

PUBLIC SERVICE ACTION

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AN ANTI-PRIVATISATION NEWSLETTER FOR THE LABOUR MOVEMENT

No 8 JUNE 1984

NHS ACTION



Phillip Wolmuth

Domestic staff at Hammersmith Hospital, London, have been on strike since 13th June in a bid to resist privatisation. Crothall, Exclusive, Hospital Hygiene Services, ISS and Hospital & Ward Services are all bidding for the contract but the management's own in-house tender means:

- * Cuts in cleaning hours of 44% from 6170 to 3140.
- * Sacking 40 workers.
- * Reducing the number of full-time staff from 123 to 15.
- * Cuts in pay of 50% for those remaining.

NUPE and COHSE were not consulted about the tender nor did they take part in the tendering process. If the in-house bid fails then all staff will be made redundant. The Health Authority will make their decision on 18th July but the workers are determined to win. Meanwhile catering staff have been supporting the domestics as management are 'rationalising' the service ready for privatisation early next year. The dispute at Hammersmith looks set to be a long and bitter one.

The strike by domestic workers at Barking Hospital is now in its fourth month. A 24-hour a day picket is being maintained at hospital entrances and hundreds of supporters joined the mass picket on 13th June. As the independent health inspector's report shows, Crothalls are unable to maintain standards. Nurses are even having to rid some areas of cockroaches. Negotiations with Crothalls have broken down and the company say that they have no plans to re-open them. The strikers say that they will hold out for reinstatement and the return of previous wages, conditions and cleaning hours. More information from Strike Line 01-592 5138. Money is urgently needed; please send cheques payable to: Barking and Dagenham Health Emergency Strike Fund, AUEW House, 588 Rainham Road South, Dagenham, Essex, RM10 7RA. All messages of support also welcome.

PRIVATE REFUSE STRIKE WIN

A two month strike by refuse collectors and street cleaners employed by Waste Management Ltd has been brought to an end by the intervention of Wirral's Tory controlled council. The strike by 300 workers was over holiday pay and sickness and bonus payments. In a face-saving compromise the Wirral's 'model' privatisation scheme has been saved by an unscheduled increase in payments to Waste Management who it is believed were in financial difficulties before the strike ended. Ratepayers will now face additional costs of £250,000 over the next four years for their private refuse service.



Neil Martinson

Police violently ejected supporters of the Barking Hospital strikers from Redbridge DHA meeting on June 19th. The DHA refused to discuss Crothall's contract.

Hammersmith Hospital ON THE LINE

Phillip Wolmuth

Lydia Frazer has been a cleaner at Hammersmith Hospital for five years. She is NUPE Branch Secretary.

Why are the domestic staff on strike?
If we work a forty hour week we take home less than £60. Every Sunday I work an extra eight hours so that I get £67. The majority of people are one parent families. They cannot afford a wage cut. Some women have husbands who are NHS employees. We don't want to see the service go private but at the same time we can't accept the in-house tender.

Have you tried to negotiate with management?

We said we'd meet them, look at the department's efficiency and at the end of the day come out with an agreement that would benefit the hospital and our members, but they refused. They have already cut costs by over £1m in the last two years. They can't say we haven't co-operated with them. We can't co-operate any further under the threat of privatisation.

Have you worked for a private contractor before?

Yes. About eighteen months ago I took an evening job for a couple of months cleaning the hospital medical school which is cleaned by contractors. I can't remember their name because they've had so many. The conditions were atrocious. Two people had to do the work of ten. I couldn't believe that they asked us to do that.

Do most of the staff here realise what privatisation could mean?

The majority do understand. We've tried to explain for well over a year by having meetings and producing leaflets. But even up to three months ago some of them said it wasn't going to happen to us. They heard about school cleaners and meals and other places going private but they believed that the management here cared for the hospital. Now they don't.

You came out in support of the women at Barking last week. What effect has that dispute had on people here?

Barking has been a real eye-opener for us. When it started a lot of the people here started believing what we had been telling them. It wasn't just the union making noises! They could actually see



Lydia Frazer addressing a mass meeting at Hammersmith on 18 June. The workers voted to continue the strike.

what was going on. Then when we saw the in-house tender for our own jobs everything went up in the air!

Are most of the domestic staff women?

Oh yes but we have about 12 male domestics. It used to be the case that male domestics wouldn't go near the wards. The system was set up a long time ago and we've been fighting sexism all along.

Is racism an issue?

Most of the staff here are Afro-Caribbean, Portuguese or Spanish speaking. All the management are English except for three supervisors. Management is very racist. They are careful about abuse but it's part of a racist plan. Our members see it as a war against foreigners. I am Portuguese myself. Funnily enough when I introduce myself as Mrs Frazer everything changes. But if I start speaking Portuguese the abuse I get is very bad.

Have management used racism to try and split the staff?

This hasn't been confirmed but we heard that a manager told a woman on the picket line that he has already picked the people for the fifteen full-time jobs and they are all going to be Portuguese as they would be silly enough to do everything he wanted because of the language problem.

The non-English speaking people are for some reason or another frightened that if they speak out they will be victimised. Some think that they can't answer properly and they are ashamed in case they say something wrong. Management sometimes get away with murder.

Has the union provided information in Portuguese?

Yes, but the initiative came from us. They did one leaflet last year 'NO TO PRIVATISATION' in seventeen different languages and that was great, but we have produced our own leaflets — a little touch from Hammersmith Hospital — our members love it!

If it's bad under NHS conditions what will it be like if you lose this dispute?

Much worse. We don't like being on the dole, we're very independent. A lot of our members see every benefit they get as charity, even though it's not, and so management are able to exploit them. We are fighting to stop this happening to them.

This is the first week of the strike. How are you going to take the strike forward?

Well we learned things from the 1982 pay dispute when we were out for three months. We've really got to get a 24 hour picket organised. That's very difficult as there are five gates here.

Have you had to put up with other intimidation from management?

Oh yes. If we try to turn deliveries away, when the trucks drive in to the hospital to turn round, the managers try to make them deliver. They've also been trying to provoke us. The police are here too but they're not too bad.

What effect is the strike having?

It's really beginning to bite. The managers are cleaning the corridors and the main halls so that if the Press come they get a false impression. They've got people in pairs running around from ward to ward doing everything. The nurses and sisters are cleaning too. We've never seen the hospital so filthy.

What support have you had so far?

Many of the patients are behind us and a lot of the staff. The public have been good except for the odd crackpot who tells us to get back to work. We've produced a leaflet explaining our strike to the public. We've had miners here, women from Barking, and trade unionists from other parts of London. We are also turning away deliveries of essential supplies to the hospital.

What support do you need?

We need help on the picket lines and we need financial support. Although we have the will to stay out, at the end of the week we have to pay our bills. We have children to feed. Strike pay doesn't go very far.

Messages of support and financial contributions should be sent to: Hammersmith Strike Committee c/o 273 The Vale London W3 Tel 01-743 4566.

Phillip Wolmuth

Barking Hospital CROTHALL'S COCKROACHES

In mid-April an independent environmental health officer inspected conditions at Barking Hospital during the dispute. The report concluded that the state of cleanliness and lack of repair 'gave cause for concern' and noted:

- 'Accumulations of dirt and grease on the floor' in all areas inspected.
- Dust on top of all doors — 'no evidence of high level dusting/cleaning.'
- Dirty refrigerators.
- Dirty floor edges, windows, men's toilet in reception area.
- Accumulation of rubbish outside.
- 'Filthy' workers' accommodation with 'dirty and unhygienic' WC pans and wash handbasins.
- 'No shower tray, bath or wash handbasin which I would describe as clean.'
- 'the level of cleanliness throughout was less than satisfactory and in two areas as very poor. The cleaning is now so far deficient that 'routine' cleaning will be insufficient to redress the situation.'

Another report commissioned by the local Community Health Council on 20 May concludes: 'I saw no evidence of an overall system of regular organised cleaning such as is essential in a hospital. Cleaning schedules were not being adhered to and staff recruitment and retention is a problem...'

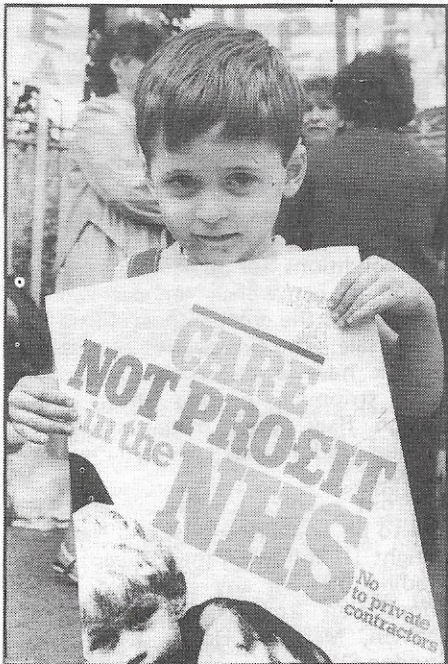
Westminster

Phillip Wolmuth



ACTION AGAINST CHILDRENS HOME CLOSURE

Over 300 people took action on 11 June against Westminster Council's plans to close three more residential children's homes. In recent years the number of homes has been reduced from 27 to 11. NALGO organised a half-day strike in support of the children who do not want to move, against job losses and the buildings being sold off. Protestors marched from one of the threatened homes to lobby the council who refused to listen to the children's case. A defence committee has been formed and further action is planned. A pamphlet about the home closures, 'Why You Can't Close 4 Shirland Road' available from NALGO, Room 17.22, City Hall, Victoria Street, London SW1.



Keep the Royal Ordnance Factories Public
NO TO PRIVATISATION

More News

SHIPYARDS SUNK

Despite losses expected to rise to about £150m for 1983/84 British Shipbuilders is still steaming ahead with the sale of the profitable warship yards, all the shiprepair yards and its general engineering operations. One of the most profitable yards, Falmouth Shiprepairers, has just been put on the market. Merchant bankers Morgan Grenfell have been appointed to handle the sale. Falmouth repaired over 100 ships last year. The directors at another BS yard, Brooke Marine at Lowestoft, are trying to organise a management buy-out with East Anglian Securities Trust. The yard recently got a £8m government order for a new coastal survey ship.

RAILWAYS STRIPPED

Last year the British Rail Property Board more than doubled its sale of land and property to £71m. The sale of assets and rental income meant the Board handed over £103m to British Rail in 1983. More than 3,000 acres of land were sold bringing the total reduction of railway land to over a third in the last twenty years. The stock of railway houses has been decimated from 32,500 to under 2,000. Investments in some shopping centres and office blocks were also sold. Despite stakes in several new office developments at railway stations, the massive asset stripping now will sharply reduce the amount the Property Board will contribute to BR in the late 1980's.

SAILING

As part of the government's revised privatisation strategy to sell of all the state's shareholdings in companies already privatised, the remaining 48.5 per cent shares in Associated British Ports (ABP) were sold in April. The new share sale raised £52.4m. The shares were sold at 270p — but early in June they were languishing at 245p! The government decided to sell just a few days after ABP announced a £9m increase in 1983 pre-tax profits to £14.5m. Since ABP was privatised early in 1983 the shares have increased up to 160 per cent reaching 295p earlier this year. The company was valued at £45m last year — now it's valued at over £105m — thanks partly to the Tories writing-off £81m owed to the government.

Merton

FIRM MAY TAKEOVER FINANCE DEPT.

Complete privatisation of the Finance Department is being considered by Merton Council. The collection of rates and rents, payment of wages and bills, work on the council's budget, managing the council's £23m pension fund, computer development — all this and more could be hived off to a private firm. The council's Police and Resources Committee on 27 June will consider a proposal from Finance Director Paul Wright to turn his 170-strong department into a private company. This company would take responsibility for the whole range of local government finance in Merton as well as seeking business elsewhere. Wright is currently using council time and resources to develop his plan.

NALGO became suspicious that there were plans to privatise the Finance Department and forced the issue out into the open by demanding that the council confirm or deny the proposals. Wright held a meeting with Finance Department staff which was followed by a NALGO meeting. Finance Department staff voted by an overwhelming majority against these plans and any other plans to privatise the department. This should have effectively put paid to Wright's scheme to make the entire department redundant, then offer them new jobs if they sunk their redundancy money into the new firm. In return they would be offered 'different terms and conditions of employment' and a share in any profits.

Although council leaders are officially presenting the privatisation proposal as Wright's personal business venture, it seems clear that the council will invite other financial companies to compete if they agree to privatise or 'test the market'. What is also clear is that even with

redundancy money and favourable deals on office space and leasing council equipment, Wright's plan could not succeed without substantial private financial backing. With Merton having decimated its manual workforce following the privatisation of refuse collection, street sweeping, architects' department, school meals, and cleaning, meals in residential homes and day centres, and closure of its direct labour organisation, they are now turning on white collar workers. Tory Central Office and consultants and private financiers appear to be lurking in the corridors at Merton. If Merton succeeded in privatising such an important and central department, the core of local government, then this would set a major precedent, far more damaging than the example of Southend's refuse contract in 1980. The Tories would then be well on their way to 'rolling back the frontiers' of local government to expand private enterprise. Further information: Merton NALGO. Tel: 01-543 5968.

Sealink strike



A 48-hour strike by the National Union of Seamen on May 30th and 31st marked the start of the fight against the privatisation of Sealink. General Secretary Jim Slater: 'Sealink is owned by the people, by the taxpayer, not by Mrs Thatcher and British Rail management. It is not their to sell and we must tell them that.'

The Joint Committee of Sealink Unions fear that a quarter of the present 10,000 employees of the company will lose their jobs with privatisation. Pay and conditions for remaining staff are bound to get worse, services will be slashed and the company carved up for easier sale. The prospective buyers for Sealink have a disgraceful record of asset stripping, putting ships under foreign flags, poor management and ruthless redundancy programmes say the NUS.

Front runners for Sealink are now said to be Trafalgar House and National Freight (!) following the Office of Fair Trading ban on any P&O bid. More information from National Union of Seamen, Maritime House, Old Town, London SW4.

SCHOOL MEALS

Courts, Cuts & Contractors



Phillip Wolmuth

The English courts have never seen themselves as protectors of the rights of trade unionists. True to form, on 16 April, the High Court approved the action of two county councils which have forced new contracts involving pay cuts on school meals staff affecting 4000 women in Hertfordshire and 1400 in East Sussex. Birmingham meals staff won their injunction, but only because the decision had been made by a chief officer instead of the education committee.

Justice Mann dismissed the status of national agreements as 'being only of historical interest' since the 1980 Employment Act. The court decision clearly has grave implications for all local government workers and gives the legal go-ahead to any council to break national agreements at will. It also adds strength to the arguments against trade unionists looking to the courts to protect their interests.

The Labour council elected on May 3rd is committed to retaining nationally agreed conditions for the 5000 Birmingham school meals staff. In **Dudley**, too, the council was regained by Labour and there school meal workers have been promised a return to national conditions.

In **Kent**, **Somerset** and **Devon** school meals staff were sacked and re-employed on new contracts. In **Lincolnshire** 1500 are threatened with new contracts. In **Surrey** contracts for all staff have been revised.

In **Croydon** after a long period of uncertainty the threat of privatisation has been averted with the rejection of Sutcliffe's tender — but a Sutcliffe employee has been appointed as manager to develop 'different' ways of running the service. A cut of one third of hours worked has already been proposed and is being challenged by NUPE who claim that the proposals are unworkable.

In neighbouring **Merton** where Sutcliffe has the school meals contract, there is growing concern over the declining level of take-up. Figures supplied

by the Director of Education to Labour councillor Alec Leaver seem to indicate a drop of at least 20% in take-up since privatisation of the service. Such is concern in Government circles over the apparent failure of Merton's pioneering initiative, that Education Secretary Keith Joseph has met with council leader Harry Cowd to discuss this 'potential area for criticism by the Opposition' and demanded more information on how the service is working.

Undeterred by such concern, pioneering Merton has awarded Sutcliffe the contract for meals in old people's homes, day centres, luncheon clubs and Meals on Wheels.

In **Ealing**, despite a long and vigorous campaign against privatisation, the council has awarded the contract for meals in 136 schools from next September to the **Commercial Catering Group**. Commercial won the contract by offering savings of £200,000 more than the council were trying to make. They also beat off competition from Sutcliffe and Gardner Merchant. Sutcliffe were the front-runners for the contract but at a demonstration meal laid on for councillors they couldn't get their ovens to work and a cold meal was served. Commercial claim that they are willing to re-employ 'up to 400' of the existing 612 school meals staff. In fact there are only 60 permanent jobs, the rest being casual labour. Holiday entitlement is one day a year. Commercial are apparently having trouble recruiting staff.

More News

DIRTY BUSINESS

Keeping Wandsworth's streets clean is a continuing problem for Pritchard Service Group and the Tory council. Because there are not enough workers employed to do the work properly Pritchards have constantly failed to meet cleaning standards. The tactic seems to be not to clean certain areas until there are numerous complaints. These streets are then cleaned regularly but at the expense of another area. A survey by Furzedown Labour Party in Wandsworth collected 411 complaints of street cleaning by Pritchards. 88 per cent of residents in 11 streets complained. Nearly 70 per cent said they thought their streets had not been swept for between three and eight weeks. At the same time the council's own inspections of Pritchards last November found that 32 out of 49 streets had not been swept for a fortnight. Twenty streets in the area were not swept at all for a month. Street cleaning has since improved in Furzedown, but no doubt at the expense of some other area. Further details from Roger Hughes, 51 Salterford Road, London SW17. Tel: 01-767 5050.

MORE DIRT IN EALING

The former Chief Works Officer for Ealing Council, Alan Barlow, has strongly attacked Exclusive Cleaning Services for the standard of street cleaning in the borough. In a letter to the local paper Barlow, a supporter of privatisation, counters Exclusive's claims that they are nearing the standard of street cleaning achieved by direct labour. Barlow writes that Exclusive 'must have no conception as to standards as current efforts indicate to me that he will never achieve the standards on present performances. . . . Others also designed their street sweeping schemes based on our system. We were not perfect but we tried . . . Exclusive won the contract and made many promises. Perhaps one day we shall see some results, or is that they keep certain areas to a very high standard. Perhaps instead of boasting and self praise their senior management should assess the true situation.

DOUBLE DEAL

Westminster Council recently sacked 50 architects in order to privatise most of that department's work 'in the interest of the efficiency of the Council'. Now, a former council architect who left in March with enhanced superannuation benefits has been re-engaged as a private consultant on asbestos removal from council dwellings.

DOYLE OF HOME COUNTIES SELLS

Remember our revelations about the Home Counties Cleaning Group, Oceania Holdings and Patrick Doyle in PSA No 5? Doyle owns 97 per cent and 80 per cent of Home Counties and Oceania respectively and both companies have been hit by financial crises. However Pritchard Service Group have just bought a number of companies from Oceania and Doyle. Spearhead Chemicals and its subsidiaries Hygenol, Janitorial Supply, Multiclean, GNR Chemicals and Veetakleen (Chemicals) were sold by Oceania for £380,000. Doyle also sold Stretton Chemical, Radium Chemicals, Radium (Hire and Maintenance) Services, and Dyson Chemicals for an all-in price of £120,000. Another Doyle business, Panda Floor Machines, was sold to Pritchards for £5,000.

Debt Crisis

These company sales have stripped Oceania of virtually all its assets. In future Home Counties will now have to put its cleaning materials and machines from firms outside the Doyle empire. This will be more costly and ultimately effect Home Counties ability to submit low tenders. We have been informed that Home Counties owed about £¼m to Oceania for cleaning materials supplied but never paid for. These debts may well account for the low sale price of the companies. Clearly the Doyle empire is in deep financial crisis. If Home Counties doesn't retain the £1m Garwick Airport cleaning contract to be renewed later this year the firm will be in major difficulties.

More Pritchard takeovers

Pritchards have also taken over the hospital cleaning and security group B.A. Lester for £1.33m. Its subsidiaries include Lester Health Care Services and Lester Security Services and has an annual turnover of £2.5m. Turnover of Pritchard Services Group increased in 1983 to £324.6m with profits at £12.8m. Chairperson Peter Pritchard will be laughing all the way to the bank since the share dividend has been increased 17 per cent to 3.5p per share. Pritchard owns nearly 2 million shares which will bring in a cool £70,000 — and that's before salary, expenses and other perks.

Contractors & Consultants PACKAGE DEALS!

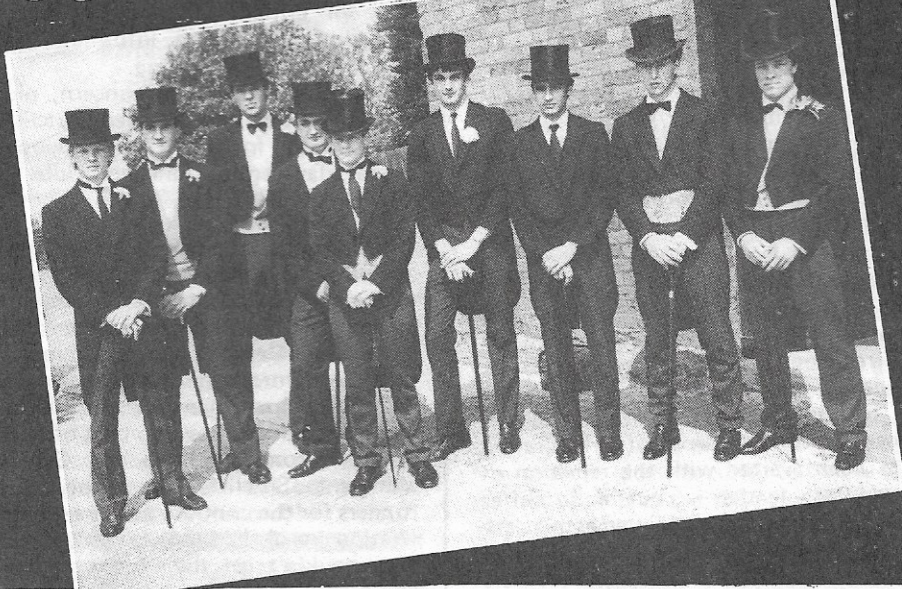
An increasing number of large companies are trying to break into local government and the NHS 'markets' by offering package deals. One such company is Spinneys 1948 Ltd, a principal subsidiary of Steel Brothers Holdings Plc. Spinneys is touting around health authorities offering a package deal of laundry, cleaning, catering, portering, maintenance and security services.

Spinneys has 28 subsidiaries mainly in the Middle and Far East but including Gatwick Flight Catering, Gatwick Support Services Ltd and Stanstead Flight Catering. It has numerous catering contracts in the Middle East including hospitals. Spinney International is registered in the Cayman Islands tax haven.

Steel Brothers Holdings had a £211m turnover in 1983 with £11m pre-tax profits. Its principle activities are rock products and construction, food and catering, engineering and general trading overseas. Food and catering is the core of the group account for nearly half the turnover and most of the profits. More than half the turnover comes from trading in the Middle East, Canada and the USA. The group's strategy is to cut-back its engineering interests in Britain and expand into new food markets. These include frozen meals for schools and hospitals, and flight catering in Britain and Canada. Bricomin Investments owns 41 per cent of Steel Brothers Holdings.

Their attempts to break into new markets will be ably assisted by Anthony Peter de Boer, chairperson of Steel Brothers. A product of Westminster School, de Boer is also chairperson of Anvil Petroleum, Tomatin Distillers and Channel Tunnel Developments. The latter gives him links with a number of construction companies and bankers. He is also a director of the Chloride Group, Burmah Oil and the National Bus Company (the latter is supplemented by membership of the British Roads Federation). He was a director of Tarmac for twelve years until 1983. He also served on the CBI Council between 1980-83. Other useful activities include membership of the Policy Committee of Price Waterhouse, consultants, auditors and keen privatisers. The Tory Government rewarded all this with a CBE in 1982. It is also interesting to note that a Philip Burton joined the Steel Brothers board recently and was also appointed marketing director at Spinneys. He was previously at laundry group Spring Grove.

COMPETITION!



Phillip Wolmuth

Harrow School Speech Day, June 1984: A future army of privatisers, merchant bankers and cabinet ministers. Spot the trainee Tebbit and future Fowler.

Contractors & Consultants



Phillip Wolmuth

Striking domestic workers from Barking Hospital picket Crothall's parent company, Pritchards' AGM in London recently. The AGM was shut down after ten minutes!

Bid for Initial

The BET Group (British Election Traction) has made a £167.5m bid to buy the 59 per cent of shares in Initial, the laundry and towel rental firm, it does not already own. BET will finance the deal by selling its Rediffusion television hire business to Granada for £120m. 100 shops will close with the loss of 700 jobs. Initial's independent shareholders and directors consider BET's offer too low so watch out for a power struggle. Initial's results for 1983 are expected soon and are likely to show pre-tax profits of about £30m. BET also owns 81 per cent of Advance Services. Although trading as two separate firms, BET will be in an even stronger position to coordinate the two firms' cleaning activities. The two firms combined have about a third of the laundry market already. So when you see Initial and Advance listed separately on tender lists remember they are controlled by BET which will have unlimited opportunities to 'coordinate' tendering activities, prices and information about contracts. BET see contract cleaning and laundry work as a growth sector and a merger of Initial and Advance is clearly on the cards.

BET
GROUP

More Tory MPs in business deals

Tory MP for Peterborough, Dr Brian Mawhinney, is a director of **Servicemaster Hospital Services Ltd** and a consultant to **Servicemaster Ltd**. Last October he went on an all-expenses paid trip to America organised by the parent company. **Servicemaster Industries Inc.** Mawhinney was accompanied by another Tory MP, Peter Bottomley, Parliamentary Private Secretary to Norman Fowler, Secretary of State for Social Services. Shortly after this trip a **Servicemaster** manager in Britain had a meeting with the Peterborough Health Authority chairperson Tonie Gibson and District Administrator Roy Amos.

Servicemaster Industries Inc. is a fast growing company providing management, laundry, domestic and maintenance services to hospitals, educational facilities and industry in the USA. In May 1983 it signed a joint venture partnership with Voluntary Hospitals of America to provide a cleaning, laundry and maintenance package to hospitals. Turnover has soared 72 per cent to £500m between 1980-83. The firm also makes its own cleaning products and has a worldwide franchise system with nearly 3000 outlets. With other subsidiaries in Switzerland and Canada it is clearly keen to expand in Britain.

BRENGREEN BOARDROOM CONFLICT AGAIN

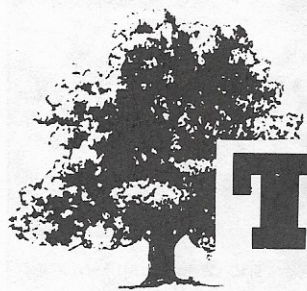
Another conflict in the **Brengreen Group** (Exclusive Cleaning group of companies) has ended with the Deputy Chairperson, Roy Agar, being immediately dismissed and a High Court action to force Agar to comply with the terms of his service contract and the return of company files. Brengreen are also claiming damages. Agar, who worked with Brengreen boss David Evans for sixteen years, headed the commercial cleaning business until last year. In a preliminary court hearing in May he undertook not to solicit or entice away employees or clients of Brengreen nor to be connected with any of Brengreen's rivals for the next year. The trial is unlikely to be held until next year. Agar is claiming compensation for wrongful dismissal. The extent of boardroom conflict is revealed by Brengreen producing transcripts of Agar's telephone conversations. Brengreen have suffered a number of setbacks recently with the failed bid for laundry group Sunlight Services followed by a six month delay in a £20m three year contract in Saudi Arabia.

This is the second major boardroom conflict at Brengreen. Just before Christmas 1981 the 12-year partnership between David Evans and fellow director and friend Tony Berry ended abruptly. Berry received a £150,000 golden handshake. On the morning he left he sold all his 716,000 shares for £350,000. Brengreen shares had reached 82p earlier this year but are now languishing at around 50p.

Councillor Don Kerns of Milton Keynes, recently appointed Sales Development Manager for Exclusive Cleaning Services (see PSA No 5) after gaining the town's refuse and street cleaning contract, has also been sacked.

But Brengreen expands into the Far East

Boardroom conflict hasn't stopped the firm's expansion into the Far East with the recent takeover of Ender Cleaning Services based in Singapore. Ender's contracts include cleaning Singapore Airport and has a £1.6m annual turnover. Brengreen has also gained more contracts in the Middle East. An associate company, Saudi National Cleaning and Maintenance, has won £14m contracts to clean six Saudi hospitals and six clinics.



Barratt TIMBER!

Cries of 'timber!' resound in the City as shareholders watch Barratt (see PSA 1) shares continue to crash. Britain's largest housebuilder's profits, which soared from £7m to over £50m in the six years to 1983, are being severely hit by a succession of disasters surrounding their controversial timber-frame housing.

Following complaints from many Barratt home owners, a World In Action exposé last year threw serious doubts on Barratt's construction methods. In the wake of plummeting new sales and existing owners rushing to sell, Barratt has tried but failed to restore public confidence. Most Barratt home owners wishing to sell are unable to; those who do are suffering heavy losses.

● In response to complaints from owners, Waveney District Council investigated the timber-frame Turnberry Estate in Lowestoft and found major defects. Barratt had to carry out extensive remedial works and offered to re-purchase. The Council blamed the defects on poor workmanship and inspection.

● Nearly all Barratt home owners on the Hill Top Estate, Keighley, had their roofs ripped off by high winds. Barratt referred people to their own household insurers adding that 'householders must expect to lose some slates in gales'. One owner claimed that the roof of his house had been lifted six times in eighteen months.

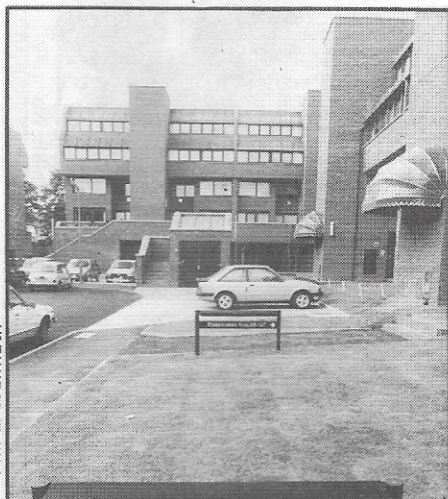
● The owner of a four year old Barratt house in Glasgow stopped his mortgage repayments claiming that the house was impossible to live in. His surveyor valued the house (cost £22,000) as practically worthless as a result of defects. The Abbey National accepted that the house was 'very badly built' but repossessed it anyway.

More problems

Barratt has suffered other setbacks too: their strategy of 'exploiting Southern England' has been thwarted by rural planners refusing to allow Green Belt land to be developed. Barratt is part of the New Villages Ltd consortium of housebuilders and construction companies specially set up to build private towns. Barratt is now having to sell off surplus land in the South East.

Meanwhile, plans to buy up and refurbish council housing in London for re-sale at 'economic' prices to people on council waiting lists have come unstuck. No London boroughs have so far co-operated.

● Glasgow Council have turned down Barratt's offer of £1000 for each of the 756 defective Hutcheson E flats.



Phillip Wolmuth

Britten Close, London, where owners of these luxury Barratt 'residences' are having difficulty in re-selling.

Glasgow's Stop the Sale Campaign successfully convinced the Council that Barratt would be unable to satisfactorily renovate the flats.

● Solihull Council decanted 64 flats ready to sell to Barratt for £500,000 but days before contracts were due to be signed, Barratt tried to reduce their offer. The Council pulled out of the deal.

Boardroom fight

Tension in the company is now so great that a recent argument over sales technique ended in a boardroom punch-up. The deputy chairman ended up with a broken nose and two black eyes. The sales director for the South West ended up without a job. Meanwhile Barratt home owners who have been caught out, might just spare a thought for poor Sir Lawrie Barratt; things have got so bad for him that he is having to sell one of his fixed-wing aircraft and one of his helicopters to raise some cash!

ELDERLY SOLD OFF WITH HOME

Twenty-one elderly residents in the Carlton Lodge Home in Broadstairs, Kent have been sold off lock, stock and barrel with the home, fixtures and fittings by Wandsworth Council. The council put the home up for sale at the

Tenants Fight Sales

The Government may be surprised to learn that many people aren't trying to buy their own council home, but are fighting for the right to remain council tenants. Tenants from campaigns against estate sales in three London Boroughs — Hammersmith, Wandsworth and Tower Hamlets — have come together in a new London-wide group to coordinate their action, to discuss campaign tactics, to build wider support and to provide information to tenants elsewhere who may face the same threat.

The first meetings of the new group have shown that while the sales threats in Tower Hamlets and Hammersmith have stemmed from the heavy costs involved in repairs and modernisation if the estates were to be retained, in Wandsworth the council wants to sell off some small well-built blocks of flats in a 'desirable' area for the profit to be gained.

In all three boroughs tenants are determined to stop the sales and have used not only the usual tactics of demonstrations, pickets and petitions. In Fulham Court, the council has been forced by a stream of legal actions by tenants with the local law centre to carry out major repairs to over 50 flats on the estate, and to set aside an extra £100,000 for its 1984-85 repairs budget. If the council is compelled by court action to repair increasing numbers of the flats, its arguments for sale of the estate will disappear. In Tower Hamlets the tenants sought and won support from NALGO, so that all work on the sales was blacked by housing department workers. Tenants there have prepared alternative plans for their estates which have so far been ignored by the council. The Waterlow Estate campaign is now considering legal action over the council's failure to consult with tenants on the sale. In Wandsworth the Honeywell and Broomwood tenants, faced with heavy pressure from the council to buy or get out, plan to sit tight and defend all attempts by the council to get possession orders on their flats. Wandsworth Tories must be cursing their own government's brief flash of liberalism in giving security of tenure to council tenants in the 1980 Housing Act. The Campaign Against Estate Sales (CAGES) can be contacted via Ian Harrison on 01-381 5529 or Carmel Bolger on 01-739 3630.

'all in' price of £250,000 and got offers from seven firms. The deal is still being negotiated so the council are refusing to name the successful bidder or the final sale price.

British Telecom SALES TALK

The government and British Telecom (BT) management together with merchant bankers and stockbrokers are hurriedly trying to pave the way for Britain's biggest ever share sale when BT is sold off later this year. They are desperate to make the sale 'successful' amid increasing speculation about whether the Stock Exchange could absorb such a large sale. The sale of 51 per cent of the shares has been widely expected to realise £4 billion but some financiers now suggest a figure some £1 billion lower. The campaign to create a 'gold rush' climate leading up to the BT sale is being engineered in a number of ways:

- A massive press and TV advertising campaign costing BT up to £50m and the government £10m. This has included 4-page supplements in many newspapers and a wide range of television commercials. BT has commissioned a train which is currently touring Britain with BT management and representatives from a firm of stockbrokers on board to drum up support for the sale.

- A massive marketing and propaganda campaign is to be mounted to try to persuade BT employees and telephone subscribers to buy shares. Employees are to be offered £70 worth of free shares and, together with bonus issues, employees could get £370 worth of shares if they are held for a specific period. (There are lots of restrictions — see the PSA Supplement in No 5, Facts and Fantasies; Buying Shares in Privatised Public Assets.)

- Attracting foreign investors by attempting to sell the shares in Japan and America. Nomura Securities and Morgan Stanley respectively have been appointed to advise how this can be done.

- A 250-page report by stockbrokers de Zoete and Bevan which forecasts BT's financial performance up to 1988. Pre-tax profits could rise to £1730m on turnover of £9880m. The report claims

that 'BT is over-manned and has above average scope to improve efficiency'.

- BT's balance sheet has been 'restructured' and new accounting practices adopted so that its assets and debts are dealt with like any other firms.

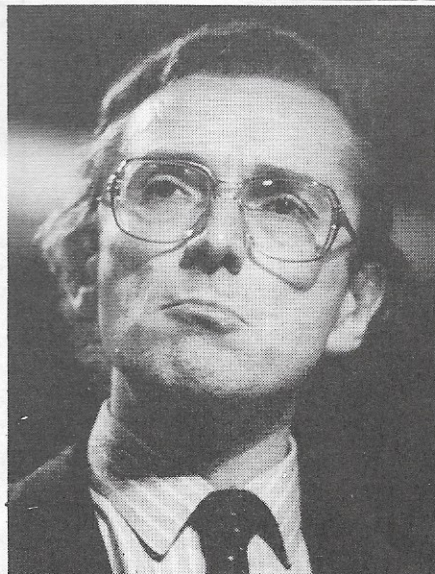
Sale inevitable

The sale of BT became certain when the Bill became the Telecommunications Act 1984 on 12 April. It will get the Royal Assent early in July and BT's licence, expected to be published towards the end of June, will be scrutinised by Parliament during July. The POEU have issued a booklet explaining the case against buying shares in BT, and while not opposing accepting 'free' shares, the union points out that workers will pay for them one way or another. BT has appointed a firm to administer the Trust which is being set up to run the employee share ownership scheme. The Society of Telecom Executives have been campaigning against this appointment which will lead to the disclosure of personal records outside of BT. All five BT unions have rejected the final pay offer. However, more talks are inevitable since BT and the government could hardly stomach industrial action in the lead up to the share sale!

FWLER SELLS NURSES HOMES

Meanwhile the government has found another public asset to sell — nurses and doctors homes. Norman Fowler, Social Services Secretary, announced that hospital accommodation will be sold off losing 35,000 places for nurses and 3,000 places for doctors. This will force up rents for already low paid hospital staff and mean longer and more expensive journeys to work.

Phillip Wolmuth



More News

HEALTH REPRIEVE WON

Sheffield Health Authority has agreed to delay putting any of its ancillary services out to tender for a further six months. A large demonstration of health service workers was held outside the meeting. Some DHA members argued that discussions between management and unions had already produced revised working arrangements and cost savings in some areas. Further meetings will now examine other services. If the programme of tendering for catering, domestic services and laundry work had gone ahead 291 jobs would have been at stake.

BLATANT LOSS LEADER

Six contractors including Exclusive, Crothalls, Home Counties and Hospital Hygiene bid for the domestic services contract at Wokingham Hospital. The bids ranged from £40,453 to £69,260 except Exclusive's which was almost half the next lowest tender at only £22,042. This blatant loss leader was accepted by the West Berkshire Health Authority. The authority obviously thought they had a bargain as the Working Group set up to consider the tenders reported that Exclusive 'might have to provide at their own expense more resources for the job than they had originally estimated'.

PUBLIC ACCOUNTS CRITICISM

The important House of Commons Committee of Public Accounts issued a report in June critical of the governments sale of public assets. It examined the sale of shares in Britoil and Associated British Ports and recommended that future share sales be phased which 'might serve as a means of limiting the risk of excessive profits being made at the taxpayers expense'. With bankers and brokers fees totalling £15.1m for the two share sale, the Committee recommended that government departments should in future 'not rely too heavily on merchant banking advisers with an underwriting interest in the sale'. (House of Commons Report 443).

FARMS FOR SALE

3,000 acres of agricultural land is to be sold by Lincolnshire County Council. It owns 26,000 acres, the third largest agricultural estate in Britain. In the last seven years the council sold off 700 acres for £2.5m.

CONTRACTORS Fines & Failures

CROTHALL'S LOSS LEADER HITS QUALITY COMPLAINTS

The quality control system at the New East Surrey Hospital in Redhill revealed 64 written complaints against Crothall's cleaning in the year ending 31 May 1984. COHSE branch secretary George Coomber told PSA that many more complaints never get put in writing because nurses are often reluctant to do so. A report by NHS managers to the East Surrey District Health Authority on 17 May 1984 included the following statement on Crothall's contract:



'In future contracts of this sort we will have to satisfy ourselves that the contract can be carried out within the contract sum. At the moment 8 staff are employed at the contractors' expense and I estimate that the contractors could be losing approximately £20,000 per year on this contract. Could a smaller company cope with this loss? It is very galling to note that the contractors are using this contract in their advertising. Even with these extra 8 staff standards could be improved.' The hospital has also had to employ one full time staff equivalent which has added to costs. When Crothall's were awarded the contract in 1983 the trade unions argued that the work couldn't be done with the proposed staffing levels. Crothall's strongly denied that the contract was a loss leader.

CHAPMAN LAUNDRY FLUFF

Theatre linen returned covered in white fluff, crumpled uniforms, rust stains and grease marks — just part of the service offered by A & E Chapman Ltd in their laundry contract with the New East Surrey Hospital in Redhill. The contract was awarded to Chapman's in February 1983 despite the firm not being on the approved list. NHS managers have held numerous meetings with the firm to demand improvements. The high return rate has been at an unacceptable level. Despite DHA claims that contracting out saves money the COHSE branch have argued that the NHS is bearing the full cost of sluicing all the foul laundry before it goes to the contractor and the cost of quality control.

Advance Laundry Fails

Following a flood of complaints about the quality of laundry returned by Advance Laundry to the Mayday and St Marys Hospitals, the Croydon Health Authority Joint Shop Stewards Committee carried out their own investigation which revealed that:

- Clothing for babies as been coming back severely crumpled. This suggests that the laundry is unable to handle small items.
- On some days quite literally hundreds of items have to be removed because stains have not been removed.
- Other items have come back with buttons torn off.
- Items have been returned still damp — but for the diligence of the hospital workers in Croydon this could present a real health hazard.
- Because of the large amounts of laundry that have to be returned emergency supplies of new linen have had to be used. This means reserves would not be available in a real emergency.

Advance started the contract on February 13th 1984 after the Regional Health Authority announced that it was going to close the NHS Carshalton Laundry. Further information from Croydon Health Authority JSSC, c/o Ruskin House, 23 Coombe Road, Croydon CR0 1BD or Croydon Trade Union Support Unit Tel 01-686 0219.

ADVANCE

Racquets Ltd, the company that took over public open space serving a Westminster Council housing estate and opened an exclusive private tennis club, has gone bankrupt. The Official Receiver has been called in to 'umpire' Racquets' financial affairs. Meanwhile, rather than the site being restored to public use, another company is being found to ensure that the private membership (fees over £300 pa) don't have their games interrupted.

CONTRACTOR'S DISEASE

B.A. Lester Ltd, now part of Pritchard Service Group is one of the companies busy tendering for hospital cleaning contracts, but a recent report on their operation at Hinchbrook Hospital in East Anglia is critical of their service. '...the main criticism is the volume of dust in the clinical areas (including laboratories)'. The firm was failing to use impregnated mops as specified in their contract and some of the mops used had a one inch layer of dust on them. Potential disease producing 'coagulase positive staphylococci' were grown from three dust samples taken from wards.

PRIVATE SERVICES IN TROUBLE

A number of private services are in financial crisis or being investigated for bad practice:

● A private health centre, the London Diagnostic and Imaging Centre in London's Harley Street went bust earlier this year. The centre specialised in radiological and ultrasound diagnosis and was partly financed by Private Patients Plan, the health insurance firm, which is trying to organise a rescue operation.

● The private University of Buckingham, where tuition fees are a mere £4000 per annum, made a loss of £177,840 last year. It offers courses in business studies!

● Following claims that consultants at the Good Hope Hospital in North Birmingham had earned £100,000 through private treatment of cancer patients with NHS facilities for which no payment was made to the NHS, the Social Services Secretary, Norman Fowler, has set up an investigation into 'the handling of private patients' charges in hospitals'.

● The police, the DHSS and Kent County Council Social Services Department are all investigating the Turret Court private home for the elderly in Westgate-on-Sea. It is owned by Ms B Hayden, wife of a local doctor. Police are investigating allegations that an elderly blind patient was forced to sign for DHSS benefits which were kept by the owners. Standards at the home, which is on the council's approved list, are being investigated after the same woman was admitted to Ramsgate Hospital on the verge of a coma.

● Police are also investigating allegations of fraud in arranging private health care at the NHS Prince Charles Hospital in Merthyr Tydfil. Dr Morgan Evans, chair of the local Family Practitioner Committee, stated: 'It appears that patients may have been charged for facilities that should have been provided by the NHS. Furthermore, there are suggestions that people who had NHS consultations have been offered private treatment.'

British Gas Private Repairs

Local Councils, often Labour-run, are increasingly awarding gas maintenance contracts to private firms rather than the Gas Board. A brief PSA check in the Midlands revealed that:

- Derby has over 7000 houses in a 3-year contract with a firm called Nelsons.
- Leicester last year divided the city into three zones, contracts being awarded to Nelsons, EMGAS and Wards.
- Market Harborough has this year given a contract for 1450 houses to Delta.
- Coventry now has all its houses maintained by Nelsons.

This is all despite evidence that private contractors safety standards and standards of workmanship are much lower than local Gas Boards. For instance in 1979 there were 151 explosions in homes due to faulty workmanship of which 146 were in installations fixed by private operators.

PSA would welcome further information from tenants and trade unionists on this issue.

Assets sold

The three year saga surrounding the sale of British Gas Corporation's 50% stake in the Wytch Farm, Dorset oil-field has finally ended. The government ordered British Gas to sell last year after the corporation had tried various delaying tactics. British Gas

valued its stake at between £350m-£450m yet it has been forced to sell it to the Dorset Group of independent oil companies for only £215m. Their original bid was a mere £160m. BP which owns 50% of Wytch Farm will operate the field. The oil companies, knowing they had secured another asset stripping deal, were reportedly refusing to comment on the deal until it was finally sealed in case gloating in public produced a political row which could have stopped the sale.

Enterprise Oil, the British Gas Corporation's oil interests, has been sold off as well. Unlike other share sales where the government has retained just under half the shares Enterprise Oil has been sold lock, stock and barrel. The sale is expected to value the company, now Britain's fifth largest North Sea oil producer, at about £425m. As with other asset stripping sales there have been various deals to make the sale 'successful'. Some stockbrokers estimate Enterprises' value £100m higher. The company has nearly £100m in cash in its accounts which it has been allowed to retain. In the first 8 months of trading under state control it made £80.8m operating profit from only £142.5m sales. Yet the government will not receive any share dividend.

Information

HANDS OFF THE PITS - No privatisation of Coal. One of eight papers in Campaign for Coal Pack. Shows how McGregor and Thatcher's push for profitability and closures is a stepping stone to privatisation. Excellent material. Free from NUM, St James House, Vicarage Street, Sheffield.

HANDS OFF BRITISH AIRWAYS. Free from Civil Air Transport Group, TGWU, Transport House, Smith Square, London SW1. A poster and leaflet briefly arguing the case against selling off British Airways.



THINKING OF GOING PRIVATE
10 copies for £1 from National Health Service Consultants Association, c/o Dr Paul Noone, Royal Free Hospital, Pond Street, London NW3. A 4-page broadsheet arguing the case against private health and produced by consultants committed to the NHS.

COHSE; STOP PRIVATISATION BRIEFING PACK. Research Department, COHSE, Glen House, High Street, Banstead, Surrey SM7 2LH. Contains two Research Briefings on contracting out NHS ancillary services and on private health care, posters and leaflets.

2 WORKERS FOR PUBLIC SERVICES PROJECT

South West London Public Services Project (GLC funded from August for 1/2 years) will be a campaigning unit working with trades councils, public service unions and users in Merton, Sutton and Croydon.

Two workers required. Salary £8712 + £630 LW pa.

Women applicants welcome. Teamwork with a proven commitment to the labour movement essential. Closing date 20 July. Application forms from SWLPSP c/o Merton Resource Centre, 240 Merton Road, SW19. Tel: 01-542 6223.

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**WE ADVISE, YOU
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Seven merchant banks and 23 firms of stockbrokers are currently advising government departments on how to privatise state assets. The government recently announced that merchant banks, stockbrokers and solicitors had received £22.7m in fees from the sale of Amersham International, Associated British Ports, British Aerospace, Britoil, Cable and Wireless and the National Freight Corporation. This figure grossly underestimates the true figure because it excludes the sale of BP shares and further share sales of Associated British Ports and Cable and Wireless as well as all the fees paid to the same banks and brokers by the nationalised industries and state owned firms being privatised. It also excludes fees paid to auditors and accountants. By the time British Telecom is sold off in the autumn the total fees paid will reach £150m.

EXPENSIVE WASTE

An investigation by the Northern Ireland Public Service Alliance (NIPSA) has shown that over £5m is being wasted annually by the Housing Executive using consultants in the design and production of housing. Arbitrary ratios have been set to use consultants on 50 per cent of architectural, mechanical and electrical engineering, 25 per cent of civil engineering work, and 75 per cent of quantity surveying. Based on Housing Executive costings and fees (in-house costs are two fifths of the appropriate fee for a consultant) NIPSA has calculated that the same work could be done in-house with substantial savings. Despite this the Housing Executive plans further staff reductions of between 25-32 post (100 jobs have already been lost) and further redeployment. Contact NIPSA, 54 Wellington Park, Belfast BT9 6BR.

PUBLIC SERVICE ACTION

Information

CIVIL SERVICE: IT'S NOT FOR SALE

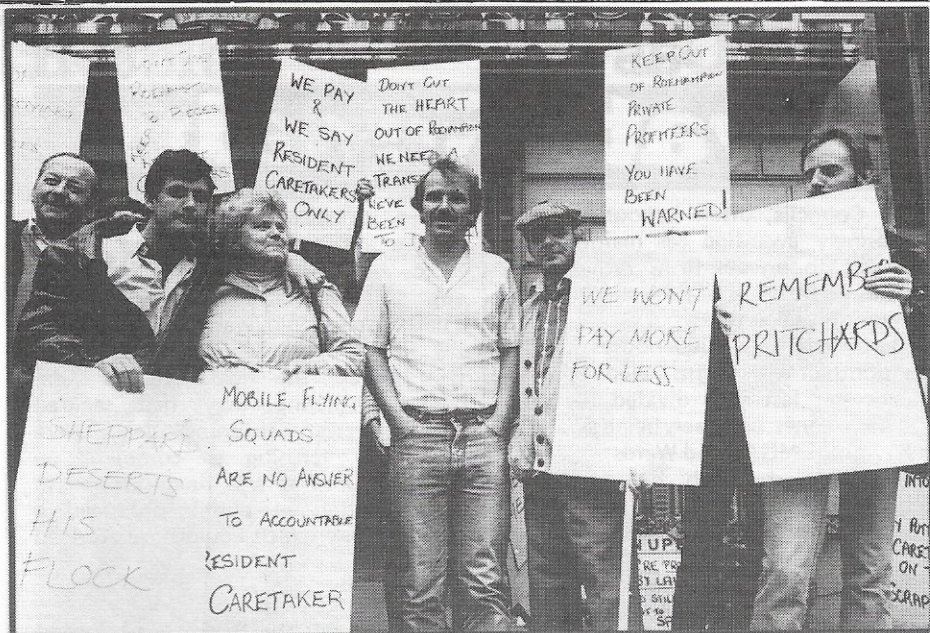
Guide to Action Against Privatisation. From Council of Civil Service Unions, 40 Broadway, London SW1. This pack is divided into two sections. The first covers the government's attack on jobs and contractors failures. The second part, fighting back, examines campaigns against the privatisation of Companies House, the Heavy Goods Vehicle Testing Stations, and contract cleaning as well as a series of recommendations on how to fight privatisation.

CARING FOR PROFIT: SOCIAL SERVICES FOR SALE.

Free from NUPE London Division, Civic House, Aberdeen Terrace, London SE3. A 4-page broadsheet, produced as part of the NUPE/SCAT Anti-Privatisation Action Project in the East Midlands and London Divisions, covering cuts and privatisation in social services. It includes sections on community care and rate capping, and shows how children, the elderly and handicapped bear the brunt. Also explains how NUPE's 7-point strategy to fight privatisation can be developed in social services.

ACTION FOR PUBLIC SERVICE: NALGO SOUTH WEST DISTRICT ANTI-PRIVATISATION CAMPAIGN.

from NALGO House, The Crescent, Taunton, Somerset TA1 4DU. This well produced and accessible pack has sections on how privatisation reduces services, the effects on jobs and service conditions, how privatisation is affecting different services and answering the myths. Most importantly it has a checklist for action, how to campaign to get the message across and another on using the media. A section on resources includes a useful reading list on privatisation.



Despite Wandsworth Council's plans to privatise 36 Caretaker's jobs in Roehampton from September, tenants and caretakers continue to resist. Crispin Hughes

WE WANT TO BUILD! Free from Greater London Trade Union Resources Unit, GLEB, 63-67 Newington Causeway, London SE1. A broadsheet arguing for construction, not destruction. It covers unemployment in the building industry, together with DLO's, housing, training and apprenticeship, and health and safety.

PROGRESSIVE STRATEGIES FOR HEALTH. £1 from Sheffield Health Care Strategy Group, Colin Thunhurst, Dept. of Maths, Polytechnic, Pond Street, Sheffield S1. A report together with papers and information from the Progressive Strategies for Health Conference held in Sheffield last September. Includes detailed reports from all the workshops and accounts of various health campaigns.

HEALTH EMERGENCY Bulletin of London Health Emergency, 15p to cover postage or £2 per 100 from 335 Grays Inn Road, London WC1. Tel 01-833 3020. An 8-page newspaper full of news and articles about health campaigns in London. Also information on contractors and profiles on Regional and District Health Authority members. Has details of local Health Emergency campaigns around London.

DUDLEY COUNCIL LTD: A model for tomorrow's Tory Councils. 60p plus 20p post from Lookonit Publishing, P.O. Box No 728, Birmingham B29. Exposes the scandal of consultants, contractors and voluntary agencies role in massive cuts and privatisation in education and social services. Dudley Council for Voluntary Service ran various MSC schemes at one time employing 1100 people, many of whom were employed to do council work. The pamphlet shows how the Tory council leader and other key councillors were involved in property and other deals.

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.

Researched, designed and produced by: **SCAT Publications**, 27 Clerkenwell Close, London EC1 (tel. 01-253 3627). A national housing, planning and public service project serving the labour movement.

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