

PUBLIC SERVICE ACTION

THE ANTI-PRIVATISATION MAGAZINE FOR THE LABOUR MOVEMENT

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Tenants & Council Workers

PRIVATE TAKEOVER PLANS

The future of all council tenants and thousands of local authority workers in housing management, caretaking, grounds maintenance, building and engineering is under threat from new legislation being prepared by the Government.



Every year since 1979 local authorities have been denied government permission to borrow and spend money they need to renovate and maintain their estates and they are now forbidden even to spend their reserves which total £5 billion, or the receipts from house sales

on rebuilding and repair. Councils' requests for permission to spend more have increasingly been met with government demands that estates are sold off to the private sector. Most recently, with the establishment of UHRU, the government's Urban Housing Renewal Unit, grant aid is available only to councils who involve private sector finance and development companies in their housing renovation programmes.

New Bill

The Housing and Planning Bill, just published, includes provisions aimed at increasing council flat sales, speeding up the privatisation of estates, and encouraging councils to hive off the responsibility for what remains of their housing stock. It will give carte blanche to developers to take over public land and housing, forcing out tenants wherever convenient for greater profit – and the government will pay them to do it.

The Bill will:

- Increase the maximum discount on the sale of council flats to 70%: purchasers can re-sell after only three (instead of five) years, with no liability to repay the discount.

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250,000 JOBS AT STAKE

Action Alternatives Information New Threats Contractors Organising

PRICE 50p

Bulk rates — see back page



BL FOR AUCTION

Three separate deals to sell-off British Leyland are underway. The bulk could be sold to American companies. Ford is negotiating to acquire BL's car subsidiary, Austin Rover, while General Motors is keen to take over the Leyland Truck and Land Rover divisions. The Laird Group, which already owns bus and train manufacturer Metro-Cammell-Weymann, is evidently negotiating to buy Leyland Bus. Unlike other car firms BL still buys 90 per cent of its components from British industry. The potential job losses are enormous as the British vehicle manufacturing simply becomes a tin-bashing and/or assembly outpost when and how it suits the US companies' worldwide strategies.

BL PARTS SALE

British Leyland's spare parts distribution subsidiary, Unipart, is to be sold off to a consortium of financial institutions. Instead of another much publicised "Jaguar-style" sale, BL has decided on a behind-closed-doors private sale. The reason? — preparations for the sale have substantially reduced Unipart's profit. Unipart's accounts now show a 1984 operating profit of £8.7 million compared to £14 million in BL's accounts. Unipart is currently funded mainly by an interest-free loan of £110.9 million from BL.

FROM PAGE 1

- Give councils the right to move tenants out of their homes where an estate is sold to a private developer, effectively removing their security of tenure.
- Enable councils to hand over their housing management and maintenance functions to – it appears – anyone approved by the Secretary of State, including private companies, management trusts, housing associations and co-operatives.
- Make government grants available to persons or bodies taking on public housing, including special grants to re-train managers in 'innovative' forms of management.
- Allow tenants to retain the right to buy, whoever takes over an estate.
- Allow other tenants' rights granted in the Housing Act 1980 to be removed when estates are sold off.
- Allow the Secretary of State to provide financial assistance to persons (ie private companies) for activities which will contribute to 'urban regeneration', including the acquisition of land or buildings, improvement and refurbishment, development and redevelopment.
- Press local authorities to establish Simplified Planning Zones in their areas, to allow developers to proceed in certain areas with no requirement for planning permission.

THE THREAT TO TENANTS AND THE HOMELESS

The public housing stock has already depleted by over 3/4 million individual house sales and government policy has brought council house building to a virtual halt. Huge new reductions in the public housing stock will mean less choice, less chance of transfer, and less chance of any permanent housing for the homeless. Security of tenure will become meaningless if it depends on the whim of councils and developers.

Lower rent income for councils will still have even less money available for repairs and maintenance, while councils will still have to pay debt charges on all the houses sold and hived off.

Though the new measures are claimed as a solution to run-down estates, councils are already privatising estates in good condition. The Spencebeck estate in Langbaugh, Cleveland, is an example of a modern, well-kept estate which has recently been sold off. In Tower Hamlets, London, the huge, solid, sound blocks of the Waterlow Estate have been literally given to Barratts in a deal which will return only a minority of the flats to the council, refurbished and for rent.

Smokescreen

The proposal for co-ops and "tenant

supported management" is a smokescreen to disguise the far-reaching effects of the legislation. The government already had the power to encourage such schemes, but has only now chosen to do so. SCAT's analysis of 50 estates in England and Wales sold or on the point of sale, shows that only one estate – in Rochdale – has become a tenants' co-operative. Large private companies such as Barratts, Bellway and Regalian dominate all purchases, the remaining few being controlled by trusts, which are themselves dominated by private commercial interests.

Co-ops con

Many tenants' organisations have long campaigned for increased tenants' control and the idea of co-operatives obviously holds attractions. However, this measure is clearly intended to hive off the responsibility for management and maintenance onto tenants' shoulders, with no mention of providing them with the necessary cash or resources to deal with the problems they would face, not least the huge backlog of repairs and maintenance which exists everywhere.

Tenants' organisations on many estates are already organising against these proposals and in January a delegation from eight estates met Labour MPs with ideas on how to mount effective opposition.

John Birdsall



THE THREAT TO COUNCIL WORKERS

Ironically, estate sales so far have been concentrated in areas of high unemployment, such as Merseyside, Tyneside, Greater Manchester, East London.

These new proposals threaten local authority workers on a huge scale – not just with inevitable job losses, but with transfer of employment to new organisations, with a loss of employment conditions won in the public sector:

DLOs

Direct Labour Organisations in building and engineering have been struggling since 1980 under the Local Government Land and Planning Act and have suffered cuts, job losses, constant insecurity and some closures. The effects of the so-called "Right to Repair" under the 1984 Housing and Building Control Act will begin to be felt this year

– but will be dwarfed by large scale sales and hiving off of estates. Housing repair and maintenance now forms the vast bulk of DLOs' work.

Caretakers and gardeners

Caretaking, gardening and grounds maintenance staff face losing their jobs or transfer to small local employers and almost certainly worse terms and conditions. If their jobs are privatised, we can expect the same results as the privatisation of caretaking and grass cutting has produced in Wandsworth, reported extensively in earlier issues of PSA.



John Birdsall

Housing management staff

Some 54,000 white collar workers in local authority housing are also under threat. Widespread sales and hiving-off of estate management will leave many of these workers with a stark choice between redundancy or transfer out of council employment.

Trade unions

Trade unions in local authorities face a direct attack not only on all terms, conditions and benefits won for public sector workers over a long period, but also on their whole organisations. The intention of striking another blow at public sector unions is as clear in the proposals as is the plan to undermine the role and power of local authorities still further.

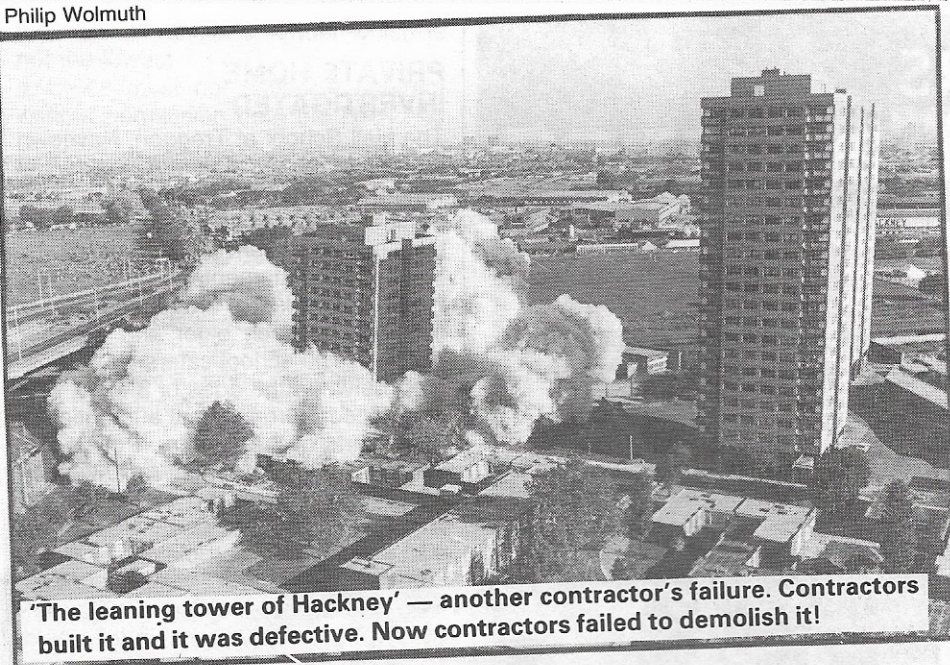
ACTION

In March SCAT will be publishing an action pamphlet for trade unionists and tenants focussing entirely on estate sales. In April, SCAT, SHELTER and the Waterlow Tenants' Association are jointly organising a conference to discuss how estate sales and the new proposals can be effectively opposed.

However it is essential that:

- The likely effects of the proposed Bill are spelt out to tenants, trade unionists and the public.
- Tenants' associations, union branches and stewards digest the contents of the Bill as soon as it is published.
- Preparatory work is carried out now by discussing possible tactics to defeat and frustrate the Bill's intentions, and to work out alternative demands.
- Initial contacts are made between tenants and trade unionists so joint campaigns can be set up.

Philip Wolmuth



'The leaning tower of Hackney' — another contractor's failure. Contractors built it and it was defective. Now contractors failed to demolish it!

CONTRACT CLAMPING

The Metropolitan Police are contracting-out wheel clamping and the removal of illegally parked vehicles in London. Privatisation will release 50 police officers for other duties. The police hope that contractors will remove 200,000 vehicles a year (the Met currently removes 40,000) and clamp 80,000 (the Met only manages 40,000).

PRIVATE SSSSH...

Now sewage is to be privatised. Anglian Water Authority is seeking government permission to privatise part of its sewage operations. Ames Crosta Babcock will build and operate (for 25 years) a new sewage works to serve Peterborough. The Water Authority will pay Babcock for the amount of sewage treated by the works and will also monitor the discharge of effluent.

Cleaners dust down Exclusive

Cleaners at the United Kingdom Atomic Energy Plant at Risley have just won their fight to have wage levels restored.

Christine Hunter, TGWU Branch Secretary told PSA: 'We all worked for Exclusive and last year their contract came up for renewal. They planned to cut wages from £1.71 per hour to £1.50 and holidays from four weeks to none. We totally opposed these cuts and in February took strike action. They dismissed us all a few weeks later and brought in scab labour — scabs that never went through security vetting.

Our campaign lasted until June when we finally won re-instatement for

all those who wanted to go back on £1.60 plus a review plus extra holidays for those with continuous employment ie not the scabs.

From the beginning of this year we will receive £1.71. I'd advise any trade unionists in the same position to fight back. We know if we hadn't they were planning further reductions to £1.30 per hour. One key lesson is that whilst we were morally and financially well supported, physically we were not. People say they will support you on mass pickets but don't always turn up. This physical support is very important and badly needed in disputes like ours.'

CAMPAIGNING AGAINST ESTATE SALES FIRST NATIONAL CONFERENCE FOR TENANTS AND TRADE UNIONISTS

The new Bill threatens thousands of jobs and homes. This is an action conference to plan tactics and strategies.

All speakers will be from local campaigns. One series of workshops will concentrate on current and recent campaigns. The other workshops focus on putting forward alternatives, the companies involved, national action, finding out information etc.

SATURDAY APRIL 12th NOTTINGHAM

Conference organisers are SCAT, SHELTER and Waterlow TA. More details from Tim Shotton, SHELTER, 157 Waterloo Road, London SE1. 01-633 9377.

More News

WATER POLLUTION

The government plans to privatise the ten Water Authorities in England and Wales. A White Paper has just been published — legislation is expected in the 1986/87 Parliamentary session. The ten authorities have total assets worth £27 billion making their sale the largest yet.

The authorities will become separate limited companies and will be sold off one by one. Thames Water probably being the first. Although private water companies already provide about 25 per cent of water supply in England, privatisation will be strongly resisted because water authorities are responsible for river basins including drainage, flood protection and enforcing pollution control. Water metering is also likely to be introduced. Seven unions representing 52,000 water workers have set up a joint campaign (see PSA No.18), contact Alan Jackson, NALGO, 1 Mabledon Place, London WC1. Tel: 01-388 2366.

AIRPORTS BILL

The first steps towards privatisation of airports are contained in a new Bill published on 16 January, aimed at selling off the British Airports Authority by the end of the year for an expected £500 million.

BAA's seven airports including Heathrow and Gatwick will be re-constituted as separate companies, with BAA as the holding company. The measure which the government claims is aimed at increasing competition, including new powers for the Civil Aviation authority and the Monopolies Commission for regulation of airports' activities, and for limitation of cross-subsidies between airports. There are fears that this will lead to pressure for closure of less profitable airports such as Prestwick.

Local authority owned airports will also be made into public liability companies to 'distance them from their local authority owners and to place them on a more commercial footing'. They will be 'encouraged' to introduce private capital.

Current plans in Greater Manchester to ensure retention of Manchester Airport in public sector control after the abolition of the Metropolitan Counties are facing obstruction from Transport Minister Ridley — a clear sign of his intention to force privatisation on local authority airports, despite the apparent softer line at present.

The T&GWU, which has 35,000 members in airports, and NALGO which has thousands of members in local authority airports are planning to campaign against the Bill.

CONTRACTORS Fines & Failures

CLEANING CRISIS

At least three of Crothall's (Pritchard Services Group) NHS domestic services contracts are in deep trouble with the firm facing the sack in all three cases.

Worthing: £16,000 fines

Crothall's cleaning record at Worthing Hospital reads as follows:

	Fine	% of monthly cleaning bill
October 1985	£7,249	25%
November	£4,349	15%
December	£4,349	15%

Worthing Health Authority have written to Crothalls, warning them that unless there are significant improvements the contract could be terminated at the DHA's March meeting. The DHA is increasingly concerned that nursing staff are having to undertake cleaning duties and in effect cover for the contractor.

Croydon: High failure rate

"Appalling" and "scruffy" is how Croydon DHA has described cleaning standards on Crothall's contract (see PSA No.18). The firm has been fined £9,000 in the first five months of its cleaning contract covering 12 health centres and clinics. Staff turnover is high – 87 people have held 25 jobs in just five months. Crothall's agreed to hire an extra supervisor – the person appointed failed to turn up. Crothall's failure rate, monitored by the DHA, has been as follows:

July	75 per cent failure
August	66 per cent failure
September	49 per cent failure
October	44 per cent failure
December	40 per cent failure

Maidstone: DHA gives ultimatum

Maidstone Hospital has given Crothall's until 31 January 1986 to improve cleaning standards. The DHA General Manager, Dr Alan Bussey, stated that Crothalls are "no-where near" meeting the 90 per cent specification target. The firm has been fined every month since the contract started in July. The non-appearance of the contractor's staff culminated in 7 and 12 of the 33 wards having major problems on Christmas Day morning and evening respectively. The same happened on Boxing Day. Nursing staff have been carrying out some domestic duties since the contract started.

Crothall's still employ mainly part-time workers (equivalent to 132 full-time staff) compared to 162 staff previously employed under direct labour.

Philip Wolmuth



TOWN HALL CLEANING FINES

The dismal story of Executive Cleaning Services town hall cleaning contract in Wandsworth continues. We reported a chronicle of fines in PSA No 19.

Below is a further set of fines and damages levied against the firm.

The Deputy Chief Executive and Director of Administration's report states that "serious deficiencies in the contractor's performance continue to occur in the town hall complex. Defaults are supposed to be remedied the

next day but there has been a high incidence of shortcomings which the contractor has taken several days to correct". There is a 15–20 per cent turnover of the contractor's workforce.

131 council staff in the New Building part of the town hall presented a petition to the Establishment Committee stating that they were "disgusted at the state of cleanliness of the toilets" ... and requested "urgent remedial action". Since August 1985 there have been 7 incidents of breaches of security in the council's offices which are being investigated

Accounting period	Partial failure	Complete failure	Default points	Deductions under notices (estimated)	Additional agreed damages (estimated)
				£	£
26 August to 20 September	155	29	137	492.94	341.33
23 September to 18 October	170	17	99	515.93	193.55
21 October to 15 November	131	3	95	332.00	193.55
18 November to 20 December	263	7	203	702.73	402.51
Total since contract started in May 1985				£3,545.99	£1,635.84
				Total	£5,181.83

PRIVATE HOME INVESTIGATED

The Hall School at Treggon, Newtown in Wales, a privately-run residential school for mentally handicapped children, is being investigated after allegations of ill-treatment of children. Nurses have given statements to NUPE citing violence, misuse of drugs, and sexual activities between older and younger children. The school caters for 32 children between the ages of 8 to 19 who are placed there by local authorities in other parts of the country. Powys Social Services Department recently sent an 'intervention team' to investigate the school. Dyfed-Powys Police are also investigating complaints.

INITIAL SACKED

Initial Service Cleaners have been sacked from a 3-year toilet cleaning contract by Kennet District Council near Bristol. The £13,200 annual contract was only four months old when the council's Engineer and Works Manager noticed a decline in cleaning standards and complaints started pouring in. The contract was formally terminated on 1st January 1986. Initial had one man in a van cleaning 28 toilets. He had to travel 82 miles daily and had only 10 minutes to clean each toilet. The council has decided to invite new tenders.

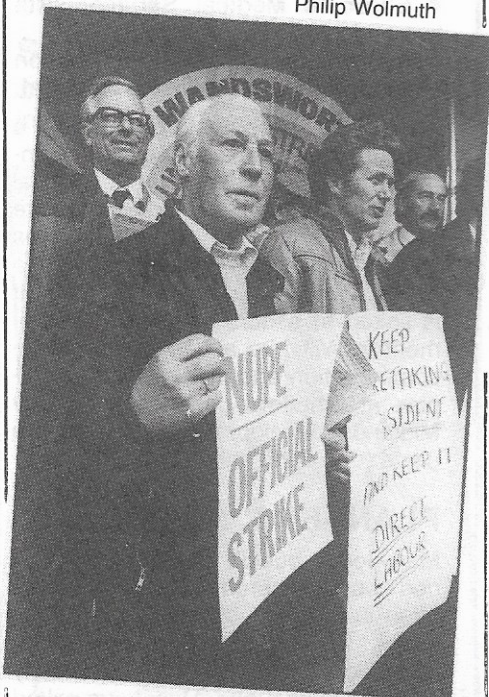
MEALS UNDER WEIGHT

In the first five weeks of Catering By County's meals on wheels catering contract in Merton, 1,223 meals were under weight or inadequately prepared. The firm was penalised £786.31. (Report to Social Services (Meals) Sub-committee, November 1985.)

MAGIC DIRT

The governors of two schools in Thanet, Newington Primary School and Chatham House Grammar School, have passed resolutions condemning the appalling cleaning standards. The schools are cleaned by Automagic under a Kent County Council contract. Cleaning standards had continued to decline at both schools. A tutorial unit at Newington for pupils with learning difficulties had not been cleaned for days. Teachers were having to do essential cleaning jobs themselves. Cleaners had complained that Automagic had not supplied enough cleaning materials. Some workers were owed five and six weeks' pay by the company.

Philip Wolmuth



MORE COMPLAINTS

Complaints have risen by four per cent since R. B. Tyler took over refuse collection for Sevenoaks District Council last autumn. (Tylers also have the Wandsworth gardening contract).

DISTURBANCES AND DAMAGES AT HOSPITAL

High staff turnover, mounting complaints about deteriorating cleaning standards, disturbances and damage to accommodation occupied by RCO Ltd cleaners – all detailed in a report on the Netherne Hospital domestic services contract by East Surrey Health Authority. There has been a high turnover of staff since RCO started the contract on 1st July – over 50 staff had left out of 102 by September. This is partly due to difficult access by public transport. The Health Authority then made a 12 single bedroom block available to RCO cleaners. However, this police have been called on several occasions to disturbances by the cleaners. The costs of damages and repairs have been passed onto the contractor and some cleaners sacked. The Health Authority is now threatening to withdraw the accommodation.

The Health Authority report states that there is an "increasing number of complaints being received (60 in August) of tasks not being carried out, and whole Departments and other areas not being cleaned". It goes on to say that "the inability to recruit and keep staff of an acceptable calibre is leading to deteriorating cleaning standards, and an inability to meet the requirements of the specification". The number of supervisors has now been increased from 4 to 7.

ESTATE CLEANING SERVICES

Two firms, Exclusive Cleaning and Maintenance (Brengreen Group) and Initial Service Cleaning (BET Group), logged 15,136 default points on their estate cleaning contract in Wandsworth between 18 October and 22 November last year. Initial's contract to clean estates in Roehampton (see PSA No 15) and Putney led to 6,259 default points and the council has threatened to terminate the £494,000 annual contract. Exclusive's contract covers estates in Battersea, Tooting and Southfields – there were 4,337 default points in the latter area. Both firms have been fined.

The council received 4,265 telephone complaints in the same period. Assuming each phone call lasts 2 minutes then these complaints amount to one council employee working non-stop 35 hours a week for 3 weeks. The cost to the council would be at least £500 – another public cost of private contractors.

More News

SAVINGS MADNESS

Medway Health Authority puts its catering in five hospitals out to tender inviting nine firms to tender. Only two did so along with an in-house bid which was accepted although the trade unions had refused to be involved.

The in-house bid produced 'savings' of £166,500 over three years compared to Spinney's £200,000 'savings'. Virtually all the 'savings' were on the employers National Insurance payments and superannuation. Since the NHS is in part funded by National Insurance this is a clear example of the government shooting itself in the foot. The real losers are the staff, although needing full-time jobs, have been forced to go part-time as the DHA exploits the National Insurance thresholds. The DHA also spent an undisclosed sum hiring management consultants Green, Belfield-Smith & Co to make a financial assessment of the of the tenders.



Philip Wolmuth

REDUNDANT SHAREHOLDERS

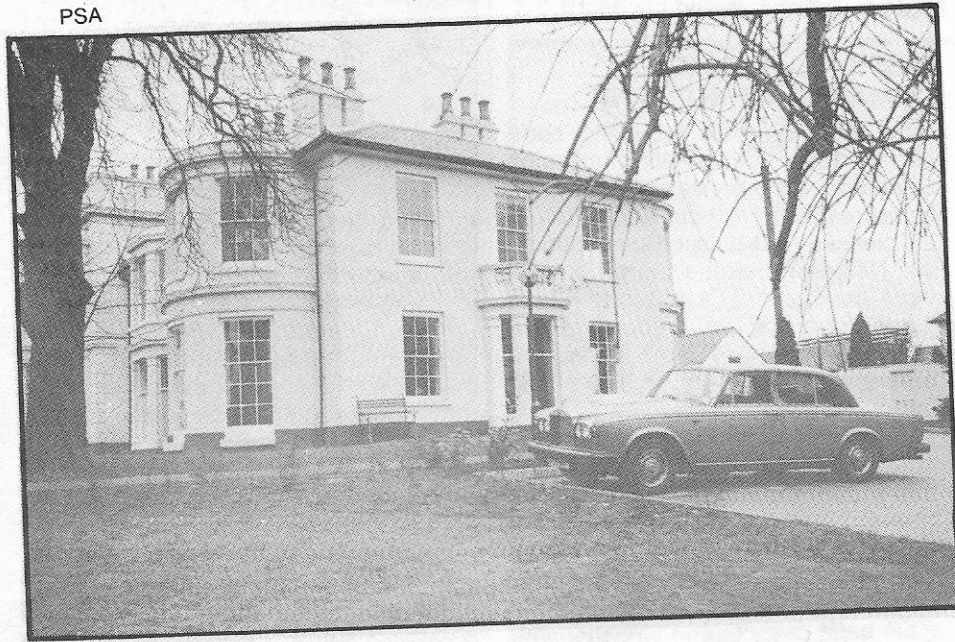
Problems for the much-publicised worker shareholders at the National Freight Consortium, sold by the government in 1982 to management and employees. Up to 1,400 jobs will be lost as a result of management's decision to merge with Roadline parcels subsidiary with the National Carriers Parcels Division. The parcels group had an £8m operating loss in 1985.

PRIVATE GAS

The first private gas supply deal, breaking British Gas's monopoly, is now in operation at the Hatfield Moors Field near Doncaster. The government gave the go-ahead in late December under the Oil and (Enterprise) Act 1982 which allows companies to sell gas supplies direct to other users. Taylor Woodrow plc operates the field, with 1.7 billion cubic feet of reserves for a consortium including Trafalgar House, Rio Tinto Zinc, Elf and James Finlay. Gas is now piped direct to the Innes Lee Industries Brickworks.

Private care exp RETURNS FROM

PSA



Private care for the elderly has boomed under the Tories. But are there signs of an end? Or are new forms of private care emerging? PSA has investigated the Nottingham area and talked to researchers throughout the country.

Private nursing homes and residential homes have mushroomed throughout Nottinghamshire. In 1985 Notts County Council provided 2,143 residential beds for the elderly, voluntary homes provided over 266, whilst private homes provided 973. Private nursing homes provided over 500.

Most of the private homes are run by individuals or couples. However larger groups of homes have recently formed. One owner has expanded to run four nursing homes as well as a 50 place residential home. Another has obtained exactly the same "portfolio" of homes.

PUBLIC HELP

Ironically the Health Authority is helping the private sector through its disposal of buildings and land.

- An old maternity hospital has been turned into private sheltered accommodation together with a 35 bed nursing home.
 - One of the first private lunatic asylums in the country, 'The Coppice,' is being sold, together with 18 acres of land to a secret developer for just under half a million pounds. They plan to develop a huge private sheltered complex.
 - Two further sites are being developed for luxury flats and some sheltered accommodation for sale.
- Two Labour councils have also assisted the private sector in different ways. Nottingham City Council had

control of a covenant protecting a residential area by the River Trent. Last year they "relaxed" this covenant so one private home could be developed and accepted £3,000 in return.

On a larger scale, Notts County Council have been selling off "surplus" school land and buildings mainly to private house builders. Local parents are still fighting some of these sales. One of these Nottingham sites contain an old Victorian school. **Eurocare Medical Services** are buying it to develop 50 sheltered units, a 40 place residential home and, they hope, private day care provision.

"The market is changing. Care is not there. Business sharks have moved in. Everyone is jumping on the band wagon. I'm horrified at the wage rates. Some owners only pay £1.25 for an auxiliary nurse and £1.75 for a SRN and then don't even pay overtime or weekend rates. There's widespread use of untrained nurses, abuse of drugs and the use of YTS trainees. For many it's purely a matter of pounds and pence."

Private Home Owner

Based in Kent, **Eurocare** was formed in 1982 to run nursing homes or similar establishments. Turnover for 1984 was only £9,000 and the company had yet to manage any homes, relying on consultancy fees. The year before it had tried to raise £3 million in health bonds. This venture failed, but cost Eurocare nearly £50,000 in launch fees. PSA asked the major shareholder whether this record qualified the company to undertake such a large venture. "You shouldn't believe everything you read in Companies House!", said Mr Sutherland, "this is only a shell company. I've 30 years' experience of health projects and have worked in 18 countries". He also revealed that he did now own one nursing home, having bought the Abelard in Nottingham in 1985.

OUTSIDE MONEY

In the last 18 months there have been at least three instances of outside cash buying into Nottingham.

- **Eurocare Medical Services** with two projects.
- Anonymous backers using London solicitors to buy the **Coppice Hospital**.

A further development consisting of a nursing home and sheltered accommodation is being carried out by local builders who have formed Springshire Developments. This company has three partners, one in Nottingham, one in Peterborough and one in London. It is linked to a nursing home development in Wiltshire and a sheltered accommodation and nursing home complex at Stamford undertaken by City Midland Developments. There are plans to expand this network rapidly.

PLANNERS' NOTICE

Many local councils have become worried about the spread of private homes, often in intense pockets in residential areas. In Tory-controlled Rushcliffe, councillors are saying privately "enough is enough." They have asked

loits the elderly RETIREMENT

planners to work out ways of limiting growth in a forthcoming district plan.

Nottingham City Council Planning Department have similar worries. They refused applications from owners who wanted to start homes next to a pub, and next to a flyover. Planning conditions have been tightened to confine applications to detached properties which are near shops, bus routes and amenities; and not reached by steep slopes or steps. Houses must have large garden and pleasant outlooks to living rooms/lounges. There must be no over concentration in one area.

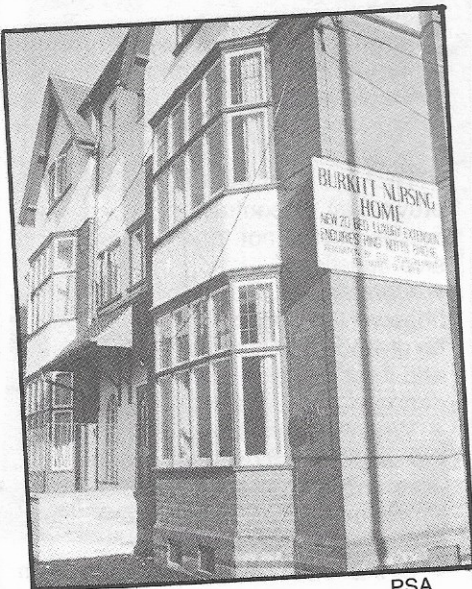
Planning applications continue to flood in, many being for extensions to existing homes. One successful application was for the conversion of a large house into sheltered units, another which has failed twice was to convert a hotel. A trend emerging is for the development of two uses for one building or site, eg sheltered plus residential home or residential home plus nursing unit.

PRIVATE HEALTH

Parrallel to this development, other private health care flourishes. This includes pay beds within the NHS, consultants' work, agency nurses, private hospitals. **America Medical International** (see PSA 18) owns the largest hospital (**The Park**) where a seven-day gallstone operation will cost £1,500 plus consultants' and anaesthetists' fees. It also started a specialist unit for test tube babies last September. Plans are to treat 15 patients each week which represents an annual turnover of £1.35 million.

SCANDALS

Central TV investigated the conditions in a number of homes owned by one



PSA

owners. Legal wrangles and two court hearings have prevented the programme from being shown for 10 months. In the meantime, the owner has put some homes up for sale – two nursing homes in Nottinghamshire are on offer for over £1 million.

Similarly **That's Life** features complaints concerning private cosmetic surgery at the Nottingham Private Hospital in January 1985. The hospital is now up for sale at £375,000 through London agents.



Philip Wolmuth

NATIONAL DEVELOPMENTS

A recent study by Bath University on nursing homes in the south of England found:

- In some areas private nursing provision for long-term care of the elderly far exceeds NHS provision.
- Fees varied from £55 to £335 per week: those owned by companies tended to be more expensive than others.
- The majority of homes surveyed were still family concerns – 39% owned by a couple and a further 37% by one person, companies ran 19%. However some people did also run a residential home or another nursing home as well.
- Whilst some smaller homes have been taken over, big business has not moved in. Instead larger concerns are "hanging back" and "uncertain" on the opportunities and the future of benefits from the public sector.
- Bedroom sizes were below national guidelines in several homes and in one case a health authority had recommended the use of fold-away beds.
- 15% of homes were paying GPs retainers ranging from £55 to £14,000 a year.
- One or more public sector services were regularly used by 45% of the homes eg chiropody, physiotherapy etc.

Authors of the study commented on

the growth of private sheltered housing and nursing units and a new sector of private rented sheltered accommodation. They found: "Supplementary Benefits Regulations have caused a polarisation in nursing homes between those caring for people paying SB and those homes that have gone up-market. There's certainly a good market for the up-market homes. Now the private market is dividing into two distinct groups.

Researchers from North London Polytechnic looked at Norfolk residential homes in 1985. One key finding was what home owners themselves call "burn out". Some owners of smaller homes work all hours to run their homes and find it too much. The new regulations demand for night care and other provisions means that the larger homes will become more profitable. Moreover many owners are adapting their homes to meet the new regulations and are cutting out lounge and public space in order to get in more bedrooms, to increase overall income.

Exeter University researchers now estimate Devon has over 500 homes with 8,000 private residential beds – three times more than the public sector. The expansion continues and the registration section of social services can hardly keep pace.

Their studies found a high turnover of staff, the majority being women who were "poorly paid".

Coupled with this boom is a similar boom in private sheltered housing. One of the most controversial issues has been the different bands of DHSS payments (for the elderly infirm, the elderly and mentally ill etc). Researchers report that DHSS staff are often ill-equipped to judge which rates should be paid and proprietors are becoming the judges of who should get what rate.

ACTION

Clearly the private sector is still expanding despite some signs of "worry" and "nervousness" from home owners. It can no longer be seen as a minor irritant or a sector to ignore. Its size and growth rate threatens the whole future of the public sector facilities for the elderly. Councils like Merton, Croydon, Wandsworth and Bexley have already sold off public homes to private owners. Many other authorities have closed down homes in old buildings for lack of funds to renovate them.

However with some very notable exceptions, the trade union and labour movements have yet to organise a counter-offensive. NUPE, together with SCAT have published "**Cashing In On Care**" and "**Campaigning For Care**" which include many ideas for launching that counter offensive. However **PSA** would welcome further news and ideas.

Health News

BUPA CHIEF ATTACKS 'PURSUIT OF PROFIT' IN HEALTH CARE

In December 1985 BUPA chief Bob Graham launched a thinly veiled attack on US health care giant AMI (see PSA 19), for a rapid rise in private medical charges, which had forced BUPA to raise its premiums by 8-17% for 1986. 'For the first time,' he said, 'the traditional not-for-profit hospital groups and provident associations are facing a competitive challenge from organisations which have entered the market not just to make money out of it, but also to take money out of this country.'

AMI chief, Gene Burlison denied that his and other profit making hospital groups (largely Arab-funded) were responsible for increased premiums, pointing out that BUPA also ran private hospitals for profit.

PPP IN TROUBLE

Private Patients' Plan, Britain's second largest private health insurance company is scrapping its main policy 'Masterplan', because of rising hospital costs and in increasing number of claims. Its new policy 'Family Health Plan' will exclude cover for drug and alcohol addiction treatment, long-term kidney dialysis and infertility treatment. Excess premiums will be payable for a whole range of other treatments.

AMI (see PSA 18), concerned for the profitability of its new ventures into these areas called the decision 'narrowminded and negative' it is threatening to set up its own health insurance company.

MUTUAL MUSCLES IN

A major US health insurance company, Mutual of Omaha, have launched a £7 million promotion campaign in an attempt to win a million UK subscribers within five years. Its last attempt to gain a foothold in the UK private health insurance market ended in heavy losses, but with a new name Health First, a managing director poached from BUPA, they are setting their sights on small companies and the self employed with 'down market' policies.

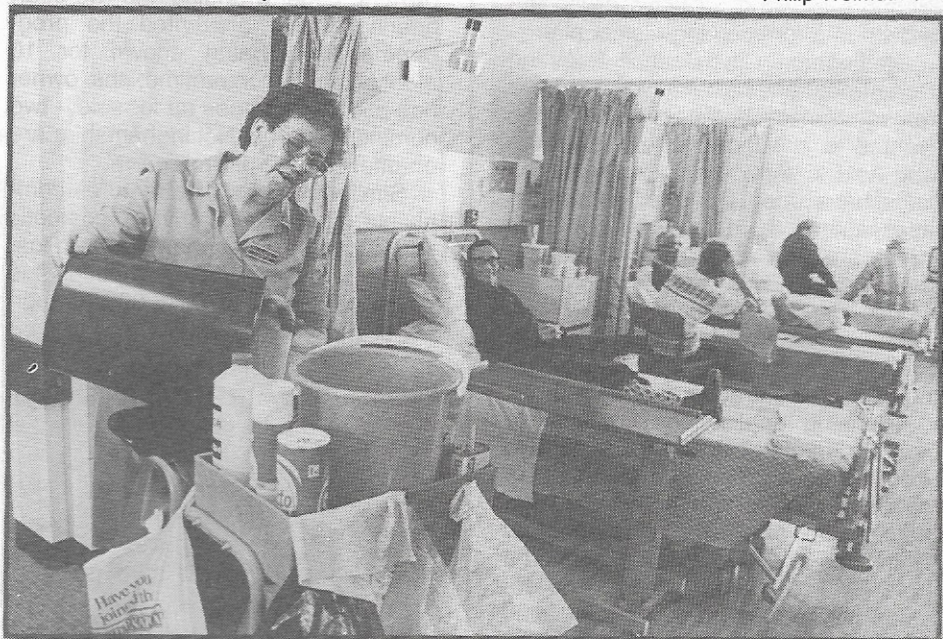
MORE US-STYLE HEALTH CARE

A Californian company FHP plans to open five private health centres in London, with private GP group practices. The centre, for a fixed annual or monthly fee, would provide primary care and buy for its patients private hospital or specialist care when necessary. FHP is one of the oldest Health Maintenance Organisations (HMOs) in the US and claims to be non-profit making (with revenues of \$186 million last year).

NHS TENDERING

Government moves goalposts to appease contractors

Philip Wolmuth



The Contract Cleaning and Maintenance Association (CCMA), the contractors' club, has been complaining to the DHSS that despite all the government efforts to ensure ancillary services fall into their hands, they're not winning enough contracts. Over the last few months, more and more contracts have been won in-house: in June 1985 private contractors held 70% of the 132 NHS cleaning contracts which had been put out to tender, but in mid-January 1986, they held less than 50% of contracts settled.

WORKERS PAY FOR IN-HOUSE WINS

For NHS management the outcome has been most satisfactory: they retain the control they want by using direct labour, but workers have paid a high price in loss of jobs, cuts in pay and hours, and loss of morale. **London Health Emergency** has produced a list of the terms of in-house tenders "won" in 1985, and it makes grim reading. (From LHE, 335 Grays Inn Road, London WC1).

For the contractors, however, expected profits are shrinking before their eyes: and the DHSS has decided to change the rules again to make it easier for them to win. The reputable **Health and Social Services Journal** says in its editorial of 16th January: "the latest DHSS circular, masquerading as a confidential letter to chairmen, seems as if it were written by the CCMA itself..."

"The constant manipulation and tampering with the rules that has become a hallmark of this administration indicate that the government has been more interested in carrying out a political rather than a management objective..."

NEW RULES

The provisions of the new edict from

Victor Paige, NHS supremo, include:

- Making RHAs responsible for making DHAs stick to tendering timetables, documents and rules. (All RHA chairs and most members are government appointees)
- Seeking to stop DHAs from making alterations and additions to the specimen tender documents provided by the DHSS
- Seeking to stop DHAs from:
 - specifying terms and conditions for staff
 - asking for details of union recognition, grievance procedures, or estimated profits
 - requiring performance bonds from contractors
- DHAs should rely on the RHA approved list of contractors – and companies should not to be asked "intrusive questions"
- Contractors should be allowed to observe the service before tendering, be given more time to submit tenders – and if there are no private bids, re-tendering will be expected
- When tenders are being compared, the additional costs for redundancy, severance etc, can no longer, as now, simply be added on to the contractors' price
- DHAs must seek permission from

the RHA to accept a tender which is not the lowest

- DHAs must not cancel a contract without permission from the RHA and DHSS

- If the contract is awarded in-house, this must be monitored as with a contractor, and if costs go beyond budget, the service must go out to tender again

... and much, much more, including provisions designed to give private contractors a better chance of winning laundry and catering contracts, where they have fared badly so far.

WILL DHAs COMPLY?

The CCMA is far from grateful to its friends in high places: its general secretary believes that the health authorities "will hold up two fingers to Mr Paige. They are going to do their own thing in their own way". We have to hope that, for once, he's right.



Philip Wolmuth

STILL ON STRIKE

Domestics at Addenbrooke's Hospital, Cambridge, have been on strike since 1st October 1984. The Office Cleaning Services (OCS) contract is still in deep trouble. Despite successive critical reports on cleaning standards the DHA has refused to sack OCS. The massive turnover of staff and declining standards led to senior nurses, the CHC and other organisations demanding urgent action.

The strikers continue to picket daily for another winter despite having had their caravan removed. A new leaflet is printed daily. The strike has the official support of both NUPE and COHSE. Contact NUPE/COHSE, 31 Thorley Road, Cambridge.

Wandsworth Photo Co-op



Council loses £220,000 battle with contractor

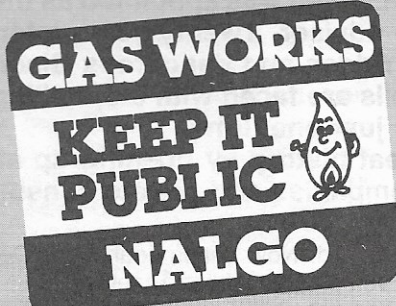
Tory controlled Wirral Council intervened in 1984 to end a two month strike by refuse and clearing workers employed by **Waste Management Ltd** (a subsidiary of the National Freight Consortium). The council agreed to increase the contract price by nearly £250,000 so that Waste Management could improve wages, holiday pay etc.

There has recently been two arbitration cases, the council winning one but losing the other. The council has agreed to pay Waste Management £57,000 annually for the last four years of the contract. However, the company wanted more.

In the second case the council had penalised Waste Management

£220,000 during the two month strike for not removing refuse and cleaning the streets. Michael Morland QC heard the arbitration and ruled that the council could not penalise the company but could deduct and damages and expenses incurred by the council during the strike. These are now being worked out. At the time of tendering the DLO's tender was only £150,000 more than Waste Management's.

Complaints about Waste Management continue to pour in. Ms Beryl Carney, chair of Wallasey Civic Society, stated that the town was in a sorry mess with streets awash with litter and accumulated rubbish. Community groups stated that streets and estates have never been so bad.



The fight over the future of British Gas began in earnest on 28th November, with the publication of the Bill giving the government power to privatise BGC. The measure, expected to be rushed through with many issues fudged in order to facilitate tax cuts, has met opposition on all sides.

The free marketeers on the right have claimed that the replacement of a public monopoly by a private one denies the possibility of competition – and have just pushed through an amendment at the committee stage of the Bill to break the monopoly. The government is concerned that this will reduce the potential revenue from the sell-off, which they hoped would bring £8–10 billion into the Exchequer.

Consumer's interest groups have expressed concern that the legislation will contain no effective protection for the consumer with regard to control of standing charges, repairs and maintenance and procedures for dealing with complaints.

US energy experts have expressed surprise at the lack of state regulation currently envisaged: 'If privatising gas and electricity means you are going to copy our system here in the US, then don't' said US congress adviser Alvin Kaufman.

The TUC has presented a Commons Select Committee on Energy with clear arguments for the retention of gas in the public sector and for a strict regime of state regulation, should privatisation go ahead. (see Information section p12)

The unions in the industry have launched a major campaign against the sell off (see PSA 19). They report that a series of public rallies being held around the country have started very successfully, with good attendances including many members of the general public. Union members have been collecting signatures from the public outside gas showrooms, and report a very encouraging response.

The open commitment of support from the Labour Party for the campaign is seen as important, in bringing local party supporters into public meetings and local events and in ensuring the most effective opposition possible in Parliament. Most importantly, at a time when the Labour leadership appears to be retreating from the principle of common ownership, Roy Hattersley has stated publicly at one of the rallies that a future Labour government will re-nationalise gas, and places a high priority on doing so.

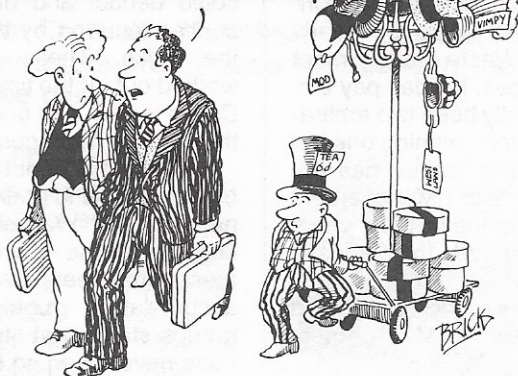
NALGO, the largest union in the industry is balloting its 40,000 gas members on a plan for industrial action as part of the campaign.



Contractors & Consultants

COSY CONSULTANTS

THESE DAYS, I GET THAT
CONFUSED ABOUT WHOM I'M
SUPPOSED TO BE REPRESENTING...



In 1966 Kenneth Wood from Concrete Limited was appointed as the government's industrialised housing advisor. Twenty years later, 150,000 tenants live in damp, defect ridden and dangerous Bison flats built by this firm. Over 50 councils are faced with a spiralling bill and endless problems created by just one firm.

Now the government plans to repeat history by opening up all public housing to private building companies and private consultants.

Last year the Department of the Environment expanded its use of consultants and set up a special Urban Housing Renewal Unit to "revitalise run down council estates." The main work of the UHRU will be privatisation of estates.

Its advisory group includes:

- Sir George Young MP ex Acton Housing Association
- Tom Baron, chair Christian Salvensen Properties Limited. Chair of the Stockbridge Village Trust. (see expose PSA 19) Ex housing advisor to Heseltine. Ex honorary secretary of Volume Housebuilders Study Group 1958-85.
- Harry Simpson. Ex Lambeth housing director. Member Hanover Housing Association.
- Herbert Walden. Director Heart of England Building Society. Chairman Building Societies Association until June 1985.
- Tim Melville-Ross. Chief general manager of Nationwide Building Society.

Consultants include:

Bill Woof. Chief executive Northern Counties Housing Association. Ex director Gateshead Housing Department.

- David Couttie. Housing development controller Halifax Building Society.
- John Gray ex housing director Newcastle. Briefly chief executive for Leech Urban Renewal before it

closed. Now heads John Gray Developments (Urban renewal).

Clearly building company, building society and housing association interests dominate at the expense of council tenants.

SMALL CIRCLES

Moreover consultants can use knowledge gained through government work to further their own work and contacts. John Gray claims that the two worlds are separate "I'm sent to places by the Department of the Environment and I do not do work on my own account in these places. I do however make contact with other local authorities where UHRU is not involved."

Ironically he is waiting to visit Westminster Council on behalf of UHRU at the moment. Deputy leader of Westminster Council is David Weeks who is also a director of PROBE, a new private company set up to assist estate privatisation. PROBE was set up by Lovell (Holdings Limited), the Nationwide Building Society and the Halifax Building Society. Its initial press release featured a welcoming statement by Tim Melville-Ross (UHRU advisor)! On the board is David Couttie (UHRU consultant)!

DOUBLING DENSITIES

Not surprising David Weeks told PSA "We are in close touch with UHRU. Where UHRU recommends local authorities to think inventively we can then help put ideas into practice."

PROBE is backed by £150 million of building society money. One example of the kind of the project they intend to carry out was described by Weeks:

"50s and 60s estate are awash with common parts and lots of space. They've only got 10 houses to an acre. Local authorities often wish to keep rented accommodation. So on one estate we're we're thinking of a rolling redevelopment programme where rebuilding will be to a far higher density and the surplus dwellings will be for sale or perhaps equity sharing.

DEMANDING RENT INCREASE

Tim Melville-Ross recently warned the government that they wouldn't help take over estates unless they are free to raise rents. "We have got to make money out of this - we are not charitable institutions". An alternative to rent rises would be yet more public cash to sweeten the sale. Nationwide are keen to buy a Wirral estate and have asked £22 million from the government to help with repairs!

TENANTS BEAT BELLWAY

Bellway have retired hurt from their bid to take over 340 houses in the Walerton estate in Westminster. Last year their multi-million plan to turn them into 1,800 living units looked set for council approval.

However, following a very active tenants' campaign, the council have backed down and are trying to justify their actions by carrying out "consultation". Mr Stephenson from Bellway says "we are no longer involved, but we might be invited back later."

SCRATCH MY BACK

PSA has pieced together exactly how Bellways arrived at Westminster. Bell-

PAINTING PROFITS

The 'specialist' painting contractors, James Robb & Son Ltd, has a decorating contract with Merton Council. PSA No 19 detailed the shoddy work and the tenants' complaints. The company is owned by James Robb holdings Ltd which is owned by Mr and Ms J. C. Powell. The holding company has not filed accounts since September 1983. In 1984 James Robb & Son Ltd had a turnover of £1,021,920 and a net profit of £11,725. However, the chairperson, one J. C. Powell, paid himself £120,000 in 1984 plus £5,000 to Ms Powell, a mere 7.5 per cent increase on the previous year's £110,000 plus salary!

Contractors & Consultants

ways were anxious to meet Alice Coleman, the DOE consultant, author of *Utopia on Trial*, a study on improving run down estates, and widely praised in the media as the "tenants' friend". So they invited her up to the North for one day to look around some estates. Following this visit Alice Coleman wrote to Patricia Kirwan, chair of Housing at Westminster for whom she was carrying out some consultancy work on the Mozart estate. Kirwan then wrote a memo on 23.8.84 to the Housing Department: "You will recall that Alice Coleman wrote to us a while back saying how she had been impressed with the work that Bellway Homes had done on problem estates in the North. It occurs to me that they might be worth talking to over the Walerton estate and possibly the Grosvenor estate."

When contacted by phone and asked about their connections, both Coleman and Stephenson denied any collaboration in Bellway's Westminster involvement. However when the memo was read to Coleman she admitted that she might have written a letter to Kirwan but "did not remember doing so and it wasn't really very important." Her view of the world was very simple. "In these times any money spent for tenants must be good news. It's all hands to the pump."

More information:

Jonathan Rosenberg (Westminster)
01-960 7620

AGENCY TAKEOVERS

Blue Arrow Group

Blue Arrow Group is one of the fastest growing employment agency, cleaning and business travel firms. It already has two NHS cleaning contracts in Ealing and Macclesfield, a Ministry of Defence cleaning contract, and supplies agency staff to many local authorities and public bodies.

The company is run by Tone Berry, previously finance director of **Brengreen Holdings** (the Exclusive group of companies), who together with Roy Agar, Blue Arrow's cleaning division boss, left Brengreen after major rows with its chairperson David Evans (see PSA No.8).

Berry brought Blue Arrow, then a secretarial agency, with the £150,000 golden handshake and selling £350,000 worth of Brengreen shares. In August 1984 Blue Arrow shares started trading on the Unlisted Securities Market (USM - where smaller companies can issue shares to gain capital). The shares started at 75p and are now at 235p following a spate of takeovers.

Blue Arrow launched into contract cleaning buying **Cleandustrial Ltd** (see PSA No.14) and **Siblyclean**, with a combined turnover of £7.6m, for £3.4m in February 1985. Four months later the employment agency **Reliance Service Group Holdings** was taken over for £7.7m. Reliance's 31 agencies

supplied staff to the Department of the Environment, British Airways etc. Then late last year Blue Arrow made a successful £19.2m bid for the **Brooke Street Bureau** to make it the largest staff recruitment and contract labour agency in Britain with 170 branches.



IMS/Kayward, a small contract cleaning firm in Boston, USA and **Trevor Bass Associates**, a British financial public relations firm, were also taken over in recent months. In January 1986 Blue Arrow announced turnover for the previous year was £34.12m with profits up five-fold to £2.1m. Turnover this year is expected to top £80m.

Berry is keen to further expand the cleaning and financial services' activities. Blue Arrow will also exploit the increasing use of temporary agency and part-time staff by both public bodies and private firms.

NEW ACTION PACK

The most comprehensive and up-to-date material on privatisation and tendering yet available.

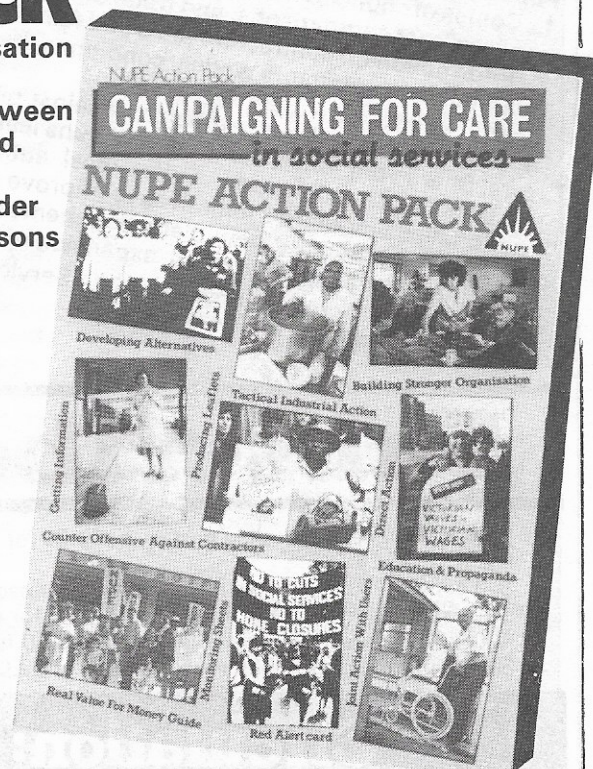
The ACTION PACK contains 11 broadsheets ranging from between 4 pages-16 pages, 4 Monitoring Sheets, and a Red Alert Card.

- ★ Counter Offensive Against Contractors - includes the tender trap, specifications, contract conditions and cost comparisons
- ★ Developing alternative ideas to improve services
- ★ Education and propaganda
- ★ Producing leaflets
- ★ Tactical use of industrial action
- ★ Building stronger workplace organisations
- ★ Trade unionist's guide to value for money
- ★ Direct action by workers and users
- ★ Developing joint action with users
- ★ Working for contractors - job losses, wage cuts, worse conditions
- ★ Useful information - where and how to get it
- ★ Monitoring Sheets on private contractors, agency staff, volunteers, and private residential homes.

PRICE: £3.00

from SCAT, 31 Clerkenwell Close, London EC1.

Tel 01-253 3627



PUBLIC SERVICE ACTION

Information

THE £16 BILLION GAS BILL

This TUC report sets out the TUC's submission to the Commons Energy Committee, arguing the case against privatisation – and for strict regulation of the industry should it be privatised. £2 from TUC Publications, Congress House, Great Russell Street, London WC1.

PRIVATISATION AND TOP

PAY. The latest issue in the TUC's series of pamphlets on privatisation, this details the massive increases in directors' pay since privatisation in 11 major companies.

ASBESTOS: MONITORING CONTRACTORS.

A checklist for trade unions, tenants' and community groups to monitor work by contractors on asbestos, now updated and re-printed. 40p for TUs, TAs, £1 to local authorities, bulk rates available. From PAAC, c/o SCAT, 31 Clerkenwell Close, London EC1.

THE PUBLIC COST OF PRIVATE CONTRACTORS

This Privatisation Audit examines for the first time the detailed impact and costs of contracting out local government services. It assesses the impact in Sheffield on:

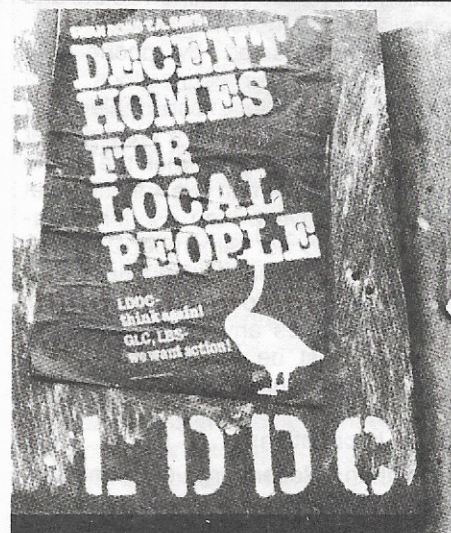
- ★ council jobs and wages
- ★ the local economy
- ★ women's employment
- ★ accelerating changes in the labour market
- ★ the public sector cost consequences of privatisation
- ★ the national implications for jobs and public sector costs

NEW

Copies of the 68-page pamphlet, researched and designed by SCAT, can be obtained from the Public Sector Team, Employment Department, Sheffield City Council, Palatine Chambers, Pinstone Street, Sheffield S1 2HN, or from SCAT, 31 Clerkenwell Close, London EC1.

RESPONSE TO CONSULTANTS' REVIEW.

A detailed and highly critical response by NALGO to PA Management Consultants Ltd review of Hertsmere Council's Housing and Heath, Planning and Treasurers Departments. A NALGO ballot on non-cooperation succeeded in gaining full consultation at all stages and in decisions affecting jobs and grades. It includes detailed arguments against the use of private consultants. Available from Ian Pointon, NALGO, Church Lane House, Church Lane, Chelmsford, Essex CM1 1UW.



FOUR YEAR REVIEW OF THE LDDC

The Docklands Consultative Committee, comprising the GLC, the five dockland boroughs, and community organisations has published this report on the development of the London Docklands in the interests of private profit by the Development Corporation, with no public accountability, no regard to local needs or concerns, and no role for elected local councils' plans. The LDDC is the model for the government's plans for the inner cities – making this report crucial reading. From GLC, County Hall, London SE1.

CAN YOU HELP

Public Service Action urgently needs:

1. Copies of council, NHS and other public bodies reports on the tendering of services, cost comparisons, and trade union submissions.
2. Information on contractors fines and failures.
3. Details of contractors wages, conditions, benefits and employment practices.
4. Regular news about campaigns against privatisation, cuts and contractors. Share your ideas, tactics and lessons learnt with other campaigns.
5. Details of trade union and/or local authority, NHS, civil service and nationalised industries initiatives to improve and expand public services.
6. Information about new plans or schemes to privatise services e.g. contracting out, use of volunteers, expansion of private services etc.

Please write or phone now — Public Service Action, 27 Clerkenwell Close, London EC1R 0AT. Tel: 01-253 3627

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