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THE ANTI-PRIVATISATION MAGAZINE FOR THE LABOUR MOVEMENT

No 23 July 1986

Myth of "competitive tendering" exposed

COMPETITION COLLAPSE

The Thatcher government's obsession with "competitive tendering" has been exposed yet again. The Hawley Group takeover of Pritchard Services in a £150 million deal combines Mediclean Ltd and Crothall & Co Ltd, the two largest hospital cleaning contractors. This comes on top of the recent decisions of Exclusive Health Care Services (Bengreen Holdings), Blue Arrow, and Reckitt Cleaning Services not to seek any more NHS cleaning contracts. The government has also been forced to postpone indefinitely the privatisation of the Royal Ordnance Factories (ROF), the state-owned arms manufacturer, because the government was planning to ignore its own "competitive tendering" rules.



Thatcher viewing the "competition".

Hawley grabs Pritchards

The Bermuda-based Hawley takeover bid for Pritchards came shortly after the latter announced a

£3.4 million loss for 1985 on £412 million turnover. Prichard made losses on its Jeddah, Saudi Arabia street cleaning contract, in ICC Oil Services, and had high US reorganisation costs. It also claims that its hospital cleaning contracts were not making profits. Prichard tried to resist the Hawley takeover but failed to find an American company to make a rival bid. There were also rumours of a merger with Brengreen. By then Hawley had bought 30 per cent of Prichard's shares.

Hawley now succeeds OCS as Britain's largest cleaning contractor. It will now have over a third of all the contracted-out NHS cleaning contracts. The real "competition" will now take place within Hawley itself – which cleaning subsidiary to use to submit a tender for public sector work, it now has Cleaners Ltd, Provincial, Progressive, Taskmaster, Prichard Industrial Services, Mediclean and Crothalls to name but a few under its control. It may alternatively try to maintain the competitive myth by submitting tenders from all its cleaning firms!



Going for a ride with Hawley

Arms race!

With privatisation just a few weeks away the government were forced to postpone the ROF share sale after Vickers Defence Systems bitterly complained that they had not been invited to tender for a £100 million Challenger tank order. The order was to go to the Leeds ROF factory in order to improve the ROF's financial attraction to the city. The government was therefore faced with another political row over ignoring its own competitive tendering rules in order to maximise the takings from the ROF sale (expected to be between £150-£200 million but half the value placed on it two years ago). But neither could the government risk the ROF share deal being a flop just a few months away from the planned £6 billion British Gas sale.

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US Private Hospital bid in Birmingham

UNIONS WIN



NUPE demonstration exposes CPC deal.

A vigorous campaign by trade unionists in Birmingham has defeated an attempt by Community Psychiatric Centres to become the first private health company to build, manage and run a hospital solely for NHS patients.

Community Psychiatric Centres (CPC) a Los Angeles based company (see box) had "offered" to use £8 million of NHS money to build a 160 bed psychiatric hospital on NHS land, which they would then manage, employing all their own staff (except doctors) and charge the NHS per patient-day. Unlike most deals, this would have been solely for NHS patients and would in a few years have been the only psychiatric hospital facility in the Central Birmingham DHA area.

This would have been a major extension of the role of American companies in the NHS, and a threat to the whole philosophy of a National Health Service. CPC, in a conversation with PSA, claims to have 10 or 11 similar proposals in the pipeline around the country.

New Hospital Deal

Central Birmingham and the West Midlands RHA already had plans to build a new psychiatric hospital, but this is budgeted for £14 million and is not due to be completed until 1993. CPC claimed to be able to build for

£7-8 million in 18 months. There is some suspicion that this was a "loss leader" price of the sort familiar in the building industry. Nonetheless, Health Authority management also say that CPC claimed that savings could be made by:

- cutting professional fees, especially architects
- savings on furniture and equipment
- cutting down on "unnecessary space standards".

In other words, a cheapskate hospital for NHS patients - unlike the kind of luxury that these companies lay on

for their private patients. These cuts would have represented the only real "savings" for the NHS since the daily rate proposed by CPC was very little more than the equivalent cost within the NHS. Where CPC would make its profits would be from exploiting its monopoly position in future years, and from employing staff, including nurses, at below the Whitley Council nationally agreed rates.

Loss of Public Control

Objections to the proposal voiced by DHA members, following the campaign by the local branch of NUPE, the West Midlands TUC, and Labour MPs Clare Short and Frank Dobson, also focused on the loss of managerial and public control. CHCs in other areas where CPC (and fellow Americans, AML) operate psychiatric hospitals have been very concerned that such a sensitive area as psychiatric treatment should be so out of the control or influence of DHA members or local residents.

Labour Threat

According to local NUPE activists, a letter from Frank Dobson MP to the DHA Chair was very helpful. He wrote that "this proposition involving the management of NHS hospitals by outside bodies would be quite unacceptable to the forthcoming Labour Government and that it would be terminated by the Labour Government." He gave warning that "If any American company does take over the running of an NHS hospital between now and the election they will be thrown out lock, stock and barrel".

NUPE have now asked for an explanation from Central Birmingham HA and the West Midlands RHA why it is possible that CPC claim to be able to build this hospital for £7-8 million in 18 months.

COMMUNITY PSYCHIATRIC CENTERS INC.

- Specialise in acute psychiatric treatment for "adolescents and adults with psychiatric, emotional and behaviour disorders". Their Annual Report talks a lot about the wonders of modern drug treatments

- dialysis centres
- home nursing services - so far only on West Coast of USA

● Activities in UK

Hospitals:

- Priory Grove, Roehampton, Surrey. 106 beds. Opened 1980.
- Galsworthy Hall, Kingston, Surrey. 21 beds. Alcohol treatment centre.
- Hayes Grove, Bromley, Kent. 55 beds and day care, assessment etc. Opened 1983.
- Woodbourne Clinic, Edgbaston, Birmingham. 60 beds.
- Altrincham Priory, Hale, Cheshire. 42 beds. Just opened.
- Under rehabilitation/construction:
- Grovelands, Southgate, Middlesex.
- Marchwood Priory, Southampton.
- Sussex Manor King Edward VII Hospital, Midhurst, Sussex.

They also run two special units on an agency basis in two BUPA hospitals (Lister and Nightingale).

- They are probably best known for winning the contract to manage one of two new NHS Dialysis Units in Carmarthen (see PSA 7).

NHS Privatisation News Round-Up

NHS Architects Forced to go Private

The Director of Estates Development for North East Thames Regional Health Authority – Mr Roger Johnston, recently of Trafalgar House Investments, the major property developers and asset strippers – is recommending that the region's architects, surveyors and engineering departments be privatised. He proposes that over 100 professional staff are made redundant, but are encouraged to set up their own private companies to tender for their own work. No money has yet been offered, but suggestions are being made that they may be offered guaranteed work, or at least a guaranteed place on the tender list. Private architects' companies are already inquiring about this work, and are approaching staff with offers of jobs, if they bring work with them.

The workload of the NWTRHA departments is valued at £12 million per annum with 78 major schemes planned for the next ten years.

This is the first health authority to consider privatising its professional services,

Slippery Slope

Domestics in Ronswood Hospital, Worcester, have voted 2:1 to accept a one-off payment in place of their bonus, in order to be more "competitive".

The local NUPE branch has reported with some concern that the domestics (who are NUPE and COHSE members) agreed to give up their 25 per cent bonus and if the in-house bid wins they will get a one-off payment of £10 for every hour they are working *after* the new contract, plus £10 for every year of unbroken employment. Only one of the 66 domestics works 40 hours, a few are on 30 hours but the vast majority only work 15–20 hours a week even now. Temporary workers will get no payment. The Health Authority have put aside a maximum of £30,000 to cover these payments.

Worcester HA management now intend to try the same tactic on other support services facing competitive tendering. NUPE Branch Chair Ron Williams called it a "blatant con trick".

DEREGULATING CARE:

Stories of abuse and neglect in private residential and nursing homes continue to find their way into the headlines, proving the need for a stricter, more effective system of public control. Recently reported decisions of Registered Homes Tribunals have upheld deregulation of homes in Cromer, Norfolk, Prestwich, Manchester and Bromsgrove, Worcestershire. This month has produced stories of a 'charities' home for the mentally handicapped in Suffolk involved in assaults on residents and misuse of funds, now closed by the county council.

One of the government's own tribunals has called for further regulations to prevent misappropriation of residents' DHSS personal allowances by home-owners, and from the responsible end of the private sector itself comes a call for extension of the Registration scheme to cover private sheltered housing.

Minister's enterprise plan

Now Lord Young the Secretary of State for Employment concerned that safeguards for the elderly, handicapped and sick might be an obstacle to 'enterprise', has asked the DHSS to consider scrapping the regulations covering private homes, including those concerning registration and inspection, standards of accommodation, numbers of residents etc. For good measure, Lord Young has thrown private nursing agencies into the de-regulation proposal. The DHSS is reported to be resisting Young's proposals and the Association of County Councils has condemned them as 'putting vulnerable people at risk'.



End of Free NHS Specs

The Government has announced its plans to complete the privatisation of NHS optical service. As from July 1st, free lenses and frames will be replaced with vouchers to be "cashed" at private opticians. They will be worth between £14 and £66, and at present prices will only cover

part of the cost; no doubt in years to come the value of the vouchers will be allowed to fall to a smaller and smaller proportion of the actual prices being paid by patients. Those people who need complex lenses will get a subsidy of between £2 and £26 which will be means tested.

Far from the increasing competition bringing down the prices to the level of the vouchers, as hoped for by the DHSS, in fact the opticians' service is increasingly monopolised by

the big opticians' chain stores with more concern for selling fashion frames than for eye care.

The quarter of a million patients still benefitting from free spectacles who will lose out in this latest move, include those on state benefits, under-19s in full-time education, and about 50,000 elderly and mentally ill in long-stay hospitals. The RNIB has attacked the Government's plans and will be monitoring the affect on the visually handicapped.

Improving & Expanding PUBLIC SERVICES

IDEAS BANK: IMPROVING AND EXPANDING PUBLIC SERVICES

Services to Community Action and Trade Unions (SCAT) has started a computerised Ideas Bank of proposals to improve and expand public services. This bank will include details of:

- trade union and user proposals
- planned improvements and extension of services by public bodies which are supported by trade unions and users
- public services recently expanded and improved
- new and innovative public services under consideration

The Ideas Bank will cross reference the type of proposal, service, public authority, trade unions, and town or city. It will also have details of successes, problems, sources of finance, contacts etc.

Following the start of this new section on this page in the last issue of PSA we hope the Ideas Bank will provide an important service to the labour movement. We are particularly interested in initiatives which provide new services or expand the range and level of public services, improve their quality, and change the way they are controlled and delivered. It will also include details of trade union and user campaigns which draw up alternative plans and proposals covering a wide range of council services, housing, transport, social services, health care, as well as services provided by nationalised industries and government departments.

We will announce in a later issue of PSA how the Ideas Bank will operate. Please send details of plans, proposals etc to SCAT, 31 Clerkenwell Close, London EC1.

New public cleaning service

SOUTHWARK WINDOWS

A trial direct labour window cleaning service started by the London Borough of Southwark in October 1985 has just been extended and expanded. Another two person team and van has just been added to the existing window cleaning team.

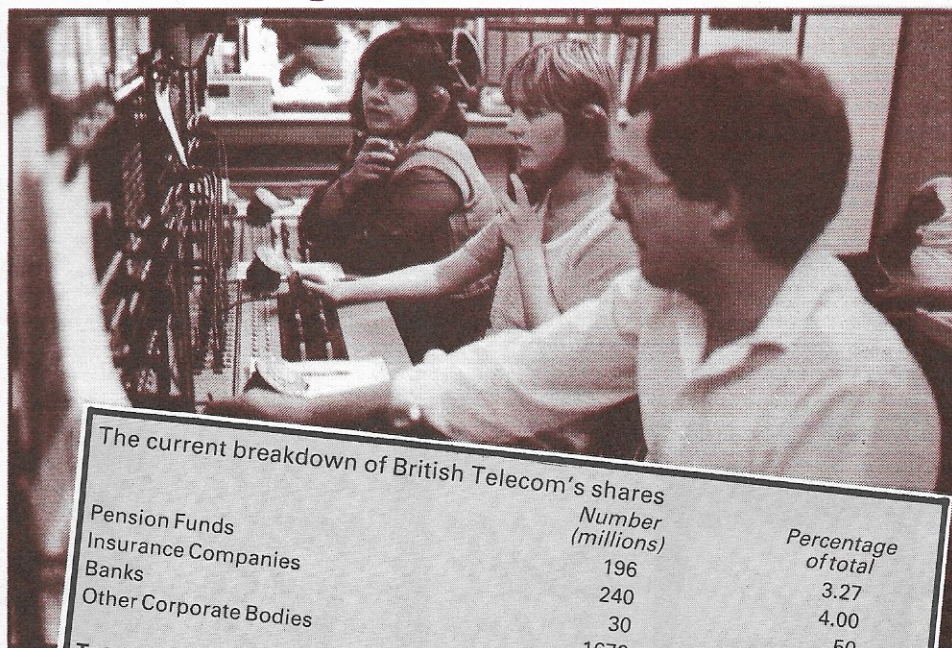
A detailed study is also to be carried out to examine the potential scope of a public window cleaning services across the borough. All new contracts with private cleaning firms have been limited to six months and contractors performance, for example, frequency of cleaning, work checking and approval will now be more closely supervised and controlled.

The manual workers' unions have been pressing for this detailed study for some time. They also demanded that since window cleaning is not

covered by the 1980 Local Government, Planning and Land Act the £98,000 annual work should be allocated directly to the direct labour service to eliminate the wasteful tendering process.

The total cost of the trial scheme using four workers and two vans including wages, all on-costs, supervision overheads, tools and equipment, is £28,340 for a six month period. The trial has been financed out of existing window cleaning budgets.

UCW's plan for BT: a challenge for Labour



The current breakdown of British Telecom's shares		
	Number (millions)	Percentage of total
Pension Funds	196	3.27
Insurance Companies	240	4.00
Banks	30	.50
Other Corporate Bodies	1672	27.87*
Total Institution		
Individual & Workers	2138	35.63
Government	874	14.57
Total Ordinary Shares	2988	49.80
Redeemable Preference Shares (Government held)	6000	100.00
Total Equity	750	
	6750	

*This includes 9 per cent American depository receipts, 7 per cent on the Tokyo market and about 11 per cent held by insurance companies and pension funds.

A two-stage strategy for bringing British Telecom back into the public sector forms the substance of a detailed consultation paper which has gone out

from the Executive Council of the Union of Communication Workers to its members.

It argues the case for a new style of social ownership, as opposed to previous forms of nationalisation, involving decentralised decision making, industrial democracy and accountability to the consumers and public as a whole. A new publicly owned BT should have a monopoly over the main telecommunications network, and be given the authority to acquire Mercury's assets, and to integrate its network into BT. Further, an integrated communications policy, the paper argues, means the integration of BT and the Post Office into a single corporation or under a common board.



The details of the process of bringing BT back into the public sector is discussed in the context of what is likely to be politically possible in the event of an incoming Labour Government facing competing pressures on limited finances. The paper also looks at the political problems of such a government being seen to take away the shareholdings of the workforce (only 5% have no holding at all) of the small individual shareholders and of pension and superannuation funds – including those of the Post Office and BT itself. It argues for a compensation strategy to ensure no gain from speculation in shares since the sell-off, and with the transformation of shares into bonds as the lynchpin. Conversion of shares into redeemable bonds at some future date would vastly reduce the cost of buying back BT. Because bonds carry no voting rights, unlike shares, policy would be determined in the wider public interest, not to safeguard profits and dividends. Bonds would be given to all consumers and workers to ensure that all had a stake in the company and rights to consultation unrelated to wealth: additional bonds could be purchased for investment, but rights would go with being a consumer or worker, not a bondholder.

The strategy for achieving the socially owned BT involves the early introduction of legislation to enact the company's re-acquisition, and simultaneously some immediate action by Government on taking office. This would include the publication of new objectives for BT in line with social ownership plans, the activation of its role as major shareholder to ensure the adoption of these objectives and the replacement of the current Chair and Board.

PRIVATISING THE INNER CITIES

"The role of the private sector will be central . . . and will be of growing, not diminishing importance". John Patten, Government Minister explaining the Government's inner-city strategy to builders in April 1986.

Government policy for the inner cities is moving into a new phase.

Public grants for private profit

Though the Government has continued Labour's Urban Programme, in a much reduced form, it has developed a whole series of other schemes to direct funds for inner city regeneration into the private sector. Urban Development Grants, Derelict Land Grants and other schemes have brought rich pickings for private business, and in parallel, local authorities have lost their powers to acquire land and been forced to sell unused land awaiting public housing development when funds become available, through the Land Register and Disposal legislation.

Concessions handed out to the construction and property lobbies have been numerous, from the Land Act provisions to reduce public sector DLOs to a minimal role, through the Building Act, which severely weakened the Building Regulations and public building control, to current proposals to reduce planning controls on commercial development (still being argued over). Even so, private builders' zeal for inner city regeneration needed the carrot of accompanying "green field" sites to show itself. Now we have new measures to entice builders away from Tory green belt land and to bring them easy profits in the inner city. The new legislation will facilitate direct grants from government to the private sector for urban regeneration projects.

The new Housing and Planning Bill removes the only serious obstacle to wholesale privatisation of public housing (see PSA 20). Patten has declared the government's intention to break up public housing

Enterprise zones bring few new jobs

Less direct public subsidy for private enterprise in urban areas has been available in the Enterprise Zones and Free Ports established in areas of major industrial decline – frequently caused or at the least made worse by the government's own economic policies. These zones, where private enterprise is enticed in by 10 year relief from rates, large property subsidies and freedom from local

authority planning and other controls, have brought about a redistribution of employment rather than creating new jobs. In the first 11 enterprise zones, 75 per cent of the firms had moved in from elsewhere in the same county, 85 per cent from the same region. Now as part of its obsession with "lifting the burdens" on business, the Government is providing for "Simplified Planning Zones" in its new Bill, where local authorities' planning powers will lose most of their force.

Tory model

For the Government the London Docklands presents the living proof of the success of their strategy for private sector led urban renewal. John Patten has announced that the Government is considering the establishment of further urban development corporations on the lines of those in London and Merseyside. These corporations were established under the Local Government, Planning and Land Act 1980, charged with responsibility for urban regeneration through private investment; to be attracted by financial incentives and freedom from regulation, and granted powers to ride roughshod over the plans, powers, needs and demands of local communities and their elected councils. On Merseyside, the only success the Government boasts is the 3 million visitors to the famous Garden Festival, but in the Docklands "only" £250 million of public investment has brought over £1 billion of private investment.

London's Docklands, with its Enterprise Zone made famous by Murdoch's Fortress Wapping, surrounded by much of the capital's worst housing, highest unemployment levels and lowest incomes, provides us with a clear picture of who benefits from the Government strategy – and, as clearly, who doesn't. In its **Four Year Review of the LDDC**, published at the end of 1985, the **Docklands Consultative Committee** revealed the truth about what the LDDC has done for the people of the London's Docklands.

Docklands Story: pages 6, 7 and 8

LONDON'S DOCKLANDS

Public money funds private

London's Docklands – the LDDC Record

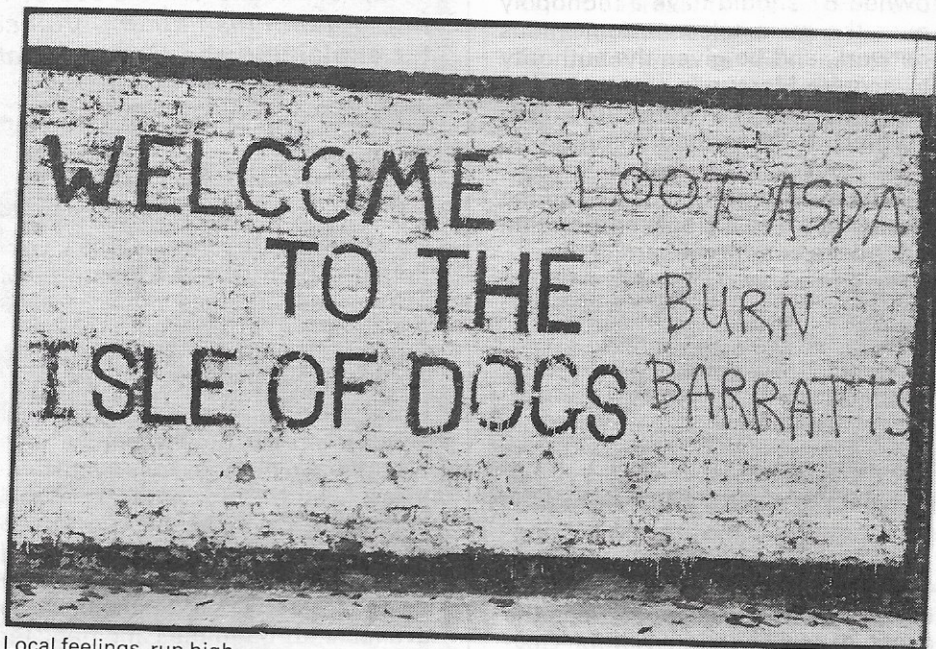
- Housing
- Employment
- Planning
- Equal Opportunities
- Transport
- Land
- Finance
- Canary Wharf

HOUSING: Locals lose out

● The LDDC has released about half the land it has identified for housing. It has spent £45 million on preparing sites for developers. Over 11,000 houses have received planning permission. Despite promises that 25 per cent of the 6,500 houses on their own land would be for rent and a further 25 per cent for "equity sharing", **more than 90 per cent of the housing built in the Docklands has been for sale.**

● Only 12 per cent of the first 2,500 homes completed have been bought by local tenants and as prices rise, the percentage is falling. In the first **Barratt** development in Newham for example, 25 houses out of 184 went to local tenants, in the second, 5 out of 210 went to tenants and in the third, none have been bought by tenants. A survey showed that 75 per cent of those who bought a house in Beckton (Newham) had incomes of more than £10,000 per year. In the three Docklands boroughs fewer than 20 per cent of local people earn that much. At the time of the survey unemployment stood at 16 per cent in Newham, 18 per cent in Southwark and over 20 per cent in Tower Hamlets.

● Not surprisingly numbers of homeless families in the three boroughs have increased dramatically, doubling between 1979 and 1984. Recent figures by Docklands Forum show a rate of increase in homelessness four times that of other inner London boroughs. Housing waiting lists in the three boroughs now total over 25,000. Figures for new starts and for rehousing have fallen dramatically, and



Local feelings run high

the council stock that does remain after sales is almost entirely flats. (90 per cent in Southwark and Tower Hamlets, 60 per cent in Newham)

● The scandals of speculation in Docklands housing are becoming commonplace. New houses bought remain empty and are sold off a few months later for prices 10–20 per cent higher. Despite agreements on prices between building firms and the LDDC before building, the final for sale prices are always considerably higher than the promised prices.

Some houses are now changing hands twice before they are even completed. The **Docklands Property Centre** which claims to be able to get customers houses on any Docklands development and ran a lucrative trade in the flats at Riverside Mansions (bought for a song from Tower Hamlets Council by **Regalian**, and sold for massive profits) which increased by some 30 per cent in value in a matter of weeks is reported to be the subject of investigation by the Fraud Squad.



Gentrification of derelict warehouses, Isle of Dogs, June 1986

DOCKLANDS
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DS developers' boom

JOB: but local dole queue grows

Part of the LDDC's brief was to revive the declining East End economy. It claims to have created 5,700 jobs "which were not there in 1981", of which 2,500 are in the Enterprise Zone, but:

- Unemployment figures are between 15-20 per cent in the Docklands boroughs, as high as 30 per cent in some areas, and have risen over the last few years, here as elsewhere. Rates are proportionally higher among ethnic minorities. Much of the unemployment is long-term.

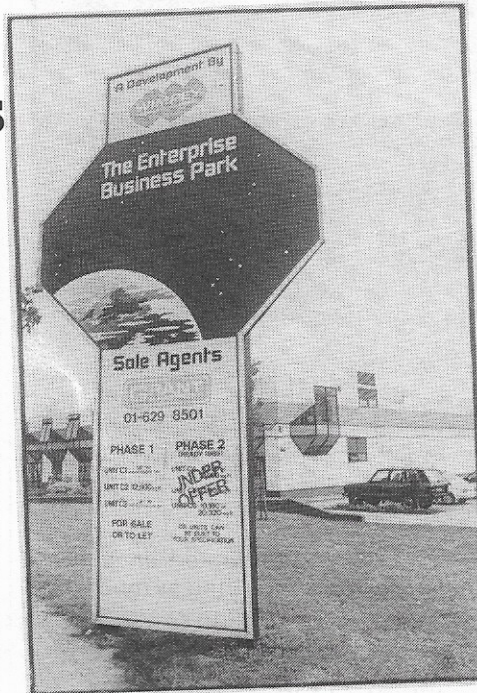
- Firms have continued to close in the area, producing an average of 2,000 redundancies per year in the three boroughs. Though much of this is not the direct responsibility of the LDDC, it has spent only £640,000 in four years on Inner Urban Areas Act grant to firms and has not prioritised retaining existing firms or jobs. Some firms were paid to move out under clearance schemes and moved right out of the area, causing local job loss.

- The aim of the LDDC has been to attract city-based offices and services to move into the area and to attract new types of investment such as high tech and leisure complexes. So far it has drawn in only small scale office and industrial units and high priced housing – Canary Wharf presents the LDDC's hopes to bring in major institutional investment.

- Most of the new jobs have come in small technical and office firms moving into small units. The move of Fleet Street newspapers into Docklands, heralded by Murdoch, and some other firms attracted by the Isle of Dogs Enterprise Zone allowances, represent largely transferred jobs not new local jobs.

A survey in 1985 showed that of 1,400 new jobs in the Enterprise Zone, only 28 were held by local residents Even the construction work has employed relatively few local people because large building contractors tend to bring in their own core staff and sub-contract to firms who may be based anywhere.

- Training for Docklands workers is also thin on the ground. A survey of firms in the Enterprise Zone found only 35 workers out of 360 in the new firms were receiving any systematic training.



Unequal Opportunities

- Large areas of the Docklands boroughs have a proportionately smaller ethnic minority population than London as a whole, but this population is concentrated in some of the worst housing and suffers a disproportionately high rate of unemployment. Thus the lack of rented housing in the Docklands and the lack of job opportunities for local people only adds to the inequalities already existing. The LDDC admits no responsibility for promoting equal opportunities.

- Women form 51 per cent of the population of the Docklands and 40 per cent of the working population, but the LDDC has no plans to provide job opportunities for women, whose unemployment rate has risen faster over the last decade than that of men. There is a great shortfall in childcare facilities in the Docklands and what provision does exist is provided largely by the community sector funded through the Urban Programme. Women's need for good public transport is ignored in the LDDC's transport policy geared to the needs of commuters.

- There is a similar lack of concern for people with disabilities. The corporation has admitted allocating funds for only one house for a trust to purchase for one disabled tenant.

Planning for Profit

The LDDC is the planning authority for the Docklands for the purposes of development control. Local authorities are consulted about planning applications for sites which affect them, but:

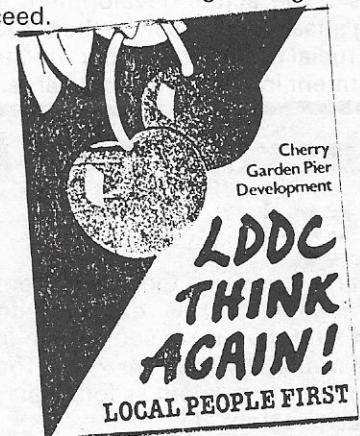
- Only 14 days is usually allowed for consultation, and often such consultations are at a very late stage of development proposals. In 1984-5 the LDDC granted permission on 20 occasions before Newham Council's comments were received.

- The LDDC fails to consult effectively even on major schemes: it failed to consult the GLC on the largest single development ever planned in this country – on Canary Wharf.

- On many occasions the LDDC has ignored the local councils' objections to planning consents and has given way only when a council has powers it can use to stop a development or it is backed by the DOE.

- The LDDC has used its planning powers with no accountability to the public, no regard for local needs and to facilitate development frequently in direct contradiction to the boroughs' statutory local plans and the Greater London Development Plan.

- The closed and secretive decision making progress and the "informal" consultation system used by the LDDC means neither the Forum representing local groups or individual groups are consulted in any systematic way and when information is given out it is frequently after proposals have been finalised. There have been some community successes – such as changes won in the proposals for the Shadwell Basin – where council and community pressures were strong enough to succeed.



Over the last year, action by Southwark tenants has forced the LDDC to release land for public housing on a number of sites, including Cherry Garden Rotherhithe



DOCKLANDS:

Transport

The LDDC's transport policy is geared to the provision of roads, which have absorbed the bulk of its investment in transport so far, and to the building of the **Docklands Light Railway**. The latter is to be geared to the needs of the businesses in Docklands, not, as the boroughs argued, to the needs of local communities. Currently the subject of dispute with the City Corporation it appears increasingly likely that the final tone and form will be determined by the consortium of developers behind the Canary Wharf scheme which is providing a considerable portion of the finance. The single new bus service, the Docklands Clipper which started in 1984, still leaves much of the area unserved by public transport.

The development of **STOLport**, to be developed and operated by the construction firm, **John Mowlem**, was vigorously opposed by the local community which prepared an alternative "**People's Plan for the Royal Docks**". The actual development is going ahead and is seen by the LDDC as a crucial trigger for further private investment in the Royal Docks area.

End of the docks, Isle of Dogs, June 1986.

Land

The LDDC has adopted an aggressive policy of acquiring as much land as possible in order to exercise complete control over the development of the area. It now owns nearly $\frac{2}{3}$ of all land which can be developed in the Docklands, including a huge bank of undeveloped land which will take many years to reclaim. The policy is to reclaim and prepare land for disposal to developers, to clear very large tracts at once, forcing current users act and to prevent any development not in line with the LDDC's plans for the area. The sharp rise in land values is seen by the LDDC as a "barometer" of success in regeneration and pleases Government in reaping high returns from public investment. But in fact it prevents councils from buying land to build public housing for rent and squeezes out local firms. The only winners from the increase in land values, engineered by a public corporation using public funds, are the LDDC itself and developers and owners of buildings on LDDC land.

Where the Public's Money Went

In its first four years the LDDC spent £205 million and is expected to spend a total of over £500 million in public money by the year 2000. The £205 million was spent as follows:

Land acquisition: 26%
Land reclamation: 15%
Transport infrastructure: 18%
Environmental improvements: 7%
Other services (unspecified): 8%
"Community and industry" support: 5%

Housing: 1.4%
Promotion & consultancies: 5%
Estate management: 4%

The spending pattern reflects the LDDC's limited view of its role and of regeneration as wholly a matter of bringing land into profitable use. A total of 41% of expenditure has been to provide and prepare land for private developers, while the figures for spending which benefits the local communities indicates the lack of regard for local needs.

Canary Wharf

The massive £2.4 billion development scheme planned for Canary Wharf represents the logical result of government inner city policy and its irrelevance to local needs and wishes. A development of 10 million square feet of office space on 70 acres, financed by a consortium of US and Swiss banks and to be developed by a US developer Travelstead, is designed to provide the huge trading floors for hundreds of dealers for the new-style financial institutions increasingly dominating the money markets. The development is in the Isle of Dogs Enterprise Zone – with perks to attract the investors and no need for planning permission. The development includes three enormous tower blocks, up to 300 metres high which will have a dramatic impact on London's skyline and run counter to all planning policy in London on high-rise development over the last years. The developers are effectively determining the route of the Docklands Light Railway by threatening to withdraw if they don't get their way, and insisting on massive road schemes to serve the development. (There will be over 8,500 parking spaces provided). The scheme includes 50,000 square metres of shopping space and restaurants, hotels, etc. The developers are talking about creating 40,000 jobs. For whom, they don't say.



And now . . . Water City

Plans for developments worth £1.7 billion in the Royal Docks to create a "water city" have just been made public, including a commercial park, shopping centre, marina, exhibition space, stadium, offices, high-tech units, trade mart, technical centre, hotel and some housing, shops and studios, in three separate developments.

SNATCHERS!



School meals campaign lobbies Bucks councillors

In the face of widespread protest, the Royal County of Buckinghamshire is planning to cut their school meals service to the "absolute statutory minimum", pre-empting the Fowler Review.

This will mean

- no more hot meals at all
- cold food parcels will be provided only for those children whose parents are on SB or FIS – not low wage earners.
- 1,737 jobs lost.

The local NUPE branch is organising a campaign in the schools and the community against this cut. They have had mass meetings of the workers, a petition of at least 10,000 signatures, a leaflet alerting all the Parish Councils, many of whom have joined the protests, and support from local doctors and health service workers. Buckinghamshire County Council claim that the £2.9m "savings" are needed for the new teachers' pay structure, and additional books and equipment. But they admit that 80% of the letters and calls received have rejected this "choice", and oppose the cuts in school meals.

Buckinghamshire, one of the richest counties who already provide the

most expensive school meals, considered other options. They rejected the proposal that they should promote and improve the service as "too expensive". They called in private contractors who admitted that they could not compete on food quality, and the only way they could do it more cheaply was by paying below the nationally agreed minimum; they rejected the "cold snack" option as being uneconomic, since the overheads of transport, minimum staff, food preparation areas etc. would stay much the same.

The kind of snack planned is thought to be similar to that provided in Dorset, with a typical lunch being a cheese and pickle roll, a packet of crisps, a chocolate bar, an apple and some milk. Bucks is a rural area, with many small village schools and only a small number now eligible for free meals – in similar areas, local publicans now provide the sandwiches for school meals.

More News

Betting, bingo and bed pans

LADBROKE NURSING

Ladbroke, the hotels, property and racing group, has taken over the nursing and residential home firm Gable House Properties in a £22 million deal. Gable House runs three up-market nursing homes in the South East – rooms cost up to £325 weekly, and is building two more.

Ladbroke plan to build or acquire between 8–10 nursing homes annually. They already build luxury apartments. Group turnover was £576 last year and they completed a ±£200 million takeover of the Home Charm DIY chain in April. Gable House will provide retirement centres and nursing homes for "People who want first somewhere secure and luxurious to retire and then nursing care".

BREL prepares for privatisation

Another 4,200 – 5,000 redundancies, on top of the 1,750 already planned, have been announced by British Rail Engineering Ltd (BREL). By 1989 BREL will have a 17,000 workforce compared to 60,000 in 1960. Workshops at Ashford, Temple Mills, Shildon, Horwich and Swindon have been hit by closures since 1981. The NUR and other rail unions are convinced these moves are a prelude to privatisation. BREL management claim that no decision has been made yet. Further redundancies and closures seem likely as BREL are forced to "compete" with UK and overseas based multinationals for locomotives, coaches and freight stock. A complete take-over of BREL by General Motors, which already builds locomotives, is also a possibility.

Community Win After 10 Year Fight

For 10 years, a 13 acre site on London's South Bank, Coin Street, has been the subject of a battle between giant property development companies and the local community. The effective organisation and determination of local community groups working together has seen off a range of hotel, office and combined schemes, including (the last) – a solid wall of offices from Waterloo to Blackfriars Bridge. In the '70s they also had the local authorities against them and changes in the regimes at County Hall, Lambeth and Southwark were clearly important to the

eventual result. But this council support was won by pressure and persistence: now, instead of Heron, Commercial Properties (Lord Vestey of Dewhurst Butchery) and Greycoat Estates counting their winnings, the area is to be developed according to the local People's Plan. There will be 400 new homes for rent for people on waiting lists in Lambeth and Southwark (to be built by Coin Street Community Builders) and light industrial units, studios, shops, a new park and riverside walk.

There was a last-minute attempt by London Tories to persuade the DOE to refuse consent for work to go ahead – but following the local election results, the Government gave its approval. A rare win for the people!



Photo by Robert Cowan/Roof

Coin Street celebrates!

More News

LEYLAND BUS SALE

Despite the debacle over the failed attempts to sell off Austin Rover, Leyland Truck, and the Land Rover divisions of BL, the government is pressing ahead with the sale of Leyland Bus. Three companies submitted tenders by the end of June deadline:

- Laird Group, owns Metro Cammell Weymann which builds buses and trains and is Leyland's main UK rival
- Aveling Barford, construction equipment sold by BL in 1983 to US industrialist
- Management buy-out consortium



Leyland Bus employs nearly 2,000 workers. The Laird Group are favourites to win the bidding and their chief executive has stated that their proposals for Leyland Bus "are ruthless and brutal but the only way of bringing the British bus industry back to life".

Graham Day, the new chairperson and chief executive of BL (and previously head of British Shipbuilders) is also a non-executive director of the Laird Group.

PLAYING FIELDS: MOVE AGAINST SALES

In a move to prevent any future sell-off of their playing fields, Rochford DC in Essex has "covenanted" 68 acres to the National Playing Fields Association. The council will continue to manage the fields, but the NPFA will own the land and cannot sell it. The NPFA called for close monitoring of local authorities to prevent them "selling off chunks of precious land to property interests as a quick way of solving cash crises".

Public land and property sales escalate

PROPERTY BONANZA

All the media hype surrounding the sale of British Telecom, British Aerospace and other state operations has tended to hide the substantial sale of land and buildings by nationalised industries, local authorities and other public bodies.

- New town land sales by the Commission for the New Towns rose to a record £105 million in 1985/6, virtually double the previous year's total
- British Rail property sales more than doubled to £153 million in 1984/5
- NHS land and property sales are now running at about £50 million annually compared to very small sales five years ago. The DHSS has ordered health authorities to accelerate the sale of land, hospitals and nursing homes
- About 110,000 acres of "unused" land, the bulk of it owned by local authorities, is recorded in the Land Registers set up under the 1980 Local Government, Planning and Land Act for publicly held land "not being sufficiently used"



The scale of land and property sales has varied between 41-94 per cent of the government's total privatisation proceeds since 1979. If the sale of property by nationalised industries is included then the percentage is even higher.

PRIVATISATION AND PROPERTY PROCEEDS

£ million	1979/80	80/81	81/82	82/83	83/84	84/85
Total proceeds	2,098	1,864	2,237	3,652	3,964	5,057
"Privatisation"	999	356	-79	488	1,142	2,091
Land and buildings	859	1,293	2,100	2,846	2,592	2,536
Retained within nationalised industries	240	215	216	318	230	430
Property sales as a percentage of other asset sales	41	69	94	78	65	50

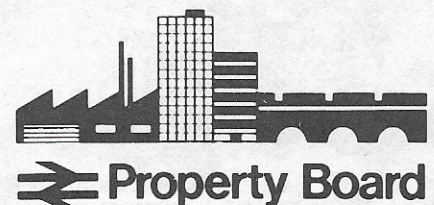
Source: letter from Chief Secretary to the Treasury to Tony Blair, MP.

We're selling our way there

Between 1964 and 1979 79,000 acres of railway land were sold. But with the incoming Tory government in 1979, the British Rail Property Board came under pressure to step up sales and encourage private capital into new developments. By 1st April 1985, the number of railway-owned houses had been reduced from 32,500 to just 1,714. From 1980 to 1st April 1985, over £340 million (gross) was raised from sales of land and buildings. Private developers also contributed a further £345 million to finance projects such as shops, offices, factories and warehouses on railway land. Station trading has also been a fast growing area, with the

increased contracting out of concessions.

Private firms of auctioneers, estate agents and surveyors handling the sales (ninety-five firms were used in the 65 weeks ended 31st March 1985 alone) have been raking in the fees: at rates of between 1½% and 2½% on gross sales, their cut would be around £8.5 million in the last five years.



BUILDING JOBS THREAT: MSC TO TAKE OVER

The first batch of schemes approved by the government's new Urban Housing Renewal Unit are a major threat to public sector housing workers. Eight out of the 23 schemes involve MSC labour and this part has been labelled "Community Refurbishment Schemes".

CRSs were piloted in Merseyside following the 1981 riots. The aim is to carry out "environmental improvements, painting and decorating and dealing with backlogs of repairs on 'selected, run-down and difficult to manage estates'. MSC usually pays the labour costs of the schemes whilst the government and the local council, through Urban Programme funding, provide cash for materials, a local base and project managers and "sometimes a core of skilled

workers".

The eight schemes so far involve Calderdale, Gateshead, Coventry, Blackburn, Wigan, Bradford, Hull and Leeds. Apart from landscaping and fencing, they include work on installing security facilities, insulation and setting up local repairs teams. The total bill is £9.92m of which MSC will contribute £5m.

All these schemes have to be approved by MSC Area Boards which have union representatives on them. Clearly it is in tenants' and trade unionists' interests to establish contact with these reps immediately to block such schemes. The names of union reps can be found either through contacting MSC offices or by contacting the regional TUC who nominate them.

Handing Housing to the people ?

The newly-elected Liberal council in Tower Hamlets have voted to sell off part of the Hadrian Estate in Bethnal Green. This decision was taken against the wishes of the Liberal Councillor for the area, and of the tenants of the estate. A proposal for modernisation was rejected as "too expensive" by the department of Environment, and housing officers were proposing a review of the specification and tenders. Liberal councillors then proposed that "empty flats be sold on the open market, probably to a developer"; earlier in the meeting they had stated that they would not hesitate to evict tenants refusing to move and "would not be held to ransom".

Postcard produced by Walerton & Elgin Tenants as part of their campaign against the sale of their estate.



We are a little worried
about our landlord.

Cantril Farm Crisis

The financial disaster at Cantril Farm in Knowsley (see PSA 19) continues to worsen as the **Stockbridge Village Trust** confesses it can not pay all the interest on the houses it has bought, let alone repay the capital! In desperation the Trust has asked for yet more public funds and its financial demands included:

- an extra £3 million Urban Programme (UP) cash
- a contingency of £2 million UP money to cover unforeseen problems
- an additional £1.2 million to cover VAT to be financed by the govern-

ment and Knowsley Council

- another £2.76 million to demolish the Denes tower blocks which were meant to have been rehabilitated by Barratt
- a further moratorium on capital repayments to Abbey National, Barclays and Knowsley Council and also reduced interest payments to the first two organisations

These measures were all recently agreed by the council who will now be spending an extra £8.96 million Urban Programme cash. However, the council have now said that any further expenditure "will not be entertained" and they have the right to "clawback" up to £5 million "if and when the Trust becomes profitable".

CONTRACTORS Fines & Failures

SPINNEY'S GET OUT

Spinneys have "pulled out" of a £167,000 contract to clean Solihull Hospital and Marston Green Maternity Hospital after only nine months. Following complaints of poor cleaning standards, the Health Authority invoked penalties. Spinneys then asked for an extra £36,000 in order to be able to do the work to the required standard. The Health Authority refused, so Spinneys withdrew. At the time of the tender the bid was thought to be a "loss leader" as it was only 60 per cent of the original budget: 150 lost their jobs last year, and now 110 Spinneys employees are to be made redundant.

Another "loss leader" running into problems is **Crothall's** contract to clean Yardley Green Clinic, East Birmingham. Their bid was 50-60 per cent below the existing budget, and the Health Authority queried whether the service could be maintained at the hours being offered, Crothalls reassured them, but now poor standards and sightings of cockroaches are reported.

MORE FAILURES

Mediclean reported to have been slammed by local environmental health officers' report of their cleaning operation at Hammersmith Hospital in London, though the report has been hushed up. At the Royal Halifax hospital, Mediclean staff walked out last November in protest at 'impossible' work being asked of cleaners such as cleaning the X-ray department in 15 hours, where 38 hours was allowed before tendering.

Initial (ISC) faced financial penalties over their performance at Meadow Bank Hospital in Nottingham only 2 months into their domestic contract for failure to meet the specifications.

GOLDEN DUSTBIN AWARD

Wandsworth Council leader Paul Beresford recently received the Golden Dustbin Award from Radio London after Wandsworth topped a phone-in poll to find the dirtiest streets in London. Surely a major compliment to street cleaners **Pritchard Services Group** and refuse collectors **Wastecare (Browning Ferris Industries)**. Of course it was a mere co-incidence that Ealing came second - their streets are cleaned by **Exclusive Cleaning Services** (Brengrreen Holdings).

PUBLIC SERVICE ACTION

Information

LOCAL WORK: CLES Bulletin

No 1 June 1986. £5 annual sub from Centre for Local Economic Strategies, Heron House, Brazenose Street, Manchester M2 5HD. First of a new regular bulletin which contains articles/briefings on alternative local economic strategies, arms conversion, women's training, the recent Homes and Jobs conference and other local employment issues.

AT YOUR SERVICE Labour's Charter for Better Local Services. £1.50 from Labour Party, 150 Walworth Road, London SE17. Covers initiatives to improve local authority services by Labour-controlled councils and sets out, in general terms, a plan for local government by a future Labour Government. Uses several local trade union initiatives to improve services but doesn't always understand their aims and strategy. This positive effort is however ruined by a dreadful cover, boring layout and rather excessive cost for 13 pages.

THREE PRIVATISATION EDUCATIONAL BROADSHEETS

- Trade union action against contractors
- Alternative Demands
- Contractors: Job Losses and Wage Cuts

Ideal for educational workshops and courses for trade unionists and tenants and adult education classes. The first one explains the stages of tendering, the tender trap, specifications, contract conditions, and cost comparisons. The second explains why alternative demands are important, ways of developing joint worker-user demands, and examples of joint proposals. The third details the job losses, wage cuts and the impact on working conditions when contractors take over. Price: Pack of three for only £1. Bulk rates available.



Merton's Accounts Fiasco

Merton Council has not published any accounts for three years, ever since it started to hand over parts of its Accounts Department to private firms. A proposal that the whole department should be privatised was defeated (see *PSA 11*) but since then an increasing proportion of the work has been farmed out; last year they spent £800,000 on private agencies, and the department has many unfilled vacancies.

This has come to light because the Tenants' Federation want to examine the accounts.



MORE PRIVATE BENEFITS

At the same time as a new report from the **Disability Alliance** exposed the disastrous effects of privatised sick pay with the Tory SSP scheme, social security minister Tony Newton announced Government plans to privatise maternity benefit. Amendments being introduced to the Social Security Bill, **Statutory Maternity Benefit**, payable by employers, will replace maternity pay now claimed directly from the Department of Employment and maternity allowance paid by the DHSS. Eligibility for claiming and benefit levels are also to be changed.

In spite of the government's claim that the scheme, the first example of privatisation in social security, has been a great success, the report concludes that it has caused numerous problems. One third of all payments have involved errors, employers and employees alike show ignorance of the scheme's workings, and the monitoring and enforcement of statutory sick pay by the DHSS have been inadequate.

(Statutory Sick Pay: the failure of privatisation in social security, from the Disability Alliance ERA, 25 Denmark Street, London WC2, £2.50).

Photographs by Philip Wolmuth unless credited otherwise.

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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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