



What privatisation really NHS' UNDER THE

The MYTHS OF PRIVATISATION

'Private contractors give a cheaper service.'

The Tory government is not insisting on privatisation in order to save money. Even they estimate that the total possible saving on the current round of privatisation of cleaning, catering and laundry services is only £20m out of an £800m bill — a measly 2½%. In exchange for this 'saving', the government itself will be forced to meet increased unemployment, social security and redundancy claims by the NHS staff displaced by the contractors (who only reckon to offer jobs to 75% of existing NHS staff, and often move swiftly to sack or drive out many more).

The Tories are committed to privatisation as a *principle, regardless of cost*. Notorious recent examples in Cornwall and Calderdale show ministers intervening to instruct health authorities to accept *more expensive* tenders from outside contractors, rather than cheaper in-house tenders.

'Private contractors are more efficient.'

Contractors themselves may be more or less efficient. But it's hard to argue that it is more efficient to administer a complex hospital unit or District within which there are a proliferation of competing, profiteering firms carrying out the various ancillary and other jobs than it is to organise the whole operation under one management.

It is certainly true that private contractors often undertake to clean hospitals in less working hours than existing NHS staff. But that is not because they are 'more efficient'; they bring no new techniques or technology to bear. *It is because they are in the business not for the patients, but for profit*. So they cut standards of cleaning, provide a shoddier service, and impose a heavier workload on their largely part-time, appallingly low-paid, mainly female workforces.

Similar problems can be seen with private laundries. In Croydon, Advance laundry has established a miserable record of returning items stained, damp, unironed or with buttons crushed. In Cheltenham one outside laundry was found to be delivering 84% of sheets and 73% of pillowcases below standard.

The lower costs of privatisation generate extra cash for the NHS.

Where private firms' tenders offer a lower price than in-house services, the main saving is on the wages and conditions of the ancillary staff involved in what is labour-intensive work.

Though most large contractors have now formally agreed among themselves to pay Whitley council rates of hourly pay, none have committed themselves to meet existing NHS conditions of sickness benefit, holiday pay or pensions. All of them lean more heavily than the NHS upon part-time staff, thus minimising their liabilities to pay National Insurance contributions.

Even if it could be argued that the 'savings' from this were large, and that they were *all* going to be ploughed back in as



extra resources to the NHS by a dedicated management, it is questionable if the downtrodden and low-paid ancillary workers should be the ones forced to subsidise the service.

But in fact privatisation runs alongside and interconnects at each level with *cuts* in service imposed through repeated rigid government cash limits. In London's 31 Health District alone, *new cuts* for the 12 months 1984-5 amount to £19.5m. Yet the *total* saving expected from privatisation on a *national level* is predicted at no more than £20m! Plainly we are not looking here at any expansion of the NHS, but at a worsening of standards in a declining service.

Indeed the government's decision to finance only 80% of the belated 7.5% pay award they have made to nurses will cost health authorities an extra £46 million — more than double the anticipated saving from privatisation! The NHS is being robbed: privatisation simply ensures that it is also milked by profiteers.

Private contractors' standards are carefully monitored.

Experience shows that to invoke the penalty clauses incorporated in NHS cleaning and other contracts can be a time-consuming and frustrating business. In East Surrey hospital, for example, even sections of management have told a DHA inquiry that they object to what they call 'cleaning by complaint' — if they don't complain, things don't get cleaned

properly by the contractors, Crothalls. Nurses, on the other hand pointed out that to complain properly meant completing detailed forms for which they have no time. And a senior member of management admitted that though he favoured privatisation, there seemed little chance of invoking the penalty clauses in the contract.

Once a contractor had moved in and displaced NHS staff — sometimes also replacing NHS equipment and supplies — the DHA has a new vested interest in trying to keep the same contractor, no matter what may occur.

So we have seen in the Barking cleaners' strike Crothalls, with their scab workforce, allowed by the DHA flagrantly to fall short of contract requirements for month after month. Instead of taking action against the employer concerned, the DHA preferred to spend our money in taking the strikers to court, and harassing the women who for years had maintained a clean hospital.

Competition between firms will keep down costs

In reality the field is already dominated by a comparative handful of large established firms. Subsidiaries of Pritchards Services hold over 75% of the private cleaning contracts currently let in the NHS.

The bigger firms are trying between themselves to replace the in-house NHS arrangements with a cartel of 'approved' contractors, who would fix the rates to guarantee an adequate slice of profit to each of them.

The element of 'competition' makes itself felt most acutely on the workforce which, under either 'in-house' or outside tenders, is called upon to do *more* work in less hours for reduced wages.

PRIVATISATION: THE FACTS

Low Wages

The government's enthusiasm for privatisation in the NHS is increased not only by the rich pickings for the businessmen it represents (Pritchards donated £10,000 to the Tory Party in 1982-3) but also by the effect it will have on wages for all 1 million health workers.

Ancillary staff have traditionally been the most militant in pursuing wage claims with industrial action — indeed it is largely on the back of such action in 1982 that the nurses this year received their special 7.5% buy-off from the Tories.

By encouraging the involvement of low-wage contracting firms employing largely part-time staff, and each with its own pay review procedures and varying degrees of unionisation, the Tories believe privatisation will perpetuate rock-bottom wage rates amongst ancillary staff — and also undermine the basis of future coordinated pay struggles which might unite health workers as in 1982.

In the Autumn of 1982 Norman Tebbit introduced a motion to the House of Commons rescinding the Fair Wages

What health unions can do about it



Photo: Stefano Cagnoni (IFL)

- * Firstly, it is vital that all health workers are made aware of the threat to the NHS and to their jobs which privatisation represents. Most unions have material you can use setting out the arguments — or you can order more copies of this centrespread. Wherever necessary, get material translated and arrange special meetings for ethnic minority staff.
- * The health unions in each District should adopt a firm policy of *resisting* privatisation. This means rejecting any involvement with drawing up in-house tenders or specifications. It is important to win the support of nursing staff, and also admin. workers in NALGO, who should boycott work on tendering, and keep manual workers informed of developments.
- * From this base of opposition, unions should pressurise the DHAs to reject the privatisation of services. Demonstrations, meetings, one-day strikes or

other action and mass lobbies of the DHAs can help in this; and they also help alert union members and the local community to the issues involved.

* Where, as in Hammersmith Hospital, management disregard the unions' views and attempt to impose outside contractors or new 'in-house' terms which slash jobs and wages, all-out strike action must be called *before* jobs are axed or contractors move in. All of the main health unions are pledged to fight privatisation: they must be called upon to support and extend the industrial action.

* The fight promises to be a tough one; but health workers are showing themselves ready to take it on. If privatisation is not nipped in the bud in 1984, it will spread like a malevolent weed through the NHS, strangling health care and making life misery for health workers. *The time to fight is now!*

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NHS

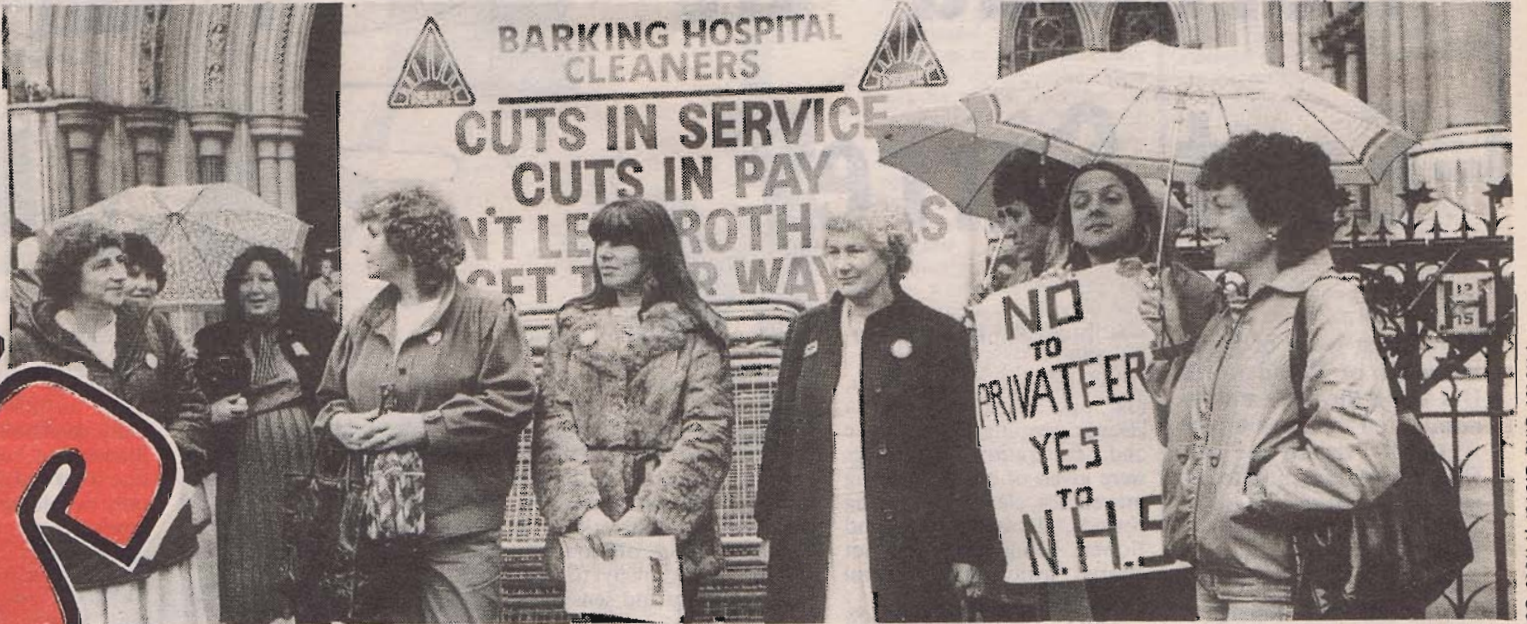
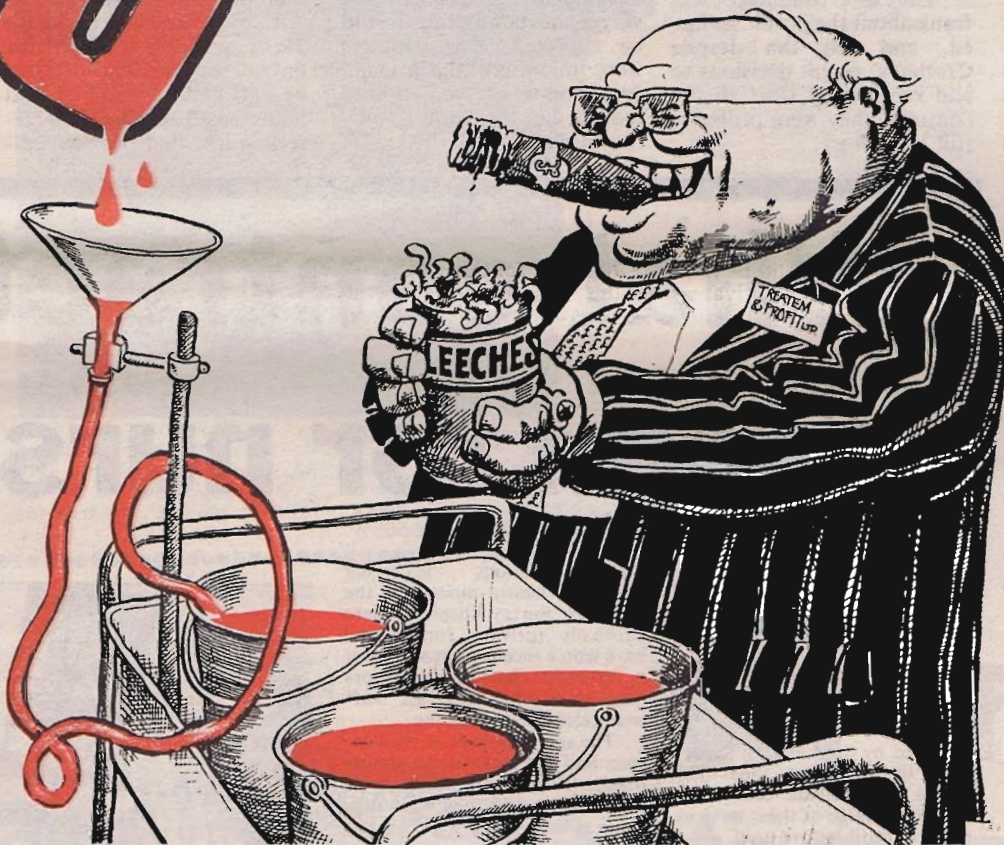


Photo: Gina Glover (Photo Coop)



Resolution of 1946, which ensured that contracts let by government departments stipulated that contractors' staff should receive pay and conditions in keeping with the general levels in the trade.

Clearly a major reason for this change was to allow contractors tendering for NHS business to undercut even the miserable pay currently offered to NHS staff.

Increased exploitation

Cutting hours and cutting back wages for contracts' staff runs alongside an *increase* in workload. As the Tory Reform Group explain 'Contractors have discovered great scope for making savings by rationalising pensions, conditions of service, like sick pay, off the job training courses, overtime bonus payments, and holiday pay ... contractors control the use of labour tightly: there are no half hour breaks for every 3½ hours worked ... workers can only leave with full pay when the job is finished. The unions call this type of working practice slave driving. The contractors call it efficiency ... The conditions of service are estimated to be worth about 20% of the NHS total wage bill. The potential savings for a contractor are considerable'.

Lowered Standards

DHAs are under pressure from the government to accept the lowest tender on offer — except of course where this is an 'in-house' tender, as in Cornwall or Calderdale. This must mean a pressure to accept tenders which skimp on the hours and the workforce necessary to do the job.

The plummeting standards during the current strike at the Barking General Hospital are not simply due to the use of sub-standards scab labour: they are also a result of Crothalls cutting back hours below the level necessary to keep the hospital clean. Similar experiences have been recorded at East Surrey Hospital and elsewhere in the London area. Merton and Sutton DHA described cleaning work done by Exclusive at Westminster hospital as 'extremely poor'. With cash as the only motivation, what do they expect?

A burden on nurses and doctors

In East Surrey Hospital, theatre nurses were called upon to clean floors themselves, since the contractors, Crothalls, had no trained staff to do the job. At Barking, nurses have been told by Crothalls and by management that they would have to be 'more flexible' in their work practices to make up for the reduced cleaning hours under the new contract. In other words nurses would be asked to do domestic cleaning work (and help boost Crothall's profits) instead of caring for patients.

Doctors genuinely concerned about standards of hygiene and patient care will also feel the strain. How many doctors are happy to watch the build-up of grime and the inevitable outbreaks of embarrassing infestations of cockroaches and other insects (as happened recently at Barking) in their wards, their dining rooms and offices, without protest?

An attack on union organisation

The ancillary staff have been singled out by the Tories as the

mainstay of union organisation in the hospitals. By bringing in a variety of private employers, sacking and (selectively) rehiring staff — often to the exclusion of shop stewards and know militants — and imposing conditions tantamount to casual labour upon an increasingly part-time workforce, the government hopes to deal a body blow to NHS trade unionism.

Significantly in some hospitals, such as Queen Mary's Carshalton, management have looked to privatise portering and services not on the government list, in the hopes of breaking up well-organised union structures.

Once the hospital staff has been carved up in this way, the full brunt of Tory anti-union legislation can be brought to bear upon any 'secondary' action — whether by domestics in support of nurses, by catering staff alongside domestics, or by ancillary staff as a whole against cuts in service, sackings or a closure.

Thatcher's 'Think Tank' is already looking even further ahead — to making strike action by health workers *illegal*, punishable by a jail sentence. But a first toot in the door is privatisation.

Pressure on white collar and technical staff

With the most militant and best-organised sections of hospital staff fragmented and beaten down by private employers, and the arrival of new, hard-nosed commercial-style managers in the NHS as proposed by the Griffiths report, it will become increasingly difficult for other sections of health workers to defend or improve their wages or conditions.

Privatisation is already mooted in some areas for path lab services, even for occupational therapy. Any white collar or technical worker in the NHS who shrugs their shoulders at the issue of privatisation today could soon find his or her job auctioned off or under attack in the near future.

Backdoor privatisation

Whether it be bundling old people and psychiatric patients out to extortionate private guest houses and 'nursing homes' in place of giving them adequate NHS care, or bumping up dental charges to levels where adult patients pay the bulk of the cost of 'NHS' treatment, backdoor privatisation is a growing menace in today's NHS.

Charges now cover 11.5% of the costs of the Family Practitioner service — double the share in 1979; prescription charges have skyrocketed from 20p to £1.40. The general supply of NHS glasses and frames is to be axed by April 1985, and restrictions on private opticians lifted.

Wherever you look, the numbers of private, profiteering firms and individuals with their fingers in the NHS pie are steadily rising as the standard and scale of the service declines. The losers in every case are the patients on the lowest incomes and the employees of the NHS itself.

