



briefing

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Campaign News

Add your voice for public services!!

Thousands of public service workers and members of the public have added their voice to UNISON's "Million Voices" campaign for a fairer society.

The campaign is now well and truly off the ground, and hasn't come a moment too soon. Politicians are under pressure from business lobby groups and the rightwing press to implement massive cuts and sweeping privatisation under the guise of making "efficiencies".

But UNISON activists taking the Million Voices campaign into workplaces and communities are finding thousands are ready to sign up to the core statement: "I believe we need public services to help our economy recover from the recession ... Our public services need investment, not cuts and privatisation."

Last month Gordon Brown said Labour would "cut inefficiencies" and "unnecessary programmes" but "will not support cuts in the vital front line services on which people depend". UNISON is arguing that the best way to protect funding for vital services would be to cut out the cost and waste of marketisation and privatisation, abandon Trident and ID cards, and raise fair taxation on the banks and the very rich.

Add your voice to the Million Voices campaign here:
<http://www.unison.org.uk/million/add.asp>

UNISON wins new NHS commitment

UNISON's challenge to the increased outsourcing of NHS primary care services, reported in July's Positively Public Briefing, has resulted in the government issuing a new statement stating that the NHS was its "preferred provider" of health services.

Under new guidance to be issued by the Department of Health, commissioners must work with existing NHS providers to improve services where needed before resorting to a tendering process.

Private healthcare providers reacted with anger to what they see as a policy u-turn in conflict with the government's previous commitments to market competition. UNISON gave the statement a cautious welcome, warning that the rhetoric must be turned into reality on the ground by health authorities.

In Hull the Primary Care Trust is pushing ahead with plans to hive off community services to a "public interest company", despite staff opposition. UNISON has also raised concerns about possible plans to privatise primary care services in West Essex.

More information on the new policy is at www.unison.org.uk/healthcare/pages_view.asp?did=9485
A Million Voices factsheet on NHS privatisation is at <http://www.unison.org.uk/million/resources.asp>

Positively Public quote of the month!!

"The consultants and outsourcers are so entrenched in the system that they're actually the ones sitting there and making the decisions for government."

City analyst predicting more public service outsourcing, in *Investors Chronicle* magazine

Privatised social care failing the elderly

As care for the elderly moves up the political agenda, with all major parties offering alternative plans to respond to population ageing, UNISON is highlighting the negative impact of privatisation on service quality.

- Islington Council terminated a home care contract with Care UK after complaints about late or missed appointments. Islington is now under pressure to axe a separate residential care home contract with the same firm. Care UK also recently lost a homecare contract in Hertfordshire.
- In Albrighton, near Wolverhampton, a private care home is closing down following an inspection by the Care Quality Commission which judged standards to be poor and medical practices unsafe. Staff recruitment and training were also poor.
- Norfolk County Council are seeking damages from private homecare company Careforce after dozens of complaints about missed visits. Under pressure the firm agreed to give staff guaranteed hours of employment to ensure greater continuity of care.
- In Scotland three homes run by private care giant Southern Cross have been criticised by the Care Commission for poor nutritional standards, but the chain has frozen its food budget – a real terms cut.
- Another private care home, St Gregory's in South Shields, is to close due to the effects of the credit crunch on its finances. Twelve residents had to be found alternative accommodation.

The government is currently consulting on the funding and structure of a future "National Care Service". UNISON will be making the case for the service to be free at the point of use and provided by well paid, properly trained and publicly employed care workers.

The government's social care Green Paper is at <http://tinyurl.com/y8695el>

UNISON's Million Voices Factsheet on social care is at unison.org.uk/million/resources/MV_Factsheet5.pdf

Privatisation News

London bus operator sold off

The capital's only publicly owned bus operator, East Thames Buses, is to be sold to the Go-Ahead Group for £5m. As part of the sale East Thames was granted new 5 year contracts for the routes it already runs.

PFI contractors go bust

Two PFI schemes have gone bust. The sponsors of New Schools Cornwall filed for administration in July. And Realm, which runs the Defence Animal Centre in Leicestershire, has also been placed into administration. Both schemes may now have to be retendered for the second time, with additional costs for the public bodies.

Hull meals-on-wheels to be privatised

Hull City Council is privatising its meals-on-wheels service, which delivers hot meals to 200 residents daily. Ten delivery staff, as well as staff preparing the meals in school kitchens, could be affected.

Wandsworth NHS pays out for PFI

The NHS Wandsworth Trust will pay more than £10m a year until 2034 to private company Catalyst healthcare for a new hospital. It is costing the company £73.5m to build and run, but taxpayers will pay £340m over the lifetime of the project. Local campaigners say it would have been more cost effective to refurbish the existing Bolingbroke site.

UNISON's report "Reclaiming the initiative" warned that the government has committed taxpayers to a bill of more than £217bn worth of repayments between now and 2033/34 on just £64bn of PFI projects.

You can download the report from: <http://www.unison.org.uk/acrobat/18461.pdf>

HR and payroll outsourcing increases

A trend towards greater outsourcing of Human Resources (HR) and payroll functions is increasingly apparent, despite evidence of poor returns:

- Buckinghamshire council has become the first local authority to outsource all its recruitment for both permanent and temporary staff across all council services – including schools and fire services – to the private company, Hays. The deal is estimated to cost the council £7.5m a year.
- Hertfordshire council has transferred 20% of its human resource team to Serco, a facilities management and services firm. About 30 full-time payroll and administrative roles have moved to the private sector employer, and the council's HR team has been reduced from 165 to 135 roles.

Human Resource functions are also included within outsourcing deals agreed by Rochdale Borough with Agilsys, Birmingham City with Capita, Sandwell Metropolitan Borough with BT and Liberata; Somerset County with IBM, Sheffield City with Capita, Hart District with Capita, and Essex County with IBM.

HR has also been included in Shared Service arrangements between Cambridgeshire, Northamptonshire and Slough; and Canterbury City, Shepway, Dover and Thanet.

A map of HR outsourcing by local authorities can be viewed at <http://tinyurl.com/yfmwqsc>

A report by the Chartered Institute of Personnel and Development (CIPD) estimated that 25% of public sector employers have now outsourced HR functions.

But only 7% consider outsourcing to have been an all-round success. In particular outsourcing is not living up to expectations of relieving internal HR staff pressure, with 43% confirming that pressure has not been relieved through outsourcing activities.

The full report is at <http://tinyurl.com/npnocr>

Privatisation Problems

Birmingham-Capita project in trouble

“Service Birmingham”, the City Council’s joint venture with outsourcing specialist Capita, is in difficulty. Officials have admitted that promised efficiency savings may not be achieved, prompting concern over a growing overspend and cuts to key services. The cost of building a new website as part of the project has increased by 383% to £2.8m in just four years.

BSF schools still not good enough

104 of 120 designs put forward under the privately financed “Building Schools for the Future” scheme (BSF) were rated “not good enough”, “mediocre” or “poor” by the Commission for Architecture and the Built Environment (Cabe) in 2008/09. 15 were rated “good” and just one was judged “excellent”.

Meanwhile three new BSF schools in Bradford are suffering from high temperatures. Classrooms hit 38 degrees, and two pupils became unwell and collapsed.

Failed PFI bid costs council

Bristol City Council has agreed to pay £800,000 to a private firm for a failed PFI bid. DC Leisure management, which failed to win the contract to build a leisure centre, threatened Bristol council with legal action after changes were made to the scheme (due to the recession) during the procurement process.

Tube PPP contractor criticised

Tube Lines, the PPP contractor upgrading and maintaining the Jubilee, Northern and Piccadilly lines has been criticised over delays. Over the past year the upgrade work has caused severe disruption to tube customers, and progress has been slow.

The Tube Lines PPP is the only remaining London Underground PPP contract. Last year Metronet run out of money and had to be bailed out at a cost of £410m to the taxpayer.

Reports

Consultants warn of outsourcing risk

A report on local authority outsourcing by private consultants Zurich adds weight to many of the concerns that UNISON has been raising.

It reports a “dramatically increasing” level of “outsourcing and working with partnerships” – “indeed”, it says, “government policy has moved from encouraging partnerships towards mandating them”. But it says “a very wide range indeed of disasters and embarrassments caused by supplier failure” suggest that the risks of the push to outsourcing are “potentially catastrophic and urgent”.

These problems include:

- Countless and huge examples of the loss of sensitive personal data and privacy responsibilities e.g. the £225 million Contact Point, child protection database issues
- Badly managed social care contracts leading to reputational damage and legal challenges
- The National Audit Office is investigating alleged overspending and overrun of IT contracts worth £18 billion
- The failure or collapse of a number of shared service agreements

Zurich also quotes private sector experience suggesting that “the failure rate of outsourcing contracts to meet expectations is fully 50%”. Key concerns include:

- Losing control over the process
- Losing control of customer relationships
- Potential loss of quality
- Threats to brand and reputation
- The operational and financial stability of the supplier

“Too often short term, accountant-measured, cost savings can become future years’ cost overruns, failures and even disasters if the more difficult cost of

risk and off-balance sheet liabilities are not measured and brought into the decision making”, the report warns.

Zurich also warns against the risk of the outsourcing market consolidating and becoming dominated by a few large providers. “Big is not always beautiful and can bring risks in itself ... Co-operation between authorities can in effect force a monolithic market place of suppliers that may give short-term gains but close down future opportunities to spread risk...”

“Public Sector Supply Chain – Myths, Risks and Opportunities” is online at <http://tinyurl.com/yfdxupk>

NHS privatisation – UNISON briefings

NHS Co-operation and Competition Panel

The government has set up the NHS Cooperation and Competition Panel (CCP) as part of its drive to intensify the development of the NHS market in England. This briefing explains the role of the Panel and the major implications it could have for the NHS. You can download the briefing from:

<http://www.unison.org.uk/file/A9278.pdf>

Using Overview and Scrutiny

With an increasing drive to transfer healthcare services out of the NHS, it is more important than ever that union members and the public use whatever means they can to challenge privatisation. In England, Local Authority Overview and Scrutiny Committees (OSCs) and Local Involvement Networks (LINKs) are two such options. Download the briefing from:

<http://www.unison.org.uk/file/A9277.pdf>

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