



briefing

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Coalition update

Emergency Budget: risky and unfair

The full extent of the Coalition’s attack on public services was set out in George Osborne’s ‘Emergency Budget’.

In addition to £6.25bn spending cuts in the current year, already hitting schools and youth services, the Chancellor announced that over the next 3 years:

- NHS spending will receive only minimal increases, necessitating deep ‘efficiency’ cuts
- all other services face average cuts of 25%
- an estimated 600,000 public sector jobs to go
- public sector pay will be frozen for two years – on top of the freeze already hitting council staff
- public sector pensions will be raided for ‘savings’

Research commissioned by UNISON shows these cuts won’t just hurt public service workers – all households will lose, with the poorest hit the hardest.

Economists said the cuts would weaken the economy and risked creating a “double dip” recession.

UNISON will be campaigning for a better way, as outlined in our alternative budget, downloadable at <http://www.unison.org.uk/acrobat/18887.pdf>

Positively Public quote of the month

“A major problem for the public sector is, we feel, a significant opportunity for us. Opportunities are at their highest level in two to three years. This year we have probably seen a 100% increase in opportunities [compared with 2009] and I suspect we will see another 50% increase in the following year.”

Richard Marchant, head of local government strategic partnerships at Capita, *The Guardian*

UNISON campaigns against Academies

The Coalition government has rushed a Bill through Parliament that will allow governors and headteachers to turn schools into Academies without consulting parents, staff, local authorities or local communities. This could result in hundreds, if not thousands, of English schools being fast-tracked to Academy status from September 2010.

UNISON is concerned that the plans will lead to a two tier education system, with money going into academies in rich areas while pupils from deprived communities miss out. Local authorities would be left to manage a rump of schools with more challenges, surplus places, and less money to support them while academies would be freed from both the national curriculum and national terms and conditions. Many are expected to enter partnerships with private firms like VT, Serco and Edison (see June briefing).

UNISON has launched a Million Voices: Defend Your School campaign – more information and actions at <http://www.unison.org.uk/education/defendyourschool>

White paper threat to NHS

The Coalition's plans for the NHS will accelerate privatisation and could undermine the principle of a free and comprehensive service, UNISON has warned.

Under the plans, commissioning currently undertaken by PCTs will be transferred to consortia of GPs – probably working in partnership with private firms such as UnitedHealth, Humana, Aetna and MCCI. “There could be a bonanza for private companies if these changes go according to plan”, a stockbroker was quoted as commenting in *The Guardian*.

At the same time the secondary care market will be fully deregulated, all hospitals becoming independent Foundation Trusts with controls on private patient income and use of private finance dismantled.

Abolition of PCTs and Strategic Health Authorities is likely to result in a loss of quality control and strategic oversight as well as tens of thousands of job losses.

Even the White Paper admitted that the plans “will cause significant disruption and loss of jobs, and incur transitional costs between now and 2013”. Combine this with the tightest squeeze on NHS spending in its history and many observers predict chaos – with devastating consequences for patients and families.

More information at <http://tinyurl.com/2c69flh>

BSF scheme suspended

Education Secretary Michael Gove, has announced a review of all capital investment in schools including “Building Schools for the Future” (BSF) schemes. 715 BSF deals underway will not be built and the rest of the programme has been cancelled.

Labour's BSF programme was funded with a combination of conventional and private finance. UNISON has argued that conventional funding is a more efficient financing mechanism for building or modernising schools. It is unlikely that the new Government will revert to public investment.

Spending cuts will hurt education

Three quarters of further and higher education staff say that cuts to college and university funding will lead to course closures, according to a UNISON survey.

UNISON is concerned that the cuts will strike communities hard and are particularly tough for workers made redundant during the recession who need to re-train, young people facing high unemployment and learners with support needs.

The joint union campaign against Higher Education cuts is at <http://unitedforeducation.org.uk/>

A new Million Voices Factsheet on Further Education is at <http://www.unison.org.uk/acrobat/19361.pdf>

PFI will force hospital cuts

Hospital trusts with PFI contracts may be forced to cut services, according to a new NAO report. As the NHS comes under pressure to make cuts, they cannot reduce their payments to their private PFI partners, so they may be forced to cut patient services instead.

The report also backs UNISON's claim that there is no advantage in including ‘soft’, support services in PFI contracts rather than managing them separately or keeping them in-house. And this is despite the fact that the report compared service delivery in 76 brand new PFI hospitals with services in all other hospitals, some of which are Victorian. This clearly knocks the case for including services in PFI contracts and demonstrates that PFI cannot be value for money, given its higher costs.

The NAO missed the opportunity to speak to staff or look at what has happened to them in PFI hospitals, preferring to rely on responses from contract managers. UNISON has called for proper scrutiny that includes consultation of staff and service users.

Download the report at http://www.nao.org.uk/publications/1011/pfi_hospital_contracts.aspx

PFI costs continue to mount

UNISON continues to campaign against the private finance initiative (PFI), due to its high costs and lack of value for money. A number of schemes continue to come under scrutiny whilst others have been abandoned due to high costs:

- A PFI school deal between Liverpool Council and its private sector partner Hochtief has been criticised. This comes after a renegotiated deal gave the sub-contractor the right to charge up to £47 an hour for caretakers, utilities and site facilities for “third party” use before 8am and after 6pm. The high costs of using the facilities effectively disadvantages community groups from using the facilities outside school hours.
- The Leicester PFI hospital deal has cost the public sector almost £34m after the health trust and health department agreed to pay £11m in compensation. The scheme was cancelled in 2008 after costs soared by £200m. The private sector partner, Triskelion had initially sought £26m in compensation. If the scheme had gone ahead, it would have cost £90m a year.
- The government is to examine the East Lancashire PFI hospital project, which includes the new Royal Blackburn Hospital and substantial building projects at Burnley General Hospital. The deal will cost the health trust more than £1bn in repayment over the next 25-30 years.
- Conservative MP Jesse Norman is questioning the cost of Hereford County Hospital, which was built and continues to be managed through Mercia Healthcare, a consortium owned by Sodexo and a private equity firm. Annual contract fees amount to £15 million in the current year, which critics say diverts funds from improving patient services.

A new report from the National Audit Office estimates that the higher cost of finance resulting from the 2008 credit crunch increased the total burden of PFI costs on the taxpayer by £500m to £1bn.

Local campaigns spring to life

Campaigning to defend local jobs and services is building up around the UK as the cuts begin to bite.

- In **Oxfordshire** the UNISON local government branch has been signing people up to the Million Voices campaign at schools and council offices.
- In **Norfolk** UNISON demonstrated with service users as the council debated cuts to Connexions.
- In **South Tyneside** the UNISON branch is leading a campaign to save three council care homes with petitions and street stalls.
- In **Kent** campaigners are fighting to save care homes in Dartford. “UNISON is committed to joining with everyone who wants to defend these vital services to some of Kent’s most vulnerable people”, said Branch Secretary David Lloyd.
- In **Hampshire** library users and staff were joined by children’s author Alan Gibbons on a UNISON-organised march through Winchester with a coffin to symbolise the “death of the library service”.
- In **East Renfrewshire** UNISON joined with local community activists for a Stop the Cuts demo.
- In **Reading** UNISON demonstrated outside the civic centre. Branch secretary Debbie McKenzie said “we have supported improvements in efficiency, but we will not support cuts that fall most severely on the most vulnerable in society.”
- In **Medway** UNISON has been holding events at primary care workplaces, recruiting new members and building the Million Voices campaign.
- In **Birmingham** UNISON organised a mass meeting to raise public awareness of the threat to Connexions and other vital council services.
- In **Newcastle** UNISON’s Northern Region worked with the regional TUC and other public service unions to launch a regional Public Service Alliance. Public meetings are being held across the region to raise awareness and get people involved.

For more local news – and to upload your stories – visit <http://www.unison.org.uk/million/branch-news.php>

UNISON’s new guide to effective local campaigning is at <http://www.unison.org.uk/acrobat/19308.pdf>

Reports

Trade unions and service improvement

A new report shows that involving trade unions in the workplace brings about positive benefits in public service delivery. Motivation, morale, efficiency, quality and cost saving in public services are all improved when trade unions are involved.

The study surveyed local authority managers and trade union representatives and looked at the positive role played by trade unions in organisational change and service improvement.

You can download the full report from:

http://www.unison.org.uk/file/The_value_of_trade_union_involvement_to_service_delivery.pdf

In July 2009 Positively Public briefing featured an article about the NHS Social Partnership Forum (SPF) which showcased good practice case studies of trade union involvement in the health service.

Competition will damage NHS

NHS providers need to co-operate rather than compete to make the NHS more cost-effective, according to medical organisations and unions.

The group, including UNISON, the BMA, the NHS Consultants Association and Keep our NHS Public called for the axing of the purchaser-provider split and “for more equitable and efficient funding based on patient needs rather than achievements of trusts.”

For more information visit: http://www.bma.org.uk/healthcare_policy/nhsnewdirectionjune2010.jsp

Meanwhile a new study rated the NHS the best health service in the world. The Commonwealth Fund found that the NHS was more efficient than systems in countries including Germany, USA, and Australia where services are more fragmented. The NHS was also rated best for access to care and quality.

People’s Inquiry into the library service

UNISON has published a report from its People’s Inquiry into the library service held earlier this year.

The Inquiry heard directly from library staff, users and supporters of the library service on the challenges facing the service, and it also sought the views of what libraries mean to people.

The report warns of a declining bookstock, widespread cuts and closures to library services, and changes to the workforce, training, work patterns and service delivery. In a survey of UNISON members over 40% reported that their library service had cut services or delayed the introduction of planned new services over the last two years. Almost two thirds said that staffing levels were inadequate in their library. 35.3% reported cuts in the training budget over the past two years.

The report made a number of recommendations, including the need for a commitment from government that funding for the library service will be safeguarded. It stressed that the Wirral Inquiry – in relation to consultation with the community – will be a template so that local authorities are not permitted to see library closures as a soft option.

It concludes that “a publicly owned and accountable, publicly provided library service needs to have sufficient funds to maintain and develop an attractive book stock in welcoming and functional premises, open at times that are convenient for users”.

The report can be downloaded from here:

<http://www.unison.org.uk/acrobat/19151.pdf>

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