

# revitalize



A briefing on UNISON Scotland's public services campaign  
No 10 Autumn/Winter 2009

## Public Works

UNISON Scotland launched its 'Public Works' campaign with the message that public service cuts will increase costs for ordinary families and delay economic recovery. Branches and members need to play their part in getting this vital message over.

A leaflet demonstrating the importance of public services to everyone's lives and pointing to the huge costs that would fall on people if public services were not available can be downloaded from the Scottish website:

<http://www.unison-scotland.org.uk/publicworks/index.html>

Matt Smith - UNISON's Scottish Secretary, said " 'A day in the life...' follows

an average woman through her day and points out our dependence on public services - from water and sewerage, through environmental health and refuse collection, to education and health care.

"It points out that all of us rely on public services, not just the most vulnerable."

Our public services are the most efficient way to deliver the things we need. Millions use our public services every day and we all get enormous value for what we pay. Our present public services arose out of previous market failures. They are not just a safety net, they hold our society together and make our daily lives healthier, safer,

cleaner, more secure and more fun. You don't need to use too much imagination to see this. There are plenty of people round the world who don't have the benefit of our public services. They suffer without the things we take for granted. That is why we say:

### Public Works.

Public delivery provides value for money through economies of scale, by stopping shareholders taking profits out of the pot, and provides democratic control allowing us a clear say in how the services are run and delivered.

Taxes provide excellent value for money if you compare the taxes people pay with the actual costs of the benefits/services

they use. The 2020 Public Services trust have published new research and their report shows clearly that taxes paid by most households are lower than the value of the services and benefits they receive. (The Fiscal Landscape: understanding contributions and benefit: from <http://www.2020publicservicestrust.org/publications/>)

The push for tax cuts comes from a minority of wealthy tax payers. Even the those who pay more in taxes than they use in services benefit from living in a safe and democratic society. Research shows that reductions in inequality also benefit the wealthy. Even they live longer healthier lives in more equal societies.

### PUBLIC WORKS:

### A day in the life...



Our public services are the most efficient way to deliver the things we need. You use public services every day and you get enormous value for what you pay. Here's how...

<p><b>7am</b> You make coffee with the safe drinking water provided and insured for safety by Scottish Water. You have a shower and take the toilet that flushes into the public sewerage system safe in the knowledge that it's not flowing down the street spreading cholera and other diseases.</p>	<p><b>8:30am</b> While your children go to their publicly funded school, you'll have them in the car for school staff.</p>
<p>The electricity and gas that you use may have been provided by the private sector but Ofgem regulates the market and a range of health and safety laws protect you from being electrocuted or blown up.</p>	<p>Rules are in place for safety and to ensure that what the public learn is appropriate and useful. Teachers follow guidelines which protect your child from being taught nonsense, and they must have a government sanctioned qualification.</p>
<p><b>Water for life:</b> publicly owned and regulated</p>	<p><b>Teaching and caring:</b> supports, nurtures your children</p>
<p><b>Morning at work:</b> You are protected by a range of laws governing your health and safety, the hours you can be forced to work and your right to be paid a minimum wage. You are protected from discrimination and bullying and violence particularly on the grounds of race, gender, age and sexual orientation.</p>	<p><b>I am:</b> While you work, the public sector refuse collectors take away your domestic rubbish and recycling. This protects you and your family from vermin and disease. Recycling helps reduce greenhouse gas emissions.</p>
<p><b>1pm Lunch break:</b> You have a sandwich, soup and a drink. They're safe to eat as environmental health officers ensure that shops prepare and store the food in a hygienic manner. Legislation covers the farmers and the companies which process ingredients of your food to ensure your safety.</p>	<p><b>Environmental health:</b> making sure your food is safe to eat.</p>
<p><b>a million voices for change</b></p>	



### Let's see what you could afford if you had to buy from the private sector.

**Education :** the average fee is £8,247 in Scotland per year . This would be higher if there was only private education available. Teacher training, school inspectors and the exams system are all currently paid for by the public sector.

**Health care – medical insurance** In the USA an average family health policy costs \$11,000 This would not even begin to provide the full range of services that the NHS does. Research published this year shows that 62% of all bankruptcies in the USA were medical-related. Most medical debtors were well educated, owned homes and had middle class occupations. Three quarters of them had health insurance.

**– medical procedures .** The average cost of angioplasty in the US is now \$57,000. Now many American's travel to save money. In Costa Rica you will pay around \$13,000, in India it's around £8,250.

**Security patrols** Average cost of manned guard services for one year is £80,000. You can save money by going for remote monitoring at £10,000 per year.

**Refuse collection** Small pick up charge for domestic waste is £45 per pick up, so it would cost around £2,340 per year at least to get your rubbish taken away. Let's hope your neighbours are willing to pay the same, so that they don't just dump it in the street to attract vermin and disease.

## Who are the Tax Payers Alliance?

The so-called Tax Payers Alliance has been running an extremely successful campaign attacking public services. They are all over the media touting their right-wing message that public services are poorly run and the staff cosseted and overpaid with featherbedded pensions. They masquerade as the voice of ordinary tax-payers looking for value for money but are in fact campaigning for tax cuts and increased privatisation. At the Tory party conference they were giving out bags declaring "I love low taxes" The Guardian recently ran the results of their investigation.



worth £100 000 for the Alliance's Head and 14 staff to work from. (The UNISON Scotland team of three full-time information development officers share one open plan office space.) No board member could be described as an ordinary tax payer. Members include Ruth Lea, former Chief Economist at Lehman Brothers, Mike Denham former treasury economist under Thatcher and Saul Hayden Rowe partner at financial firm Devon Capital LLP.

This pressure group has become very powerful in the six years since it was formed. The Guardian states that the Daily Mail has quoted the group 517 times in the last year, the Sun 307 and the Guardian 29. They now have an income of £1million. Their targets for cuts include the end of universal child benefit, scrapping sure-start centres and ending the secondary schools' building programme. Their members' children clearly don't attend state schools.

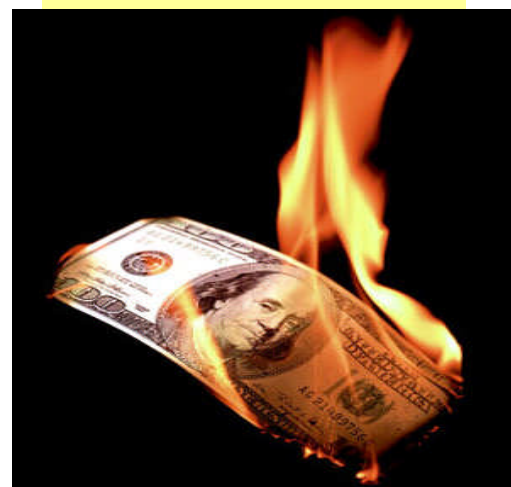
The group does not publish details of its donors but the Guardian investigation revealed that 60% of its money comes in donations of over £5000. David Alberto co-owner of Avanta has donated a suite of offices in Westminster

Despite claims to be independent many supporters are also key donors to the Conservatives like Malcolm McAlpine and Sir Anthony Bamford. While Sir Malcolm is obviously concerned about high taxes he is happy to take the public money. His firm is building the stadium for the London Olympics. Labour MP Jon Cruddas is quoted in the Guardian as saying "This is an arms length Tory front operation run by powerful big business interests who want to remove themselves from paying tax by poisoning the well of public debate around the issue" <http://www.guardian.co.uk/politics/2009/oct/09/taxpayers-alliance-conservative-pressure-group> for full article

## Money to Burn

**Secure Healthcare**, a not-for-profit group set up to provide NHS care for prisoners has gone bust leaving the NHS to fill the gap.

The group which had a contract worth £5million with Wandsworth prison had debts of over £1million. The NHS has stepped in to deliver the services and save the jobs of the 70 staff. The collapse raises concerns as, with much outsourcing, the public sector is left to pick up the pieces when the outsourcing goes wrong. It's the users and staff who suffer as a consequence of these failures.



The group was set up with £500,000 from the Department of Health social enterprise pathfinder scheme. Despite the £5million contract with the prison was the group was unable to survive. Problems seem to be related to its inability to recruit staff leading to high overtime and agency costs. This combined with the credit crunch and a delay in income from new business led to its demise in September.

Wandsworth Primary Care Trust could have made good use of that money when providing the service in-house. As it is they now have to pick up the pieces from within their own budget. This is the real waste of money in the public sector.

**Costs and Savings Pilot**  
Three councils are piloting a toolkit which aims to improve understanding of costs and better identify opportunities for savings. East Renfrewshire, South Lanarkshire and Fife councils are using a Cost Architecture Model. Each council has

identified a project to use the model to provide the evidence for their costs and predicted savings plans.

**Revenue and Benefits information**  
Inverclyde, North Ayrshire and South Ayr-



shire have entered into an agreement with Northgate Public Services to improve the revenue and benefits information systems.



# Tories and the Public Sector

Tory party conference revealed more details of their plans for the public sector should they return to power next year. They are of course following the lines set by the Tax Payers Alliance and their pro privatisation friends. The Institute of Directors has now published their ideas for public sector reform which are unsurprisingly similar to those promoted by Reform (see Revitalise summer09). David Davis former shadow Home Secretary launched their report calling for massive cuts in the public sector. The report (a joint publication with the Tax Payers Alliance) How to Save £50 billion can be downloaded from [http://www.iod.com/intershoproot/eCS/Store/en/pdfs/policy\\_paper\\_save\\_50\\_billion.pdf](http://www.iod.com/intershoproot/eCS/Store/en/pdfs/policy_paper_save_50_billion.pdf)

The details included:

- a freeze in pay for all public sector workers (except for armed forces in combat zones)
- abolishing child benefit
- reducing the size of the civil service by 10%
- reducing the number of non-frontline NHS and school staff by 10%.
- A one year freeze on grants to Wales Scotland and Northern Ireland
- A one year freeze on the basic state pension
- Abolish free TV licences and interest subsidy on student loans.



The Tories are already in power in some councils across England and so give a clear view of what's to come. Barnet Council is experimenting with "no frills" public services. They plan to offer a basic service to everyone and then offer "faster more comprehensive" options for those who are willing (or able) to pay.

The *progressive conservative* think tank DEMOS has published a pamphlet called *Getting More for Less*. The paper claims to offer improved efficiency in the face of cuts in public spending. The paper suggests three types of reform: personal budgets, prevention and collaboration. The paper also looks at ways of measuring efficiency and savings. The paper can be downloaded from: <http://www.demos.co.uk/publications/getting-more-for-less>.

## Shared Services: no quick fix

### USA

The City of Reno and Washoe County in Nevada agreed to merge purchasing operations, HR and eventually IT. The shared services committee has asked for \$250 000 for a consultant to undertake an eight month programme of planning. There will be no quick savings in Nevada.

Meanwhile others are walking away from their plans. In New Jersey Roselle Park council has ended its shared services agreements with Rossell. The Mayor stated that the agreement had become "riddled with issues we could not have anticipated". Again shared service plans didn't live up to their billing

### Fire and Rescue

Central Scotland Fire and Rescue are moving towards pooled purchasing of equipment. Central Scotland Fire and Rescue Service are have joined with Tayside and Fife to explore future ways of linking the services. They will explore ways of sharing equipment and hope that bulk purchasing can lead to savings. Councillors have emphasised that any moves must stop short of creating a single fire service.

**The Clyde Valley Review**, known as Arbutnott is now complete for further information see P and I briefing 217 on the UNISON Scotland Website

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## Hub Scotland

The Hub Scotland website is now live and has some limited information on how the initiative will work. The site states that they want to develop a new model to increase efficiency.

This is a similar model to the PFI scheme Local Improvement Finance Trust (LIFT) currently being used in health and schools in England. A UNISON report on LIFT is available from <http://www.unison.org.uk/acrobat/13620.pdf>.

The Scottish Government initiative involves the formation of a "hub co" which is a joint venture between the public and private sector to deal with the "investment needs of the locality". The two pilot regions are the North and South East. These focus on joint projects between local government and health but the aim is to include libraries, primary education and police and fire.

It is claimed that as well physical building works the Hub Initiative will also cover estate management, service planning, property development and regeneration activities.

See <http://www.hubscotland.org.uk/> for more but not much detail.

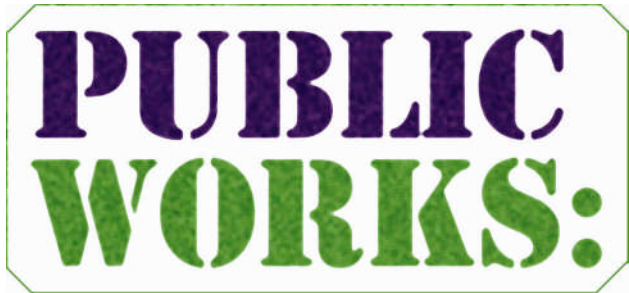
# Southwest One

**SouthWest One**, the company set up to deliver finance and IT support to the police, Somerset County council and Taunton Deane council, is in trouble. The company largely owned by IBM has declared a pre-tax loss of £2.5million and the Chief Executive has retired early.

**SouthWest One** was set up in 2007 and has a ten year contract worth £585million. The original boast was that this would save £200million for the public purse. The reason given for the current losses are “complexity of combining the processes and systems of four clients at the same time”. The initial loss will be IBM’s but it is not clear that this will be the case with further losses.

**SouthWest One** is so far not commenting. This is one of the key criticisms of this type of project: the secrecy with which these companies operate. They do not operate openly and are not subject to Freedom of Information legislation, unlike councils. So-

called commercial confidentiality is not acceptable when public money is being spent, otherwise there can be no democratic accountability. The public must be able to scrutinise public spending at this level.



The Scottish Councils looking at the Arbuthnott Report need to look closely at the lessons to be learned from this project before they embark on any new programme.

A vociferous critic of the company is the local Tory MP Ian Liddell-Grainger. His blog <http://www.liddellgrainger.org.uk> gives extensive coverage to the problems with this joint venture. He believes that there will be

further losses. The council is now going to appoint an independent reviewer to examine the project. Mr Liddell-Grainger has long insisted that the previous Liberal Democrat administration set up **SouthWest One** improperly. This has led to heated exchanges in the area and a Lib Dem councillor being disqualified for two years.

Meanwhile **SouthWest One** continues planning to expand their empire. They are particularly interested in working with other police forces. The Chief Constable, Colin Port, who sits on **SouthWest One’s** board and the IBM Global Business Services Executive, Simon Humberstone addressed the Home Affairs Select Committee on police services strength recently. There they claimed that they would save £35million over the next ten years. The evidence seems to indicate that savings are far away. (See Revitalise 4 for more on Southwest one <http://www.unison-scotland.org.uk/revitalise/>)

## What's the \*\*\*\*\* Council Ever Done for Me?

**The Association for Public Service Excellence (APSE)** have produced a great booklet outlining the often unseen work of local government. There are plenty of examples of the different ways that local government workers support people to improve their lives. It's available from <http://www.apse.org.uk/pdfs/pamphlet.pdf>

APSE have also done research into the economic footprint of local government and how its boosts the local economy. The report quantifies the benefits of the public sector to the wider economy in terms of both procurement and employment spend using Swindon as an example.

**Key findings:**  
For every pound invested in the Street Screen services area in Swindon 64p is reinvested in the local economy.

Employees who live in the area re-spend 52.5p in every pound in the local economy.

32.4% of the Street Scene services area's expenditure upon suppliers goes to local companies and organisations.

When national organisations within a local branch are factored in this figure rises to 51.3p



Local suppliers re-spend 30.8p in every pound in the local economy. The report: *Creating resilient economies: exploring the economic footprint of public services* is also available from APSE.