FUBLIC SERVICE ACTION

Action Organising Information Contractors New threats

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AN ANTI-PRIVATISATION NEWSLETTER FOR THE LABOUR MOVEMENT

No.2 MAY 1983

USA firm facing Federal probe seeks UK contracts

DRINONEY

American multinational Waste Management Inc, partners with Pritchard Services Group in Saudi Arabian refuse and street cleaning contracts, faces investigation for price fixing and illegal waste dumping by Congress and several States. Waste Management, the world's largest waste disposal firm, has set up a British subsidiary. UK Waste Management Ltd which until recently operated from Pritchard's London headquarters was invited to tender for the Liverpool refuse and cleansing contract but eventually declined. UK Waste Management have no contracts in Britain but will only submit tenders "where the council is truly interested in changing the system and truly cutting costs. That doesn't mean sacking everybody." said a spokesperson.

The Chicago-based company has a reputation as one of the most aggressive and fast-growing waste disposal companies in America. They have benefited substantially from increased contracting out of Federal, state and municipal services. But on March 21st their shares dived 18% following a series of major allegations:

in February 1983 a subsidiary in Georgia was convicted of conspiring to fix prices.

a federal grand jury is investigating alleged attempts to create a monopoly market in Florida.

the Illinois Attorney General filed a £750,000 law suit in March against the company for allegedly scheming to conceal shipments of 400,000 gallons of toxic DCBs (dichlorobenzidine).

the Securities and Exchange Commission (which checks companies' financial reports) is investigating possible irregularities in reporting costs incurred in meeting environmental protection laws.

Alabama authorities are inspecting claims that the firm has failed to meet environmental protection requirements.

the company has closed its largest hazardous waste disposal site at Vickery, Ohio after discovering that 130,000 gallons of toxic chemicals were inadequately stored there.

Waste Management and Pritchards share the £180m Jeddah contract in Saudi Arabia covering refuse, street maintenance and cleaning. They use mainly foreign labour. They also have a large contract in Riyadh for refuse and street cleaning services. Waste Management also have contracts in Buenos Aires and Cordoba in Argentina and Caracas, Venezuela. Turnover in 1982 was £645m with £71m net profits. In America the company is the largest Defence Department waste disposal cont. on page 2

Exclusive sackings

13 workers have been sacked by Exclusive Cleaners since they took over the Milton Keynes refuse and cleansing contract on 1st April 1983. They were fired for being 'not up to standard' or refusing to do overtime although Exclusive claim that overtime is not compulsory except for eight Saturdays a year.

One sacked worker, Tony Jones, said in a written statement that the conditions included 'body searches at any time, working directly from home (no reporting to depot so you rarely see other workers), no facilities for meal breaks (you eat in the cab), no toilet facilities, no provision of safety training of any sort... we had to work with one less loader per crew whilst at the same time the workload has gone up appreciably due to less vehicles being employed'. By late on Fridays 'we were absolutely knackered'. He was fired along with other members of the crew for refusing to do overtime on the Friday night. He estimated he was £45 net per week worse off after working a larger and heavier round compared with council wages under similar circumstances, Tenants on Beanhill, Downs Barn and other estates have made numerous complaints about the service. Exclusive have been bringing in workers from their Chiltern contract to help out in Milton Keynes. 'The only people that are getting anything out of this contract are the shareholders of Exclusive', concluded Tony Jones.

Further information from Tony Creek, NUPE. Tel. 0908-679101 x 324 (union office) or 0908-315842 (home).





Andrew Wiard (Report)

POEU picket at Broad Sanctuary, opposite the House of Commons

FROM PAGE 1

contractor. A recent contract involved collecting and destroying 700,000 gallons of pesticide from military installations and dumping the waste in the Gulf of Mexico. Last year the company purchased a majority of the shares in Chem-Nuclear Systems Inc.

Pritchard's chaos

Pritchard Services Group has recently started its refuse contracts in Bath and South Oxfordshire. It has also won contracts to empty British Telecom telephone boxes in Newcastle upon Tyne and the West Midlands. Pritchard's profits jumped 67% to £10.22m last year on £273m turnover. Profits may be up but the South Oxfordshire refuse service is in chaos. Since it started in April:

- there were 900 complaints in the first three days
- some areas had no collection for two weeks
- the Pritchard supervisor has been sacked
- several workers have left because of the long hours and bad conditions.

Many consider that Pritchard's 'bought the service' in South Oxfordshire with the hope of obtaining larger contracts in the adjoining towns of Reading, Oxford and Abingdon.

EFFECTS OF PRIVATISATION

- Fewer phone kiosks. They already lose money and the emphasis on profits rather than service will mean few, more widely dispersed kiosks.
- Poorer rural services. Privatisation will mean the end of a national service based on high standard service for all irrespective of geographic location, social circumstances and whether they are residential or business users. BT will concentrate on the profitable expanding business communications.
- Higher telephone charges for residential users including for off peak calls, charges for directory enquiries and new connections, and further tariff increases to re-balance tariffs against residential users.
- Massive job losses, About 100,000 jobs in the telecommunications supply industry are threatened. BT currently purchases 95% from UK-based companies but privatisation will mean a flood of imports. Up to 45,000 jobs in BT are also likely to be cut by 1987.
- Fewer aids for blind and disabled. A commercialised BT won't be interested in expanding these badly needed services and is likely to try to push local authorities to subsidise them.

SALE LOOMS

British Telecom (BT) has net assets of over £10 billion which are all publicly owned. BT does not receive any grant or subsidy from the government. It has been profitable for the last seven years. The Tories now want to completely privatise BT by selling £3-£4 billion of shares to speculators on the Stock Exchange. This is three times the size of all the nationalised industries' share sales to date.

The 1981 Telecommunications Act has already ended BT's monopoly of the national telecommunications network. Project Mercury has been set up by Cable and Wireless, BP and Barclays Bank to compete with BT in the lucrative business market. Headed by Sir Michael Edwardes, late of British Leyland, Mercury intends linking 26 cities but is having technical difficulties and has few customers to date. The Act also allowed the private provision of telephone equipment after the first telephone.

The 1982 Telecommunications Bill which will privatise BT is now in the House of Lords. It is expected to reach the Report Stage by the 7th June. The British Telecommunications Unions Committee (BTUC), consisting of POEU,

cont on page 3

Liverpool Workers win DLO expansion

Following successful action by maintenance staff in Liverpool's Recreation and Open Spaces Department, a new Landscape Construction Unit has been formed with forty full-time permanent staff. This comes as a welcome extension of DLO operations in a city where many jobs are threatened by privatisation and cuts.

The Unit has been set up on a competitive basis and will submit tenders along with private contractors for new landscape works. Creation of the Landscape Unit has brought a new area of work within the scope of the DLO.

For a number of years the volume of new landscape work within Liverpool has been increasing. Environmental treatment has become a major area of spending with money provided under the Inner Urban Areas Act. But the Council were placing a substantial amount of work to private contractors from outside the Liverpool area. The DLO, it was argued, were not organised to handle large-scale construction work.

Two years ago GMWU stewards began organising a campaign against the use of 'outside contractors'. The Prince's Boulevard scheme, a landscaping project initiated in the Toxteth area by Michael Heseltine, became a focus for the campaign. On one visit to the area, Heseltine and his 'Task Force' of private sector notables were met by angry demonstrators from Direct Works and from local community organisations. People were furious that £½m could be spent on a highly prestigious scheme

which was totally irrelevant to the needs of Toxteth. Apart from the nature of the scheme, it was the fact that a private contractor, Lane's Landscaping, had been brought in from Manchester to do the work. GMWU called a strike to support the campaign and perhaps because of the sensitivity following the 'riots', the Council agreed to negotiate.

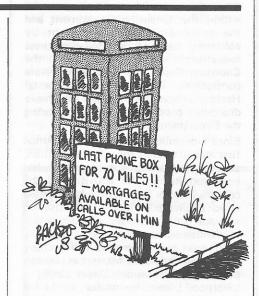
The agreement which followed this strike action embraced the idea of setting up a separate Landscape Construction Unit within the DLO. The Unit was formed in January of this year and is now successfully competing for contracts

Building on the base, stewards hope to expand the operation further. As part of the agreement with the Council they can use any surplus generated by the Unit to create additional jobs. The only drawback here is that unlike the permanent staff they will only be offered contracts for six months. These contracts will be renewable, and any permanent jobs that arise will be offered to those on temporary contracts. This is the inevitable price of contracting. However, there is real hope that a planned work programme will develop through the use of negotiated contracts. The Council is proposing to spend large sums of Urban Programme money on improving local parks and there is real hope that this work could be done under negotiated contract by the Unit. As one steward put it, '... to put it another way we won't let a private contractor near our parks. Not without a struggle'.

from page 2

UCW, SCPS and other unions, has organised a Hands Off Telephones Campaign. It is mainly a Parliamentary lobbying campaign aimed at trying to get the Bill defeated or amended in the Lords. It is also hoped to delay the Bill so that it would fall in the event of an early general election. BTUC has organised a massive publicity campaign including adverts in newspapers and leafleting in targeted areas.

In the last few weeks POEU members, have blacked maintenance work at the Bank of England and government departments in Whitehall. This has led to 66 workers being on strike. UCW telephone operators have refused to cross picket lines. There is pressure to escalate the action to the Stock Exchange and other targets. POEU also intends to refuse to connect Project Mercury into BT's system, particularly international links, on which it is dependent.



Copies of the BTUC Hotline newspaper, briefing documents and other campaign literature can be obtained from BTUC, 14-15 Bridgwater Square, London EC2, tel. 01-628 4914. They can also put you in touch with the ten regional and 61 area BTUC campaigns.



NALGO has just launched a three-month £1m Put People First campaign to build support for public services. It will last three months and included adverts in national newspapers, three videos on privatisation for use locally and a national tour of a Banner Theatre play. A record by the Appollinaires and a hot air balloon which will fly to many events including the People's March will also promote the campaign. Nine leaflets and a pamphlet explain the effects of cuts and privatisation on women, the elderly, the NHS, education, housing and other services. NALGO districts and branches are also organising local exhibitions and events.

Further details of the campaign and materials from NALGO, 1 Mabledon Place, London WC1, tel. 01-388 2366 or NALGO District Offices. The videos can also be obtained from Birmingham Trade Union Resource Centre, 7 Frederick Street, Birmingham B1.

Sheffield's HEALTH

The Health Care Strategy Group in Sheffield has produced three bulletins as part of a People's Campaign for Health. They detail the attack on the city's health services and the effects of privatisation. The group, which recently organised day workshops and a mass rally, consists of city Councillors who sit on the Health Authority and representatives of progressive health organisations e.g. Radical Nurses Group, trade unions, Socialist Health Organisation. Details from the Campaign at 7 Birley Moor Close, Sheffield S12.

NUPE Campaign

NUPE have launched a campaign against private profiteering in the health service, People before Profit. A four-point plan includes taking the health workers case to the public, organising demonstrations through joint union committees established during the NHS strike, setting up local campaign committees involving CHC's, tenants groups etc, and taking industrial action to try to keep out contractors. Further details from NUPE, 20 Grand Depot Road, London SE18. Tel: 01-854 2244.

Liverpool

PRIVATISATION HALITED?



Thousands of Liverpool Council workers have shown their contempt for the Council's proposals to privatise cleaning services. A one-day strike on 26th April, met with resounding support from all sections of the Council workforce and was backed by the main public sector unions. Many of the strikers made their way to a mass picket of the City's Municipal Buildings where councillors were meeting to decide the future of cleansing services within the City.

After a bitter two-and-a-half-hour debate the meeting broke down without reaching a decision. Council Leader, Sir Trevor Jones, said later that it was now up to the people of Liverpool to choose the best system through the ballot box.

There can be few doubts that the deadlock between the three political parties in Liverpool was a contrived affair. The crucial position was that taken by the Liberal councillors (Liberals in fact control the Council), who have consistently attempted to use privatisation as a way of forcing a package of 'rationalisation' on the Cleansing Dept. Despite the fact that workers in that Department have rejected these proposals on four separate occasions, the Liberals still presented their case for a 'cheaper and more efficient' service, run by the Council's own workforce. While this has been a consistent argument put forward by the Liberals, it was believed that after a year of failed negotiations they would enforce their threat of privatisation. However, they backed down on the final decision, and presumably they did this because of the threat of extended strike action in the period leading up to the local elections.

The deadlock within the Council can therefore be seen as a very temporary respite. At worst it is an electoral ploy, which will quickly dissolve after May 5th.

Job loss

The initial package of cuts being sought by Liverpool Council involves 140 workers. It is argued that there are currently over 90 unfilled vacancies within the Cleansing Department and the remainder would be sought by voluntary redundancy. However these reductions would not bring the Cleansing Dept. into line with private contractors. The Chief Environmental Health Officer has drafted far more draconian proposals which would bring the Department into line.

Since November 1982 when the council first invited tenders for refuse collection, an anti-privatisation sub-committee has been monitoring the activities of the council. Several leaflets have been issued which challenge the logic of privatisation and the 'false promises' of contractors in Wandsworth and Southend.

At least two Liberal councillors have more than the public interest at stake in pursuing privatisation. David Croft, a Liverpool Liberal councillor, works for Waste Management Ltd, one of the bidders, and by a strange coincidence used to be chairperson of the cleansing and refuse committee. Liberal leader Trevor Jones owns several hundred shares in another bidder, Grand Metropolitan.

More News

HOUSING SALE DEFEAT

The Government has been heavily defeated on a clause in the Housing and Building Control Bill which would have given tenants in charitable housing associations the same right to buy as council tenants. The House of Lords defeated the measure 182-96 on 26 April and it will not be re-introduced.

However the Bill has clauses which will increase house sale discounts. Elderly tenants who have lived in a council home for 20 years will get a 60% discount instead of the present 50%, plus an extra 1% for each year between 20–30 years. Another measure extends the right to buy under shared ownership (part mortgage/part rent) schemes.

PRIVATISING THE TUBE

An article in the latest issue of the Journal of Economic Affairs, organ of the right-wing Institute of Economic Affairs, argues that the London Underground lines should be leased to private firms. Meanwhile Project Mercury, British Telecom's private competitor, is reportedly negotiating with London Transport to use ducts on the Circle Line for speech and data links.

ANOTHER STEEL SALE

British Steel Corporation is considering selling its subsidiary, Pipework Engineering (PED), to Babcock International. PED designs, supplies and fabricates pipework systems for large engineering projects. It has three subsidiaries, Design Audit, Unit Superheater and Pipe, and Ernest N. Wright and has a total workforce of 1,100.

Plans to privatise the housing management services of Liverpool City Council seem to be suffering a setback. In a joint report to the Policy and Finance Committee, the Directors of Housing and Estates reported that, on the basis of a feasibility study carried out with private firms, 'no substantial saving' could be made by placing housing management and maintenance in the hands of private contractors. Their survey had yielded only one company that was substantially cheaper than the existing arrangement and that was a building contractor with no experience of housing management.

Not to be deterred by this report, at the same meeting, on 18th January, a resolution was passed that a further feasibility study should be carried out. This would look at the possibility of contractors undertaking repairs in the Walton-Clubmoor district of the city. The moral of the story would seem to be that if contractors can't handle it all at once, then the Council could release work to them in easy stages.

Merton SCHOOL INTEALS TO GO

Tory controlled Merton Council has decided to abandon its school meals service from the end of the summer term. Children statutorily entitled to a school meal will be given cold sandwiches. 350 full- and part-time jobs will be lost.

There was no attempt to negotiate with the unions before the decision was made to 'save' £750,000 in order to keep rate rises down. The council has since decided to provide hot meals at two special schools but have increased prices. There has also been some discussion about using volunteers to run parts of the service. In some schools, canteens may be handed over to meals staff to run on a private basis. Private contractors may be brought into high school cafeterias.

School cleaners and caretakers are also under attack. Nearly 250 cleaners will be made redundant and the work hived off to contractors. Assistant school caretakers then got a letter to say that their posts were to be abolished "to facilitate the introduction of contractors". The duties of caretakers were changed and they have been told by the council to accept them or face the sack. The changes in conditions and working practices break existing agreements and NUPE has registered a dispute at the Provincial Council.

Six hundred school meals staff, teachers, parents and children demonstrated at the council meeting early in March. There has also been a one-day stoppage by school meals staff and two marches including one led by the NUT. School children have also demonstrated. They occupied the dining area at one school and at another a large group walked out and marched to the town hall. On 27th April a large demonstration and march in Merton was supported by council workers, teachers' unions, NALGO, and NUPE branches from various councils.





STRATEGY TO FIGHT Privatisation

How do we fight privatisation? The London Division of NUPE have developed a seven-point strategy. It is applicable to most campaigns against privatisation in local government, the NHS, nationalised industries and the Civil Service. The strength of this strategy lies in using the seven points in combination — it is not a shopping list from which to pick the easier options.

- Developing alternative ideas and demands to improve services.
- 2. Education and propaganda.
- Building stronger workplace organisations and links with workers in other areas and services.
- 4. Developing joint action and organising user committees with PTAs, tenants' groups etc.
- 5. Tactical use of industrial action and negotiating machinery.
- 6. Direct action by workers and users.
- 7. Counter offensive against contractors in public services.

For further details and lots of examples, see *Improve Public Services — Shut Out Contractors*, available from NUPE, 13 Stockwell Road, London SW9, price £2 inc. post.

Bury Contractors defeated



An 18-month struggle to prevent the privatisation of refuse and cleansing in Bury has finally been won (see *Public Services Action* No. 1). The campaign organised industrial action which included NALGO blacking all work connected with the preparation of tender documents, one-day strikes, setting up a joint union committee and a large scale leafleting and publicity campaign. The council were threatened with indefinite strike action if they had decided to privatise on 12th April. Instead they opted for a wheeled bin system which had been on trial in one area of the town. The system is expected to save £250,000 over four years. It reduces strain on workers because they don't have to lift the bins. However fewer workers are needed. About 60 out of 180 jobs will be lost over four years by offering alternative council jobs and unfilled vacancies.

Further details from NALGO branch secretary, Ian Stephenson, Whitefield Town Hall, Bury, Lancs.

Job Ownership Ltd

What do two bankers, two 'consultants' including one from a failed building co-op, two journalists from the *Guardian* and *The Times*, two university lecturers, two retired people, an accountant, a chartered engineer, a barrister and the director of the Nuffield Foundation have in common with Jo Grimmond, MP?

They are all directors of Job Ownership Ltd which has been advising a small group of Liverpool Council workers to set up a co-operative, Express Disposals (Merseyside) Ltd, to tender for the refuse contract. Express has been negotiating with Waste Management Ltd, a subsidiary of the National Freight Corporation, to form a partnership (mainly to obtain management experience) for the Liverpool contract. Waste Management is also bidding for the contract.

Job Ownership, a non-profit company, was set up 'to encourage and assist the ownership and control of services of every kind of people who work in them'. The most recent accounts show total expenditure of £44,703 (mainly salaries and office expenses) but a surprisingly large £1,626 on 'entertaining'.



PAID TO TENDER

Hammersmith and Fulham Council recently decided to seek tenders for street sweeping and allied services. They sought preliminary tenders from six companies, then chose two companies, Grandmet Waste Services and Exclusive Cleaning Group, to submit a second stage of detailed tenders. The Council agreed to refund the cost of tendering to these two companies. The final figures are still being negotiated by the Legal Department. Public Services Action was told that the cost 'may not be made public even when it is agreed'. Street sweeping stayed with direct labour.

Contractors & Consultants

Health care SICK PROFITS



...while elderly suffer

American health companies own 22 private hospitals (1800 beds) in Britain including seven under construction. Profits continue to soar from people's ill health.

Net profits of the Hospital Corporation of America (HCA) rose 54% to £115m on turnover of £2,360m in 1982. The latest half-yearly figures for American Medical International, which owns the Harley Street Clinic and hospitals in Birmingham, Manchester, Windsor and Canterbury, show net profits at £32m — a 27% increase. Turnover was £537m.

In Washington the House of Representatives passed a new Bill last month to try to curb the soaring cost of Medicare, the government health programme for the elderly. The Senate is now discussing the Bill. At present the federal government pays hospitals the cost of health care for eligible elderly patients plus a regulated return on equity — about 7% or 8% after tax. The new payment system fixes payments to hospitals for 467 categories of treatment. Payments will be based on the average costs of hospital services within nine geographic areas.

Private hospitals will be able to pocket the difference if they can provide services at less cost than the fixed payments. The quality of health care is likely to suffer under the new system, while increasing profits. Not surprisingly, while the Bill was being passed in the House HCA shares rose

12% and Humana Corporation, owner of London's Wellington Hospital, were up 10% on the Wall Street Stock Exchange.

How contractors fail the NHS

More examples (see PSA No. 1) have come to light of contractors lower standards and higher costs. Following numerous complaints and a lack of progress in improving cleaning standards the domestic service management contract was terminated at the Central Middlesex Hospital and replaced by NHS staff.

The same occurred at the Area Health Authorities headquarters in Barnet. A catering management contract at the Bearsted Hospital was terminated because it was becoming too costly. Within six months, direct NHS management reduced the cost by £22,000. The standard of meals improved and the staff were properly trained.

NHS Unlimited — the committee to combat private medicine, has found many examples of contractors losing contracts. In 1980-81 five AHA's stopped contracting out laundry and three in 1981-82; two stopped contracting out cleaning in 1981-82; fifteen stopped catering contracts in 1980-81 and a further four did so the next year. NHS Unlimited, Frank Dobson MP, House of Commons, London SW1.

Contractors & Consultants

Luxury resort for sale

Convention Hotel and Condominium Apartment Development in Grand Cayman



The Development consists of 3 phases:

Phase 1–96 Condominium units fully constructed and operating, 6 three bedroom and 32 two bedroom units are available for sale.

22 two bedroom units are available for sale.

Phase 2–290 room Hotel substantially complete with room finishing and central facilities plete with room finishing and central facilities construction remaining to be completed.

Phase 3–800 feet of undeveloped land with planning permission to construct 135 luxury condominiums.

The above assets are for sale by private treaty

condominiums.

The above assets are for sale by private treaty for cash only no later than March 11, 1983, for cash only no later than March 11, 1983, which a public auction of the assets will failing which a public auction of the assets will be held at the offices of Coopers & Lybrand, be held at the offices of Coopers & Lybrand, Grand Cayman on March 25, 1983.

Grand Cayman on March 25, 1983.

Enquiries for further details should be made to the joint Receivers and Managers,

Coopers P.O. Box 1045, Grand Cayman, B.W.I. Telephone: 809 949 2000 or Telex: CP4220

Coopers & Lybrand, auditors and management consultants in about eighty countries and authors of the Department of the Environment report 'Service Provision and Pricing in Local Government', which called for tendering and price increases across a wide range of Council services, are into more lucrative deals. Their Cayman Islands office is also an estate agency.

Connections

Merchant bankers Kleinwort Benson Lonsdale, advisers in the sale of Cable and Wireless, British Aerospace, Britoil and Associated British Ports, have just reported profits of £20.03m for 1982 and that is after tax and transfer of an undisclosed sum to inner reserves. It has total assets of £3.7 billion. The Financial Times reported that 'the corporate finance division achieved an exceptionally sharp rise in fee income'.

Another merchant bank, Morgan Grenfell holdings, advisers to Amersham International and Britoil underwriters. made record profits of £13.14m last

year - up 30% on 1981 - again after tax, provision for doubtful debts and transfer of funds to inner reserves. Both banks have numerous subsidiary com-

panies overseas and make a tidy profit loaning money to local authorities.



OOWNSWHO

CATERING FOR PROFITS

In 1981/2 the NHS spent £318m on catering. One company tipped by City pundits to make a killing out of NHS catering contracts is Trusthouse Forte (THF). Its directors include Lord Robens, ex-chairperson of the NCB and ex-Labour MP, and Sir David McNee, former Metropolitan Police Commissioner.

THF's UK catering profit in 1982 was £17.8m, nearly a third of total profits. Turnover was £915,4m, THF is also heavily involved in airline catering, hotels and leisure activities in Europe, America, South Africa and the Bahamas. (Accountants are Price Waterhouse see Public Services Action No. 1.)

A THF subsidiary, Gardner Merchant, supplies 2.300 clients with a million meals a day, among them several private hospitals including the Cromwell in West London. It also has contracts in numerous European hospitals.

The GMWU are familiar with THF's employment practices. In 1979, thirty chambermaids were sacked and recently 27 banqueting staff at the Grosvenor House Hotel were made redundant.



BUILDING BANDWAGON

Trafalgar House Ltd is a multinational with a network of over 380 companies whose activities include property management and development, housebuilding, civil engineering, contracting, newspapers, hotels and shipping.

Trafalgar House clearly intends to jump on the Barratts bandwagon: the Sunday Times reported recently that Chairman Nigel Broakes 'seems tantalisingly interested in expanding Ideal Homes and Cementation' (T.H. subsidiary groups) housebuilding operations'. Broakes also recently lunched with Sir Lawrie Barratt, presumably to discuss the tricks of the trade.

AUSTRALIAN MULTINATIONAL

Cleanaway Ltd, which has a £9,000 GLC waste disposal contract, is a subsidiary of Brambles Industries Ltd, Australia's largest waste collection and disposal group. It is also Australia's largest materials handling group, providing road, rail, air and sea transport, as well as its biggest plant hire operator. Cleanaway has 24 municipal refuse collection contracts in Australia.

CASHING IN ON CLEANING

Initial Services (41% owned by BET Group, see Public Services Action No. 1) and Sunlight Services Group both recently made takeover bids for high flyers Johnson Group Cleaners. The bids have been referred to the Monopolies Commission.

Johnsons, the UK's leading dry cleaners, are involved in textile rental. the hire of workwear to industry. Johnsons and Sunlight would create a virtual monopoly of textile rental in London while Johnsons and Initial would create a virtual UK monopoly.

John Crockett, Johnsons Chairman, is resisting the takeover bids. He has a 27-foot Mawcester yacht for his leisure and keeps in touch with his 680 shops by flying his own Cessna aircraft.

Johnsons workforce are also scared of a takeover as up to 950 jobs would be at risk through closures of garment rental works at Perth, Bootle and Birmingham, plants in Yorkshire and London and offices and shops throughout the UK.

Johnsons' profits for 1982 showed a 36% increase to £5.61 million with turnover up 15% at £50.7 million. Dividends on shares increased 40% to 10.8p net.

NHS CLEANING

Provincial Cleaning Services has already picked up two hospital cleaning contracts. Soon to be floated as a public company with a possible price tag of £15 million, it is owned by Michael Ashcroft's Hawley Group.

Ashcroft is the 36 year old boss of a £150 million empire including nine public companies. He has offices in New York and Slough and commutes regularly between them earning himself the accolade of Concorde's best customer.

With a reputation of 'leading from the front' he makes ruthless demands on his staff and he says that 'money as a motivation was left behind long ago. I suppose it is just the challenge of creating something', (Standard 14.4.83)

In 1981 Ashcroft sold his interest in Pritchards and made £5.3 million profit on the deal.

EXPENSIVE CONTRACTORS

Norfolk County Council recently invited tenders for eight waste disposal sites in the north and west of the county, Biffa Ltd (a subsidiary of the BET Group), which has the North Norfolk District Council refuse contract, was among the bidders. The Council decided to retain the eight direct labour jobs because the lowest tender would have increased the cost of the sites by £60,000 a year.

Contractors & Consultants

PAY & CONDITIONS

BASED ON TENDERS FOR LIVERPOOL COUNCIL REFUSE AND CLEANSING, APRIL 1983

Council present proposed		Grandmet	Initial	Pritchard		
Total Cost	£13.9m	£10.6m	£10.3m	£11.4m	£10.5m	
Workforce	1242	787	565 486		428	
Rates of pay inc.	average bonus					
driver	£113,60	£113.60	£98.00	£118.50*	£110.00	
loader	£110.08	£110,08	£93.00	£113.55* £105		.00
Hours of Work	39	39	40	39	40	
Holidays	Up to 5 yrs servi 5 yrs or more	ice 20 days 25 days	After 1 yr 20 days Pro rata in 1st yr	After 1 yr 20 days Pro rata in 1st yr	Up to 2 yrs 2 yrs + 4 yrs +	10 days 15 days 20 days
Sickness	After 6 mths 4 3 yrs + 16	ull pay ½ pay I wks 4 wks 5 wks 16 wks 5 wks 26 wks	½ pay 13 wks + 1 wk 1-3 yrs 2 wks 3-5 yrs 4 wks	As per City Council	1–3 yrs	½ pay 8 wks

^{*}based on 25% attendance and 25% performance on basic rates. Overtime payments are the same for all cases. Pension schemes are similar.

POINTS TO NOTE:

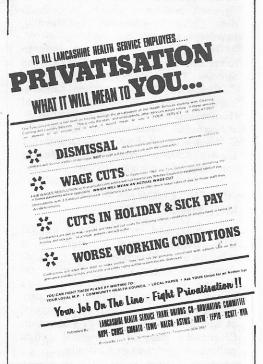
- 1. Compared to the revised council scheme workers for Grandmet, Initial and Pritchard would have to work 28%, 38% and 46% respectively harder to do the same work to the same standards.
- 2. Drivers would be £800 worse off a year working for Grandmet and £200 a year less with Pritchard. Initial's rates of pay are dependent on attendance and performance bonuses. Initial does not have any experience of refuse collection or cleansing.
- 3. There is a vast difference in the sick pay schemes increasingly important as workers are forced to work harder for longer hours.
- Grievance and disciplinary procedures run by contractors are much stiffer with workers liable to instant dismissal for a variety of reasons.
- 5. None of these contractors are unionised.
- 6. Exclusive Cleaners were not among the Liverpool contract bidders but contracts elsewhere show the following: hours worked, 40 (45 hours for HGV drivers); overtime, 11/3 Monday to Friday, then same as above; sick pay less than 6 months' service NIL, 6 months and over 4 weeks full pay + 4 weeks half pay; holiday pay 1½ days for each month in the first year after 6 month 'probation' period, after 1½ years 20 days.
- 7. Factory Cleaners (part of the Office Cleaning Service Group) and Waste Management Ltd also submitted tenders but were substantially higher.

CLEAN

"The company which stands to gain most contracts is **Pritchard Services** with its well developed range of ancillary services, and wide experience in the sector, while **Initial** also stands out as having a fairly wide spread of activities ... the attractions of new markets may well attract other large companies ... with **Grand Metropolitan** being a distinct possibility.

"Although the margins on NHS work may well be less than average for the sector, they should be at least adequate with net margins perhaps in the order of 3.5 per cent. Moreover, we would expect contracts generally to be placed for periods of three years with index linked price adjustments, thus implying good quality earnings for the companies."

A New Market for Cleaning Companies by stockbrokers Phillips & Drew, March 1983



PRIVATE ROADS

The building of private roads by city financiers and contractors has hit difficulties. The Department of Transport commissioned financiers Charterhouse Japhet to investigate the possibility of providing private finance for new roads. Evidently the City thinks that it is a risky venture unless an enormous return on capital can be provided. Firms would be repaid by the Department depending on the number of vehicles using the road. Car ownership is difficult to predict particularly with rising petrol prices. The contractors have cooled to the idea because they want privately funded schemes to be in addition to those already in the road programme so getting extra work. But the government see the scheme as replacing public finance. A pilot scheme is still expected to be launched soon.

MORE COUNCIL ESTAT

Knowslev



While for many Tories the issue of privatisation is ideological, it is the economic argument which persuades many Councillors to the view that privatisation is a necessity. Trapped by the Government-imposed guidelines for expenditure, privatisation appears to be a useful expedient for balancing the Council's books. It is an argument which appeals to Tory, Liberal and Labour Councillors alike.

In Knowsley, a right-wing Labour Council have fallen hook, line and sinker for privatisation as a way of relieving the financial and managerial burden of Council housing. Sweet talking Michael Heseltine, ex-Minister for Merseyside, has wooed the Knowsley Council into a deal where 3,312 properties on the Cantril Farm Estate are handed over to the Stockbridge Village Trust. About 50% of the houses will be rented, but the other 50% are to be demolished to make way for private housing. Barratt's (see PSA No.1) will carry out the work.

A five-year programme is proposed for the building operations and Knowsley Council have agreed to rehouse all the tenants displaced by the activities of the Trust. For those that remain in rented accommodation the one assurance that they can be certain of is the Trust's willingness to preserve the 'right to buy'.

Stockbridge Village Trust -In Whose Interest?

The Members: Mr T Baron (Chairperson) - Executive for Welmar Homes, Housing Advisor to Michael Heseltine; Councillor JR Lloyd (Vice-Chairperson) - Labour Leader, Knowsley Borough Council; Councillor M P Foulkes nominated from Knowsley Borough Council; Mr C Thornton - Chief General

Abbey National Building Manager, Society; Mr T F Smith - Barclays Bank; Mr J Porter - Knowsley Parish Council.

The final member of the board will come from community organisations in the Stockbridge Village. Unfortunately the first meeting of the Trust was held before a nominee could be elected from the community. Who is organising the elections? . . . the Trust, of course!

The 134 homes on the Hebden Road Estate, Croxteth in Liverpool are also being sold. Originally built in 1941 by the Ministry of Supply, the flat-roofed houses suffered extensively from damp and rain penetration. Nearly 40% were vacant. Instead of improving them, Liverpool Council have sold half to Wimpeys who will refurbish and sell them. The remainder are being transferred to Liverpool Housing Trust (LHT) for improvement and renting . . . but the tenants will have the right to buy. LHT will receive over £1m in Housing Association Grant to do the

North

Meanwhile Labour-controlled North Tyneside Council has just sold nine difficult-to-let five-storey blocks at Murray Close, Percy Main to builder Cecil M Yuill Ltd for refurbishing into 'luxury flats'. Yuills have been given a £868,000 urban development grant towards the cost. Built in 1958, the flats will be renamed St John's Green, given Swiss style pitched roofs, central heating, fitted carpets, waste disposal units and an electric entry system. They will be sold 'with first-time buyers in mind', claimed the Council. If every Council estate was given £868,000 they could have a lot more than central heating and a few fringe benefits!

Barratts buys more

Not only are Barratt's Britain's leading housebuilder, they lead the field in the race to buy Council housing and land.

WALES: At St. Mellon's in Cardiff they have bought land from the Council to build 78 one, two and three bedroomed houses

LONDON: Land has been released by Councils in Fulham, North Kensington and Ealing for private housebuilding. The Docklands Corporation have also released land for more than 400 flats in Beckton.

SCOTLAND: 109 previously tenanted flats have been sold by Livingstone Development Corporation for improvement and sale.

These are just a few examples of Barratt's activities throughout the country. It is in the inner cities where their new activities are focussed:

'The target is Britain's 400 square miles of derelict inner city land and the 1.9 million sub-standard homes and vacant public sector houses which local authorities are unable to modernise and refurbish through lack of finance.' (Barratt Standard No. 831).

New scheme 21 Ways to Privatise Council Housing Reaches 22

The Government has just approved a new scheme to dispose of local authorities' prime housing land while guaranteeing profits for building societies, banks and building contractors. Elderly people will now be able to become owner occupiers for what the government calls 'a small capital outlay' by buying 99-year leases on specifically built properties!

Special consent has been granted to

South Oxfordshire District Council to build eleven bungalows at Goldsmiths Lane, Wallingford. Once the leases have all been sold to elderly people at 15% discounts on current market value the freeholds will be sold to Dolphin Housing Association who will then be responsible for future management. Builders will be F Rendel and Sons Ltd, a subsidiary of Y J Lovell Holings, the construction group.

More News

ORDNANCE SURVEY SAVED

Plans to commercialise the Ordnance Survey have been scrapped following widespread opposition from the unions, mapping and scientific organisations, and a 107-74 vote against it in the House of Lords.

COMPANIES HOUSE LATEST

Plans to privatise Companies Registration Offices in London, Edinburgh and Cardiff are fading. Private firms specialising in company searches can't see a way of making a profit. None have so far submitted formal proposals. Under EEC law the government has to give public access to company records at no more than the cost of providing the service. The current fee is £1 per company. Jordan & Sons, who already have a deal with Companies House to receive all new records, currently charge £14.75 per search and another £6.00 for an express service!

SCHOOL MEALS HIVED OFF

Croydon has hived off the management of its school meals service to Sutcliffe Catering Ltd, a subsidiary of Town and City Properties PLC (see PSA no.1). The £32,000 contract will involve Sutcliffe's investigating ways to hand over the rest of the service to private contractors.

THE SKY'S THE LIMIT

Following the Reagan Administration's decision to sell its weather and land viewing satellites to private enterprise, financiers and industry are pressing the Tory Government to embark on an 'open skies' policy for Britain. Private companies could then launch and operate satellites. British Telecom currently controls all telecommunications. The Comsat Corporation has already put in a £150m bid in America. There is a large potential market in business communications with vast profits expected in the 1990's. Companies will also have a monopoly in weather information for sale to governments, farmers and other firms.

UNIPART SALE?

Unipart, BL Cars profitable parts manufacturing and distribution subsidiary is being prepared for privatisation. Jaguar Cars and Land Rover may also be hived off later. Unipart has been divided into three separate businesses: SU Butec for manufacturing; Unipart International will expand into foreign markets; and the Contract Services Group will service BL. If they remain profitable they are likely to be sold.

CONTRACTING DEFENCE!

Earlier this year the Treasury issued a *Review of Civil Service Manpower after 1984* which called for a further substantial cut in the civil service workforce. Up to 60,000 are to be cut between 1984-88 mainly through privatisation. Each department was asked to produce proposals for cutting staff.

The Ministry of Defence has put forward options to achieve 5% and 10% cuts in personnel. A MoD letter to the trade union side on 24 March 1983 claims that 'there are no privatisation proposals'. Yet all the 38 options involve

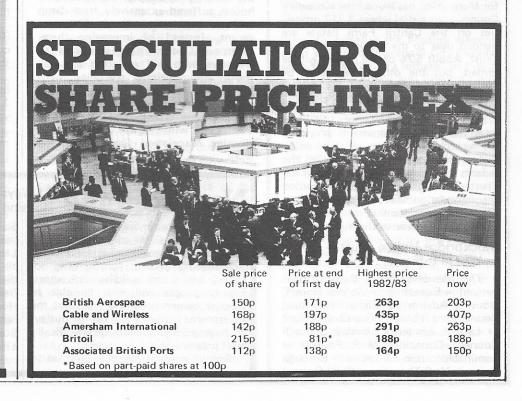
extensive use of contractors and agency staff with a loss of up to 10,016 MoD jobs. In MoD jargon this is called 'contractorisation'. The table shows the main areas to be hived off to private industry.

No. of jobs lost

Contracting out

238	Devolve remainder of Defence Sales Organisation to industry			
38	RAF Contractors Repair Supply Procedure			
574	Controller of Navy tasks e.g. Weapons Systems Tuning Group, British Underwater Test and Evaluation Centre, logistic support			
243	Various Marine Services tasks			
150	Use private security firms to replace MoD police			
415	Various RAF Support Command tasks			
1530	Increased use of contractors for catering, external cleaning, and ground maintenance at Army and Naval establishments			
1900	Work in support of Fleet and civilian shore establishments			
1500	Employ agency to recruit teachers for Service schools			
150	Driver training			
409	Employ agency staff for nursing, typing, photography etc. at certain Naval establishments			
118	Helicopter storage, airframe and engine work			
300	Research and teaching work at RMCS Shrivenham			
100	More REME repair work to industry			
200	Tasks at RAF Cardington and Forms Store, Woolwich			
95	Met Office instrumentation work, cartographic services, maintenance of communications, training and security			
199	Maintenance of general Naval stores			
124	75% of reprographic services and film unit			
	Market was the first that the same of the			





Calderdale NHS LAUNDRY CAMPAICN

In 1981 Calderdale Health Authority drew up plans for a new hospital laundry to be built at North Owran hospital, to replace the old obsolete laundry at Halifax General, due for demolition to make way for the new District hospital building. The new laundry would cost £2m but would be able to take laundry from old people's homes in the area as well as the hospitals.

The Authority applied to the Government for the necessary funds — but received no answer for over a year. The decision finally emerged after the DHSS circular calling for privatisation of hospital back-up services was issued in February 1983. The Minister demanded that the laundry service be put out to tender and the in-house laundry must tender in competition with private contractors.

Costly tenders

Twelve tenders were submitted by private companies, the lowest £18,000 higher than the in-house tender, from a company in Durham (rumoured to be the Co-op). The Chairperson of Calderdale Health Authority, Alan Templeton (the owner of a Halifax insurance firm and recently appointed JP) a political appointment by this government and an enthusiastic supporter of privatisation, dispatched Authority officials to Durham to meet with the contractors, despite the obvious problems of laundry being carried over 100 miles to be processed. On being presented with the detailed requirements of the Authority, the Durham firm withdrew, on the grounds that it would impossible to provide the service within the limits of their tender.

Health Service unions were asked for suggestions for savings — and it was proposed that neighbouring Dewsbury Health Authority's laundry service be combined with Calderdale's to enable a new laundry to pay its way. The Government then insisted that tenders be invited for this new enlarged contract

from the private companies which tendered previously — and the results are still awaited.

Meanwhile the unions, set on saving the jobs of the 45 laundry workers, proposed that the Authority make savings by buying or renting an existing empty building in Halifax for use as a laundry, instead of building a new one. It seems that this idea has been taken up and the estates surveyor is now looking at buildings which might be suitable. There is now some optimism that the laundry and the 45 jobs may be saved—despite the Government's obvious intention of using Calderdale as a testing ground for its circular.

The fight to save the laundry service is crucial: there are already threats to privatise the domestic services in the three hospitals in the area. The Authority plans to make savings of £1/2m in the coming year and planned cuts include the closure of desperately needed geriatric beds - in an area where the back-up service for discharged geriatric patients is already totally inadequate. (In keeping with the current ideology of the majority on the Health Authority, the existing 'flying squad' providing support to elderly ex-patients is staffed by 'care assistants', who while doing geriatric nursing are excluded by virtue of their title from Whitley agreements and are not paid the proper rate

Support grows

During the Health Service dispute last autumn a Health Service Workers Committee was formed, which is now working to gain wider support for its campaign against privatisation. There has been active support throughout from Labour Councillors on the Authority despite the attempts of the Chair to silence Labour and union voices. Recent meetings have included contingents from the Royal College of Nursing, an important step in drawing nurses into the campaign. There are also allies among the Authority managers.

If you go down to the woods today you're sure of a big surprise. THEY'VE FLOGGED IT FIGHT FOREST SALES

FOREST Sales

Publicly-owned forests are open to the public — for walks, for picnics, as somewhere to take the children. They're a long term public asset — making Britain less reliant on timber imports.

But over 23,000 acres of forestry land have already been sold for £18.9m as part of a 125,000 acre five year sales programme under the 1981 Forestry Act.

Purchases are mainly companies, insurance companies, pension funds and farmers seeking short term profits. Financial institutions already own at least 800,000 acres of farmland worth £1.1 billion. Forests currently up for sale include parts of Wykeham and Wynyard Forests in the north east, Carelochhead Forest in Scotland, and Great Chalk Wood and Micheldever Forest in eastern England. Twenty-five forests are currently on the sales list.

The number of manual workers in forestry has declined dramatically from 11,000 in 1964 to 5000 this year. Private ownership and the use of contractors will hit the small forestry villages particularly hard as there is little alternative employment.

The Agricultural and Allied Workers' Trade Group TGWU have produced this poster and leaflets, opposing forest sales. Further details from AAWNTG, 308 Grays Inn Road, London WC1.

Conference

Strategy for Health — an open conference, Saturday 28 May at 10.00am, Bradford Central Library. Will discuss ways to oppose privatisation, cuts and closures in the Yorkshire and Trent Regions. It will also examine the way forward for an improved, more democratic health service. Details from Alex Corina, NUPE Health Service Branch, Bradford Royal Infirmary, Duckworth Lane, Bradford 9.

JOB LOSS TABLE

Authority	Service	Contractor	Original No. of Jobs	Jobs now	Jobs lost
South Oxfordshire	Refuse	Pritchards	59	43	16
Milton Keynes	Refuse/str cleaning	Exclusive	104	74	30
Westminster	Town Hall cleaning	Clean Factory & Office Services	25p.t.		
Merton	School meals	disbanded	320p.t.		320p.t.
Merton	School cleaning	?	250p.t.	?	?
Merton	School caretakers	?	61	?	?
See Put	olic Service Action No.	1 for another Job l	oss Chart.		

Information

PRIVATISATION? Edited by Sue Hastings and Hugo Levie. Spokesman Books £3.75. A collection of papers from a seminar of trade union research officers in July 1982. Contains articles on Wandsworth, NHS, Civil Service, National Freight Corporation, British Telecom, gas and electricity shops, construction industry and ending with a chapter on strategies to fight privatisation.

A BRIGHTER BOROUGH: Workers and the Community — a Joint Campaign for Hackney. Free from Hackney Trade Union Support Unit, 34 Dalston Lane, London E8. A four-page leaflet explaining the need for a campaign to improve the cleansing service. It includes giving more cleansing workers the job security and proper wages they deserve, better equipment, and tougher action against those who dump rubbish.

PRIVATE MEDICINE'S THREAT TO THE HEALTH SERVICE: Free from NALGO, 1 Mabledon Place, London WC1. Details the government attack on the NHS and its support for private health care. Has detailed information on the expansion of private hospitals and the companies involved, the harmful effects of private health care on the NHS and the limits of private health insurance. It explains the virtues of the NHS and shows that it is better and cheaper service compared to those in most other industrialised countries.

DEFEND DIRECT LABOUR. Free from UCATT, 177 Abbeville Road, London SW4. Argues the case for direct labour providing a comprehensive building improvement and repairs service. It spells out the advantages for workers better working conditions, training, health and safety, job security - and the consequences of the Tory attack on MPs.



Property

The government is planning to split up the defence and civil work of the Property Services Agency (PSA) and turn it into a commercial property company. The PSA looks after central government, armed forces and other public bodies' needs for land, offices, supplies and transport. With £6 billion assets it is the largest civil property concern in Europe.

The Society of Civil and Public Servants (SCPS) argues that the restructuring proposals will involve a costly valuation of PSA's properties (£10m) and a new accounting system (between £6m-£10m with £3m annual costs). Extra paperwork will require an extra 100 specialist staff. All this to reduce the efficiency of the organisation's prime role to provide accommodation to suit different departments and public services requirements.

A detailed criticism of the proposals, PSA Restructuring is available from SCPS, 124-130 Southwark Street, London SE1. Tel: 01-928 9671.

il Sale

The Government is forcing British Gas to sell its half share in Wytch Farm, Britain's largest onshore oilfield. British Gas reluctantly invited bids last year but these were well below the corporation's £500m valuation. Then Nigel Lawson, Energy Secretary, had secret meetings with the companies and ordered British Gas to negotiate a deal. Leading contenders are the Dorset Bidding Group, a consortium led by three oil companies,

Tricentrol, Clyde Petroleum and Carless Capel. Their bid is between £200m and £260m. Another consortium includes Río Tinto Zinc, Charterhouse and Associated British Foods. BP own the rest of Wytch Farm and have an option to buy the other half at the selling price. Either way private industry will get another major public asset at a knockdown price.

The Government have now decided to sell the six offshore North Sea oilfields owned by British Gas. Four subsidiaries and a holding company have been set up as a preliminary to privatisation. The government has yet to decide whether to sell these £1 billion assets direct to oil companies or to float the shares on the Stock Exchange.

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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