

PUBLIC SERVICE ACTION

**Action
Organising
Information
Contractors
New threats**

AN ANTI-PRIVATISATION NEWSLETTER FOR THE LABOUR MOVEMENT No 7 APRIL 1984

Rate plans to hit councils

CAP IT ALL FOR CONTRACTORS!



Philip Wolmuth

The Tory Government is planning to use the introduction of rate capping on local authorities together with the abolition of the GLC and six Metropolitan Counties for a new big surge of privatisation. Centralised control, more spending cuts and the transfer of responsibilities are part of a dual strategy to create the conditions to increase contracting out and sale of public assets. Charges are also likely to be introduced for basic services together with big fare and rent rises. Remember, there will be no refuge in Labour-controlled authorities — they are the specific target of the rate capping legislation. Meanwhile contractors hover like vultures about to tear off the leanest meat from their prey.

There will be a big surge in privatisation because:

- The councils which will take on many of the responsibilities of the Met Counties and the GLC include all the leading privatisers eg. Dudley, Birmingham, Merton and Wandsworth. They are likely to use the opportunity to hive off more work to contractors. The list also includes most of the Labour-controlled authorities which have been selling off whole council estates eg. Knowsley, Tower Hamlets, Sandwell, Salford, North Tyneside. These and other Labour councils on the list have also been implementing Tory legislation on DLOs virtually without any resistance.

- Private contractors already have a foothold in some of the services being transferred to local councils eg. highways, waste disposal and planning. The government has stated that it wants 'maximum encouragement' given to increasing private sector involvement in these services.

- The combined effects of rate penalties for 'overspending' government targets in 1984/85 and rate capping on selected councils in 1985/86 will mean that local authorities who do want to incorporate transferred responsibilities will be under increasing pressure to cut spending. Efficiency and 'value for money' studies are likely to be commonplace leading to more councils putting work out to tender to 'test the market'. Others will argue the 'more humane cuts' approach which sacrifices some jobs and services going to contractors in an attempt to safeguard 'priority services'.

- The creation of joint boards to take over public transport, fire and police

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CONTRACTORS Fines & Failures

Cleaning complaints

A survey of council staff on the standard of contract cleaning in a town hall annexe carried out by Croydon NALGO revealed widespread dissatisfaction. 75% of the staff who completed a questionnaire reported that the cleaning service has deteriorated since **Reliance Cleaning Co.** took over. 89% of women complained that the toilets are now dirtier. There were also complaints about the standard of cleaning on staircases and disruption to work caused by cleaners starting in the late afternoon. Croydon council has decided not to extent contract cleaning into the 18-storey main council offices although there has been a cut in the number of part-time council cleaners. Further details from NALGO office, Taberner House, Park Lane, Croydon CR9. Tel: 01-686 4433 ext 2250.

Grandmet Fined

Fines totalling £2,750 have been levied on **GIS Waste Services**, a subsidiary of **Grand Metropolitan**, by Wandsworth council. They were imposed for failure to remove refuse during a 4-week period up to 22 January 1984. Poor standards on the refuse contract has also led to the sacking of Grandmet's local manager Ray Richards following an investigation by the company.

Dirty Schools

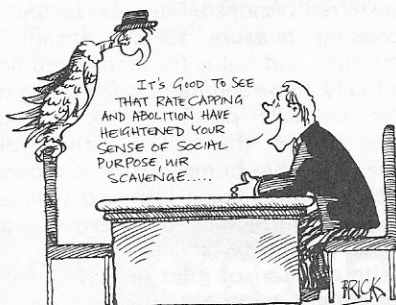
International Servisystem (ISS) is losing up to 10 per cent of its four weekly contract payments on its Birmingham school cleaning contract (see PSA No 3). The head of the Education Department Services Division admitted to PSA that between £3,000 and £4,000 was withheld in November, December, January and February because ISS had not done work they are contracted to do. This means that the fifty secondary schools are still not being adequately cleaned.

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will be used to issue invitations to private firms to bid for parts of services which they want. The government is likely to put intense pressure on joint boards to cut staff and maximise the use of contractors. The transfer will also be used to auction public land, property and equipment, claimed to be 'surplus to requirements', to business interests at knockdown prices.

- And if all these measures don't 'succeed' the government has already hinted that it may bring in legislation to force councils to put a wide range of services out to tender — architects and valuers have already been mentioned. This could quickly spread to all services. Joint boards are likely to be made to 'stand on their own feet' ie. being organised and run as business corporations rather than public services.

The consequences for services and jobs are monumental. 40,000 public service jobs could be lost in London alone. Wage cuts and a massive erosion of benefits and deteriorating working conditions will be the norm. Services will decline or disappear altogether.



POEU
SPOE
SCPS

UCW
CPSA
CMA

BTUC

The campaign against the privatisation of British Telecom continues with some important amendments won in the House of Lords but setbacks over trying to stop the private telephone system Mercury. The NUR withdrew its opposition to contractors installing optic fibre cables for the new Mercury. The Sheffield and Chesterfield District Council of the NUR had blocked the trains which were to lay the cables. However British Rail eventually agreed to allow eight Signal and Telecoms staff to assist the contractors and after long discussions between the NUR and the POEU the blacking was lifted.

There have been a number of important changes to the Telecommunications Bill during its House of Lords stage. BTUC have succeeded in getting two amendments passed which were defeats for the government. These have:

- outlawed discrimination on the basis of geographical location so that common charges must be retained for installation, maintenance and usage. This is important for services and jobs in rural areas.
- outlawed unauthorised telephone tapping and spelt out controls for the state's right to intercept.

Other changes will ensure that free

SCANDAL

- The Deputy Chairperson of Attwoods Plc whose subsidiary Drinkwater Sabey is seeking local authority bulk refuse contracts, is one Denis Thatcher.

- Last year two executives of Grand Metropolitan had pay increases of more than £70,000, bringing their salaries to nearly £400,000 per annum.

- Another DHSS official has been seconded to a private firm following the disclosure that an official involved in NHS privatisation had joined the board of a cleaning company seeking NHS contracts (see PSA No 6). An unnamed official joined consultants and accountants Deloitte, Haskins and Sells in January 1984. There have been three other cases in recent years of DHSS officials being seconded to private firms.

- Tory MP for Mid Sussex, Tim Renton, recently extolled the virtues of private contractors taking over hospital laundry services in a recent debate in the House of Commons. He said savings of up to 40% could be made. Renton has a keen personal interest in laundry services. A year ago he was appointed a director of Advance Services Plc, the laundry and linen rental firm which is bidding for NHS laundry contracts. Advance is part of the BET Group.

- The Cleanaway contract manager on the Mendip refuse contract is Paul Riley who was previously the council's transport manager. Both he and the supervisor who also worked for the council were hired by the firm when they started the contract in a big rush prior to the council elections last May.

directory enquiries will probably be written into the Bill, and another amendment ensures that imports of telephone equipment will only be allowed where British manufacturers can export to the same country. The government has removed the threat of criminal prosecution against telecommunications workers in industrial action but has replaced it with a potentially more dangerous threat of civil liability which could lead to the union being sued by any individual or company whose telephone service was interrupted due to industrial action.

The Bill is expected to return to the House of Commons in early April and the government is still committed to privatising BT in the autumn.



Council housing ESTATE FOR SALE



TENANTS MARCH AGAINST SELL-OFF

Hundreds of tenants from Fulham Court Estate in London marched to Parliament on March 7th to lobby MPs and petition the Secretary of State for the Environment in a bid to stop Hammersmith Council from selling their estate to private developers. The march was supported by UCATT and NALGO. NALGO have refused to co-operate with work related to the sale. The tenants would like to hear from other campaigns to stop estate sales. Contact Ian Beddowes 01-731 6694 or Ian Harrison 01-318 5529.



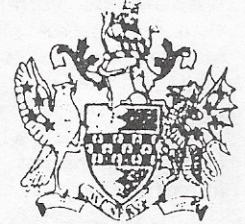
Wandsworth

Tenants on many older council estates in Wandsworth have been told to buy or get out. Initially, five blocks of flats with 118 homes are to be decanted and the council will then improve and sell to first-time buyers or the estate will be sold off to a developer. Thirty tenants on the Honeywell Road and Broomwood Road estate in Battersea received the following letter from the council.

The Honey-Broom Tenants Association is campaigning against the sale. None of the tenants want to buy — in fact ten are pensioners who have lived there since 1948 and others are one-parent families or are unemployed and can't afford to buy. The association argues that the necessary improvements to their estate could be carried out while they remain there. Similar work has been done in this way on other estates.

The council has also extended its priority sales areas from seventeen estates encompassing 8,500 dwellings to cover a further 2,500 homes. Dwellings in the council's Hard to Sell category which have not been sold after six months are now to be sold on the open market or sold by auction!

Further details from Junction Resource Centre, 248 Lavender Hill, London SW11. Tel: 01-228 1163



From the Chairman of the Property Sales Sub-Committee

Dear
Like a lot of Wandsworth Council Tenants, you've probably always wanted to own your own home, but perhaps thought you'd never be able to afford to. Well, think again, because now you can! Wandsworth have great pleasure in offering you the chance to purchase your existing rented property at a massive discount of up to 60% (dependent on the number of years you've rented), meaning Broomwood Road could be yours for as little as £15,000.

Just take a look around you — already a growing number of tenants in your area have taken up our offer and bought their own homes in what is now clearly becoming a very desirable area. Not only that, we've even had enquiries about properties in your neighbourhood from tenants in other areas and first-time buyers.

It's to meet this demand that we've designated part of your neighbourhood, Chatham Estate, as a sales area — vacant properties will not be relet but will be offered for sale to existing tenants or first-time buyers. In fact, should you decide to buy Broomwood Road, you will be joining this happy band of owner-occupiers each secure in the knowledge that their growing numbers are raising the standard of the area — and the value of their investment.

So why not buy Broomwood Road now, before prices rise still further? At up to a 60% discount, with guaranteed mortgages available, calculated on the salaries of up to 3 members of your household, not forgetting the ever-rising cost of renting, this really is an opportunity not to be missed.

Yours sincerely,
Councillor Peter Bingle

More News

NEW ANTI-PRIVATISATION COMMITTEE

As part of a campaign to defend and improve services and wherever possible revert to direct labour, Sutton NALGO have set up an anti-privatisation sub-committee of the Executive. A full list of privatised services is being compiled and details of complaints about contractors and consultants' failures are being monitored. Also where services have never been provided by council staff, ways of bringing them in-house will be explored. Details of findings so far from Graham Dean, Branch Secretary Sutton NALGO tel 01-661 5619.

ABBEY NATIONAL INTO RENT OFFICES

Wandsworth Council have invited the Abbey National Building Society to use a newly opened council tenants' rent office in Roehampton as an agency. The Abbey National, closely associated with Wandsworth's massive sales of council housing, propose to train council staff to handle its business. Management did not consult the unions over this move and NALGO are currently considering their response. A senior Abbey National official has been on secondment to Hackney Council working on what the Abbey describe as 'a major exercise' which will result in the two parties 'developing land in partnership'.

PRIVATE MINI-BUS SERVICE GETS GO-AHEAD

The government is allowing a private mini-bus company, Vulcancrown, to operate routes from Central London to Heathrow Airport in competition with London Transport's bus and tube services. It will also run services to Gatwick and Luton Airports. LT had refused the company a licence but this was overturned by Transport Secretary, Nicholas Ridley.

STATE SELLS PRIVATE HEALTH FIRM

United Medical Enterprises Ltd, part of the British Technology Group (previously known as the National Enterprise Board) has been sold to the building and engineering group, London and Northern. BTG's 65.7% shareholding was sold for £18m. United Medical specialises in managing and equipping hospitals in Britain and the Middle East. Its subsidiaries include Allied Medical Group (health care planning and management), Umedco (equipment), Umedicon (hospital construction), and United Health Systems (computer systems).

NHS SOME SUCCESSSES



The first few months of 1984 have seen DHAs all over the country making decisions about tendering for hospital support services — and a surge of activity by trade union and community campaigns in defence of jobs and services. About half the 192 DHAs have now made decisions on their response to Circular HC(83)18:

- ★ At present 11 authorities have refused to comply with the Circular: Brent, Greenwich, City and Hackney, Bloomsbury, Hampstead, Islington, Lewisham and North Southwark, Haringey in London, and Sandwell, West Lancashire, North Staffordshire.
- ★ DHAs insisting on the inclusion of a Fair Wages clause in all contracts include: Lancaster, Blackburn, Wolverhampton, South Warwickshire, North Kensington, Brent.
- ★ Many DHAs have issued tendering timetables only for one or two services in one or two hospitals. Others have proposed timetables which delay the process a year or two.
- ★ In contrast, a few DHAs, fired with enthusiasm, have gone beyond the government requirements and are including portering services in their tendering plans, notably East Birmingham, West Berkshire and Bradford. At the Royal Infirmary in Bradford the porters include the NUPE Branch Chair and Secretary and a number of shop stewards, which makes the tendering plan look like a simple attack on the trade unions.

ACTION

The response to this threat in both Bradford and West Berkshire has been industrial action. Porters at Battle Hospital in Reading (GMBATU) staged a 4-hour strike, supported by the

hospital switchboard operators. Their action has led to an upsurge in union members interest throughout the DHA area, including places with no history of trade union militancy. They face a determined enemy in the vice chair of the DHA, Stephen Norris, Tory MP for Oxford East and a used car salesman, whose political ambition has led him to shower both the county council on which he sits and the DHA with glossy brochures from private contractors.

★ In Bradford porters and other ancillary workers (NUPE) called a 2-hour strike and were among an unprecedented crowd of 300 demonstrating at a DHA meeting on March 13th. They were supported by local engineering, bus and other workers, including union members involved in the continuing occupation of Thornton View Hospital. The Chair refused to allow a public debate on tendering and eventually the meeting was disbanded with police 'assistance'.

★ In Hackney a successful one day strike by health workers led to a decision by City and Hackney DHA not to submit a tendering timetable.

SUCCESSSES

★ Merton and Sutton Health Authority voted to retain its in-house domestic services on the basis of a report pro-

pared by DHA officials on the poor quality of the service provided elsewhere by the main tendering firms and the inadequacy of the proposals in their tenders to meet the specifications. The firms concerned were Exclusive Health Care, Hospital Hygiene Services, OCS and ISC Initial. Details of the report and the decision have been published in NUPE Journal, Tribune and Labour Research. The victory is a notable one, both because of the effective use of information on contractors' standards, but also because the chair of the DHA is Harry Cowd, leader of privatisation-crazy Merton Council.

★ In Camberwell, too, information compiled by the local Health Emergency workers on the performance and company accounts of the firms tendering for the laundry service, was used successfully to press for acceptance of the in-house tender, although it was not the lowest. The Health Emergency Campaign there argue that this information should be presented at an early stage to prove that contractors aren't efficient or responsible enough even to be allowed to tender.

★ West Lambeth DHA is the first to push ahead with a plan for compulsory redundancies – unprecedented in the NHS – for 68 ancillary and administrative staff, mostly at St Thomas's Hospital.

**Never
Use Private
Enterprise
in the NHS**

★ The use of YTS schemes in hospitals is giving rise to serious concern among nursing organisations. The English National Board for Nursing, Midwifery and Health Visiting has warned that the level of supervision required for the 3200 YTS places in hospitals, mainly in catering and ancillary work, is interfering with the proper training and supervision of nurses.

★ The revelation by Frank Dobson MP that Margaret Thatcher's eye operation in a private hospital in Windsor was carried out with NHS equipment borrowed from another hospital is just one example of a continuing trend of private hospitals profiting from NHS spending. The private King Edward VII Hospital at Midhurst in Sussex was paid £1200 by the local health authority for a hip operation on a Wiltshire patient. It has prepared a cut-price tariff for operations at 20% less than charged to private patients to be sent out to all 14 Regional HAs. This marketing operation was described

by a DHSS spokesperson as 'part of the Government's encouragement of cooperation between the NHS and the private sector.'

★ A major extension of privatisation within the NHS is marked by the Welsh Office decision to put out to tender the management of two new kidney dialysis units for NHS patients in Wales. There are fears that the most likely competitors for the contracts will be the manufacturers of dialysis equipment, who will install their own equipment and then be free to charge any price to the NHS for its management and operation.

★ 'Nationwide Hospitals', a company building cottage hospitals for the private sector has made millionaires of its founders, a builder and a lawyer. So far they have built seven 40-70 bed hospitals, six sold to the US giant Hospital Corporation of America for £15 million and one in Torquay to Community Hospitals, a private company, for £3 million. They are now building smaller 20 bed hospitals and plan to complete six in various parts of Britain by 1987.

★ The London Diagnostic and Imaging Centre in Harley Street, a private centre for radiological and ultrasound diagnosis, in which Private Patients Plan own a one third stake, has gone bust and is now up for sale.

★ Score on tendering for the last 12 months: privateers 15½ – the people 5½. NUPE figures on hospital support services put out to tender in the last year present a bleak picture: of 10 hospital cleaning contracts out to tender, 9 have been won by private contractors; of 11 laundry contracts, 6½ have gone to contractors. Only in hospital catering have private firms failed to undercut in-house prices.

★ Health Emergency Campaigns all over London are being co-ordinated by London Health Emergency which now has full-time workers. It is planning a newsletter to link local campaigns, a

pamphlet on hospital occupations and a Day of Action in August with activities both in the boroughs and in central London. L.H.E. can be contacted at: c/o London CWS, 54 Chalton St, NW1.

★ At Kingston Hospital over 250 workers were on strike for two weeks from 20 February over a contract with Advance Laundry to take over work formerly done by the regional laundry which is closing. Without any consultation or warning to the workforce, the contract has been drawn up to include some work traditionally done in-house at Kingston Hospital. After management realised that the strike wouldn't just fade away, they finally agreed to ACAS being called in. The ACAS report is expected in the last week of March.

Laundry investigation started

Health Ministers Clarke and Patton are facing a serious challenge to their decision to force Cornwall DHA to give the NHS laundry contract to Kneels of Exeter (part of the Johnson Group). The in-house tender was £47,000 lower after laundry workers agreed to take a wage cut worth £500,000. The Tory chairs of both the DHA and the RHA repeatedly pressed the Ministers to change their decision both because of costs and the consistently poor service given by Kneels to Falmouth Hospital.

It is reported that Ministers even threatened to remove the DHA chair and members if they refused to toe the line. The decision is already being examined by the Controller and Auditor General's Office, and now Michael Meacher, Labour's Health Spokesperson, has requested an investigation by the Commons Public Accounts Committee and by the NHS Ombudsman. The unions are now considering a legal challenge.

Phillip Wolmuth



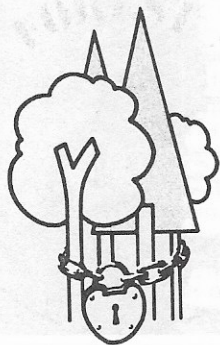
Bovis sports deal

Labour controlled Haringey Council in London has joined the growing number of local authorities to opt for a 'package deal' with the Sports Council and Bovis for the design and building of a sports hall at Gladesmore Community School in South Tottenham. Though an outline scheme by the council's own architects and engineers had been approved in March 1983, by June the council had decided to accept £25,000 from the Sports Council — less than 4% of the total cost of the project — to stop in-house work on the plans and hand the whole deal over to Bovis. This move was in direct breach of the council's agreement with its architects department to give them first option on all design work and effectively excluded its own DLO from tendering from the work, though the capital works side was already in difficulties with its trading account and is now in crisis. As Bovis were handed total responsibility for the project, all public accountability over the contractors used was abandoned. This makes nonsense of the council's approved list, which council unions have fought hard to restrict to firms with good employment and service records.

United trade union opposition to the project merely resulted in their exclusion from the discussions on the project and NALGO's decision to 'black' all work connected with it was ignored by the one chief officer whose approval was needed for the project to start. Council unions in Haringey naturally fear a similar fate for other council services if the price is right.

There is an irony in the Haringey deal with Bovis — at the same time they were agreeing to the sports hall deal, the council was involved in a multi-million pound lawsuit against Bovis over construction defects at the Bounds Green site of Middlesex Polytechnic.

Haringey is not the only Labour authority to opt for this privatisation package: Liverpool and Barnsley are among the 10 councils who have bought the 'SASH' sports hall deal from the Sports Council-Bovis partnership in the last year.



Contractors & Consultants

Security risk

Security Services at Department of Trade buildings in London have been privatised. From April 2nd, Securiguard Services Ltd (see PSA 6) will take over the Victoria Street complex and Reliance Security Services Ltd the remainder. In-house jobs have so far been saved through redeployment and regrading but as privatisation spreads to other departments so these jobs will still be under threat.

The Department plans to save 22% on costs. The contractors will be employing more than one-third less staff than are currently employed. Tom Hoyes, Assistant General Secretary of the Civil Service Union, told PSA that 'the Department doesn't give "two monkeys" about costs and efficiency; it's really about reducing the civil service.' Their security will be weaker, confidentiality could be broken and the image of the Department will suffer as a result. Our members are properly vetted, trained, know the buildings well and do a good job' says Hoyes. 'Security firms promise the earth but once they get the contracts, continuity is only provided by supervisors. Pay and conditions are so bad that they can't keep staff.'

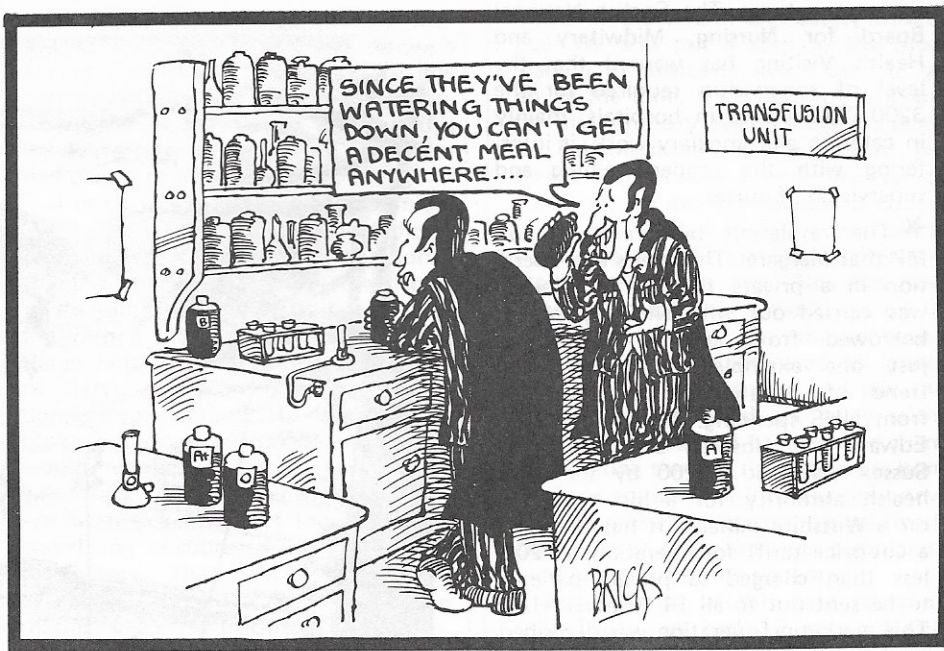
Some Civil Service Union members went for interviews with the two firms and were appalled at conditions offered: an extra twenty hours on the working week (to 60 hours); less basic and overtime pay; twelve hour shifts; no paid lunch hours; less holidays, and sick pay, and contributions to replacement uniforms.

Tom Hoyes sees the same downward spiral in the service occurring as when cleaning was privatised. 'We will be rigidly monitoring the contractors and along with MATSA will be attempting to recruit their staff to our unions.' — he said.

MARKET POTENTIAL

'Given the limited scope for increases in productivity in the (cleaning) business, unless the companies can impose wage reductions upon the workforce, margins look likely to fall in the medium term,' claims an industry research report on cleaning companies just published by stockbrokers Phillips & Drew.

'Nevertheless the concept of privatisation has had a significant impact on the share prices of cleaning companies over the last two years due to the possibility of the opening of major new markets'. Their report covers municipal cleansing which includes refuse collection and disposal, street cleaning, park and garden maintenance and the cleaning of public conveniences. 'The total market for these services is estimated to be about £1,500m of which the current annual value to have been awarded to private contractors since the first contract was awarded in 1981 is less than £20m ie only about 1 per cent.' Hospital services are also examined. Phillips & Drew estimate that less than 50 out of about 2,000 hospitals in Britain use private contractors for cleaning services. However, they estimate that the potential market is enormous with NHS spending of £400m on cleaning, £350m on catering, £150 on laundry/linen, and £150m on portering. 'One interesting feature of the development of these markets is the widely held belief in the industry that the companies who stand to gain most in terms of gaining work are those that can offer the fullest 'package' of services, rather than just a single service.' Hence the takeover battle last year involving Pritchard, Spring Grove, Sunlight and Brengreen.



Contractors & Consultants

Philip Wolmuth



CLEANER SPEAKS OUT

These are the comments of a contract cleaner interviewed recently in a London hospital.

'I've worked there five years. We used to take our overalls home for washing, then we got overalls which were sent to a private laundry service.'

'We don't get given bleach for cleaning. Just washing-up liquid, Ajax, NHS "bath cleaning solution", toilet rolls and plastic bags.'

'The supervisors water down the washing-up liquid. They put so much in a Fairy Liquid or any other empty detergent bottle, then they give it to you and say fill it up with water. You get one bottle a week. If you run out it's your tough luck . . . even blood spilled on the floor is cleaned up with washing-up liquid, using a mop that is then used in other areas, for example the out-patients department.'

'On wards we wash cutlery . . . when I've washed up and run out of washing-up liquid I've used enema solution (as a last resort) — I did rinse the cutlery afterwards — but it's soapy so it cuts through the grease. Of course you can

only do that on maternity wards.'

'Everything is in short supply, especially at the end of the month. There's hardly anything in store then. If you get a scouring pad, it's cut into four.'

'Things only seem to get better just before the contract comes up for renewal. This time we all face the sack.'

'This (cleaning) industry has spent a long time going nowhere. It is a very individual industry with a long history of making money out of work not done' stated David Evans, boss of Brengreen Holdings which owns the Exclusive cleaning companies, and a St Albans District Councillor, in a recent interview with the Municipal Journal. Evans went on to make some rather interesting statements.

'We have no magic, in many cases there is no way private contractors could improve existing services.'

'A good direct labour force should see a private contractor off every time. Competitiveness is the healthy process.'

'In many ways I am just a pawn in a process of helping to give accountability back to people.'

He then suggested that a company should be given the job of running a local authority on a commercial basis.

PRITCHARD'S BURGERS

Pritchard Services Group has added another catering firm, Automatic Catering, to its US operations. It will be merged with Food Concepts which Pritchard bought last October. Pritchard claims to be offering a 'total package' hospital service including catering, cleaning and portage. It has also acquired a 45% stake in Ambicare which specialises in outpatient care in America.

LAUNDRY TAKEOVER GOES FULL CIRCLE

Sunlight Service Group recently acquired another firm, the St George's Group from Pritchard Services Group for £2.43m. St George's was taken over by Spring Grove two years ago. They then discovered substantial debts which drastically reduced Spring Grove's profits leading to takeover bids from Pritchard and Sunlight. At the same time Brengreen make an unsuccessful bid for Sunlight. Sunlight's bid for Spring Grove was blocked by the Monopolies Commission leaving the way clear for Pritchards. Pritchards have obviously rationalised their operations and decided that St George's is 'surplus to requirements' and could be sold to one of their arch rivals in the battle for hospital laundry and cleaning contracts. Sunlight have also bought Smethwick and White Heather (Bournemouth) laundries, the Manchester based Eric Ashton cleaning company, and Security Arrangements.

Organising the contractors FROM DUST TO DUST

Privatisation has taken a heavy toll of jobs and trade union organisation in the Tory boroughs over the last two years. A particular centre of struggle has been the South London borough of Wandsworth where the town hall unions have put up a stiff resistance, including a seven week strike of dustmen in 1982. But in Mrs Thatcher's favourite borough the privatisation programme has rolled on. Street cleaning, refuse collection, gardening, public halls caretaking and cleaning are already contracted out and other council services are soon to follow.

Most of the reporting of this process has focussed on the initial battles of the council workers to save their jobs or on the quality of services provided by the private contractors. But in Wandsworth at least a new phase is opening up in the privatisation war which offers a few glimmers of hope for the trade unions. The employees of the private contractors are starting to get themselves organised.

It began last summer when Pritchards gardeners went on strike over high workloads and low pay. They made some gains — and knocked a few pence off the value of Pritchards shares — but these proved to be short-lived. The company made such a mess of the job that they amassed over £100,000 in penalty fines and had the contract taken away from them in October. The gardeners were all sacked.

Now it is the turn of the dustmen employed by Grandmet Waste Services — a branch of the giant Grand Metropolitan hotels group. Last month the company signed a recognition agreement with the General, Municipal and Boilermakers union (GMBATU), and the stewards have immediately followed this up by submitting a claim for an extra £8 per week and an increase in the permanent staff from 119 to 127. (When it was a council service 215 dustmen were permanently employed). They have just won a £7 per week increase and negotiations are still going on. There is a new mood of confidence among the privatised dustmen and they are determined not to go away empty-handed. They are the first to win union recognition on a contracted-out council service, and DAVE PEERS of the Junction Resource Centre talked to one of the GMBATU shop stewards about how they had managed to get a union organised.

Small beginnings

'When the job started in September 1982 there were only five of us who were union members — four were ex-Wandsworth dust and me. Altogether half the Grandmet workforce were ex-dustmen in those days, but most of them were very bitter. They felt that the unions had let them down during the strike, and they just didn't want to know anymore. Most of them have left the job now — less than one in four are old dustmen — but they say that we

but I realised there was nothing I could do about it unless we got organised. The local management weren't interested, but when we got organised and raised it with the higher levels Grandmet got worried about their reputation and said they would not tolerate discrimination.

I'm glad to say we've got that sorted out now. We have mixed crews and there is a good atmosphere on the job — no racialism. That was what started me going, but it was the bread and butter issues that got most of the other men interested in a union. We were supposed to have protective clothing but it was never issued until we refused to take



are even more militant now than they ever were.

But it wasn't easy. The management treated us like dirt at first. If you were polite to them and said 'Good morning' they'd look right past you. Seven men got sacked in the first week. But since we got the union going there's been no more sackings, not of us anyway. A supervisor and a manager got the push a couple of weeks ago, but no-one's crying over them. Nearly all of the permanent men are now in the union, and some of the casuals too; but this has taken a lot of hard work and we've had plenty of setbacks.

I never intended to organise a union. All I wanted was a job. But I didn't like the way I was treated, and something happened that made me decide to do something about it. I was working with a black guy on the paladins (large bins used for shops and blocks of flats) who wanted to transfer to domestic collection. He was a good bloke but none of the domestic crew would work with him because he was black. That sickened me, and I was even sicker when I found out this was being encouraged by one of the supervisors. That was it. I believe everyone's got the right to a job no matter what the colour of their skin,

the dustcarts out one morning. The same thing happened over getting soap and towels for the washroom. We started to get results and the men could see the point in joining.

Health and safety was another issue. Vehicles were being sent out with all sorts of defects — bald tyres, defective brakes, no tachometers — until we called in the Health and Safety Executive. We also put a stop to the overloading of dustcarts which used to go on all the time. It's a hard life working for this company. We do twice the work for half the money of the old dust. No wonder people need a union. We average 1,800 bins a day on household collections and when I started I was taking home £75 a week, and I'm a driver; the loaders earn even less. This has now gone up to £85 but I can't live on it.

Grandmet only got this contract because they were prepared to ignore the Fair Wages resolution and pay the minimum they could get away with. Wandsworth Council have backed them up all along the line, but there are hundreds of complaints. Yet it is only now that Grandmet are starting to get fined. Somehow or other the other complaints used to get lost in the system.

But working at this pace takes its toll. Today we had 17 men off sick

(out of a permanent force of 119) and sometimes it gets as high as 30. It's mainly bad backs and other strains, but we've had a couple of men run over by cars and others slipping in the wet and breaking bones. We need more men on the job and more money. One sign of this is the overtime. Grandmet are offering as much overtime as anyone can work to meet their targets. But they just can't get enough takers despite the low wages. The attitude of the men is 'if they need more work they should take on more men.' And they just won't do it. It's part of the new mood of militancy. We've built this confidence up by taking all sorts of industrial action — mainly short stoppages of an



hour or more — including a three day strike over sackings. But getting the union recognised has been much slower than I thought. The company said they would recognise us if we got a majority to join. But it was like an obstacle race. You'd think you'd won, then there would be another fence to jump. It went on like that for months, and the union was to blame for a lot of the delays. We decided to join the GMB because that is what the ex-dustmen who had kept their cards were in. I don't think they are any better or any worse than any other union but they've caused me a few problems. At one stage the local branch wouldn't have us in because of an argument with an ex-dustman over collecting subs, and we lost two good stewards over that. Then they have been very slow in getting our books audited.

There have been a lot of times when I felt like jacking it in. I don't think

they realise how difficult it is to get these places organised, and even now they have hardly laid out the welcome mat for us. The lads feel they are on their own. They have no time for Wandsworth Council but they don't feel as though they have got anything in common with the council direct labour force. If we had a strike and anyone tried to do our work we would fight them just as hard as the old dust did. We're militant but we're very clannish. If we ever got involved in a long dispute and needed support that would probably change, but that's how things are right now.

The workers on the other private contracts need to get themselves organised as well, but I don't think the unions are making any serious attempt at it. It's no good just handing out a few leaflets at the depot and thinking they'll come to you. It takes a lot of patience talking out on the job, in the washrooms, wherever. You have to take the initiative. Sooner or later you get the right atmosphere and you can make a move. But you have to be patient and learn to take a lot of abuse.

If the unions were serious about organising contractors like Pritchards they would have to get one or two experienced union men in there and give them a lot of back-up and support. But I don't think they are interested yet. In fact they seem to be going the other way; they don't seem to want to get involved in the grass roots organising that's needed. Or maybe they've forgotten how to do it. But they are going to have to put their backs into it sooner or later, because unfortunately we are the future.'



What Future?

'Wherever it is possible and sensible to do so, the government is seeking to transfer the provision of services into the market sector. In other areas it may be possible to use charges as a more direct way of testing demand, even within the public sector. There may, too, be a case for hypothecating (estimating) revenues to individual expenditure programmes, particularly in the social field, in order to bring home the costs. But over a wide range of services the only means of controlling the cost is for the government to limit the supply'

The Next Ten Years: Public Expenditure and Taxation into the 1990s, Cmnd 9189, Treasury, March 1984.

'This Green Paper shows that without firm control over public spending there can be no prospect of bringing the burden of tax back to tolerable levels. On the illustrative framework set out in this Paper the tax burden will be reduced to the levels of the early 1970s only if public expenditure is held broadly at its present level in real terms right up to 1993-94'. The Tories are obsessed with reducing taxation, yet survey after survey has shown that the public would prefer to have higher taxes if this meant good and effective health education and social services.

More News

CONTRACTORS OUTFLANKED

Sheffield City Council has recently bought several 1.5 cubic yard skips and started a hiring service with two new staff. Contractors have been complaining that the council charge of £10 for 48 hours undercuts their own prices but it now seems that these have been reduced.

DLO SUCCESS

The DLO building workforce in the London Borough of Camden has won a year's security and expansion by 50 new jobs, despite cuts of £2 million in next year's housing repair and maintenance budget. In an 'all or nothing' move, the council put the whole of its repairs work under £10,000 out to tender as a package. Though a large number of contractors were invited to submit tenders, in the end only one firm did so, and at a price way above the DLO tender. So the DLO will now be in a position to take on as much of this work as it can handle and to choose what work goes out to contract. Some other local authorities have also successfully used this method of dealing with the competition requirements of the Land Act Regulations.

DIRECTORS BUY HOVER SPEED

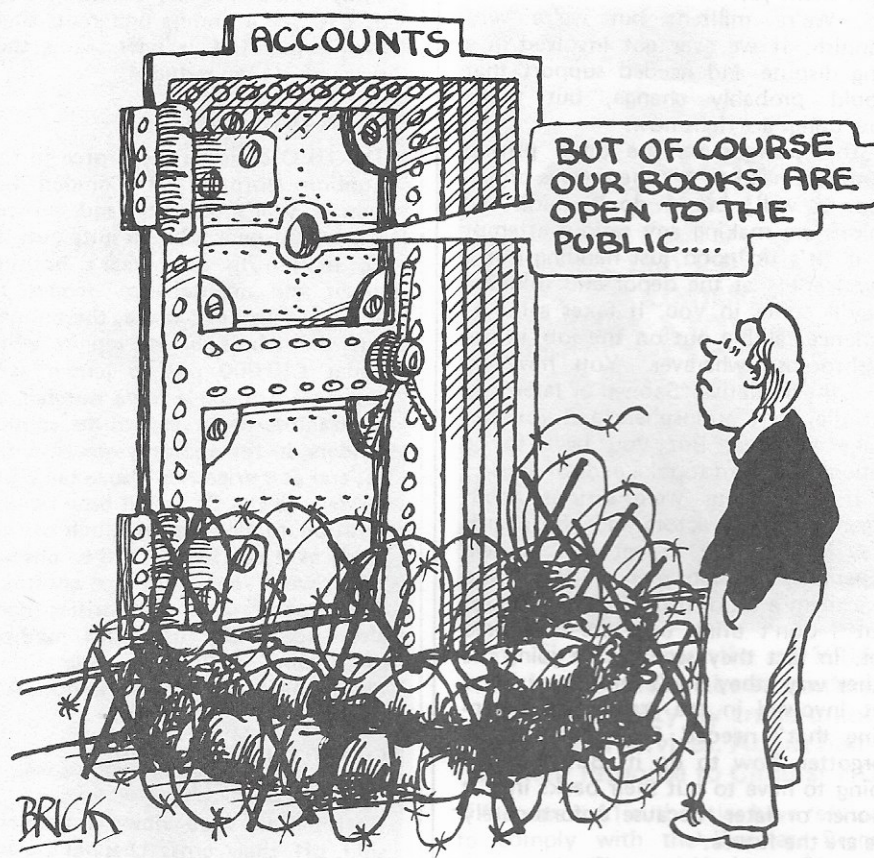
British Rail have now completely sold off their cross channel hovercraft service. In 1981 BR merged its Seaspeed service with Hoverlloyd, owned by the Swedish shipping group Brostroms. BR and Brostroms then took an equal share in the new company, Hoverspeed. Four directors and a city financier have bought the service with assets of £20m for a 'nominal sum'.

MORE SELL-OFFS PLANNED

The government is to sell its minority shareholdings in companies it has recently privatised following a statement in Parliament on 14 March 1984. For example it still owns shares in Britoil (49%), British Aerospace (48%), Associated British Ports (48%), Cable & Wireless (23%) as well as 32% of BP shares. The second stage of privatisation will dispose of these remaining shares when 'the circumstances of the companies, the prospectus undertakings and market conditions permit' said Peter Rees, Chief Secretary to the Treasury. The shares are worth over £3.5 billion but the government will no longer have any direct influence on company policy or receive any income from share dividends. It will also make re-nationalisation much more difficult and costly.

OPEN THE BOOKS!

Tenants Associations and trade unions can force local Councils to open their books in their fight against privatisation. Details of payments, contracts, and invoices can be seen using 2 different methods. PSA have been trying these methods out in relation to some real disputes. We report our findings.



There were 2 disputes where we needed information.

Firstly, Nottingham City Council had carried out a management services 'study' of their cleansing service. This resulted in proposals to reduce the total crews from 31 to 25. Dustmen agreed to this reduction on the basis of natural wastage, an additional £440 and a higher bonus. However, the extra load on existing workers led to increasing days off sick. As a result the Council hired extra men through a private employment agency, SOS.

These men were being paid at £1.60-£1.80 per hour. GMBATU members obviously objected to this cut-price labour. As branch secretary Harry Cousins said 'By wrking with these people we'd already got privatisation. So we said we wouldn't work with them.'

The dispute is now settled with an increased level of crews and existing workforce. However, during it there was a clear need from the Union side to know more about the amount and kind of payments being made to SOS.

So we used the first method where any local elector can demand to see any order for payment by a local Council (see box for details). We wrote to Nottingham City Council asking to see accounts to a number of local agencies

for the past three years on a particular day. They wrote back saying come in.

Treasury staff had a number of computer books listing alphabetically all firms and organisations which the City Council paid. Each payment had a committee code, e.g. Public Services, City Secretary's. It was easy to total all payments with a calculator. The Treasury also interpreted 'orders for payment' as including the invoice sent in by SOS which detailed the names of the people paid, the hours worked and the rates of pay.

In this case SOS were receiving rates of £2.50 per hour and £3.75 per hour for overtime and within 6 months the Council had paid £14,000 in wages. It was very easy to see the level of privatisation.

The second dispute centres around the non-union Nottingham Evening Post. The NUJ has a longstanding dispute over their refusal to acknowledge a national settlement and in sacking 28 journalists. One key tactic would be to reduce the income this newspaper received from local Labour Councils, but how much were they being paid?

Returning two weeks later, it was only necessary to phone City Treasury to get access to all payments to the Nottingham Evening Post. We also

approached the County Treasury for information on the Post. They were taken aback by the demand to see the books. Initially they tried to find many excuses since they, like the City, had never experienced anyone using this law. However, by repeatedly quoting the law they gave access within 48 hours and they also showed a file of invoices which it was possible to go through in detail.

YEARLY ACCOUNTS

The second method is to gain access to fuller documents defined as 'all books, deeds, contracts, bills, vouchers and receipts relating thereto (the Council's accounts) 'which can only be done in one week each year. Unlike the first method you can only see information from the previous financial year.

During the summer or autumn each Council must advertise in the local press saying that the accounts are open for inspection for a week. The documents that have been seen include:

- complete lists of council houses sold and their prices (which was used for a political attack on the financial losses on council house sales)
- all repair tickets for a damp and defect-ridden estate to use as evidence of what exactly was wrong and discover the types of repairs done.
- access to a contract for a private heating firm which turned out to be unsigned, thus the Council were paying them thousands on an ad-hoc basis.

Our advice in using these methods is:

- contact the Council first; don't just walk in
- quote the legal phrases in the box; they are unlikely to know the first method
- take a calculator
- use councillors first in an attempt to get the information or to let you know when the open week will be this year.

If you want any more information please contact SCAT, 205a Mansfield Road, Nottingham, Tel: 0602 412563

LOCAL GOVERNMENT ACT 1972

Section 228 (2) 'A local government elector for the area of a local authority may inspect and make a copy of or extract from an order for the payment of money made by the local authority'. Sections 228 (6) & (7) say that you must be allowed to inspect at 'all reasonable hours' and any 'person having custody of any such document' will be liable to a fine if they obstruct you or 'refuses to give copies or extracts'.

The second method is covered by the same Act, the main section is 159 but also read 154-167. Also The Accounts and Audit Regulations 1974 provides more detail. Both should be found in a central library.

School meals FIGHTING WAGE CUTS



NUPE have won a High Court injunction to stop Birmingham City Council sacking some 5,500 school meals staff and re-employing only those willing to accept a wage cut and lose nationally agreed conditions of service. The Council can do nothing until a full hearing of the court in April or May. A similar legal challenge is now planned by NUPE against Hertfordshire County Council in defence of 2,400 school meals staff.

Ironically, the present crisis facing the meals workers is the consequence, in both places, of successful NUPE-led community campaigns to save the meals service from total abolition. The new strategy of sacking and re-employment on new contracts is itself the result of another NUPE victory, when they took successful legal action against Herts council last year for unilaterally changing the contracts of school meals staff to enforce wage cuts.

Low paid women workers are major targets for cuts and privatisation throughout the public sector. In the education service, school cleaning has already been privatised in Dudley, Birmingham, Cambridgeshire, Kent and the London Boroughs of Havering and Merton, and is soon to go in Lincolnshire. Merton, Richmond and Croydon have all privatised at least part of their school meals service and primary school meals have been abolished altogether in Dorset, Lincolnshire, Hereford and Worcester (which now plans to cut secondary meals too). In Ealing a campaign is on to save the meals service. The threat of privatisation has been used previously

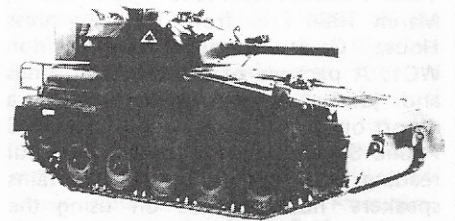
by councils to persuade the workforce to renegotiate terms and conditions, but what's new is the massive wage cuts, up to 20% or more now being forced on workers — and reluctantly accepted by school cleaners in Hertfordshire, Norfolk and elsewhere. The Birmingham challenge to the new-style attack is a crucial one. For this alternative to privatisation is an appealing one to Tory authorities who either retain some paternalism and want to keep control of services themselves, or who want to avoid a campaign against cuts or privatisation from teachers, school governors and parents groups. And the target is a good one for them: school cleaners and caterers are committed to the schools they work in and generally have no alternative employment to try for which can be combined with childcare responsibilities. If councils are allowed to get away with breaking nationally negotiated agreements and with mass sackings of cleaners and meals staff, no local government jobs, however secure they feel now, will be safe from such attacks.

**Save our
SCHOOL MEALS
service**

Defence contracts

While Heseltine's friend Alfred (see PSA 6), chief executive at the DOE's Property Services Agency is making an undignified early exit from his £50,000 a year post, another Heseltine appointee, Peter Levene, is working on privatising more Ministry of Defence work. As 'special advisor' to the Minister he has prepared a confidential report proposing that the repair and refit of British warships including Polaris submarines be put out to contract. The recently leaked plan, said to have been 'informally' approved by the Admiralty Board, involves £500 million worth of work at Rosyth and Devonport currently done by 25,000 government employees. The dockyard facilities would remain in government ownership to avoid providing 'a political focus for opposition by the workforce', and exclusive use of the facilities would be granted to the contractors.

Heseltine plans a push to contract out 'many more' MOD services and has ordered a major review of defence procurement policies to improve competitiveness. Already he has ordered that all non-competitive contracts worth over £10 million will *henceforth* require ministerial approval.



PSA readers may not be amazed to learn that Levene is the vice chairman of the Defence Manufacturers Association. He is also chairman of United Scientific Holdings PLC (1983 profits £25 million worth of business from British Defence Contracts. The company's annual report for 1983 states that the company is looking forward to the MOD putting the production of a new 'family' of light armoured vehicles out to competitive tender, as they are 'well placed to respond'.

Another major defence manufacturer Westland describe in their annual report how their donations of £8750 to the Conservative Party and £230 to British United Industrialists have been 'of benefit to the Company and its subsidiaries'. 'The Ministry of Defence remain the Company's largest single customer and a vital element in our business development'. No doubt helped by: 'the excellent performance of our products during the Falklands campaign....'

PUBLIC SERVICE ACTION

Information

EDUCATION NEWS Free from Solihull National Union of Teachers, 96 Arden Road, Acoccks Green, Birmingham 27. This broadsheet puts the case against Solihull's plans to end fully comprehensive education and introduce a system of selection for children at eleven. Also has a 'diary of despair' recording education cuts and closures in Solihull placing the council near the bottom of most national spending tables.

PHEONIX 2: The threat to engineering steels from Pheonix 2 Campaign Committee, 324 Grays Inn Road, London WC1. Examines the effects of restructuring and privatisation of engineering steels which has led to 40% cuts in potential steelmaking production in Britain. Pheonix 2 involves putting all the remaining plants into one private company jointly owned by the British Steel Corporation and GKN. Other BSC divisions are also threatened by privatisation.

TUC PRIVATISATION FILE No 1; March 1984 Free from TUC, Congress House, Great Russell Street, London WC1. A package of newspaper cuttings and journal articles together with a report on privatisation to a recent TUC Public Services Committee and a useful reading list. The package also contains speakers' notes, advice on using the media and a 'stop the sell-offs' poster.

THE SECURITY INDUSTRY is a MATSA report on the growth and profitability of the industry at the expense of job losses and worsening pay and conditions for workers. Details of terms and conditions of twenty-six companies are included. Copies of the report from MATSA, Thorne House, Ruxley Ridge, Claygate, Esher, Surrey. Tel 78 62081.



Philip Wolmutt

LT - PRIVATE OR PUBLIC TRANSPORT 10p plus post from NUR LT District Council, G. Revell, 1 Orleans Road, Twickenham, Middlesex. This pamphlet charts the decline of London Transport in recent years showing how discrimination against public transport does not make economic sense and how policy favours the privileged minority. It examines the cost to the community showing how women and the elderly suffer most and looks at the effects of privatising routes and the London Regional Transport Bill (see PSA No 6). It ends with an outline programme to expand and improve public transport in London.

PRIVATISATION ... THE IMPLICATIONS FOR BRITISH AIRWAYS AND ITS STAFF ... AND THE TWGU RESPONSE Free from TGWU, 218 Green Lanes, London N4. This report by the Civil Air Transport Trade Group shows how sub-contracting, hiving-off, and deregulation are threatening the future of British Airways. Between 1978-84 23,000 jobs were lost. It is a pity that more information is not provided.

FAIR COMPETITION? THE CASE FOR DIRECT LABOUR. From UCATT, 177 Abbeville Road, London SW4 9RL. This new pamphlet from UCATT describes the failures of private building contractors both in standards of work and in employment practice and argues the case for direct labour. It contains a useful model agreement for UCATT branches to press local authorities to adopt for controlling the private contractors they use, and gives examples of councils which are taking action to control contractors.

Information needed

PUBLIC SERVICE ACTION needs:

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

Please write or phone SCAT Publications.

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