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Campaign News

Raising the volume for public services

UNISON's General Secretary Dave Prentis reacted angrily to the proposal of a 1 per cent public sector pay cap in Alistair Darling's Pre-Budget Report.

"Attacking public service jobs and pay is misguided", he said. "It will make the recession worse. It will undo all the work that has been done towards giving our communities world-class services."

Meanwhile Conservative spokesman Ken Clarke MP said that a Cameron government would seek to "squeeze" public sector pay as well as "providing choice and competition, including private sector providers and contracting out – that is very much the flavour for what we go in for".

But the tremendous response received by UNISON's Million Voices campaign is showing that service users and voters want to see public services protected. A November MORI poll showed that 53% would even prefer to pay more tax than see services cut.

UNISON's alternative budget can be downloaded at www.unison.org.uk/million/resources/Alternative_Budget.pdf

Speak up for public services by adding your voice at <http://www.unison.org.uk/million/index.asp>

Positively Public quotes of the month!!

"An efficiency drive on a scale never seen before could ... represent a potentially massive windfall for the outsourcing specialists Serco and Capita, or smaller rivals such as Tribal Group and Mouchel ... Having talked to companies likely to be involved in the process of outsourcing, they are smacking their lips with anticipation."

Investment Extra, Daily Mail 'Money' section

"The imposition of market models on public services is one of the biggest dead ends of the last few decades and something that needs challenging."

Rowan Williams, Archbishop of Canterbury

A million voices for a million homes

UNISON is calling on the government to place a duty on local authorities to start a public building programme for a new generation of council houses.

A new report for UNISON on council house-building from the Association for Public Service Excellence (APSE) was launched at the House of Commons last month. It identified a number of "trailblazer" councils who had retained their ownership and management of housing and were ready to take up the challenge.

Delivering a million new affordable homes to help house the million-plus families who are now on social housing waiting lists is a key plank of UNISON's Million Voices campaign.

A Factsheet on housing can be downloaded from www.unison.org.uk/million/resources/MV_Factsheet4.pdf

The APSE report can be downloaded in full at http://www.unison.org.uk/acrobat/18667_Council_housing_doc_STAGE_4.pdf



Privatisation News

Capita empire grows despite criticisms

Concerns have been raised over the performance of Capita, the specialist outsourcing firm taking over a growing share of public service “back office” functions.

- the performance of a major joint venture with Birmingham City Council, “Service Birmingham” (see October’s Briefing) has now been questioned by the Audit Commission, which has warned that there was “a significant way to go before we can all be certain that it will deliver” and that failure would be “a significant problem for the council as it is relying on these savings to balance its budget and make real improvements to key services”
- in South Oxfordshire, where Capita has taken over benefits payments, a report by the District Council said their senior officials’ lack of relevant experience resulted in wrong payments, inaccurate records, and average processing times at more than twice the 20.5 day target, leading to increased demands on Didcot Citizens’ Advice Bureau and, in some cases, rent arrears and court actions
- in Hart, since Capita took over management of finance, HR, IT and customer contact, key services are no longer provided at the civic offices but from Capita’s various office around the country. The relocation of services means up to 26 council staff face redundancy. There are concerns that the contract will not reduce costs or improve services, and that taking contact services off-site means residents are no longer able to speak to people about their concerns face-to-face
- Breckland’s Local Development Framework has gone over budget in part because of time and resources absorbed by “the negotiation and roll out of the council’s contract with Capita”
- in Vale of White Horse a pensioner received three inaccurate letters about his council tax on one day

Despite these concerns Capita continues to expand its role. Recent successes include:

- a £50m deal with Havant council, voted through in secret session despite opposition from the

council’s own Scrutiny Board and a 900-signature petition calling for public consultation

- a £3.3m contract to become the ICT managed service provider for NHS Hounslow
- discussions with Birmingham City Council over a possible take-over of planning and building control
- the firm is also in line for a £100m contract for processing and payments of NHS dental claims

Capita is also increasing its market share through mergers and acquisitions. The firm has just paid £75m to take over Synetrix, an ICT provider currently working for the London Grid for Learning (which comprises all 33 London local authorities) and the East Midlands Broadband Consortium, a group of eight local authorities. “With the acquisition of Synetrix we will gain a number of key new customers and our enlarged IT services business will benefit from new expertise” said Capita.

But its market dominance has also attracted criticism. A rival education technology firm has submitted complaints to the Office of Fair Trading alleging that Capita has overcharged schools by £75m for IT services over the past ten years – tying schools into their own products by charging them for upgrades before they are fully developed, and bundling together functions to make it harder for new market entrants to develop niche products. Becta, the government agency overseeing school technology take-up, said “we continue to receive reports that the market is not operating in an effective manner”.

Earlier this year Capita bought out rival software firm IBS but was forced to relinquish most of it after the Competition Commission concluded that so much market control would enable it to over-charge.

Shares in Capita wobbled at the end of 2009 after a fall-off in new contracts in the second half of the year. Some City analysts suggested the firm’s growth could be constrained by overall cuts in public spending. But Chief Executive Paul Pindar insisted that new commercial opportunities would be created by the acceleration of IT and “back office” outsourcing. The firm expects to make £323m in pre-tax profit in 2009, increasing to £360m in 2010.

Lincolnshire privatisation averted

UNISON has successfully challenged plans to privatise “back office” services across three district councils in Lincolnshire – South Holland, East Lindsey and Boston.

Private consultancy firm Tribal recommended full outsourcing in August but UNISON branches consulted with staff and worked with the Association for Public Service Excellence to develop a compelling case for keeping services in the public sector. That case has now been accepted by all three councils.

You can read the full story in *InFocus* magazine or at www.unison.org.uk/activists/pages_view.asp?did=10264

Good news for education services

Education and Children’s Services are being taken back in-house by councils in Bradford and Stoke-on-Trent.

Bradford had a ten-year deal with private firm Education Bradford, operated by Serco. The contract expires in 2011 and a board set up to consider future options recommended bringing it back in-house. This has now been approved by the Department for Children, Schools and Families.

Stoke on Trent City Council had contracted out schools and children’s services to Serco in 2007, but has been given the go-ahead to take back control. The Council was reportedly reluctant to tie itself into a long-term contract in a time of tight budgets.

Council tax service back in-house

Southwark Council has terminated a contract with the private firm Liberata to manage its council tax collection due to the firm’s recent poor performance. In 2008/9 Southwark Council had the lowest collection rate of all London boroughs.

The council decided that keeping the service in-house will give officers more control over the service and will enable them to provide a good quality service. However, there are concerns that jobs may remain in Cumbria, where Liberata currently operates.

NHS “back office” outsourcing grows

The Department of Health’s policy to promote shared services and outsourcing is set to expand the role of the private sector within the NHS.

The NHS Shared Business Services (SBS), a joint venture between the NHS and the private firm Steria, has won a further eight new contracts with NHS organisations, bringing the total number of new NHS customers to 17 since April 2009.

The NHS SBS already provides back office services to more than 120 NHS Trusts and aims to increase this further by expanding core services. NHS Trusts like NHS Doncaster and NHS Nottinghamshire County have outsourced back office services such as finance, accounting and payroll services to NHS SBS in a move to gain efficiencies, cut costs and improve the quality of services.

However, a report for UNISON by the Office of Public Management found that, though Shared Business Services has been promoted as a way of reducing back office staff, trusts have found the system so poorly suited to their needs that “no such cost savings have been possible”. In the words of one trust, “we have paid more for the system and we have had to keep the staff in the finance department to make sure we are getting what we want out of the system”.

Even with this extra cost and effort, “the strong consensus among interviews was that quality has deteriorated in the trusts concerned rather than improved”, said the report, available at:

<http://www.unison.org.uk/acrobat/B4360.pdf>

Challenge to hospital privatisation plan

Plans to outsource ancillary services at Birmingham’s largest hospital trust could lead to strike action. The Heart of England NHS Foundation Trust plans to tender cleaning, domestic and portering services.

The move may affect staff across Heartlands, Solihull and Good Hope hospitals. UNISON officer Ray Salmon said, “if privatisation plans go ahead, we will challenge and ballot over action”.

Privatisation Problems

New PFI hospital in need of repairs

A flagship PFI hospital is in need of repairs just four years after it opened.

The University College London Hospital in Euston cost £422m and was opened in 2005. But already the hospital building is a health and safety risk to patients and staff. The glass atrium and glass walkways were not properly installed, making them unsafe.

The hospital was built by a consortium including construction firms Amec and Balfour Beatty. It is being operated and maintained by Health Management, which is being paid £64m a year for up to 40 years by University College London Hospital. The NHS Trust may be left to pick up the costs of refurbishments.

Private health provider suspended

Health services run by Clinicenta, the private health provider and a subsidiary of the Carillion construction firm, have been suspended by NHS London.

Clinicenta was awarded a £144m Independent Sector Treatment Centre contract to provide out-of-hospital services and carry out day surgery in twenty boroughs across North London at the beginning of 2009.

The firm's services were suspended "in the interest of patient safety" following several serious incidents and the death of two patients. NHS London, the strategic health authority, is conducting an investigation. Clinicenta continues to operate other independent sector treatment centres in southern England.

Private walk-in centres "waste money"

Privately run "commuter-clinics" sited near railway stations are seeing as few as 30 patients a day and cost twice as much as other GP surgeries, according to research published by the British Journal of General Practice. It estimated that the price per attendance at the clinics was £33, compared with an estimated £13 for walk-in centres provided by the NHS.

Good Practice

In-house care services win top award

Sheffield's Care4you service, which includes the homecare team and four residential homes, came top in the "innovation and progress" category in the Guardian Public Servant of the Year Awards.

The city council reviewed its support services for older people in 2006 and rejected outsourcing on the grounds that it could "increase the risks to the council for service users experiencing a more inconsistent and unreliable service".

The subsequent transformation of its in-house provision did involve job losses and the use of the private sector for ongoing home support. But union involvement ensured that compulsory redundancies were avoided and staff have benefited from training and career development opportunities. GMB branch secretary John Stevenson said "it hasn't always been easy and there have been some tough negotiations, but we've always managed to find a solution".

Reports

Carers worth more than bankers!

A think-tank report looking at the social value of different professions has concluded that public service workers such as hospital cleaners, child-carers and recycling workers contribute far more to society than bankers, advertisers and tax accountants – despite being paid so much less.

You can read the full report online at <http://www.neweconomics.org/publications/bit-rich>

SEND US YOUR STORIES!!

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

We have a million voices for change *add yours* go to unison.org.uk/million or call 0845 355 0845 Textphone 0800 0 967 968