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Photo: JANINA STRUK

New threat to privatise Post Office

ROYAL MAIL SALE?

The Communication Workers Union, which represents the overwhelming majority of Royal Mail staff and is currently involved in a bitter dispute with management over attempts to introduce American style 'team working', has responded angrily to news that the Conservative Party is to include new plans for the privatisation of Britain's highly profitable postal service in their election manifesto.

The latest blueprint to privatise the service, which was leaked to a national newspaper in July, involves splitting Royal Mail's existing national network into eleven regional franchises with competing companies within each region. It appears that the Government has modelled the plan on what it regards as the 'successful' privatisation of British Rail.

The proposals also include the privatisation of Parcelforce, the public parcel freight carrier, and a speeding up of the franchising programme for Crown Post Offices. Fearful of unleashing the tidal wave of opposition which accompanied the Tories last attempt to privatise the Post Office, it would appear that the Government intends to leave the network of sub post offices in the public sector under the control of a slimmed down Post Office Counters Ltd.

The Government is also promising a 5p cut in the cost of posting letters although it has so far said nothing about the massive increases that many people posting letters destined for remote rural areas will encounter if the current national cross-subsidy is removed.

The Government's last attempt to privatise the Royal Mail was eventually dropped in 1995 after a massive public campaign led by the Communication Workers Union. The campaign successfully united a wide range of concerned organisations, communities and politicians of all political parties forcing the Government to make a humiliating climb down which it would like to avenge.

News of the latest privatisation plan was followed by the Government's blatant attempt to intervene directly in the dispute over hours and the introduction of team working. On July 19 Trade and Industry Secretary Ian Lang announced that the Royal Mail's monopoly of deliveries under £1 would be suspended, initially for a period of one month, unless the union called a halt to its strike action.

The Government had already let it be known that plans to ban strikes in essential services are to be included in the Conservative's election manifesto.

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Fears grow over DSS privatisations

BENEFIT CONTRACTS

The government's privatisation drive in the Civil Service continues at a breathtaking pace undermining fundamental notions of public service provision and the Welfare State. Public Service Action looks at some of the latest disturbing developments.

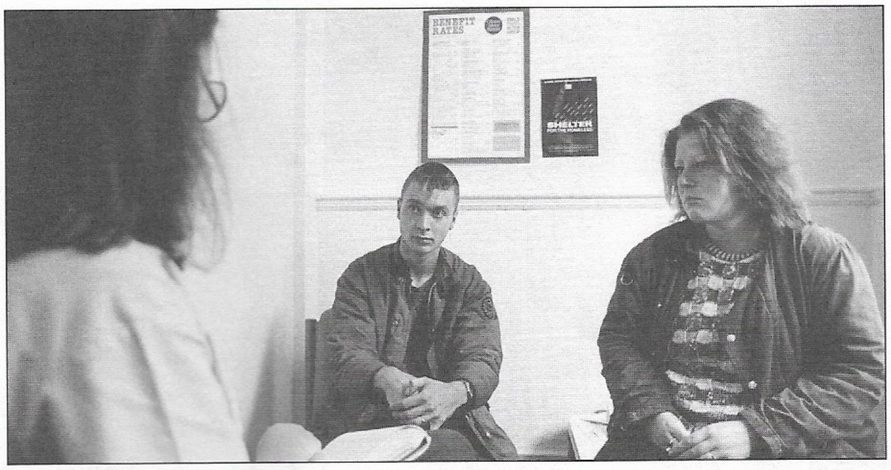


Photo: PHILIP WOLMUTH

Two recent announcements by the Secretary of State for Social Security, Peter Lilley, outlining government plans to privatise the delivery of child benefit and to allow private companies to work with the Benefits Agency in four regions, have increased fears about the wholesale privatisation of Britain's welfare system and massive job losses.

At the end of July, Mr. Lilley announced that the private sector was being invited to submit plans for taking over the administration of child benefit payments to 7 million families. The work is currently carried out by 1800 civil servants based at the Child Benefit Centre at Washington, Tyne and Wear. Under the plans, staff would be transferred to a private sector bidder.

There is growing speculation that computer giants EDS and Sema, lottery operators Camelot or pools companies such as Littlewoods could be among potential bidders.

Civil Service trade unions have responded angrily to the proposals and are pledging a major campaign to oppose the privatisation. The unions are not ruling out the use of industrial action.

In a separate but related move, the Secretary of State also announced that the government is also to allow private sector companies to 'work alongside' the Benefits Agency in East London, Anglia, the West Country and Yorkshire as a means of identifying further potential areas for privatisation.

Condemning the move, Civil Service unions stress that giving private sector companies access to detailed Benefits Agency information will lead to 'cherry picking' by enabling them to identify areas of work with the most profit potential.

Fewer services, more sell-offs

These latest privatisation moves follow a string of cutbacks and privatisation announcements affecting the DSS in recent months.

At the end of June the government revealed plans to sell-off a large number of DSS buildings, including 700 local benefit offices and Quarry House, the new £55m Benefits Agency office in Leeds which also houses the NHS Executive.

The government is hoping to raise around £4bn, a move widely seen as part of the government's increasingly desperate strategy to increase revenue to pay for tax cuts. There is little doubt that the Tories' room for manoeuvre in this respect has been severely squeezed because of the need to set aside £2bn to deal with the effects of 'mad cow' disease and lower than expected profits from the nuclear privatisation.

PFI and estate management. The sale, believed to be one of the largest and most complicated property transactions ever undertaken, is to be carried out under the Private Finance Initiative and represents around 16 per cent of the state's entire non-military estate. Annual rented value is understood to stand at around £160m per year and ministers are aiming to have identified a 'preferred supplier' by February 1997.

The construction group Amec was recently awarded £150m to rehouse 13,000 DSS civil servants in Newcastle-upon-Tyne. The project includes the 750,000 square foot redevelopment of the Contributions Agency's Longbenton office which currently employs around 9,000 staff. Amec will also build residential property, a hotel and a major retail development as part of the deal.

In July, the government shut down the DSS's free telephone advisory service on social security benefits, withdrew family credit from around 15,000 low income families, and announced plans to slash benefits to people sharing homes with those in work. These so-called cost-cutting measures, along with proposals to alter the dates on which child benefits are calculated, are expected to save around £164m annually.

All of the above moves are part of ministers' attempts to reduce DSS running costs, currently running £3.25bn per year, by 25 per cent by 1998/99.

CUSTODY SERVICE PRIVATISATION

The government has announced that it intends to privatise the Custody Service which provides security for many official buildings including Number10 Downing Street, St James' Palace, the Treasury and the Tower of London.

The Service, which has an annual turnover of around £14 million, could be privatised early in 1997 although security arrangements for the Ministry of Defence, and the secret intelligence agencies M15 and M16 look set to remain in the public sector.

Privatisation plans have been condemned by the Labour Party and trade unions. A spokesman for the Transport and General Workers Union described the move as "absurd": "It would be madness to reduce the level of security at buildings like these," he said.

Property & financial companies join forces

MoD HOMES SELL OFF

Threats of a Tory back bench revolt over plans to sell off 60,000 armed forces married quarters failed to materialise, paving the way for one of four consortia bidding to become the UK's largest private landlords with 800 estates in England and Wales.

Last minute concessions for service families by Defence Minister Michael Portillo successfully averted another embarrassing defeat for the government and ensured that the sale, which is expected to raise between £1.5 - 2.0 bn, will contribute significantly to Tory plans to deliver tax cuts in the November budget.

The significance of the privatisation is underlined by involvement of US investment banks Morgan Stanley and Lehman Brothers, Japan's largest security house, Nomura, and the Dutch-owned investment bank ING Barings, in the four shortlisted consortia:

* Property company British Land leads a group including Morgan Stanley and SBC Warburg.
* A partnership between construction group Amec and Nomura.
* A consortium including property companies Beckwith Capital Partners and Hodge & Co together with bankers Lehman Brothers and Bankers Trust.
* Holland's largest residential landlord, ING, supported by ING Barings.

Other consortia involving some of the UK's biggest financial institutions, including the Nationwide and Halifax building societies, life assurance companies Prudential and Legal and General, the investment arm of Barclays, BZW, were all eliminated by the government at an earlier stage of the bidding.

Under the terms of the sale, the successful bidder will receive guaranteed income in rents for 25 years and will be allowed to sell 'surplus' homes. First year rental income alone will be £112m. Some 2,500 'surplus' homes will be immediately available for sale, re-letting or redevelopment.

However, Tory plans to press ahead with the sale before the autumn have run into new difficulties following revelations that the government is not free to sell all the land.

Recent reports suggest that at least 200 plots are covered by the Treasury's 'Crichel Down rules' which were introduced in the 1950s to prevent requisitioned land being sold off without being offered in the first instance to the former owners or their legal heirs. Opponents of the sale are now demanding its postponement and are calling for full information about the deeds to the whole estate.

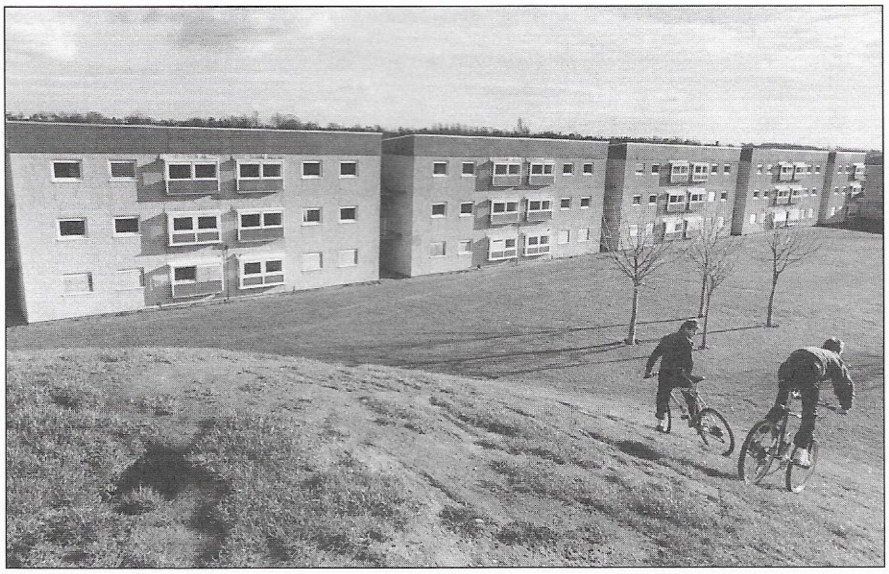


Photo: PHILIP WOLMUTH

News

Paymaster - Tories aim for banking sell-off

In what could be one of the Tories' last privatisation efforts in the Civil Service prior to a general election, the government has announced that it intends to sell-off the Paymaster General's Office, the government's banker. Around 700 staff are employed by Paymaster at its Crawley and Basingstoke offices.

Paymaster, which has operated as a government agency since 1993, handles £800 million worth of transactions every year and provides banking services to all government departments, NHS Trusts and a range of other public sector organisations. The agency also provides the Treasury and the Office for National Statistics with statistical information on public expenditure and banking operations and is responsible for administering the Civil Service pension scheme.

Widespread opposition to the sale has been voiced by the Labour Party, civil service trade unions and pensioners groups. There is particular concern over the security and accountability of the civil service pension scheme. Paymaster currently handles pensions worth £8bn on behalf of 1.5 million public sector workers. Paymaster's banking business accounts for a further £800bn per year.

The Labour Party has stressed the dangers of placing highly sensitive information about public sector spending in private hands and said that it would attempt to stall the sale.

Equal hours - equal pay campaign

UNISON has launched a campaign for a standard working week of 37 hours or less for all local authority employees. A shorter working week for all staff could benefit large numbers of manual and white-collar staff and will form part of the negotiations for single status. In addition the union's national conference agreed a motion for equal rights for part-time employees. It called for the right to statutory pay benefits for those earning below the lower earnings limit for National Insurance contributions.

Competitive tendering strategy

NEW HANDBOOK PROMOTES EQUAL OPPORTUNITIES

Equalities is fundamental to public services and must be central to all types of competitive tendering and market testing.

The Centre for Public Services has produced a key report on an equal opportunities strategy for competitive tendering aimed at managers, councillors, equal opportunities staff and trade unions. 'Equal Opportunities for Competitive Tendering' concludes that public sector organisations should be much more ambitious about promoting equalities in the tendering process. The report particularly focuses on issues affecting women, black people and people with disabilities and takes up the problems they have faced working under contract in local government.

Local authorities are major employers and in their locality, often the largest employer. The equal opportunities gains achieved in local government over the 1980s have been undermined by competitive tendering and the climate of financial

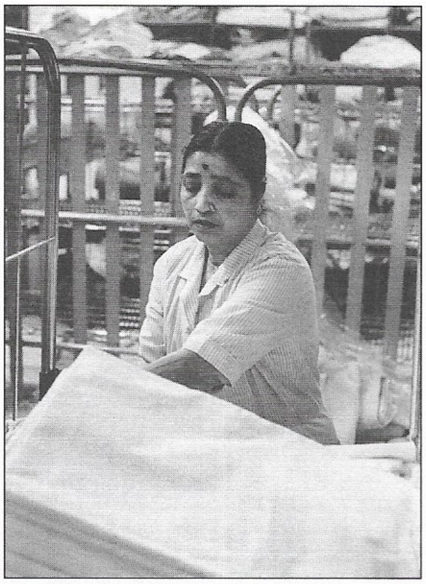


Photo: PHILIP WOLMUTH

BUILDING EQUALITIES INTO THE KEY STAGES OF THE TENDERING PROCESS

Preparation stage

Contract preparation is vital if equalities issues are to be seriously applied in the tendering process.

All services	Equalities checklist
1. Negotiating trade union/ user involvement	**Decision on corporate user involvement** Equalities input into tendering. Core equalities values and policies
2. Client - Contractor Relationship	**Client advice on equalities** Involvement of equalities staff. Clarity on application of council equalities policies
3. TUPE Policy	**Application of TUPE to all services** Ensure no discriminatory elements.
4. Service Profiles and Review	**Review equalities elements of service** Service provision and meeting needs across the community Equalities priorities. Consultation with users.
5. Public Service Plan or Business Plan	**Equal opportunities elements** in various aspects of plan eg. staffing, resources, users.
6. Sector Analysis and investigation of contractors	**Assess equal opportunities policies and practice** Records on women, race and disability issues and application of policies in terms of users and staff.

Tendering stage

7. Contract Packaging	**Check equalities implications** Avoid areas of all-female workforce.
8. Quality Specifications	**Check equalities input into specification** Decide on method statement and specific requirements. Equalities clauses and standards Contract monitoring criteria and methods. Contract review.
9. Contract Conditions	**Race equality requirements** Compliance with Race Relations Act 1976. Equal opportunities clauses.
10. Monitoring systems	**Monitoring equality requirements** of specifications and contract conditions. Training needs and contract review.
11. Advertising and Selection of tenderers	**Advertisement to include clear criteria** Send questionnaire to all applicants including the six approved questions on race relations and equalities policies.
12. In-house bid preparation	**Allowable costs** People with disabilities and trainees. Equalities as part of the DSO competitive edge.
13. Rigorous Tender Evaluation	**Evaluation according to previously agreed equality criteria.** Assessment of contractor's employment policies and specification met in full. Evaluation of answers to 6 race questions. Action to be taken if answers to questions on equality unsatisfactory.

After Tendering

Resources need to be clearly allocated to ensure equal opportunities policies are applied by either DSOs or external contractors, once tenders have been awarded.

14. Evaluation and review of tendering	**Review equalities strategy.** Policies applied to DSOs
15. Post-contract monitoring	**Regular reports on equal opportunities from contractor.** User monitoring. Meetings with contractor Review tendering and equalities strategy

Competitive tendering strategy *(cont)*

pressures. As a result disadvantaged groups of staff in local authorities include:

* Women, who form 65 per cent of the workforce in local government, and are concentrated in lower grade, lower paid jobs.

* Black people who are under represented in local government, comprise 4.2 per cent of local authority employees, and tend to be employed in lower grade posts.

* People with disabilities who remain marginalised as attempts to take positive action to improve their position have been halted in the competitive climate.

The overall differences by gender are revealed in Table A.

In addition, the proportion of women working part-time is very high compared to male employment. Only 15 per cent of all men working in local government work part-time as opposed to 66 per cent of all women.

The new report argues for a comprehensive and strategic approach which incorporates equal opportunities into competitive tendering practice at every stage. It also urges public sector organisations to be less cautious and to actively promote equalities as part of the contracting process.

The guide takes up the recommendations made by the Equal Opportunities Commission research undertaken in 1995 by the Centre into the 'Gender Impact of CCT' and provides practical checklists for local authorities, trade unions and service users. It looks at the particular role of councillors, managers and equal opportunities officers in the tendering process.

An analysis of the legal context explains the constraints of the competitive tendering legislation and the context for in-house services. It suggests methods for ensuring in-house teams and contractors comply with the equalities legislation and promotes good employment practices.

The report, which is supported by LGIU, ADLO, T&GWU and UNISON, argues for stronger contract compliance and new developments in public sector management in which the promotion of equal opportunities for all disadvantaged groups is inherent.

The handbook produced by Centre for Public Services as part of the Public Service Practice series, is available from: 1, Sidney Street, Sheffield S1 4RG. Cost £18.00 to public bodies, £10.00 to trade unions and community organisations.

Table A

Gender distribution 1995
All employees in local government

	Percentages	
	Male	**Female**
Chief Executives	95	5
Chief officers and deputies	91	9
APT&C	35	65
Manuals	20	80

Source: LGMB surveys of Chief Executives and Chief Officers: Manual Numbers and APT&C Joint Staffing Watch.

HOW COMMITTED IS LABOUR TO LOCAL GOVERNMENT?

The latest Labour Party policy statement "New Labour, new life for Britain" includes a number of measures under the themes of best value for local residents, devolving power to local communities and freedom for local government.

Specific proposals include:

* The ending of council tax capping except for extreme cases.
* Enforced competitive tendering to be replaced by 'best value' criteria to ensure standards of service are enhanced.
* Setting up pilot projects to explore the role for elected mayors in large cities.
* Setting up a directly elected strategic authority for London.
* Establishment of regional chambers, rather than regional government, except where there is clear popular consent to have an elected regional assembly.
* A predominantly unitary system of local government.
* Simplification of the Private Finance Initiative rules.
* Improvement in primary school standards and class sizes reduced to 30 or under for all five, six and seven year olds.
* Greater devolution of power and budgets to heads and governors in schools.

Other proposals, include:

Audit Commission: The Audit Commission will be given powers to work with inefficient councils in implementing savings, outlined by national audit studies, to draw up a plan of action and allocate staff and resources to resolving specific problems. Auditors will then return to the authority a year later to find out whether the plan has been followed.

Housing: The Labour Party supports a three-way partnership between the public sector, private sector and housing associations.

Community Care: National guidelines are proposed to ensure equity across the country in the provision of care. Labour intend to establish a Royal Commission to work out a fair system for funding long term elderly care.

Quangos: Will be made properly accountable to the public, but little is said about the practicalities of doing this.

There is little detail contained in the document which covers a range of policy areas. There are a number of key questions which need to be answered in relation to local government.

- What is best value?
- Who will define best value?
- Will market testing replace CCT?
- How will inefficiency be measured?
- How will quangos be made accountable?
- Will the growth of the Private Finance Initiative replace publicly run services?

News

Minimum wage

A new survey into employers' attitudes towards a national minimum wage has revealed that just under half of those questioned supported the idea. The survey also showed a waning of outright opposition among the most sceptical, in favour of a regionally varied minimum.

Commenting on the results of the survey conducted by Reed Personnel Services, a TUC spokesperson said that more employers now recognised that there is no future in a low pay, low skill, low productivity route to competitiveness. The TUC insists that arguments for regional variations remain weak because of the difficulties in defining regional labour markets, and because, outside London, there is little variation in real rates of pay.

* The Transport and General Workers' Union research department has produced a practical guide for union negotiators as part of it's campaign for a minimum wage of £4 an hour.

Based on material supplied by the Low Pay Unit, the booklet provides detailed information about poverty in work and examines the real cost of low pay.

'£4 Now: A Negotiators Guide' is published by the Transport and General Workers' Union, 16 Palace Street, London SW1E 5JD, Tel. 0171 739 9534.

Labour to honour prison contracts

Shadow Home Secretary, Jack Straw, has pledged that a future Labour government will end the current government's prison privatisation programme, although it would honour existing private prison contracts.

Speaking at the annual conference of the Prison Officers Association in May, he stressed that it was widely accepted that there could be no free market in this area. It was "morally unacceptable for the private sector to undertake the incarceration of those whom the state has decided need to be imprisoned", he told delegates.

Mr. Straw's remarks follow a government White Paper outlining plans to finance, design, build and run a further 12 prisons, providing 9,600 new prisoner places.

Compensation award

WOMEN SECURE BIG DISCRIMINATION PAY-OUTS

Women in two areas of the public sector have recently secured £9.5 million in compensation after suffering discrimination at the hands of their employer.

UNIONS representing school meals staff in the north east have secured a massive £1million plus settlement following a sex discrimination claim on behalf of nearly 1,500 women workers.

The claim was brought jointly by UNISON and the GMB on behalf of its members after Cleveland County Council imposed wage cuts and a new wage structure on staff following the retendering its school meals service in 1994/95. The council subsequently admitted that they had been guilty of breaching both wages and sex discrimination legislation after a compulsory competitive tendering exercise.

The settlement, which includes the full reinstatement of previous terms and conditions, payment of backdated pay losses and compensation for the council's treatment, will have a significant impact well beyond the case say union representatives.

It will send a clear warning to employers involved in compulsory tendering exercises that they cannot ride roughshod over previous agreements union say union officials. Up to 2,500 women employees of the council could now benefit and similar competitive tendering situations in other areas could also be affected.

School meals worker for over 20 years, Theres a Higgins, expressed the women's delight at the outcome of the claim. Stressing that the council had acted unfairly she said: "I'm really proud of all the women in the kitchens who fought these cuts, went to meetings and stuck together throughout. We were told we had to tighten our belts, but I wasn't prepared to accept a cut in pay while others weren't, touched and neither were the other women."

The case of the Cleveland school meals staff follows another major success involving 400 former women employees of British Gas. The women secured £8.5 million compensation after the European Court ruled that the company had been wrong to force the women to retire at 60.

The women, who were awarded individual settlements ranging from between £1,000 to £59,000, were compulsorily retired by the company in the late seventies. All of them had wanted to continue working until 65, in line with male colleagues doing similar jobs.

UNISON, succeeded in winning a test case in the European Court under the EC's Equal Treatment Directive and subsequently tracked down 400 former British Gas employees who had been compulsorily retired at 60.

Most of the women are now into their 70s and a number of those traced by the union have since died, with the union pursuing claims on behalf of their estates.

Commenting on the compensation award, UNISON general secretary, Rodney Bickerstaffe, stressed that the women were ordinary workers who had been doubly discriminated against. "They were all fit and well and capable of giving so much more to the industry," he said. " Not only did they lose five years pay but their pensions were less than they would have been allowed to continue working until 65 as men were."

* **Sunderland**, 180 school meals staff are to receive compensation for the loss of pay, hours and working conditions when the school meals contract for Wearside was won by CCG Group in 1992. The service is now under the direct control of Sunderland Council, whose winning tender allowed for a compensation award.

Nuclear sell-off

FALL-OUT SPREADS OVER NUCLEAR SALE

Controversy continues to shroud the privatisation of the most profitable part of Britain's nuclear industry, British Energy, after share prices plummeted on the first day of the flotation amid continuing concern about the real cost to the taxpayer of the Government's desperate attempts to raise money for tax cuts in the autumn.

The sale, which will raise less than £1.5bn is half what the Government had originally hoped for and half the cost of the industry's newest reactor at Sizewell B.

Shares Tumble

Any plans by small investors to make a quick killing received a swift setback as shares plunged 12p on the first day of trading after serious doubts emerged about safety and performance of key reactors. Opening at a first installment price of 106p, they eventually closed at 94p. Prices would have fallen further had the government's official broker, BZW, launched a massive share support operation.

Industry and investment experts now believe that even bigger falls are almost inevitable.

The history of the nuclear sell-off has been plagued by controversy from the start, mostly due to the sensitive nature of the industry, fears about safety, high decommissioning costs, and responsibility for the storage of spent nuclear fuel.

Share prices were undoubtedly hit by news that British Energy was forced to close down two of the industry's best performing gas cooled reactors at Hinckley Point B in Somerset and Hunterston in Ayreshire after cracks in welds were discovered. However, the timing of the closures has been widely criticised, coming just one hour after the deadline for public share purchases, leading to bitter accusations that the Government deliberately withheld information until after the sale deadline.

The Stock Exchange is currently holding an enquiry into the timing of the announcement.

New leaks

A further blow came on the eve of the sale when leaks were found during routine maintenance in the core of the new reactor at Sizewell B. Its closure caused particular concern as it had only been operating on full capacity for twelve months and meant that only five out of eight of British Energy's reactors were in operation when share dealing opened on July 15.

These last minute problems undoubtedly helped to undermine the share price, despite all the government's efforts to attract investors by selling the industry off cheaply and minimising future liabilities. By the time the sale had gone through, the government had reduced the value of the industry's assets by nearly £2bn and transferred around £1bn of the industry's debts to the public purse. The latter followed negotiations with the Treasury in March and a decision by ministers to pay £230m from public funds into a segregated fund for decommissioning costs. Organisations like Friends of the Earth continue to warn that existing nuclear liabilities, estimated at £14bn, have been widely underestimated, representing a "massive gift from the taxpayer to the private sector".

In a further attempt to boost proceeds from the sale, the Government announced in April that investors would be offered a share of a guaranteed £96 million dividend. The move was widely seen as a sweetener to attract investors and some city analysts were quick to caution that industry's likely profitability meant that the give-away was 'unsustainable'. When the pathfinder prospectus was eventually issued, an unprecedented six warnings were attached to promises of rising dividends.

Photo: PHILIP WOLMUTH

Transport News

Buses & Trains & ...

The Tories carved up National Bus into over sixty separate companies for privatisation. They split British Rail into a track operator, three rolling stock leasing companies, split rail operations in to numerous franchises and sold off BR maintenance and other service piecemeal. All to achieve 'competition' and at enormous cost to the public sector.

Within a few years the bus industry is dominated by three companies which have ruthlessly killed-off competition. Now the most aggressive bus operator, **Stagecoach**, has acquired Porterbrook Leasing, one of the three rolling stock leasing companies. Porterbrook was privatised just seven months ago for £527m but was sold for £825m - a loss to taxpayers of £298m.

Stage already operate the South West Trains franchise, is shortlisted for the South Eastern Trains and cardiff Railway franchises and is bidding for another twelve. Stagecoach hopes to reduce maintenance costs on Porterbrook's 3,775 rolling stock and gain from bulk purchasing for bus and rail operations. What action the Rail Regulator takes remains to be seen.

Cowie and Firstbus expand

Consolidation of the bus industry continues with more takeovers. The Sunderland based **Cowie Group** became Britain's second largest bus operator following the £282m takeover of British Bus in June and North East Bus from Natiopnal Express for £24.5m in July.

Meanwhile another northern bus operator, Go-Ahead of Gateshead, acquired London General for £46m. London General, previously part of London Transport, was sold to a management and employee buyout for £28.5m. It joins a long list of management and employee buyouts in the bus industry which, despite the fanfare about employee ownership or stakeholding, have had a very limited life.

The third main operator, Firstbus, acquired Strathclyde Bus Holdings in a £110m deal in May and announced it had formed a joint venture with South Eastern Trains to bid for the British Rail commuter franchise.

LABOUR TAKES THE CONSENSUS ROUTE

While there are plenty of signs of consensus developing between Labour and the Conservatives over transport policy, neither party will commit itself to invest funds to revive public transport and curtail car usage argues Bruce Allan.

Regardless of who wins the next general election, it seems Britain's transport policy for the end of the decade has already been settled. The new Labour Party transport policy document, 'Consensus For Change', marks a shift from former Labour approaches — especially in embracing the environment as a central transport policy objective — while the recent Government green paper signals a similar turn away from the Conservatives' previous `market forces and deregulation' approach, towards planning, integration and reducing car usage.

Both documents share three key themes: the need to reduce use of the private car, so cutting congestion and pollution; a view that local transport decisions should be taken locally; and a singular unwillingness to throw government money at the problem. The latter has already disappointed several vested interests: the CBI has complained and produced its own list of pet projects, as have, predictably, the British Road Federation. But the main plank of the `consensus' remains questionable: are people really prepared to give up their cars?

Labour's "new vision for transport" rests on this hope — they assert that "many of us want to leave cars at home" and suggest that public transport has declined solely because of Tory Government policies. But the `car culture' is as strong as ever, and one of the reasons the government was able to win the argument to deregulate buses and privatise rail was because subsidies were going through the roof as usage declined.

The document thus ends up playing down how far coercion might need to be exercised to change people's transport habits, for example, introducing the prospect of charging for local road usage almost as an aside.

Other proposals in this vein that have hit the headlines include the reform of vehicle taxation, to ensure that "more efficient, less polluting cars will pay less and less efficient ones will pay more". The RAC has already condemned this as "interference in motorists's choice" but it may also turn out to be unpopular with trades unions and Labour local authorities in areas where the motor industry provides jobs, especially the Midlands.

This Labour document updates Moving Britain into the 1990s — the policy produced under John Prescott in 1989 — which itself watered down commitments in 1987's Fresh Directions, especially on public ownership.

The earlier document had promised to give local authorities powers to buy back privatised municipal bus companies: by 1989 this had become a commitment to "a reformed tendering process with a flexible licensing system", implying that councils would have a right to decide where and when privately owned buses run — while the latest policy says only that Labour is "keen to develop debate on the best form of regulation".

Similarly, with rail privatisation well under way — and likely to be virtually complete before the next election — Labour offers no concrete commitment to renationalisation. Though warning Railtrack shareholders "not to expect windfall profits" from privatisation, the policy document does not promise ownership, but expands on Labour's view that they can run the railway through political control of the Rail Regulator's Office, attaching conditions to the £2 bn subsidy that Railtrack and private train operators receive from the government.

Retained from the Prescott document is the view of the reduced role of government: in the earlier policy, the role of the transport department was largely as a `think-tank', promoting a `national transport strategy'. This idea has now been grandly retitled "Labour's twenty-year vision for transport" and will be implemented, they suggest, not by the Department of Transport, but by local authorities and regional planning conferences.

Transport policy *(cont)*

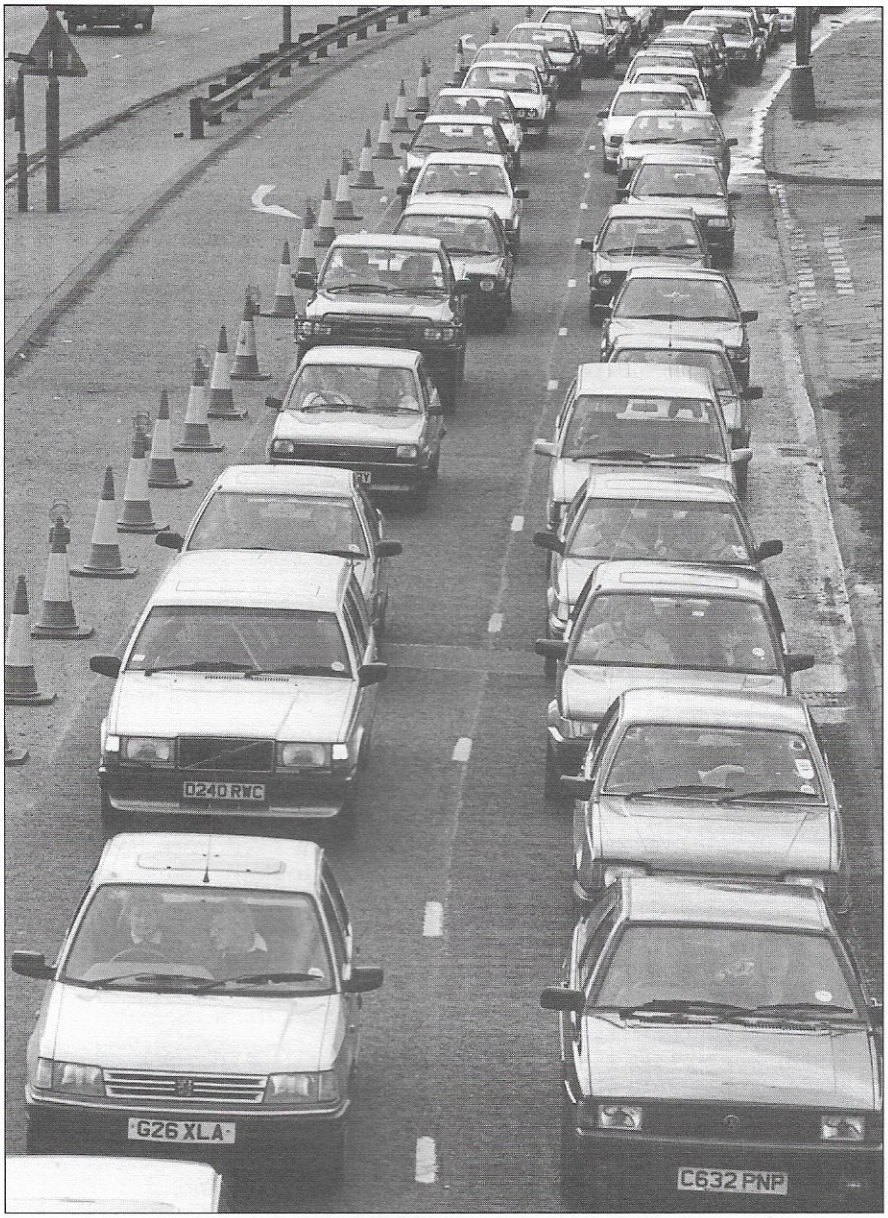


Photo: PHILIP WOLMUTH

Car culture as strong as ever

The document says that "Labour will act in accordance with the principle that ... decisions should be taken and acted upon at the lowest level at which they can be performed", but in accordance with targets to be set nationally. This improves upon the Government's view that local authorities should only receive "advice" on pursuing planning and highways policies to reduce car use and promote public transport. But neither they nor Labour address the vital question of making finance available for local transport projects. How Labour will distribute public money is the key: if local authorities have to rely on raising the council tax for projects, then big problems will arise, as the financial crisis of the Sheffield Supertram project has so graphically illustrated.

Labour says they will divert funding from the national roads programme to local `package' schemes, including both roads and public transport improvements — which they say the government is underfunding — and that these will be expanded to include rail projects and local road-building. But what a Labour transport secretary will do in the face of demands from local authorities that are certain to exceed the funds available, is unclear.

No-one who has followed the recent transformation of Labour's policies will be surprised by the lack of any funding commitments, and this is certainly a less fundamental shortcoming in an opposition party document than it was for the Government's own transport green paper. But Labour's policy shares some of the green paper's weaknesses: notably the insistence that private capital can be brought in to transport schemes once the climate is right for investment. Experience to date indicates a deep-seated unwillingness by British industry and financial institutions to accept any financial risk that the public purse would previously have borne. Even the Adam Smith Institute has called the Government's Private Finance Initiative "a disaster". Yet Labour still retains hopes that "a sharing of risk" between public and private sectors will achieve results in the future.

So, while the promise of "a new way of thinking" about transport is welcome, just as with the Government's green paper, the key question remains: whether a strategy based on spending little or no new public money can ever achieve the shift away from private car use to public transport that is so environmentally necessary.

(Bruce Allan is editor of Public Transport Information magazine.)

SALE OF BR DEPOTS MISHANDLED

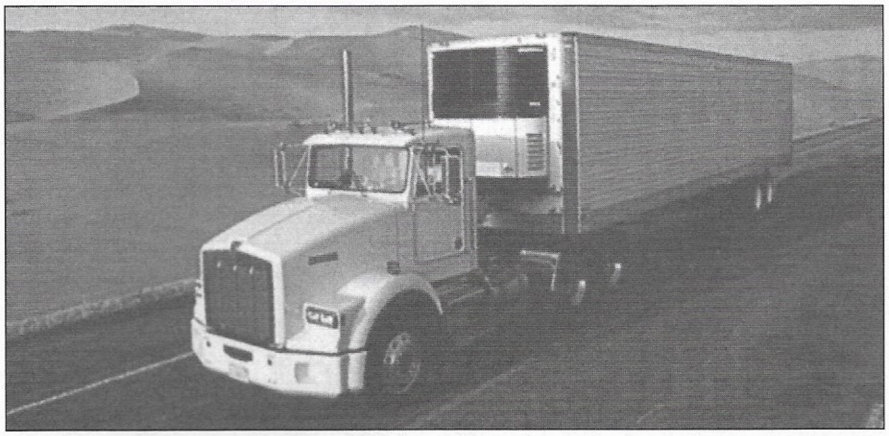
A National Audit Office report has shown that British Rail mishandled the sale of seven depots raising less than it might have done. In addition, bidders were not given equal treatment. Six companies, including two management buy-out teams, bid for a range of the six heavy maintenance depots but, by the later stages of the competition there was little effective competition between them, the report stated. The initial value of the six bids was £43.5m but this was reduced to £29.3m by the time the final price was agreed. Confusion over the treatment of cash balances led to BR receiving less then it might have done. The report also concluded that BR failed to provide bidders with the same information on financial forecasts.

'British Rail Maintenance Ltd: Sale of Maintenance Depots' HMSO 1996

User boycott of privately financed road

PFI - USA STYLE

The Dulles Greenway is a new privately financed toll road in the USA. It provides a compelling story with major lessons for Britain, particularly since the road was built by Brown and Root. This firm runs the largest externalised local government contract in Britain and has various defence contracts. We report on how the Dulles project survived various financial crises and a user boycott which has forced toll charges to be slashed causing further financial instability.



The Dulles Greenway, the first private toll road in the US since 1816, is a 14 mile extension of the existing Dulles Toll Road and connects Washington Dulles International Airport and Leesburg, Virginia. The publicly built Dulles Toll Road had high traffic volumes (up to 80,000 trips daily) and large toll incomes.

Funding difficulties

The Dulles Greenway road was originated by the Toll Road Corporation of Virginia (TRCV) whose shareholders included Lochnau Ltd, the investment company of the wealthy Bryant family, American Security bank of Washington and Kiewit Construction Company, America's largest road construction contractor. At the same time, the Virginia state legislature passed the Virginia Highway Corporation Act, 1988 which allowed private companies to construct and operate roads. Investment bankers Goldman, Sachs & Co helped to develop the proposal which was based on traffic projections of 33,000 vehicles by the end of the first year and toll charges of $1.50. Construction and early maintenance costs were estimated to be $145.6m to be financed by bonds issued by Goldman Sachs with total costs estimated at $227m.

The project was approved partly due to the anticipated stream of federal, state and local tax revenues generated from toll revenues and an expected multi-million boom in office development and increased housebuilding in the Loudoun County development corridor. Gentle rolling countryside owned by only 26 property owners assured easy construction.

TRCV sought financing in mid 1991 but the total required was $53m higher at $290m due to 'design improvements' required by the state highway authorities. TRCV was restructured and renamed the Toll Road Investors Partnership ll (TRIP ll) to take advantage of tax relief. The chief executive of TRIP ll is Michael Crane, son of Magalen Bryant, the lead investor.

The first financial plan failed. Goldman Sachs pulled out. Barclays Bank tried to syndicate the deal in 1992 but failed. Kiewit Construction withdrew despite four years involvement, mainly because of the low traffic forecasts. The entire project staff were dismissed.

Conflicting interests of the partners

Barclays Bank and Kiewit Construction had conflicting interests. Basically, Kiewit had committed cash and its construction profits as project equity but was unwilling to take on additional debt, and it wanted control of the financial model which was being closely guarded by Barclays and Goldman Sachs. Barclays knew of Kiewit's high construction profits and thought they could take on more debt. There was also conflict between Magalen Bryant and Kiewit, the former wanting the construction contractor to take a larger role which would have helped the Barclays syndicate to succeed and helped the Bryant's to secure and/or reduce their investment. Kiewit had other interests including toll road construction in California and its subsidiary, MFS Network Technologies, was successfully winning new automatic vehicle tolling systems based on congestion pricing which was not included in the Dulles project.

Brown and Root join in

Brown & Root then invested in the project and were eventually awarded a $145.2m fixed price construction contract to build the road in 30 months.

By 1993 the TRIP partners had to increase their own investment to $82m.

The Partners

	% share
Lochnau Ltd (owned by Bryant family)	57.0
Autostrada International (Italy)	19.2
Brown & Root	13.8

However, the bulk of the financing was to come from financial institutions.

Banks ($57m short term loans)

- Barclays Bank
- Nationsbank
- Deutsche Bank

Insurance Companies ($279m long term loans)

- Cigna
- Prudential
- John Hancock
- 7 other insurance companies

Refinancing crisis

The road was 85% completed when the largest investor, Magalen

(continued over)

PFI - USA Style *(cont)*

Bryant, sought to withdraw all or part of the family's $80m investment. A refinancing plan was prepared by investment bankers which included new bonds, $33m new equity and an extra $14.4m new bond insurance costs to lawyers and underwriters but this was suddenly withdrawn in the autumn of 1995.

The total project cost was $340m, almost 50% higher than originally forecast, which included:

	$m
Legal fees	7
Land acquisition and rights of ways	18
Costs incurred before construction	24
Construction, engineering, quality control	188
Administration and toll equipment	7
Financing costs	49
Management consultant	2
Goldman Sachs	2
Bank fees	4
Other fees and costs	39

Early completion

Brown & Root completed the road six months early and opened for use in September 1995. TRIP awarded a $0.5m contract to the state police to patrol the road.

Cost overruns

Cost overruns total some $33m. Brown and Root claimed an additional $6m for changes or mistakes in the design drawings. A further $6.5m has been claimed for additional legal fees. Each of the three banks and ten insurance companies had their own lawyers! More cost overruns are reported in the wetland mitigation project where one of the subcontractors was partly owned by the son of Charles Williams, the retired Major General, Army Corps of Engineers brought in to manage the project.

Bailout considered by the state

The Virginia state government approved an increase in the speed limit from 55 to 65 miles per hour in January 1996. They also debated transferring responsibility for regulating and overseeing the road from the State Corporation Commission to direct control of the State's Transportation Department and to forgo $3.5m owed by Dulles Greenway for an environmental impact study carried out by the state. Both these measures were ultimately not approved.

Road users boycott

In the first six months of operation daily traffic was less than a third of that projected. In February 1996 only about 10,500 vehicles daily were using the road compared to original estimates of 34,000. Usage must reach 25,000 users daily in order to service the debts and provide a return to the financiers.

The road was effectively being boycotted by road users because of the high toll costs. Tolls on the State Highway 267 are 50 -85 cents for a 10 mile section. Drivers must pay the full toll whether they use part or all of the road and there are no off-peak reductions. An electronic toll system has been installed which uses an electronic meter installed in cars. The system deducts prepaid fees for each trip. Drivers do not need to slow at toll booths.

In March 1996 the one-way toll was slashed from $1.75 to $1.00 for an initial three month period. A few months earlier a third of the toll collectors were made redundant.

Property bonanza

The Dulles Greenway toll road is inevitably linked to property development, as with many PFI projects in Britain. No sooner had the financing of the toll road been completed in 1993 and a number of corporate office developments were launched in the corridor. The road extends from Dulles Airport to Leesburg along a corridor which has already seen extensive development of the green field sites. Loudon County is forecast to be the next major growth area in the Washington DC metropolitan area. A high proportion of households are in the two car higher income group. Dulles Airport is expanding and is expected to increase its market share of passenger traffic in the region.

If this development continues and the traffic forecasts of nearly 70,000 vehicles daily by the year 2000 prove correct, coupled with annual increases in toll charges, then it may turn out to be a money spinner for TRIP and the insurance companies. TRIP is operating on a internal rate of return of 18 per cent, although state law imposes a maximum return on equity of 30 per cent.

Other Brown & Root PFI projects

Brown & Root are managing construction of the US$3.5bn Egnatia 138km highway in Greece. The road is partly funded by European Union grants and loans from the European Investment Bank.

News

Pay Cut halted

Cleaners have halted plans by private contractor, Trident, to cut the earnings of 200 staff employed by West Suffolk Hospital Trust. Although staff were transferred under the TUPE regulations, the company proposed new contracts for staff which would have involved cutting up to £40 pay a week. In addition, Trident also wanted to slim down and consolidate bonus payments and alter annual leave and sick pay conditions. UNISON members lobbied a board meeting of directors of the Trust and set in motion plans for a ballot on industrial action to oppose the cuts. The termination notices to those who did not sign new contracts were due to have gone out, but the company postponed the action as a result of union pressure.

The union claim that the company submitted an unrealistic bid, undercutting the in-house bid by £109,000. Staff were assured by the trust that they would retain all contractual rights.

Pall Mall dispute

UNISON is planning to step up its campaign on behalf of fifty six members sacked by Pall Mall before Christmas for refusing to accept pay cuts of between £25 and £35 a week. The staff were dismissed just months after the company took over portering, catering and domestic services at Hillingdon Hospital in London.

The union recently held a second national demonstration in support of the dispute and is currently finalising a range of activities aimed at the Davis Services Group of which Pall Mall is a subsidiary.

Earlier this year the union took out an advertisement alerting shareholders to the union's concerns about the activities of its Pall Mall subsidiary, purchased 350 company shares in order to raise questions at the parent company AGM and organised a lobby of shareholders.

UNISON is also in dispute with Pall Mall in Barnsley. Another dispute at Basildon's Orsett Hospital ended recently.

News

Wage inequality warning

The OECD has warned that the massive gap between high and low paid workers in many Western countries is marginalising workers and increasing public costs. The OECD report, "Employment Outlook", shows that the UK has one of the highest levels of low pay and earnings inequality in the industrialised world. Labour market exclusion and wage inequality, which is especially high in Britain and the US, is increasing poverty and causing strains on the social fabric.

The report argues that countries with minimum wages, strong trade unions and generous welfare benefits are faring better with a low incidence of low paid jobs. It concludes that: *"the future prosperity of OECD countries depends on reducing economic and social exclusion in the forms of high unemployment, non-participation in the labour market, access to further learning opportunities and, in some instances, growing inequalities in earnings and income".*

Unemployment twice the official rate

According to the first issue of the Employment Audit, produced by the Employment Policy Institute, 4.2 million men and women who want paid work are currently out of a job, compared with the Government figure of 2.16 million officially unemployed. Other findings include:

* One in five households of working age currently has no adult in paid employment.

* Two-thirds of the extra people at work since unemployment began to fall are working part-time.

* Three-quarters of new full-time jobs are temporary.

* Starter jobs open to people moving from welfare to work on average pay around only half as much as the average of all jobs in the economy.

Employment Policy Institute, Southbank House, Black Prince Road, London SE1 7SJ.

Contractors pull out of deals

PFI - SHOWPIECE OR SHAMBLES?

The press is full of headlines claiming that the Private Finance Initiative is 'at risk of collapse' or is a 'disaster'. But what is the reality?

What do the PFI withdrawals mean?

Three firms have recently withdrawn from PFI projects.

Bovis: Stated that it was "highly unlikely to bid for any further PFI motorway or road schemes because of the high cost of bidding, slow progress in awarding contracts and "the long term outlook in the road-building sector" but added that they will "continue to peruse other PFI opportunities, particularly in the health sector." Bovis is also involved in bidding for £1bn of PFI schemes including an air traffic control centre in Scotland and the redevelopment of government buildings in London.

Taylor Woodrow: Withdrew from £100m Dartford NHS project with Healthcare Group. Still bidding on four other PFI projects valued at £220m.

John Laing: Withdrew from tendering from the £260m Royal London Hospital PFI scheme claiming that it was too complex and "they could not commit the resources that it required". Still bidding for many other PFI projects.

It is important to note that although the contractors have withdrawn from tendering, none have withdrawn from a PFI scheme once the contract has been awarded. It is entirely feasible that one or more decided that they were not going to win or decided to withdraw for other reasons but then used the situation, with a willing press, to further the contractor's own agenda on the PFI.

The contractor's agenda

Pressure from contractors is intended to achieve two things: Firstly, to reduce and relax the PFI regulations to speed up the process. This will reduce the cost of bidding.

Secondly, to try to get the government to agree to refund the contractors cost of tendering.

BUSINESS PFI DEMANDS

The Confederation of British Industry (CBI) report on the PFI, 'Private Skills in Public Service', recommends that 'best practice' PFI projects should have the following characteristics:

* Output/service-delivery driven
* Substantial operating content within the project
* Significant scope for additional/alternative uses of the asset
* Scope for innovation in design
* Surplus assets intrinsic to transaction
* Long contract term available
* Committed public sector management
* Political sensitivities manageable
* Risks primarily commercial in nature
* Substantial deals (though mega-projects have their own difficulties)
* Complete or stand-alone operations to allow maximum synergies

This is in effect a contractors charter. It means public services being organised entirely around the interests of private contractors and merchant banks. The CBI also recommend that "PFI bidding costs be reimbursed in full to all shortlisted bidders where ultimately no PFI contract is awarded." So much for the transfer of risk!

Welfare State dismantled

POVERTY ON THE INCREASE

A recent study by the Child Poverty Action Group shows that nearly 14m people, a quarter of the population, are living in poverty compared with 5m in 1979. Inequality has increased since the poorest section of the population saw income fall 18 per cent, whilst average incomes rose 37 per cent between 1979 and 1993. For the first time since 1945 the poor's share of national income is shrinking.

* Nearly 5 million people, 8 per cent of the population are living below the poverty line. A major reason for this is that they are not taking up means-tested benefits to which they are entitled.

* A third of the population are living on the margins of poverty.

* A third of all children (4.3m) are living in poverty compared to 10 per cent (1.4m) in 1979.

Children at greatest risk of poverty were those living in families where no-one was in full-time work.

Proportion of children & population living in poverty: 1979-1993

	Children	Whole population
1979	10%	9%
1981	16%	11%
1987	24%	19%
1988/89	25%	22%
1992/93	33%	25%

Source: DSS, Households Below Average Income, A Statistical Analysis, 1979-1988/89 and 1979- 1992/93, HMSO 1992 and 1995.

Who is living in poverty?

* The composition of the poor has altered since 1979. The number of lone parents, couples with children and single people living in poverty has increased while the number of poor pensioners has fallen.

* Couples with children account for the largest group in poverty (37%) followed by lone parents who make up 17 per cent.

* The risk of poverty is highest among the unemployed, people in families that only have access to part-time work and lone parent families.

* There are over a million more women in poverty than men, about 5.4 million compared to 4.2m men. This is due to high levels of unemployment, low pay, women's unpaid work, poor distribution of resources within households and insufficient support through the social security system.

* High levels of poverty are found among black and ethnic minority groups. Unemployment rates for black people are twice those of white people and those in work are more likely to be low paid. Poverty among black people is due to immigration policies, inadequate welfare services, inequalities in the labour market, and discriminatory social security policies.

Causes of poverty

The report shows that poverty in the UK is largely determined by three factors - access to the labour market, extra costs of eg. children, disabilities, and the overall failure of policies to deal with these.

'Poverty: "The Facts".' CPAG, 1-5 Bath Street, London EC1V 9PY.

News

Wages inequality in local government

Low pay and inequality between men and women persist in local government. Recent statistics from the Local Government Management Board show that the average full-time male white-collar worker earned £382.50 per week in 1995 compared with an average of only £278.10 per week for women (73 per cent).

The gender differences for full-time manual workers are equally severe. Women on average earned only 75 per cent of men's weekly earnings - £183.40 for women compared with £245.80 for men.

Quangos power increases

There are now over 6,200 executive and advisory quangos in Britain running many local services. Quango spending was £60.4 billion in 1994/5, compared to council spending of £73 billion. Quango expenditure represents more than a third of central government spending. Members of quangos, which are either government appointees or self-appointing, now outnumber elected local council employees by nearly three to one according to a recent report by Democratic Audit. More than two-thirds of the quangos produce no annual report, had no register of member's interests and did not admit the public to meetings.

Gay and lesbian rights at work

The TUC has announced that it is to step up its campaign to win fair treatment for Britain's two million lesbian and gay workers and is calling for new legal rights to end discrimination and bullying at work.

Trade unions have also given notice that they will seek agreements with employers aimed at tackling prejudice in the workplace, and campaign to gain equal pension and other rights for same sex partners in line with those currently enjoyed by heterosexual couples.

DOE Consultation Paper

CCT PRESSURE INCREASES

In May 1995, the Government proposed major increases in the amount of local authority white-collar work to be subject to compulsory competitive tendering. The following table highlights the main proposals which will particularly affect financial services.

Proposed Changes to CCT

Competition requirements
Finance up from 35%-65%
IT up from 70%-80%
Personnel up from 30 %-40%

Changes to de minimus
Construction/property down from £450,000 to £300,000
Personnel down from £400,000 to £300,000
Housing management stock basis reduced from 4,000 to 2,500 and 500

Credits and Allowances
Amended to increase work subject to competition

Financial services is one of the largest white-collar service employers and a service which employs the highest proportion of women, many of whom are in lower graded and low paid jobs and those most vulnerable to competition from private sector employment practices. It is also the service which along with IT has the most well-developed private sector market with a number of companies with experience of running public sector contracts and keen to expand their local government niche.

Implementation timetable challenged

The final revisions are expected in August 1996, with implementation later in the autumn. The initial proposals included extremely tight timetables for implementation. For those authorities who are expected to implement CCT from October 1997 or later, the timetable is unchanged. For those authorities with a timetable for CCT implementation prior to October 1997, the new revisions should be introduced 12 months following the final revisions.

The three local authority associations have challenged the tight implementation period of the Department of Environment's proposals.

DOE Circular 5/96

GUIDANCE ON THE CONDUCT OF CCT

The Department of Environment produced their latest circular on CCT in May 1996. Although its content largely repeats previous guidance to local authorities, its effect has been to scare some local authorities into over-reacting. The result has been that rather than re-affirming commitment to a clear CCT strategy, local authorities are now endeavouring to consult with private contractors at all costs and could spend unnecessary money, time and resources on this part of the process, rather than ensuring that they have a watertight process which can be justified to elected members, staff, trade unions, and users as well as to the DOE.

The key elements include:

Transparency

- Authorities have to clearly demonstrate how key decisions in tendering are made with a "clear and soundly reasoned account of decision-making process".
- Audit trail decisions
- Regular reports to members on the tendering process.

Market

- Identifying the market and how tendering decisions affect companies. "Make familiar with the market and consult a reasonable range of prospective tenderers and take into account any representations made about the way work is selected and packaged".

Outputs

- Specifying outputs and key service objectives
- Performance measures
- Method statements should be "used sparingly and limited to those areas where there is crucial interface with tenants or clients" but there should also be a detailed specification.

Quality and price

- Quality should be specified clearly and objectively
- The balance between quality and price should be stated
- Authorities should demonstrate why a rejected bid cannot meet quality targets
- Follow codes of good practice.

Fairness

Acting fairly between potential contractors in terms of:

- Information
- Notification about the volumes of work available
- Use of model contract conditions
- Documentation
- Defaults
- Performance bonds & guarantees
- TUPE regulations and pensions.

CONTRACTOR UPDATE

IT takeover

The computing services firm Sema Group has acquired Syntax Processing, the facilities management subsidiary of Olivetti, in a £64m deal. The takeover comes with a seven year £340m outsourcing deal to supply computing services to Olivetti, further boosting Sema's £678m annual turnover.

W.S.Atkins share sale

The family trusts and pension fund of engineering consultants W.S.Atkins recently sold nearly 30 per cent of the company's shares valuing the company at £197.8m. Staff and management own about 60 per cent of the shares and the family trusts retain a 10 per cent stake. Atkins has expanded rapidly in the past five years, acquiring a number of local authority architectural and highways departments, NHS design departments and British Rail engineering companies.

Nursing home takeover fails

Westminster Health Care's £70.5m hostile bid for Goldsborough Healthcare failed in July 1996 when only 41 per cent of shareholders supported the takeover. Westminster is left with a 9.1per cent share stake in its rival. Goldsborough which owns 33 homes with 1,500 beds, has been diversifying into private hospitals and homecare services. In contrast, Westminster is the largest private residential and nursing home operator with 84 homes with 5,500 beds. Although this takeover failed, there are now 16 private companies and 9 non-profit groups with over 1,000 beds in Britain and further 'rationalisation' is expected.

Collapse of management buy-out

Gateway Leisure Ltd., a company set up five years ago in Scotland by managers involved in compulsory competitive tendering has gone into liquidation. Financial problems involved £122,000 debt and repair bills of £450,000. The contract affected, Argyll and Bute Council's leisure services, has been taken back in-house.

Another management and employee buy-out sells out

Belfast International Airport was privatised to a management and employee buy-out two years ago for £32.7m (the Government also received the airport's cash reserves of £15.0m). It has now been sold to the property group, TBI, which also operates Cardiff airport, for £107m. This represents a 125 per cent increase in its value in just two years. Three directors will each receive £6.4m and 200 staff shareholders will get a £96,000 payout. Non-shareholder staff were unavailable for comment on this latest privatisation asset stripping!

US firms sells Priory Hospitals

US-based Community Psychiatric Hospitals has sold it's British subsidiary, Priory Hospitals, to a management buy-out team for £88m. Priory operates 650 beds in 12 private hospitals, three day centres and two residential schools and has a dominant role in the private psychiatric sector with a 55 per cent market share.

The Top 12 Private Long Term Care Companies

Company	No of homes	No of beds
Takare	51	6930
Westminster Healthcare	70	4748
Cresta Care	48	2914
Court Cavendish Group	45	2197
Ashbourne	22	1805
Goldborough Healthcare	30	1439
Quality Care Homes	28	1408
St Andrews Homes/Vaux Group	24	1241
Country House/Boddington Group	29	1194
ANS	18	1112
APTA Healthcare	23	844
Community Hospitals Group	13	704

Source: The Fitzhugh Directory 1995 and Financial Times 9 May 1996

REVIEWS & PUBLICATIONS

Health Matters

The excellent quarterly journal 'Health Matters' covers a wide range of issues relating to health policy, public health and environmental issues, the NHS and other health-related topics.The Spring issue included articles on: the new NHS complaints system, outpatient waiting times, why food poverty remains an issue in Britain, and public health and government complacency. Included in the next issue (due out towards the end of August): what the new business of health authorities should be in today's NHS; women and the health care system; making tobacco companies pay for the health costs; what patients really think of health promotion in primary care; and Gulf War syndrome.

Special offer for PSA readers

For a free sample copy and an opportunity to subscribe at a special introductory rate

Contact: 'Health Matters', PO Box 459, Sheffield S11 8GJ, Email: health@luna.co.uk, quoting ref: A968. (You can also visit their web pages at www.luna.co.uk/~health)

Prison Privatisation

The Prison Reform Trust has launched a new bulletin covering global developments in prison privatisation. 'Prison Privatisation Report International' also aims to monitor the performance of the private sector, detail the growth of the 'penal industrial complex', and analyse new government initiatives.

Details of subscription rates are available from The Prison Reform Trust (see below).

The organisation has also recently published a damning report about Buckley Hall, Britain's fourth privately managed prison, situated near Rochdale. Written and researched by Stephen Nathan, the report reveals that the prison's performance during its first eighteen months has been severely impaired by staff inexperience. The Prison Reform Trust alleges that inadequate staff training has led to serious problems of management and control. The report provides details of 117 security failures at the prison, including two roof top demonstrations, 19 assaults, and 30 failures to return following temporary release.

Copies of 'HM Prison Buckley Hall: the first eighteen months' are available from: The Prison Reform Trust, The Old Trading House, 15 Northburgh Street, London EC1V 0AH, tel. 0171 251 5070, fax. 0171 251 5076. Price £4.95

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Public Service Practice No 6
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