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## Campaign News

### Thousands speak out for public services

Thousands of public service workers and users are speaking out against cuts and privatisation at the new Million Voices campaign site [million-voices.org](http://million-voices.org).

A powerful new film highlighting the importance of public services has generated a fantastic response, with more people signing up to support the campaign every day and spreading the word via email or on Facebook.

It's never been more important to raise your voice for public services as political parties look to win your votes in next month's general election. Powerful forces in the City and private business lobbies, and their allies in the corporate-funded think-tanks and right-wing press, are seeking to use the financial crisis as an excuse for massive reductions in public provision. We need to do everything we can to show politicians that we want to see our services protected.

Make sure you visit the campaign website at [million-voices.org](http://million-voices.org) to watch the film and add your support – and even more importantly, pass the message on to friends, family and co-workers.

### Positively Public quote of the month!!

*“If we had to identify just one general consequence of the intellectual shift that marked the last third of the 20th century, it would surely be the worship of the private sector and, in particular, the cult of privatisation. With the advent of the modern state ... transport, hospitals, schools, postal systems, armies, prisons, police forces and affordable access to culture – essential services not well served by the workings of the profit motive – were taken under public regulation or control. They are now being handed back to private entrepreneurs. What we have been watching is the steady shift of public responsibility on to the private sector to no discernable collective advantage.”*

**Professor Tony Judt, historian and author**

### Privatisation plans on hold

Plans to privatise up to 800 council jobs at Stoke on Trent City Council are to be abandoned.

Two private firms – Balfour Beatty Workplace/BT Global Solutions, and Serco – had bid for the £250m contract which included IT, property, payroll, human resources, administrative and CCTV maintenance. But UNISON warned that the deal was being rushed through with little time to review the process. (See Positively Public Briefing May 2009.)

Councillor Peter Kent-Baguley said: “We were told more than £1.5m has already been wasted on payments to consultants, and that we stood to lose almost another £1m if it went any further. I had always queried how this outsourcing arrangement would benefit the council, and the chief executive has now confirmed it wouldn't.”

## MPs back UNISON on NHS market

The House of Commons Health Committee has published a damning report on the waste of money and excessive transaction costs of the NHS market.

UNISON submitted detailed evidence to the Committee and its final report supports the union's position in a number of key areas:

- the Committee reports that management and transaction costs have risen as a result of the purchaser / provider split;
- it concludes that Payment by Results increases transaction costs and provides hospitals with incentives to keep patients in hospital rather than treating them in the community as other government policy advises; and
- the report points out that the FESC system of bringing in private companies to advise the NHS is an expensive way for the health service to go about making improvements – it calls on the Department of Health to determine whether the taxpayer is getting value for money or not.

The Committee acknowledges that under current Health Secretary Andy Burnham the government has begun to move away from market reforms, by announcing that the NHS is the “preferred provider” – a policy change which UNISON campaigned hard for.

Mike Jackson, UNISON Deputy Head of Health, said: “From the time the Tories introduced commissioning into the NHS in 1991, it has been a waste of money. There is no place for the market in the NHS and the Government has begun to move away from market reforms and recognised the importance of the NHS as the preferred provider. This money-saving idea is hardly revolutionary, but will go a long way to making sure that taxpayers get value for money.

“UNISON pointed out right from the start that Payment by Results increases transaction costs and provides hospitals with incentives to keep patients in hospital rather than treating them in the community. It is time to realise that bringing in private companies to advise the NHS is an expensive waste of money, when

it is NHS staff who are in the best position to make efficiency savings.

The government's preferred provider policy was embedded in guidance documents issued in March. Launching the documents, Andy Burnham confirmed that “Where existing NHS services are delivering a good standard of care for patients, there is no need to look to the market.”

The new documents integrate the preferred provider policy into procurement policy, ensuring that NHS providers will continue to deliver high quality services and will only be tendered if opportunities to improve first are unsuccessful.

Welcoming the guidance, UNISON's Mike Jackson said: “The rush to the market has been halted and cooperation will come before competition”.

You can download the report in full from here: <http://www.publications.parliament.uk/pa/cm200910/cmselect/cmhealth/268/268i.pdf>

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## Government report on libraries -

The Department for Culture, Media and Sport has published a consultation document on the future of public libraries in England.

The report recommends that local councils should still have a statutory duty to keep providing a library service. But UNISON called on the government to go a step further and set out clear guidelines on exactly what service local authorities are obliged to provide. Unless this happens, said the union, heavy budget cuts could leave “a library service, but not as we know it”.

You can download the report from: [http://www.dcms.gov.uk/reference\\_library/consultations/6752.aspx](http://www.dcms.gov.uk/reference_library/consultations/6752.aspx)

Last month we reported on UNISON's People's Inquiry into Library Services which was held in February. Delegates supported UNISON's call for a “clear commitment to proper funding”.

## Privatisation News

### NHS hospital privatisation goes ahead

In October 2008 Positively Public Briefing reported on the financial problems that Hinchingbrooke hospital was facing and revealed that it could be the first NHS hospital in the country to be run by a private firm.

That possibility has become a reality now that Cambridge University Hospital Trust has decided to withdraw from bidding for the indebted hospital, due to the long and expensive bidding process. Three private firms have now been shortlisted to operate the 369-bed hospital: Circle Health, Serco Health and Ramsay Health Care UK.

### Care UK loses another NHS contract

Care UK, a health and social care provider has lost its contract to run the Plymouth ISTC contract.

This is yet another contract that Care UK has lost. Last month we reported that the NHS planned to terminate Care UK's contract to run Barlborough Treatment Centre in the East Midlands. Camden PCT also abandoned plans to award Care UK a £20m contract to run a GP-led health centre in November 2009. And in December last year Islington Council terminated its contract with Care UK after a series of complaints about its home care provision.

The firm said the latest decision will have a limited impact on its total revenue which is £410m a year. Care UK's profit stream has attracted the interest of private equity investor Bridgepoint Capital which is reported to be interested in buying out the firm.

### Police privatisation moves ahead

CapGemini/Reliance and Steria are now in the running for a contract with Cleveland Police to provide information technology and some aspects of control room operations under "radical measures" to save cash (see Positively Public Briefing November 2009).

The Police Federation criticised Cleveland's proposals to privatise services. Paul McKeever, its chairman, said: "It amounts to a wholesale change that would make policing less accountable and leave private company employees in control of incidents on the streets."

For more information visit the UNISON website at <http://www.unison-cpa.org.uk/outsourcing.htm>

### Council axes schools PFI services

Brighton and Hove City Council has decided to terminate services provided by Jarvis under a PFI contract. The decision comes after a report by the council described the standard of Jarvis's service as "a significant concern".

Jarvis, a private firm, was contracted to provide cleaning, catering, waste and grounds maintenance services for three Brighton schools under an 8-year PFI deal.

Despite concerns about the standard of service provision the PFI contractor asked to be paid more for the services it provided but this request was rejected. The council was left with no option but to withdraw the soft services from the PFI contract because Jarvis provided a poor level of service and the contract was not value for money. The services will now be the responsibility of the schools or will be contracted out.

### BSF not value for money

New research shows that just a third of headteachers involved in the Building Schools for the Future (BSF) programme believe it is more cost-effective than other capital investment programmes. The report also found that targets for school building are not always met due to the complexity of the BSF programme. 38% of headteachers felt that their schools were not on target to be completed on time.

You can download it from: [www.teachernet.gov.uk/management/resourcesfinanceandbuilding/bsf/](http://www.teachernet.gov.uk/management/resourcesfinanceandbuilding/bsf/)

## Traffic wardens face privatisation

UNISON is fighting the privatisation of traffic wardens in Ealing.

Earlier this year, the council agreed to re-privatise the service, despite only bringing it back in-house in November 2008, following the failure of a previous outsourcing deal. More than 40 traffic wardens and their supporters have protested against the decision. And over 2,000 people have signed a petition against the plan.

UNISON spokesperson Yusuf Ali explained that parking enforcement is a public service which should be focused on keeping traffic moving smoothly, and not on issuing the maximum number of tickets possible as a revenue raising measure.

A Channel 4 documentary had highlighted the pressure private firms put on wardens to reach targets in the number of tickets they issue. This leads to more dissatisfaction from the public, more complaints, hostility and increased verbal and violent incidents towards staff.

## Failed PFI school contract costs council

A BBC investigation has revealed that Cornwall schools, which were maintained by the private firm NewSchools Cornwall, are in a state of disrepair.

NewSchools Cornwall signed a £74m 25-year PFI deal with Cornwall County Council in 2001 to refurbish and maintain 28 schools. But they are now in a worst state of repair than before. Problems include: "fire doors not fitting properly, a landslide in the playground, rotten windows and a rusty gas pipe". Teachers complained that work was done "either late, shoddily or not at all." And the council had to step in to carry out essential remedial works, spending up to £10m to repair the schools.

Following many years of complaints to NewSchools Cornwall, the government terminated the contract. The firm filed for administration owing its sponsors more than £40m.

Despite the poor service provided by NewSchools Cornwall, the council is liable to pay the firm compensation for terminating the contract. Legal negotiations are ongoing, but it is expected to cost the council several millions of pounds.

## Reports

### Pay in the public services

This report researched by Incomes Data Services for the Trade Union Congress (TUC) shows that attacks on public sector pay are misinformed. The TUC Secretary Brendan Barber said: "There is widespread support for decent public services. But there is an unrepresentative minority who want to undermine them. Rather than make this argument, they resort to inaccurate attacks on pay and pensions."

For more information visit:

<http://www.tuc.org.uk/publicsector/tuc-17742-f0.cfm>

### Exploding privatisation myths

The TUC has produced a pamphlet which examines the privatisation of public services against the background of the recession which is placing increasing pressures on public bodies to outsource services in a bid to make savings and become more efficient. The report explodes some of the myths and misconceptions about privatisation of public services to show that it would cause more problems than solutions.

You can download the report from here:

<http://www.tuc.org.uk/publicsector/tuc-17577-f0.cfm>

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Contact Positively Public Briefing on **020 7551 1759** or email **Positivelypublic@unison.co.uk**

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