PUBLIC SERVICE *action*

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Photo: Philip Wolmuth

PLAYING POLITICS WITH PUBLIC SERVICES

The government's budget strongly promoted its aim to reduce public expenditure by cutting services, continuing with its programme of privatisation and expanding the Private Finance Initiative. The Chancellor aims to cut public spending by £2bn next year, though many doubt the feasibility of this given the increased demand on services.

The squeeze on public sector budgets will particularly hit health, social security, education and housing. At the same time the settlement for local authorities is even more severe than predicted; councils will be forced to increase council tax by an average 7% to make up for lost central government grant.

The overall budget to local authorities increased by 2.5%, but a 5.1% increase is necessary to maintain essential services and meet new obligations. The £1.5bn gap will have to be met by cuts or council tax increases.

The severe inequalities and social problems which have worsened over the last 17 years, making Britain one of the most unequal societies in the western world and the 11th poorest of the 15 EU member states, will increase as a direct result of the budget. Whilst maintaining benefits for high and middle income earners, the low paid, unemployed, and others dependent on state benefits will continue to suffer.

Housing cuts

The housing crisis will intensify as a direct result of the budget with increasing homelessness and more people living in poor housing conditions. Cuts of nearly £500m are planned for the house building programme. The Housing Corporation, which is now the main funder of new homes, is to have its programme reduced by over a third. Meanwhile housing organisations predict that 4.4 million new homes will be needed in the next 20 years.

The approved development programme for housing associations has been cut by almost 40%. This will mean that starts on new housing units could be reduced to only 18,300 next year. Local authority credit approvals were reduced by £253m to £499m in 1997-98 and only £70m has been committed to the estates renewal challenge fund over the next three years.

The cumulative cuts to overall housing investment since 1992/93 add up to more than £7bn.

Social security cuts

From 1997 no new claims for one-parent benefit, worth £6.30 a week, will be allowed. Single parents will also lose benefits advantages over couples. One parent benefit, which is part of child benefit, and the lone parent

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The new PSA

Since Public Service Action was launched in March 1983, the journal has documented and analysed many important changes within the public sector, the privatisation of assets and the practices of private contractors.

However, as we move towards a new political era, CPS recognises that a new strategic approach will be required if we are to continue to engage effectively in the debate about the future of public services in Britain.

A key part of our efforts will be the launch of a new and bigger journal, Public Service Analysis, providing up to 24 pages of in depth analysis, evaluation and information of policies and proposals in the public sector.

We believe it is increasingly important to highlight both the common and distinctive policies, management strategies, companies and corporate interests which affect the public sector as a whole rather than individual services.

In addition to in depth analysis of privatisation, contracting and public-private partnerships and their impact on public service, users and staff, the new PSA will be more creative and proactive in examining the development of policies to improve public services and the welfare state.

In order to achieve all this, the economics of PSA must change. For many years PSA attracted significant numbers of bulk orders from trade unions and public bodies. For several years we were distributing 12,000 copies of each edition nationally. However, although the subscription base has been maintained, the average number of copies required by each subscriber continues to fall.

Improving PSA will take more time and resources and we are accordingly increasing the price. However, even with a new standard subscription price of £25, we believe that this represents excellent value, giving subscribers access to high quality information and analysis.

(Price increases will not affect existing subscriptions).

premium, part of income support and the job seekers allowance will be abolished.

Housing benefit claimants have been affected in two ways. The Government has extended the restrictions affecting under 25 year olds to everyone under 60. From next October all single people under 60 will only be entitled to benefit to cover the cost of shared accommodation. In addition, all claimants who have their rents set by rent officers will only be entitled to benefit up to the local reference rent.

These changes are predicted to result in a two-tier rented sector, one for those in work and one for dependents on benefits, with the latter operating under a system of rent regulation. The cut will leave many people who lose their job also facing the prospect of losing their home. The reluctance of many private landlords to take on housing benefit dependent tenants is likely to lead to increased homelessness.

No new money for education

For the second year running the "increase" in education spending is a myth since councils have been allocated more money for schools but their overall grant has been cut. The Chancellor wants councils to raise education spending by 3.6% in 1997-98. Councils will find this impossible given the 1% increase in overall budgets for many councils and the tight restrictions under which they are operating. As a result improvements in schools will only come about if there are cuts in other services or a large rise in council tax.

Health

Spending on patient care is to increase by 3% next year but the increase in current spending on health is offset by a cut in capital spending so the real overall rise in the health budget is only 0.8%.

Public Transport suffers

The Chancellor also announced that London Transport's budget will be cut by more than 50% over the next three years; the grant will be reduced from £650m to £150m. In addition, about 100 road schemes have been shelved. Local authorities will suffer a 20% cut in central government support for transport projects over the next three years. The Government announced that it is virtually abandoning any rail subsidy and will only pay £110m into the service by the year 2000.

Income from Privatisation declines as PFI takes hold

The table below shows the continued decline in privatisation receipts and the planned rise in Private Finance Initiative project spending. However, the level of of privatisation receipts is likely to be much higher if the Conservatives are re-elected because they will seek to privatise the Post Office and most government agencies.

Planned privatisation receipts and PFI spending (£billion)

	97-98	98-99	99-00
Privatisation proceeds from asset sales	2.0	1.5	1.0
Capital spending under the Private Finance Initiative	2.5	3.7	4.3
Public sector commitment from signed PFI contracts	0.4	0.5	0.6
Private sector spending 'complementing public provision'	0.5	0.5	0.5
Private sector spending 'for something the public sector would traditionally have done'	1.2	1.2	1.2
Total	6.6	7.4	7.6

Source: Financial Statement and Budget Report 1997-98, HM Treasury, House of Commons No 90, The Stationery Office, November 1996.

The Government also claims additional private sector spending of £15.4bn, £13.4bn and £13.5bn over the next three years "in partnership with the public sector". However, the method of calculating these figures is highly questionable. It is based on private spending "for something the public sector is unlikely to have done" and "complementary private investment". Examples include private housing development adjacent to housing association schemes, support for exporters and support for business in emergent countries. None of it is quantified, only total figures are presented and virtually all this expenditure is simply traditional private sector spending. None of it is 'new'.

Ealing externalisation

BRETS IMPOSE MORE PAY AND CONDITIONS CUTS

Four hundred manual workers at BRETS in Ealing have been asked to choose between dramatic cuts in pay and conditions of employment or the sack, as the company steps up its efforts to save £750,000 a year on manual services. The company is also known to be looking at alterations to existing bonus schemes as another means of reducing costs.

In a letter to all blue collar staff, the company insisted that the changes, including substantial cuts to holiday entitlements, sick pay and overtime payments, 'are essential for preserving the economic viability and future of the company'. Staff who agreed to give up pay and benefits worth around £1,500 per annum, and who agreed to sign the new contracts by November 30, were 'rewarded' with a lump sum payment of between £172 and £267.

Responding to the company's efforts to force down manual service costs, the GMB, which represents the workers, accused BRETS of attempting to recoup some of its reported £4.5m of losses on the Ealing Council contract through cuts in wages, terms and conditions of both blue and white collar staff. The union insists that the company's initial calculations of costs and savings were unrealistic and based on the misplaced assumption that BRETS would secure a number of similar contracts and cut costs by imposing economies of scale. So far the company has failed to win any further major contracts (see PSA 49/50).

Conflicts and crises

The move to cut the cost of manual services is just the latest instalment in a series of conflicts and financial crises which have bedevilled relations between staff, management and Ealing Council in the aftermath of the largest externalisation of council services to date.

Earlier this year BRETS imposed new contracts on white collar staff, introducing a similar package of cuts in terms and conditions of service (see PSA 52). In addition to abolishing most local and national conditions for white collar staff, BRETS imposed a 2.5 hour increase in the working week; introduced performance related pay; abolished premium overtime payments; reduced leave entitlement; started the phasing out of paternity leave; required staff to work from any company office; consolidated London weighting and Ealing allowance payments; and withdrew from the public sector evaluation scheme.

Strike action

The GMB response to the company's insistence that blue collar staff sign new contracts before December 6th or consider themselves dismissed as of December 22nd, was to ballot members for industrial action. However, despite a vote of eight to one in favour of strike action, and two successful one day stoppages, BRETS successfully took out injunctions against the union on the grounds that mass picketing was in breach of Tory anti-trade union laws. The union has since agreed to call off its industrial action.

In addition to applying for an injunction against the union, BRETS sent staff a letter by recorded delivery threatening them with instant dismissal if they participated in further strike action. The company is also reported to have employed a number of security guards which the union claim are being used to intimated and harass staff.

One senior local union official described the company's response to the legitimate dispute as " typical American style bully-boy tactics". The only thing missing, he insisted, were "baseball bats and guns".

"We have worked closely with various Town Hall regimes, both Labour and Conservative, throughout the last twenty five years actively seeking to improve working methods and co-operation for the benefit of Ealing residents," he explained. This had largely been achieved through agreed increases in productivity. Industrial relations had previously been good, and the workforce, which has received no pay increase since BRETS took over the contract, with the exception of one required under the TUPE transfer, had not taken strike action for over twenty five years.

Legal advice

At the time of going to press, the union expected the majority of staff to sign the contracts by the December 6th deadline. The GMB is now taking legal advice over the best way to challenge alterations to the original contracts through industrial tribunals and the law courts.

In a statement put out by the company, BRETS denies that security guards have been used to intimidate staff, claiming that they were employed to protect plant and property from vandalism. The company continues to insist that changes to contracts for both white and blue collar staff have been necessary to maintain competitiveness.

However, BRETS confirmed that the operational side of the business relies heavily on the Ealing Council contract and that there are limited opportunities for securing new business. New work from the council has been insufficient to cover losses on the contract, the company admits.

Welfare State

REBUILDING THE WELFARE STATE

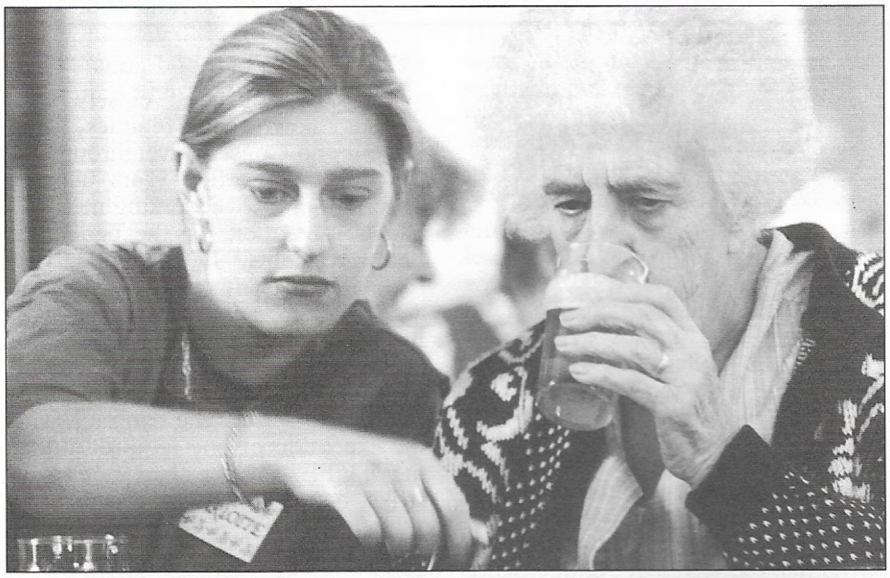

Photo: David Bocking

Written by the Centre for Public Services for West Midlands UNISON, 'Rebuilding the Welfare State' is a new report which examines the key issues and challenges confronting the welfare state. Intended to provoke discussion and debate and assist the development of effective policies and strategies, it argues that the agenda is not simply about the level of benefits and conditions for entitlement, but the very existence of the welfare state.

It surveys the projected impact of the ageing of the population, earlier retirement, the demand for long term care, and increasing poverty and inequality. Continuing unemployment, combined with deregulation of the labour market, also impacts on the welfare state. Whilst the cost of the welfare state has increased, its 'crisis' has been exaggerated by the media and right wing political and business interests.

However, employers in Britain and Europe, concerned about the level of non-wage social costs relative to competitors, are demanding 'reform' which usually includes the withdrawal of state responsibility for certain benefits and services, the replacement of universal benefits by means testing, contracting out service delivery, and encouraging individual insurance schemes.

A strategy for full employment

Employment creation projects should be assessed on the quality of employment and the extent to which jobs contribute to meeting social needs and agreed priorities - the report suggests ten criteria such as the quality and sustainability of employment, the extent to which they meet social need priorities and linkages with the local economy. But where will the money come from to fund the £8bn net cost of creating 1m jobs? The abolition of various tax reliefs, small increases in corporation and income taxes, changes in spending priorities and the release of capital receipts could provide some £20bn annually.

The case for the minimum wage

The report sets out the main arguments for the minimum wage. It will benefit women workers in particular with forty six per cent of full and part-time earning less than £4.50 an hour. The report shows that the government is spending £2.5bn annually topping up low pay through the benefits system.

Implications of the Maastricht Treaty

Attempts to meet the convergence criteria for European Monetary Union could have profound implications for the welfare state. Further cuts in public spending, constraints on the governments ability to deal with the employment consequences of future recessions and reduced borrowing for capital spending are in addition to the estimated 10m job losses across Europe as a result of governments meeting the criteria.

Labour Party Proposals

The report summarises Labour Party policies for the welfare state including the stakeholding concept, changes in job training and child benefit, abolition of student grants and the lack of policy for state pensions. It also notes Labour's proposals for specific services such as renewing the NHS, long term care of the elderly, housing, personal social services, education and training.

Maintaining the principles and values

The final section surveys the threat of Do-It-Yourself welfare, the growth of the enabling state, corporate welfare, the implications of the Private Finance Initiative and further privatisation and commercialisation of the welfare state. It also suggests alternative strategies which will maintain the principles and values which have underpinned the welfare state. Any proposed policy changes should, first and foremost, be assessed against these principles:

- Social solidarity from one generation to another thus distributing risk against ill health, unemployment and the cost of the social infrastructure;
- Encouragement of social and collective responsibility;
- Systematic redistribution from the better-off to those worse-off and to those with greater needs for medical care, family support and assistance;
- Universally available benefits;
- Protection from, and relief of, poverty;
- Benefit system to encourage access to employment, training and/or education;
- Equality of opportunity, access, dignity and security;
- Provision of efficient and equitable services based on public service values and principles;
- Freedom of information;
- Democratic accountability.

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Jobseekers Allowance

JSA RUNS INTO TROUBLE

Evidence has emerged that the government's controversial Jobseekers Allowance is heading for chaos and possible collapse in some areas due to inadequate preparation and staff training, problems with the payments system, staff shortages, over-reliance on partially trained temporary staff, and excessive overtime levels.

The depth of the problems came to light in November following the publication of two leaked memos; the first between two regional managers with responsibility for implementing the new system; the second written by a regional manager, to senior management in the Benefits Agency.

Information contained in a memo from BA's Yorkshire area director, Vince Gaskell, revealed that staff were having to working in excess of seventy hour, seven day weeks just to keep the system afloat. This could not be sustained admitted Mr. Gaskell. As a result pressure was building up in the districts, while claims were taking up to three times as long to process as had been initially predicted, or budgeted for, he informed senior BA management.

Inadequate planning and staff training

In a separate memo to Mr. Gaskell from Yorkshire's JSA implementation officer, Mike Sadler accepted that staff needed additional training while waiting times in some offices were a problem and the payment system was both "slow and unpredictable".

The details contained in the leaked memos have been confirmed by front line JSA staff in the region who said that planning for the new system had been so poor that some offices ran out of important JSA stationery just two weeks after the launch of the system.

Union officials have for some time painted a grim picture of inadequate training, and an over dependence on temporary workers. In some offices, union officials reported that front line services in some offices were being operated by over 50 per cent temporary staff without sufficient experience to offer a proper service.

There is also evidence that management seriously miscalculated the number of staff needed to complete the processing of claims under the previous benefit system, resulting in the transfer of twice as many staff to the Benefits Agency as had been planned. The retention of larger than expected numbers of temporary staff to work on front line JSA work has been another consequence of this miscalculation.

It is clear that the Government will need to inject massive additional resources if the JSA is not to rapidly spiral towards a crisis on par with that experienced by the Child Support Agency in the early months of its existence.

Job seekers allowance cuts earnings for women part-timers

Many non-teaching staff working in schools and colleges are now paid on a term-time only basis and, until now, were eligible for unemployment benefit during some of their holidays. Since the introduction of the Job Seekers Allowance the restrictions have tightened and there are fears that many staff including school meals workers, cleaners, grounds maintenance, technicians and clerical staff will be affected when they try to register for Jobseekers allowance during the Christmas holiday. Some school meals workers were told at half-term that they are no longer able to claim.

The DSS has stated that the Jobseekers' Allowance is not payable to those who work more than 16 hours a week. Although some school meals staff not are paid for 10 weeks a year, this period is ignored when calculating their average hours, under the new regulations.

School meals staff could lose up to £500 a year each, almost a fifth of their typical earnings. The DSS has said that the women could claim Family Credit instead. This will depend on how much they earn and whether they have children. The amount they will get could be half the former unemployment benefit entitlement.

They will also lose their National Insurance credit over the holidays unless it is paid by their employer, which could affect their entitlement to benefits in future because of a shortfall in contributions. UNISON may try to take a test case challenging the Benefits Agency.

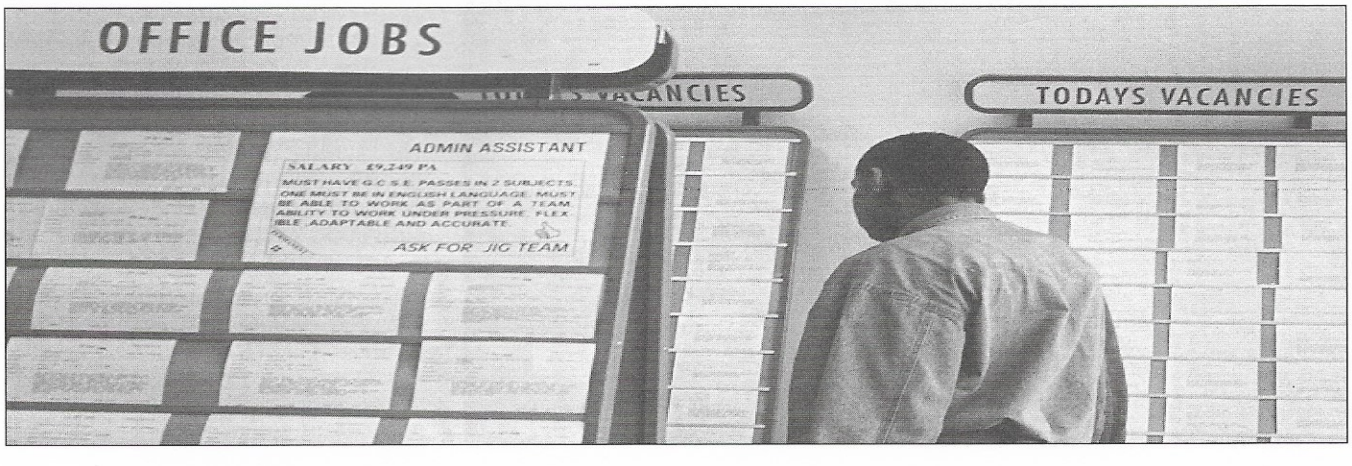


Photo: Philip Wolmuth

Equal opportunities

EQUAL PAY WINS

Women employed by local authorities in England and Wales and the NHS in Northern Ireland have won important equal pay victories in recent months (see also PSA 54).

The most recent settlement covers the four Northern Ireland health boards, NHS Trusts and all private companies operating contracts in Northern Ireland since 1994 It is the culmination of an eleven year fight by five women domestics employed by the Royal Victoria Hospital in Belfast. Over 900 other women lodged similar cases throughout the lengthy court and tribunal proceedings.

On November 25th a tribunal finally ruled the women were entitled to the same pay as male portering and ground maintenance colleagues. The ruling, which was welcomed by the women and their trade union, UNISON, will cost the NHS around one and a quarter million pounds. Around 10,000 women workers, including domestics, catering assistants and laundry assistants are expected to benefit from the settlement.

On the other side of the Irish Sea, fifty four home care workers employed by Knowsley Borough Council won an equal pay claim worth up to £500,000 in back payments for the authority's two hundred care workers.

Councils guilty of discrimination

The claim was taken to an industrial tribunal by their union, UNISON, after the council stopped enhanced payments for evenings, weekend and bank holiday working. The tribunal found that the council had discriminated against the women as similar groups of predominantly male workers had maintained their entitlement to overtime payments.

In a similar case, sixty cleaners employed by Rhondda Cynon Taff have agreed to an out of court settlement involving the reinstatement national rates of pay and conditions of service, plus two year's back pay, believed to be worth a total of around £250,000.

Backed by their union, the GMB, the cleaners lodged an equal pay claim after the authority cut their rate of pay from £3.36 to £2.35 an hour and withdrew sickness and holiday entitlements. The trade union successfully compared the cleaners' jobs to those carried out by council refuse collectors.

Photo: David Bocking

News round-up

Wage gap stays

There remains a gap between men's and women's wages, despite Equal Pay legislation, according to the latest analysis of pay rates conducted by the TUC.

The research, which is drawn from the government's New Earnings survey, demonstrates that women in manual employment earn £7.28 for every £10 earned by their male colleagues. Inequality is worst in East Anglia and Yorkshire and Humberside where women in manual occupations earn barely more than £7 for every £10 earned by their male colleagues.

The TUC believes that the figures highlight the need for the Equal Opportunities Commission's draft code of practice on equal pay to be enshrined in law.

Sick pay for casual workers

Casual workers who work for the same employer for over three months and who earn an average of at least £61 a week will be entitled to sick pay following a landmark legal ruling in the Court of Appeal.

The ruling, which was delivered in October, is likely to effect hundreds of thousands of Britain's estimated 1.7m casual workers, including large numbers of women. From now on casual staff who fall ill will be eligible for up to £54.55 a week in sick pay. Shop workers, hotel staff, supply teachers, agency nurses, care assistants are among those most likely to benefit.

CCT makes staff sick

High rates of staff sickness in Newham council's housing department were caused by the stress brought on by compulsory competitive tendering according to council housing staff. Nine housing workers recently retired on grounds of ill health and another was sacked following a report which revealed high levels of sickness leave.

Staff were found to be taking over 20 days' sick leave per year over half of the London borough's 13 housing area offices according to a council report.

MOD HEADS FOR PRIVATISATION BINGE

Photo: Martin Jenkinson

A series of announcements over the last few months have revealed the government's intention to privatise huge swathes of the Ministry of Defence under the government's Private Finance Initiative.

In November, a consortium led by British Telecom was awarded the contract to supply and operate a new voice and data telecommunications system linking military bases throughout Britain. The contract, which is believed to be worth £1bn, is the largest privatisation agreed so far by the Ministry of Defence. Other members of the consortium include Lockheed Martin, Oasis and GEC Marconi.

In line with developments across Whitehall departments, the government announced in September that it was considering the sale of highly sensitive MoD computer services to the private sector. The news was greeted with disbelief by intelligence staff and security experts. The plans will cover intelligence operations in all three services, Army, Navy and Air Force, and will affect operations based in Britain and those abroad - including a number at secret installations.

EDS poised to increase monopoly

As yet, no figure has been put on the likely cost of the contract, but, if it eventually goes ahead, observers believe that it could run into hundreds of millions of pounds. Among those known to have been approached to tender for the contract is EDS. The company is rapidly developing a monopoly in government IT work and already controls a range of highly sensitive information (see page 20).

Within days of the news of the proposals to privatise IT services, defence secretary, Michael Portillo, gave the green light to the £200m sell-off of the MoD's Defence Support Services Division.

Bidders for the DSSD, which undertakes support work on behalf of the Defence Evaluation and Research Agency, are to be selected in December with the sale completed in the New Year. Services carried out by DSSD, which has an annual income of around £150m, include security, car parking and the Porton Down research centre. Ministers claim that there are no plans to sell off the scientific research undertaken by the Defence Evaluation and Research Agency, as its work is regarded as being 'too sensitive'.

Since September, the head of Britain's defence procurement, Sir Robert Walmsley, has announced an even more wide-ranging review of military support services, far beyond the requirements of the government's Private Finance Initiative.

The Procurement Executive spends £6 billion a year on new equipment and £2bn of supplies. Reports suggest that 18 projects worth around £730m of contracts are currently being prepared under the Private Finance Initiative. Further contracts worth £585m have also been identified, including one believed to be worth around £50m for roll-on, roll-off ferries.

News round-up

TUPE application comes under threat

There are fears that a recent European ruling will weaken the application of TUPE and that it will no longer be strictly applied to contracted-out services. The case involved a cleaning supervisor who worked for a company at a private college with which it had a cleaning contract. The firm's contract was terminated by the college in 1994 and the work given to another company. The cleaning supervisor, Ms. Suzen, lost her job. She subsequently sought to establish that the transfer to another contractor constituted a transfer of an enterprise, allowing her to work for the new contractor.

A preliminary opinion by the court's advocate-general stated that the EU's Acquired Rights Directive should not be applied to the cleaning contract, stating in relation to the case that:"It is unjustifiable that the operator, on whom the contract was conferred, should be obliged to retain the personnel who previously provided the service".

Changes resulting from this case, which still has to go to the European Court of Justice, could affect both in-house and private contracts and there is a danger that contracting will return to pre-TUPE days when reductions in labour costs were the main source of competition. However, it should be remembered that this case does not involve UK competitive tendering and it may not apply to all categories of contract. It is important that TUPE continues to be strictly applied in all cases until the outcome of the case and its repercussions for the UK is clarified.

Private traffic control

The government is planning to use Private Finance Initiative to build and operate up to five regional traffic control centres, utilising state of the art technology to manage traffic on Britain's main roads.

Responsibility for managing and monitoring traffic on Britain's trunk roads is currently carried out by the police at 33 centres throughout the country.

PRIVATISATION: NEW DEALS,

Inquiry into 'missing' coal

The National Audit Office is investigating how £24 million worth of 'missing' coal has turned up in the stocks of RJB mining, the private coal company which took over the lion's share of British Coal's mining operations on privatisation.

The NAO decided to investigate the circumstances of the 600,000 tonnes coal 'find' at the Rufford colliery in Nottinghamshire after information was passed on to them by a local Labour MP.

An audit at the colliery in 1994, prior to privatisation, revealed a gap of 600,000 tonnes between recorded and actual stocks at the colliery. At the time, two senior managers were forced to quit as a result of the error amid widespread rumours that the coal's disappearance had been 'deliberate'.

Contract sinks in Tory flagship

Wandsworth council has been forced to terminate Serviceteam's contract to carry out the borough's refuse collection service following a catalogue of failures culminating in the non-emptying of around 100 bins per day.

Trade unions and opposition politicians on the council had long argued that the contract was unworkable. The council originally awarded the contract to AAH Environmental Services in 1994 who were subsequently bought by Serviceteam in 1995.

Reports that the council had sacked the contractors are, however, inaccurate. The council and the contractors agreed to a termination of the contract after the problems could no longer be hidden. Serviceteam are among those currently bidding for the new contract.

HMSO cut-price sale

The National Audit Office is set to launch an investigation into the HMSO privatisation amid growing concerns about the sale.

Her Majesty's Stationery Office, which publishes all government documents, was sold in November to a consortium led by Electra Fleming for just £54m.

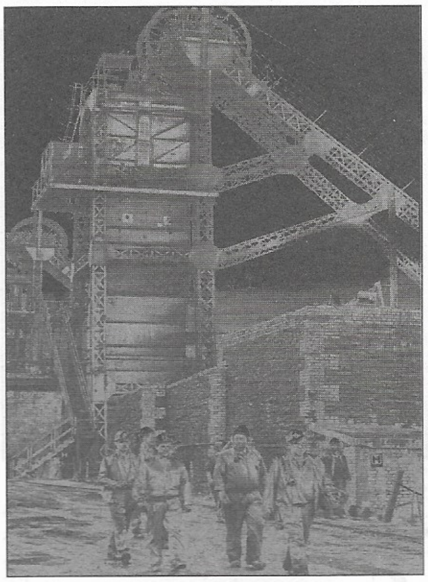


Photo: Philip Wolmuth

Unofficial estimates suggested that the real value of the business, which has an annual turnover of £340m, is between £100m and £130m. Ministers have claimed that the bargain basement price reflects 'difficulties facing the business', largely as a result of a decline in public sector business. There are now fears that the sale price could fall short of the cost of transferring staff pension rights.

The successful consortium, which will trade as the Stationery Office, is led by Rupert Pennant-Rea, a former Deputy Governor of the Bank of England. Electra Fleming has donated around £600,000 to the Conservative Party since 1979 and former cabinet minister Tom King is a member of the company's board. Around 550 staff out of the a current workforce of 2,800 are expected to be made redundant.

£200m pensioners' pay-out

The Pensions ombudsman has ruled that the government must pay out £200 to National Bus pensioners after ruling that ministers were guilty of plundering large pension fund surpluses when the company was privatised in 1986.

Pensioners stand to gain up to £1,000 a year after the payment, which includes a windfall interest payment, is passed on. The pension ombudsman's ruling follows an earlier report from the National Audit Office which concluded that most of the money raised from the sale of the company had come from winding-up the pension fund.

Air traffic sell-off

The government has been forced to postpone plans to privatise Britain's air traffic control service until after the forthcoming general election following strong resistance from the Department of Transport and the Ministry of Defence. Both government departments had raised fears about safety if the sale went ahead too speedily and warned that the privatisation proposals would be both controversial and deeply unpopular with the public.

Chancellor Kenneth Clarke had pressed ministerial colleagues to endorse an early sale, which he had hoped would raise between £600m and £1bn for tax cuts, prior to the general election.

Consortia bid for DSS sale

The government has selected three consortia to bid for the national property estate of the Department of Social Security, confirming that it is hoping to transfer all DSS buildings to the private sector under its controversial Private Finance Initiative by the end of next year.

The government plans to announce the chosen consortium next spring. The three consortium are headed by investment giants Goldman Sachs, National Bank of the USA, and Nomura International. Nomura also led the consortium which purchased the MoD married quarters estate.

The government is hoping the DSS sale will raise between £3bn to £4bn over a twenty five year period. Rental income from the Department's 1.7m square metres of office space in more than 700 properties is understood to be worth £160m annually.

The government has awarded a £1m contract to advise the government of the privatisation of DSS buildings to Lovell White. The company won the contract against competition from other major legal firms such as Linklaters & Paines, Norton Rose and Nabarro Nathanson.

PROFITS & TAXPAYER LOSSES

MoD homes go East

The Ministry of Defence has announced that it is selling-off its married quarters (see PSA 54) to a consortium led by the Japanese investment bank, Nomura. However, the deal, worth £1.66bn, continues to be dogged by controversy.

The latest outcry has come from members of the Japanese Labour Camp Survivors Association who have accused the government of gross insensitivity. Opposition politicians have also responded angrily to new that the winning consortium includes major contributors to Conservative Party funds, including Hambros Bank. The bank's chairman, Lord Hambro, is the party's honorary chairman.

The sale is a key element of the Chancellor of the Exchequers plans to fund tax cuts prior to the general election and there is considerable anger in military circles that the MoD is only being allowed to retain £100m to upgrade existing married quarters whilst losing £111m in lost rents in the first year alone.

Capita acquires jobs agency

The sale of the Recruitment and Assessment Services agency to Capita for £7.25m has been completed.

The RAS, which is responsible for the recruitment of 'fast stream' graduates and a range of other recruitment services to government departments, was launched as a Cabinet Office executive agency in 1991. The service employs around 140 staff and has an annual turnover in excess of £9m.

The privatisation has gone ahead despite widespread opposition, including the House of Lords who defeated the government proposals to privatise the agency earlier in the year.

Passport privatisation

Ministers have stamped their approval on controversial plans to privatise key parts the Passport Agency. Last year the Agency's six regional offices dealt with 4.7 million passport applications and recorded an operating surplus of almost £30m.

Under the proposals, announced towards the end of November, private firms will be invited to tender for the work of issuing passports. Work earmarked for privatisation looks set to include the receipt and opening of passport applications, inputting

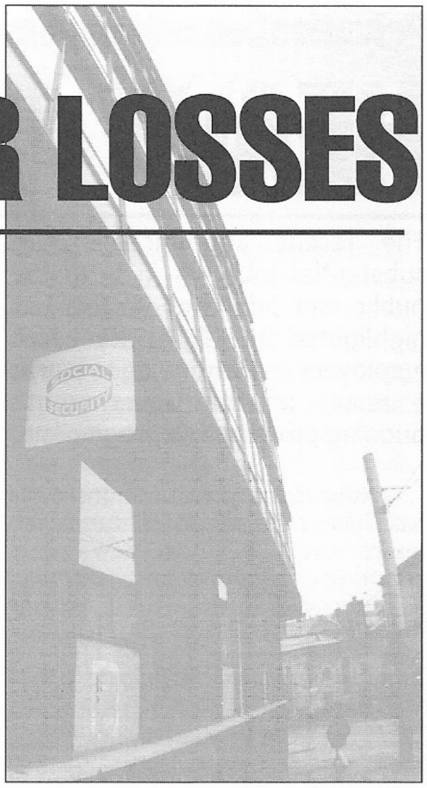


Photo: David Bocking

personal details on computer, and the printing and dispatch of passports to applicants.

Civil Service unions have warned that the transfer of Passport Agency operations to the private sector could have serious implications for the security and confidentiality of personal information supplied by applicants. The Civil Service trade unions are opposing the proposals and have raised concerns about possible job losses and a possible deterioration in the service currently provided.

Taxpayers robbed over PSA privatisation

News of the resale of one former government property company, and the recent publication of another's profits, have provided shocking evidence of how private sector companies have benefited massively through privatisation at the expense of the taxpayer.

The announcement in September of the sale of Building and Property Management Services (BPMS), formerly the part of the Property Services Agency (PSA), to Capital Partners for over £84.6m represents a profit of over £70m for the consortium behind the successful privatisation bid. The PSA was responsible for the construction and management of government buildings. It was split up and privatised in 1993 following allegations of fraud and criticisms of the agency's financial systems.

The consortium, led by the civil engineering consultancy firm Pell Frischmann and the construction giant Amec, paid £11.4m for the company in 1993. At the time of the sale to venture capital group CVC the consortium and had not even completed payment of the original deal, which included a guarantee of £400m of government work over five years in addition to easy payment terms over a four year period.

Profits bonanza follows 'giveaway' sale

The sale also attracted criticism from the National Audit Office who described a £14m unsecured government loan to BPMS to cover 'cash-flow' problems in loss-making parts of the business as "unusual".

Within days of the announcement of the BPMS sale to CVC, WS Atkins, the 'purchaser' of the PSA's northern, Welsh and Midlands operations, published trading figures showing a massive windfall profit amounting to £60m.

In fact the Government 'sold' the agency's Manchester-based divisions for what is euphemistically called a "negative consideration" of £11.5m - that is, the government paid former Tory party contributor WS Atkins £11.5m to take the company off their hands. This was despite the divisions registering a profit of over £5m in the year leading up to privatisation.

The company's northern operations, renamed WS Atkins Facilities Management, have continued to trade profitably since privatisation and now account for around one quarter of the parent company's annual £20m profits. When WS Atkins was floated on the stock exchange earlier this year, the company prospectus revealed the true value of the PSA's former northern divisions to be around £50m, suggesting a combined loss to the taxpayer from the sale of the PSA of over £130m.

Privatisation and employment

HEAVY TOLL ON JOBS

The recent announcement of substantial job cuts in both the public and privatised sectors has highlighted the high price which employees are continuing to pay as a result of the Government's ongoing privatisation programme.

Within the last few months news has filtered out of 15,500 future job losses over the next few years affecting Employment Service, Custom & Excise, the nuclear industry, the Prison Service, the National Grid and United Utilities, English, Welsh and Scotish Railway, The Stationery Office, Southern Water and the Inland Revenue.

The announcements follow figures published by the Labour Party in October which reveal that privatisation has led to the loss of nearly 90,000 jobs in the utilities and the telecommunications industry since 1992, at a total cost to the taxpayer in terms of benefits payments and lost revenue of over £805 million.

The Labour Party research demonstrates that British Gas has reduced its workforce by 33,000 since 1992, while English electricity companies and British Telecom have cut their workforce by 20,000 and 40,000 respectively. By way of contrast, the number of people employed in the water industry has risen slightly since privatisation, up by 1,168. However it is clear that this has been largely been due to the acquisition of other businesses while staffing in core services has continued to fall.

Tip of the iceberg

Despite the size of these losses, the Centre for Public Services is able to reveal that they represent only the tip of the iceberg when employment trends in other public and privatised operations, including the mining, nuclear, rail industries, and local and central government are all taken into account.

Figures gathered by the Centre from a variety of sources (see table) suggest that net job losses throughout the public and privatised sectors, since 1992, are around half a million, although not all of the losses can be directly attributed to privatisation.

In November, Labour Research published figures showing that the top 50 companies quoted on the Stock Exchange, in employment terms, have between them shed around 220,000 jobs since 1992 - around 6 per cent of their workforces. What is also clear, however, is that the British government's privatisation programme has been responsible for substantially higher numbers of job losses than would have occurred as a result of technical developments within the various industries, or other more general political and commercial pressures to reduce costs.

Employment trends following privatisation are particularly stark. Figures compiled recently by the Public Sector Privatisation Research Unit, using data supplied by the European Union's annual Labour Force Survey, company reports and national energy operations statistics, reveal that privatisation was responsible for net extra job losses of between 42,000 and 78,000 since 1990 in Britain's gas and electricity industries alone. In total, the industries have shed between 156,000 and 212,000 throughout this period according to the PSPRU.

A further 1,460 job cuts were announced by the nuclear power generator British Energy in October 1996. Meanwhile unions are predicting up to 1,000 job losses at the National Grid after management announced job cuts would be in excess of the 500 to 550 which had originally been predicted over the next five years. The cuts at British Energy, which are expected to take place over the next three years, represent almost a quarter of the company's entire workforce.

In November, Britain's largest privatised freight rail company, English, Welsh and Scottish Railway, which is now owned by the US rail freight giant Wisconsin, announced that the company needed to shed 4,000 jobs over the next three years reducing the current 7,000 workforce to 3,000. The announcement followed news that jobs were to be axed at the National Grid (1,000), British Energy

Future job losses

Company	No. of jobs
National Grid	1,000
British Energy	1,500
Employment Service	1,750
Prison Service	2,500
United Utilities	1,000
English, Welsh and Scottish Railway	3,000
Stationery Office (formerly HMSO)	950
Inland Revenue	900
Custom & Excise	2,200
Southern Water (Scottish Power)	700
Total	**15,500**

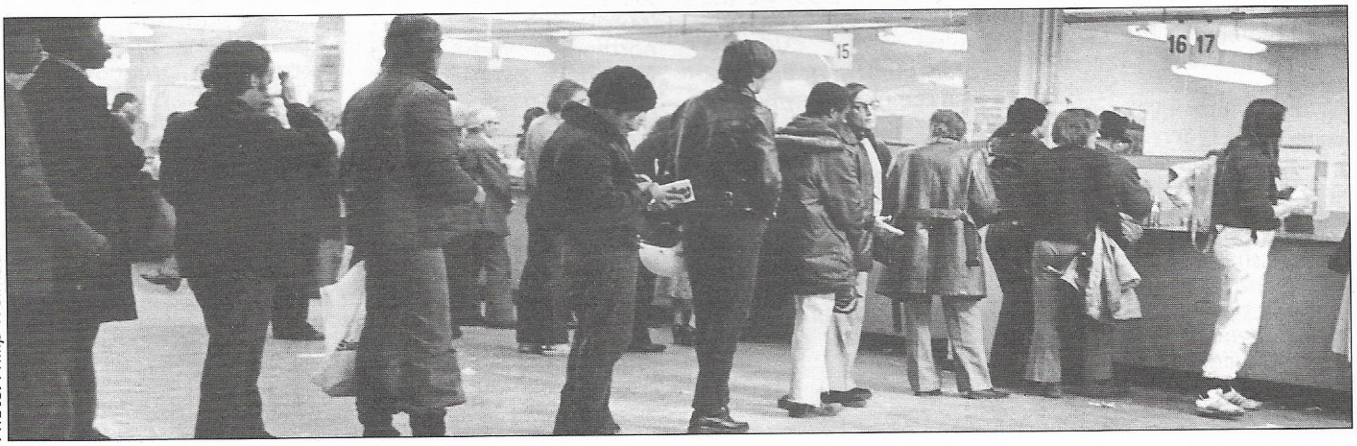


Photo: Philip Wolmath

(1,500), the Prison Service (2,500), United Utilities (1,000), the Employment Service (1,750), the Stationery Office (formerly HMSO) (950) and the Inland Revenue (900).

In December, Scottish Power announced 700 job cuts in Southern Water's core services. Scottish Power bought the privatised water company for £1.68bn earlier this year.

Although difficult to calculate exactly how many jobs have been lost in local government since the last election, largely because of the transfer of some services and a lack of information about actual job losses, it is clear that these have been considerable. Large numbers of local authority jobs have gone through a combination of voluntary and compulsory means, many as a result of CCT and ongoing budgetary constraints due to underfunding.

According to figures produced by the Local Government Management Board's Local Authority Joint Staffing Watch, local council's in England lost the equivalent of 20,000 full-time jobs between June 1995 and June 1996, although some evidence suggests that this trend may have bottomed out, while net losses since the last election amount to 142,000.

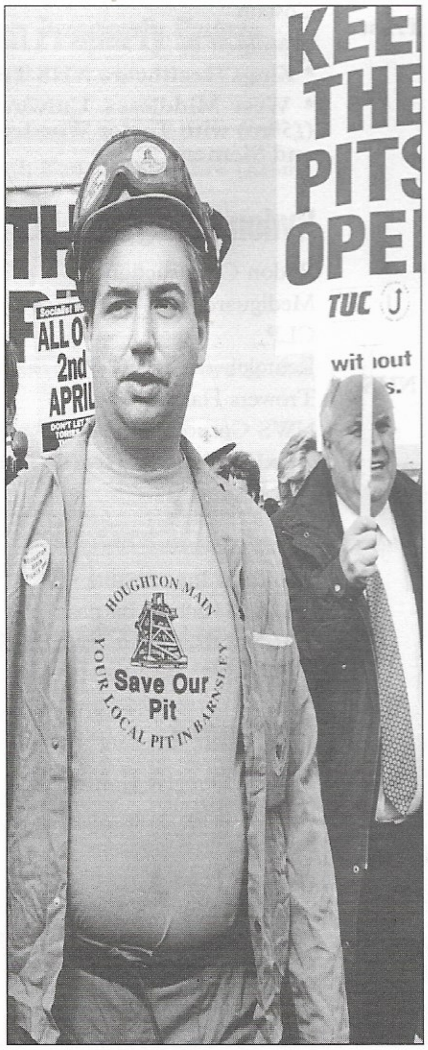


Photo: Philip Wolmuth

Employment levels in the public and privatised sectors 1992 - 1996

	Net Change in the number of employees	Privatised
Associated British Ports	-388	1983
British Telecom	-40,000 (-83,880[6])	1984
British Gas	-33,000	1986
British Rail	-36,013[2]	1996[9]
British Coal	-40,546[5]	1995
British Aerospace	-63,300[6,7]	1981
British Petroleum	-47,000[6]	1979
British Steel	-1,500[6]	1988
Cable & Wireless	+718[6]	1981
Rolls Royce	-11,880[6]	1987
National Grid	-2,500[8]	1995
National Power	-4,213	1991
Power Gen	-6,750	1991
Total	**-286,372**	
Water companies		1989
Anglian	-290	
North West	+2176[1]	
Northumbrian	+170	
Severn Trent	-482	
South West	+449	
Southern	+500	
Thames	+8	
Welsh	+1770	
Wessex	-345	
Yorkshire	-442	
Total Water	**+1,168**	
Regional Electricity Companies		1990
East Midlands	-3,585	
Eastern Group	-2,124	
London	-1,854	
Manweb	-106	
Midlands	-2,556	
Northern	-944	
Norweb	+250[1]	
Seeboard	-1,359[1]	
South Western	-564[1]	
Southern	-914	
Swalec	-187[1]	
Yorkshire	-2,556	
Total/RECs	**-16,499**	
UK Nuclear industry	-4,950	1996
Bus industry	-3,000[3]	1986-88
Local Government	-142,771[4]	
Central Government (Departments & Agencies)	-20,186	
TOTAL NET CHANGE 1992-1996:	**-472,610**	

1 Figure up to 1994/95 due to takeover/merger.
2 Figure to 31 March 1995, prior to first transfers to private rail companies. Around 10,000 jobs have been cut since the industry was privatised
3 Figure for entire bus industry up to 1994/5. Net employment loss since privatisation - 25,800.
4 Full and part-time includes: fire service, magistrates courts, probation & after care, police and law and order. (includes contracted out under CCT etc - No satisfactory figure exists for the number of actual job losses.)
5 Figure to January 1995, adjusted to take account of BC underestimate of number of staff transferred to private sector on privatisation. Number of staff currently employed in the mining industry 15,100 (June 1996)
6 Number of employees worldwide.
7 Includes 33,000 from sale of Rover Group.
8 Losses since privatisation in 1995.
9 Ongoing privatisation.

Sources: British Coal annual reports, National Association of Colliery Overmen, BR annual reports, Labour Research Department, Public Services Privatisation Rerearch Unit, Joint Staffing Watch (Local Government Management Board), Employment Gazette/Labour Market Trends, House of Commons Library, AEEU, TGWU, PTC , Labour Party, Associated British Ports annual reports.

Private Finance Initiative

PFI CONSORTIA – WHO

The Private Finance Initiative has spurned many new consortia. Each one normally includes a construction c management contractor, architects and advisers. IT and equipment projects are not included.

Some 'partnerships' are bidding nationally, others are, at least at this stage, set up specifically for the particular p status have been included. Many consortia are currently shortlisted for other PFI schemes. Firms such as Tarma the Hospital Company, Pentland Healthcare, UK Highways PLC and Fazakerley Prison Services Ltd.

National Health Service

The Hospital Company

Tarmac Construction
Tarmac ServiceMaster
United Medical Enterprises
Meteor Carparking
Leisure Technology Services
Crownhouse Engineering
Campus Retail
North British Housing Association
Siemens
Gouldens (legal)
European Capital and Babcock & Brown (financial)

*** Guy's & St Thomas' Hospital NHS trust (£120m)**

*** Swindon & Marlborough (£90m)**

Health Management Group

AMEC
London Electricity
Building and Property Facilities Management

*** Royal London Hospitals NHS Trust (£285m)**

*** University College London NHS Trust (£115m)**

*** Carlisle Hospitals NHS Trust (£45m)**

Consort Healthcare

Balfour Beatty (BICC)
Royal Bank of Scotland
Initial Healthcare (Rentokil)
Haden Facilities Management (BICC)

*** North Durham Acute Hospitals (£70m)**

*** Edinburgh Royal Infirmary (£200m)**

Also Greater Glasgow Community & Mental Health Trust (£8m)

Atcare Consortium

Alfred McAlpine
W.S.Atkins
Pall Mall Healthcare

*** Hereford Hospitals NHS Trust (£50m) has Taylorplan and not Pall Mall**

*** Rochdale Healthcare NHS Trust (£25m)**

*** South Manchester NHS Trust (£50m)**

Octagon Healthcare

John Laing Construction
General Healthcare Group (Generale des Eaux)
BZW (financial)

*** Norfolk & Norwich NHS Trust (£193m)**

The Healthcare Group

Northcroft
Bayer

*** Royal Hallamshire Hospital NHS Trust (£25m)**

United Healthcare

Healthcare Group Ltd
Taylor Woodrow
Granada TFM
Beachcroft Stanley (legal)
Nexus (financial)

*** South Buckinghamshire (£40m)**

*** Royal Hull Hospitals (£50m)**

*** Gloucestershire Royal Hospital NHS Trust (£74m)**

Kvaerner

George Trew Dunne
Bennett Williams
Initial (Rentokil)
Trafalgar House Facilities (Kvaerner)

*** Greenwich Healthcare (£80m)**

Pentland Healthcare

Tarmac Construction
Tarmac Estates
BZW (financial)

*** Dartford & Gravesham Hospital (£90m)**

London Financial Group

Higgs & Hill
Siemens
Compass
Chesterton

*** Barnet General Hospital, Wellhou Trust (£50m)**

Catalyst Healthcare Ltd

Bovis
RCO Services
British Linen Bank

*** Calderdale Healthcare Trust (£55m)**

*** Worcester and District NHS Tru (£80m)**

Health Care Development Advisory

Costain
Skanska

*** Kings Healthcare NHS Trust (£160m**

*** West Middlesex University Hospit (£50m) with Taylor Woodrow, Compa and Siemens**

Rydon Mediguard CLP

Rydon Construction
Mediguard
CLP
Rentokil
Trowers Hamlin (legal)
NWS Corporate Finance

*** Oxleas Mental Health Trust (£13.5m**

Proteam 2

Lovell
Hemdean Investments
Hubbert Halls & Barnes

*** Royal Berkshire & Battle Hospita NHS Trust (£25m)**

Proteam 4

Tilbury Douglas Construction
Hemdean Investments
Nightingale Associates
Hubbert Halls & Barnes
Symonds

*** Walsgrave Hospitals NHS Tru (£151m)**

'S WHO

ompany, a financial institution, a facilities

project. Only projects with preferred bidder
c are involved in several consortia such as

McAlpine Healthcare
Robert McAlpine
Healthcare Group
*** Royal Brompton Hospital (£20m)**
*** Law Hospital NHS Trust (£83m)**

Mediparks
John Laing Construction
Mediparks Ltd
Charterhouse Bank
HLM Architects
Frank Graham Consulting Engineers
*** St James's & Seacroft University Hospitals (£50m)**

Rotch Property Group
Loryleys
Symonds
Clifford Chance (legal)
*** North Kent Healthcare (£25m)**

TBV
Tarmac
Henry Jones
Roche
*** Portsmouth Healthcare (£10m)**

Kier-ISS
Kier Build
ISS Mediclean
*** Hairmyres and Stonehouse NHS Trust (£46m)**

Grampian Healthcare
Grampian NHS Trust
Miller Construction
British Linen Bank
CHS
*** Stonehaven Hospital, Grampian Healthcare NHS Trust (£24m)**

Miller Group
* Western General Hospital NHS Trust (£118m)

Prisons

Bridgend Prison (£250m)
(Bridgend Custodial Services Ltd)
Securicor
Constain
Skanska
Seifert
WS Atkins

Fazakerley Prison (£250m)
(Fazakerley Prison Services Ltd)
Group 4
Tarmac

Lowdham Grange Prison (£130m)
(Premier Prison Services)
Serco Group
Wakenhut Corrections (USA)
Trafalgar House

Gringley Secure Training Centre, Notts (£9m)
Group 4
Tarmac

Cookham Wood Secure Training Centre, Kent (£5m)
Group 4
Tarmac

Central Government

DSS Longbenton Estate, Newcastle (£150m)
AMEC Developments
Building & Property Facilities Management

Treasury Headquarters, Whitehall (£200m)
Bovis Construction
Stanhope (property management)
Chelsfield (property management)
Chesterton International (surveyors)
Foster & Partners (architects)
Hambros Bank

Transport

Road Management Group
AMEC
Alfred McAlpine
Brown & Root
Dragados
Morrison
Lehman Brothers International
SG Warburg
Freshfields (legal)
*** A1(M) Alconbury - Peterborough (£128m)**
*** A419-A417 Swindon - Gloucester (£49m)**

Road Link
Morrison Construction
Henry Boot Construction
Christiani & Nielsen
Impregilo SPA
Pell Frischmann
North Pennine Link Group (local authorities)
*** A69 Carlisle - Newcastle (£9.4m)**

Yorkshire Link Ltd
Trafalgar house
BICC
Balfour Beatty
Babtie Group
*** M1-A1 Yorkshire Link (£214m)**

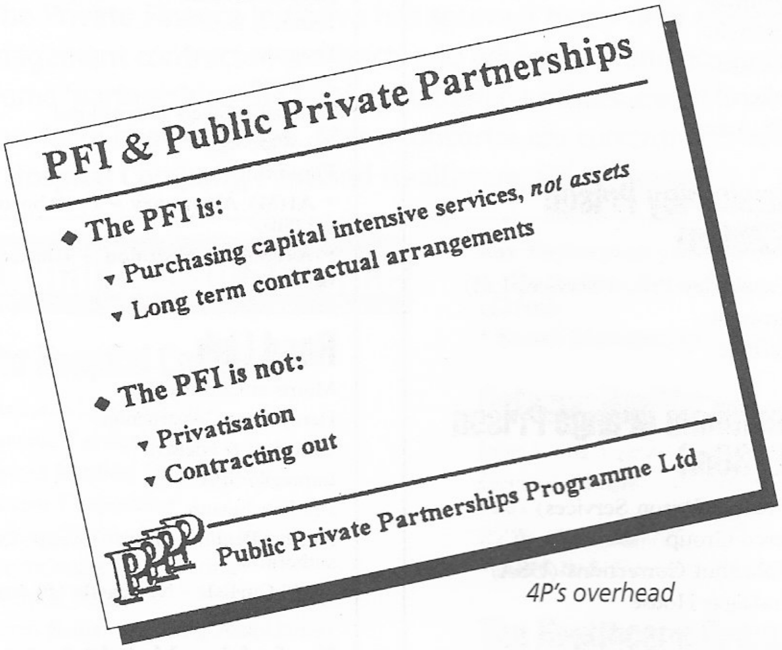
Connect
Balfour Beatty
W.S.Atkins
Philip Holzmann
Bank of America
*** A50-A564 Stoke - Derby (£21m)**
*** A30-A35 Exeter - Bere Regis (£76m)**

UK Highways PLC
John Laing PLC
Tarmac PLC
Welsh Water PLC
Transroute International
BZW (financial)
Acer Consultants (Welsh Water PLC)
*** M40 Junctions 1-15**

Autolink Concessionaires
AMEY Holdings PLC
Sir Robert McAlpine Ltd
Taylor Woodrow
Morgan Stanley (financial)
Ashurst Morris Crisp (legal)
Sir Alexander Gibb (traffic and design)
*** A19 Dishforth - Tyne Tunnel**

PFI (continued)

THE BIG LIE



4P's overhead

The 4Ps Board

Cllr Tony Colman, Leader of London Borough of Merton (Labour)
Cllr Roy Wilson, Leader of Labour Group, North Yorkshire County Council
Cllr Janet Sillet, Chair Finance Committee, Norwich City Council (Labour)
Cllr John Jenkins, Newport Unitary Authority (Labour)
Cllr Keith Whitmore, Leader Liberal Democrat Group, Manchester City Council
Cllr Christopher Marriage, Berkshire County Council (Liberal Democrat)
Cllr Rita Taylor, Bromsgrove DC and Hereford & Worcester County Council (Conservative)
Geoffrey Lawson, solicitor and businessperson, Corporation of London
Greg Folwell, Managing Director, Halifax Building Society

The above information is part of the 4Ps presentation to local authorities. If the PFI is not privatisation and contracting out then what is it? If this is an indication of the quality of analysis, then local authorities and trade unions need to be prepared.

The PFI **is** privatisation because the private sector retains ownership of hospitals, schools and roads which are built under the scheme. The PFI **is** contracting out because the design, construction, maintenance and operation of facilities are carried out by private firms under facilities management contracts.

The Public Private Partnership Programme Ltd (known as the 4Ps) has been established by the local authority associations, supported by the Government's Private Finance Panel (see PSA 53). It aims to increase investment in local services through the Private Finance Initiative and public-private partnerships. The range of activities will include assisting local authorities to identify "opportunities for investment" and to package projects, to develop pathfinder projects to be used as models, provide training for local authority members and officers, and to lobby government to remove legal and financial constraints on the PFI.

Photo: Martin Jenkinson

The 4Ps team

Chief Executive: Charterhouse Bank
2 Senior Executives: CLF Municipal Bank, Hertfordshire County Council
Manager: Private Finance Panel Executive
2 Executives: Price Waterhouse, Eversheds

Most are on secondment from the above organisations.

National Health Service

NHS STAFF STRIKE OVER PAY CUTS

As PSA went to press, around 500 privatised health workers in Northern Ireland remained locked in an increasingly bitter dispute with their multi-national employer, Compass, over cuts in pay and conditions.

The majority of those taking strike action are low paid, mostly part-time, workers employed as catering assistants, security staff, telephonists and cleaners many of whom are set to lose around per week as a result of the company's decision to end enhanced weekend payments.

Compass workers are also angry about the imposition of different pay rates in the three Northern Ireland health trusts where the company has won contracts through competitive tendering.

The striker's union, UNISON, argues that the company's actions are discriminatory and directly contrary to equal opportunity guidelines and the terms of the TUPE transfer.

Compass took over catering, domestic and other support services in Down Lisburn and Sperrin Lakeland NHS Trusts a year ago, dismissed almost four hundred support staff, and reissued them with new contracts at reduced pay. Staff employed after privatisation have been taken on at lower pay rates, and with reduced holiday, sickness and maternity provision.

UNISON, argue that that the company's actions go directly against recommendations on equal opportunities published in a recent report by the Equal Opportunities Commission, Northern Ireland, and are contrary to the government's fair treatment guidelines. They also contravene the spirit of cross-community and international efforts to create sustainable employment in communities of greatest need in Northern Ireland, as part of the peace process, say UNISON officials.

The company's refusal to accept UNISON's offer to provide emergency cover and to bring in strike breakers from Britain, on premium rates of pay, has embittered staff even further. Support for the dispute has been widespread and union pickets lines have been joined by members of the public, patients, clergy, local politicians and other medical staff.

NHS American style?

An important new report published by the NHS Consultants Association, in conjunction with the NHS Support Federation and the Public Health Alliance, contrasts the public service model of Britain's NHS with health care in the United States.

The report, 'Health care - private corporations or public service? The Americanisation of the NHS' compares the provision of health care under the two systems. Key aspects, including costs, resources, access to care, treatment outcomes, planning, the range of available services, administrative overheads, litigation and fraud are examined as part of the study.

The report also looks at the experience of privatisation in Britain, including the introduction of the Private Finance Initiative, and examines the way that some health services, such as dentistry, have been restricted or cut back.

It is hoped that the report will help to promote a vigorous and informed debate about the future of the NHS in the run up to the forthcoming general election.

Writing in the foreword, David U. Himmelstein and Steffie Woolhandler of the Harvard Medical School offer a damning indictment of the US health policy, describing it as "a particularly virulent strain among the recent spate of newly emerging infectious plagues." They express extreme concern that other nations, including Britain, are now attempting to follow a similar path.

Health care - private corporations or public service? is available from the NHS Consultants Association, Hill House, Great Bourton, Banbury OX17 1QH. Price £10.00 concessions £5.00).

News round-up

Local pay failing in NHS

Local pay in the NHS is wasteful, encourages low pay, and is harming industrial relations and human resources management, according to an independent report published in December.

The study, 'Poor Prospects: the realities of local pay determination' was carried out by Dr. Carole Thornley of Keele University at the request of the health workers trade union, UNISON. The survey provides the first nationwide assessment of the effects of local pay in the health service since the introduction of local bargaining.

The report concludes that NHS trusts are importing some of the private sector's worst employment practices, including delays of over six months in making pay offers, failing to tackle staff shortages, withholding key information from trade union negotiators and imposing settlements without agreement.

The research also found that:

- pay offers were inconsistent with staff performance and expectations and frequently involved real-term pay cuts - twenty per cent of all pay offers were found to have 'strings' attached;
- low paid health care assistants, whose pay is set outside of the Whitley system, are bearing the brunt of poor employment practices. These staff are three times more likely to have pay rates imposed and are frequently on lower rates of pay than equivalent nursing staff covered by Whitley and the Pay Review Body. Health care assistants were often paid less for unsocial and weekend working, had less holiday entitlement and had reduced access to sick pay;
- Almost 90 per cent of all health care assistants earned less than £8,000 per annum, while for some starting salaries are as low as £6,000.

The report concludes that both staff morale and industrial relations are deteriorating as a result of local pay, with over two thirds of of trade union negotiators reporting an increase in the potential for conflict between staff and management.

WHO BENEFITS FROM CCT?

Building cleaning services in local government have been subject to CCT since 1989. Among the manual services, competition has been strongest in this sector and private companies have made the greatest in-roads into the public sector cleaning market. The overwhelming majority of contracts (89 per cent) are worth less than £0.5m a year, with less than 6 per cent worth more than £1m.

The total value of all building cleaning contracts in local government is about £252m with DSOs retaining 74 per cent by value. The private sector market penetration of the public sector is 26 per cent and from their point of view there is still a great deal of growth potential in the service.

Out of 575 companies who have building cleaning contracts in local government, the ten top companies have 53 per cent of the privatised market in 1996. This proportion has dropped since 1991 when the top ten contractors had 74 per cent of the private market, partly because a greater number of companies have come into the cleaning sector. At the same time as the contracts have become smaller and more fragmented, DSOs have won less of the market.

The private sector has about £65m worth of contracts and of the private companies with the largest market share, the multinationals are in the lead as the table below shows.

Six of the top ten contractors have been active in the local government market since 1989 and are likely to maintain their dominant position in the contracting process. Of the major contractors Taylorplan has increased its local government market share fivefold, whilst Initial and OCS have only improved marginally since 1991. However, it should be noted that OCS also has several subsidiaries operating in local government including, Artel Services, with nine contracts worth £0.5m in 1996, New Century Cleaning, New Chesterton Cleaning (one cleaning contract), and Trident Contract Services (12 cleaning contracts worth £1.18m). OCS also owns DC Leisure Management involved in the sports and leisure management market with eight contracts worth £0.8m. The total value of OCS and its subsidiaries' cleaning contracts in local government was over £7m in June 1996, making it the leading contractor.

Photo: David Bocking

Leading contractors in local government, 1996

	Contracts 1996	Value 1991	Value 1996	Market share 1996
Initial Contract Services (BET/Rentokil)	28	£5.55m	£6.688m	10%
Taylorplan (Marriot International, US)	31	£1.91m	£5.870m	9%
Office Cleaning Services (OCS Group)	31	£5.20m	£5.143m	7%
Brown & Root (Haliburton Holdings, US)	6	-	£3.014m	4%
Securicor (Mitie Group)	9	-	£2.979m	4%
Regent Office Care	21	£0.21m	£2.801m	4%
Swanlux (Vebego Int. Netherlands)	5	£1.54m	£2.506m	3%
ISS Cleaning (Denmark)	19	£4.74m	£2.330m	3%
Southdown Cleaning	8	-	£1.611m	2%
Ocean Contract Cleaning	15	-	£1.596m	2%
Total	**173**		**£34.538m**	**53%**

Source: Compiled from LGMB Survey Report No. 13, June 1996

By contrast ISS has lost half its market in local government since 1991. Swanlux, which was previously Electrolux, and Regent have increased their number of contracts in the last five years. Of the four companies which had no local government market in 1991, Securicor (Mitie group) is one of the UK's leading cleaning contractors, and Brown and Root is part of the US-owned multinational Haliburton Holdings.

Externalisation of council services including the sale of DSOs has enabled major companies such as Brown and Root (6 cleaning contracts), Amey (1 cleaning contract), Sita (10 cleaning contracts), Onyx (3 cleaning contracts) to move into the local government cleaning market.

Competition

The level of competition for building cleaning contracts has been relatively high at all stages, peaking in 1993. Only 9 per cent of current building cleaning contracts have been won without competition. DSO success fell from 63 per cent in August 1990 down to 21 per cent in August 1993. There has been a slight recovery since 1993 with the level of DSO success rising to 34 per cent in January 1996. Competition has increased as the average contract sizes have decreased with a greater number of smaller companies able to mount bids.

Competition remains high and much of it revolves round employment costs since:

- The service is labour intensive with labour accounting for 80%-90% of costs
- Private sector competition from lower wage costs. In spite of TUPE there has been a downward pressure on wages in the sector.
- Lesser terms and conditions in the private sector
- Low investment and administration costs
- More intensive working by staff
- Experience gained by private companies as a result of CCT and market testing.

Local Management of Schools

Greater fragmentation has arisen as a result of the local management of schools, but the degree to which this occurs varies considerably between authorities. Some authorities have managed to retain all or most of the school cleaning contracts in-house whilst others have lost virtually all their work in schools to the private sector.

Key employment issues

The industry remains highly labour intensive with up to 80 per cent of costs charged to clients relating to labour alone. The Equal Opportunities Commission report found that among manual services, building cleaning staff had been the worst affected by competitive tendering:

- More than 10,000 jobs (29 per cent) were lost in the first round of tendering.
- All the jobs lost were part-time (31 per cent job loss)
- Women's employment fell by 31 per cent
- Increase in male employment largely as a result of the changing local labour market in some areas.
- Increase in number of women who are employed on several contracts for the same authority.

Changes in pay & conditions

- Two-thirds of case study authorities reduced hours of cleaners and as a result weekly pay was reduced.
- In 73 per cent of cases where hours were reduced women's hours were lowered to 15 hours or less a week, taking them below the National Insurance lower earnings threshold.
- Bonus rates were paid in over half of DSOs prior to CCT; 75 per cent of DSOs paying bonus cut them altogether.
- Private sector pay rates were on average £1 an hour below NJC rates: usually no sick pay, bank holidays or pension.

A recent Department for Education and Employment report on the cleaning and support services industry states that current annual turnover of staff stands at 52 per cent, causing the industry problems and affecting service quality. The average disguises differences between the types of job in the industry. There is a 48 per cent turnover of supervisors and a high turnover among cleaning operatives, with the industry losing one in three cleaners every year with obvious implications for recruitment, training and service delivery.

The main factors influencing the retention of cleaning personnel were:

- Conditions of employment, particularly wage rates
- Closeness of the workplace to home

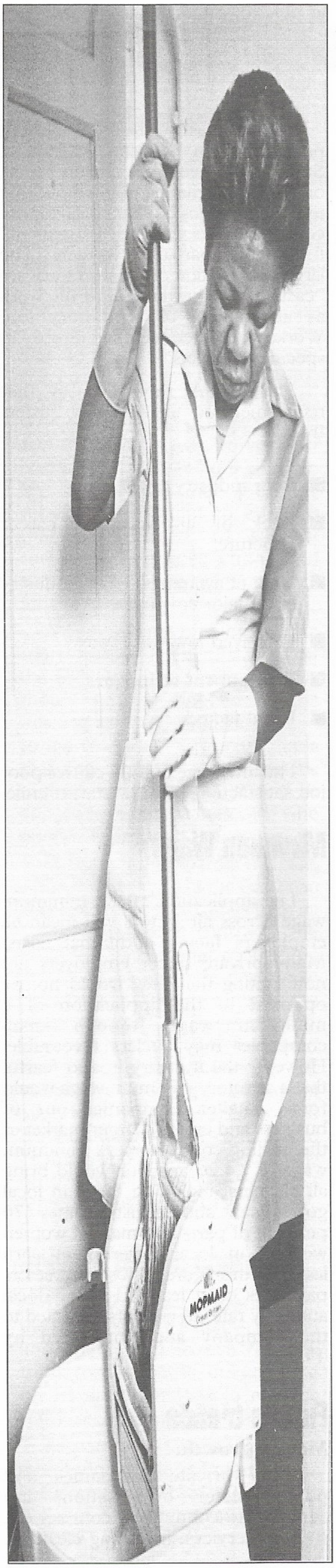


Photo: David Bocking

■ Extent of the workload

■ Change in personal circumstances - financial and/or domestic.

This relates to the recruitment practices within the sector. A Cleaning Support Services Association report on the labour market pointed out that most companies have a small central core of workers who are "permanent" full-time or part-time workers. The largest proportion of the workforce are "casuals" who often regard the work as an interim or temporary job. Workers are often recruited directly to specific contracts.

The CSSA report states that recruitment to the industry suffers from:

■ Poor industry image

■ Lack of an accepted career structure

■ Lack of awareness of the industry as a major employer

■ Perceived low wage rates

■ Recruitment techniques

■ Local factors

The low wage culture causes poor job satisfaction and low staff morale.

Minimum Wage

The application of the minimum wage across all sectors will mean all employers facing additional costs. Many private sector employers are now stating that they would not be opposed to the application of a minimum wage, though small companies may be less favourable. However the industry is also fearful that a statutory minimum wage would force smaller companies out of business and create a larger market of the leading contractors. A minimum wage of £4.26 an hour would bring all cleaners, including those in local government above existing rates (70 per cent of part-time manual women workers in local government earn less than this figure). Most contractors pay rates of at least £1 below local authority rates to cleaners recruited to the company and unaffected by TUPE.

Future trends

Market growth:

Many private companies and public sector organisations are expected to continue to contract out support services, including cleaning. Many cleaning companies are marketing multi-service contracts to win a greater share of the public services market. The Government's commitment to CCT and the Private Finance Initiative will increase private operations in the cleaning sector.

Quality:

Quality of service is hard to define in the cleaning sector since qualitative aspects remain difficult to compare and measure. The industry still suffers from a poor image. Findings from a survey of users of contract cleaners showed that 50% of clients thought that job satisfaction was low and that the quality of cleaning was low.

Legislation:

Government policies will continue to have a major effect on the sector. The application of TUPE is increasingly acceptable to cleaning contractors, particularly the larger companies. It is important to note that in spite of the application of TUPE, there has been a downward pressure on wages in the sector during the 1990's.

Competitiveness:

Competitiveness is still primarily around cost reductions and profit margins. Competition is expected to intensify as more companies enter the market including:

* new companies
* multinationals offering facilities management contracts
* entrants from other sector such as building contractors and utility service companies.

Post-Budget privatisation share sales

Shortly after the Budget, the Government sold its remaining stakes in a number of privatised utilities, boosting privatisation receipts by £257m to over £4bn in 1996-97.

The 11.2 per cent sale of British Energy shares, the privatised nuclear utility, were sold at 146p compared to the 105p sale price at privatisation in July.

Sale of Utility shares

Privatised company	£m
British Energy	119
Scottish Power	64
Scottish Hydro-Electric	24
Severn Trent	24
National Grid	13
Northern Ireland Electricity	7
Wessex Water	3
National Power	1
Powergen	1
South West Water	1
Total	257

The Government retains share stakes in:

■ British Telecommunications (0.5 per cent worth about £242m)

■ Mersey Docks & Harbour Company (14 per cent)

■ Scottish Power (£160m)

■ British Energy (£7.5m)

Privatisation receipts are expected to fall to £2bn in 1997/98 with the second instalments from the privatisation of Railtrack and British Energy accounting for three-quarters of the total.

Photo: Wendy Hislop

Government Agencies

CRITICAL EYE ON AGENCY MODEL?

A new report from the Centre for Public Services exposes the performance of Executive Agencies, over a hundred of which have been set up to takeover the activities of government departments. Between them, government agencies employ nearly 300,000 civil servants. The report, *'The Performance of Government Agencies in Britain'* examines agencies' performance standards and targets, efficiency savings and market testing, and challenges the government's assertion that the agency model has been a great success.

Commissioned by the AFL-CIO, Washington DC, the US equivalent of the TUC, the report examines the use and abuse of performance measures and targets, their impact on the quality of service and agencies' overall performance since 1991-92, using case studies of the Prison Service and several other agencies. The Clinton Administration is keen to adopt the British agency model in what they term 'performance based organisations'. The report will be used in the US Congress and the American trade union movement to highlight the repercussions of importing the flawed agency model.

The report details how the British government has imposed market testing and efficiency savings on agencies, initially claiming savings of 20 per cent or more. However, research by the government's Efficiency Unit revealed that savings averaged only 12 per cent and were non-existent on smaller contracts. The separation of client/contractor or policy/operations has been a major problem with ministers inevitably maintaining a keen interest in operational matters. The report shows this is a false and untenable separation.

But the real agenda has always been that agencies were established as a stepping stone to privatisation. Thirteen agencies have already been privatised and a further five are in progress. They employ more than 10,000 staff. The firms which have acquired agencies, usually at knock-down prices, include EDS, Capita Group, CSL (Touche Ross) and Integris (Bull).

The Conservative manifesto is likely to include the sale of many more including Companies House, Ordnance Survey, the Meteorological Office, HM Land Registry, the Valuation Office and the Driver Vehicle Licensing Agency. These agencies employ over 22,000 civil servants.

Agencies and government departments have also been in the forefront of implementing Private Finance Initiative (PFI) projects (see pages 12/13).

Lessons for local government

Lessons can also be drawn from the agency model in the current search for a 'replacement' for Compulsory Competitive Tendering. The Labour Party is developing a proposal to impose a statutory duty on local authorities to achieve 'best value' supported by other mechanisms including planning, market testing and performance standards and targets. But agencies have been operating under very similar conditions. The government has required each agency to prepare:

- annual performance measures and targets
- annual efficiency plan
- corporate and business plans
- programme of market testing
- a framework document setting out the objectives of the organisation
- five yearly reviews

Agencies also have newly appointed chief executives and staffing, pay and conditions have been decentralised to each agency.

Contractor Update

EDS HEADS FOR PUBLIC SERVICE MONOPOLY

Concern that the US computer services giant EDS is developing a monopoly in the public sector increased in September with the announcement that the company had been awarded a controversial contract with the Lord Chancellor's Department under the government's Private Finance Initiative.

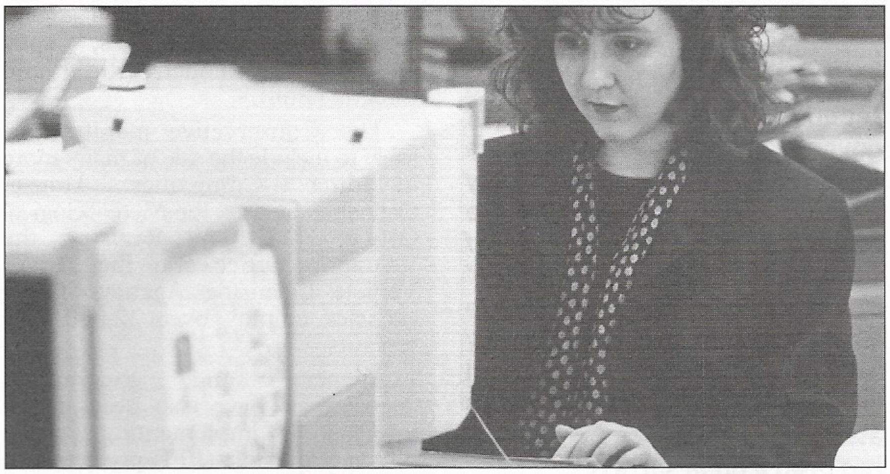


Photo: Philip Wolmuth

EDS: bidding for IT services across the public sector.

In addition to its contract with the Lord Chancellor's Department, EDS also has IT contracts in the Inland Revenue, the Department of Social Security, the Ministry of Defence, the Child Support Agency, the Driving and Vehicle Licensing Inspectorate, the Metropolitan Police, and the NHS.

The contract in the Lord Chancellor's Department, to provide computing services to 250 crown and county courts in England and Wales, and the High Court in London, is believed to be worth up to £25m - around half the amount bid by IT rivals Sema and Siemens to run the service.

The details surrounding the contract have fuelled speculation that the company has been deliberately underbidding for contracts in order to secure a foothold within key government departments, putting the company in an advantageous position to bid for even more lucrative work. A recent National Audit Office Report concluded that the company's bid for the DVLA contract was 'substantially' below that of its rivals.

Controversy surrounds EDS contracts

EDS insists that its contracts account for only 10 per cent government IT work, including contracts believed to be worth around £2bn to run Inland Revenue and DSS main systems and data centres. However, their expansion into the government contract area is unlikely to stop here. EDS is known to be one of a select group of companies approached about the privatisation of highly sensitive computer operations for the Ministry of Defence.

EDS have also found themselves at the centre of another National Audit Office Report into the sale of South West Regional Health Authority's computer division to the company last year. The report is highly critical of the health authority for undervaluing the service. According to the NAO report, EDS paid between £3.1m and £5.1m for the business, well below its true value. An independent evaluation carried out for the NAO put the value of the company at between £7m and £11m. This represents a loss to the taxpayer of at least £2m, and possibly as much as £8 million.

The latest controversy surrounding EDS's increasing domination of government IT contracts has been followed by a plunge of 20 per cent in the share value of the company, which was split off from General Motors in June 1996, at the end of October. The $11.5 drop in the company's share price wiped $5bn from the EDS's market value and appears to have been a response to lower than expected company earnings in EDS's first quarter as an independent company, and concerns about reductions in government spending.

More Nursing Home takeovers

Despite the failure of Westminster Healthcare's takeover of Goldsborough in July, the autumn months have seen more deals (see PSA 54). Takecare, the largest operator, has merged with Court Cavendish (in May it had acquired Greenacre for £21.5m) to form TC with 126 homes. 11,742 beds and 13,000 employees. Although by far the largest operator, the merger will have just 2.5 per cent market share.

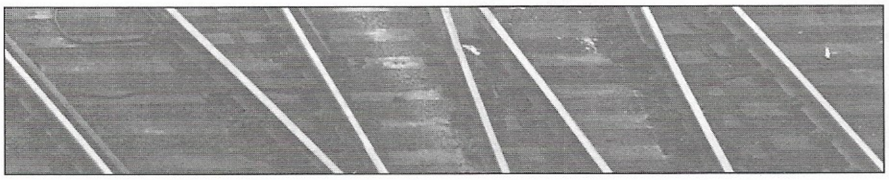
One of the smaller firms, Apta Healthcare, was acquired by Exceler Healthcare for £13.4m. Exceler now has 76 homes putting it in the top five operators. Exceler is owned by the US firm, Sun Healthcare, which already had a 29 per cent stake in Ashbourne Homes and is seeking a full takeover. This would place Exceler narrowly behind TC in terms of homes and beds operated.

Rail and Bus companies

RAILWAY CARVE-UP FOR PRIVATE FIRMS

With 17 out of the 25 rail franchises awarded, some 72 per cent (based on passenger revenues) of the railway network has been privatised. Bus companies such as Stagecoach, FirstBus and National Express have gained a strong foothold together with Compagnie Generale des Eaux (the French utilities, communications, transport and construction conglomerate) and Sea Containers. The remaining franchises, including InterCity West Coast and ScotRail, will be announced in early 1997.

Passenger Franchises	New Private Operators
Former InterCity operations	
InterCity East Coast	Sea Containers (Hoverspeed, Irish Sea ferries and freight)
InterCity West Coast	(Sea Containers, Stagecoach and Virgin shortlisted)
Cross County Trains	Virgin Group (records, financial services and airline)
Midland Line	National Express (bus and airport operator)
Great Western	Great Western Holdings (51% management, 24% 3i finance and 24% FirstBus)
Former Regional Railway operations	
Cardiff Railway	Prism Rail (consortium of directors of bus firms Blazefield Holdings, EYMS Group, Lynton Travel Group and Q-Drive))
South Wales & West	Prism Rail
Central Trains	to be announced
MerseyRail Electrics	to be announced
ScotRail	to be announced
North West Regional Railways	to be announced
Regional Railways North East	to be announced
Former Network SouthEast operations	
Network South Central	Connex Rail (conglomerate, Generale des Eaux, France)
South Eastern	Connex Rail
South West Trains	Stagecoach Group (bus operator and rail leasing)
Island Line	Stagecoach Group
London, Tilbury & Southend	Prism Rail
West Anglia Great Northern	Prism Rail
Anglia Railways	GB Railways (group of rail managers)
Great Eastern	FirstBus (bus operator)
Gatwick Express	National Express
Chiltern	M40 Trains (rail managers, 3i finance and John Laing Construction)
Thames Trains	Victory Railways (Go Ahead bus group and management)
North London Railways	to be announced
Thameslink	to be announced



Contrator update

Johnson Fry

Johnson Fry Housing is to be sold off by its parent company, Johnson Fry Holdings PLC, although the precise form of the sale is still unknown.

Johnson Fry Housing, which manages over 3,000 council homes in Wandsworth and Westminster, is understood to be concentrating its future efforts on London and the south east. The company failed in its bid to secure a significant share of the market in the first round of housing management CCT.

The company manages around 15,000 properties in both the public and private sectors and recorded profits of £1.38m in the first six months of 1996.

Jaygate drops out

Jaygate Management's failure to win a single local authority housing contract in the first round of housing management CCT has led the company to announce that it will not bid for contracts in the next round.

Among the reasons cited by the company for its lack of success was the company's inability to compete with local authorities over qualityand councils' determination to keep services in-house.

New employment agency

The newly merged employment agency group, Adecco, combining Adia (Switzerland) and ECCO (France) plan to compete with Manpower for a share of the expanding demand for contract labour. Adia operates in Britain under the Alfred Marks Bureau and Accountants On Call subsidiaries. The new group has 2,300 agency offices worldwide.

Private hospitals deal

PPP, the private health insurance company, has taken a 50 per cent stake in four London private hospitals which Columbia/HCA recently acquired from BMI (Generale des Eaux). Columbia/HCA is the largest healthcare operator in the US with over 400 hospitals. BMI has another 25 hospitals which its parent has put up for sale.

REVIEWS

Poverty and social exclusion in London

The problems facing communities in London are worsening. This is starkly illustrated by a research report conducted by the London Research Centre and sponsored by the Peabody Trust," *The Capital Divided: Mapping poverty and social exclusion*".

It shows that London continues to be home to the richest and poorest in the country and that inequalities are widening. Key findings:

* Of the 20 most deprived wards in the country, 70 per cent are located in Greater London

* Most of the deterioration in deprivation was found in the south and was particularly marked in Outer London between 1981-1991. Much of Inner London remained very deprived compared with the nation as a whole.

Low pay

* In 1979, the wages of the bottom 10 per cent of London's male earners were equal to 64 per cent of the average, but by 1995 this had fallen to 54 per cent. Comparable figures for women workers were 68 per cent and 58 per cent.

* In 1995, 22 per cent of women employees resident in London earned less than £4.26 an hour compared with 16 per cent for men. Three-quarters of all part-timers with low wages were women. The proportion of people of non-white ethnic origin on low pay (33 per cent) was double that of people from white ethnic groups.

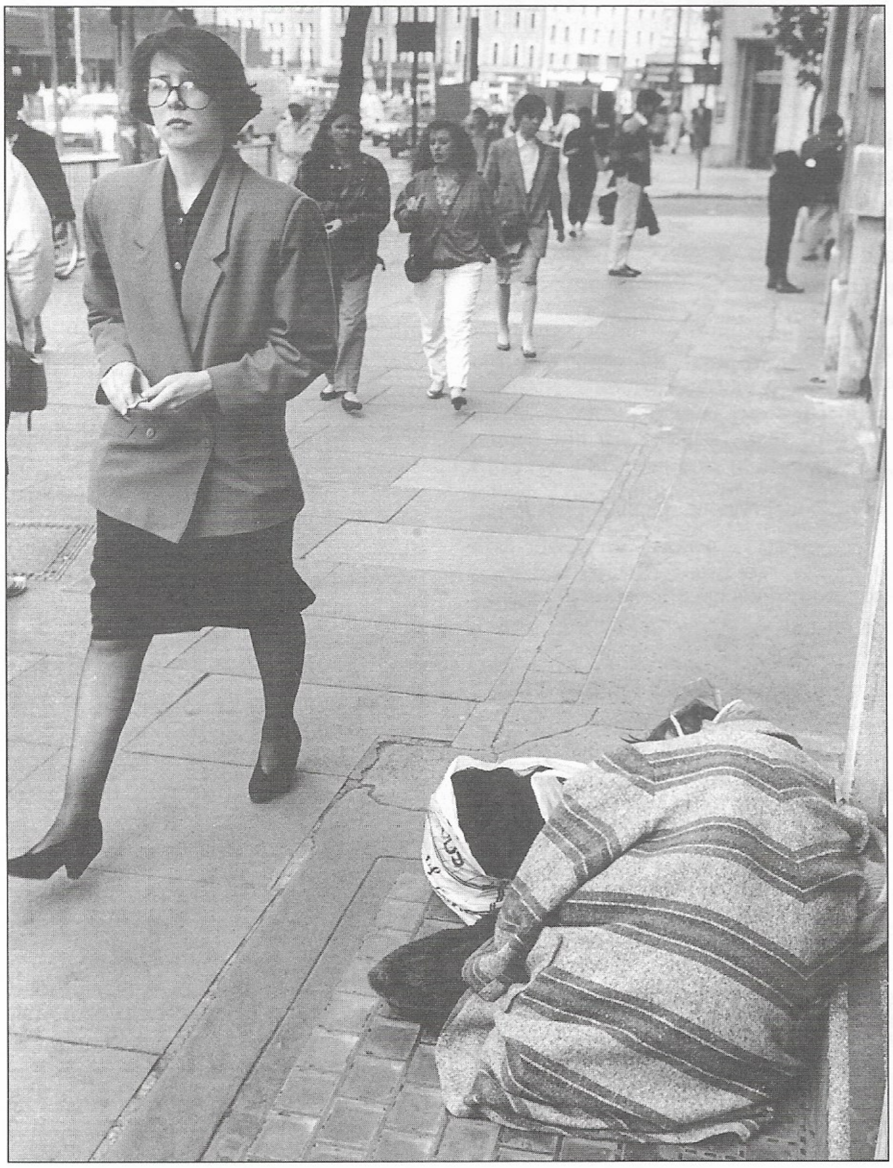


Photo: Philip Wolmuth

High unemployment

* Unemployment rates in London now exceed the national rate at 12 per cent, with an estimated 15 per cent unemployed in Inner London and 8 per cent in Outer London.

* Between July 1990 and July 1994, the number who were unemployed and claiming benefit doubled from around 200,000 to more than 400,000 people.

* 150,000 people have been without work for over a year.

* Unemployment rates in some wards are more than twice the Greater London average - 12 per cent in July 1996.

* More than 1.5m people, including children are now reliant on income support.

* The numbers receiving income support has increased. In 1989, 15 per cent of Inner London residents were on income support compared with 8 per cent in Outer London. Comparable figures for 1994 were 23 per cent and 13 per cent respectively.

* Many London boroughs have higher proportions of secondary school children receiving free school meals than the rest of the country. In 1994 more than one in two pupils in Lambeth, Hackney, Southwark and Tower Hamlets were eligible for free school meals.

Housing

* "Social housing" provides services for increasingly deprived tenants including 70 per cent of London's lone parents, 60 per cent of which have incomes below £7,500 per annum, half its black and ethnic minority households, half its pensioners and half its disabled people.

* Around 750,000 London tenants receive housing benefit, which combined with rising rents have led to an intensification of poverty and benefit traps.

* The London Research Centre has estimated that there are around 109,000 single homeless people in London.

"The Capital Divided: Mapping poverty and social exclusion". 1996. Cost £45.00.

Available from London Research Centre Tel.: 0171-787-5500.

REVIEWS

Poverty pay and the minimum wage

A new report on poverty, low pay and the minimum wage exposes the scandal of poverty and low pay in Britain and sets out a clear case for the introduction of a statutory minimum wage.

"Out of Poverty, Towards Prosperity", produced jointly by the Public Services, Tax and Commerce union and the Low Pay Unit, highlights the hardship caused by growing levels of poverty as the government continues with measures to drive down the wages of some of Britain's poorest paid workers.

Examining the rising tide of poverty and deprivation in Britain and highlighting the growing divide between high and low paid workers, the report points to the damaging effect on low paid workers of privatisation, deregulation, the scrapping of wages councils, and the government's tax policy.

Written as a contribution to the debate around low pay issues, the report also identifies those most likely to benefit from the introduction of a statutory minimum wage, examines how it would work in practice and looks at the likely effect on the economy and jobs.

Both the PTC and the Low Pay Unit, along with a number of other unions, support the setting of a minimum wage at £4.26 per hour, based on the formula of half male median earnings. The report concludes that this would have no significant impact on employment or inflation, and would assist the creation of jobs, enhance national prosperity and finance economic regeneration.

Copies of "Out of Poverty, Towards Prosperity" available from PTC, 5 Great Suffolk Street, London SE1 0NS.

Low Pay in Local Government

This report prepared by the Low Pay Unit for UNISON shows how local authority pay for 1.6m workers is falling relative to private sector pay for both men and women. Key findings include:

* Women manual employees' earnings have fallen from 94.6 per cent to 67.9 per cent of women's average earnings over the last 20 years, whilst men's has declined from 78.1 per cent to 54.4 per cent of the national average.

* For both male and female APT&C workers there has been a fall of 8 per cent over the same period.

* Half of all manual full-time women workers and nearly 75 per cent of those working part-time would benefit from a minimum wage of £4.26 an hour. This represents 500,000 local government employees, three quarters of whom are women.

* Morale has suffered as jobs and pay have been cut with 84 per cent of staff seeing no prospects of promotion and 63 per cent fearful about their future.

* One in four reported that they were expected to work unpaid overtime.

* One in ten were on social security benefits other than child benefit or a pension.

* Almost 30 per cent had not had any sort of holiday lasting more than three nights in the last year.

Available from UNISON, 1 Mabledon Place, London WC1H 9AJ.

More powers for councils

Local government should be given wider powers and responsibilities, says a new policy paper published by the Joseph Rowntree Foundation.

Written by Sir Charles Carter, who chairs the Rowntree Foundation's research into relations between local and central government, the 'Members one of another' calls for the restoration of stability and trust between local and central government. Local democracy can be best enhanced by giving councils greater freedom to implement local solutions.

Abolition of the current capping regime, greater control over business rates and the ability for councils to raise at least 60 per cent of revenue locally, are among recommendations.

'Members one of another' is available from York Publishing Services, 64 Hallfield Road, Layerthorpe, York Y03 7XQ. Price £9.95 (plus £1.50 p&p).

REVIEWS & PUBLICATIONS

Manual workers bear 'Heavy Load'

A major independent report on work-related stress points to the devastating effect on the working lives of local authority manual workers resulting from the combined effects of compulsory competitive tendering, privatisation and budget cuts.

"A Heavy Load - work-related stress in manual workers", which was commissioned by UNISON, reveals a shocking picture of daily harassment and abuse at the hands of the public, service users and management.

The survey of refuse collectors, gardeners, school meals workers and home helps uncovered high stress levels among manual workers, many of whom feel that they have very little control over their jobs and who suffer additional pressure because of rising workloads and insufficient time to carry out their jobs.

The report also highlights how high levels of stress affect work performance and relationships at work and at home, resulting in increased health problems and a worsening in the quality of services.

The majority of those surveyed felt that they were more stressed than they were five years ago and unable to take as much pride in their work.

Taking the strain

A survey carried out on behalf of the TUC has highlighted the problem caused by Repetitive Strain Injury (RSI) in both the public and private sectors.

The survey, based on the responses of over 7,000 health and safety representatives, reveals RSI as a major problem in a third of all British workplaces including:

* two thirds of workplaces in the banking and finance sector;

* half of all civil service workplaces;

* two fifths of the workplaces in local government, manufacturing and leisure services;

* a third of all workplaces in agriculture, health services, construction and transport.

Copies of "A Heavy Load - work related stress in manual workers" by Maxwell & Cox Associates can be obtained from UNISON Communications Department. Tel. 0181 - 854 2244, price £4.00 (free to UNISON members).