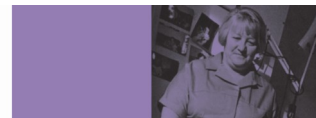


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A briefing on UNISON Scotland's public services campaign
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Canada's Bloodbath

Canada's deficit reduction miracle is the new blue print for the ConDems cuts agenda. The Canadian miracle though does not hold up to close inspection unless you think its fair to create hospital waiting lists, push people into poverty and raise the costs of higher education in order to afford tax cuts for the wealthy.



In a similar way to the current media hype about the deficit in the UK the Canadian Right created deficit hysteria in the 90s. Conrad Black's National Post newspaper led the way with page after page about the need for tax cuts. The same Conrad Black was convicted in Illinois in 2007 and sentenced to serve 78 months in federal prison for fraud and obstructing justice.

Canada did cut its budget deficit from 66% of GDP in 1993 to a surplus in 1998. The cuts were driven not by sound economics by a desire cut taxes. In the four years up to 1999 tax revenue dropped by \$50billion a year. Canada was not the only country to reduce its budget deficit in the 1990s. In the US, Australia, Finland, Belgium Denmark Holland, New Zealand and Sweden the deficit was cut by raising taxes.

While the media talks of successful deficit reduction the cuts in Canada had massive social costs. Canada now has one of the least generous unemployment schemes in the OECD with less than half of unemployed workers qualifying for benefits. Budget transfers to

Tax Cuts

- **Employees on \$10,000 dollars got \$2.24 back in tax cuts per week**
- **Employees on \$50,000 got \$18.88 per week**
- **anyone with an income of \$1,000,000 got \$372.43**

provinces were cut by almost 2% this led to cuts in the social programmes run by the provincial governments including the social and welfare assistance given to those people who have exhausted their entitlement to unemployment

benefits. Of whom there were many more because of restrictions on the schemes and increased unemployment caused by the cuts..

The promised national childcare and early learning programme was cut before it was even implemented. At least 265 000 public service jobs were lost in Canada. Waiting lists for non emergency treatment grew As is already being discussed here, tuition fees for higher education increased at an average annual inflation rate of 9.6%. In Alberta education spending was cut by 12.4% and healthcare by 18% and social services by 19.3%.

The cuts also had a lasting economic impact, so despite the Canadian economy growing in the late 1990s unemployment remained high: 8.7% in 2000 and average hourly and weekly wages stood still. The income gap between rich and poor grew faster than most of the other 30 developed nations when previously it had been average.

The reward for this pain was tax cuts. These though benefit the rich substantially more than everyone else while cuts in services hit those on low incomes. A tax cut of \$20 a week hardly compensates for a 10% increase in the cost of sending your child to University.

It is therefore no surprise that the ConDems are so keen on the Canadian model. Rich bankers created the mess and the poor will pay the very high price of cleaning it up.

NHS Ranked No 1 for Efficiency

The NHS has been ranked number one for efficiency and number two overall by the **Commonwealth Fund**. Despite the CBI and others complaining that all the money recently invested in the NHS has not led to improvements a publically funded free at the point of use services is most cost efficient way to provide healthcare.

The report which updates three earlier editions looks at seven industrialised nations and compares performance across five areas: quality, efficiency, access to care, equity and healthy lives. The overall ranking is:

1. Netherlands
2. United Kingdom
3. Australia
4. Germany
5. New Zealand
6. Canada
7. United States

How much does it cost?

The Improvement Service has published the evaluation of the Cost Architecture Model. The model was supposed to help councils understand better how much it really costs to provide a service. South Lanarkshire tested the Cost Architecture Model within Registration Services and East Renfrewshire within Licensing and Trade Waste. The model uses Activity Based Costing (ABC) which helps identify:

- How resources are being used to identify waste and inefficiencies
- The potential for services to improve their current cost base
- Where to focus quality improvement efforts

The pilot aimed to look at how easy it was to use the cost calculator and the usefulness of the data produced. It also looked at how useful the user guides and support material were and the effectiveness of the model itself in identifying waste and inefficiency.

The evaluation concludes that the Cost Architecture Model has been useful in enabling councils to:

Break down service costs

Provide useful baseline data and

Helped identify ways to reduce waste and improve efficiency.

But the design of the model could be simplified and that support and guidance could be improved to make the tool more user friendly.

The full report can be downloaded from

<http://www.improvementservice.org.uk/news-features/news/evaluation-of->

PUBLIC WORKS:

The UK's top rank on efficiency is based on comparing total health spending as a percentage of GDP and spending on health administration and insurance. It is no surprise that the USA compares poorly with other countries on "access to care" and "quality of care whatever the background or income of the patient". It is also the most costly system in the world.

The report can be downloaded from:

<http://www.commonwealthfund.org/Content/Publications/Fund-Reports/2010/Jun/Mirror-Mirror-Update.aspx>



Shared Services

English Councils

Two councils in Essex, Harlow and Uttlesford, are carrying out a feasibility study into shared council tax, benefits and business rates collection as part of plans to save money.

Lambeth is considering "cooperative" council model. The recently published plan offer a council tax rebate to residents who help run local services. A commission will consult residents on proposals and attempt to identify services in which a pilot could take place. This would allow residents to take over the running of a service, for example a local park. Those involved could qualify for an Active Citizens' Dividend (money off their council tax).

Glasgow Community Health and Care Partnership

While many consultants continue to demand increased sharing of services to save money in the public sector the very real barriers continue to create problems. The so-called "row" between Glasgow City Council and Greater Glasgow and Clyde Health Board over their Community Care and Health Partnership demonstrates how difficult it is to get two organisations with very different ways of working to concede control over resources.

Police IT Over Budget

Yet another expensive efficiency project fails to live up to the hype. The IT project to create a common performance management system run by the Association of Chief Police Officers in Scotland should have been up and running last year and generating savings of £30m by this year. The system has cost £4million but is a year behind schedule and £1.3m over budget. Yet again inflated savings promises have blinded management to the realities of projects.

Show Me The Money

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The CBI have published their manifesto for next year's elections to the Scottish Parliament. While it is officially titled: Energising the Scottish Economy its title could easily be Give Us All Your Money. Not content with the public sector bailing out the banks they want even more public money to go into the pockets of their members. The manifesto is full of the same old dogma. outsource more, sell off Scottish Water, Highlands and Islands Airport Authority and Forest Enterprise and spend on things where the money goes to their members like roads. And of course cut back spending where it doesn't.

They want the public sector to reduce employment costs because this sets the standard for the wages they have to pay in the private sector. This is about them pushing down the wages they pay to their staff. That's why they are so keen to attack public sector pensions. They also want an end to a policy of no compulsory redundancies which doesn't actually exist. Despite higher unemployment leading to less people able to buy the goods and services that they provide and creating higher numbers of benefit claimants combining with less tax



payers to fund services. This is not just bad economics it is a campaign to blame the public sector for an economic crisis created by the private sector.

The call for speedier moves towards more shared services is of course because this creates millions for private companies. Shared services require massive upfront investment for as yet unproven savings predictions.

The agenda is clearly stated: a move to public bodies being commissioners of services which are provided by private companies. Competition will be "a key driver of quality and value for money".

Not sure what the evidence is for that: hospital cleaning contracts? This is not the route to fairer more efficient services. They are also calling for a change in the planning system to introduce a presumption in favour of development. Business cannot be allowed to trample over local communities in the quest for profit.

They want to "sharpen procurement practice" and rather interestingly state that "Procurement should not be driven by dogma". We wholeheartedly agree with this since it is the dogma that private is best which has led to millions being wasted on private consultants and outsourcing. Outsourcing has led to a worsening of services and a reduction in the terms and conditions of already low paid workers.

The CBI is calling for the privatisation of Scottish Water. As water becomes scarcer and scarcer across the world our abundant rain makes it a prime target for those who want to make a profit out of this essential resource. The private sector has created an economic crisis and must not be allowed to use this to gain control over something as essential to our lives as water. UNISON will continue to campaign against these plans and for our vision of public services which are efficient and effective and play a vital role in creating a fairer society.

UK framework for local government IT platform

Two authorities and thirty-three other major councils across Britain have put their names to a framework contract for IT services. **This includes two Scottish Councils: Clackmannanshire and South Ayrshire.**

Work on shared services is now extending beyond sharing within Scotland. Northamptonshire and Cambridgeshire have been unsuccessfully attempting to set up a wide-ranging shared services centre (the LGSS – "Local Government Shared

Services" project) to provide services to councils across the country. They appear to be trying to extend their existing joint-IT platform, which is provided by Fujitsu, into a national system. The project may extend well beyond IT departments usually **HR, Procurement, Finance, Legal and Revenues and Benefits** are key targets for savings via IT projects of this kind.

The contract itself was issued by Northamptonshire on behalf of itself

and Cambridgeshire. It is a 4 year "framework" contract worth £60 million whereby the other 33 other councils may 'opt-in' to it within the first 4 years without having to go through the EU procurement processes again.

If branches believe their employer is planning to join in this project then contact they should pass any details onto their Regional Organiser.

Future Planning Committee

The Finance Committee at the Scottish Parliament has produced its report into the efficient delivery of public services. The remit of the committee was to look at what should be happening now to ensure the “efficient delivery of public services within a period of tightening public expenditure”. A range of organisations including UNISON submitted evidence to the report

(<http://www.unison-scotland.org.uk/response/budgetresponse20march202010%5B1%5D.pdf>).

Many of the usual suspects continued with the UK government line that we can no longer afford extensive public services. The received wisdom is that we have to accept the cuts, that there is no alternative. While we will continue to argue that the current deficit hysteria should be dismissed and that we can cut back on the deficit at the right time by raising taxes rather than cutting services we also have to be organised to deal with the planned cuts.



Key issues raised in evidence were

- Protecting spending from cuts
- The future of universal benefits/services
- Public sector pay and employment
- Human Rights and Equal Opportunities

Unsurprisingly CBI Scotland and the Scottish Chambers of Commerce made the usual arguments for increased privatisation of services. Interestingly a new line is also being pushed that public services

have not improved much despite all the extra money spent. Clearly they have forgotten that people used to die waiting on trolleys in emergency department corridors and wait for years for surgery before the increases in spending seen since 1997. CBI also took the opportunity to call for cuts in public sector pensions.

The committee is calling for :

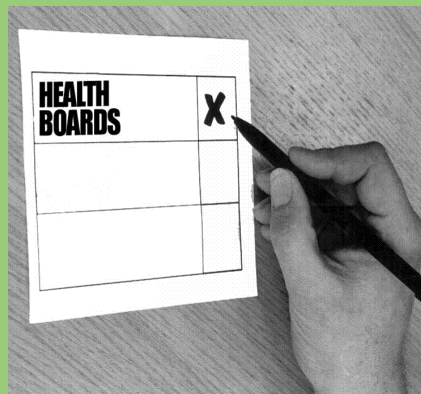
- “decision makers” in all public bodies to show greater leadership by discussing the impact of proposed cuts more openly and realistically. .
- detailed information more quickly from the government on what its plans are in order to help those bodies prepare to implement the plans that will affect them.

The report can be downloaded from <http://www.scottish.parliament.uk/s3/committees/finance/reports-10/fir10-04-voll.htm#2>

First Directly Elected Health Boards Now in Place

The first stage of the direct elections to health boards pilot has now taken place and the two pilot boards now have 22 directly elected members. UNISON was pleased to see so many people standing for election to boards. Seventy people stood for ten places in Dumfries and Galloway and sixty for the twelve places in Fife. This shows that people really do care about the NHS and want to be involved in the decision making process.

Dave Watson, said: “UNISON campaigned hard for direct elections. We believe this will create a culture change on health boards of more openness and consultation.



“We are pleased so many people chose to stand in these pilot elections and that many thousands of people have voted, demonstrating a real appetite for involvement.”

Organisations like the BMA, who have consistently opposed direct elections, complained about low turnout but there was little publicity for the elections and the media were and are still highly focused on the general election.

The pilot will continue to run to allow evaluation of the impact of these new members on health board decision making.

UNISON hopes that the pilots will prove to be successful and that voters across Scotland will then be given the chance to elect members to their local NHS boards.

If you face particular challenges from issues highlighted in Revitalise, or if you have good examples of public services succeeding by following the *Revitalise* principles, please contact Kay Sillars in the P&I team. 0845 355 0845. k.sillars@unison.co.uk