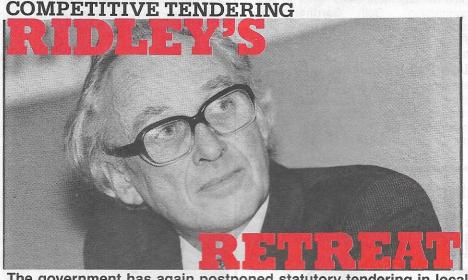


Action Alternatives Information New Threats Contractors Organising PRICE 50p Bulk rates – see back page

THE ANTI-PRIVATISATION MAGAZINE FOR THE LABOUR MOVEMENT



The government has again postponed statutory tendering in local government. The Bill was widely expected to be published in February 1987. But Nicholas Ridley, Secretary of State for the Environment announced that the legislation had been shelved but they would press ahead "either before, or after the general election".

Only two weeks earlier, Christopher Chope, a junior Environment Minister and ex-leader of Wandsworth Council, responsible for the legislation, had spelt out the contents of the Bill at a national conference. The legislation was to cover refuse collection, street cleaning, cleaning, catering, ground maintenance and vehicle maintenance. Consultation papers would also be issued at the same time proposing inclusion of sports and leisure management and waste disposal.

ELECTION ISSUE

The planned legislation has not been abandoned but delayed. Clearly the Tories are planning for a general election in May or June. The legislation would not have been straightforward with potential conflict and legal problems over specifications and contract conditions. Many Tory controlled councils were opposed to the compulsory aspects of tendering. The government also didn't want to risk running into more problems in the Lords.

RIGHT-WING FRUSTRATED

The government were frustrated that they couldn't simply impose a stringent legal framework on local authorities to force as much contracting out as possible. They had already had to concede that:

• because the nature of the services, local authorities would not have to accept the lowest tender

• they could not stop contractors being required to abide by the race and sex discrimination laws or the health and safety legislation

 local authorities would be allowed to specify the use of local labour

These were seen as loopholes for any determined anti-privatisation councils.

The delay does at least give Authorities the time to improve their services and sort out their employment practices in preparation for any future legislation.

No 27 February 1987

BRIEF RESPITE?

Legislation delayed now is likely to be the first to be implemented if the Tories win the General Election. However, statutory tendering in council services has to be seen in the context of Tory plans for more repressive trade union laws, privatisation of water, electricity, coal, post office, health and education, and the increasing marginalisation of local authorities by channelling expenditure through Urban Development Corporations, and other private agencies and QUANGOs. Any Tory/Alliance coalition will see the speedy implementation of statutory tendering - and it's unlikely that a Labour/Alliance deal would guarantee the abandonment of these proposals.

PROCESS WILL CONTINUE

In Tory controlled councils, the privatisation process will continue. The delay in legislation gives the trade unions a chance to concentrate their energies and resources on supporting their members in continuing struggle in those areas and in the NHS and other parts of the public sector still under attack. The pressure on councils to privatise housing renewal, sell estates is increasing. Ridley is promising a new scrutiny of DLOs. Private social services provision continues to expand and diversify with DHSS subsidy as councils and DHAs are forced to refer clients to private services because they have totally inadequate resources to provide their own care. The moves towards ending national pay bargaining in the public sector will be the new challenge for public sector unions.

Local government will be a central issue in the coming election, and much abuse wil be heaped on left-wing councils in the run-up. The defence of local government must include a defence of those councils who are attempting to provide and expand good quality services, maintain and create jobs and meet the real needs of the communities they serve.

WESTMINSTER CITY COUNCIL PLC

Regardless of the Government's retreat on compulsory tendering, Westminster continues to pioneer Thatcherite policies. They have decided to put 13 services out to tender in the next 12 months. They are:

refuse collection street cleaning vehicle maintenance transport services i.e. social services ambulances catering services cleaning services printing refuse disposal transfer station ground maintenance housing estate management with 2 pilot projects leisure centre management public conveniences housing estate cleaning and a large proportion of the legal

work involved in contracting out! The Chief Officers are authorised to

draw up in-house tenders, where they "consider it appropriate". Any in-house tender will have to keep separate accounts and keep "at arm's length" from the 'parent' authority.

Fixed Fees

Meanwhile, **Gardner Merchant** and **Sutcliffes** have both been doing reviews of Westminster's catering operation, i.e. residential homes and day centres for the elderly , handicapped and mentally ill, meals on wheels, day nurseries, leisure and sports centres and staff and official catering. Some of it is already privatised. Not surprisingly, both Consultants conclude that Westminster needs to buy in highly paid management skills "prior to subcontracting". Both **Gardner Merchants** and **Sutcliffes** happen to offer Fixed Price Management Fee Contracts!

Low Pay Bargaining

Westminster have also announced that they are planning to withdraw from national pay bargaining, following the example of the Thames Water Authority.



The sale of British Airways shares turned into yet another bonanza with the 65p partly paid shares ending up 68 per cent higher at 109p at the end of the first day of trading on the Stock Exchange. The shares opened at a massive 82 per cent premium. The Government sold BA for £900m but the stock market was immediately valuing BA at some £316m higher on the partly paid share basis.

Speculators go for quick profits

Four million shares were sold within five minutes and by the end of the first day 145m shares – 20 per cent of the total – had been bought and sold.

Quick profits were anticipated once the shares were priced at 125p. Only a few weeks earlier a price of 140p was expected and John Moore, Transport Secretary, was talking not of widening share ownership but 'deepening it'. The government was clearly worried that a British Gas type share sale for BA would remain stranded on the runway. Originally, the BA share sale was geared to financial institutions and overseas investors with only 20 per cent of the shares allocated to the public. However, once it became clear that speculators could make large immediate profits the sale soon became oversubscribed. In

the end the public were allocated nearly 40 per cent of the shares, 37 per cent to financiers, 16 per cent to overseas investors, and the remainder to BA employees.

Workers' voting rights

The TGWU and other unions representing the 40,000 BA employees wrote to all workers asking them to sign over to the unions their voting rights on their shares. Collective voting would mean that workers and their trade unions would have a far greater influence in BA than thousands of individual employees with only a handful of shares. The Cooperative Bank and Unity Trust worked with the trade unions to devise the scheme. Within a few days the TGWU reported well over 1,000 responses. Compusory tendering is really a plan by a caring government in partnership with philanthropic contractor companies to provide a career guidance service.

At least that's what Environment minister Christopher Chope would have you believe, and he backs up the claim by pointing to his old stamping ground, Wandsworth.

Chope, leader of the south London council when it set out along the privatisation road back in 1981 has front bench responsibility for the government's continuing commitment to force local authorities to put services out to tender.

But his past caught up with him when he addressed a "Successful Competitive Tendering" conference in London in early February and was quizzed by trade union and local government representatives there about the government's extravagant claims for the tendering experience in Wandsworth.

Chope had pointed to his former borough as a model of what the government was aiming for, but he was caught out when asked to comment on the fact that 1,200 workers had occupied 180 cleaning jobs during just three years of a Pritchards cleaning contract.

Thinking on his feet – or possibly with them – Chope said: "Do we really want to have people who make a permanent career of street sweeping? Is there anything wrong with street sweeping being an activity people choose to do for only a short period of their working life?"

So now you know. The optimum period to be a street sweeper before going on to brain surgery, film directing or whatever is 7.8 weeks – and it's not just the contract staff who have used Wandsworth as a springboard to international stardom.

Getting the sack had been the big break also for the council's previous direct labour staff, Chope suggested, for they have been "released to go away and do some more imaginative work".

In his speech, Chope underlined the central point of compulsory tendering – to casualise labour, cut pay and conditions and smash trade union organisation – when he emphasised that "competitive tendering is not – as is often alleged – just a euphemism for privatisation".

"There are several examples in Wandsworth where testing the service in the market place finally led the workforce to accept more efficient working practices and thereby beat all private contractors. It is amazing how efficiency can improve when the mind is concentrated."

Civil Service NEW ONSLAUGHT

MORE CONTRACTING OUT Central Government departments are again under pressure to accelerate the contracting out and hiving off of areas of their work. Guidelines from the Central Purchasing Unit issued to all departments in December propose putting out to tender a vast range of services including recruitment, publicity and sales, accounting, building plans, data processing, grants and loans processing.

NEW DATA NETWORK

There is growing concern about the plan to hand over to the private sector the contract for the new 'big brother' Government Data Network which will enable information to be exchanged between the Home Office, DHSS, Customs and Excise and Inland Revenue. A major US company, EDS, subsidiary of General Motors, is fishing for the contract - and other big Government contracts, with a high pressure lobbying in the UK and hospitality for British officials in the US. A Guardian exposé last December of the company's advice to its employees on how to evade British immigration law and lie to immigration officers was followed by the surprise award of a £10 Passport Office contract to a UK rival. But the Government Data Network offers much richer pickings, being worth £2000 million, and the company is also pressing hard for contracts from the MOD, immigration service and the police.

CUSTOMS AND EXCISE

With no public or parliamentary announcement, last month the Customs and Excise Department sold off its information marketing work. Detailed trade figures used regularly by some 3,000 companies and individuals will now only be available from 6 private 'marketing agents' which have bought the sales franchise for £10,000 each.

PROPERTY SERVICES AGENCY

The giant Property Services Agency responsible for the building, maintenance, and running of all government owned buildings has seen many of its sections hived off or privatised over the last few years. Since 1972 staffing has dropped from 45,794 to 25,401. Now it comes under renewed attack from a Treasury report to Ministers proposing its complete dismantling – with its functions divided between the Home Office, Lord Chancellor's department, DHSS, Employment and Inland Revenue. But the plan of course is not just about hiving off – private companies would be allowed to compete for the supervision of the 5 ministries' major programmes – the building of prisons, courts, benefit offices, job centres, and tax offices.

The proposals came to light in January after questions to a Treasury under-secretary in the Commons Environment Committee. Stop press: Ridley now appears to have

a new plan – to put the agency under commercial management and force it to tender for work in competition with the private sector.



DOCKYARDS DECISION

Unions at the Rosyth Royal Dockyard are planning industrial action to oppose the likely handing over of management to Babcock Thorn. The decision to hand over the Devonport Dockyard to a US led consortium has provoked fury among MPs as well as the trade unions. The consortium which includes the Weir Group, a British engineering company, and Barclays De Zoete Wedd, a city banking and stockbroking group, is led by the US owned Brown and Root group - which transferred its business with Libya to its UK office when Reagan imposed a ban on business with the Libyan Government by US firms. Fears of large scale redundancies on an already high level of unemployment in the Plymouth area led junior Defence Minister Archie Hamilton to state "I don't think it is the job of the Ministry of Defence to subsidise jobs in Plymouth".

ROFs SALE NEARS

The Ministry of Defence has set a deadline of 7th March for sale of its remaining Royal Ordnance Factories. There are said to be two companies still seriously interested in the bidding: **British Aerospace**, and **GKN**, but **Trafalgar House**, **Ferranti** and **FKI Electricals** are still being mentioned. **ICI** claims to be interested in the explosives factories, but not the whole ROFs operation. The ROFs Chief Executive is arguing for a sale of the whole company, not piecemeal sell-offs, and the unions are still lobbying MPs against the whole privatisation plan.

Rover Asset Stripping

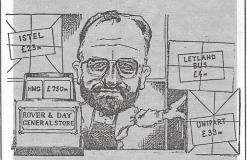
The planned privatisation and asset stripping of the Rover Group continues.

The much delayed sale of **Unipart**, the spare parts and accessories division, has gone ahead to a consortium of management, employees and financers led by the **Charterhouse Bank**.

The deal and the opportunity to buy up 12% of the shares was explained to groups of **Unipart**'s 4,000 workers at a specially arranged three hour floor show at the University of Warwick Arts Theatre in January. Dancers sang specially written songs like "*We're Going to the City*".

Under the deal management will take 10% of the shares now with the possibility of a further 10% later. **Rover Group** will retail 21.67% and receive £30m in cash plus a further £15m if **Unipart** achieves certain profit levels, and an extra £7m if and when the firm is floated on the stock market.

Unipart is already profitable – £6m in 1985 on £366m turnover. Profits of £11m are expected for 1986. The firm has assets of £73m.



BUS DEPARTURE

A similar type of consortium has brought Leyland Bus from the Rover Group for £4m. A consortium of Bankers Trust, the Bank of Scotland, management and employees now own 72% of Leyland Bus. Employees are being offered a 16.1% stake. A further 12% stake is being held in reserve for other shareholders including Lancashire Enterprises, the Lancashire County Council enterpise board which originally made a bid.

The consortium originally agreed to pay £11.7m in a deal which included a 1/3 stake in **Leyland Parts**, the truck and bus spare parts division, but this has been excluded from the new deal.

Following £33.2m pre-tax losses in 1985, **Leyland Bus** cut over 750 jobs last year and closed the Eastern Coachworks at Lowestoft. The current workforce of 1,250 at Preston and Workington are expected to produce 1,000 buses this year – down from 1,200 in 1986.

CONTRACTORS Fines & Failures

ISS: They Still Can't Clean Schools

ISS is in trouble in the first phase of their huge cleaning contract in Lincolnshire. The county council's Contract Manager admits that **ISS** are having "serious recruitment problems". The company's confidence that they could easily recruit cleaners at wages 20% below direct labour rates seem to have been misplaced.

A report from NUPE shows:

• Almost all establishments in the county have had less than the full compliment of regular cleaning staff since the start of the contract.

• There are daily complaints from head teachers and managers about inadequate cleaning and hygiene standards.

• Cleaning staff are being bussed into the county every day from Leicester, Peterborough, Nottingham and even Yorkshire.

• ISS are leafletting local council estates advertising for workers, and placing anonymous adverts in the local press.

• A £5 bounty is being offered to employees (or school caretakers) who recruit another worker – with a further £5 if the recruit lasts more than two weeks.

• In some areas **ISS** have been froced to offer $\frac{1}{3}$ more hours pay than the individuals have to work – giving a rate of £2.25 per hour, when the rest of their employees are getting just £1.70 an hour.

• Because the cleaning in many schools isn't finished by 6pm, the council is receiving overtime claims from school caretakers. These have been passed on to **ISS** – who have therefore started paying backhanders to caretakers to keep schools open after 6pm, or open them up later in the evening.

 One school caretaker was asked to moonlight for ISS as a site supervisor.

• There is no training of cleaning staff and the council has had to intervene several times to stop 15-year-old children being used.

 Health and safety at work is being completely ignored by the company. No disinfectants or floor cleaners are being used. Low quality equipment like brushes and dustpans are frequently breaking.

Council's errors

The council got it all wrong too. Their Contracts Unit has been increased to six and is already overspent. It turns out that they measured the majority of buildings wrongly and specified one clean a year for windows instead of three. Thus a new contract price is being negotiated already: promised "savings" must be shrinking fast.

CONTRACTOR TURFED OUT

A 10 hour day, six days a week, for £2 an hour with no enhanced rates for weekend work, no sick pay, no holidays, no facilities, no health and safety equipment – these were the conditions on the **Landscape Control Services** grass cutting contract with Boothferry Borough Council, Goole, last year.

The firm won the three year contract by submitting a £75,000 tender, nearly half the next highest bid at £144,000 followed by the DLO at £146,000. Four other firms submitted higher bids. The contractor was supposed to employ six workers but the owner and two young people were engaged. Grass in parks, housing estates, highway verges etc had to be cut a minimum of 10 times a year. But specification said nothing about picking up and removing grass cuttings so the firm simply cut the grass and left it.

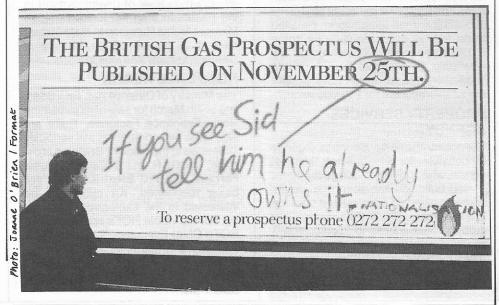
The York-based firm had bank references and claimed to have worked for the Regional Health Authority which impressed the council. When NUPE investigated these claims it turned out that the firm had maintained a small garden at the front of the RHA's offices. NUPE had warned the council that the contract couldn't work. They also reported the firm for breaches of safety regulations. As soon as the contractor started in April standards fell and complaints mounted. The union publicised all the failures in the press. The contract was terminated at the end of May by "mutual agreement". The work is again being carried out by the DLO.



Dirty Merton

Provincial Services – part of the **Hawley** empire – are still unable to clean Merton's schools. Since last September they have been penalised 14 times and fined £6934.68 – and that's only for what even Merton considers to be "*serious and persistent infraction of the requirements of the contract.*"

Meanwhile the contract price has gone up by 20%, but the **Provincial** workforce have not had a pay rise since the contract began and still get paid just $\pounds1.90$ an hour.



ARA in Wandsworth **MEAN MEALS FOR OAPs**

Next time Ridley mentions the "savings" achieved by Wandsworth privatisation, a recent report on the activities of USD-based ARA Catering Company throws light on how those savings are achieved.

ARA have the contract for 10 old people's homes in the borough. In the last 12 months they have been fined only £1,113.33 for 31 offences. They include occasions when not enough food was provided, or what was provided was "unsatisfactory", an evening meal of just bread and jam, not enough meat at lunchtimes, poorly or undercooked food, portions that were too small. Staffing was unreliable and on many mornings, there was no early morning tea at all so that care staff employed by the council had to provide it and then wash up: one day they also had to buy and cook breakfast.

Sunlight fades

Sunlight Services have pulled out of the cleaning contract at Queen Mary's Hospital, Roehampton, South London.

In the 18 months of the contract, hardly a week went by without a complaint - dirty lavatories, especially in the Out-patients, dust and dirt in the surgical areas, blood stains left uncleaned in the operating theatre unit. Nurses and other staff complained and ended up monitoring the cleaning contract themselves. Patients in the Gynaecological Ward petitioned the Health Authority about the filthy state of their ward.

The Health Authority and Sunlight "came to an agreement" to terminate the contract: the company clearly could not clean the hospital and weren't making any profits.

Trade unionists at the hospital report that Sunlight had put in a "loss leader bid" and were operating at a £100,000 loss as well as facing fines and penalties. 170 people were made redundant when Sunlight won the contract. They had warned that the contract price was too low: the hospital was cleaned on the basis of the barrage of complaints rather than on the basis of the specification, staff were untrained, there was a high turnover of staff with ex-NHS staff leaving because of the terrible conditions of employment, and a disregard for health & safety regulations.

The unions are now working with management on an in-house bid based on NHS pay and conditions and investment in new equipment.

OFF TARGET

Blue Arrow have walked out of cleaning the Parkside Hospital in Macclesfield because it could not make enough profit. They won the tender two years ago with a bid £100,000 lower than the

On at least three occasions, the kitchens in the homes were found to be in an unhygenic state and a healthy hazard, by the Council's own Hazard Control squad. In one home, they found cooked meat stored with fresh meat in the coldstore, defrosted bacon put back in the freezer, dirty floors and shelves in the dry store, bread left open, bags of flour left open next to cockroach bait.

The Tory Chair of Social Services claimed that these faults were comparatively minor! Other people took them more seriously, and Wandsworth are now advertising for another catering supervisor specifically to monitor **ARA**: a further cost of £12,000 not envisaged when the service was contracted out.



in-house price, which was already very low after a major review of the service. Blue Arrow hit difficulties immediately as they had seriously underestimated the contract. Low wages and the local outcry about the standards meant they had difficulties recruiting staff. Doctors complained that patients in this longstay hospital were at risk.

The Health Authority have now taken the contract back in-house with staff on NHS pay and conditions. The unions are demanding that the contract specification, and local management arrangements be looked at critically so that the in-house service doesn't fall below standard, and that a joint union/management team monitor the new contract for several months until the hospital is back to where it was before competitive tendering.

Blue Arrow's Finance Director complains "There is nobody making any money out of the National Health Service".

MONOPOLY **TENDERING**

Ever heard of monopoly tendering? Merton Council's five year refuse and street cleansing contract with Taskmasters (Hawley Group) is up for renewal. But the Development Committee on 5 February 1987 decided that:

"the Director of Development be authorised to negotiate with Taskmasters for an extension of the existing contract for a minimum 5-year period to commence in September 1987, on the basis that the Council will provide the new vehicle fleet required."

The Committee also recommended extending street cleaning to include all open areas on housing estates, industrial estates and shopping areas. The decisions will have to be ratified at the full council meeting early in March.

So not only does the Council plan to abandon tendering by 'extending' rather than renewing the contract for a mere five years, it also throws in new work without any tendering whatsoever and a new fleet of vehicles.

Further information from Cllr Geoff Martin (01-833 3020)

Teamwaste: new contract

25 workers in Rochford, Essex are to lose their jobs with the award of the council's refuse collection and street cleansing contract. A council spokesperson stated that the Teamwaste bid was the lowest of 7, though at £500,000 it was only £80,000 less than the inhouse tender. Teamwaste has 2 other council refuse contracts, in Sevenoaks and Bedfordshire. Recently it won the Wandsworth street cleansing contract (see PSA 25). Teamwaste is part of the R.B. Tyler Group, which is owned by the giant AAH Holdings Plc, known for its profits from carrying coal in the miners' strike to power stations in Notts and its close links with South Africa.

WORKERS WIN Following the threat of strike action by catering workers at Queen Elizabeth Hospital, Birmingham the DHSS has conceded that three catering workers should not lose their long service entitlements because of the Spinneys fiasco (see PSA 24). The workers had been sacked when Spinneys were given the contract; they then worked for Spinneys until they pulled out and were then re-employed by the NHS. In spite of the fact that they had done the same job in the same workplace throughout, the Health Authority were trying to deny them long service entitlements to sickness benefit and holidays, and to increments. monomination monomination

CHAOS ON THE BUSES

D-Day for the buses arrived on October 26 last year. Chaos has reigned in many areas since then. Big cuts in services have been made in rural areas and off-peak services, while many cities have had their centres clogged up with too many buses. Some fares have gone down, but most seem to have gone up. Thousands of jobs have been lost.



The pattern was set by areas like Glasgow and Dyfed which started the new competitive system before D-Day. While Glasgow's city centre has been jammed with buses (on October 11 last year, literally jammed with 300 buses locked in for two hours), villages in rural Dyfed which used to have several buses a day are now lucky to get one a week.

The chaotic situation has been repeated round the country. On Tyneside, The Journal reported (25 November 1986) that the number of buses crossing Tyne Bridge had increased from 28 an hour to 112 contributing to serious congestion and delays in Newcastle and Gateshead, while the rural areas of Durham and Northumberland had reductions to only 25% of the former service. An AA spokesperson told The Journal that mayhem was being caused as motorists were deserting the buses for their cars because they had lost faith in bus schedules.

On Merseyside, the **Liverpool Echo** headed their report on October 27 "*"CHAOS! ANGER!*" and announced "*It was chaos, chaos and more chaos in Birkenhead yesterday*". One bus passenger was quoted as saying "*It will be easier to get out of Alcatraz than Speke at these prices*," as their fare had gone up from 40p to £1. In Manchester the **Evening News** announced "*Change is smooth on the buses*" and immediately received a deluge of mail from disgruntled passengers complaining about long waits, buses not stopping, having to tell drivers the way, etc. **Greater Manchester Buses** caught the mood with a TV commercial that said "*Pick you up tomorrow, as usual*".

But the new regime was perhaps best summed up by Martin Bott, Operations Manager for **Ribble** in Blackpool who said "*People will have to adjust their travel patterns to meet the services available*". So much for the efficiency of competition.

Buswatch, the independent passengers monitoring group, has catalogued serious delays to passengers around the country, for example in Milton Keynes "waits of an hour seemed commonplace – one person waited 2½ hours on the first wet and cold day of the 10-minute frequency service".

Also according to **Buswatch**, **Oxford Motor Services** reminded their drivers to check that passengers are clear of the doors before moving off after a 76-year-old woman was dragged along the road with her foot trapped in the bus door and may lose her left foot.

Southdown drivers walked out on November 5 saying that new schedules

were impossible to keep without breaking the speed limit or putting passengers' lives at risk and were turning Hampshire's roads into race tracks.

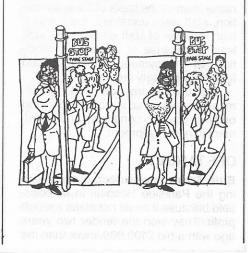
All over the country petitions have been pouring in to bus operators and transport authorities complaining about their bus services being taken away or big increases in fares.

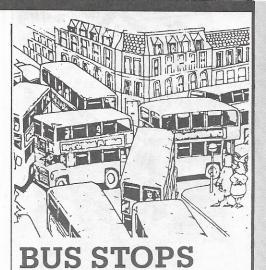
In South Yorkshire the popular low fares policy came to an end with 250% increases in fares, services cut by 10%, and 30% of passengers lost with around 1,000 jobs lost. A survey by Sheffield Council showed that 50% of people were using the buses less with the worst affected being those on low incomes, especially part-time workers, many of whom were considering giving up work because of the fares rise.

And all over the country concessionary fares have been hit with many concessions only applying to one operator and not accepted on all buses. In many places, children now have to pay full fare and school services are increasingly unreliable with problems being reported around the country. Fife Regional Council said it was no longer legal to continue its concessionary scheme for the unemployed, single parents, or widowed mothers.

Hospital staff have been amongst those hardest hit by cuts in bus services. COHSE Branch Secretary Peter McGregor told **The Journal** in Newcastle that staff at Prudhoe Hospital for the mentally handicapped were paying up to £15 for taxis to work because buses weren't available. And at Newcastle's Royal Victoria Hospital COHSE Branch Secretary Shona Gill told the **Northern Echo** that bus privatisation had caused chaos with staff getting to work late and being stranded for up to an hour after their shift.

Shops in Newcastle's city centre were also hit with **Binns'** manager saying that trade had been down by as much as 17% in the pre-Christmas period and he had no doubt bus deregulation was to blame.





Bus deregulation came into force on 26 October 1986. All council owned bus undertakings had to be turned into private companies (at great cost to the ratepayer as some councils had to levy a special rate to provide working capital for the new companies. The National Bus Company was broken up into 70 separate companies which are being sold off mainly, so far, to management buy-outs. Around 20,000 jobs have been axed.

The previous orderly regulations of routes which attempted to provide an integrated service has gone. Companies now have to compete for the profitable routes and unprofitable routes will only be run if the local authorities can afford to subsidise them - which is ever more difficult as ratecapping bites harder.

The second stage of deregulation came into force on 26 January 1987. From this date, companies can make any changes they like as fares or services with only 42 days notice to the Traffic Commissioners.

As a result, local authorities will constantly have to chop and change their subsidised routes. Proper budgetting for the year ahead will be impossible. Already many authorities have had to take emergency action to fill routes which operators have dropped, because 42 days does not give sufficient time to go out and tender. Timetables have already proved an impossible headache, with large numbers of companies operating overlapping services. In future timetables will be out of date before they are printed. That will further undermine bus travel as people will only travel if they can rely on getting a bus. In addition many companies have given their drivers unrealistic schedules so that it's impossible to keep to the timetable and increases the chances of buses being full-up.

The biggest cuts in services have been felt in rural areas, but virtually everywhere there have been big reductions in off-peak services - particularly early morning and Sunday services.

British Coal HOMES RIP-OFF

British Coal will continue to sell off the rest of the Coal Board houses to private speculators and absentee landlords. Coal Minister David Hunt says that they must sell their remaining 14,000 houses by the end of 1988. Sitting tenants, often elderly, are only being given three months to decide to buy. Then if the local authority or a housing association cannot afford to buy at market prices or cannot make an offer in time, the houses will be auctioned off to the highest bidder.

Last December a residents group from Wakefield picketed an auction at the Kensington Hilton hotel where their homes were up for grabs: that caused a temporary moratorium on auction sales. A tenants federation has been formed in Nottinghamshire to fight for houses to be sold to "socially acceptable" landlords.

Thousands of houses have already been sold at rock bottom prices, often to anonymous companies with little experience of being a landlord, e.g. the Rare Carpet Gallery of King's Road, Chelseal

Joe Ashton MP led an adjournment debate in which a number of MPs made allegations about the actions of speculators:

 British Coal has made no assessment of purchasers' credibility or suitability as landlord.

Speculators are moving in to set up "a modern form of Rachmanism". They know houses are tenanted by elderly people and expect to be able to sell them empty within two or three years.

Some houses bought for £2,600 were offered by the speculator to the tenants for £3,600 within two or three days.

In Elsecar, South Yorkshire, the speculator's first action was to knock on tenants' doors and ask for £100 before starting on any improvements.

 A London property firm, Manchester Square Associates, which bought 210 defective Airey houses in Leeds put them up for sale again after refusing to tell the City's Housing Department what their intentions were to remedy defects in the houses.

• Two retired miners in Barnsley received Notice to Quit when the D.A. Pearl Investment Company took over the houses they had lived in for over thirty years. The company had to be told a that they did not have the legal right to evict.

• Other tenants are facing large increases on very low protected rents, for example, 80p to £18 and £1.92 to £21 per week.

 Houses in Creswell, Derbyshire, were bought for £3,000 each and sold within six months to another speculator for £6,000.

Defects

Many of the houses sold to the speculators are prefabricated reinforced concrete (PRC) houses which are all designated under the housing defects legislation. British Coal has refused to sell them direct to the tenants in order to avoid liability for repairs which could cost up to £14,000 per house. Even where Housing Associations have bought the houses there is concern that they do not have the finance to carry out remedial work.

Councils like Mansfield and Bassetlaw have said they wish to buy but are prevented by government restrictions which only allow them to spend 20% of their receipts from council house sales forced by the government. Bassetlaw is sitting on £6 million and Mansfield £5 million which they cannot use.

The Coalfield Communities Campaign claims that the Coal Board has done virtually no repairs on its houses since 1976 and £10,000-£15,000 is needed to bring many of the houses up to standard. Tenants who have bought their own homes can be trapped, says the Campaign, because no-one will buy if the rest of the estate is being kept in disrepair by the speculators; or houses are in areas of high unemployment and may even fall in value.

The Campaign is still hoping that sales to speculators will be stopped, to allow groups of tenants or local authorities to put forward their own schemes.



"The decided to take upour leader's generous offer to Join the Property owning Democracy... Where do I Skin?"

Im Jobs in Two Years MEDIAN METALON METALON MARCHANG MARCHANA

Manchester, Sheffield, Islington and Southwark councils have just published detailed plans for improving and expanding services and creating several thousand public and private sector jobs. These plans show the need for the expansion of services, capital investment in housing, schools, hospitals, public transport whilst showing how local authorities can make a substantial contribution towards Labour's commitment of 1 million jobs within two years. Further plans will be forthcoming from other local authorities.

Manchester Employment Plan

The Manchester Employment Plan reveals that the annual cost of unemployment in Manchester is £375m or £8,240 for every person registered unemployed. It also shows that one in five jobs in the city is direct employment with the city council (41,500 jobs) or is supported through council spending on grants, contracts, goods and supplies (11,000 jobs). In preparing the plan each committee/department had to classify proposals as urgent, essential, or desirable. The emphasis was on creating real jobs to meet real needs. The proposals included new Children's Centres for the under fives, 1,000 new houses, 160 new primary teachers, improved bus services and so on. Urgent and essential proposals would create 14,650 public and private sector jobs within two years with a further 3,223 jobs in shops and services. A further 678 jobs would be supported by increased council spending on supplies. A total of nearly 29,000 jobs could be created over five years with the addition of the desirable proposals.

The net cost per job would be $\pounds 10,060 - a$ small price to pay to substantially reduce the 23 per cent unemployment rate in the city. The plan was prepared by the Employment Division of the council's Economic Development Department and SCAT.

Working It Out in Sheffield

The Sheffield City Council plan, produced by the Department of Employment and Economic Development, envisages creating 7,230 new council jobs within two years – a third from capital spending. Together with additional public sector jobs in education, the NHS, DHSS, transport, and jobs in the private sector a total of 25,000 jobs and training places would be created within two years. This would reduce the registered unemployed by 17,000.

Back to Work

The Islington jobs plan would create



4,167 jobs of which over 75 per cent would be direct labour. As with the other plans the initial emphasis would be on revenue spending because of the longer lead-in times for capital spending. The Southwark plan was briefly reviewed in the last issue of *PSA*.

All of the plans spell out the changes in national policies and legislation which will be necessary if local authorities are to fully implement the proposals. The Manchester and Sheffield documents will be used in the process of developing more detailed plans in the coming months. John Prescott, Labour's Employment spokesperson, published a report, Real Needs - Local Jobs, which summarises the local authority plans and raises national policy issues. The Centre for Local Economic Strategies also produced its contribution to the debate, Against the Odds !: Local Job Generation, which argues the need for jobs, targeting, and implementation.

All these plans together with proposals from Hull, Lancashire County Council, Fife Regional Council etc raise many important issues for the labour movement which *PSA* will be examining in detail in future issues.



Copies available from:

Manchester Employment Plan – Employment Division, St James's Buildings, Oxford Street, Manchester M1 6FL.

Sheffield: Working It Out – Department of Employment, Palatine Chambers, Pinstone Street, Sheffield S1.

Putting Islington Back to Work – Economic Development Unit, 49/59 Old Street, London EC1V 9HX.

Real Needs – Local Jobs – John Prescott MP, House of Commons, London SW1A 0AA. Price £2.00.

Against the Odds!: Local Job Generation – CLES, Heron House, Brazennose Street, Manchester M2 5HD. Price £2.00.

Birmingham Contract Compliance

A model working agreement has been achieved by UCATT with the main contractors **Douglas** on a £120 million, four year building project in Birmingham. The International Convention Centre, funded jointly by the EEC and Birmingham City Council will employ 500 building workers. The agreement includes:

• All labour on site (except for certain specialists) will be directly employed and covered by the Working Rule Agreement for each trade.

• At least 30% of workers will be from the inner-city area, or from other parts of the city to fill gaps in skills.

 A 10% intake of apprenticeships per year – which should provide a total of 200 apprenticeships. They will be found other employers to complete their time if necessary when the project is finished.
 All firms tendering must provide details of earnings and productivity

• A full-time safety officer, full-time site convenor and elected shop stewards committee.

schemes.

• Site facilities to include canteen, changing and drying rooms, proper toilets and showers.

Hackney

DLO SUCCESS

Hackney DLO has become well known both for its success in surviving the Land Act competition regulations and for the long standing and effective alliance between the trade unions and tenants' organisations. At a time when few capital works DLOs are left in existence at all, Hackney's success is all the more remarkable.

UNIONS' PLANS

In 1984, after large losses on the capital works side, the workforce was threatened with wage cuts. The trade unions put forward an alternative plan for the future, involving new consultative, planning and management procedures, and this has formed the basis of current practice.

• Effective indsustrial democracy involves consultation between trade unions and management at all levels on all issues, with solutions jointly worked out.

• There is now a Building Management Group in control of the DLO.

• Each site is separately accountable:

 Monthly site meetings to review progress, resolve problems and share out any profits incurred under the Stable Earnings and Profit Sharing Agreement.

• Short and medium term planning: weekly meetings of the management groups in both Capital Works and Maintenance DLOs deal with broader issues and work out new initiatives.

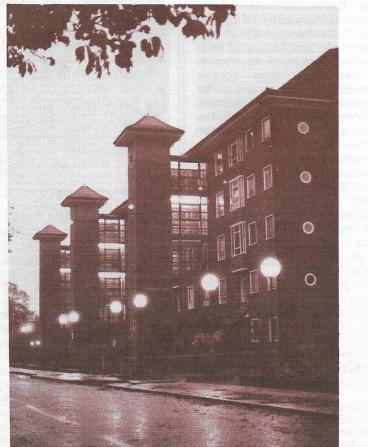
PROFITS AND PRODUCTIVITY

The Capital Works DLO produced a profit of over £100,000 in 1985–6, after two years of losses and a recent government threat of closure. Productivity has doubled.

TRAINING

The DLO provides the biggest craft apprenticeship scheme in the UK, (some 6% of ALL UK construction industry apprenticeships). There is an annual training intake of almost 80, all of whom have the chance to become fully qualified tradespersons. In addition to offering chances to local young people, 1985 saw the start of a scheme for 30 adult trainees, half of whom were women. Hackney has run major capital projects as training operations for the last few years, first at Powell House and most recently at Broadway Market, both new-build housing schemes.

Staff training schemes have also been introduced to provide suitably qualified staff, involving secondment to different sections of the DLO for six month periods to gain experience of



Lea View House, modernised by Hackney DLO. RIBA called it "Paradise Regained".



necessary site skills, as well as college courses.

JOBS

Current plans for expansion are aimed at achieving a workforce of 1,700. Already over 50% of the workers are from ethnic minorities – way above the council's own targets. And the DLO has more women building workers than any other construction organisation in western Europe: Hackney is now employing or training some 50 women in craft jobs. A Women's Training Co-ordinator has been appointed and an EEC grant obtained for childcare costs: a nursery for local people and children of DLO workers will soon be opened in Hoxton.

FUTURE PLANS

The council plans to build or rehabilitate 2,000 homes a year. Currently the DLO carries out some $\frac{2}{3}$ of the maintenance works but only $\frac{1}{4}$ of capital contracts. Future plans include:

• District works teams to carry out works which the DLO does not currently cover, including packing improvements, general rehabilitation and pre-painting repairs. Design staff will be attached to each team.

• Involvement of the DLO in drawing up plans for new housing schemes, to take account of future maintenance requirements.

• A planned preventative maintenance programme on a five year cycle, creating hundreds more jobs.

The unique breakthrough in Hackney is clearly due in no small part to the vision and determination of the unions – but they readily acknowledge that without the commitment of the council to the DLO none of this would have been possible. And they build good housing, too.

More information from: the Convenors Office, 145 Wells Street, London E9 tel 01-986 0017, or Press Office, Town Hall, Mare Street, London E8 1EA, tel 01-986 3123.

LAND ACT: ROAD REGS

In *PSA* 25 we reported new moves to force more council highways work out to tender. In December the Department of Transport announced that it would go ahead with reducing the price limit for all work to go out from £50,000 to £25,000 from 1 April 1987. But they are postponing the planned increase from 30% to 60% of work below this threshold to be put out to tender.

Mew Initiative in Darlington Mew Initiative in Darlington IMPROVING JOBS JOBS AND SERVICES

The Shop Stewards Committee (representing NUPE, GMBATU, NALGO, UCATT, and EEPTU) in Darlington Borough Council's Employment and Public Services Department have just produced a detailed report on job control and satisfaction and ways of improving jobs and services. Discussions and negotiations are now taking place on how over twenty recommendations can be implemented. The Department has over half the council's workforce covering house building and maintenance, refuse/street cleansing, parks, catering, cleaning, highway repairs, transport and vehicle maintenance.



The main findings of an Improving Jobs and Services Survey carried out by the Shop Stewards Committee last year included:

• 62 per cent of building workers, 72 per cent of parks workers, 82 per cent of refuse collectors and 83 per cent of fitters demanded more say over how they carried out their work.

• A third of the workforce covered by the survey had poor or moderate job satisfaction compared to 24 and 45 per cent respectively who had average and good/very good satisfaction.

• The main cause of job dissatisfaction was a poor relationship/lack of support and other criticisms of management.

• 77 per cent of workers want to have their own area of work for which they would be responsible either individually or as a small team.

69 per cent wanted to go on more courses to be more skilled at their work.

• A large number of complaints were made about the quality and cost of work by contractors.

• Many ideas for improving and expanding services were identified.

• A significant number of workers said they would be willing to help draw up alternative proposals to improve services.

 43 per cent of workers thought they would be victimised if they refused to do an unsafe job.

Valuing work

The survey was carried out by the Shop Stewards Committee, assisted by SCAT, and was financed by the Employment and Public Services Committee. Once the survey was completed shop stewards held a series of meetings to analyse the results, draw together recommendations and proposals for action by the council, the department, and the shop stewards committee. The report also spells out the links between jobs and services - "the quality of service, the effectiveness of their delivery, the distribution of services relative to needs, the proper use of materials and equipment, the relationship between users and workers, the degree to which services change and adapt to people's needs, all these cannot be maximised without the active involvement of the council's workforce

The 25-page report also compiles ideas from workers for improving and expanding council services. The shop stewards committee has asked for detailed reports on how these ideas can be implemented and similar reports on the effectiveness and the full costs of using contractors.

Copies of the report "New Initiatives to Improve and Expand Jobs and Services in Darlington", price £1.50, from Employment and Public Services Department, Haughton Road, Darlington DL1 1JW.

PRIVATE GROWTH

AMI, owners of Kneesworth House in Cambridgeshire, the first private psychiatric hospital in the UK, have been given approval by the DHA to expand their facilities to take in 20 mentally handicapped people. The company expects most referrals to continue to come from local authority social service departments and other health authorities - further boosting AMI profits straight from the public purse, Unlike other kinds of private hospital provision this isn't care for the rich and privileged, but for the clients of public authorities for whom there is nowhere in the public sector left to go.

ÁMI has expansion plans for its UK operation worth £5 million over the next 3 years. These include a second adolescent unit, a second head injury rehabilitation unit and a further unit for the mentally handicapped. Openly cashing in on the inadequacies in NHS provision after years of cuts, closures and lack of resources, the manager of **AMI**'s psychiatric division says "We are filling a large and increasing gap in the provision of specialist care".

Community hospitals

In Hillingdon, discussions are taking place on a proposal to build a private 24-bed unit in the grounds of the Mount Vernon Hospital which specialises in burns treatment and plastic surgery. **Community Hospitals** want to buy the land, buy in services such as pathology from the NHS and enter into some form of staff sharing arrangement.



WE FIND THAT PATIENTS' RECOVER MUCH QUICKER IF THEY SHARE

PRIVATE BLOOD BANK

Money buys some curious privileges. For a fee of £400 two Gloucester businessmen, cashing in on public concern about AIDS, will take 3 pints of your blood and, for a further £160 per year store it in an old warehouse in Gloucester docks. If the Medicines Act allows it (not yet certain) you can get it back when you need it. We do wonder what happens if you need more than your 3 pints - as may well be the case after major surgery. The Regional Blood Transfusion Service has warned all hospitals to have no dealings with them, as there is no guarantee that the blood would be free of AIDS and hepatitis viruses.

British Telecom NCU Action

The strength, solidarity and effectiveness of the industrial action in BT came as a rude shock to Tory ministers. The enforced ballotting under their trade union law showed a massive rejection of the BT pay offer and support for industrial action. Giving the workers a stake in the company -95% of BT workers accepted their free shares and 80% took up the option of the extra bargain offer - didn't stop them behaving like trade unionists. Arguments will continue no doubt within the NCU about the settlement, but the continuing strength of the union is clear. But what is also clear is that the pressures towards flexible working and other changes will continue despite BT's concessions to end the strike.

Jobs

Jobs have been going in BT at a rate of 5–6,000 a year in the last few years. Over the next four years BT insists that a further 24,000 will have to go - 10% of the current workforce.

Profits

BT profits in the last financial year were \pounds 1,067 million (up 12%) and \pounds 640 million in the first half of the financial year (up 18.7%). Sir George Jefforson, BT's Chairman has had his salary increased by 105% in the last two years to a staggering \pounds 172,206 and members of the Board have had an 80% increase.

Shares

The trend towards concentration of BT share ownership continues, and has recently accelerated with some 80,000 individual shareholders selling out in the second half of 1986.

Recent figures show:

Individual shareholders	. 12.6%
Banks, insurance companies, p	ension
funds, corporate bodies	36.9%
Government	49.8%
Trust for BT employee shares .	0.9%

Service standards

A recent study of 200 companies by **National Utility Services** showed that 39% believed BT service had got worse since privatisation and a further 24% said that there had been no improvement. **OFTEL** surveys found 72% of customers thought the service had not improved.

BT has been forced to change its plans for charging for repairs to emergency services. **OFTEL** refused to accept the charges, which have now been halved.

Union Campaign Packs USER FRIENDLY?

There is much more general recognition that struggles against cuts and competitive tendering in public services cannot be won by traditional trade union methods of organising. What's more both those threats will primarily be faced and fought at local level. But not all active trade unionists have those campaigning skills. Certainly, the call to "work with users" in anti-privatisation strategy discussions often produces blank looks. But there is now a good body of experience to call on. And community activists have a lot to pass on!

Both NALGO and COHSE have recently issued campaigning packs to help their branches organise successful campaigns locally. COHSE's is aimed at a local branch campaign to convince the public of their case against health cuts and to put pressure on local health authorities and the government. It doesn't really tackle the issues involved in working with users who may have their own views of the health service. Maybe this is a reflection of the different public perceptions of the NHS compared to local government. NALGO pack warns that users of services may not see NALGO as "natural allies". To them NALGO may represent the people who administer unpopular policies "They may assume we are only looking for help to save our own skins when privatisation threatens".

The two approaches are not mutually exclusive – and reflect the very different challenge facing the unions in the health service and local government services. Read both.

Fighting PRIVATISATION in local government

NALGO's campaign handbook is specifically to help branches fight privatisation and competitive tendering. The NALGO strategy agreed last summer recommended branches to set up local anti-privatisation campaign committees and to work with users and other trade unions.

NALGO

The handbook covers all aspects of campaigning such as building a broad campaign, publicity, education, lobbying etc. Each section has an action checklist.

The loose leaf format means that it can be added to and updated over the next few years.

NO CUTS IN '87

COHSE's Campaign Skills Pack is the basis of thier No Cuts Year. COHSE is planning a public campaign against government health policy – and the key to success is local activity based on local experience. The pack is designed to help local branches do that job.

Join the Resistance!

It concentrates on practical campaigning skills, and includes posters, stickers and cut-up sheets of headlines, cartoons and photos for use on local leaflets. This will be backed up by Special Pull-Outs in the COHSE's "Health Service" with factual material on different aspects of cuts. COHSE Carewatch Committees in each branch will monitor the cuts. Campaign coordinators are being elected at all levels of the union. Campaign workshops are being organised in every region. There will also be regional weeks of action and national events in the summer.



West Midlands NUPE and the Midlands Pensioners Convention staged a protest lobby outside the privately owned "Greylands" Old People's Home in Birmingham. The conditions in the home are featured in the report "Realities of Home Life" reviewed in *PSA* 22.

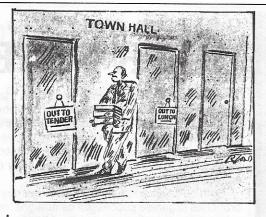


THE BIG CHILL A report on the implications of cook-chill catering for the public services

In the view of the London Food Commission, the wholesale introduction of cook-chill technology into public service catering is imminent, in the belief that it can cut costs. And yet there has been no objective evaluation of its effect on food quality, food hygiene, job losses, new training or even on its cost effectiveness.

This detailed report attempts to do just that and to offer technical and practical guidance and recommendations to trade unionists, environmental health officers, dieticians and public service caterers trying to assess the "simplistic hype" of the equipment manufacturers.

Their main conclusion is that this new (and expensive) technology is no answer to the lack of investment and cost-cutting obsession in public service catering. "The widespread use of cookchill, poorly managed and inadequately resourced, could impair the safety and quality of food, and undermine the rights and interests of the workforce.



There has never been a greater need for catering services to provide wholesome, safe food".

From London Food Commission, PO Box 291, London N5 1DU, price £5.00.

VIDEOS: WHO'S NEXT FOR PRIVATISATION? From Amber Films, 5 Side, Newcastle upon Tyne. NE1 3JE. Tel 091 2322000.

Amber Films have produced a series of videos with local trade unions in North Tyneside for use as an integral part of their awareness campaign on privatisation. Specifically geared to local services, they are short films, designed to stimulate discussion of the implications of the privatisation threat to local jobs and services.

The Awareness Campaign records the union's campaign of 300 workplace meetings in the local authority and the use of video as part of a campaign. Value for Money? looks at the threat to white collar jobs and services. Competitive Tender looks at the local services under threat from tendering.

The Darlington Tape was made for the anti-privatisation campaign in Darlington.

The Ingham Tape looks at the process of tendering in the NHS and was made for the South Tyneside hospitals campaign.

The Public Good, not yet completed, will be aimed at users of local authority services in North Tyneside, as part of a campaign aimed at raising public awareness and winning public support. For sale or hire

PUBLIC/PRIVATE PARTNERSHIPS: SOME UK **EXAMPLES**

Information Briefing No.5

This brief 8 page paper from the Centre for Local Economic Strategies provides useful summaries of some recent projects involving public authorities and private enterprise and/or finance. But given CLES's origins, the lack of comment or political analysis is surprising. Useful bibliography.

£7.50 from CLES, Heron House. Brazenose Street, Manchester M2 5HD.

LOCAL SERVICES: THE CASE AGAINST PRIVATISATION

A useful pamphlet from NUPE setting out the Union's arguments against Government proposals for statutory tendering in council services, with the evidence for these arguments.

From NUPE, Civic House, 20 Grand Depot Rd, London SE18.

Hitting the skids

A staggering catalogue of cuts and closures in the NHS in London, plus useful quotes and details of effects on waiting lists and services:

"The only way to improve services is to run them down to such a level that no one will use them, and people will go elsewhere" quote from Enid Vincent, District general manager of Wandsworth HA Oct 1985.

From London Health Emergency, 335 Grays Inn Road, London WC1. The Report is currently being updated. Price £3.00 + p&p.

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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.

Information on contractors' fines and failures.

Details of contractors' wages, conditions, benefits and employment practices.
 Regular news about campaigns against privatisation, cuts and contractors. Share your ideas, tactics and lessons learnt with other campaigns.
 Details of trade union and/or local authority, NHS, civil service and nationalised industriction of the service and nationalised industriction.

tries' 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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SPECIAL OFFER

Set of all available back issues Nos 1-22 (exluding nos 6, 7, 14 and 17) for only £5 - Save £2.10 (includes two sets of indexes).

Circulation: 12,000