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THE ANTI-PRIVATISATION MAGAZINE FOR THE LABOUR MOVEMENT

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Privatisation the DIY way! OPTING OUT

Do-it-yourself privatisation is to be the order of the day. If you can't abolish a public service outright, then run it down, deprive it of funds (while putting public money into private alternatives) – and then entice people out of it.

HOUSING: Under the new Housing Bill council tenants will be invited to opt out of the public sector into the hands of private landlords or housing associations, where they will face uncontrolled market rents and reduced security of tenure. And you can't opt back.

BUT if your area is picked by ministers for a Housing Action Trust, then they choose for you: you are handed over to the Trust of businessmen and and housing professionals who will parcel you off to private developers, private landlords or housing associations.

The new "right" is only to be for council tenants: the homeless can't opt out of B&B or cardboard boxes, and private and Housing Association tenants can't opt into council housing

EDUCATION: Local authorities in London will be able to opt out of ILEA because it's Labour controlled and spends too much on its service. The Tory boroughs in ILEA have already stated their intention to pull out.

51% of the votes of parents can take any state school out of elected local control for all time to be directly funded

by government – losing all the training, support services and other resources of the local authority. Staff will be sacked if they don't want to be opted-out and don't accept compulsory transfer.

Or, a parent can get the council to pay for an 'assisted place' for their child at a private school (which costs twice as much as their child staying at a state school), or send them to a privately-run and financed City Technology College.

HEALTH: The DHSS are working on plans to allow hospitals to opt out of the NHS and be privately managed. They could then compete with the NHS hospitals or with private hospitals for patients – on the basis of cost. NHS patients would still get medical treatment free, but could be sent to whichever hospital did it cheapest.

There is a consistent pattern to the drive to run down public services. Starve the service of funds, underpay the staff, create dissatisfaction and then offer a "solution" of individual opting-out, competing schools and hospitals. And then call it "choice".

It removes the services and thus the users from the control or accountability of local councillors. Parents and tenants will find themselves as powerless in relation to the new services as we all are with the NHS.

Central Government still holds all the purse strings. Not only does it decide what to pay for and what not, but also at any time can change the level of funding or what is free and what can be charged for.

Most people aren't fooled by this – but they are desperate to get decent housing, better schools and quick hospital treatment.

Inside:
Strategy to combat
tendering



● Campaigning in Westminster to stay public (see page 9)

TENDERING FOR SPORTS AND LEISURE MANAGEMENT?

The management of sports and leisure facilities may be added to the six services covered by the statutory tendering proposals in the Local Government Bill (see PSA No 29). The Department of the Environment has just published a consultation paper 'Competition in the Management of Local Authority Sport and Leisure Facilities' with comments in by 11 December 1987.

The consultation paper spells out the management function as:

- Taking bookings
- Collection of, and accounting for, fees and charges
- Cleaning and maintaining buildings, grounds, sports surfaces, plant and equipment
- Supervising activities, e.g. lifeguards at swimming pools
- Providing instruction in the sport and recreation activities offered
- Catering and the provision of refreshments
- Provision and hire of sports and other equipment
- Paying for heating, lighting, and other service charges
- Securing the premises.

Catering, cleaning, and grounds maintenance work associated with these facilities is already covered by the Bill.

A wide range of facilities are included:

- Sports centres
- Leisure centres
- Swimming pools
- Golf courses
- Bowling greens
- Putting greens
- Tennis courts
- Athletics tracks
- Pitches for team and other games
- Cycle tracks
- Water sports facilities
- Artificial ski slopes
- Skating rinks
- Indoor bowling arenas
- Beaches

The only exception would be sports facilities which are an integral part of schools and colleges, although the government's plans for schools to opt out of local authority control could lead to the effective privatisation of schools sports facilities.



Total control for contractors

The government is also suggesting that contractors should have virtually total control of facilities including policies on pricing, opening hours, and admittance leaving local authorities only to subsidise entrance fees for the elderly and unemployed. Public facilities would become private clubs.

The paper raises the question of 'competition-free allowances' (more business jargon enters public services) where councils with "very small" facilities might be exempt.

The next issue of PSA will have a detailed criticism of these proposals.

Local Government Bill UPDATE

Timetable

The Bill is expected to be through the House of Commons and into the Lords in January 1988, and to reach the statute book by 1st April.

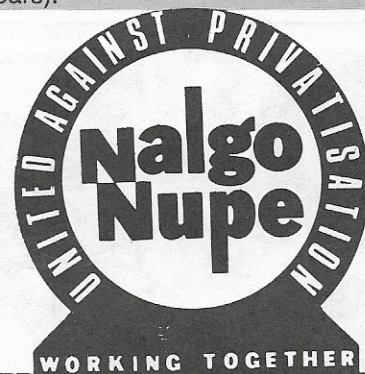
Phasing in the tendering

The latest word from the DoE is that:

- All authorities will be expected to undertake tendering in at least one service by 1st April 1989.
- Tendering for all target services will be within 3 years: it seems that the Government may enforce a 'rolling programme' – with intervals of 6 months between the tendering for each service.
- The Government believes that all authorities should have their plans for tendering for all services 'well in hand' by now.
- The start date for a particular service, e.g. 1st April 1989 will be the date by which the decision on who is to have the contract must have been made, with a 3–6 month period following allowed for arrangements for the start of the contract.

Size of contracts

- It seems that authorities will be able to determine the size of contracts, i.e. how a service is to be parcelled up for tendering – because the Government believes its provisions to ensure 'fair' competition will be sufficient to stop councils organising the contracts to make it difficult for private contractors.
- The Government is apparently determined that the whole of each service shall be subject to tendering, possibly all in one go (except for grounds maintenance which seems likely to be phased in over a number of years).



PAY FOR SERVICES PLAN SCHOOLS FIRST

Kenneth Baker's recent announcement that he is to legalise schools charging for 'extras' has caused an outcry. It puts an official stamp of approval on a practice that already deprives children without money of swimming, music, and school journeys in many areas. At the same time Government imposed cuts in

local government spending make subsidies to provide equal access to 'extras' more difficult for councils

LIBRARIES AND REFUSE NEXT?

Councils will be able to charge for a whole range of services under an enabling power planned by Ridley for future

legislation. This measure, designed to undermine the whole basis of local public services, was not announced, but slid out in a written answer to a question in Parliament in July. Policing, firefighting, and school education are to remain exempt, as are elections!

PITS & MORTAR

Tenants in privatised NCB housing face a new form of Rachmanism from absentee landlords according to a new report by Shelter, Pits and Mortar – **Cashing In On Coal Homes** says it is “not the Rachmanism of serious physical intimidation but one of slow relentless exploitation.”

The report investigated in detail eight ex-NCB estates in Staffs, Yorkshire and Derbyshire where private landlords had taken over. They found “a consistent pattern of disrepair, dereliction and demoralisation” in many cases only months after the houses had been sold by the Coal Board.

But these aren't small hard-up landlords. Sir Laurie Barratt from **Barratt Homes** was a major shareholder in a small property company buying houses. Moreover Tom Baron ex-housing advisor to Heseltine and the Department of the Environment, ex-chairman of Salvesen Properties Ltd and the **Stockbridge Village Trust** (Cantril Farm) was also purchasing property and managing them himself!

Shelter catalogued 33 different problems faced by tenants. These include:

- landlords buying the properties without a word to tenants and months later sending demands for hundreds of pounds of arrears.
- landlords ignoring most requests for repairs, or expecting tenants to pay up and be reimbursed at a later date.
- landlords failing to provide rent books or supply their name and address.
- rents being pushed up as fast as possible.
- landlords buying houses blind and then selling them on within weeks at a profit.
- notices to quit being sent to pensioners who are up to date with their rent.
- owners hiding behind networks of companies or agents making communication impossible.
- tenants' letters being ignored or returned unanswered.

Many of the tenants were elderly or had retired due to ill health. One tenant commented: “People shouldn't have to be treated like this after working for the industry all their lives. You come into the house with the best of intentions, now you're treated like dirt.”

THE BUYERS

Shelter themselves had difficulty in tracing many of the owners. They found a network of 8 inter-connected organisations and companies based in London and yet tenants thought they had different landlords.

The report argues that the same kind of companies and individuals, having learnt certain lessons, will be bidding for council housing.

Contract compliance NEW AMA INITIATIVE



The AMA has produced a model questionnaire and guidelines for companies applying to join local authorities' Approved Lists of contractors.

Contract Compliance policies have been developed by councils over the last few years to encourage better employment practice in the construction industry and to give DLOs a fairer chance of winning contracts in competition with the private sector. The AMA model has been developed from the experience of councils in this field and in consultation with both trade unions and employers and the Commission for Racial Equality.

UGLY NEW WORLD

“If you want to see what the future of public housing could look like just read this report. It's an Ugly New World.”

Available from Shelter, 88 Old Street, London EC1. Price £1.95.

The AMA model is designed specifically for use in construction, but much of it is applicable to other areas. If it is widely used by local authorities, it should be welcomed by private companies who will now only have to complete one questionnaire to apply to many councils, instead of a separate one for each authority.

Measures contained in the new Local Government Bill will make illegal many of the questions in the AMA model questionnaire. However, it is hoped that some changes may be won in this part of the Bill. In any case some forms of contract compliance will be possible – and essential. The AMA model presents a welcome basis for councils to develop their provisions for controlling contractors where they are used now and in the areas subject to tendering under the new law.

Trade unionists pressing their councils to develop contract compliance policies should find the AMA initiative useful.

More information from Lesley Courcouf at the AMA, 35 Great Smith St, London SW1P 3BJ.

Contractors & Consultants

GRANDMET SELLS NURSERY CHAIN

Grandmet has sold its **Children's World** chain of nurseries to **ARA Services Inc** for £71m, producing a £41m profit having acquired the chain only four years ago. Grandmet's chief executive of US operations was quoted as saying that Children's World was “not of sufficient size to merit retention”. ARA is involved in a wide range of activities in the USA including food services, nursing homes, vehicle maintenance, and building maintenance.

It also has a long record of Federal investigations and fines for price fixing. In Britain ARA is mainly involved in catering contracts e.g. Wandsworth homes for the elderly. The sale extends Grandmet's restructuring of its services division which also included the recent sale of its home nursing operations, Quality Care (see PSA No 30).



Meanwhile ARA teams up with GM

ARA and General Motors have formed **GMARA Industrial Cleaning**, a joint venture company which is to seek industrial cleaning contracts worldwide. ARA has also extended its building maintenance division acquiring another cleaning contractor **SERVISCO** (Columbia Services) in a £40m deal.

Health Service

MOORE'S MASSACRE

"High quality for all" is Minister Moore's promise for the health service – and high profits for the private sector. The plan:

- Privatised path labs, ambulances, building and maintenance, nurses' homes and porters.
- Put more NHS money into private hospitals. The NHS is already paying for 14,000 patients to be treated in private hospitals each year. This "co-operation" must grow.
- Invite private companies to take over hospital management.
- Invite managers and doctors to take over hospitals and opt out of the NHS.
- Break up national pay bargaining structures.
- Leave health authorities merely to regulate and hand money out to whoever is running hospitals.
- Encourage hospitals to run money-making ventures on their premises to boost income.

WINNERS

The private sector because it guarantees them an income (after a period of serious over-expansion) and offers them ready made and staffed hospitals to add to the empires.

The consultants – who already double their income through private practice.

The Government who can claim they haven't destroyed the health service (and who, if they're lucky, might get John Moore as their next leader).



DHSS Minister John Moore: eyes on the main chance.

LOSERS

Those who need treatment and can't get it who are forced to pay for treatment, when they've already paid for the NHS in taxes and National Insurance.

Those who need treatment and can't get it and can't pay for private care. They remain ill or die.

Health service workers, already underpaid and exploited. They face even worse pay and conditions – and privatisation.

WELL OILED

By the end of October BP will be fully privatised, the government having sold off its remaining 32 per cent share stake in the largest international £7.5 billion share offer. The government is using the sale to try to widen share ownership. Every applicant who applied before October 9th has been guaranteed at least 100 shares.

Although the sale may attract new shareholders it will only confirm the continuing trend of more people owning a smaller and smaller proportion of shares on the Stock Exchange. Individuals now own only 21 per cent of UK company shares compared to nearly 70 per cent in the late 1950s.

The Stock Exchange, worried about the financial institutions' ability to process the paper mountain caused by several million small shareholders, warned the government that the £250 minimum investment was too low. However, BP has always wanted a significant overseas share sale and more than 50 per cent of the shares will be sold to financial institutions in Britain and abroad.



Remember the headlines

'PRIVATE BT WILL IMPROVE EFFICIENCY'

Following the survey of BT's management offensive in PSA 29 we now cover recent reports on BT's quality of service.

● An Office of Telecommunications (the government regulatory body) study of BT's payphone service revealed that 23 per cent of callboxes were out of action across Britain. In London two out of five callboxes were unusable. BT reports that vandalism and theft accounted for only a third of these faults.

● Complaints about BT's service increased 56 per cent in 1986 according to the OFTEL annual report.

● A National Consumer Council survey of telephone users found that 52 per cent considered telephone charges unreasonable compared to 23 per cent for gas, 28 per cent for water, and 35 per cent for electricity.

● Complaints are likely to be even higher in 1987. Telephone exchange meter faults earlier this year resulted in incorrect bills in London and Scotland. BT was forced to repay £250,000 overcharging to the Bank of England!

● BT's directors and 200 senior managers are getting stuck into share ownership. Under the company's share option scheme they have the option to purchase 9m shares at 187p and 2m at 211p. With BT's share price currently around 270p, the directors and managers have already made a paper profit of over £8m.

● In the midst of criticism of BT chairperson Sir George Jefferson announced his surprise resignation at the annual meeting in September. The new chairperson is Iain Vallance, the present chief executive.

● The former Tory MP Keith Best was given a 4-month gaol sentence for obtaining BT shares by deception (he made 6 applications under different names). After a weekend in Brixton Prison the Appeal Court freed him and merely increased his fine from £3,000 to £4,500. He also has to pay £1,500 costs.

Contractors & Consultants

Ambulances:



PRIVATE DRIVE

Ambulance services are the latest target for cost cutting. Hampshire Ambulance Service has privatised the non-emergency service to a local taxi firm, while another health authority in their area is trying to "opt out" and provide their own minibus-and-driver service.

The County Ambulance Service is under pressure to save £110,000 before April. Southsea-based **Mainline Taxis** won the contract to provide all out-patient transport in the Portsmouth DHA area. The contract "saves" £70,000 and the sale of 7 vehicles raised a further £30,000. But the con-

tract only runs for 8 months ending in April '88. The in-house bid will then have to include the price of re-purchasing vehicles. The 14 staff have been redeployed.

Hampshire County Council Social Services Department were invited to tender and only withdrew because of problems of acquiring vehicles.

Slipshod

There was no discussion beforehand with the trade unions. The health authority have been embarrassed by the unions pointing out that the contract contains no way of enforcing performance standards, or cover if the company goes bankrupt; no investigations were carried out into the suitability or reliability of this taxi company.

Patients needing transport phone the Ambulance Service, who have a radio link with Mainline Taxis. They have invested in some specialised vehicles, but the driver only has First Aid training.

Opting out

Basingstoke and North Hants DHA brought in management consultants **Deloitte Haskins and Sells** to look at how to make savings in non-emergency transport. They recommended that the DHA could run it cheaper than the Ambulance Service, by replacing 2 qualified ambulance staff and ambulance with a minibus and driver and a nursing auxiliary "where appropriate".

The DHA are now trying to "opt out" of the County service, and retain some of the contribution to pay for their own service. Negotiations continue but are thought unlikely to succeed.

BET TAKEOVER OF RCS

BET has acquired another cleaning contractor, **Reckitt Cleaning Services (RCS)**, from Reckitt & Colman for £12.75m. RCS has a £23m turnover and will be merged with BET's **Initial Contract Services** which was formed following the Brengreen and HAT takeovers in 1986 (see Monopoly Cleaning chart in PSA 25).

The news that **Reckitts** have been bought by **BET/Initial Services** throws light onto the controversy surrounding the domestic contract at Hull Royal Infirmary (see PSA 29). Reckitts won the contract on an unrealistically low price, after the intervention of the RHA and denials of undue influence from the DHA Chair who is a Director of **Reckitts & Coleman**, the parent company. The

contract only started in July, and cleaning standards were already inadequate, staff had impossible work targets and the high turnover of staff meant no training.

The Contract would have added to Reckitts value to BET: their cleaning division Initial Services already have the domestic contracts at the Princess Royal Hospital in Hull, and Castle Hill in neighbouring East Yorkshire.

The future of this contract must be in doubt. Initial originally lost this contract to Reckitts because their bid was £100,000 more expensive. In spite of Reckitts telling staff they were safe, BET would not offer any assurances to staff on pay or conditions or even the continuation of the contract.

CONTRACTORS Fines & Failures

COMPASS KITCHENS "ABOMINABLE"

Unsatisfactory supervision of staff, "non-existent" management, use of agency staff by **Compass Catering**, led to the Medical Advisory Committee at St Stephens Hospital proposing to close the kitchens altogether. The Control of Infection Officer and the Medical Officer for Environmental Health reported an "utterly deplorable and abominable" situation. A visit by the EHO for which Compass was "well rehearsed" and some 'marginal changes' had meant the closure, which had been resisted by management, was avoided. The Report considers that "Compass still had a long way to go to meet the required standard".

PATIENTS CLEAN WARDS

Patients and visitors to the Churchill Hospital, Oxford, were so shocked at the filthy conditions in the Hospital since **RCO** won the contract, that they have been writing to the local newspapers.

One woman patient recovering from a serious operation got out of bed to clean the ward toilets. A visitor reported ants crawling up her arm and patients' complaints about the infestation were ignored. Baths and ward floors were uncleared and dust and rubbish left around.

RCO won this contract on the basis of one cleaner covering an area previously cleaned by 4 people – no wonder it's filthy.

Thanks for information to Joint Union NHS Privatisation Research Unit c/o NUPE.

SCOTLAND: NEW THREATS

The Health Boards in Scotland have been notably successful in resisting Government pressure to put hospital ancillary services out to tender. Now **PULSE** founder, Michael Forsyth, the man who made his money as **Pritchards** PR man, is the minister at the Scottish Office responsible for the onward march of privatisation.

His colleague Malcolm Rifkind has just given permission for US company **Healthcare International** to build a 260-bed hospital in Clydebank. Catering only for non-UK patients in need of complex medical and surgical treatment, unions fear that it will entice staff from NHS hospitals where shortages are already acute. Opposition has come also from the Scottish Blood Transfusion Service, the Health Board and local Community Health Councils – and even the Independent Hospitals Association. The minister approved the plan – on the basis of an extraordinary projection of 6,000 new jobs.

A STRATEGY TO COMBAT STATUTORY TENDERING

What is the most effective strategy to minimise the impact of statutory tendering? Below we spell out a way forward drawing on the experience of contracting out local government and NHS services over the last 8 years. The strategy identifies two crucial stages of the tendering process.

In many local authorities there will be little or no opportunity for trade unions to be formally involved in any aspect of the tendering process. But it is essential that trade unionists prepare and publicise their own demands on specifications, contract conditions, and the evaluation of tenders.

The strategy is not easy. It means being involved with issues that have long been seen as 'management's job'. We believe that workers in public services have as much, if not more, knowledge and experience about the level and quality of services, working methods, ideas to improve services etc as management. The question is not whether this knowledge and expertise is used but how and when.

Privatisation can most effectively be fought by implementing the following 7 point strategy. Any campaign must involve all seven elements of the strategy although the degree to which each is used will depend on local circumstances:

(For details see *Campaigning for Care*, NUPE Action Pack, 1985, available from SCAT and *Fighting Privatisation in Local Government*, Report of National Local Government Committee, NALGO, 1986.)

THE 7 POINT STRATEGY

1. Developing alternative ideas and demands to improve services.
2. Education and propaganda.
3. Building stronger workplace organisation and making links with workers in other places.
4. Developing joint action and user committees.
5. Tactical use of industrial action and negotiating machinery.
6. Direct action by workers and users.
7. Counter offensive against contractors in public services.



"AT A GUESS, I'D SAY THE IN-HOUSE TENDER WON THE CONTRACT..."

The 8 Stages of Tendering

Stage 1

Decisions on which parts of services are covered by legislation, establishing organisation and procedures to deal with tendering, and timetable.

Stage 2

Detailed specifications, contract conditions, and contract monitoring will be drawn up describing the service, standards, how the work will be carried out and inspected.

Stage 3

Council advertises tenders, contractors register their interest, followed by detailed investigation of each firm.

Stage 4

Contractors draw up their tender based on the specification and contract conditions. They will normally inspect council depots, equipment etc.

Stage 5 running parallel to Stage 4.

Council department prepares in-house tender.

Stage 6

Tenders are opened and evaluated by officers and a report prepared for committee. Some firms may be interviewed and/or asked for more information.

Stage 7

Council committee discusses report and recommends acceptance, rejection, or further investigation of tenders. Decision will then go to full council for approval.

Stage 8

Usually 3 month period before contract starts, redundancy notices issued if contractor is awarded contract.

THE SPECIFICATION IS IMPORTANT BECAUSE:

- It sets out the level and quality of service and is the document on which the council and contractors will calculate the tender price.
- Specifications prepared for tenders are often used as a back door method to impose cuts in services and staffing levels.
- It should include the council's legal and statutory duties. The council's policies for the particular service, a description of the work, the required standards of service, staffing, equipment and materials. If the work is not fully specified then the contractor will be under no obligation to carry out the work (except for extra payment). Disputes over the quality of work will prove costly to the council.
- The specification details how the work must be carried out and the service delivered and how frequently.
- Under the tendering system minimum standards become maximum ones. If the specification is inadequate and direct labour retains the work then it could end up implementing cuts.

(See PSA 29 for Regulations on tendering process to be included in the Bill.)

CONTRACT CONDITIONS AND MONITORING ARE IMPORTANT BECAUSE:

- A comprehensive specification is virtually useless unless there are stringent conditions imposed on the operation of the contract, and stiff financial penalties imposed for work which does not meet the required standards at the required time or is not done at all.
- Contractors will use contract conditions to seek additional payments, cut corners to make up for loss leader bids, and try to impose their own working methods.
- Although the government is making some contract conditions illegal (see PSA No. 29) there is still considerable scope to impose contract conditions covering the quality, level of service, cost, timing, health and safety etc. Contractors are vulnerable to these conditions. Even those conditions made 'illegal' must be kept on the political agenda by trade unions.
- Full specifications and contract conditions will have limited value unless the council has a fully staffed team of inspectors to constantly monitor all the contractor's work, enforce all the contract conditions, impose penalties, and regularly report fines and failures to council committees. It is essential that contractors know the score before they tender!

BE INVOLVED IN SETTING THE TERMS OF THE COMPETITION

- ensuring specifications are comprehensive and based on good quality services and jobs.
- ensuring contract conditions and monitoring are stringent and enforceable.
- ensuring tenders are evaluated technically as well as financially examining all the costs.

We can use the process of setting standards and conditions to ensure that the competition takes place on *our* terms, not on the contractors' terms.

A FEW EXCEPTIONS

There may be a few exceptions where the trade unions can reach a negotiated agreement on the terms of their involvement in assisting drawing up an in-house tender. But councillors and man-

THE DANGERS OF BEING INVOLVED IN PREPARING THE IN-HOUSE TENDER

These points apply only to Stage 5 when management will prepare the in-house tender bid.

1. Preparing the in-house tender bid will involve management calculating staffing levels, pricing the work on the basis of the specification and contract conditions. You are likely to be drawn into agreeing job losses, wage cuts, changes in working practices etc.
2. Jobs, wages, working conditions and good quality services can be more effectively safeguarded by ensuring comprehensive specifications and stringent contract conditions and monitoring **at the same time** as taking action on all other parts of the 7 point strategy.
3. It could restrict your freedom and ability to take other forms of action in support of services and jobs.
4. It could create a credibility gap – how can you forge much needed alliances with the users of services (including other trade unionists) if at the same time you are party to agreeing to cuts in the service?
5. It will increase divisions between part-time/full-time, male/female, manual/white collar workers when unity and joint action are more important than ever.
6. Some councillors and managers may try to settle old scores or try to 'buy-off' union officers or reps thus creating divisions to hinder further action.
7. It will set a precedent which will put a lot of pressure on workers in other departments who decide not to be involved in the preparation of tenders.

DON'T BE INVOLVED IN:

- responding to invitations to tender
- co-operating with contractors inspecting depots etc.
- preparing the in-house tender bid.

agement would have to be fully committed to retaining direct labour and good quality services and jobs. Such involvement can only take place if the trade unions are satisfied that the specifications and contract conditions are comprehensive.

Remember, trying to influence the specification, contract conditions/monitoring, and tender evaluation stages is only part of one element of the 7 point strategy.

THE TENDER EVALUATION STAGE IS IMPORTANT BECAUSE:

- It is not simply about cost comparisons but must also include technical and political judgements about the ability of contractors to supply the required service.
- The lowest tender does *not* have to be accepted but local authorities will have to prepare reasons for rejecting low bids.
- It is essential that *all* the public costs of tendering and contracting out are taken into account – it is not just the tender prices.
- It is also essential that like is compared with like and this requires detailed analysis of the contractor's tenders.
- Management are likely to interview contractors seeking clarification, further information etc – such contact must be controlled.

STRONG ORGANISATION NEEDED

Implementing this strategy requires a strong and effective trade union organisation with shop stewards working jointly with other trade unions and building links with user organisations.

Future issues of PSA will examine parts of this strategy in detail.

BUSES: COMPETITION FARCE

Bus companies owned by the metropolitan transport authorities have been threatened with being broken up by Transport Minister David Mitchell. At a seminar organised by the Adam Smith Institute, he expressed concern that these publicly owned companies were too large and inhibiting competition. The companies, in Greater Manchester, Tyne and Wear, South Yorkshire, West Midlands, West Yorkshire and Strathclyde have effectively fought off competition from the private companies.

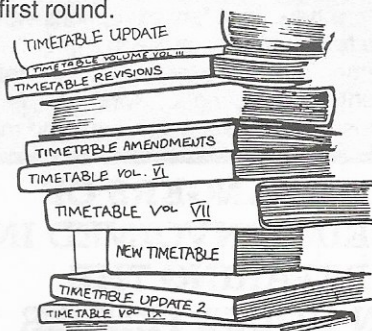
But large companies are acceptable, it seems, in the private sector. As the state-owned National Bus Company is being broken up and sold off, its subsidiaries are themselves merging to form conglomerates. West Yorkshire Roadcar has been taken over by a consortium led by the chairman of East Yorkshire Motor Services, itself a former NBC company. In the Midlands ministerial approval is currently awaited for the sale of 3 NBC companies to Allied Bus Services. A company called Stagecoach based in Perth has bought NBC companies serving Cumbria and Hampshire, and is awaiting approval for Northamptonshire based United Counties.

ROAD LOBBY DOUBTS

Even the Bus and Coach Council and the bus manufacturers are asking for a "period of stability" before further Government action. There has been a sharp decline in orders for new buses since deregulation.

CAPITAL, the London Transport Campaign reports on growing complaints about London's privatised bus routes. London Regional Passengers Committee looked at 2 groups of tenders and found:

- **Eastern National** running only 54% of its buses on time in winter months
- Complaints of irregular running, cancellations, buses in bad conditions and rude staff on a route run by **London Bus Lines** (Len Wright). This company has just won another route, where LBL was forced to give up after winning in the first round.



BUSWATCH which monitors bus services across the country reports that services are "significantly worse" since deregulation. They found:

- Only 54% of buses arriving on time
- 12% not displaying their destination
- 13% displaying the wrong number
- Only 69% of buses being clean
- 42% of buses demanding exact fares, but only 7% of bus stops having information on fares.
- Only 6% of bus stops having maps, and only 15% of buses saying where the bus stops.
- In general more passengers having to stand, less luggage room and more people unable to get on.



ASSET STRIPPING

Minister Paul Channon has stepped in to order the sale of **Bus Engineering Ltd**, owned by LRT – responsible for maintaining LBL buses. The workforce of BEL has already suffered a cut of almost 50% and the 800 remaining staff are facing a further 25% cut. While London Boroughs are supporting the campaign to save BEL, its Chiswick site has been advertised for sale separately – on the basis of its development potential. This must threaten other crucial parts of LRT such as Building Maintenance and London Underground scientific laboratories based at Chiswick.

Privatised Factory to Close

British Aerospace, owner of the **Royal Ordnance Factories** since privatisation, is to close the Enfield small arms factory in a 'rationalisation' programme. With production concentrated in Nottingham, more than 1,100 jobs in Enfield will go, confirming trade union fears over the sell-off last year. Trade unions believe the Enfield site to be worth some £120 million, with land prices in the area currently at £1.2 million per acre. Selling the site would go a long way to recoup the price of £180 million paid by British Aerospace for all 12 ROFs.

LONDON TRANSPORT

Tendering Goes On



LRT is pursuing its rolling tendering programme for buses, which will eventually include all routes. Its own company, LBL, has to work to a different rule-book from the private bidders, as each route has to pay its way including overheads. Where it doesn't break even on a route which it's won the right to run, LRT insists on re-tendering. Even so, LBL is still winning most of the routes put up for auction.

At Norbiton Garage where bus-workers have taken repeated action against the cuts in pay and conditions involved in the LBL tenders, LBL has told LRT it will give up the routes.

Civil Service

NEW ONSLAUGHT

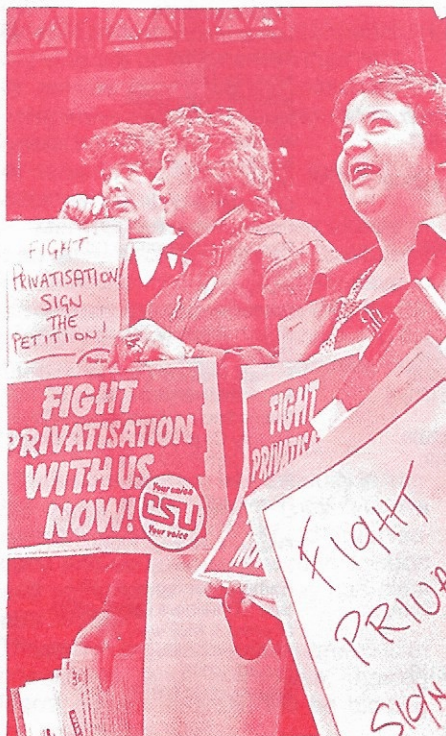
Ministers are launching a new drive to privatise the work of whole sections of the Civil Service.

CROWN SUPPLIERS

Christopher Chope, the pioneer of contracting out in Wandsworth, is pursuing his privatisation crusade as an environment minister. The Crown Suppliers provides £240 million worth of goods and equipment to government offices and buildings all over the country. Working on a commercial trading fund basis since 1976, the Suppliers made a profit of almost £5 million last year. Not surprisingly, there is interest from 2 potential buyers in gaining the whole business – though a report from Coopers and Lybrand considered only parts of the operation suitable for privatisation.

PROPERTY SERVICES AGENCY

The role of the PSA in building and maintaining all government property has been under threat for many years. Now Ministers plan to force the PSA to compete with private companies for government department contracts. The Agency's workforce of 25,000 will be protected initially by existing long term contracts. However, over time the private sector is expected to gain a large quantity of new profitable publicly funded work, when departments of government can choose how to spend their own building and maintenance allocations.



JOB CENTRES

There have been reports for some time about possible plans to sell off Job Centres to private employment agencies. Civil service unions fear that a reorganisation currently under way to transfer the centres to the unemployment benefit service is just 'a prelude' to privatisation. They are concerned also that the transfer will be seen by staff and claimants as 'benefit policing', in keeping with the general government assault on the rights of claimants, and hints of future moves towards US-style Workfare. This system of forcing the unemployed to work for their benefits is on the immediate agenda for young people and being promoted by relative wets like Heseltine at the Tory Party Conference.



FORESTS

Civil service unions fear another Government swipe at the Forestry Commission with the aim of ending state involvement in forestry altogether. The Commission has been compelled to sell off chunks of its land during each year of this Government's administration, and forests have grown as an area for speculative investment. The unions which organise Commission workers have launched a renewed joint campaign in defence of their jobs and the service – and are seeking support from a wide range of organisations concerned with the rural economy and recreation.

DHSS BENEFITS

Trade unions have declared their determination to resist the implementation of proposals contained in a new report *Competing for Value in the DHSS*. Familiar suggestions such as using private security guards and contracting out more of the cleaning are accompanied by more outlandish ideas like contracting out payment of benefits and debt collection. Recommendations for privatising much of the computer work in the Department are included – despite the report's admission that no "material savings" would result.

WESTMINSTER:

MARKET LEADER

Westminster council is embarking on an innovative programme of hiving off its social service responsibilities. An idea frequently hinted at throughout the last 5 years by Norman Fowler as DHSS Minister, it never reached the Parliamentary agenda. Now, true to form, Westminster is to try it out in the guise of "stronger partnerships" with voluntary agencies.

Age Concern has already taken over major services for the elderly, such as day care and luncheon clubs: their role is now to be formalised in a written contract with the council. There are now plans to contract out most of their nursery and childcare provisions to voluntary agencies. Proposals under discussion include a plan to give Social Service area teams the right to buy services from whoever is offering them the best deal: public, voluntary or private sector. But implementation of such policies depends upon the willingness of social workers and voluntary organisations to play their part. Fears of cuts in funding if they don't play the game may push voluntary agencies to change their function into providing mainstream health and social service provision instead of complementing it. If they follow Age Concern's path in Westminster – where next?

TENDERING

Westminster Council has already put 5 services from its target list out to tender: cleaning, catering, refuse collection and street cleansing, printing, and transport.

NALGO has been pursuing a policy of non-co-operation with the tendering process: contractors visiting social services offices with an eye to the catering and cleaning contracts have been refused any information or assistance.

HOUSING

Westminster is moving its housing policy a stage on from straight estate sales. Following Wandsworth's example, it plans to sell off individual council flats as they fall vacant and not re-let them. Half the council stock – some 11,000 homes are due for sale. The flats in worst condition will be sold off by auction to the highest bidder. Others will be sold off through estate agents Ellis & Co and a new Home Ownership Advisory Centre (the building alone cost £2.5 million). NALGO is boycotting the new in-house estate agents jobs and balloting members on action over the new housing sales policy.

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PUBLIC SERVICE ACTION

Information

'BETTER SERVICES' – A NUPE HANDBOOK FOR GOOD LOCAL SERVICES. Another welcome initiative from NUPE promoting the trade union case for improving public services, this pamphlet describes a range of ideas and projects in local government services. £1 to non-members from NUPE, Civic House, 20 Grand Depot Road, London SE18.

INFORMING THE WORKFORCE

A poster and leaflet explaining contractors' low wages and poor or non-existent benefits on parks/recreation contracts are being distributed to every worker and worksite in the Recreation Department, Sheffield City Council. They have been produced by a group of workers in the Project to Defend and Improve Local Authority Jobs and Services, assisted by SCAT. Copies can be obtained from the Public Sector Team, Department of Employment and Economic Development, Palatine Chambers, Pinstone Street, Sheffield S1.

CAN YOU HELP

Public Service action urgently needs:

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

Please write or phone now

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Circulation: 12,000

Conference: WHAT FUTURE FOR THE UNEMPLOYED? A conference about Special Employment Measures in London: November 27 & 28: Waltham Forest Town Hall. Details from NCVO Employment Unit, 26 Bedford Square, London WC1B 3HU.

STRICTLY PRIVATE: A UCATT review of the Local Government Bill.

This is a short, useful pamphlet explaining the implications of new measures in the Local Government Bill to further restrict councils' Building DLOs and to render illegal many of the contract compliance initiatives developed over the last few years. From UCATT, 177 Abbeville Road, London SW4 9RL.

EDINBURGH HEALTHWATCH

A conference is being held in Edinburgh on November 7th to set up a new organisation to bring together users and providers of health services. Invitations have gone out to trade unions, community groups and self help groups in the Edinburgh area.

Workshops at the conference will concentrate on taking a positive look at how to improve services. User groups will be encouraged to identify needs, and providers will be able to discuss practicalities.

The growing threat of privatisation and staffing cuts will also be high on the agenda.

Details: Healthwatch '87 on 031–225 4606.



Change of Address:

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The phone number remains:
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CONTRACTOR SUES SOLICITOR

How can a contractor claim to provide local authority services when it can't even set up a legally approved lucrative share option scheme for its directors?

AAH Holdings plc, the parent company of the **R B Tyler Group** (Wandsworth refuse, street cleansing and grass cutting contracts), are suing their own solicitors for failing to set up an executive share option scheme properly. These schemes allow the directors and senior managers an option to purchase shares in the company cheaply and have become another lucrative source of financial gain.

Schemes have to be approved by the Inland Revenue which demanded changes to the AAH scheme but these were never made. Shareholders approved the scheme, believing it had been approved, to grant options in 1985 at 173p per share and in 1986 at 233p per share. AAH's current share price is 440p.

Web of interests

AAH chairperson is William Pybus who is also a director of Leigh Interests, another waste disposal firm. Pybus is also a senior partner in AAH's solicitors Oppenheimer Nathan Van Dyck! Pybus already owns 81,588 shares in AAH. Another director and shareholder is Lord Robens, ex Labour MP, and ex chairperson of the National Coal Board.

Obviously business efficiency has no limits.

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