

Positively Public Briefing

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Campaign News

Foundation Hospitals

The government recently made it clear that it intends to forge ahead with controversial plans to set up Foundation Hospitals which would have the autonomy to borrow money and set wages without even waiting for the Bill to go through Parliament.

UNISON has campaigned vigorously against Foundation Hospitals and Head of Health Karen Jennings said: "We will continue to oppose the establishment of Foundation Hospitals both within Parliament, through the Labour Party and locally."

She added that: "The Bill contains provisions far beyond anything that would be acceptable. It takes away responsibility from the Department for Health and puts it into the hands of an uncontrolled regulator. We will be seeking changes to the Bill over the next six months running up to the Labour Party Conference."

For information on Foundation Hospitals visit:
<http://www.unison.org.uk/positivelypublic/issues.asp>

Housing Stock Transfers – Update

The Office of the Deputy Prime Minister announced that 25 councils have expressed an interest in the 2003/4 housing stock transfer programme. However, the transfer programme has suffered a number of set-backs. In March, Stockport Council tenants rejected transfer and Nuneaton & Bedworth Council suffered a similar defeat in May, this follows major defeats last year by tenants in urban areas such as Birmingham and Southwark in London.

UNISON is strongly opposed to stock transfers and believes that stock transfers are damaging to tenants, local authorities, services and trade union organisation. UNISON continues to campaign for a level playing field to allow local authorities to directly invest in housing, without homes being sold.

For more information on UNISON's campaign against the privatisation of council housing visit:
<http://www.unison.org.uk/handsoffhousing/>

Privatisation News

Watchdog warns public service reforms could fail

The Audit Commission has warned that government plans for improving public services could fail as ministers invest money into new devolved organisations such as Foundation Hospitals which might not be able to cope.

The watchdog warned that the government's experiment with new structures for delivering services such as healthcare and housing could "end in tears".

James Strachan, Chair of the Audit Commission, spoke against the government's plans to establish new structures and singled out foundation hospitals, GP-led primary care trusts, new regional housing boards and public-private partnerships which might not be able to cope with the government's new investment. He warned that: "there was a real risk that the government's frustration with the pace of reform in public services was leading it to move from command and control and a battery of targets to pouring billions of pounds of public assets and funds into highly nascent structures."

Revenue's PPP contract will be funded with taxpayers' money

The Inland Revenue is to sign a PPP deal, called Aspire, valued at between £3bn and £4bn over 10 years and will become the largest public private partnership I.T. deal ever established. The contract will run the nation's tax and National Insurance I.T. systems for 18 years and will be funded using mostly public money, marking a significant departure from the government's preferred route of using private finance. The aim of the 'Project Aspire' is to provide the Revenue with a new and sophisticated computer system and develop software for 73,000 desktop machines in the next 10 years.

The successful bidder who wins the Revenue contract, due to be awarded in December 2003, will acquire ownership of the department's assets, including hardware, networks and intellectual property rights in more than 100 major software applications. The Inland Revenue will also transfer ownership of its legacy systems to the supplier and pay a fee to buy services back for the government. However, in a marked departure from other PPPs, the project will not require as large a capital outlay from the bidders and will release funds to cover some costs up front with further payments being made on a performance basis.

In the running to win the contract are EDS, which has teamed up with management consultant Accenture, Fusion, a consortium headed by Syntegra, BT's I.T. arm and I.T. services company Cap Gemini Ernst & Young.

The controversial PPP project has been criticised for being uncompetitive due to plans by the government to pay private companies £9m in bidding costs if they bid against EDS and Accenture for Aspire.

The PPP project which has been called a 'stitch-up' and a 'sham' is set to face one problem involving a controversial project called NIRS2, a computer system used for calculating national insurance. This project was developed by Anderson Consulting, later renamed Accenture and was beset with problems - the £100m project was 17 months late and in 1999 was heavily criticised by the Commons Public Accounts Committee. If a new company is brought in to run the Revenue's computers, this will result in terminating the NIRS2 project with Accenture, at a cost of nearly £13m.

PFI to fund street-lighting

The government's use of PFI to fund public services is set to increase, following the announcement of a new annual round of funding which will enable local authorities to access government support for street-lighting PPPs. The government has pledged to fund street-lighting with PFI credits worth £300m a year, with an increase of funding in subsequent years.

Meanwhile, the existing round of projects in procurement moved forward:

- Wakefield City Council – appointed a joint venture of Laing and Amey on a £25m project to provide new or refurbished street-lighting for 25 years
- Stoke-on-Trent – is set to sign a contract to

maintain street lights for the next 25 years.
The project has a capital value of £45m.

Benefits Records to be privatised

The Department of Works and Pensions (DWP) is to bring in private constructors to manage its benefits records. Teeside MP Frank Cook has laid down an early day motion protesting at plans to privatise such sensitive and personal data. Some DWP information is already stored by private firms who make the department pay a fee every time they want to access files, claims Mr Cook. This also leads to delays in the time it takes to retrieve information, when the local records office in Teeside can get the information within 24 hours.

Housing PFIs

The London Borough of Islington has signed a £74m PFI deal with a consortium of United House, HBOS and Hyde Housing Association. This makes the council the second local authority in the country to sign a PFI contract for refurbishing social housing stock.

Under the deal, the consortium will manage and refurbish 1,000 street properties covering 2,400 homes.

Manchester City Council signed a £60m deal in March. Other schemes still being negotiated with bidders include: North East Derbyshire, Reading, Leeds, Sandwell, Newham and Camden.

Currently, there are 18 housing PFI projects in procurement.

Privatisation Problems

PFI Contractor goes bust!

Melville Dundas, one of Scotland's PFI contractors, has gone into receivership. The PFI contractor is currently involved in a £6m project to build a new football academy for Hearts Football Club but the project will now be delayed. Building works on the

project at Heriot Watt University was due to be completed by October this year, but financial problems at Melville Dundas means work has now stopped. The collapse of Melville Dundas leaves hundreds of jobs at risk and dozens of smaller companies that sub-contract for the firm in limbo.

Melville Dundas is involved in 5 other PFI projects worth £54m of which 3 are signed and of these only one is in operation which is the deal with James Watt College of Higher and Further Education in Scotland. All the contracts involve the design, build, funding and operation of public facilities such as schools and health facilities.

The collapse of Melville Dundas has led to a schools PFI scheme in Bolton, called the Castle Hill Community Centre PFI project, being halted just one month before it was due to open! Building workers at the £10m site were locked out after the company had gone into receivership.

PFI Hospital Blackout

A £67m PFI hospital, Bishop Auckland General, suffered a power failure which left nurses fighting to keep two critically ill patients alive by manually ventilating life support machines.

The 347-bed PFI hospital which opened in June last year suffered the blackout when the switch that should have automatically reconnected the mains supply to the hospital failed to work, leaving the hospital without power for approximately 20 minutes.

Nurses had to immediately respond to patients while engineers battled to restore the electricity.

An investigation is now underway to discover what went wrong. The Chief Executive of County Durham and Darlington Acute Hospitals NHS Trust, John Saxby, said: "As with any hospital, we have plans in place to deal with situations like this

and our emergency procedures were successfully implemented. Our staff responded immediately and no patient suffered as a result of the power failure.”

Bishop Auckland MP, Mr Derek Foster, expressed concern at the incident: “I will be making immediate arrangements to speak to the chief executive and call for a full explanation.” MP for Durham North Kevan Jones also expressed concern: “This is obviously very concerning for patients, the trust needs to sort it out.”

Capita staff face redundancies

Capita, housing benefit contractor for Westminster Council, London, is to relocate to a call centre in Blackburn. The move will affect 50 staff who were outsourced to Capita Business Services in 1998. The Conservative-controlled council claims that the 230-mile relocation of the 50-person division has been forced upon it by ‘structural’, recruitment and retention problems in London.

UNISON has criticised the decision by claiming that Capita has chosen the cheap and cheerful option of relocating jobs to Blackburn, where the company already has offices and where staff are paid around £3,000 less.

Rahul Patel, UNISON Branch Secretary at Westminster said: “Capita knows only too well that staff in London will not want to transfer to Blackburn, so it is effectively making them redundant and saving the relocation costs.”

The company claims that the move from London to Blackburn will improve housing benefit services, giving it the opportunity to fill troublesome vacant posts which have slowed benefit payments.

Two years ago the London Borough of Lambeth which had outsourced their housing benefit services to Capita returned their benefit

administration to in-house teams after complaints were made about delays in processing new benefit claims.

Swindon PFI Hospital – Bed crisis

The Great Western Hospital in Swindon has been granted planning permission for a new temporary mobile ward after running out of bed space. This failure is not confined to the Great Western Hospital. A recent UNISON report, *PFI Experience – Voices from the Frontline*, based on interviews with hospitals staff, showed a beds “crisis” in nine PFI hospitals, where nursing staff were being put under pressure to discharge patients more quickly.

Several hospitals which have opened since 2000 are planning to add extensions or use portable buildings to bridge the gap according to the report.

You can download a copy of the report from the UNISON website (stock no. 2187):

www.unison.org.uk/acrobat/13383.pdf

Good Practice

Public LEAs best performers

Analysis of Department for Education and Skills (DfES) statistics shows that Local Education Authorities (LEAs) that have been privatised have performed less well than their public counterparts. The report found that of the nine authorities that had been privatised, five were rated poor, three unsatisfactory and just one – where public ownership was retained alongside with limited management consultancy, as satisfactory.

Source: *Times Educational Supplement* – 4th April 2003

Public Servants of the Year Award 2003

The Public Servants of the Year Awards 2003 took place this month. The awards recognise the achievements of individuals working across the whole of the public services.

This year congratulations goes to all thirteen public servant finalists, including six UNISON members, three of whom were winners. The award categories include: outstanding public servant of the year; local and central government; uniformed services; housing; education; and turn-around manager. The three UNISON winners are:

- **Health** – Robert Barker, Principal Medical Technical Officer, North West Belfast H&SS Trust – for his commitment to patients and to his hospital. Robert has unique skills in creating medical appliances for people with disabilities.
- **Working Together – The Award for Progress through Partnership** – Sandra Lawton, Nurse Consultant, Dermatology, University Hospital NHS Trust – for her determination to provide dermatology patients in her region with wider and faster access to hospital consultants able to treat their conditions.
- **Making a Difference to People** - Carole Wolstenholme, Special Needs Co-ordinator, Lancashire County Council – for her enthusiasm and commitment in helping to launch a learning project that benefits hundreds of children across the country as well as setting up 15 multi-media resource centres specifically for people with special needs.

The full list of winners can be found on the website: www.publicservants.org.uk.

54 Councils earn good practice awards

A number of local authorities were named as winners of beacon status in the Government's latest round of awards.

54 councils were awarded for their achievement in ten different service areas including transport, social inclusion and education. The beacon scheme is designed to spread examples of good practice in local government and ministers have set aside £5m to enable councils to do this.

Internet Link of the Month

<http://www.fabian-society.org.uk>

This month's site is the Fabian Society which is the only membership based left of centre think tank. The Fabian Society explores ideas and policy reforms and provides a forum for public debate through its publications, seminars and conferences.

The Society's website provides a useful news section which examines current public service reforms. There is also the Fabian Society online arena for political and public policy debate which provides short papers analysing key challenges facing the UK and press pages aimed primarily at journalists.

You can also sign up to receive the Society's email bulletin providing advance notice of conferences, lectures, publications, online articles and debate.

For further information on privatisation and campaigning against it go to www.unison.org.uk/positivelypublic

The Positively Public Campaign Unit can be contacted on Tel: 0207 551 1759

If you would like to receive a copy of this briefing by email contact s.jones@unison.co.uk