

PUBLIC SERVICE ACTION

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AN ANTI-PRIVATISATION NEWSLETTER FOR THE LABOUR MOVEMENT No. 17 AUGUST 85

Hillingdon School Meals JOINT UNION ACTION DEFENDS SERVICES

School meals workers in the Tory-controlled London Borough of Hillingdon are fighting a determined and militant campaign against the council's plan to cut one third off its school meals budget.

Like many other Tory authorities, the council planned to break the National Agreement on terms and conditions for the school meals staff after agreeing a huge £2.5 million education cuts package at its March budget meeting. Under threat are workers' holiday retainers, duty meals, and paid holidays, as well as current wage rates. If the cuts were implemented the service would supposedly run at a profit, providing an attractive package for private contractors when statutory tendering comes into force.

The trade unions found the council totally immovable in negotiation and so joined with the local anti-cuts campaign, CATCH, to launch a public campaign. An initial dayschool, organised for workers in the Easter holidays, revealed that the service — the least subsidised in the whole of London — had been consistently run down over a period of years with workers suffering bad conditions and working under heavy pressure. It also revealed a poor level of trade union organisation in the service, with no shop stewards' structure and an old closed shop agreement with the council long fallen into disuse.

Joint union action

The trade unions involved (GMBATU, NUPE and TGWU) who have worked closely together



throughout this campaign, set about building up rank and file membership and organisation in the 90 workplaces involved. The process of making contact with workers, keeping them informed with newsletters, and recruiting new members has been a remarkable success story. From having

only 6 active reps and an attendance of 12 at the Easter dayschool (from over 900 workers), by the end of the summer term there were 80 shop stewards organised into area committees. Also, four mass meetings held in different parts of the borough were attended by more than 500 of the workforce.

The campaign has included a public petition, letters to councillors, MPs, school governors and the press and a mass rally on 25th June.

Cuts avoided so far

On 14th June the management issued letters to all workers in the service, giving them until 16th August to accept the new terms and conditions — or consider themselves out of a job. Following a mass demonstration and lobby of the council meeting on 18th July, the council agreed to meet with the union side — both officers and senior shop stewards. The unions demanded the withdrawal of management's ultimatum and new negotiations. The council has now announced that the August deadline will not hold, that all the women should return to work in September on the old contracts, and that all action on the cuts will be postponed until October, pending negotiations with the unions.

PRIVATISATION WHO PAYS?

A Jobs Audit commissioned by Sheffield City Council has revealed that 1800 council jobs, 73% of which are womens' jobs, could be lost as a result of government plans for statutory tendering of a number of council services (see PSA 14).

A further 421 private sector jobs would be lost to Sheffield's economy as a result of:

- the loss of council jobs
- the reduced spending power of those employed by contractors on lower wages and reduced benefits
- contractors buying supplies and equipment outside of the city.

The study also shows that government claims that privatisation reduces public spending are bogus. In fact, if all the public costs are taken into account including redundancy payments; increased unemployment and housing benefits; the loss of income tax, national insurance and VAT; increased health care costs and so on, privatisation *increases* public spending. The study shows that it will cost the government £5,139.42 for every council job lost through privatisation, but the same job with higher pay and better conditions costs Sheffield City Council £3,364.02 to provide under direct labour. So the government is paying 53 per cent more to get rid of a job than it costs the council to retain it.

The Jobs Audit also has a detailed analysis of council spending and its impact on jobs and rates, the quality of local government employment, and a study of the effects on local jobs of Dudley council's policies of privatisation and rate subsidies to business.

The Audit was carried out by a consortium of Labour Research Department, Services to Community Action and Trade Unions (SCAT), and Birmingham TURC. A summary of the report is available from SCAT, 31 Clerkenwell Close, London EC1 price 75p including post. Copies of the full report are available from the Employment Department, Sheffield City Council, Palatine Chambers, Pinstone Street, Sheffield S1. A pamphlet covering the privatisation audit carried out by SCAT will be available in September.

CONTRACTORS Fines & Failures

Wandsworth CARETAKING

Emergency calls to the Fire Brigade because of people trapped in lifts have risen by 50% since Wandsworth Council handed over estate caretaking in Roehampton to Initial Services Ltd. The number of calls because of flooding has risen by 400% and all special service calls have risen by 83%.

These devastating figures were recently reported to the GLC by the London Fire Brigade, who compared a period before privatisation, 1st March to 31st August 1984 with a period after privatisation, 1st September 1984 to 28th February 1985.

Wandsworth Council are not worried either by the rapid decline in standards on the estates or the

increased pressures on the Fire Brigade: the leader of the Council is reported to be claiming that it is the Fire Brigade's job to deal with the problems that the formerly directly employed caretakers managed to tackle effectively. The council have now sacked the rest of the borough's caretakers as the entire service has been privatised.

and CLEANING

Executive Cleaning Services are in trouble with their contract to clean Wandsworth Council offices.

A recent council report stated that the company had:

- failed to recruit enough staff.
- failed to maintain a stable workforce with the necessary cleaning

skills and aptitude.

● failed to consistently achieve the full standards of cleaning and servicing required by the specifications.

● failed to provide sufficient and adequate supervision.

Since 21st May 1985, the council has operated the default provisions in the contract and between 21st May and 11th June the company incurred:

- 75 notices for partial failure.
- 16 notices for complete failure.
- 38 default points.

Merton Streets

Residents in the London Borough of Merton are angry about unswept roads, weeds overgrowing in the gutters and the filthy state of the borough generally.

Hawley Group subsidiary Taskmasters has the refuse collection, street sweeping and weed killing contracts and residents have been constantly complaining about their service since the contracts began two years ago.

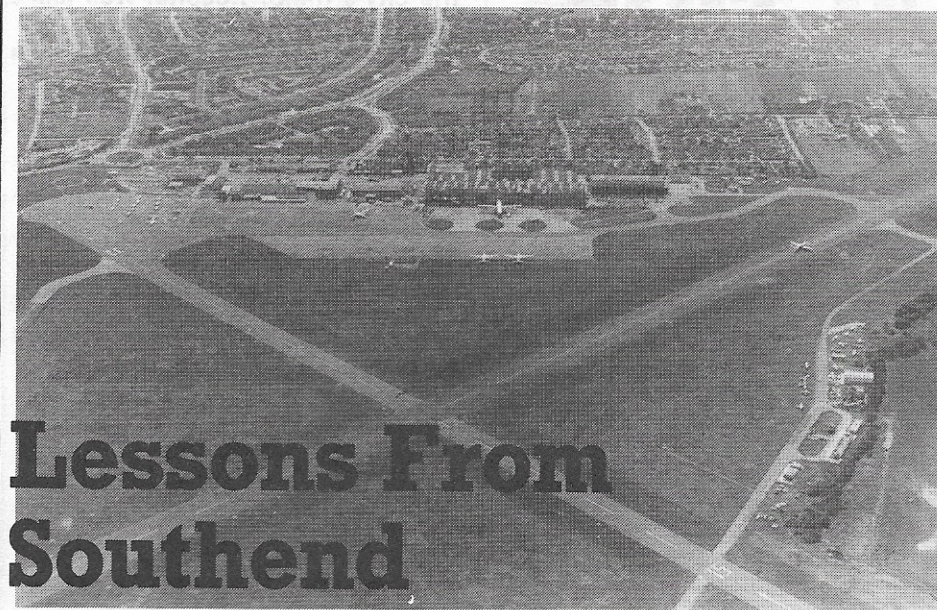
Residents told the *Wimbledon Guardian* on 1st August 1985 that 'the weeds in the gutter in this road are about 18 inches high. Since Taskmasters took over, the roads have been filthy and nobody is doing anything about it'. Another resident said 'Now I know what they mean when they say privatisation is cheaper. It is, nothing gets

done.'

A spokesperson for Merton Council told the newspaper that 'Taskmasters had put down the wrong stuff' to kill the weeds. Taskmasters said that they had run out of weedkiller!



Airport Sales



Lessons From Southend

Local authority owned airports such as Essex and Humberside have always been privately run and others such as Birmingham and Cardiff have been partially privatised. But on 1st March 1985, Tory-controlled Southend Council became the first local authority to hand over its entire airport operation to private companies under the pretext of saving ratepayers' money and ahead of government plans to privatise all local authority airports.

Southend's reasoning is false as for years the airport has made substantial financial losses. According to NALGO, whose members made up many of the pre-privatisation workforce, Southend Council's airport management lacked imagination and the council failed to inject the finances needed to make it a going concern. Southend's ratepayers therefore, subsidised the airport's losses to the tune of perhaps millions of pounds in recent years.

The airport operation was not put out to tender nor were the unions, NALGO and GMBATU, consulted over the move. **British Airports International Ltd (BAI)** — see box) were simply offered a three year £100,000 pa contract plus a percentage of profits.

Despite some 90% of the workforce being unionised there was no opposition to privatisation. Instead the unions tried to negotiate enhanced redundancy payments.

Worse pay and conditions

BAI cut the workforce and offered inferior pay and conditions: admin staff, for example, had to work an extra 3 hours per week (to 40 hours); basic pay was the same but without local authority rate increments; the pension scheme was also inferior. In fact most of the staff left rather than work for the company.

NALGO sought recognition from BAI but this was refused although the company did offer a draft

agreement and service conditions package but way below local authority conditions. The company also tried to play NALGO off against the GMBATU by offering both unions sole bargaining rights: however the ploy did not work.

BAI sub-contracted out the air traffic control operation to **International Aeradio** (see box). The pay and conditions offered the controllers were so bad that only three of the existing staff went to work for the company. Admin staff who went to IAL now have inferior shift premiums, unsocial hours allowance and overtime rates which amount to 25% loss of earnings compared with local authority rates.

IAL refused NALGO recognition as this was the company's first UK municipal airport contract and the company did not want to have the problem of a national agreement at some later stage.

Key Lessons

NALGO say that there are some key lessons to be learned from the experience at Southend:

- A high level of unionisation without proper organisation was inadequate.
- NALGO members did not have a separate airport branch; they were 'lumped in' with all local authority workers and their needs were never really prioritised.
- They should have had an alter-

The government is planning legislation 'at the earliest opportunity' to privatise local authority airports and aerodromes. A recently published White Paper on airports policy recommended that the airports should be turned into 'companies act' companies to create 'an ownership structure which is flexible and can facilitate changes of ownership within the public or private sector'.

British Airports International

British Airports International (BAI) was set up as a consultancy by **British Airports Authority (BAA)** and **International Aeradio Ltd (IAL)**. The company has only been operating in the UK market for eighteen months but already runs Exeter, Southend and Southampton Airports. Most of its contracts have been with foreign governments.

BAI's Managing Director told PSA that the company is 'the only serious contender to take over local authority airports when the legislation goes through. The company has managed to turn Southend Airport into a profit making concern within six months through cost cutting and efficient management.

Manchester Plan

Labour-controlled Manchester City Council have come up with a plan to thwart the government's proposals.

Manchester Airport is jointly owned by the City Council and the Greater Manchester Council. The airport will be turned into a public limited company with the City Council owning over 50% of the shares. The rest will be held by the Greater Manchester Council until abolition: thereafter these shares will be transferred to the nine district councils. This way the airport will remain publicly owned — unless of course the government legislates against it.

native plan for the running of the airport years ago, to campaign for better management under the council's control.

- A joint union strategy against privatisation should have been planned much earlier.

Both unions are trying to recruit amongst the new workforce: NALGO has now set up a separate airport branch and in line with 1984 conference policy have 'followed in' workers to the private sector.

Oxford Strikers Want NATIONAL ACTION



John Saunders

A four-week long strike by ancillary workers at Oxford's Littlemore Psychiatric Hospital recently forced the DHA to withdraw their timetable for privatisation and set up a panel of enquiry. PSA talked with COHSE Branch Secretary Jo Coxhead about the lessons of their action.

PSA: Before the strike, had you taken much action over privatisation?

JC: We'd tried to prepare well. We're a psychiatric hospital with a low staff turnover and a high level of union organisation amongst the ancillary workers who are used to taking action together. The workers were very active during the 1982 pay strike and two other hospitals in our branch have held occupations against cuts and closures. So as soon as the Government announced plans for NHS privatisation we started preparing. Our hospital wasn't on the first timetable, but we held meetings, discussed the issues and what we would do when the time came. A year ago, the ancillaries voted overwhelmingly that if any other local hospital took action over privatisation we would strike in support. Also, whichever section — domestics or catering — was attacked first, both sections would strike together.

PSA: How did the branch prepare?

JC: We brought out a few leaflets but we concentrated on meetings and discussions about conditions in hospitals where services had already been privatised. There was a unanimous vote not to co-operate with an in-house tender. We lobbied the DHA, negotiated with them (which was like talking to a brick wall), held two one-day

strikes with other local hospitals and another in solidarity with the Addenbrookes workers.

PSA: How did the four week strike start?

JC: The work study people came in to measure up three months earlier than they were due. So the stewards called a meeting for ancillaries and all the domestics on the day shift decided to walk out. The porters, kitchen porters and drivers came out in support.

PSA: What support did you get from the local community and labour movement?

JC: Fantastic! We sent speakers and made contacts everywhere that we could. Trade union and labour party branches, trades councils, student meetings etc. The money poured in. Merthyr, a pit which had links with Oxford during the miners strike collected £500 for us! COHSE head office gave us prompt official support and individual branches gave us money. Within the hospital many people gave money to the strike fund and signed our petition, including doctors and nurse managers.

PSA: Did you try and broaden the strike?

JC: Yes. The domestic service at the city's major hospital was just about to go out to tender and we tried to get the domestics there out in support. We failed because they hadn't been prepared to fight. Some other workers at a smaller hospital were also too scared to take action. Despite this we held strong and made links with other strikers around the country, Barking, Addenbrookes, Scarsdale, Newcastle.

PSA: What were your demands?

JC: We were determined not to go back to work until management had withdrawn the competitive tendering process, although we realised that this would only be a short-term gain.

PSA: On what basis did you in fact go back to work?

JC: They finally agreed to set up a DHA panel of enquiry into privatisation, using the fact that Littlemore was a 'special case' — a psychiatric hospital. They couldn't be seen to be giving in completely to us, nor did they want to implement the timetable immediately in the light of our action. But they would not guarantee abandoning the tendering process.

PSA: What will happen if they recommend an in-house tender?

JC: The ancillaries are determined to come out on strike again because an in-house tender will only mean lost jobs, less hours and more work.

PSA: If the government forces the DHA to privatise services what will you do?

JC: Well, it's our branch policy that only national action will stop privatisation and that's what we'll campaign for.

PSA: What are the key lessons learned from the action you have taken so far?

JC: We've learned a lot. Since there is no move by any union for national strike action against privatisation, you must prepare members very early on and work out your position before it is too late. Don't wait until contracts have been awarded. Branch officers, stewards and convenors have to give a lead.

A number of unions think that you can tie management down just by arguing over specifications. We've seen in Oxford that it's done exactly the opposite and tied the

HELP
SAVE YOUR
LOCAL
HOSPITAL



John Saunders

unions down so that there's no time to prepare a fight. We did consider work on specifications as a fall back position but how do you draw up specifications that a contractor is going to honour when all they are interested in is making a profit?

Lastly what you've got to remember is what taking action does to people. We walked back to work ten feet tall and the stewards and members gained immense confidence. Even if you lose you have some dignity. Women from Hammersmith Hospital have told us that even though they lost they were not sorry that they took action. What I want to get across is the real determination of ordinary women to carry out these fights. We can all win victories if we organise and especially if we are not left to fight alone.

Chesterfield



Domestics at Scarsdale Hospital in Chesterfield have been on strike for 17 weeks since the DHA submitted to DHSS pressure and reversed its decision to keep the cleaning contract in-house, awarding it instead to ICC (Hospital Services) Ltd.

For weeks, the strikers were joined in sympathy action by other groups of laundry and domestic workers in the District, but these workers have now been induced to

NATIONAL COMMITTEE

A national action committee against privatisation has been launched by striking NHS workers at Barking, Addenbrooke's, Liverpool, Chesterfield and Newcastle. The first meeting, held on 13th July at Barking, agreed that national co-ordination was needed to break down the problems of isolated industrial action.

The committee is open to all those involved — or about to be involved — in action against privatisation, and they are particularly keen to build links with local government workers. A regular news bulletin is being prepared to help communicate the experiences of different

campaigns.

The next meeting of the action committee will be on **Saturday 28th September 1985** and is being convened by the **Addenbrooke's Hospital Strike Committee**. For further details contact: **Barking Strikeline 01-592 5038**.

Cambridge

The domestics at Addenbrookes Hospital in Cambridge, on strike against private contractors OCS, seem to be on the point of achieving one of their major demands.

The DHA meeting on 25th June did not sack OCS, but did agree to the strikers' demand that staffing

levels be increased to two full-timers per ward. DHA officers were instructed to negotiate with OCS on introducing the new staffing levels, and when agreement had been reached on this, ACAS were to be invited in to resolve remaining differences between OCS and the strikers.

At the July meeting of the DHA it transpired that the June decision on staffing levels had mysteriously not been minuted, but after a row

OCS

the minutes were amended. So, after a month's delay the unions are now waiting to hear from the DHA officers.

The women who have spent so many months on the picket line feel the decision on staffing levels to be a significant victory. They are also seeking an assurance that there is no list, official or unofficial, of union activists whom OCS won't re-employ. If these agreements do lead to a return to work, it will mark the start of a new campaign to recruit other OCS staff into the union and to fight for better terms and conditions.

AMI AGAIN

US health care giant **AMI** is moving into primary health care in the UK with the purchase of Britain's first private GP service, the Harrow Health Care Centre. The Centre which received enthusiastic support from government ministers and wide publicity when it opened has never made money. AMI plans to make it financially viable by linking it closely with the private hospitals and clinics it already owns here and proposes a further four centres on the same model over the next 2 years.

go back by a mixture of threats and blackmail from management.

Morale among the strikers is reported as still fairly strong, helped by the financial support they have received from local trades councils and union branches. The dispute has led to the start of the ICC contract being postponed from June till October, and to delays in the tendering for other services. **Contact: Chris Mellors, NUPE, 39 Smedley Street, Matlock, Derbyshire. 0629 3774**

Barking Picket Continues

Picketing at Barking Hospital continues and support for the picket line is still needed. Meanwhile, Crothall's failure to clean the hospital properly is still apparent.

A relative of a patient who died from bronchial pneumonia at the hospital recently, told a local newspaper about the conditions in the part of McKenzie ward that her husband was in: "..... what shocked us was that for days on end, several dirty mops were left in his room, washing up was left piled up in the sink for three days and the sink was blocked up with dirty water." In the end the relative cleared up the dirty ward herself and removed urine jugs that had been left there also.

She added, "We were so terribly distressed at the state of the ward. We were dumbstruck. We saw stains on the walls around his bed. They looked like blood or gravy and we kept on asking for it to be cleaned up. There is obviously a disease rife in that hospital."

Controversy surrounds the fact that several patients in McKenzie ward contracted an infectious skin disease recently. Hospital management has claimed that this was an isolated incident that was cleared up in one weekend. But the same patient referred to above also contracted the disease and was apparently suffering with it for nine weeks before he died. The skin disease is transmitted through dust.

Fowler's Foul

On 12th July Norman Fowler announced plans to wipe out the last vestige of local accountability of health authorities. New regulations will give him a power of veto over local authority appointees to health authorities.

Currently, the four local council representatives on DHAs are the only members not directly appointed by the Minister or his appointees on Regional Health Authorities. The new move is in line with recent ministerial rejections of TUC nominees and the impending dismissal of the entire West Lambeth Health Authority for refusing to implement a devastating cuts package.

Privatisation THE TENDER TRAP



There is no doubt 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.

Be involved in

- Drawing up stringent contract conditions to be imposed on private firms.
- Drawing up specifications setting standards, quality of service and staffing levels
- Cost comparison stage of analysing tenders to make sure all the costs are taken into account.

Don't be directly involved in

- Responding to invitations to tender
- Co-operating with contractors preparing their tenders
- Preparing an in-house tender

BUT remember it is equally important to also be involved in education and propaganda, building stronger workplace organisations, joint action with users, industrial action, direct action, and alternatives to improve and expand services (see PSA 15) — before, during, and after the tendering process.

The tendering process may be the procedure for contractors and management but to make into

union practice what is essentially a business 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. Clearly it is vitally important for both trade union and users organisations to be involved particularly in the specification stage. This can be done in two ways:

1. Formal negotiations. Entering into detailed negotiations with management and councillors and DHA members 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, e.g. being drawn and diverted into secondary details. Of course formal negotiations may not be possible in many authorities. You will then have to rely on the second option.

2. Campaigning for a charter or set of demands covering the type,

As statutory tendering for local authority services looms, there are lessons to be learned from what has already happened to direct labour building and maintenance workers and NHS ancillary workers.

level, quality and standards 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.

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 standards and pricing the work.

DON'T GET INVOLVED IN IN-HOUSE TENDERS BECAUSE:

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 sanctions and stringent contract conditions are drawn up whilst at the same time taking other action (see PSA 15).
4. You will feel compromised about taking other forms of action whilst you are co-operating with management 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 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.
10. 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 ideas 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.

However, the terms (eg level of service, wages and conditions) of trade union co-operation or assistance in preparing in-house tenders must be hammered out beforehand. Make it clear at the outset that you will withdraw co-operation at any stage if these terms are not met. Remember, don't rely on management to represent your interests, needs and demands.

More News

CIVIL SERVANTS FIGHT HIVE-OFF

Government plans to privatise the Export Credit Guarantees Department are being met by industrial action by the civil service trade unions. The ECGD is a highly profitable government department which gives advice and financial assistance to British companies exporting abroad. So far, workers at the Cardiff office have staged a 1½ day strike and more joint action is being planned. The government's previous attempt to privatise the department failed in the face of opposition from management and unions. This time, the Government have brought in Coopers and Lybrand to formulate proposals. Four hundred jobs are at stake.

Pat Mantle



Royal Dockyard workers rally at Transport House before lobbying MPs.

DOCKYARD ACTION

The Government intends to privatise the management of the Royal Navy Dockyards at Devonport and Rosyth and thousands of jobs are at risk as a result. As soon as the plans were announced, union leaders organised a 24-hour strike, the first in a series of actions against privatisation. Meanwhile, an all-party House of Commons committee has condemned the government's plans on the basis that "the MoD have not yet provided enough evidence to enable Parliament to assess the financial aspects" of contracting out the management. The committee is also concerned at the proposed £60 million cost of privatisation.

Don't Make Business Practice Union Practice

Asset Sales

AIRPORTS AUTHORITY

The sale of the British Airports Authority (BAA) is expected to take place next year. BAA owns seven airports including Gatwick and the highly profitable Heathrow. The authority will not be broken up but separate trading companies for each airport will be formed under a single holding company. BAA has always been profitable and 1984/5 profits are estimated at £70 million.

BRITISH AIRWAYS SET TO GO

The privatisation of British Airways looks set for early 1986 with the government expecting to raise £1 billion from the BT-style flotation. BA is considering offering shares to its 31,000 employees on a preferential basis. The move is designed to try and head off union demands for pay increases of up to 20%.

While BA is unprepared to increase workers' pay, it is apparently prepared to sell off its assets at knock-down prices. Its West London Air Terminal (now called Westworld) has been on the market for two years at a price of around £20 million. In the absence of a sale, the price has been cut to £12 million in a bid to get rid of it quickly.

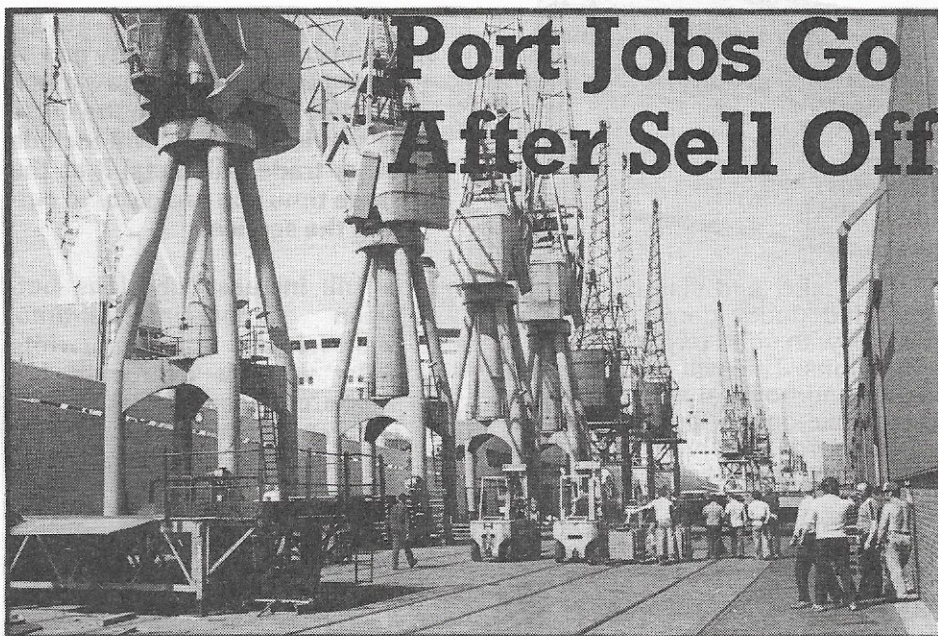
BRITOL

The government's remaining 49% stake in Britoil has been sold. Although the world's largest oil exploration company will soon be turned into a multinational corporation the government has retained a 'golden share' giving it the power to veto an unwelcome (i.e. foreign) takeover. The shares were sold at 185p each: brokers estimate the net worth of the shares at between 498p and 600p based on the real worth of the company's assets.

The sale to the general public is not as large as the government would lead people to believe: 20% of the shares on sale have already gone abroad; 40% have gone to the City institutions; 27.5% have been allocated to company employees; this leaves the so-called small investor with just 12.6% of the sale.

POST OFFICE HIVE OFF?

Following a government directive, the Post Office is creating separate trading companies for Girobank and Counter Services in what is believed to be the lead up to



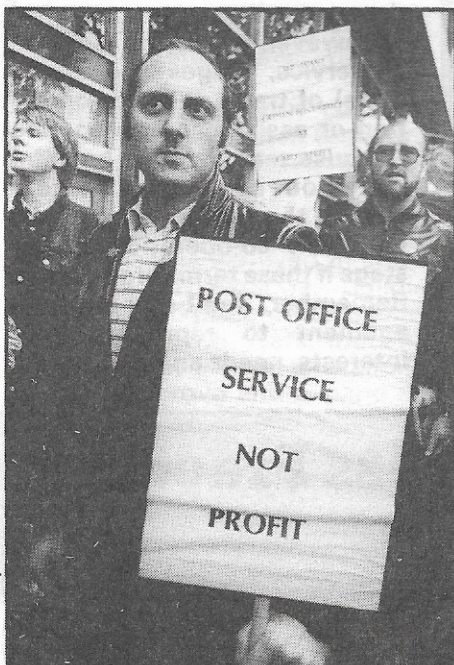
Associated British Ports, which owns 19 ports around the UK, was sold off in two stages in 1983 and 1984. Since then, ABP has cut 1600 jobs and last year redundancy payments cost the company £10.1 million.

Many of the redundancies were made at Southampton following a bitter three month industrial dispute. Last January, dockers there accepted lower manning levels, pay cuts of between £20 and £40 per week and a virtual no strike agreement after management had closed the container base rather than give in to the unions. More jobs are to go this year and next. Security at the ports has now been privatised, the British Transport Police having been replaced by pri-

vate security firms in a bid to cut costs further.

ABP is one of Britain's biggest landowners, with over 7500 acres of mainly prime city centre sites. At Southampton, in partnership with property developers, 50 acres are being developed into a luxury 'waterside village' comprising a marina, retail space, private housing, studios and offices. A similar scheme is also being developed at Cardiff

privatisation. While Post Office management have denied that privatisation plans exist, the National Communications Union (NCU) say that services are being packaged to make them more attractive commercially. The NCU's policy is 'to take all necessary steps to ensure that the Post Office remains in public hands as a public service'.



TSB Sale Hitch

The proposed £1 billion stock market flotation of the Trustee Savings Banks could be hindered by legal action being brought by a depositor in Scotland.

She is challenging the issue of the true ownership of the TSBs. When the Bill to sell off the TSBs was introduced in the House of Commons, Ministers claimed that there were 'no owners' of the banks and therefore the sale of shares could go ahead.

In fact, since 1979, the government has been in possession of a legal opinion that in law, the depositors owned the TSBs. MPs who have taken up the issue have noted that Lord Bruce-Gardoyne, Economic Secretary to the Treasury between 1981 and 1983 was the minister responsible for the TSB Bill and also the assertion that there were no technical owners of the TSBs. Lord Bruce-Gardoyne is now a director of the Central TSB!

Home Owning Democracy?

Recent reports of a rapid rise in mortgage defaults among home owners show the reality of Tory plans for a 'property owning democracy'. Between 1980 and 1983 the number of court actions by councils, banks and building societies to repossess homes where mortgage payments were in arrears, increased by 61%.

The majority of defaults are among ex-council tenants, victims of 'right to buy' propaganda. Figures supplied to PSA by the

Building Societies Association show in more detail the crisis facing unemployed and low-income homeowners.

(Figures are for the first half of 1982, 1984 and 1985 for building society loans only.)

| | 1982 | 1984 | 1985 | Increase 1982-85 |
|---|-----------|-----------|-----------|---------------------|
| No of loans at end of period: | 5,570,000 | 6,232,000 | 6,552,000 | 18% |
| No of properties repossessed: | 2,670 | 5,300 | 7,400 | 177% |
| No of loans where payments over 12 months in arrears: | 3,230 | 8,100 | 9,170 | 184% |
| No of loans where payments 6-12 months in arrears: | 20,610 | 29,290 | 43,900 | 113% |

ESTATE SALES BOOST

The Government has recently announced proposals to make it easier for councils to sell off whole estates to private developers—by a direct attack on tenants' security of tenure, granted only 5 years ago.

It plans to change one of the provisions of the 1980 Housing Act so that councils can gain possession of tenants' homes not just if the authority themselves plan redevelopment, as is currently the case, but also if development is to be by a private company for sale, not rent. Tenants have no legal defence against this, as long as the council offers them some alternative accommodation.

Local authorities all over the country are already handing run-down estates over to private developers. With this new measure, increasing numbers of pleasant estates, where tenants actually want to live, will inevitably go the same way.

LONDON LAND SALES BONANZA

A total of 470 acres of land in central London has been sold off by public authorities to property



developers over the last 3 years, according to research just published by CHICL, the Campaign for Homes in Central London. They estimate that this land could have provided over 13,000 low-rent homes with gardens—instead of the office blocks, hotels and luxury homes which result from government insistence on sales to the highest bidder. More information from CHICL, 5 Dryden Street, London WC2. Tel: 01-240 2430.

GLASGOW

Two development companies stand to make large profits from Labour-controlled Glasgow District Council's latest land sales. The notorious Hutchestown 'E' scheme has been sold for next to nothing to City-Link (Development) Ltd. The existing derelict housing will be demolished, and though some council housing will be built, the bulk of the site will be used for private housing for sale and a large shopping complex. City-Link is expected to receive grants from the Scottish Development Agency towards construction costs.

In Easterhouse, council land has been sold to Scottish Residential Estates Development Company Ltd, for the refurbishment of 333 flats, with improvement grants from the council, and building of 226 new houses, with council grants and financial backing from Barratts. All except 24 of the homes will be sold off, to create 'a more balanced community'.

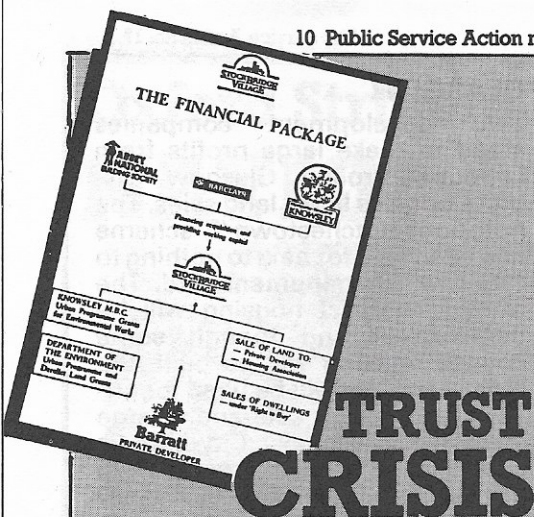
WANDSWORTH NO HOME FOR NURSES

Wandsworth Council have recently turned down a £1.5 million bid from the Royal Marsden Hospital for a block of 80 flats that the council is selling off. The hospital wanted the flats to house its nursing staff but the council preferred to hand the block over to a London based property speculator, Homeland UK Ltd. The company offered the council £1.6 million. The flats will be converted for re-sale while the nurses remain homeless or in overcrowded conditions.

HAMMERSMITH

With a housing waiting list of 11,000 and over 300 homeless families currently in bed and breakfast and other temporary accommodation, the council is continuing to pursue its sales policy. Though the bed and breakfast crisis has forced the withdrawal of 20 properties from the sales programme, nearly 200 other council homes are empty, waiting to be sold.

In a move to reduce still further the public housing stock, the council have just launched a new scheme to transfer the freehold and management of two blocks of flats to private management companies. Those who have already bought their flats will gain a share in the freehold and the management company, and the council will sign an undertaking that all flats still tenanted will be sold off as they become vacant, 'to enhance the overall value of the flats.'



TRUST CRISIS

We have reported the rise and fall of Stockbridge Village Trust in previous issues of PSA. Now the model Tory solution for run-down council estates has hit a new crisis.

The plans to refurbish the three 220-storey tower blocks for sale are to be abandoned since the cost of remedial works would make the price of the flats too high for potential buyers. The blocks, containing a total of 510 flats, will almost certainly now be demolished.

The financial crisis facing the Trust led them to plan a rent rise for existing tenants of £4 a week, but the Rent Officer refused to agree it. There is also a major tenants' campaign currently being waged to make the Trust undertake a programme of safe removal of asbestos from many of the homes on the estate. Now local anger is reaching new heights. A meeting of tenants representatives, building trade unionists and local Labour Party leaders in July agreed to demand changes in the Trust, claiming that it was "good news for owner occupiers but does nothing to tackle the social roots of the estate's problems." If changes aren't made it is expected that three directors will resign and Knowsley Council will withdraw from the Trust, leaving the tenants' future uncertain.

Thamesmead

The GLC 'new town' with 20,000 residents on the Thames near Greenwich is to be taken over by a Trust when the GLC is abolished.

The Trust will be headed by Clive Thornon (ex-Abbey National and Mirror Newspapers) supposedly with local interests represented. It is planned to reduce the quantity of rented housing in Thamesmead through the right to buy and by offering more new homes for sale. Local people are to be 'consulted' about the plan — but the only alternative they will be offered is the transfer to existing housing to neighbouring Greenwich and Bexley councils and the sale of all remaining land to private developers.

COMPANY TOWNS

'We are engaged in a privatisation exercise of considerable magnitude' says Sir Neil Shields, Chairman of the Commission for New Towns and a founder member of the right-wing think tank Aims For Freedom and Enterprise. The Commission is responsible for the eventual sale of 20 entire towns to the private sector. It has already sold over £400 million worth of assets.

Housing in the towns is being handed to the local authorities to be sold by them in line with government policies. Recreational facilities are being hived off with rent producing shopping parades to finance them. Factories, office buildings, shops and car parks are being directly privatised.

Ten new towns are currently being asset stripped; two more will follow in the next nine months and a further four, which are not yet considered fully developed, will be sold at a later date. Three new towns in the North East, Aycliffe, Peterlee and Washington are however posing problems for the sales



programme. Because of their high unemployment levels (27%) and low industrial investment their sale will be left until 1987.



London Bridge

Shop stewards from all over London attended a day conference on 31st July organised by London Bridge, a joint trade union organisation of local authority stewards.

The conference discussed strategies to deal with GLC abolition, rate capping and statutory tendering. From the lessons of campaigns against the Land Act, ratecapping and privatisation so far, there were recommendations that a demand for local authorities' non-compliance with statutory tendering should be accompanied by a wide-ranging and effective joint trade union strategy.

London Bridge is trying to develop a strategy applicable to unions in all authorities and to involve more stewards from Tory authorities. Three further meetings have been planned for: 14th September, 12th October and 9th November. All will start at 10am and will take place at County Hall, SE1. The meetings are on a Saturday to cater for stewards who might have difficulty getting time off work. In co-operation with the GLC Popular Planning Unit, London Bridge is organising a series of joint trade union workshops for shop stewards on privatisation. Details from: Pat Masters or Paul Soto 633 8915.

Haringey ACTION

Haringey Council in London has begun preparing for the battle against statutory tendering.

A seminar for councillors, officers and TU reps was held in June. Also a working party of committee chairs and trade unions has been set up to plan and oversee the council's strategy on privatisation. Following the advice issued by the Local Government Information Unit to its member authorities, it has:

- Agreed to commission service profiles for services under threat;
- Started a privatisation audit of all departments. Reports from the five services targetted by government are due back within a few weeks.
- Planned a series of meetings with the council workforce to discuss the threat of tendering, what needs to be done, and how to consult and involve users of services.

The Haringey Joint Trade Union Committee formed to fight ratecapping is now discussing a strategy for the unions' campaign to build support from the membership for action against privatisation and to maintain pressure on the council. The NALGO Branch has already produced a broadsheet for its members, explaining the threat of tendering in the context of other attacks on local government and arguing the case for the expansion and improvement of council services instead of cuts and privatisation. Information from: NALGO office, 2A Brabant Road, London N22.

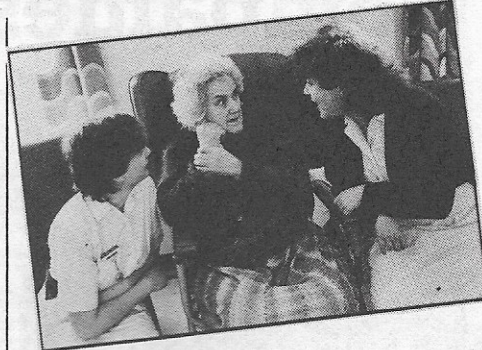
Lifecare's Profits

A doctor and patient team of Richard Petty (still a doctor) and Nick Morris (ex Lazard Brothers and still a patient) are making a fortune out of the care of the elderly, sick and handicapped. Their company Lifecare International has, within two years, bought up five nursing homes and a number of sites for building sheltered housing for sale in the UK.

The company also has management contracts at two nursing homes for handicapped children. The homes are owned by **Care Homes (No 1)** part of the **Anglo Dutch Group** of companies: Anglo Dutch are Lifecare's financial advisers. "At the moment, the world's our oyster" says Petty, and is set to buy up six more nursing homes.

Lifecare will not just confine themselves to exploiting the elderly: "We'll provide care for anyone, of any age, who needs it. And we're looking at medical

Contractors & Consultants



insurance schemes too," says Petty. Lifecare's expected profits are £750,000 this year and £1.75 million in 1986.

SLICKERS LINE UP

City slickers lined up to make a killing in fees from the forthcoming sale of British Gas include the following government advisers: **Cazenove & Co**, lead stockbroker; **NM Rothschild**, merchant banker and main adviser; **Slaughter & May**, legal adviser; **Touche Ross & Co**, accountancy adviser; **Price Waterhouse** reporting accountants. **Kleinwort Benson** have been appointed main financial advisers to British Gas. (Cazenove & Co have been involved in some capacity in virtually all of the government's asset sales so far.)

INMOS JOBS GO

Inmos, the former state-owned hi-tech company now owned by Thorn-EMI, is cutting its UK workforce by 220. Two hundred jobs will go at the company's Newport factory and another 20 at its Bristol offices. Plans to create 700 new jobs by opening a new assembly plant at Newport have also been shelved. Inmos also plans cutbacks to its North American operations as part of its \$20 million rationalisation plans.

SHIPYARD PROFITS

Tyne Shiprepair, the former British Shipbuilders subsidiary has won another in a series of Ministry of Defence contracts since being privatised last year. These multi-million pound contracts have been won largely at the expense of the remaining state-owned shipyards. The bulk of the company's workforce are hourly-paid casual workers.

Private Mine Owners To Dig Deeper

Private companies that operate small deep mines – but make large profits – under licence from the NCB are upset at having been asked for an increased licence fee by the NCB.

The 140 or so mainly family-run companies, organised in the Federation of Small Mines of Great Britain, have been asked to pay a four-fold increase from 50p to £2 per tonne of coal extracted. The licences, which last for 10 years, should have been renewed last March but the parties could not reach agreement. The companies are presently operating under temporary licences renewable in September. Some companies are complaining that the increase is too high and contradicts the government's policy of being sympathetic to private involvement in coal mining.

NUM funds still in the hands of the Receiver!

GIVE TO THE MINERS SOLIDARITY FUND

Make out cheques/POs to:
The Miners Solidarity Fund
and post to:
St. James House, Vicar Lane,
Sheffield S1 2EX

SUPPORT THE VICTIMISED MINERS!

BRENGREEN'S PROGRESS

Brengreen Holdings (Exclusive's parent company) made profits of £3.02 million on a turnover of £54.6 million for the year to March 1985. Turnover was up 20% on 1984 but profits only showed an increase due to the profits of the recently acquired **Four Seasons Roofing Company**. Brengreen's 25% – owned Saudi operation lost £¼ million this year and is said to have an uncertain future. Exclusive UK's office cleaning and NHS contracts are running at a loss and the contract to clean the streets in Ealing is losing money also.

Meanwhile, Southend Council recently renewed Exclusive's refuse collection contract for a further five years which is worth over £10 million gross. The company has also recently taken over the operation of British Rail's public toilets on main line stations. Exclusive immediately doubled the price of 'spending a penny' from 5p to 10p! In November, Exclusive starts a five year cleaning and maintenance contract at Gatwick Airport.

WATCH FOR BRAMBLES

Brambles Industries (see earlier PSAs) the Australian based transport/waste disposal group whose UK company **Cleanaway** operates Mendip Borough Council's refuse collection and a lucrative waste disposal contract for the GLC, now owns 49.9% of **CAIB**, the European rail operator. CAIB operates one third of all privately owned rail wagons in Western Europe. Brambles is also keen to expand in the US and is about to spend \$100 million buying up US companies.

PROFITS SECURE

Securiguard Group (see earlier PSAs) the office cleaning to security group which includes **Academy Cleaners** made massive profits of £554,000 for the six months to 28th April 1985. This was a 39% increase on the same period last year. Turnover increased from £5.6 million to £9.7 million. The Group recently bought **Consolidated Safeguards** and is looking for other security companies to buy.

GRAND MET OUT IN THE COLD

Grand Metropolitan's 50% owned North American subsidiary **Statewide Services** has won a contract to clean railway carriages on the Alaskan Railway.

PUBLIC SERVICE ACTION

Information

PITWATCH is a new bulletin providing detailed, factual information on the latest developments in the miners' struggle. Coverage is nationwide with reports from coalfields throughout the UK. The bulletin is produced on a voluntary basis and any profits from sales are being donated to the NUM. **Price 25p from: Pitwatch, 9 Poland Street, London WB1 3DG.**

WEST MIDLANDS HEALTH WATCH: published by the West Midlands Health Service Monitoring Unit. Supported by the West Midlands County Council and the West Midlands TUC Health Committee, the Unit investigates and reports on issues relating to the NHS. The first Bulletin is out now. Single copies free, charges for bulk orders. **From: Health Service Monitoring Unit, 7 Frederick Street, Birmingham B1 3HE.**

WHITEHALL WANTS YOUR JOB: a series of anti-privatisation leaflets and posters from: **GMBATU, Thorne House, Ruxley Ridge, Claygate, Esher, Surrey KT10 0TL.**

DUDLEY COUNCIL LTD II: The Scandal Continues. Takes the lid off the activities of Price Waterhouse, Tory councillors and senior council officers in the last Dudley Council administration. **Price 80p from: Lookonit Publishing, c/o 7 Frederick Street, Birmingham B1 3HE.**

PRIVATE MEDICINE: The origins, growth and effects of private medical insurance and private hospitals in New Zealand. Concludes that there is an urgent need to review the health system in New Zealand and suggests a 10-point programme that would put an end to

profits being made out of health. **From: New Zealand Public Services Association (Inc), Private Bag, Wellington, New Zealand.**

Pritchard's Companies



PSA

Acme Services (PSG) Ltd
Al Mulla Pritchard Ltd (A)
Arabian Cleaning Enterprise Ltd (A)
Arrow Securities Ltd
Asian Holding & Investment Co Ltd
Automatic Catering Inc
Ball Maschinenreinigung GMBH.
Cleaners (South West) Ltd
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Advanced Food Systems International Ltd
Command Services Corp. Ltd
Advanced Food Systems International Pty Ltd
Challenge Property Services Pty Ltd
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Huntsbury Holdings Ltd
Huntsbury Food Services Ltd
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Securitas (N.Z.) Ltd
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Synergetic Systems Ltd
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HMC Factors Ltd
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Radium Hire & Maintenance Services Ltd
Sistex Supplies Ltd
Spearhead Chemicals Ltd
GNR (Chemicals) Ltd
Hygenol Ltd
Janitorial Supply House Ltd
Multiclean Ltd
Veetakleen Products Ltd
Speed Janitorial Supplies Ltd
Pritchard Management Services N.V.
Pritchard Security Services Ltd
Zeus Security Ltd
Zeus Financial Services Ltd (d)
Zeus Security Guards Ltd
Zeus Security Alarms Ltd
Pritchard Services Group of America Inc
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Spring Grove Safety Services Ltd
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Spring Grove Services Ltd
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Tight Grip Security Ltd
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Netherlands Antilles

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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.

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