

# PUBLIC SERVICE ACTION

**Action  
Organising  
Information  
Contractors  
New threats**

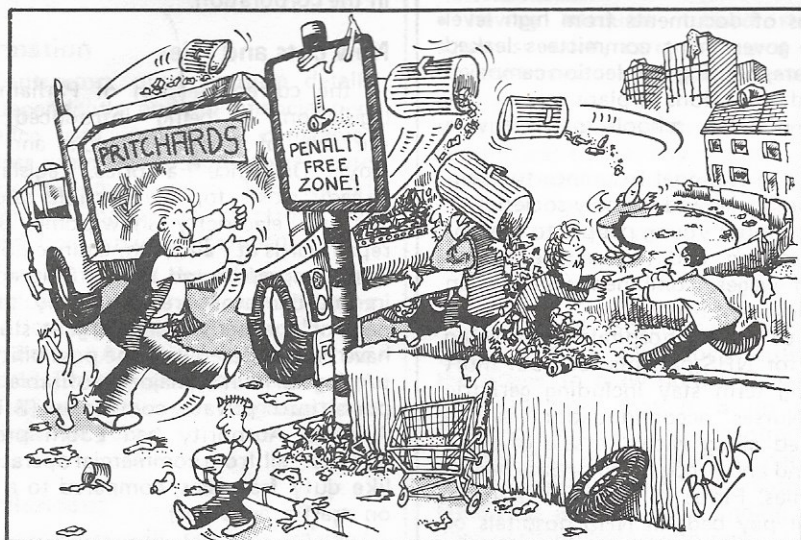
PRICE 30p

(Bulk Rates — see back page)

AN ANTI-PRIVATISATION NEWSLETTER FOR THE LABOUR MOVEMENT

No 3 JULY/AUGUST 1983

## Contractors catalogue of FINES & FAILURES



The catalogue of contractors' failures and fines is growing fast. Some contracts have had to be terminated. Other contractors have been heavily fined for failing to provide an acceptable standard of service. Faced with more complaints some contractors are pushing their workforce even harder leading to walkouts and sackings as workers refuse to work excessive hours with poor working conditions and benefits.

● Since refuse collection in Wirral was taken over by Waste Management Ltd (a subsidiary of the National Freight Corporation) on June 13th, there have been up to 600 complaints daily. Rubbish has gone uncollected for weeks. In two areas residents have taken direct action. On the large council estate at Leasowe, and in the private residential area of Homelands Drive, streets have been blockaded by bags of rubbish in protest against the service.

Penalty clauses will be invoked against the company and council officers are investigating how to terminate the contract.

● Another contract in deep trouble is Pritchard's refuse work for South Oxfordshire District Council. 'A substantial part of the weekly payment to Pritchard's has been withheld' (the

currently weekly payment is about £11,500) but a council spokesperson refused to reveal the amount claiming that the fines 'were a confidential contractual matter between the council and the contractor'. There have been two strikes in the last two months. In May, 40 workers walked out in a protest over pay and conditions arguing that the rounds couldn't be completed with so few workers. Pritchards had refused to pay overtime for working a Bank Holiday. At least one worker was fired on the spot for refusing to work a Saturday morning after already putting in a 56 hour week.

Another walkout in July was caused by Pritchards claiming that they would pay for only 44 hours work per week despite the fact that many workers are working up to 56 hours a week in order

cont. on page 2

## ...and more

● Home Counties Cleaning Group cleans the large Customs and Excise headquarters in Southend — but had £800,000 VAT arrears last October (they still owe £230,000). Home Counties is also behind with its PAYE tax payments while they are cleaning tax offices around the country. National Insurance payments are also in arrears — the firm also cleans many DHSS offices. Tax and NI arrears are now £101,000.

In May Milton Keynes Development Corporation issued a writ demanding £18,000 in rent owed by Home Counties for a rented factory. In July the Corporation cancelled a bus station cleaning contract with the firm. Another 26 contracts may not be renewed.

Home Counties was one of four firms awarded school cleaning contracts by Cambridgeshire County Council in June. However when the council saw the *Daily Mirror* investigation they eliminated Home Counties and divided the work amongst the other three contractors. But this was after the council had passed all four firms as suitable for the contract.

Home Counties and a number of supply companies under Oceana Holdings are run by 23-stone Patrick Doyle. He lives in a £350,000 house in Buckinghamshire and has two Rolls Royces, a Jaguar, a Cadillac, a Range Rover, a Lagonda and two other cars. He also has a 207 ton company yacht. More than half his 9000 employees take home less than £30 a week.

● Initial Cleaning Services have been sacked from a £32,000 cattle market cleaning contract by Gloucester City Council. The council privatised the cleaning in November 1982 resulting in eleven redundancies. But earlier this year the council's Environmental Health Officer threatened to close down the market on health grounds because the standard of cleaning was so low. Initial then asked the council to release them from the contract. Another firm has taken over but it's now costing the council £40,000.



# A FUTURE?

The Tories have embarked on a new and much bigger sale of public assets and transfer of public services to private firms. In this article we examine what's in store drawing from the Tory Party 1983 election manifesto, leaks of secret documents, plans revealed as part of new cuts in public spending recently announced, and far reaching proposals being circulated within government by extreme right wing organisations.



Philip Wolmuth

## What the 1983 Tory Party Manifesto promised

- The sale of 51% of British Telecom, Rolls Royce and British Airways.
- The sale of substantial parts of British Steel (at least half of it over the next five years), British Shipbuilders, British Leyland (including Jaguar, Unipart, Land Rover, truck and bus divisions) and as many British Airport Authority airports as possible.
- The introduction of private capital into the National Bus Company, gas and electricity services.
- The complete sale of British Gas Corporation's offshore oil interests.
- The extension of the right to buy for council tenants and the enforced sale of unused land owned by local authorities and public bodies.
- Further encouragement of private health insurance, a 'closer partnership' between the NHS and private hospitals

and contracting out of NHS ancillary services.

- 'Bring in private enterprise to serve railway customers' together with further decontrol of bus licencing and minibus regulations.
- Increased use of voluntary bodies to run sports facilities and in health care.
- Defence of the 'right of parents to spend their own money on educating their children'.

All of these went hand in hand with proposals to attack trade union rights and abolition of Wages Council.

## What the leaked 'secret manifesto' revealed.

A series of documents from high level special government committees leaked to the press during the election campaign revealed discussions of plans to:

- Hive-off state schools to the private sector.
- Privatised National Insurance to insurance companies and friendly societies.
- Force more young people to pay for their training and reduce the overall level of wages, combined with cuts in unemployment benefits.
- Use of private hospitals and nursing homes for NHS patients for both short and long term stay including geriatric care. Nurses accommodation to be privatised along with the sale of more NHS land and property to private health companies. Firms to take over management of pay beds in NHS hospitals or the sale of wards or wings of hospitals.

## What the extreme right is demanding

The right wing Adam Smith Institute

(ASI) (a London and Washington based policy research group) has produced a number of pamphlets extolling the virtues of privatisation. It recently launched its 'Omega' project. Various ASI committees are currently meeting to draw up privatisation proposals and a report will be released and circulated around government departments in October 1983. The ASI has already campaigned for the privatisation of state pensions, roads, railways and most other services.

In July the national media presented as 'news' that two known rabid right wing 'professors' Beesley and Littlechild were calling for the privatisation of over 80% of nationalised industries in Lloyds Bank Review. This would include the sale of the National Coal Board, British Rail, British Telecom, the Central Electricity Generating Board and the Post Office. The same day the right wing Institute of Economic Affairs issued a report 'Liberating the Letter' calling for the abolition of the Post Office's monopoly and the sale of shares in the corporation.

## New cuts and sales

In the current session of Parliament, legislation is being introduced for the sale of British Telecom and the Royal Ordnance Factories. Legislation already exists for the possible sale of gas and electricity showrooms. Ship-repair yards at Falmouth, Grangemouth, Tyne Shiprepair and Vasper Shiprepairs in Southampton are also likely to be part of the early sales. Urgent studies have been ordered into the possibility of turning Britain's major profitable airports into private companies (British Airports Authority had £35m profits last year, all from commercial operations like duty free sales, compared to a loss on traffic activities).

Early in July the government announced further cuts of £500m in public spending plus an additional £500m sale of public assets (£750m sales already planned for 1983-84).

## FROM PAGE 1

to complete the work. A senior manager from Pritchards' London office intervened and eventually agreed to pay up.

Complaints about the service are still pouring in (see PSA No 2). Rubbish in many rural areas hasn't been collected for two weeks or more.

- Three ex-Pritchards employees from the Bath street cleaning and refuse contract have complained of Victorian management attitudes. They complained of no paid holiday in the first year of employment, removal of the canteen from the depot, a large increase in workload with some working up to ten hours longer per week, and Pritchard's managers refusing to take advice from experienced staff. One worker said 'At least with the council you felt they were more concerned with keeping the streets clean.'

- Taskmasters (a subsidiary of Alfred Marks) have had to pay £2000 in penalties to Merton council for inadequate work on the refuse and street cleaning contract. The penalty system started in March after a three month 'settling in' period.

- Wandsworth council have fined Pritchard Services Group £20,000 in the first eight weeks of the mobile gardening contract. Record numbers of complaints about work not done or botched work have flooded the Parks and the Leisure and Amenities departments' switchboards. Pritchards have now raised their summer staffing to 51 employees. This is 40% higher than the original skilled workforce managed by the Parks Department which was disbanded when Pritchards got the contract. Further information from Mike French, Convenor, Wandsworth Council Manual Workers Union. Tel: 01-788 7113.

- Grandmet Catering Services have had their contract terminated at the Civic Centre in Tory-controlled Enfield following numerous complaints. The work is now being done by direct labour.
- Waltham Forest College have terminated their contract with the Exclusive Cleaning Group. The college were dissatisfied with the quality of the service and now employ cleaners on a direct labour basis. Waltham Forest is also Tory-controlled.

- Last's of Colchester have pulled out of a one year school meals contract with Essex County Council at Clacton County High School. The pilot contract cost the county council £2000 more than the school meals service would have cost. The service will be returning to the school in September. The firm do not want to be considered for any further school contracts.



# TELECOMS CARVE-UP

The Government, as predicted, plans to re-introduce its Telecommunications Bill to authorise the privatisation of British Telecom. It is now expected to be law by April 1984. The sale of 51% of BT, valued at £3.4 billion, overshadows all other privatisation measures in the sheer scale of the operation. A straightforward stock market flotation is considered impracticable by the Government, which is now considering a number of options for selling off BT in parts. These options include:

- attempts to attract small investors with share offers attached to telephone bills and 'Buzby bonds' on sale at post offices.
- a special issue on the New York stock exchange to bring in foreign capital.
- a placement of shares with major telecom equipment companies.
- the division of BT into separate companies consisting of major parts like the network division, equipment, property division — to be sold separately at different times.

The Telecommunications Bill merely authorises the sale of BT, not the method of sale, which is still up for grabs. The Government appears torn between its declared policy of wide distribution of share ownership and the easier option of a carve-up between large and powerful shareholders, including foreign interests. The BT chairman, Sir George Jefferson,

is still pressing for BT to continue as a single company and not to be sold off in parts.

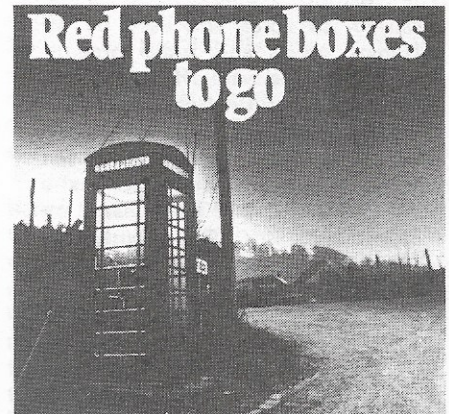
As reported in PSA 2 the POEU has adopted a policy of refusing to connect the rival Project Mercury into the BT phone system. On 20th June two BT engineers were suspended for refusing to interconnect Mercury in the City and London North Central areas. BT management then carried out the interconnection. The response of the union was to withdraw some 30 workers in London for a week. Management action on Mercury in Holborn brought further union retaliation and seven men are currently out in that area.

## Future action

The POEU is determined to maintain its resistance to Mercury and is holding a special conference in September to seek a mandate for wider industrial action against the whole privatisation plan. The victory of the left in gaining control of the union's executive at the annual conference in June indicated some dissatisfaction with the previous EC's conduct of industrial action, and a new determination to fight privatisation. For this purpose a fighting fund of £136,000 has been set up for the campaign.

BTUC, the federation of six unions

formed to campaign against the sale of BT, reaffirmed its intention to fight the Bill at a national campaign committee meeting early in July. It is now discussing its campaign strategy for the months ahead.



At present BT has over 76,000 call boxes throughout the country: each makes an average annual loss of £2100. These call boxes are a crucial life line for the millions who cannot afford a phone in their own home, especially in rural areas where they are least profitable.

It is difficult to see who will take on the call boxes when BT is sold — they are not an appealing proposition for companies aiming at profits rather than public service. Raising prices is not a realistic prospect, as they have already increased at a rate far beyond the rate of inflation. It is a frightening prospect that we may have no access to 999 emergency services in years to come.

## More News

### GLOUCESTER 'TESTS THE MARKET'

Gloucester City Council are currently seeking tenders for refuse and street cleansing soon to be followed by the parks and gardens, highway repairs, and amenity and leisure services following a 'privatisation review' earlier this year. This is despite the leader of the council stating in a letter sent to all employees in April that the refuse service is 'one of the most efficient in the country'. Gloucester is steaming ahead despite the problems encountered on the cattle market cleaning contract (see page 1). A Public Services Defence Committee (including NALGO, NUPE, GMBATU, EPTU, UCATT and TGWU) was recently formed and organised a half day strike and demonstration last April. They are currently planning further action. Contact Secretary, Geoff Smith 0452-87442.

### CAMPAIGN FAILS

The campaign to stop Cambridgeshire County Council from privatising school cleaning has failed (see PSA No 1). The council received over a 50% response from school governing bodies and PTAs — not one was in favour of privatisation. However the council carved the county into eight areas to be shared by three contractors — Initial Services, Taskmasters (Alfred Marks) and Pall Mall.

### LOW BID REJECTED

Taskmaster, Exclusive, Grandmet, Pritchard, and Initial all bid for the Ealing street cleansing contract. Taskmaster's low bid of £3.6m was rejected in favour of Exclusive's £4.2m contract because the council didn't believe that the company could do the work with 45 staff (compared to an 72 average for all tenders) and 17 vehicles (less than half the average of the others). There are currently 128 workers. The DLO tender cut this to 94 so Exclusive's activities starting in October will be carefully monitored.

### WESTMINSTER MANOEUVRES

Following disciplinary action, sickness and eventual sacking of a Westminster council gardener responsible for two housing estates the council decided to seek tenders for the work. Four firms tendered with prices ranging from 14% to 383% more expensive than the DLO costs. Undeterred, the Housing Committee then asked for a cost comparison between the DLO and the lowest bidder based on 30 separate estates and properties. The contractor's bid was 35% higher than the DLO's. In July the committee decided to retain direct labour.

### SECRET PAPERS

Tory-controlled Taunton Deane council who recently contracted out the refuse service to Waste Management Ltd, are examining the privatisation of other council services. The leader of the council and a committee chairperson have prepared secret papers listing targetted services which will shortly be discussed by the Tory group.



## More News

### PLAYING FIELDS FOR SALE

The Northolt playing fields in Ealing, covering 39 acres and used by 56 different sports and social organisations, may be sold-off by owners Kensington and Chelsea council. In the past eight years over a hundred acres of playing fields have been sold in Ealing which now has a deficit of about 240 acres based on national standards. This is only one of about 200 examples of councils planning to sell playing fields. These sales are being vigorously opposed by the Central Council for Physical Recreation. They state that about 3300 acres of recreational land are included in local authorities registers of unused land although the Act specifically says such land should not be included. Further details from Nigel Hook, CCPR, Francis House, Francis Street, London SW1.

### CHIPS ON SALE

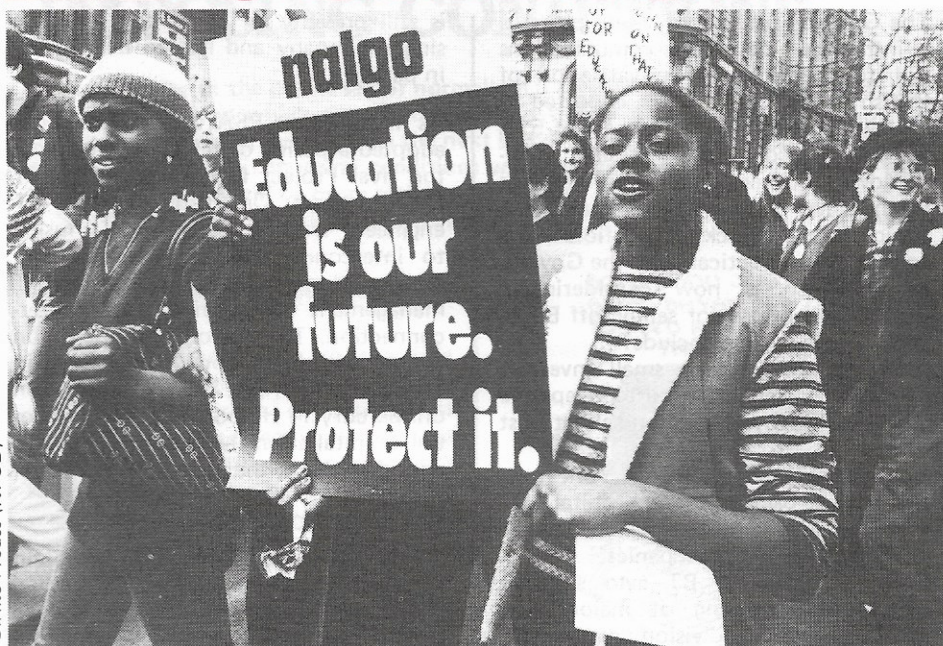
Britain's one and only producer of microchips, Inmos, is owned by the government through a 75% stake held by the British Technology Group. But not for much longer. Inmos shares seem likely to be floated on both the British and American Stock Exchanges later this year. One of the big American computer or microchip firms may also buy a stake in Inmos. Here is another example of the state nurturing a company through its developmental stage when investment is needed, only for it to be sold as soon as it is more secure and profitable.

### THE AGE OF THE PRIVATE TRAIN?

Private firms and financiers are reported to be drawing up proposals to submit to British Rail for the privatisation of the London-Southend and Slough-Windsor lines. Talks have already been held about hiving-off the London-Gatwick rail link. The NUR and ASLEF are totally opposed to privatisation.

Meanwhile in America the government owned Conrail Freight service is up for sale. Taken over by the government in 1976 following the collapse of Penn Central and other railway companies, Conrail has reported profits after slashing routes, imposing wage freezes, and 4600 redundancies. By 1985 it will have received £6000m in Federal subsidies. The railway unions have put in a £1300m bid for the system. The money will come from tax rebates due to Conrail for its unprofitable years, a £330m cash payment arranged through the Chase Manhattan Bank, and £200m in future wage concessions by union members!

# PRIVATISING EDUCATION



Ulrike Preuss (NPCD)

The government has made no secret of its determination to support the growth of private education at the expense of state schools. The main plank of its privatisation strategy is **vouchers**, now apparently to be modified and used for higher education. The privatisation process is already well established and largely hidden. In a RICE paper by Richard Pringle published in February this year, the true extent of privatisation is described. He cites a whole range of examples of the process.

#### BUYING PLACES IN PRIVATE SCHOOLS WITH PUBLIC MONEY

- through the assisted places scheme by which local authorities help parents pay fees for private schools.
- places paid for by government for children of people in the armed forces and overseas service.
- fees for pupils in former direct grant, now private schools.
- places bought by local education authorities for pupils with special needs, eg the physically or mentally handicapped, those with social needs, very gifted children.
- the 13 weeks off-the-job training in the new Youth Training Scheme will not be fully covered by FE colleges because there is insufficient money available: this area will now be open to competitive tenders from private schemes.

#### SUBSIDISING PRIVATE SCHOOLS

- the charitable status of private schools releases them from paying rates, taxes on profits, or National Insurance employers surcharge.
- this charitable status enables fee payers to gain tax advantages through life insurance schemes, covenanting fees.

- the charitable status of non-educational institutions enables them to support independent schools, eg the St John Hospital Trust in Devon makes generous grants to independent and voluntary church schools.
- payment in full or part by private companies of employees' school fees. This is treated as an expense and offset against taxes.
- training of teachers for the private sector is at public expense.
- the inspectorate now also services the private sector, at public expense.

#### HIVING OFF SCHOOL PROPERTY AND SERVICES TO THE PRIVATE SECTOR

- handing over school cleaning and school meals services to private firms.
- selling off school and college buildings to the private sector.
- selling off playing fields, sports grounds and leisure areas belonging to schools.
- renting out school facilities only where they can be paid for.

#### PAYING FOR SERVICES IN THE PUBLIC SECTOR

- certain lessons like swimming and music which used to be thought of as essential are now only available in some areas to parents who pay — using private tutors.
- books and teaching materials are increasingly being paid for by Parent-Teacher Associations and by individual parents. This is the case also for essentials, library books, scientific and laboratory equipment, computers, etc.
- school maintenance is now partly in the hands of volunteer parents and teachers in some places.
- school uniforms, where schools insist



on them, mean that parents are paying private businesses in order that their children can have a 'free' education.

- school outings and trips are increasingly only available for those pupils whose parents can pay for them to go.
- YTS allowances of £25 will mean young people increasingly opt for training rather than education, with only those whose parents can afford to keep them remaining in full-time education.
- transport to school for children who live within the statutory walking distance has to be paid for by parents in rural areas.

## THE TRUE COST OF PRIVATE EDUCATION FOR THE TAXPAYER

Assisted Places	£15m (increasing)
Government Personnel (including travel subsidies)	£70m (increasing)
Direct Grant	£10m (decreasing)
LEA purchase of places	£30m (decreasing)
Youth Training	£25m (increasing)
Charity Status (tax and rate loss)	£50m
<b>Total</b>	<b>£200m</b>

## Teachers fight back

*"We are fighting to save the education service. It has been starved of resources for years. Now the very foundations on which it is built are threatened."*

(NUT leaflet)

In May this year the National Union of Teachers launched their Campaign for Education — *Our Children Our Future* — aimed to put education on the public agenda again. The fact that it never became a major election issue, at least on a national scale, was no fault of the NUT and can be blamed both on the Labour Party and on the media. The Tory administration combines sustained public attacks on the standards in state schools with a deliberate policy of diverting desperately needed funds from the public sector into private schools.

The NUT campaign publicity exposes the attack on education over the last four years and the new threats facing state schools and colleges. It describes the achievements of the state system over the last 20 years and presents a positive programme of improvements to fight for.

The Campaign is based on 3 fundamental principles:

- All children should have equal opportunities to develop their abilities and talents to the full.
- Access to a public education service of the highest quality is a fundamental right for all children.
- Access to education should be free and not dependent on the ability to pay.

On the basis of these principles the NUT has drawn up a manifesto of 8 demands.

1. **Nursery Education** should be available for all children at the age of 3 if their parents request it.

2. **A Broad Curriculum for All:** all children should have access to a full range of subjects in a modern well-balanced curriculum.

3. **Smaller Classes:** there should be sufficient teachers employed to ensure that every child receives individual attention.

4. **Special Needs:** children with special needs must receive the special help they need and have a right to expect.

5. **The Quality of Teaching:** there must be a better training course, better training for teachers in their first year at school and more in-service training.

6. **Buildings and Resources:** all children should have pleasant, well-maintained and properly resourced schools in which to learn.

7. **Education Beyond 16:** education should be a lifelong process. Young people over 16 should be encouraged to continue their education by allowances at least equal to Supplementary Benefit. Student grants must not be replaced by loans.

8. **Comprehensive Schools:** the long struggle for comprehensive education must be completed. (Some 90% of all secondary age children in state schools are now in comprehensive schools.)

The NUT is currently consulting local branches about their experience and ideas about what direction the campaign should now take. It is also looking at ways in which pressure can be exerted in parliament.

On July 7th — less than a month after the election — the press carried reports of a 'confidential' government paper advocating a new round of spending cuts for education which would mean 60,000 teachers losing their jobs. Schools will be hard pressed to hang on to existing staff and resources, let alone campaign for improvements. It is to be hoped that the NUT will take their campaign outside the profession and into the communities they serve, to broaden the campaign base for the fight which lies ahead against this fresh onslaught from the Tories.

Leaflets, badges and posters are available from NUT, Hamilton House, Mabledon Place, London WC1.



**OUR CHILDREN  
OUR FUTURE**



Philip Wolmuth

## DUDLEY CLEAN-UP

Dudley's notorious Tory council are at it again. 700 cleaners face the sack following the council's decision to put out school cleaning to contract.

The effects on the work force will be disastrous. Wages will be cut from £1.71 to £1.30, hours will be cut by some 50% and the numbers will go down as well. All this in a borough with an appalling unemployment level and with many of the cleaners being the sole wage earner.

Three contractors have got the contract including some names familiar to *Public Service Action* readers — **Taskmaster** (fresh from Merton), **Initial** (part-owned by BET) and **Office Cleaning Services (OCS)**.

The defeat of NUPE's attempt to stop the Council is all the more disappointing because victory was possible. All NUPE cleaners were on strike, support from across the whole range of council services was promised and teachers had already stopped 14 large schools for health reasons. Unfortunately, a GMWU meeting for the minority of cleaners in the GMWU decided not to take action and the rest of the action fell apart.

But whilst the Council may be gloating, pupils, teachers and parents won't be. Education in Dudley has been hammered so much that even the Her Majesty's Inspectorate heavily criticised the Council last year for the appalling state of classrooms, textbooks etc. The council was even further embarrassed recently when allegations in the NALGO 'Put People First' film were confirmed at Mons Hill School where the headmaster described the school as showing an 'aura of dereliction'.

The Council will now turn their attention to other services such as school meals. They are determined, in the words of the Council's leader and used car salesman Jack Edmunds 'to run Dudley council as a business'.

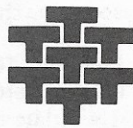


# PRIVATE ROADS TARMAC BIDS

Tarmac, one of Britain's largest construction and building materials companies, is heavily involved in privatisation. It is currently negotiating with Labour-controlled West Midlands County Council to build a £45m privately-funded public road linking Wolverhampton (Tarmac's headquarters) with the M6. The proposed road is not even on the Department of Transport's list of suspended trunk road projects.

Tarmac have been in the forefront in attempts to get the government to agree to privately-funded roads. They have argued that these projects should be in addition to, not replacing, existing road schemes thus providing more work for the contractors. Late last year the government commissioned merchant bankers Charterhouse Japhet to examine ways in which private-funded road projects would be acceptable to the City ie. how they could ensure secure profits.

It is likely that the contractors and financiers would pay for the construction of the road and then receive royalties over 15-21 years according to the amount of traffic using the road. The TUC studied similar funding proposals for the M25 Swanley-Sevenoaks link and discovered that it would earn



investors an annual average return of 15%. It would cost £400m over 21 years compared to £234m if the scheme was publicly funded and financed by long term borrowing. Tarmac have formed a consortium with the National Westminster Bank and Saturn Management, a subsidiary of Mercantile House Holdings.

A Tarmac waste disposal subsidiary has formed a new joint venture with Saturn Management and Saturn Leasing,

## Contractors & Consultants

### TARMAC'S SHAREHOLDERS INCLUDE:

Tyne and Wear County Council	150,000
Staffordshire County Council	65,999
NCB Pension Fund	1,311,514
London Transport Trustee Co Ltd	255,000
Co-operative Insurance Soc.	200,000
Church Commissioners	566,000
Lucas Staff Pension Trust	192,500
Lucas Works Pension Trust	77,500
Cambridgeshire County Council	45,144
Clwyd County Council	55,000
Northumberland County Council	60,000
Shropshire County Council	50,000
Cumbria County Council	70,000
Durham County Council	102,340
East Sussex County Council	130,000
Essex County Council	210,000
Hampshire County Council	145,000
Powys County Council	26,000
City of London	64,000
Brighton Health Authority	10,000

another Mercantile company, to form Saturn Econowaste. They hope to gain more waste disposal contracts with local authorities.

Cruise missiles could soon be sitting in Tarmac constructed storage facilities at Greenham Common. The company has a £11m contract at the base.

Chief Executive Eric Pountain (40% wage increase in 1982 to £95,000) returned from a 10-day trip to South Africa last November. Tarmac are

# BIRMINGHAM WAGE CUTS

700 school cleaners are the latest victims of Council policies in Birmingham. Britain's largest local authority decided on 28th June to hand over a large chunk of school cleaning to a Danish multinational ISS Servisystem.

This is the latest chapter of a long running saga. Last autumn, whilst the dustmen were being blackmailed into putting in their own tender, the education committee started moves to privatise some school cleaning. Determined efforts by sections of the workforce led to an infamous circular 10/83 which advised headmasters on how to contact the police to remove pickets whilst supervisors were issued with large wire-cutters.

Unfortunately by this stage one GMWU branch had decided to take part in tendering rather than resist outright. Prolonged discussions took place which resulted in an Education Department tender being made alongside the six from private contractors.

The following points should be noted:

★ Only the 50 large secondary schools were put out to tender leaving the less profitable primary schools, annexes etc to be done by direct labour.

★ Redundancy payments totalling £897,150 will have to be made to 686 cleaners.

★ The Education Department tender was thrown out despite offering a 48% increase in productivity, the loss of 262 jobs, and despite adding a carrot of big savings in the 247 primary schools and colleges in Birmingham if the 50 school tender was accepted. The education committee threw out the Education Department tender for the 50 schools but ordered them to proceed with the other savings!

★ The unsuccessful contractors who also tendered were Initial Services, Exclusive Cleaners, Cleaners Ltd (a Pritchard Services Group subsidiary), Provincial Cleaning Services (part of the Hawley Group — see PSA No.2) and

ICC (Cleaning Services) Ltd.

★ The tender by Initial Services was based on productivity increases of between 67% and 170% on the acceptable figures devised by the council's works study department. Their tender was rejected because the council considered they couldn't meet the specification. Exclusive and Provincial both got their schedule of rates wrong.

★ Some idea of the rundown in school cleaning can be gained from the savings offered by the Department tender:

hours worked per week	year
21,543	1975
12,662	1983
7,685	tender offer

Up to now, the Tory Council in Birmingham have been happy to get big concessions out of the workforce instead of hiving off services. Does this represent a change of policy?

★ A comparison of wages and conditions shows the following:

	NJC	Servisystem
Hourly rate	£2.24	£1.71
Holidays	23-25 days + statutory days	20 days + statutory days
Sick pay	up to 26 weeks full pay + 26 weeks half pay	none
Superannuation	NJC scheme available	none

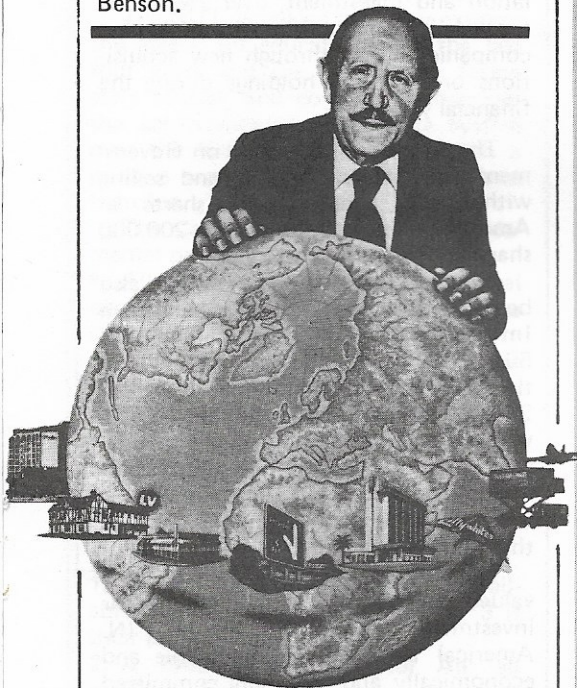


# Contractors & Consultants

already building luxury housing for whites outside Johannesburg but after a visit to the black township of Soweto, Pountain claimed that Tarmac could be building 400 units a year. He 'is convinced that the potential for building in the black township is enormous'.

In the company's 1982 annual report he states 'a fundamental precept of the present management is one of unremitting attention to improving the quality of profits, both in relation to sales and to capital employed'.

Turnover reached £1046.4m in 1982 with record pre-tax profits of £68.7m. Tarmac's activities include construction, quarry and building products, road building, housebuilding and improvement, and property development. Subsidiaries include Holland, Hannen and Cubitts, McLean Homes and Hoveringham Group PLC. It relies heavily on contracts from public bodies eg. nationalised industries, Department of Transport, NCB, NHS and local authorities in Britain and overseas. It is looking to expand its overseas business, currently accounting for 15% of turnover, and recently bought a quarter share in the Chicago-based construction management company Schal Associates. It is involved in a Channel Tunnel consortium with Wimpey and bankers Robert Fleming and Kleinwort Benson.



'I cannot think of anything worse for a company than to have at its head, and making its decisions, a group of people who answer to the currently popular description of "wets".'

'In making any particular decision, it is essential always to keep to the fore the purposes and benefits of the shareholders.'

Lord Forte, chairperson Trusthouse Forte PLC writing in *The Director*, July 1983

## WHO OWNS WHOM

### GRANDMET TAKEOVER OF CRECHE CHAIN

Grand Metropolitan has clinched control of Children's World Inc., an American creche chain. It now owns 55.4% of the shares. This is how the *Sunday Times* Business News (26th June 1983) described the deal. It "opens the prospect that Grandmet will import the idea into this country. It is big business in the US. The market leader, Kindercare, has 300 outlets and Children's World 100. They charge \$ 30 (£20) per day per child, which would be too much for British parents to swallow, but Grandmet chairperson Stanley Grinstead thinks it could charge £10 a day, using its Mecca offshoot as the operator in a market which is now mainly run by local authorities. This would also tie in with Grandmet's ambitions in the private hospital business."

Meanwhile public spending cuts by central government and Tory and Labour controlled councils are creating the conditions for firms like Grandmet to exploit. Nearly half of social service departments in England have reduced the number of places for children in day nurseries in the last four years. These include Wandsworth (down by 107 places), Trafford (130), Salford (104), Avon (91). Ten authorities don't provide any day care nurseries at all. Another 49 of the 104 authorities have also reduced grants to playgroup and childminders. A few councils etc. Brent, Lancashire and Manchester have increased day nursery provision. Training places for nursery nurses have been slashed from more than 4000 places to just 56 in the last four years.

### PRITCHARD'S EXPAND

Pritchard Janitorial Supplies, a subsidiary of the Pritchard Services Group, has purchased Avon Janitorial Supplies in Bristol which has an annual turnover of about £1/2m. Pritchard has also taken a 75% stake in Ball Maschinenreinigung GmbH of West Germany for £77,000. Ball specialises in factory equipment cleaning and will be linked with Pritchard's other German company, Proper Service GmbH, which has building and office cleaning contracts in Dusseldorf, Dortmund, Bonn and Essen.

### CHANGE OF NAME

The parent company of Sutcliffe Catering (it recently won school meals contracts in Merton and Croydon) has changed its name to Sterling Guarantee Trust from Town and City Properties. The group has just reported a £9m pre-tax profit for the first time in nine years (see PSA No 1) on turnover up £25m to £177m.

### SUNLIGHT

Advance Cleaning, National United Laundries Corporation and Sunlight Laundries are part of the Sunlight Services Group Ltd.

### HARGREAVES SKIPS



The Hargreaves Group has recently started a drive to win waste disposal contracts in Cleveland and Yorkshire. PSA has received reports from Leeds, Sheffield and Middlesbrough where the firm has recently won container contracts. In Leeds they have been undercutting the council's container service and winning large trade contracts. Leeds council shop stewards are pressing for new container vehicles and better maintenance from the council's own workshops in an attempt to improve the service. They also discovered that Hargreaves are charged lower tipping fees by West Yorkshire Metropolitan County Council and are demanding they are equalised.

Hargreaves' activities include solid and liquid fuel processing and distribution, quarrying, construction materials, road tanker transport and shipping. Turnover rose 17% in 1982 to £289m with £4.8m pre-tax profits. It owns 965,000 ICI shares worth £5m following the sale of its half share in a fertiliser business it owned with ICI.

### INITIAL PLC

Initial PLC, the cleaning and laundry group, has just reported an 18% jump in pre-tax profits to £27.1 million on turnover of £210m. The firm has a BUPA hospital contract, a large overall cleaning contract with the National Coal Board, and small gardening, landscaping and public toilet cleaning contracts. They also have contracts with BL, DHSS and the Ministry of Defence. The company are preparing to bid for many NHS cleaning contracts.

Last year Initial took over Consolidated Laundries in the USA for £14.6m, to add to its operations in West Germany, Belgium, Holland and Australia. A rationalisation plan has shed 1500 jobs in the last two years. Initial is an associate company of the BET Group (British Electric Traction) who own 41% of the shares. Other shareholders include the South Yorkshire County Council Pension Fund, and the London boroughs of Newham and Greenwich.



# CITY Connections CITY SLICKERS

**S G WARBURG & Co Ltd** merchant bankers, are one of the government's financial advisers on privatisation. Experts in 'restructuring of state enterprises', Warburg is owned by **MERCURY SECURITIES PLC**, a multinational with a network of over 70 companies specialising in merchant banking, insurance, ship broking and employee benefit consultancy.

Mercury's profits for the year ended 31st March 1983 were £17.25 million, an increase of £3.69 million over the previous year. Mercury's directors include Lord Roll of Ipsden, whose other directorships include the London School of Economics and Times Newspaper Holdings Ltd; Viscount Garmoye and D G Scholey OBE who is also a director of the Bank of England.

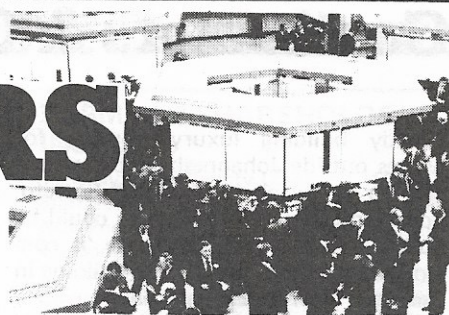
£15.7 million of this year's profits is attributable to Warburg whose directors include Sir Howard Guinness, Lord Greenhill of Harrow, Earl Jellicoe, Sir Ronald McIntosh and Count C. Di Robilant. In 1982 all the directors earned over £640,000 between them.

Warburg clients include several foreign governments, central banks and state enterprises. *The Times* 29.6.83 reported 'Warburg has also had another good year in corporate finance with its share of government sell-offs... stands to benefit further from privatisation.' They are involved with **Britoil**, **British Aerospace**, **National Coal Board** and **British Telecom**. BT is soon to be privatised with a possible share issue worth over £4 billion and their fee for the BT sale 'should keep the roof on the new King William Street offices where next year Warburg will practice their characteristic austerity in greater comfort'. (*Daily Mail* 29.6.83)

A Warburg subsidiary is **Nutraco Nominees Ltd** which acts as a nominee company for Warburg clients. A nominee company does not 'trade' (ie. make profit/losses) but is used by individuals and companies primarily to deal in shares without having to publicly disclose their identity or their shareholding. In their position Warburg are clearly able to advise clients of the gains to be made by investing in companies likely to benefit from privatisation. Nutraco, for Warburg clients, are shareholders in the following companies that are involved with privatisation. It is by no means the complete list but a small example that reflects a trend.

## SHAREHOLDINGS HELD BY NUTRACO

TOWN & CITY PROPERTIES LTD	(see PSA 1)	4,343,670 shares as at	9.8.82
GRAND METROPOLITAN LTD	(see PSA 1 & 2)	3,553,460	17.3.83
PRITCHARD SERVICES GROUP LTD	(see PSA 1 & 2)	149,622	30.6.83
TRAFALGAR HOUSE LTD	(see PSA 2)	2,571,258	2.2.83
TRUST HOUSE FORTE	(see PSA 2)	2,560,198	28.3.83
HAWLEY GROUP LTD	(see PSA 2)	460,000	21.7.83
BET GROUP LTD	(see PSA 1)	415,916	29.10.81
BRENGREEN HOLDINGS LTD	(see PSA 1)	523,750	7.8.81
TARMAC LTD	(see this issue)	104,476	
SPRING GROVE PLC		667,500	



## SHAREHOLDINGS HELD BY MERCURY GENERAL FUND

	Shares	Value of trust fund	
		£	%
Barratt Developments (increased 40,687 shs.)	214,124	1,100,597	2.3
Cable and Wireless (increased by 132,500 shs.)	292,500	1,146,600	2.43
Grand Metropolitan	90,000	325,800	0.69
Associated British Ports Holdings	189,000	268,380	0.57
Britoil	228,137	98,099	0.21
Town & City Properties (increased by 250,000 shs.)	1,283,100	378,515	0.80
Hospital Corporation of America	9,400	250,923	0.53

## MERCURY AMERICAN GROWTH FUND INVESTMENT IN HEALTH CARE

	shares	value of trust fund	
		£	%
Shared Medical Systems	13,600	323,260	4.83
American Medical	15,099	316,597	4.24
Redken Laboratories	21,000	319,323	4.27
Syntex	10,500	416,800	5.58

The vast majority of Warburg clients' investments go through Nutraco so shareholdings in any one company could represent one or many Warburg clients.

Warburg company secretary Ian Marshall told PSA that their corporate finance and investment activities 'are separate entities' and that they 'are careful to avoid conflicts of interest' being governed by 'strict rules'. He added that their investment managers did not have 'a hit list of companies' nor did they have 'a guiding hand'.

Another Warburg subsidiary, **Mercury Fund Managers Ltd** is a company that runs seven unit trusts. At the beginning of 1981, Mercury unit trusts were worth £25 million; today they are worth over £175 million.

A unit trust invests the combined contributions from individuals, companies and institutions in various securities and pays dividends in proportion to holdings. One trust **Mercury General Fund**, for example, aims 'to achieve long term capital appreciation for shareholders while at the same time producing a reasonable level of income'. Accounts for the year to 23rd February 1983 show the fund's total value as £47,249,159 with income from investments as £1,429,971. The managers'

service charge was £252,622.

Over 87% of the fund is invested in the UK, the rest being invested in USA, Japan, Germany and South Africa. Privatisation is an area ripe for speculation and investment, over 7% of the fund being invested in the following companies either through new acquisitions or increased holdings during the financial year:

The fund also cashed in on Government sell-offs by buying and selling within the year 17,500 shares in **Amersham International** and 200,000 shares in **British Aerospace**.

The **Mercury International Fund** also bought and sold 8,750 **Amersham International**, 87,745 **Britoil** and sold 50,000 **Cable & Wireless** shares during the financial year. This fund also holds 250,000 shares in **Brambles** (see PSA 2) worth £360,292, representing 1.37% of the total fund, and increased their holding in **National Medical Enterprises** to 35,000 shares representing 2.25% of the fund's investments.

The **Mercury American Growth Fund** valued at £7,472,387 states the case for investment in North America as it (N. America) being 'politically stable and economically and culturally committed to the concept of free enterprise'. Most health care in N. America is private and at 29.4.83 the fund had 18.92% of its investments in North American companies associated with health care. American health companies are now looking to the UK for expansion with the Government's destruction of the National Health Service.

According to a spokesperson from Warburg there is apparently 'no specific strategy' of investing in companies likely to benefit from privatisation.



# PRIVATE HOMES

## NEW BILL

The Housing and Building Control Bill published on 24th June will soon go through House of Commons Committee stages before becoming law. Its main aims are to extend the privatisation of public housing and associated services, resulting in the further deterioration of services for tenants and massive job losses in the public service unions. Briefly, the Bill

- **Extends the sale of public housing**
  - tenants will be able to buy long leases (previously only freeholds) from local authorities, new towns and housing associations.
  - maximum discounts available will be increased to 60% for tenants of 20 years or more tenancy (previously 30 years and 50%).
  - 'shared ownership schemes' will enable tenants to buy 50% of their home (with a mortgage) and rent the rest until they can afford to buy outright.
  - the Secretary of State will have increased powers to 'assist' tenants 'experiencing difficulties' of buying their home.
- **Privatises council dwelling repairs**
  - schemes will be introduced whereby tenants will have to hire private contractors and also pay towards the cost of repairs that local authorities are legally responsible for.
- **Relaxes building regulations and allows the construction industry to 'regulate' itself**
  - inspectors (from the construction industry) approved by the Secretary of State will, instead of local authorities, supervise building works to weaker standards.

A briefing paper for tenants and trade unionists setting out the Bill and its full implications and what can be done by campaigning against it is available price 20p (discounts for bulk orders) from SCAT Publications, 27 Clerkenwell Close, London EC1. Telephone: 01 253 3627.

## BIG LOSSES

The long term loss on the 526,000 council houses sold in four years of Conservative government will be at least £10,800 million. This figure is based on an average long term loss on each house of £20,470 following an update of the Nottingham study 'Where have all the assets gone?' (50p from SCAT Publications).

Most, if not all, of this loss will have to be borne by future council house tenants. So whilst those that buy now get an average discount of £7,282, those that do not will have to suffer higher rents.



## GRANNY HOMES

The Director of Kent County Council Social Services, Nicholas Stacey, has suggested a means of speeding up the privatisation of care for the elderly. Speaking at a recent dinner hosted by Private Patients Plan, a private health insurance company, he suggested that local councils should no longer provide old people's homes but only places where people could be sent for short periods. He thought that private enterprise should provide sheltered housing. His plan included encouraging the elderly to sell their homes and rent a portacabin placed at the bottom of their relatives gardens. They would then have several thousand pounds to spend on the extra costs of privatised care. When they died the coffin would go out the front door whilst a 'helicopter lifted the cabin' to another spot. Stacey does not appear to live in a flat.

Meanwhile an increasing number of private residential homes for the elderly, children and mentally handicapped are being set up. In some cases officers are leaving local authorities to set up their own homes. Others are being set up by companies with a string of homes charging the NHS and local authorities weekly fees of up to £250 per person. It is also reported that British and American financiers are now very eager to invest in these developments. There is nothing like criticising the state for so-called waste and inefficiency on the one hand, whilst using public money to profiteer from the needs of children, the elderly, and handicapped on the other.

## WIGAN-BARRATTIZED

Yet another North-west Labour council has fallen for the lure of the Barratt organisation. Some 97 council owned maisonettes within Wigan have been put under the hammer and are being sold to Barratts for the princely sum of £30,000 — £310 per maisonette. The plan is to remove the upper storey of these blocks and convert them into 'ideal' homes for sale at £18,000 per unit.

So secure are Wigan Council in the belief that no one wants these dwellings that they have been offered to Barratts with vacant possession. Unfortunately, no one had bothered to consult with existing tenants about the intention to sell. Many of them did not know about the proposal until it was announced in the local press. Said one tenant 'I still haven't received a letter from the council. I've spent a lot of money in making this place my home and I've no intention of leaving now.'

## Share slump

Barratt's shares on the Stock Exchange fell 32p (knocking £60m off the value of the company) the day after a World in Action TV programme which criticised timber framed housebuilding. Other builders using timber framing, including Wimpey's, also suffered a fall in the value of their shares.

## ESTATE AGENTS

In February 1982, Tory-controlled Barnet Council hired four firms of estate agents in an attempt to speed up council house sales and relieve excessive workloads in the council's estates department.

Now an O and M study of the service commissioned by the Council has backfired on them: a recent confidential report condemns the estate agents' services as unsatisfactory, unreliable, too costly and providing no measurable benefits.

The report states that even allowing for increased staffing to cover the work, up to £60,000 a year could be saved if the service reverted back to Council control.

Barnet NALGO have neither formally seen the report nor been consulted over the staffing implications. Branch Secretary Bernard Springer told P.S.A. "We are opposed to council house sales but our members provide a proper service to the community. These estate agents are just out to make profits and they are having to be spoon-fed by our members. I am glad that the report vindicates what NALGO have said all along, that privatisation isn't cheaper or more efficient."

Despite the report, Barnet Council have not yet decided to sack the estate agents.



## More News

### THINK TANK DISBANDED

Thatcher has disbanded the Central Policy Review Staff, the Downing Street 'think tank' set up by Heath in 1971. Press leaks last year showed it was examining ways of privatising the NHS, education and other services. However, Thatcher has in fact strengthened her control over policy developments — privatisation plans will continue. Five members of the CPRS have been retained and Thatcher is expected to rely more heavily on her existing right wing advisers like Sir Alan Walters, Ferdinand Mount, and Sir Alfred Sherman of the Centre for Policy Studies.

Walters and Sherman were both knighted in the Queen's birthday honours list in June. Another veteran right winger Arthur Seldon of the Institute of Economic Affairs, who wants to 'liquidate the welfare state', received an OBE.



### MENDIP CONTRACT GOES DOWN UNDER

Cleanaway Ltd, a subsidiary of Australian multinational Brambles Industries Ltd, (see PSA No 2) recently won the £335,000 Mendip District Council refuse contract. Pritchard Industrial Services put in a slightly lower tender but lost because they did not want to acquire the council's vehicles. By cutting the workforce by a third Cleanaway claim that the daily collection rate of 4 tonnes/person will rise to over 6 tonnes/person.

### CONTRACTOR SACKED

Mid-Bedfordshire council sacked private contractors on the Ampthill refuse contract in March. The work is now done by the council's own workforce. Savings of up to £15,000 are reported.

# CONTROLLING CONTRACTORS IMPOSING CONDITIONS

Each authority in the public sector normally has a set of Standing Orders which lay down the basis on which contractors have to tender. If an authority cannot be stopped from seeking tenders then the next step is to make the tendering conditions as tough as possible. Imposing conditions will cost the contractor money and this means that tenders will be more realistic and higher.

Standing Orders should include conditions which demand:

### Contractors employees, wages and conditions

1. The contractor must be bona-fide, registered with the appropriate National Joint Council, trade or professional association, and directly employ all those people who work for it and any subcontractors, ie. no self-employed. All wages earned by workers engaged on work under the contract must be paid direct to them.

2. All those employed by the contractor at the site or premises of the authority must have the opportunity and every facility for being a member of an appropriate trade union. The authority should demand a commitment to recognise and negotiate with an appropriate trade union. Where a council has a union membership agreement with its own workforce, the aim should be to ensure all contractors meet the same conditions.

3. The contractor complies at all times with the Fair Wages and Conditions Resolution (House of Commons 1946) and has done so for at least six months prior to tendering. (To be repealed on 23rd September 1983.) You could try to demand that the firm's wages and conditions are the same standards as the authority's. This should also cover comparable welfare facilities, rest breaks, etc.

4. Contractors must employ a reasonable proportion of apprentices genuinely receiving training based on the best known practice in the industry.

5. Contractors employed by public bodies should not operate blacklists. Unions should be consulted about their knowledge of blacklists which are operated by contractors.

6. Contractors must fully comply with government legislation against racial and sexual discrimination as covered by the equal opportunities, sex discrimination and race relations Acts. They must provide details of any prosecution for failure to comply with the relevant legislation, together with details of any Industrial Tribunal claims brought against them by any present or former employee under current legislation.

7. Use should be made of the Department of Employment and local newspapers for recruitment of labour. (Some



councils have suggested that preference should be given to local residents.)

### Health and Safety

8. Contractors must fully comply with the Health and Safety at Work Act 1974 and submit an acceptable policy statement of how they intend to implement it on the contract, ensure that there are properly recognised and elected safety reps., and permit the council's Chief Safety Adviser to inspect all parts of the site at any time. Failure to meet health and safety standards will lead to being struck off the approved list of contractors for several years. Contractors must also produce copies of any reports made about their activities by the Health and Safety Executive.

### Standard of Work

9. Contractors must be responsible for all rectification work for a reasonable period after completion of building, repair or maintenance contracts.

10. Contractors are subject to penalty clauses for inadequate standards or non-completion of a service, eg. fixed fines for failure to collect refuse bins, etc. and higher fines if these failures are repeated. The contractor must also post a substantial performance payment and guarantee bond for the term of the contract. A 10% performance bond is often sought but some authorities have





been demanding a 20% bond for building contractors.

11. All goods and materials used or supplied and all work undertaken must meet the appropriate British Standard Specification and the British Standard Code of Practice.

### Information

12. Contractors must produce details of independently audited financial performance and copies of companies accounts submitted to Companies House for the last three years. This should include the names of directors and financial holdings in the company.

13. That companies should be required to disclose any financial contributions to political organisations, especially the Tory Party, Aims of Industry, the Economic League, other 'free-enterprise' organisations, employers organisations in the last five years.

### Miscellaneous

14. Contractors will be fully charged for the use of the authority's premises and equipment, eg. depots, storage space, canteen, materials, telephone etc.

15. Contractors must provide written evidence to the authority of having public liability and employer's liability insurance cover and must indemnify the authority in respect of any claim arising from the acts of the contractor, his/her employees or equipment in operating the services contracted for. If the contractor uses the authority's premises, eg. garages, workshops, then the contractor must show evidence of adequate cover for hire and property insurance.

16. Contractors' plant and equipment to be examined by the authority every six months.

17. Contractors must face automatic disqualification if they lobby or canvass for the contract during the tendering process. Unions should check whether councillors or members have any interests in the firms tendering.

18. Any costs incurred in the implementation of these conditions are to be fully met by the contractors.

19. All subcontractors must also comply with all these conditions.

**It is equally crucial to ensure that the authority has the resources and political commitment to carry out constant supervision of these contract clauses.**

This means:

- having adequate trained staff to supervise work, carry out spot checks on contractors' work, investigate complaints etc.
- regular reporting to the authorities committees so that any necessary action against contractors can be authorised.

Check your authority's Standing Orders to see which ones can be strengthened.

The Local Government Act 1972 (Section 135) gives local authorities the power to draw up Standing Orders but remember that it is up to the authority and not the contractor to ensure that the Standing Orders have been complied with. An authority's failure to enforce the Standing Orders does not invalidate a contract.

Health Circular HC (81)6 spells out model standing orders for Regional and District Health Authorities (paras 24-34 deal with tendering). These should be taken as the very minimum. It is more important than ever for health unions, CHC's etc to ensure that health authorities have a tight set of conditions for contractors.

Ensure that the authority only invites tenders from contractors on an approved list which should be as short as possible and only include those contractors which have demonstrated their ability to meet all the conditions in the council's Standing Orders. Any contractor later being found to have broken these conditions would be automatically removed from the list.

Secure the right of disclosure of information by the authority to the trade unions about any company tendering or doing work for the council. Union reps. should, for example, be informed automatically of any changes to the approved list and reasons for it eg. breaches of Standing Orders.

## Civil Service

### THE PROPERTY SERVICES AGENCY

In 1982 Michael Heseltine brought in one Arnold Montague Alfred from the City to reorganise the Agency as chief executive, at twice the usual salary for the grade — 'the most expensive civil servant of all time'. The Agency is the largest property user in the country with an annual turnover of £2,200m. What happens to the Agency concerns all civil servants, because it services all departments.

Since his appointment, Alfred has been busy cutting and hiving-off sections of the Agency: for instance, the PSA transport fleet which provided a rapid and efficient service to all departments has been disbanded and private contractors (National Freight) brought in whose insistence on carrying full loads has meant delays in departments obtaining supplies.

Now Alfred has produced plans for major reorganisation involving the separation of the civil estate from the management of MOD property and the closure of many local offices with up to 400 redundancies. The plans have sparked off a bitter row among senior management with Alfred's deputy describing them as 'inappropriate', 'irrelevant' and 'based on superficial analogy with the private property sector'. The three civil service unions have dismissed the £40m plans as 'a crazy waste of public funds' which were drawn up with no cost-benefit analysis and which would lead to less efficient organisation. They staged a Day of Action on 30th of June with walkouts in many local offices under threat of closure.

### ROYAL ORDNANCE FACTORY FACTORIES

Plans to privatise these 13 factories were announced in the Queen's speech. They have been consistently profitable since 1973 and employ over 18,000 workers making ammunition, tanks, guns and other weapons. The SCPS see the privatisation plans coming in two stages: the first the creation of a special agency outside the Defence Department, and second the sale to private industry when the companies interested feel ready to be taken on the factories.

### HEAVY GOODS VEHICLE TESTING STATIONS

The plans to hand over the function of the Department of Environment are going ahead less smoothly than the government hoped. It is reported that Lloyds Register of Shipping, the favourite contender, are now somewhat 'nervous' since the civil service unions united in declaring their insistence on retaining unionisation. Lloyds do not recognise trade unions and now see trouble ahead.



# PUBLIC SERVICE ACTION

## Information

**SAVE OUR SCHOOL MEALS SERVICE.**  
A NUPE education and information pack. £1.00 from NUPE, 20 Grand Depot Road, London SE18. The pack contains sections on the various ways in which school meals are being attacked eg. price increases, privatisation, abolition and reorganisation. Includes a school meals charter, case studies for use in workshops and a CPAG booklet on the stigma attached to free school meals.

**Scottish Public Services Under Attack — Local government and the health service.** £1.50 from NUPE, 18 Albany Street, Edinburgh. A detailed examination of the effects of cuts and privatisation in Scotland showing how government measures have been used to penalise council 'overspending'. Lots of useful information on expenditure on council and NHS services, staffing levels and job losses.

## FAIR WAGES Hollow win

Grandmet Waste Services have been found in breach of the Fair Wages Resolution (1946) on the Wandsworth refuse contract by the Central Arbitration Committee. They have been ordered to increase wages by £6 to £8 per week and reduce the working week from 40 to 39 hours.

Grandmet's wages were £117 per week (40 hours) for a driver and £111 for collectors. This was contrasted against £121.99 and £117.59 respectively as a comparison from 29 London boroughs (including 33 1/3% bonus, although workers in some councils can get up to 50% bonus payments). No wonder that Grandmet argued in the

**MAKING IT PUBLIC:** Evidence and action against privatisation by Dexter Whitfield. Pluto Press £2.50 (£2.20 inc p&p from SCAT Publications). 'Making It Public', just published in the 'Arguments for Socialism' series, gives a detailed account of the progress of privatisation under the Tory government and outlines the future threats to the public services. It exposes the myths used to justify the Tory strategy and describes the network of right-wing pressure groups, employers organisations, national and multinational companies and consultants who are both pressing for and profiting from privatisation. It demonstrates how government policies should be seen as an attack on both workers and users of services, describes struggles against privatisation, and shows, with the example of the US, the full effects of extensive privatisation. Lastly, it outlines a socialist alternative of extended public services under workers and users control, and recommends a detailed 7-point strategy for fighting privatisation.

**PRIVATISATION — Who loses and who benefits.** 85p from Labour Research Department, 78 Blackfriars Road, London SE1. This pamphlet provides lots of useful facts and figures about the effects of privatisation in local and central government, the NHS and nationalised industries. Also has useful information on contractors and examples where privatisation has been stopped.

CAC hearing that it would be disastrous for privatisation if they had to pay local authority rates.

The victory is a hollow one. On July 13th Wandsworth Council considered the CAC decision referred to them by Tebbit. They decided to scrap the Fair Wages Resolution from all further contracts (the government is scrapping the resolution anyway on 21st Sept 1983). They also agreed to 'enter into negotiations with existing service contractors (including Grandmet) and seek their agreement to remove the fair wages clause in its entirety from the contracts retrospectively to the date of commencement of the contracts'. Not surprisingly, Grandmet are quite happy to renegotiate. The workers will get no increase, not even a back-dated one.

## PRIVATE MINIBUSES REJECTED

A London Transport inquiry has comprehensively rejected a plan by Associated Minibus Operators to run 500 minibuses on four routes across London. The inspector stated: 'In my view, the disadvantages and dangers to the public are so overwhelmingly greater than any possible advantages that it would be folly to implement the proposals'. He concluded that the minibus service 'would add to congestion, would be directly contrary to the statutory requirement for integrated services, would be damaging to amenity in some ways, would cause inconvenience and danger by stopping anywhere, and by diminishing the revenue would lead to increased subsidy, higher fares or the reduction or withdrawal of services to the public not in competition with the AMOS routes'.

However, news leaked out in July that London Transport had plans to offer longer distance bus routes into the London suburbs to private coach operators. The TGWU believe these proposals have been drawn up in anticipation of a new Regional Transport Authority being established by the government to replace London Transport.

## Information needed

**PUBLIC SERVICE ACTION** needs:

- campaign news reports from trade unions, shop stewards committees, trades councils, tenants' groups and other organisations;
- information about contractors' failures, lost contracts etc;
- copies of authorities' reports discussing and comparing tenders and any trade union submissions;
- details of contractors' wages, conditions and benefits;
- copies of any campaign leaflets and publicity material.

Please write or phone SCAT Publications.

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Researched, designed and produced by:  
**SCAT Publications**, 27 Clerkenwell Close, London EC1 (tel. 01-253 3627).  
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