Calling time on privatisation and outsourcing

The Tory-led government wants to put more public services out to contract. But experience shows that outsourcing public services to private companies or the community and voluntary sector can often have a negative impact on the services themselves and those that provide them.

The current outsourced market for public services already has an annual turnover of £82bn, but this is growing all the time. The UK is currently subject to the biggest increase in outsourcing since the Thatcher years :

* the Health and Social Care Act will break up our NHS and hand it over to private health firms who will take over hospitals and run GP services. Recent reports suggest that around £25bn of NHS services could soon be up for grabs
* Tory councils in Barnet, Suffolk and Bury are trying to outsource all the services they provide to local residents. New laws – like the Community Right to Challenge in the Localism Act – coupled with tough financial conditions build pressure on other councils to do the same
* education is being commercialised – private firms could profit from Academies and “Free Schools” while colleges and universities compete like businesses
* the criminal justice system is being opened up for profit, with private firms taking over prisons, police functions and probation services
* the government is signing more PFI contracts which allow private firms and banks to own and profit from schools, hospitals and vital public infrastructure

**What about the quality?**

We know that those delivering public services who are employed by community and voluntary sector organisations or private companies remain committed to the public service ethos. However, we also know that commercial considerations make this more difficult:

* official data show that profit-making care homes and domiciliary care services are less likely to meet minimum regulatory standards on service quality
* outsourcing hospital cleaning led to job cuts and downward pressure on standards that has contributed to the rise in hospital acquired infections
* the privatisation of school meals provision resulted in kitchens being closed, less use of fresh ingredients and a worsening of nutritional standards

*“Privatisation has taken the care out of our jobs. We just haven’t got time to do those extra things that show we care.”* **– UNISON member working in a PFI hospital**

*“We have a government in place for five years, and it’s a stated coalition policy that we expect public services not to be delivered in-house.”*  **– Francis Maude, Minister for the Cabinet Office**

## A business model that is bad for service users, public service employees and taxpayers

* Despite its growing popularity with government, outsourcing is becoming increasingly unstable, with commissioning authorities outsourcing contracts to community and voluntary sector organisations and private companies, and then imposing severe spending cuts on them. Cuts are then passed on through in the form of savage attacks on staff delivering services
* taxpayers will pay £217 billion in “user charges” for PFI facilities between now and 2033, but direct public ownership would be £3bn a year cheaper
* Privatisers say risk is transferred to the private sector but the opposite is true. Even the experts say it doesn’t work - the Audit Commission found that in the private sector 60%-70% of “strategic partnerships‟ failed.

## What needs to happen?

UNISON is calling on the Government to set up an **independent inquiry** into privatisation and outsourcing – including the companies that provide public services, their employment practices, the quality of services they provide, as well as the profits they make at taxpayers’ expense.

**What you can do**

* talk to your friends, family, co-workers and neighbours about these issues
* raise your concerns with your employer, local media, and political candidates.
* take the campaign to workplace or community meetings – or organise your own – we can help with materials and speakers
* Look at the commissioning and procurement process if a privatisation is going ahead