contrast to coal mining losses of £595m. Clearly, opencast sites are likely to be the first to be sold.

- There are already 155 private pits in Britain. Producing 1.6 million tonnes last year, most are relatively small operations exploiting pits and faces closed by the NCB. The pits are licenced by the NCB and the board purchases their coal output.
- The NCB is selling profitable subsidiary companies. Last year it sold its £7m shareholding in Associated Heat Services which designs, installs and operated boiler and air conditioning plant. The NCB was one of the original founders of the firm in 1966. The NCB's shareholding in the heating and building equipment firm J.H. Sankey has also been sold. The NCB's subsidiary companies are controlled by two holding companies, NCB (Ancillaries) Ltd and NCB (Coal Products) Ltd with assets worth well over £100m. The government has demanded that the NCB raise £10m in 1984/85 from the sale of activities 'unrelated to the Board's mainstream activities' and in addition to its normal planned sale of land, buildings and vehicles. More subsidiary companies are being prepared for sale at the present time.
- The Coal Board has already sold over 52,000 houses since 1976 of which a third were sold on the open market. The remaining stock of just over 30,000 houses also seem likely to be sold off.

Multinationals ready to grab assets

Other aspects of the coal industry threatened with privatisation are:

- Contracting out of existing services such as workshops, cleaning and catering on which the NCB currently employs about 20,000 workers. Cleaning contractors Initial Ltd already have a large NCB workwear laundry contract. Initial is 40 per cent owned by the giant BET Group whose full takeover bid for Initial is being investigated by the Monopolies and Mergers Commission. BET also own Murphy Brothers, a mining and civil engineering firm which operates three opencast sites in Britain and one in America.
- NCB activities could be severely restricted to concentrate solely on the mining of coal leaving the processing of coal eg. coal washing plant and other activities to private firms. Contractors have already made inroads to coke production.
- Private capital could be introduced to help finance investment in new pits and faces. It is even conceivable that the new coalfields at Selby in Yorkshire and the Vale of Belvoir in Leicestershire will be hived off at knockdown prices despite the investment of £1400 million of public money. The Tories have written off massive public investment and government loans in selling other nationalised industries and publicly owned companies.

With current reserves of 4,223 million tonnes of coal and large multinationals already entrenched in opencast operations, mining equipment and coal distribution, the miners strike is not only about pit closures, but who controls and owns Britain's coal industry in the future.

GUARDS OUT

MUNICIPAL SECURITY SERVICE SET UP

Sheffield City Council has decided to set up a new Municipal Security Service eliminating several contracts with private firms eg. Guarda Security, Arrow Securities. The new service will create six new jobs and save the council £28,000 per annum.

The original idea came from shop stewards in the Works Department in 1981. They were concerned about security at depots and building sites and argued that the work should be done by direct labour. The service will be based in the Recreation Department and will also cover security for Cleansing, Works and Estates Departments. The service may be expanded later to cover security and vandalism in schools and housing estates. However, the collection of cash eg. from baths and sports centres, is not included in the new service. This work is currently done by Pritchards. Efforts are now being made to try to bring this work within the public sector.

Contact: Steve Machin, Employment Department, Palatine Chambers, Pinstone Street, Sheffield S1 2HN (Tel: 0742 755215).

BT SHARE SALE CON



British Telecom and the government in collaboration with merchant bankers Kleinwort Benson ('the power behind the sale') are gearing up for the sale of BT with a multi-million pound advertising spree focusing on share ownership. A BT Share Information Office has been opened in Bristol to issue brochures explaining how BT shares will be a 'good buy', a specially prepared information sheet and a Stock Exchange guide to buying and selling shares — a simple guide to help us all become speculators!

Mini speculators

The government has also announced various share discount schemes including vouchers to offset telephone bills to try to entice wider share ownership and encourage shareholders to hold onto their shares rather than selling for immediate speculative gains. The minimum stake in the BT share casino will be £250.

It is strongly rumoured in the financial press that the sale of 51 per cent of BT will bring in far less than the expected £4 billion. Figures of £3-£3.5 billion are now being talked of. In order to try to spread share ownership the government will have to price the shares to make the investment more attractive than other forms of investment eg. building societies.

Mercury takeover by Cable & Wireless

Meanwhile, Cable & Wireless, privatised by the Tories in 1981 have bought out BP's 50 per cent stake in Mercury Communications, a private telephone company set up to compete with BT. Mercury is now a wholly-owned subsidiary of Cable & Wireless which has telecommunications interests mainly in the Far East and America. Profits soared to £190m in 1983/84 but most of the increased profits since privatisation have come from takeovers of other telephone companies eg. Hong Kong.



The Post Office plans to close 69 Crown Offices by March 1987. Buildings will be sold off and some 700 jobs will be lost. Offices closed in cities will not be replaced but closures in semi-rural areas will be substituted by sub-post offices. These offices are privately run, usually on an agency basis by small entrepreneurs.

More News

TARMAC'S PRIVATE ROAD CUL-DE-SAC

The government has announced that it will not approve the £45m privately funded road in the West Midlands planned by Tarmac (see PSA No 3). Tarmac had formed a consortium with the National Westminster Bank and Saturn Management (part of financiers Mercantile House Holdings) and had reportedly prepared a draft prospectus to send to potential investors. The motorway, linking Wolverhampton and the M6, will now be financed and built in the normal way.

The Department of Transport rejected the Tarmac proposals because of the higher costs of using private finance. Although financed initially by private money the road would have been paid for by the West Midlands County Council with payments to investors spread over a number of years. A nominal toll was to have been levied on each vehicle using the road with additional payments if industrial development took place because of the road. Difficulties arose because nobody could accurately forecast how many vehicles would use the road. Tarmac also wanted more control over the design and management of the motorway to 'attract' private capital. Supporters of privately funded roads like the Federation of Civil Engineering Contractors are suitably upset for the decision halts, at least temporarily, any further proposals.

TAYLOR WOODROW



PRIVATE POWER BLACKOUT

Taylor Woodrow's plan to buy two power stations from the Central Electricity Generating Board at Plymouth and Carmarthen Bay has come unstuck after a six month study (see PSA No 5). The civil engineer multinational, together with another engineering firm Balfour Beatty, wanted to generate and sell electricity to the national grid using powers in the Energy Act 1983. However the firms discovered that the conversion of Plymouth back from oil to coal and renovation costs at Carmarthen Bay were much higher than expected. The CEBG also rejected the high tariff demanded by the companies. But this is not the end of the matter. Both firms have said they will examine other opportunities to expand into private generation of electricity.



NHS Fife workers win

Privatisation in the National Health service is not inevitable. That was the clear message to Scotland's health workers as thousands of Trades Unionists converged on Fife Health Board Offices in Glenrothes on 28 August. It had been widely predicted that Fife would be the first to surrender to the Government's demands that catering and domestic services at two hospitals and their Headquarters be put out to tender by 31 December, with a view to letting contracts by 31 March — especially since the Board is chaired by John Balfour who also chairs the Ancillary Staff's Council.

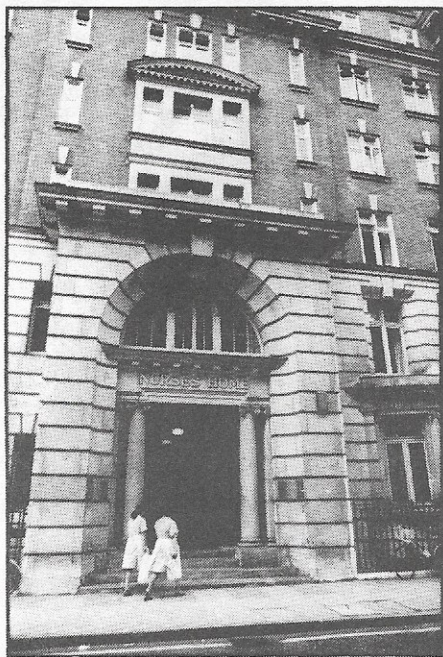
The Board refused to bow to Government pressure and passed a Motion which, whilst calling for 'co-operation with all involved to find ways of making savings and increased efficiency' stated that this should be done 'whilst retaining full managerial control over all the services as part of the total health care for which the Board is responsible'.

Health Minister, John Mackay, has talked limply of Trade Union 'intimidation'. Yet the Health Board Chairman said the Board had made its decision after a reasoned debate 'It was not done because of intimidation by the Unions' he said 'Certain of the arguments that the Unions had used were undoubtedly taken note of but much other information was brought in'.

The fact is that the Trade Unions, Health Service and non-Health Service, won the arguments. The past few months has seen a vigorous campaign both by the Health Service Unions and the Fife Federation of Trades Councils throughout Fife explaining to people what was happening to their Health Service. Mackay is due to meet the Health Board again next month but his heavy-handed response to their decision is likely to consolidate their views rather than change them.

More Information from NUPE, Tel: 031 556 0922.

No homes for health staff



Philip Wolmuth

A major asset-stripping operation on residential accommodation for health service workers is now in the pipeline. Aimed at raising £750 million, the plan involves selling off not only homes at present standing empty, but also housing currently occupied by nurses. At present there is NHS housing for 11,000 junior doctors, 35,000 student nurses and 29,000 full-time nurses. The new plan is for access to such accommodation to be restricted to 8,000 junior doctors and 29,000 first-year student nurses. The recently published NHS Rayner Scrutiny Report denies the possible difficulties this might cause in areas which are run down or where housing is scarce or expensive. However DHSS Minister Norman Fowler has admitted the need for a more flexible approach in such areas. Both NUPE and COHSE issued immediate statements condemning the plan; now health authorities have until 19 October to give their comments to the Minister.

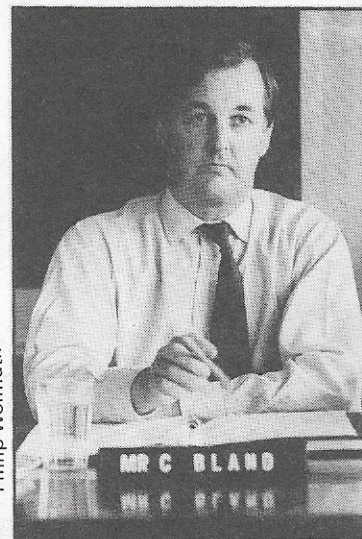
DHSS Circular - legal doubts

Government Circulars to health authorities instructing them to put ancillary services out to tender have no legal force, according to legal advice obtained by COHSE, NUPE, GMBATU and TGWU on behalf of 250,000 NHS ancillary workers. Under the National Health Service Act 1977, a Circular from the Secretary of State is merely advisory and imposes no legal duty on the health authority, whereas 'Directions' issued under the Act by the Minister would have legal force.

Circular HC (83) 18 states that health authorities should seek competitive tenders for domestic, catering and cleaning contracts, and that where savings can be made the contract should be let. Circular DA (83) 40 states that in seeking tenders and awarding contracts, health authorities should not specify rates of pay or conditions of service.

The Unions' legal advice is therefore that health authorities are not legally bound to proceed with tendering. It also argues that authorities can include

Hammersmith BLAND PROFILE



Philip Wolmuth

Supporters of the strike at Hammersmith Hospital recently published a leaflet explaining exactly who the Chair of Hammersmith Special Health Authority is. Francis Christopher Buchan Bland is Chairman of Sir Joseph Causton and Sons, part of a major printing and publishing group, and has directorships of the National Provident Institution, Hunkydory Designs Ltd and London Weekend Television. He was educated at Sedbergh private school and Queens College, Oxford. He later became a Tory GLC councillor for Lewisham (until 1970) and wrote an odious and racist pamphlet on 'Commonwealth Immigration' for the Tories' right-wing pressure group, the Bow Group. As the leaflet points out, he clearly has little in common with the people of Hammersmith and is well suited to the world of big business: the privatisation of NHS services is, of course, big business. If you would like to tell Mr Bland what you think of his attack on jobs and services why not phone him on 01-834 0021 or write to him in London — 10 Catherine Place, SW11. But to really make sure you reach him why not try writing to his country mansion — Abbots Worthy House, Abbots Worthy, Winchester, Hampshire.

a Fair Wages Clause in their form of contract, and that their power to do so could only be limited by the Secretary of State issuing a Direction specifically prohibiting or restricting the use of such clauses. The legal opinion suggests that to avoid legal challenge any such clauses must be limited to the staff used in the service of that particular authority, and should be restricted to rates of pay, sick and holiday pay, hours of work, holiday entitlement, compliance with the law against sex and race discrimination, and health and safety.

Private Hospitals AMI EXPANDS

Philip Wolmuth



American Medical International, founded in the mid-50s and now owning or running over 100 hospitals worldwide, increased its stake in the UK private health market last month by buying Sloane Independent Hospitals for a cool £9 million. The acquisition of Sloane with its two hospitals in Kent and London brings AMI's total of private British hospitals up to nine. Sloane suffered heavy losses in its first two years and was rescued by Fleming Mercantile Investment Trust which has made a £2½ million profit from the sale to AMI.

AMI seems undeterred in its expansion plans for the UK by its earlier mistakes. In 1983 it sacked half its full-time nurses and closed one of its two wards at the Chaucer Hospital in Canterbury because there was insufficient local demand for its £100-a-night beds. Its public-spirited director of development,

Humphrey Nicholls, claims to have been engaged in talks with DHSS officials on a scheme for private hospital groups to take over 'redundant' (ie. closed) NHS hospitals. They would be run as private hospitals for a period of years and returned to the state sector 'at an agreed time'. Particular targets for the scheme

are small community hospitals and specialist hospitals, such as the South London Hospital for Women. It's lucky for AMI that there are so many closed down hospitals around: in 1981 British multinational United Medical Enterprises was given permission by the Government to take over 'surplus' NHS hospitals.

BREAKING NEW GROUND

AMI is the first private medical company to introduce a full scale credit card scheme for patients. The 'Amicard' offers six months of credit interest free with each following month charged at just under 1%. And now there are plans for a private GP service run by AMI for the six million people working in the City of London — and for a range of new medical services such as screening, 'stress management' and facilities for alcohol and drug addiction treatment.

TRADING IN KIDNEYS

AMI has also emerged at the centre of an international 'kidneys for sale' scandal. An advertising campaign in West Germany, offering transplants to dialysis patients at £14,300, has been traced back to the 'London International Transplant Centre', based at the AMI owned Clementine Churchill Hospital in Harrow, Middlesex. AMI admits that some 40 foreign patients have so far bought kidneys from them, but insist that the kidneys come from dead Americans or live relatives of the patients, not from the growing trade in kidneys from live donors in the Third World. It is estimated that 2000 kidney patients in Britain will die this year because of the desperate shortage of kidneys available, while in the US 10,000 kidney patients are waiting for transplants.

NHS POACHERS

Replies to a simple request for information from a number of private cleaning companies included...

THE RAMONEUR CO. LTD.
CONTRACT CLEANING DIVISION
Our Ref: ABB/MM
Your Ref: M. Walker Esq.,
9a Yewstrey High Street,
West Drayton,
MIDDLESEX.
Dear Mr. Walker,
I have received your letter today in connection with the scope of services that we provide in the domestic/housekeeping field within the NHS.
Your letter does not make it clear whether you are writing on behalf of a hospital or on a purely personal basis. Would you be good enough to clarify this point, because if it is the latter, it may well be that there would be a matter of mutual interest that could be discussed.
Yours sincerely
Brian Barclay
Managing Director.

CLEANALL HOUSE - 18-18 DENBIGH STREET - LONDON - SW1V 2ET
TELEPHONE 01-234 1321 110 lines - 24 hour service
Contractors to Dept. of the Environment, City Corporation, G.L.C.,
Met. Police, Area Health Authorities, British Airways, G.P.O., Etc.
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25th July 1984

The Right: pay for health

The Adam Smith Institute has just published its 'Omega Health Policy' report, which proposes the demolition of the NHS on a scale unmatched by any previous plan. The proposals include:

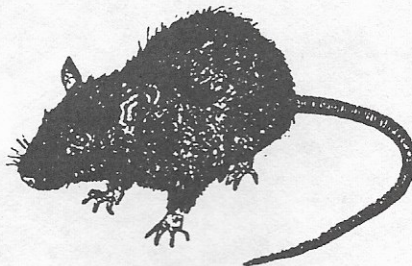
- The end of free health care to everyone except those on social security, who would be issued with a 'medicard' or health credit card. This would cover basic treatment only, but could be used in the private sector, as well as for NHS services.
- Charges for hospital services of £5 per day (at 1981 prices), with patients having to provide their own food.
- Charges for visiting a GP
- Charges — and possible privatisation — for family planning services.
- Charges for non-emergency ambulance transport.
- A £50 per year rebate from the government for everyone taking out private health insurance
- Scrapping health authorities and privatising hospital management

RATS ON THE RATES

Pest control is an important part of local authority Environmental Health Departments' work. It is also one of the first of that department's services to come under scrutiny for privatisation. The leading contender for winning pest control contracts from both local authorities and the NHS is RENTOKIL LTD, part of the multinational RENTOKIL GROUP PLC. The company, with fifty subsidiaries worldwide, returned profits of over £11m for the first half of their current financial year.

Rentokil's new glossy brochure, specifically aimed at wooing local authorities states that 'local authorities from Iceland to Bahrain and from Hamilton to Hamelin have used our rodent control services for over fifty years'. While many authorities use Rentokil for one-off jobs or emergencies eg., outbreaks of infestation on an estate, the company currently has full pest control contracts with twenty-six UK local authorities. A spokesperson for Rentokil told *PSA* that they had won quite a few contracts last year and this because of the Government's push for privatisation. The company claims that whenever they approach a local authority offering to take on their pest control work, they normally offer employment to the council's staff who 'usually carry on working in the area with which they are familiar' — but for the company and with less favourable pay and conditions. Rentokil also recognise that the very act of tendering 'is often beneficial in stimulating Unions and executives to re-assess existing ways of doing things'.

The company provides other services to local authorities ranging from the disposal of sanitary towels and cleaning and maintenance of public toilets to insulation and condensation control in public housing. About one thousand part-time staff are employed to carry



out specialist office cleaning, particularly where data processing and computer equipment are kept. The company claims that none of its part-time employees are 'casual labour'. The company is currently involved in a major campaign to win local authority and NHS contracts. Its forty branch officers are calling on authorities all over the country backed by direct mail shots of a glossy pack arguing for privatisation. A video, 'Rentokil on the Rates' recently won an award from the British Industrial & Scientific Films Assn. It is a twenty minute programme including interviews with Chief Officers from Hamilton, Shepway, Bracknell, South Shropshire and Perth and Kinross District Councils and former council employees now working for the company, arguing Rentokil's case.

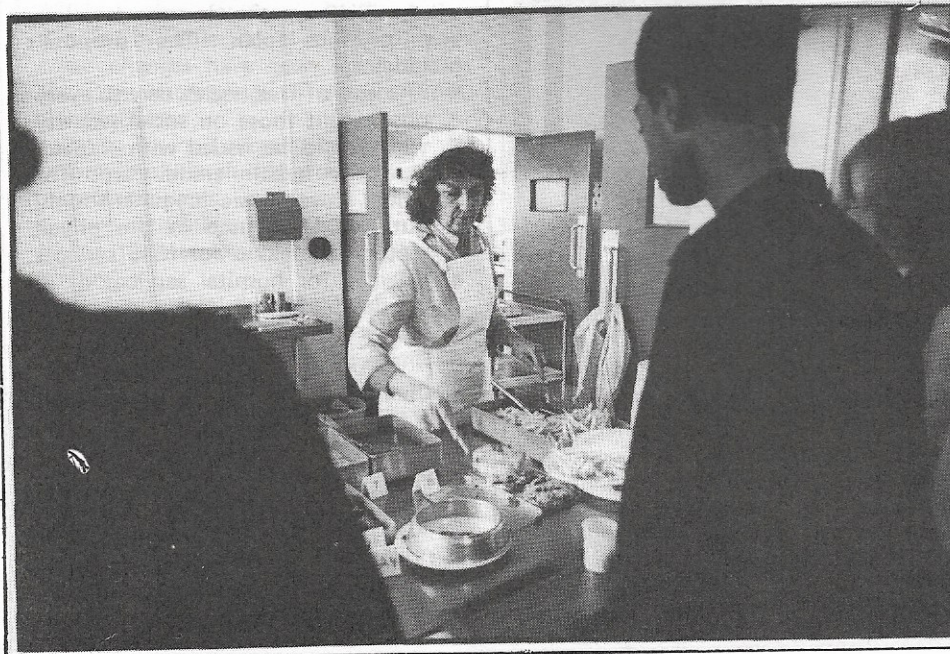
Contractors & Consultants

HAY MANAGEMENT CONSULTANTS LTD (formerly Hay-MSL) last filed accounts for the year ended 31st August 1982. The Chairman's salary was £62,665. The highest paid Director received £73,120. Of the other UK Directors, two received salaries of between £45,000 and £50,000; two received between £40,000 and £45,000. Two other highly paid UK employees received between £30,000 and £35,000; three received between £25,000 and £30,000 and twenty-five received between £20,000 and £25,000 each.

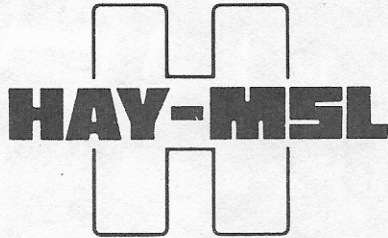
WATER FIGHT

NALGO members in the Tame Division of Severn Trent Water Authority are taking industrial action over management's bid to privatise up to 25% of the Division's design work. This would mean that 25% of jobs would be lost, many through early retirement despite many staff still being in their twenties and thirties. It would also hand some £1.5m in fees to private consultants. Some work already goes out to consultants but this is specialist work. Following a successful one day strike recently, staff are now refusing to co-operate with consultants. They are also refusing to co-operate with a management review of services which NALGO fear could lead to more cuts and privatisation. NALGO have identified other services which could be hived off; everything from grass cutting to scientific services. More information from John Hitchings, NALGO, tel: 0743 63141.

SCHOOL MEALS DEALS



As the new school term starts, secondary school pupils in Hereford and Worcester will have their first taste of privatised lunches. Contracts for sixteen high schools in the country have been awarded to **Worcestershire Catering Services** and four to **Grandmet**. At sixty-nine comprehensive schools co-operatives formed by 600 redundant school meals workers will provide lunches, as they have done at seventy primary schools in the county for the past two years. The privatisation scheme has been boosted by a deal between Education Secretary Keith Joseph and the Treasury which allows the schemes to run VAT-free. Any VAT due will be paid — and then reclaimed — by the education authority. But freedom from VAT is not reserved for newly formed co-operatives: the giant **Sutcliffe Catering** organisation enjoys the same privilege in the London Borough of Merton where it runs the school meals service in seventy-five schools.



The HAY GROUP, of which Hay-MSL is a part, calls itself 'the world's largest human resource consultancy'. It has 80 offices in 25 countries, the parent company being HAY ASSOCIATES based in Philadelphia. In the UK, the firm has some 1,000 clients including over half of *The Times'* Top 100 companies and key parts of the public sector. Fees from UK consultancy alone top £9m. It is no coincidence that Hay's public sector clients are a paradise of privatisation:

British Airports
British Airways
British Gas
British Nuclear Fuels
British Rail
British Technology Group
Central Electricity Gen. Board
Freightliner
London Transport
Sealink
DHSS
Ministry of Defence
HM Treasury
Office of Manpower Economics
Cambridgeshire CC
Cheshire CC
Clwyd CC
Kent CC
Northamptonshire CC
Surrey CC
Suffolk CC
Dudley Met. Borough
London Borough of Sutton
London Borough of Merton
East Cambridgeshire DC
Severn Trent Water Authority
Welsh Development Agency
Highland Health Board
... and many more.

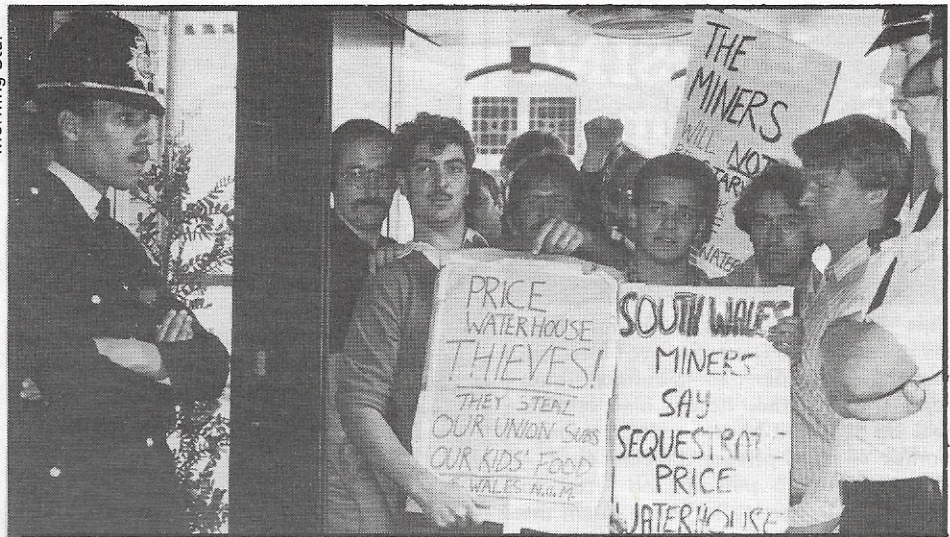
CONSULTANTS IN FINANCIAL SCANDAL

International management consultants and accountants Arthur Andersen are busy producing a 'value for money' handbook on efficiency in social services departments for the Audit Commission. The first draft enraged local authority associations when they saw it earlier this year. It focuses on services for children and elderly. Money not care and need is rapidly becoming the central focus and could lead to widespread privatisation, cuts and elimination of some services.

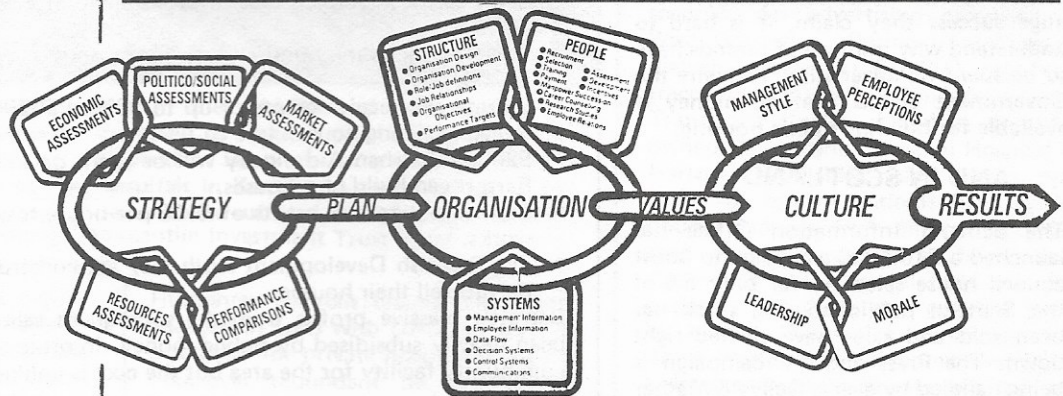
It is very interesting to note that Arthur Anderson faces claims which could total £1,000 million following the accounting scandal at the Financial Corporation of America (FCA), America's largest savings and loan association (similar to a building society). FCA had adopted a complicated system of accounting mortgages which led to the intervention of the US Securities and Exchange Commission and a subsequent run on FCA deposits.

Andersen's also currently face lawsuit as a result of other financial disputes.

Morning Star



Striking miners and supporters successfully occupied the Birmingham office of accountants Price Waterhouse on 15th August in protest at the firm's seizure of South Wales NUM's funds. Price Waterhouse had seized hardship and welfare funds and prevented food being bought for miners' families. Next day, Price Waterhouse released money related to the miners' benevolent fund.



The Scottish Development Agency (SDA) recently used Hay-MSL for job evaluation. Hay's recommendation was 'pay by performance' and if implemented would have meant replacing Whitley with a locally negotiated agreement. The SDA NALGO Branch informed the membership of the implications of such a measure and in a ballot the Hay scheme was rejected. The SDA's Chief Executive then gave upper and middle management staff three days in which to sign the new agreement. As an inducement they were given 'assimilation payments' of up to £1,000 each: being good management they complied. Hay-MSL however, didn't reckon that the management were that good — the result of their job evaluation was that the vast majority were overpaid for what they did! A consequence of all this is that there are now NALGO members in the same branch but with different negotiating bodies, creating a wider division between management and lower grade staff.

MEANS TO AN END

The SDA needs a compliant management to carry out its cuts and privatisation programme. Two Direct Labour Organisations — building maintenance and landscaping — have been closed down with a loss of 70 manual and 55 white collar jobs. Also, as a result of a major property review carried out by four firms of consultants, Jones Lang & Wootton; PA; American City Corp and PEIDA, public land and buildings are to

be sold off. One example is the Hillington Industrial Estate, the largest in Europe: Jones Lang & Wootton have been instructed to sell off a 51% interest to private developers.

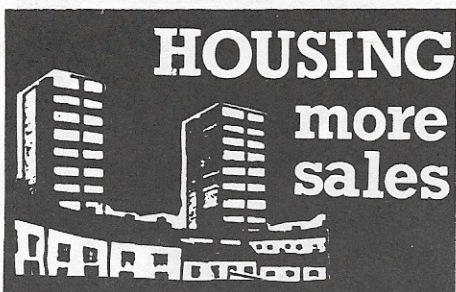
EAST LoTHIAN

Hay-MSL have just earned fees of £200,000 for reporting to Tory-controlled East Lothian District Council on how they can make cuts of £2m. Included in their recommendations is the loss of 150 jobs.

WESTMINSTER

The City Council have called in Hay-MSL to 'review its personnel policies so as to ensure that they lead to the most effective use of its major resource — its staff both manual and non-manual.' The NALGO/NUPE Joint Committee are considering their response in the light of other branches' experiences with Hay-MSL.

● Cambridgeshire NALGO are collecting information on Hay-MSL and other consultants. Please send any information to R. Dalton c/o NALGO Branch Office, Cambridgeshire County Council, Shire Hall, Castle Hill, Cambridge.



This month will see a major sales campaign by the Department of Environment aimed at persuading council house tenants to buy their homes. Sales leaflets will be delivered to five million council homes — by a private delivery firm — together with a personalised letter to each tenant. The leaflet will explain the new concessions in the Housing and Building Control Act, which include larger discounts. The leaflet is expected to cost 20p per house — and will be followed by a national press and TV advertising campaign. If the Government's council house sales policy is the huge success they claim, it is hard to understand why millions of pounds have to be spent on advertising, and why the Government claims that no money is available for building public housing.

... AND IN SCOTLAND

The Scottish Information Office has launched a £100,000 campaign to boost council house sales. So far only 5% of the Scottish public housing stock has been sold and sales have slowed right down. The Press and TV campaign is being handled by agents Ogilvy & Mather and is being aimed at older tenants who qualify for substantial discounts.

'Right To Buy' EXTENDED

The Housing and Building Control Act has now come into effect, after its initial introduction into Parliament before the 1983 election. Its provisions have been detailed in earlier issues of PSA, though some changes have been made during the Committee stage. The main provisions include:

- Extension of the right to buy to previously excluded groups of public sector tenants.
- Increased maximum discount of 60% for tenants exercising the 'right to buy'.
- Reduction in the qualifying period from 3 to 2 years' tenancy.
- A new part-buy/part-rent scheme for council tenants.
- Restrictions on methods used by councils to delay or obstruct sales.
- A new 'right of exchange' for council tenants.
- The new 'right to repair' for tenants to get their own repairs done (which will come into force early next year).
- Privatisation of building control (also scheduled to start next year).



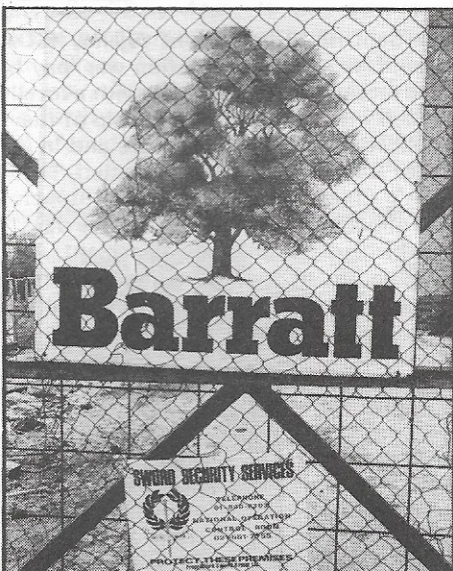
Philip Wolmuth

Glasgow

Glasgow District Council recently sold a site at Priesthill to BARRATT (see PSAs 1 & 8).

- The site, including hundreds of empty houses, was sold to the company for just £1000.
- Barratt will receive grants of up to 90% of £5200 for internal works carried out to each existing house.
- £205,000 Urban Aid money will be spent on soil stabilisation at the site so that Barratt can build new houses.
- Barratt will receive grants of £100 per house towards the cost of environmental works.
- The Scottish Development Authority are constructing a park on the site to help Barratt sell their houses.

Barratt's massive profits from the subsequent sale of houses will therefore have been heavily subsidised by public money. In return, the company intend to build a community facility for the area but the cost is unlikely to dent profits.



Philip Wolmuth

Glasgow are also selling off council land at South Rogerfield to the SCOTTISH RESIDENTIAL ESTATES DEVELOPMENT CO. LTD, a subsidiary of the Crudens Group. The company are to build 226 new houses and rehabilitate 333 tenement flats for re-sale. The decision to hand millions of pounds profit on a plate to the company comes just two months after the Labour Group resolved its commitment to stop all sales. More information from GLASGOW TENANT c/o 53 Vincent Street Glasgow G3.

Barnet

BARRATT (LUTON) LTD have purchased a 5.42 acre site from Barnet Council for £2.75m and plan to build an estate of 'starter' homes for sale. The estate will comprise 165 flats, 53 houses, 8 maisonettes, a car park and children's playground. It will replace Barnet's New Broadfields Estate, formerly home for some 250 council tenants. The estate, built in the 1970s to the notorious 'Bison' system has just been demolished following years of campaigning by tenants complaining of dampness and defects due to design faults. The tenants have all been rehoused elsewhere but there is concern that the site has been sold off rather than Barnet Council building council housing for rent.

CREST HOMES of Weybridge, Surrey have had to buy back recently-built 'luxury town houses' from their owners as part of an out of court settlement for damages. The houses, in Finchley, were built on land that was apparently unsafe for building on, causing structural damage. The company also has to pay £45,000 costs but Barnet Council have agreed to pay 25% of that in recognition of their responsibility in the matter.

Westminster Rich Pickings For Building Societies

Philip Wolmuth



Building Societies are increasingly being used by local authorities to finance new projects and boost council house and estate sales. A look at Westminster City Council's recent Housing Strategy Statement shows the extent to which Building Societies have their feet in the council's door.

The council's policy is 'to obtain funding from Building Societies to support home ownership and home improvements, to raise capital receipts and to supplement public expenditure'. Westminster also uses its mortgage guarantee powers under the 1980 Housing Act to encourage Building Societies lending in areas they would not normally consider. Building Societies support has been obtained in the following ways:

- Purchasers of council properties under the Right to Buy or through Discretionary and Designated sales policies can transfer their existing council mortgages to the **Abbey National**. The Abbey got over £1.1m worth of business since 1983 and £1.25m has been set aside for mortgage transfers in the current financial year.
- Mortgages for new sales under the Right to Buy and savings contributions to Building Societies earned receipts of £2.4m in 1983/4. The **Abbey National** has allocated £2m for mortgages under the Right to Buy for the current financial year and other Societies are being approached to enter this potentially lucrative area.
- Building Societies now provide all the acquisition and works loans for purchasers of council properties under the 'low cost' home ownership schemes. The **Woolwich** has so far granted over £3m on mortgages under these schemes; the **Abbey National** and **Halifax** are also looking to these schemes as a potential growth area.

- In 1979 the **Abbey National** selected one of the council's Housing Action Areas (HAA) as its first pilot study in London for involvement in stimulating the improvement (gentrification) of run-down inner city areas. This was so successful that the Society now offers loans for acquisition and improvement to the private sector in other improvement areas. The **Abbey** has even seconded staff into the area to maintain a local presence and to attract further business.

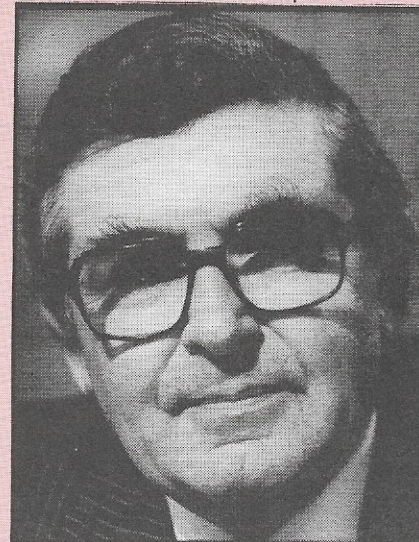
Philip Wolmuth

Wave goodbye
to your
rent book



Thamesmead PRIVATE TRUST?

Thamesmead, a GLC new town being built on reclaimed marshland in South East London could be run by a private trust similar to Stockbridge Village (see PSA 4) if the GLC is abolished. Although building on the site started in the late 1960s, there are still areas ripe for speculation if the whole site was privatised. As political control of the GLC has changed over the years so large areas of land have been sold off. Private developers have already made a killing out of building housing for sale. The original plan was for 100% council housing for rent but currently some 40% of the housing built is owner occupied.



According to Secretary of State for the Environment, Patrick Jenkin, the Trust idea is the Government's preferred option for Thamesmead but a DoE spokesperson told PSA that it was 'early days yet' and that there would be 'consultation' before a final decision is taken. 'Insight', a community newspaper in Thamesmead has launched a public debate about the Government's plans arguing that local people should learn the lessons from what happened to tenants on Cantril Farm Estate (later Stockbridge Village) and from the so-called consultation process with tenants on Teviot Street (see PSA 6).

At present Thamesmead is administered by the GLC and the two London Boroughs in which it is situated, Tory-controlled Bexley and Labour-controlled Greenwich. This in itself leads to an imbalance in policies and inequality of services in the area as a whole. 'Insight' argues that Thamesmead should have an administration that enables local people to have more control and that if a private Trust is set up then that possibility will be lost forever and services will rapidly decline.

Copies of 'Insight' and more information from 308 Manning Court, Titmuss Avenue, Thamesmead, London SE28.

More News

STEEL SALE

The British Steel Corporation (BSC) has sold its 91 per cent stake in the RGC offshore fabrication yard in Fife, Scotland to Trafalgar House, the property and shipping group. The £15m price is another bargain buy for Trafalgar House and gives the firm a dominant position in the offshore fabrication industry. Earlier this year the firm bought the Scott Lithgow oil rig production yard from British Shipbuilders to add to its own Cleveland yard building oil rig platforms. RGC, with 100 employees, had about £6.5m profits last year and has £50m worth of orders.

SEALINK SALE

Sealink, the British Rail ferry service has been sold to British Ferries, a newly formed subsidiary of Sea Containers, the world's largest container leasing company. The Government have retained a 'golden share' which would be used only in the interests of national defence. While British Rail had to write-off £42 million of its own investment in the company, Sea Containers received a 39% discount on Sealink's real value, paying only £66 million. Last year another Sea Containers subsidiary, SeaCo bought five hotels from BR when British Transport Hotels was privatised. Jim Slater of the National Union of Seamen, one of six unions representing Sealink workers described the government's sale as 'disgraceful, shabby and politically motivated.'

CIVIL SERVICE THREATS

Crown Agents staff at East Kilbride took industrial action recently against the threat of privatisation and for parity of pay and conditions with other public sector workers. Following the loss of a major contract in Dubai, the Crown Agents have been in financial difficulties. Management are reviewing services with a view to passing work over to private estate agents.

- Ancillary services in the Metropolitan Police are under threat of privatisation. Internal reviews on both driver training and transport workshops found the in-house services to be cost effective and more efficient, but still under review are farriers and grooms (who look after police horses); vehicle removals; conveying prisoners to court; delivery services and catering.

- Also threatened are the Patent Office; the TB Diagnostic Units; Veterinary Investigation Centres; Tuberculin production; Mines Safety Research and Marine Surveying Departments.

HIGH SPEED SALE



Early in August yet another public company was sold off to speculators on the Stock Exchange at a knockdown price. British Leyland's Jaguar Cars was sold for £297m, yet only ten days earlier stockbrokers were estimating a £330m-£360m price tag.



Losses of £70m in 1980 and 1981 have been turned into £55m profits last year nearer £100m expected for 1984 boosted by strong sales in America. It's important to remember that the return to profitability, investment in new equipment and the development of a new model to be launched soon, all took place before privatisation.

The Jaguar sale was a case of asset stripping British Leyland. It was its most profitable subsidiary. It was sold in a manner and at a price to aid the government's overall privatisation programme. It could have been sold for a higher price to another car company but this was clearly politically unacceptable.

Jaguar shares were priced at a low 165p and the offer of 178m shares was over-subscribed 8.3 times. On the first

day of trading on the Stock Exchange 25 per cent of the shares changed hands after the shares started 11p higher and ended the first day at 179p. The speculators were disappointed but it was enough to earn a tidy profit. Buyers included American, West German and other European financial speculators. Merchant bankers Hill Samuel, Jaguar's advisers and other financial groups such as Kleinwort Benson and S.G. Warburg were paid £5.2m to arrange the sale. BL were earning £500,000 a night in interest payments by banking the cheques from share applications totalling £2,400m.

The sale turned into a casino for small investors with applications going into a ballot. Successful applicants received only a small percentage of what they had applied for. Only 2.5 per cent of BL's employees applied for shares.

SECURITY CAMPAIGN

The private security industry is one of the fastest growing industries in Britain today. Employing some 200,000 people, its turnover was over £400m – equal to 10% of the government's law and order budget.

The industry is largely unregulated and only partly organised by either trade unions or employers' organisations. For many years, major companies such as Securicor, Group 4, Security Express and Chubb have dominated the industry but more recently new and smaller firms have joined in the competition for the many new contracts available through privatisation. Increasingly, private security firms are also being used in industrial disputes, occupations and to protect closed-down public buildings. Reliance, Centuryon, Securiguard (see PSA 6) and Pritchards now all employ over 1000 guards each.

Security guards' conditions in the larger, unionised firms are not wonderful: but conditions in the smaller non-

unionised firms are appalling.

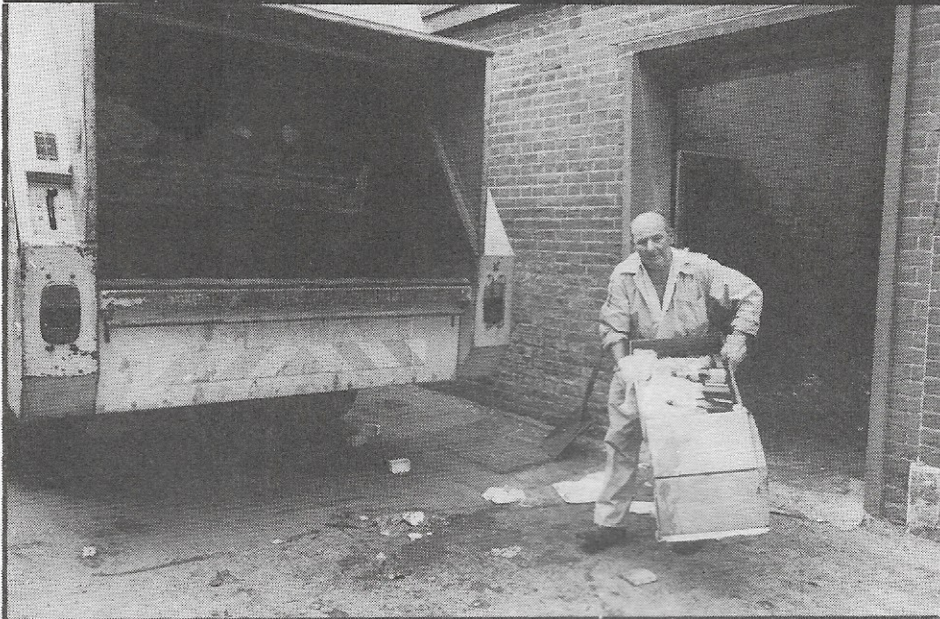
- Rates of pay in the 'better' firms range from £1.80 to £2.20 per hour including overtime and extra payments for a standard 60 hour week.
- With the 'cowboy' firms, gross wages are £1 an hour or less including overtime.
- The average working week is 56½ hours long; many guards work a 72 hour week in order to take home a reasonable amount of money.
- Standards of training, health and safety and employee benefits are poor or non-existent.

The GMBATU (MATSA) and the Low Pay Unit have launched a campaign for better conditions for security guards and more adequate regulation of the industry as a whole. MATSA are organising a major recruitment drive in the non-unionised firms. Where services have already been privatised the union is campaigning for rates of pay comparable with local authority rates. A list of contract security firms that have agreements with the GMBATU has been compiled. Copies of this list and more information on the campaign from David Williams, National Officer, GMBATU, Thorne House, Ruxley Ridge, Claygate, Esher, Surrey. Tel: Esher 62081.

Refuse Collection

Philip Wolmuth

AUDIT Numbers Game



The Audit Commission has just published a review of 400 local authority refuse services in England and Wales. It makes interesting reading. But before anyone starts treating it as an authoritative guide remember the following:

1 It was based on a form filled in by each council.

2 Further 'savings' are claimed after details of each council's service fed into a computer using the Refuse Operations System Simulation (ROSS) developed by the Local Authorities Management Services Advisory Committee (LAMSAC).

3 The report purports to assess the quality of service but in fact only assesses through numbers, times, quality of refuse, vehicle size etc., the costs of different kinds of refuse collection e.g. backdoor bin, kerbside sack. No pin-striped auditors have been sighted actually on the streets examining the quality of any particular kind of service, job satisfaction, etc.

4 Despite labour costs amounting to about half the £500m annual refuse costs the report says nothing about wages and conditions except for a few references to bonus payments. Clearly the Audit Commission is only concerned with pushing management to cut costs, jobs and force a harder rate of work.

5 Commercial collection, overheads and vehicle utilisation which account for half the costs were not included in the analysis.

The results

The report claims that refuse collection is a local government 'success story' with productivity (measured in cost per cubic metre collected) having increased 25% in real terms since 1978). It claims that further cuts of £20m a year could

be made. If councils adopted the cheaper and lower standard of service, kerbside collection, then up to £50m 'savings' would be possible. It asserts that at least 170 local authorities could make 5% or more savings on current collection methods. The Commission examined 8 services which had been privatised and concluded that: 'Privatisation does not appear necessary to securing competitive performance provided that the DLO is well managed and the workforce suitably motivated. A quarter of direct labour organisations have refuse collection costs as low or lower than the average privatised service taking all relevant local factors into account'. Nevertheless, the Commission 'is neutral' on the question of privatisation.

Watch out — there's an Audit about

This is only the start of the Audit Commission's work. Under the Local Government Act 1982 the commission is responsible for ensuring that a council 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'. This will lead to auditors probing even deeper into policies and practices, demanding justification for expenditure, and suggesting alternatives, i.e. cuts and privatisation. Those authorities not implementing changes will be under increasing pressure. If the Auditor is not satisfied with a council's 'progress' then, under the Commission's Code of Local Government Audit Practice, they can issue a public report. Other local authority services are to be given the same crude numbers game treatment. The report made no mention of any change to the computer model!

More News

PRIVATE HOME CLOSED

A private residential home for the elderly has finally been struck off the register by Essex County Council. Fire officers had reported unacceptable fire risks and Environmental Health Officers discovered infestation in the Lynderswood Court Home. Social workers have tried to have the home closed for several years but the County Council twice refused to deregister. Its not the end of the story. Although the owners withdrew their appeal they could now change the home into a hotel or bedsits with services and escape the need for registration. The council would have to prove that the residents were in need of 'care and support'.

FLY, FLY, FLY AWAY!

After a long and bitter struggle a House of Commons Select Committee has come out in favour of privatising all seven major airports run by the profitable British Airports Authority. Labour MPs argued that the Tories ignored evidence to the committee and forced through the proposals. The committee calls for Heathrow, Gatwick and Stanstead to be sold separately and not as a group as proposed by the government. However, the much less profitable Scottish airports would be sold as a group.



Not surprisingly the right-wing Adam Smith Institute came to the same conclusions in their report 'Airports for Sale'. They want all airports, including those run by the Civil Aviation Authority and local authorities to be sold separately. They also want air traffic control services and the national air traffic control network to be privatised. Air traffic control at Liverpool and Bournemouth local authority airports has already been privatised. Both are operated by International Aeradio which was itself privatised by the Tories in 1983 at a bargain price to Standard Telephones & Cables.

So on your holiday flight next year, watch the control tower on take-off — Pritchards might have added that to their airport cleaning, catering and security contracts.

PRIVATE RAIL

Brengreen have submitted proposals to British Rail and the Dept of Transport to privatise the 40-mile line from London's Fenchurch Street to Southend and Tilbury. The company say that by offering 'family entertainment' such as computer dating and videos and also improving trains and services they can increase the number of commuters and the current £28m per year revenue. Brengreen are so committed to the idea that a further £100,000 is being invested in a feasibility study.

PUBLIC SERVICE ACTION

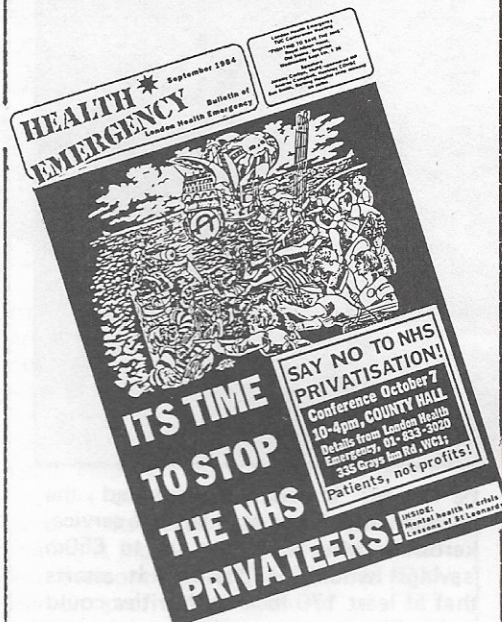
THE BATTLE FOR BRITISH TELECOM. The story of the BT unions' fight against privatisation, describing the campaign so far and some of the lessons for the future. Available from BTUC, 14/15 Bridgewater Square, London EC2Y 8BS.

THE RATES ACT: STRATEGIES FOR ACTION. Free from Central Policy Unit, Town Hall, Sheffield S1. A very clear and useful information pack spelling out the impact of rate capping leading to further privatisation and cuts. It shows how councils are squeezed by growing needs and declining resources. Outlines a strategy of non-compliance across a broad front of councils, unions and users to resist the Act pointing out that there is little room for manoeuvre within the legislation.

PRIVATE CONTRACTORS IN THE NHS — Stewards Checklist. A useful mixture of sample leaflets and newsletters, counter arguments and ideas for action for all those fighting privatisation in the Health Service. Also relevant to other sectors. Available from NUPE, 6 Sherwood Rise, Nottingham.

GUARDING AGAINST LOW PAY: The case for regulation in contract security. Describes low pay and poor conditions of security guards and how new firms are undercutting the majors to win contracts. It presents the case for regulation to maintain standards and improve pay and conditions. A joint Low Pay Unit/MATSA pamphlet. Price £2 from Low Pay Unit, 9 Poland Street, London W1.

LOCAL GOVERNMENT IN CRISIS. A Briefing Pack on the Government's proposals to rate-cap local authorities and to abolish the GLC. From Greater London Trade Union Resource Unit, GLEB, 63-67 Newington Causeway, London SE1. A useful 10 sheet pack covering details of the threats and the likely effects on jobs, services, direct labour and the region's economy. The style is more comprehensible than much material produced on rate capping and should be useful in its purpose to stimulate discussion, or form the basis for speakers' notes or leaflets.



HEALTH EMERGENCY: Issue 4 (September) now available. Includes articles on mental health; privatisation; Tory 'hit lists' and local news. From London Health Emergency, 335 Grays Inn Road, WC1. Send stamps to cover postage. Bulk orders 100 for £2.

The Campaign to improve London Transport (CILT) have produced a short leaflet which outlines an alternative approach to transport policy within Greater London. CILT, Tress House, 3 Stamford St, London SE1 9NT (01-928 9179).

WAR YARDS TO BE SOLD

'An act of unforgivable political dogma' is how former Chairman of British Shipbuilders, Robert Atkinson, described Tebbit's recently announced plan to privatise Britain's warship yards. As well as five shipyards engaged solely on defence contracts, Cammell Laird and Swan Hunter which also build merchant ships are included in the sell-off decision. Preparations for privatisation are to start at once and will be completed by 1986. If possible the yards will be sold separately to individual buyers, to encourage competition, but BS has been instructed to prepare to float all or some of the yards as a single company on the Stock Exchange, if individual sales do not materialise.

The warship yards represent the profitable part of British Shipbuilders and include the Vickers yard at Barrow-in-Furness which had a trading profit of £21.3 million in 1983 and is scheduled for the £10 billion Trident submarine programme.

The Government's willingness to let the shipyards die has been clear for some time. As well as awarding lucrative MoD contracts to private shipyards itself, it has allowed British shipowners to give increasing numbers of new orders to foreign yards. In 1983 only 26% of orders for new British ships were placed in British yards, compared with 85% in 1963.

Information needed

PUBLIC SERVICE ACTION needs:

- campaign news reports from trade unions, shop stewards, committees, trades councils, tenants' groups and other organisations;
- information about contractors' failures, lost contracts etc;
- copies of authorities' reports discussing and comparing tenders and any trade union submissions;
- details of contractors' wages, conditions and benefits;
- copies of any campaign leaflets and publicity material.

Please write or phone SCAT Publications.

Researched, designed and produced by: **SCAT Publications**, 27 Clerkenwell Close, London EC1 (tel. 01-253 3627). A national housing, planning and public service project serving the labour movement.

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We are preparing a detailed index for issue Nos 1-10 covering companies, services, authorities and much more. The first part will be published in issue 11 and the second part in issue 12. **IF YOUR SUBSCRIPTION RUNS OUT WITH THIS OR THE NEXT ISSUE MAKE SURE THAT YOU RENEW YOUR SUBSCRIPTION NOW** to ensure that you get your copy of this handy reference guide. If you don't subscribe yet then now's the time to start! Also, back issues are still available.

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