

# The BRADFORD EXPERIMENT



## Counting the Cost

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**SCAr**  
SERVICES TO  
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for  
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**NALGO**

# *The* **BRADFORD EXPERIMENT**

## **Counting the Cost**

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# The Bradford Experiment

## Summary

### Part 1:

Outlines the Tory strategy in Bradford and situates The Bradford Experiment in a national context.

### Part 2:

Describes the scale of the cuts in jobs and services since October 1988, and links these to plans for restructuring council services.

It looks in detail at:

- the failed attempt to divorce the Council from responsibility for funding the voluntary sector by transferring the administration of funds to an autonomous Community Trust.
- the strategy being developed to create a 'competitive' voluntary sector, integrated into the Council's plans for community care and the environment.
- the policy of distancing the Council from responsibility towards the poor by closing council-funded Benefits Shops.
- the extent of opposition of the Council's plans, how this has blocked some of the worst excesses of council policy, delaying for example the closure of the Resource Centre.
- it concludes that those most effected by the cuts have been the elderly, those on state benefits and the black community.

### Part 3:

Contains a critical analysis of the commercialisation strategy being pursued by Bradford Council, and exposes:

- the methods being used to commercialise services and speed up the enforced tendering programme.
- the dependence of the Council on private sector management consultants to draw up plans and implement new proposals.
- the inadequacy and inappropriateness of its business plans for public sector services.
- the negative impact on services, jobs and trade union bargaining of these policies, especially the creation of SDUs, support for management buy-outs *etc.*

### Part 4:

Looks in detail at what the Bradford Experiment has meant for specific services which have been the focus of concern since the Tories came into power in October 1988.

These include:

- The sale of elderly homes. This is placed in the national context of legislation on community care and the growth of the private residential sector. It criticises the role of private consultants, outlines the implications for jobs and services and looks at the role of the campaign against the sales.
- Cuts and changes to the Education service. This explores the Council's attempt to integrate current Tory thinking in a context of declining resources, spiralling repairs and cuts such as the axing of race training posts - leading to the Council being charged with racism. Includes the setting up of a CTC, plans to magnetise Bradford's upper schools, raising the price of school meals, and attempts to privatise the service by encouraging a management buy-out.
- The Council's Housing Policy. Most important has been the attempt to reduce Council provision by speeding up sales encouraged by massive rent rises, making deals with the private sector and breaking promises to tenants. This has taken place in a climate of growing numbers of homeless, delays in housing repairs and attempts to reorganise the administration of housing on a 'business' footing.

### Part 5:

Examines the impact of the Bradford Experiment on the local economy of the city.

This involves:

- analysing the cuts and job losses and their knock-on effects in terms of the local labour market.
- looking at who will benefit from the Council's redevelopment schemes given the importance of the public sector in economic regeneration.

### Part 6:

Draws out the lessons trade unions can learn by exposing the myths and focussing on the reality of the Bradford Experiment.

This includes:

- developing a local and national response to commercialisation in local government.
- ongoing research and analysis.
- education and organisation around commercialisation.
- branch level response and action.
- a perspective for developing Joint action between trade unions and users of services.

## Part 1

# Introduction

Since the Conservatives narrowly gained control of Bradford City Council in Autumn 1988, they have embarked on radical change involving spending cuts, commercialisation, privatisation and internal restructuring.

The Tories seem intent on taking on the mantle of the 'leading' local authority, becoming the first 'enabling' council in the 1990s in the same manner in which Wandsworth and Westminster led in contracting out services in the 1980s.

Local Conservative Councillors vehemently deny Conservative Central Office involvement, but irrespective of past involvement or not it is clear they are taking a keen interest in developments in Bradford given Thatcher's commitment to try to obtain the inner city vote at the next general election.

**The national significance of Bradford is four-fold.**

*Firstly*, the City Council is not only embracing Government policies with unseemly vigour irrespective of local needs and conditions, but it is attempting to implement them far more extensively. For example, the Council intends to apply LMS to housing estates as well as to schools; it wants a system of magnet schools more extensively and more quickly than anywhere else.

To that extent Bradford is a 'model' for the 1990s.

*Secondly*, it is implementing a package of commercialisation policies which is more extensive than any other local authority. Whilst several others are implementing some elements of commercialism, none are doing so on the range and scale of Bradford. This package of policies includes:

- a corporate ethos or attitude of commercialism
- a commercial approach to the organisation and strategy for enforced tendering
- internal restructuring involving merging of departments, for example Social Services and Housing, and setting up Service Delivery Units throughout the authority
- encouragement of management buy-outs
- increasing use of business planning
- widespread use of management consultants
- sale of homes for the elderly

*Thirdly*, the speed at which it is attempting to implement these policies irrespective of the cost or the

effects on services and jobs. There has been no public attempt whatsoever to quantify the cost of consultants and all the internal restructuring. Cynics might be forgiven for believing that the initial £5m spending cuts were really intended to pave the way both politically and financially for the commercialisation policies.

*Fourthly*, Bradford is also the focus for several other initiatives. It is the first city to test out the Princes Trust scheme for an 'army' of volunteers to assist in social services and community projects. It is one of a small band of local authorities which is welcoming and assisting a City Technology College. It is also one of the few authorities to set up a Community Trust in an unsuccessful attempt to make it takeover the funding of the voluntary sector. It is likely to be the focus of some NHS 'reforms' given the recent appointment of Rodney Brook, ex-chief executive of Westminster, to the Health Authority.

All this has, until the recent defection of a Labour councillor, been implemented using only the Mayor's casting vote. To launch such sweeping changes on such a slender and questionable majority raises fundamental democratic issues. Many of the specific policies, for example Service Delivery Units, are being implemented without any written policy as to what they are, how they will operate, etc.

The Conservative leadership has made it clear they intend to 'break the monopoly' in service provision, to force a clear separation of powers so that officers become managers and councillors direct policy, and to 'break the mould' and, 'make a completely new model for the way local government is run. I believe that within four or five years all councils will be run this way' stated Eric Pickles, Tory Leader of the Council. (*Telegraph & Argus*, 5 October 1988).

All these policies are being justified in terms of service 'improvements', increased efficiency, and the 'customer is king' approach. This is in reality a smokescreen. These policies will lead to increased centralisation not less.



## Part 2

# The Bradford Cuts

The cuts and restructuring of local authority services in Bradford mark a depressing period of uncertainty for council workers, old people's homes residents, teachers, voluntary workers, tenants and other users of services. Set within a context of a third term of Thatcherism, they have only been made possible by the legislative framework and support of the Government's reform of education and housing, the introduction of compulsory competitive tendering and the poll tax. This section of the report outlines the overall scope of the cuts and looks at their specific impact in terms of concern about the level of poverty in Bradford.

## Poll Tax

One of the lynch-pins of the Tory strategy in Bradford is the level of the poll tax. The cuts package outlined in October 1988 was designed to prepare people for the poll tax and to reduce the level of the charge by cutting the budget and service provision of the Council. The ability of the Council to successfully implement a low poll tax is both a test of this strategy and provides the basis upon which the Tory group will seek re-election in May's local elections.

The poll tax rate now set is £276. It will be the lowest in Yorkshire, financed by increased grant aid from the Government, symbolised by Margaret Thatcher's visit to Bradford as soon as the poll tax was announced, together with another £6.5 million budget cuts to come during 1990/91. Council leader Eric Pickles has claimed that these cuts will be painless and that they are largely administrative. In fact most are being achieved by overall cuts in services, increased charging, job losses and dubious claims that the council will save more than £700,000 as a result of competitive tendering.

## Jobs

The package of cuts presented at the stormy council meeting in October 1988 were designed to pave the way for further cuts and restructuring, with the overall objective of cutting the budget by £6 million a year and shedding up to a third of the workforce of 28,000 over the next five years. Initially presented as non-negotiable, opposition from the trade unions led the Council to retain its policy of no compulsory redundancies and endorse a redeployment package.

The cuts have been spread across every area of council services, with education - the biggest spender, hardest hit. The first jobs cut were those deemed 'politically unacceptable' and included those in the Employment Advisory Unit, sex equality officers, race trainers and peace officers dealing with the nuclear free zone policy. External (press) liaison officers and the Library Bus went as well. Central services were split and devolved to separate directorates where smaller numbers of staff allow less flexibility for staff cover due to sickness or holidays.

Many more jobs are being lost as a result of reorganisation and by not filling vacant posts, other jobs have simply been cut. Savings in 1990/91 include an estimated £2m on jobs. This could result in as many as 1,200 jobs.

## Education

Education has been the largest loser as a result of the cuts which totalled £3.4 million in 1988, £1.9 million in 1989, and are estimated at £2.29 million in 1990/91.

In the first round of cuts at least 400 jobs were lost, 111 in 1989 and an estimated 50 will go this year.

Many of the cuts have been carried out by delaying job replacements and changing the rules for engaging supply teachers (now proposed for privatisation). Staff now have to be off three days before a supply teacher can be brought in.

Other cuts were achieved by:

- raising school meals to 80p - affecting 380 jobs in 1988/89.
- cutting repairs.
- reducing cleaning and caretaking - affecting 56 jobs in 1988/89.
- cuts in capitation grants.
- providing less in-service training.
- cutting nursery education.

Specific posts have also been cut such as the 80-plus jobs as Asian language classroom assistants, and 13 advisory posts. The other main way of reducing education expenditure has been to reduce school repairs and maintenance to a minimum, resulting in some buildings being declared unsafe. The Council claims that in 1990/91 it will save £410,000 from cuts in central administration costs as a result of Local Management of Schools.

## Housing and Social Services

Housing and Social Services were amalgamated under one directorate as part of the Council's reorganisation. Cuts in the Social Service budget totalled £832,000 in 1988/89, and £926,000 in 1989/90. Cuts for 1990/91 will amount to £1.182 million.

These have been implemented by delaying the setting up of posts to tackle child abuse, scrapping plans to increase staff in old people's homes, the sale of homes - now claimed to represent a saving of £800,000 over the next year. Charges have been introduced for home helps and meals on wheels charges put up.



In housing, two of the most controversial plans have included raising council rents by a total of £5 so far, along with more rises to come, alongside plans to speed up the sale of council houses, and the decision to redevelop the Lower Grange estate with the help of private developers, Wimpey, who are now building houses for sale. Other cuts involve staff reductions, cuts in the building programme and in improvement grants.

## Enterprise and Environment

Here, cuts of £687,000 were made in 1988, another £864,000 in 1989 and £2.2 million planned for 1990/91. Savings have been achieved as in other departments by leaving posts unfilled, increasing charges and cutting down on maintenance. Car parking and cemetery charges have gone up and road maintenance has been cut back. The Employment Advisory Service was cut. This advised industry on increasing recruitment of black people, women and people with disabilities. Benefits shops were closed and the Conditioning House, used for testing wool samples for the textile industry is being sold to a private company for more than £100,000. The department also claims that it will save £473,000 during 1990/91 as a result of competitive tendering.

## Leisure

Leisure Services was integrated into Enterprise and Environment in October 1988. Cuts in the budget coming to £367,000 in 1988 and £224,000 in 1989. Cuts in service will continue this year with charges

at sports centres and theatres going up, jobs being frozen or cut, library budgets cut and rents increased. Future attempts to raise revenue include plans to privatise centres and sell recreational facilities. Those mentioned so far include the Richard Dunn centre and the Odsall stadium.

## Central Service

Cuts to central service budgets totalled £383,000 in 1988, £190,000 in 1989 and are expected to reach £775,000 in 1990/91. Most of these have been cuts in staff including over 100 job losses in finance personnel and the Chief Executives office, during 1988 and 1989 and an expected 30 odd job losses during 1990/91.



# The Cuts and Poverty

In response to widespread concern and opposition to the cuts, and as the debate became focused on the effects on the poor of Bradford, the 'Churches and Charities Group' was formed around the Bishop of Bradford. Representing a number of national child care organisations and local churches, the Group produced a number of reports. These highlighted the extent of poverty and the importance of voluntary organisations and benefits advice to increase take-up.

Other broad-based organisations like SOCS (Save Our Services), met during 1989 to monitor the impact of the cuts.

Two of the issues most highlighted in the debate about poverty have been the impact of the cuts in funding to the voluntary sector and the closure of the Benefits Shops.

## Voluntary Sector

The voluntary sector in Bradford has owed much of its past development to its collaborative relationship with the Council. Since the Tories took control last year this relationship has changed dramatically. The future of the voluntary sector in Bradford has focused around the Council's decision to set up a Community Trust as an 'arms length' body to administer funds. Despite the refusal by the Trust to take on this role, setting up the Trust has been used as an attempt to provide a smokescreen for cuts in funding to the voluntary sector, and the impact that these are having on people in Bradford.

Cuts in the level of funding to the voluntary sector have to be seen as part of the attempt to reduce the budget and fulfil the election promise that a Tory Council could keep the Poll Tax below £300 per head. None of the cuts in grants would have been necessary if rates had been allowed to rise in line with inflation.

In April 1989, there were 28 fewer projects receiving grants from the local authority, and the voluntary sector received £255,103 (at the 1988 level) less than it did in 1988. Despite this, the Council asserted that the Tories kept their promises to the voluntary sector and that it escaped cuts in real terms.

## Bradford Community Trust

The aim behind the setting up of a Community Trust in Bradford is different from those set up in other areas, where they are generally about tapping relatively small amounts of money from new sources.

In Bradford it was leapt upon by the Council as a way of developing 'arms length' control over funding and a way of reducing its overall spending on voluntary groups. Most of this would still come from the Council, but it was hoped that the Trust would attract new money from private industry.

In addition, the Community Trust was proposed as a way of introducing 'back door' cuts, following unsuccessful attempts to find a way to cut funding to some voluntary groups, such as the Law Centre and Bradford Resource Centre, on the basis of their allegedly undesirable political activities - largely their support and representation of individuals and organisations opposing the Council's policies.

Funding for the Trust has also been controversial. Although the Council claims to be providing extra money to administer the Trust - about £200,000 - an examination of the budget for the voluntary sector revealed that this money would come out of its existing budget.

Having finally been set up, the Trust announced that it would not administer the Council's £3.5 million funds, but will instead concentrate on raising money for the voluntary sector from local businesses.





This has put paid to the Council's original plans and they are having to go back to departmental funding, with a new element now introduced of encouraging competition.

## A {'Competitive' Voluntary Sector

In November 1989, Bradford Council adopted its new strategy for relating to the voluntary sector. This is directly linked to the Council's Strategic Plan. It is based on a report by the Chief Executive, Richard Penn, entitled: *A new working relationship with the Voluntary Sector. A more accountable and competitive role...*

Although acknowledging that projects funded by the Council must relate to needs, the aim of the new policy is to make sure that voluntary sector funding 'is directed towards supporting the Council's overall strategy for providing services within the District'.

**Firstly**, the emphasis is now to be on encouraging voluntary sector provision of caring services in response to the recommendations of the Griffiths Report.

**Secondly**, the voluntary sector is to be given a responsibility to respond to the Council's strategy on the environment, the so-called 'Green Light' policy.

These priorities reflect the Council's desire to transfer social care to the private and voluntary sectors. This 'contract'-led approach represents an implicit threat to the campaigning and advocacy role of the voluntary sector.

The focus of the Council's strategy is changing demographic factors; the growth in demand for services for the elderly and disabled, and the need for increasing resources for child care as more women return to work. Projects which receive funding under the environmental label will be expected to work closely with, and complement, the work being done by the private sector to encourage investment in the city.

## The Voluntary Sector Response

The voluntary sector has been staggered by the speed with which the new criteria have been drawn up, and the lack of consultation behind them. As the Voluntary Sector Co-ordinating Group argued, everyone welcomes proposals to clarify criteria for grant aid, have clear aims, targets and a proper monitoring system, particularly after months of uncertainty. However, Bradford Council refuses to recognise the problems which exist in developing appropriate qualitative targets for the kind of social and caring activities undertaken by the voluntary sector.

Concern has particularly focussed on the need for consultation about the impact of:

- proposals for cash limited, fixed term funding on a two year basis
- what happens to those areas of social need not targetted in the strategic plan such as:
  - economic development and training
  - youth provision

- homelessness
- ethnic minority provision
- concentrating services on specific client groups and the effect this will have on community centres providing a wide range of services, and the effect on district-wide support services which provide information, training and advice to voluntary groups
- the effect of unnecessary haste on both the voluntary sector and the people who rely on their services
- the need to build in flexibility to respond to new and changing needs.

The other major criticism of the Council's new proposals come from black voluntary organisations. They have pointed out that the emphasis on specialisation ignores the vital role of black organisations who provide a wide range of services and advice in a community-based setting. This reveals the lack of any black input or perspective in the Council's proposals.

Voluntary sector organisations support the need to ensure that services are provided efficiently and effectively. However, the criteria for these needs to be mutually agreed and has to ensure that equality of opportunity forms the basis of all voluntary sector provision.

## Effects of Voluntary Sector Cuts

The voluntary sector in Bradford has played a dynamic role as the provider of independent advice and services in co-operation with the Council. The cuts to the voluntary sector have reduced the level of services provided at a time when demand for their services is high, especially in the context of the closure of the Benefits Shops. Cuts in the level of funding to the voluntary sector over the last year have affected the work of a wide range of organisations from the city CVS, to local community centres, to groups in the Asian community working with women, to arts and cultural projects, and those working with young people.

In the last year, three day centres for elderly Asians have been forced to close - these catered for both Hindu and Muslim elderly. Other groups hardest hit include those working with the unemployed, single parents, the homeless and claimants.

The latest policy changes have resulted not only in arbitrary cuts to a range of groups but also a refusal to fund new applications. Many of these are from black and ethnic minority organisations.

It has provided the excuse for the Council to cut funding to Bradford Resource Centre and the Law Centre, which it felt unable to do last year in the face of intense public opposition. Both organisations have provided support to community groups and individuals campaigning against the cuts. The Law Centre, which has frequently taken on the Tories for their treatment of travellers, and provided legal support for the High Court battles over the use of the Lord Mayor's casting vote, has been saved. The Resource Centre, which provides information, training and office facilities, and branded as left-wing by Council



leaders, has now lost its funding.

Another hard-hit organisation is Bradford Council for Voluntary Service, which has been at the centre of the campaign against cuts in the voluntary sector. They are set to lose half their twelve staff when their grant is cut by £85,000.

## Benefits Shops

The closure of the three Benefits Shops run by Bradford Council, at a cost of £120,000 a year, was justified on the grounds that the Council did not want to encourage a 'dependency culture', and that it is not the job of the local authority to provide information that replicates or seeks to replace that offered by government bodies, such as the DSS. At the same time Councillor Pickles agreed to review this decision if it was proved to be causing real hardship.

One of the responses to this was the setting up of the 'Churches and Charities Group'. They, and other organisations, have prepared reports and surveys which show the effects of this cut in service provision, alongside cuts in funding of voluntary advice agencies. Additional evidence on the impact of the closure of the Benefits Shops includes the increase in demand for benefits advice from social workers and other community based workers.

None of this evidence has, however, had any impact on the Council's attitude, which was based on an acceptance of the Government's argument that the reform of social security would mean increased targeting, simplification, and guarantees that 'no one will be worse off'.



## Impact on Other Agencies

One of the arguments held to justify the closure of the Benefits Shops is that there are alternative sources of help and advice, and that the Benefits Shops simply replicated what was and ought to be done elsewhere.

A survey undertaken by the Churches and Charities Group in March 1989 revealed that 18 of 27 agencies offering welfare rights advice had experienced an increase in demand following closures, whilst workers at Keighley Social Services Office voiced their concern about the lack of resources to deal with benefits advice. They had previously referred nearly all their clients to the Benefits Shops; this situation remains unresolved. As one social worker told us, '*I feel clients with such queries got an expert and reliable service from the benefits shop, whereas the service [can provide is neither expert nor reliable!]*'

## The Voluntary Sector

Within the voluntary sector the picture has emerged of increasing pressure alongside diminishing resources and uncertainty about the future. Some centres who previously gave benefits advice were forced to stop doing so after losing MSC-funded workers. Others have experienced an increased demand for advice. In Keighley, where the closure of the Benefits Shops has severely limited the availability of benefits advice, the CAB experienced a 50 per cent rise in enquiries during the first quarter of this year.

Those agencies who continue to give advice are finding it increasingly difficult to spend time with individual claimants in order to help with general problems of debt and advice on budgeting. At the main CAB office in Bradford, declining funding and an inaccessible office mean that claimants are often dependent on volunteer staff and may have to wait between one and three hours to be seen.

## Cost to Bradford

According to Bradford City Council's own findings, approximately 224,000 people in Bradford - nearly half the population - are to some extent dependent on state benefits.

The closure of the Benefits Shops has not produced savings for the Council. A great deal of expertise acquired over a period of years, with expensive publicly funded training and retraining, has been lost to the City. These skills are now no longer being made available, not only to claimants, but also to volunteers, the Social Services Department, the Probation Service and to others who depended upon them to do their work.

There is also a loss to the local economy of the value of the benefits that are left unclaimed. Council estimates in 1986 indicated that in Bradford £7,000,000 in benefits a year were not being claimed by those entitled to them. This is a considerable loss, not only to those individuals and their families, but also to local traders and shopkeepers.

## Part 3

# Commercialising Council Services

## Local and National Impact

Bradford City Council has embarked on a series of measures which are intended to commercialise services. This means, in effect, organising and running council services on the same basis as a private firm. Standards of service and employment conditions would mirror those in the private sector. Radical and fundamental changes are proposed which must be distinguished from measures usually associated with the phrase 'business footing', which involve making services more effective and better organised.

An alternative strategy of retaining the best parts of public service practice and/or developing a new public sector approach to improve service delivery have never even been mentioned, let alone examined, in any of the Council's or the consultants reports.

Each of the proposals could, if fully implemented, have a profound effect on services and jobs. This part of the report draws together for the first time all the initiatives to assess their overall impact. If the Council achieves 'only' a 50 percent success rate in implementing these plans, they will have a major impact on services and jobs. In addition, implementation of these commercialisation proposals will only increase the possibility of full privatisation in the medium term.

This section examines:

- The commercialisation strategy - enabling privatisation.
- What commercialisation means.
- The commercial approach to enforced tendering.
- A critique of Directorate Business Plans.
- Service Delivery Units - the new cost/profit centres.
- Management buy-outs.
- Implications for jobs and services.
- Implications for NALGO locally and nationally.

## The Commercialisation Strategy - Enabling Privatisation

The latest version of the Council's *A Model for the 1990s* claims to want to 'build a better and more

responsive organisation' and 'the services we provide need to be managed more effectively'. The vast majority of council workers and users of services agree with these objectives. However, there is a fundamental disagreement over the Tories' analysis of the causes of problems and the means of achieving these aims.

The Tories general statements are so at odds with their means of implementation that the sincerity and honesty of such statements must be questioned. This is reinforced by the fact that the Council does not intend to provide many services directly, seeing its future role as an 'enabling authority' which will employ private contractors, consultants, and voluntary organisations to deliver services under its supervision. They believe services won't suffer, costs will be cut, and the private sector can be properly regulated and controlled.

## How Are Services Being Commercialised?

- organising and running of services based on cost and profit centres.
- adopting business and private sector values and attitudes in decision-making.
- planning of services based on Business Plans as opposed to Public Service Plans.
- using performance indicators which place efficiency as a priority over effectiveness of service delivery and meeting social needs.
- Users being treated as consumers.
- User needs, demands and views of services being sought by individualised and simplified opinion polls and market research.

Commercialisation prepares the ground for privatisation. It also becomes another means of justifying cuts in services and staffing.

Whilst some other local authorities are embarking on a similar strategy, it is the scale and range of business policies which are significant. There is a clear intention that Bradford should try to become the model 'enabling' local authority in Britain irrespective of the consequences for residents and workers in the city. As with all such initiatives it is often difficult to separate the corporate rhetoric from the reality of everyday practice at departmental and section level. However, after a period when it seemed that little fundamental change was actually being achieved, a series of reports from the new Chief Executive in June and July 1989 indicated a new and more intensive period of change within the Council.

Commercialisation is being pushed through a series of proposals including:

- The *Action for Excellence Strategy Plan* and the *Model for 1990s* produced by the Tory Group and the Chief Executive.
- The *Strategy and Action Plan* for dealing with enforced tendering.
- The use of business planning methods.
- The management's buy-out policy.
- The increasing use of management consultants.

The aim of commercialising council services was evident when the Conservatives gained control in Autumn 1988. A paper to the Management Team meeting on 27th September 1988 by the then acting Chief Executive included the following:

*The Controlling Group objectives for Management Team:*

- *reduction in the role of the local authority as service provider*
- *catalyst in the provision of alternative services*
- *abolition of current local authority functions not politically acceptable*
- *clearer separation of the political and executive functions*
- *the production of a smaller authority with intra/extra authority client/contractor relationships.'*

## The Commercial Approach to Enforced Tendering

The Council's strategy was effectively agreed at Policy and Resources Committee on 10th July 1989. The aim is to be 'truly competitive' with the eventual setting up of 'arms length contracting organisation(s) on a fully commercial basis for implementation' in 1990. In the meantime, DSO Board(s) of Management were to be set up to which a Director of Contract Services will report. The Council is seeking a complete separation between client and contractor roles at both councillor and officer levels. Management consultants Coopers & Lybrand were engaged to advise on implementation of the strategy.

Two commercial units are planned:

- Bradford Contract Services  
which will include building and highway maintenance as well as services covered by the Local Government Act 1988 which have not been the subject of management buy-outs, *eg*, grounds maintenance, refuse and street cleansing, vehicle maintenance, catering and school meals, and cleaning.
- Bradford Professional Services  
no decisions have been made which services will be included.

They will be '*established and operated on commercial principles*'. '*The business style and ethos within each would be different and would require separate business management approaches.*'

Four options were put forward for these commercial units:

1. 'in-house' departments operated along business lines.
2. 'arms length' companies either as controlled companies or 'influenced or minority interest companies'.
3. management buy-outs.
4. 'sell-off'

The paper suggests that arms length minority interest companies, possibly with employee share ownership schemes, may be the most appropriate 'within the spirit' of the council's current policies.

The council also agreed to speed up the enforced tendering timetable by having all services, except leisure management, tendered for by April 1990.

Refuse Collection, Street Cleansing: combined contract,

Building Cleaning,

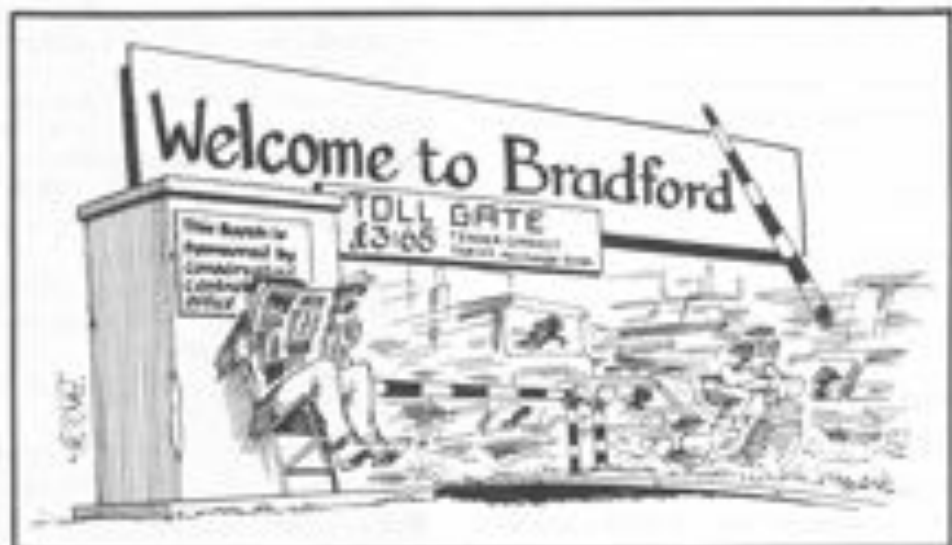
Grounds Maintenance: remaining 80 percent,

Other Catering.

The Council also considered adding a number of services which are not yet covered by the Local Government Act 1988. These were identified in the so-called Directorate Business Plans and cover:

- Cover for Absent Teachers
- Welfare Transport
- Management of education facilities
- Cash security services
- Miscellaneous debt recovery services
- Land survey
- Central printing
- Services provided by HETS
- Pest control
- Social services transport
- Heavy cleaning service for the elderly

However, Coopers & Lybrand advised against adding further services at this stage on the grounds that the proposals required further evaluation.



By January 1990, contracts had been awarded for the following services:

School Meals: Awarded in-house after management buy-out failed (but see Part 4).

Vehicle Maintenance, (January 1990): BRS was awarded the main contract worth £4.9m over five years with the DSO winning a smaller £2.7m contract plus the two grounds equipment contracts worth £2.2m over five years.

20 percent Ground Maintenance, (January 1990): Awarded to DSO (two contracts) from competing tenders from Tyler Landscapes, CM. Brophy Ltd, and J & W Blackburn Ltd.

In October 1989, Coopers & Lybrand produced a 2S page report, *Competitive Tendering and Related Activities - Development Strategy*. The report was devoid of any real analysis or any consideration of alternative strategies. It predictably reinforced the Council's emphasis on commercial values.

It proposes the establishment of Bradford Commercial Services Ltd., initially along commercial lines as a new department with a shadow board acting as if a company had been formed, and later attaining the status of a wholly owned company. The new company will provide 'a very clear focus for commercial activity and provides for the early establishment of commercial standards of service delivery'. Other wholly-owned companies could be set up later for other services.

The report recommends that Bradford's list of additional services to be subject to tendering be temporarily suspended. This cannot be seen as slow-down in the Council's plans. Coopers & Lybrand argue that the existing list is 'weak' and a substantial additional list of services should be identified by Autumn 1990 'after a more searching examination of "contracting" capacity and potential in departments to produce greater cost saving alternatives.'

In a report to Policy and Resources Committee in October 1989, the Chief Executive was authorised to negotiate another contract with Coopers & Lybrand to assist in implementation. The report did not state the costs of implementing the proposals but should 'be treated in the first instance as an addition to the current year's budget, but that this be recouped by having first call on any future savings derived from the proposed strategy.' (Report of Chief Executive, Policy & Resources, 17th October 1989).

At this stage it is difficult to fully assess the real impact of enforced tendering in Bradford. The full scale of the job losses will not be known until after tendering is completed in May 1990. The Chief Executive's strategy report of July 1989 claimed that the gross turnover of all the 'commercial services activities' referred to exceeded £40m. A cost reduction target of £5m was set. This is equivalent to about 300 full-time job losses.

The tender evaluation report for the vehicle maintenance contract omitted any reference to the employment implications and comparison to existing costs or claimed savings.

The £6.5m poll tax cuts package announced in February 1990 contained £703,300 related to 'competitive tendering'. However, this covered mainly clean-

ing, refuse collection, street cleansing and grounds maintenance, for which tenders had not been received or evaluated. Hence, they are only anticipated savings. Furthermore, the use of management consultants in enforced tendering alone has cost the Council at least £150,000.

## Use of Consultants

The Council is increasingly employing management consultants to prepare the ground for implementing restructuring and privatisation.

- CCT strategy implementation: Coopers & Lybrand, £43,000, report in October 1989.
- Evaluation of in-house school meals tender: Green Belfield Smith, £20,000.
- Proposals for management buyouts: Capita.
- Further options for school meals/catering, Green Belfield Smith.
- Sale of elderly homes, Price Waterhouse, £103,000, reported June 1989.
- CCT Development Strategy, Coopers & Lybrand, £40,000, reported October 1989.
- Implementation of CCT Strategy: Coopers & Lybrand awarded another contract to assist with setting up Bradford Commercial Services and putting remaining services out to tender by early 1990.

## Critique of Directorate Business Plans

Five Business Plans have been produced for the Education, Social Services and Strategic Housing, Finance, Legal Services, Enterprise and Environment Directorates which were considered by service committees in June 1989 and Policy and Resources Committee the following month. Each plan was produced with the same structure, namely:

- New Directions
- Directorate Changes - organisational and operational changes
- Performance indicators
- Competitive tendering

Firstly, these plans are a travesty of business plans prepared in the private sector. If the Council intends to copy the best private sector practice then it has failed dismally. The business plans merely attempt to justify policy changes without any analysis of why such changes are needed. Secondly, and more importantly, it is not business plans which are required, but Public Service Plans. These are distinct because they start with a commitment to public service, place priority on effective service delivery, quality of employment, and involvement of trade unions and user organisations in their preparation.

The Coopers & Lybrand report stated: '*Commercial business planning techniques are not used by the Authority's departments at the present time.*' They called for '*a formalised business plan built around market assessments, commercial forms of productivity and target setting to achieve the*

# STRATEGY FOR COMPETITION

required standards of performance. 'Their claim that 'private sector firms prepare tender submissions for the Authority's services through an objective business planning process' exposes their lack of knowledge. Detailed analysis of tenders in the first year of enforced tendering shows virtually all contractors operating varied pricing tactics and many bids from large firms being rejected on technical grounds and financial grounds. (*Contractors' Audit, Vols. 1, 2 and 3, SCAT and Manchester City Council, 1988 and 1989*).

This approach, of attempting to win contracts at any price, should be resisted. Service Plans must be prepared and a system of service planning integrated into all departments. Equally important, the Council must set up the means to evaluate and update service plans. Officers and councillors will require training in the preparation and appreciation of service planning.

There is no alternative to planning but there is an alternative to business planning.

Public Service Plans would cover:

- aims and objectives.
- analysis of existing service and organisation, identifying strengths and weaknesses, achievements, outstanding work, cost structures, staffing *etc.*
- assessment of major trends and developments in the particular service, current and anticipated legislation, assessment of the 'market' and competition, and the Council's policies.
- analysis of needs, demands and expectations of users, including demographic trends and other factors which may affect service provision, take-up *etc.*
- strategic objectives and priorities, identifying key problems, resources, staff, facilities, equipment, new services, *etc.*
- detailed operational plan, what and how proposals will be implemented.
- monitoring and evaluation procedures and criteria.

## Service Delivery Units - The New Cost/Profit Centres

Twenty-five pilot SDUs have been set up within the Directorates. SDUs are described in the Strategic Plan as 'devolving responsibility for the management resources to meet local needs; at the same time, managers will be more accountable for the use of these resources by monitoring output and impact of services against agreed performance indicators.'

- each SDU will be responsible and accountable for its own budget.
- it will have a contractual style relationship between other SDUs and other parts of the Council.
- each will have a business plan and performance indicators.

pilot SDUs were set up in late Spring 1989 and were evaluated in late 1989. The intention is to set up further SDUs throughout 1990.

### Enterprise and Environment.

Building Control  
Area Library - South Bradford  
ShIPLEY Pool  
Bradford Abattoir  
YTS (EID part)  
Ecological Advisory Service

### Social Services and Strategic Housing

Housing Information Centre  
Graffiti Removal Team  
Keighley Area Housing Office  
Pest Control  
Moor Park Family Centre  
Walker House Day Centre

### Education

Audio Visual Aids  
Administration and Information Technology  
Education Welfare

### Finance

Cash Collection  
Data Preparation  
Insurance

### Legal

Births, Deaths and Marriages  
Markets  
Social Services Legal Support Unit

There has been a dearth of information about how SDUs will operate. However, the Enterprise and Environment Business plan stated that 'managers of SDUs are looking for greater freedom to operate within standing orders and financial regulations so that they can move money around to meet operational needs, cut costs, and hire and fire staff without reference to headquarters'. It went on to state that the Chief Executive had told SDU managers to identify how financial regulations, standing orders and disciplinary procedures 'may need to be changed'.

The thinking behind SDUs was spelt out in the *Improving Management Arrangements in Bradford* paper (September 1988) which stated that 'the SDU

manager would also be fully accountable for the recruitment, retention, discipline, motivation of staff etc.' In addition, SDU managers would 'buy their repairs, computer services, training etc. from any supplier and not the in-house supplier, either at Directorate or Authority level.'

## TOP MANAGERS GET INTO SHAPE FOR THE '90's



The Review of the SDU Pilot Programme (January 1990), carried out by a team of officers, concluded that 'Given the sea-change in attitudes towards service delivery in the Council, it is difficult to show whether or not SDUs have led to improved service delivery. SDU managers themselves had mixed views; fourteen of the twenty four (interviewed) took a positive view, while the other ten thought there had not been any service delivery benefits.' Seventeen managers felt they were better managers because of SDUs, although they did complain of a lack of commitment from senior management. The emphasis on SDUs appears to be predictably shifting more to devolving management responsibilities and away from the initial focus on financial cost centres.

There are a number of vital questions:

1. The business plans indicated that just about every part of the authority will become an SDU - in effect every school, every recreational facility, every housing estate, every social service office, and so on. But what happens to those parts of the authority which do not 'fit' into an SDU - or will every element be sandwiched into an SDU come what may?

2. If every SDU can hire its own contractors, consultants, suppliers etc, who is to draw up the specifications, monitor and inspect the work of a potential myriad of outside firms, and what are the cost implications with the loss of economies of scale? The system is set up to actively encourage individual centres and sections to find cheaper alternative sources for repairs, legal advice etc, without proposing improvements or changes in central services or other departments. This, in turn, only exacerbates the problems in central services.

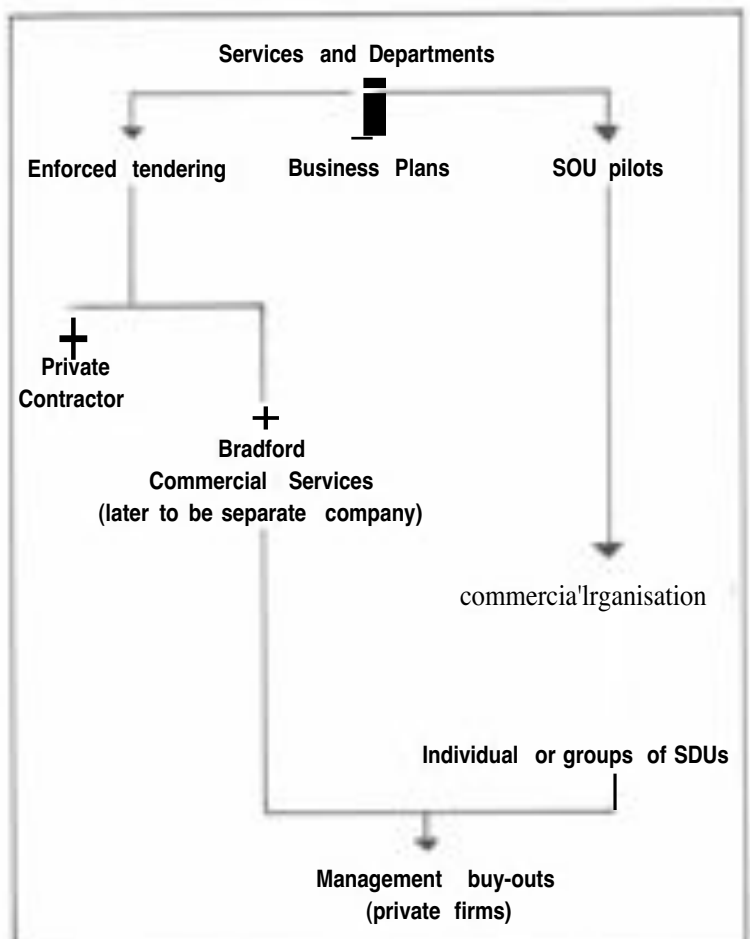
3. Irrespective of any present controls on user charges in SDUs, pressure will mount for SDU mana-

gers to be able to increase user and transfer charges in the future. This is the logic of the commercialisation strategy - each SDU charging 'the market rate'. Staff in SDUs are also likely to seek such changes because increased income will mean potentially increased earnings.

4. The Council is, in effect, setting up an internal market, a set of competing units - the same treatment is being administered by the Government on the NHS. There is a danger that corporate city-wide policies will disappear into a disparate array of different charges, levels and quality of services. This will undoubtedly have a serious impact on those who are not mobile or who cannot afford to 'shop around' for services. SDUs must be seen in the context of other organisational changes being implemented as part of the *Action for Excellence* strategy:

- financial devolution - cost centre: devolving budgetary control to managerial level and the establishment of individual costs centres.
- performance related pay.
- recruitment and retention of staff - more flexible ways of working, new benefit packages.
- market research - customer orientation.
- staff appraisal.
- new organisational culture and new core values.

SDUs will provide an easy route to opting-out, privatisation and contracting-out. Increasing commercialism will mean that managers will increasingly become business managers - 'if we are operating like a firm, why don't we become a firm~' - will become commonplace.



The principle of parts of services being more defined with devolved decision making operating within a council policy of improving and expanding services is a good one. It must also have an effective means of worker involvement and operate within a central industrial relations framework. These principles are clearly not being considered in Bradford.

## Management Buy-Outs

To date, two management buy-outs have been proposed in Bradford, one in school meals and the other in refuse collection/street cleansing (see Part 4). NALGO's policy is to *'keep service provision within the control of accountable public sector bodies, orientated towards the improved quality of services rather than profit generation.'* Buy-outs *'should be fought vigorously where there is an in-house alternative.'*

Management buy-outs are yet another form of privatisation. They lead to job losses and inferior terms and conditions. They reduce the possibility of in-house tenders being successful, and they are based on the opportunism of a handful of officers motivated by personal gain. A management buy-out is a private firm and must be treated just like any other private contractor. (see *Public Service Action No. 40* for a special report on buy-outs).

The Coopers & Lybrand report recommends the suspension of negotiations on the two buy-out proposals, claiming the council's overall CCT strategy will 'produce better results'. They do recommend, however, that services are first subjected to enforced tendering and if the in-house tender wins then give managers the opportunity of a buy-out. This is not only dishonest but treats manual and white collar workers as pawns in a game of tenders and employers.

## Implications for Jobs and Conditions

- Loss of at least 300 full-time jobs from enforced tendering alone - over 500 jobs when full- and part-time jobs are taken into account.
- Council employees becoming private sector employees if arms length minority interest companies or management buy-outs are established, with possible loss of national pay agreement. Lower wages/earnings for manual and administrative workers although some professional workers may gain in sectors where there is expansion and/or shortage *eg*, accountancy.
- Loss of benefits, particularly sickness and holiday allowances and pensions.
- Less job security as employment levels will be contract-led, *ie*, no contract - no work, coupled with much greater management control over hire and fire policies.
- Less job satisfaction as the standard and range of work is increasingly determined by efficiency measures, costs and profits. Workers will have less control over how they do their jobs. The concept of providing a public service will be eroded as services are commercialised, marketed as

businesses, and with internal efficiency having priority over meeting peoples' needs.

## Implications for NALGO locally and nationally

**Pay bargaining:** Firstly, developments in Bradford are likely to intensify pressure to move away from national agreements. There will also be different rates of pay/earnings for exactly the same job but performed in different SDUs or sections of the authority. Secondly, there will be a myriad of bargaining units within the local authority, for example, each SDU, Contract Services, Professional Services, could eventually be separate bargaining units unless there is a major attempt to retain pay bargaining within a centralised industrial relations framework.

**Organising and recruitment in MBOs and arms length companies:** Management buy-outs and arms length companies could result in several hundred white collar and manual workers becoming private sector employees. New and separate negotiations would have to be held with each company. Even if there is agreement that the company continues with the national terms and conditions this may last for only a few months or years. Once in the private sector the employers will not be bound by the national agreement. It would be dangerous for either staff, branch or full-time trade union officials to assume that such agreements will continue.

Ensuring that union membership is retained in the transfer process and that there is regular recruitment of new workers in these companies will be no easy task. Whilst it should, at least initially, be easier to organise and recruit compared to organising traditional private contractors, the trade union recruitment track record in the latter should be instructive in allocating resources and developing specific tactics in Bradford.

**Single Union deals:** Management buy-outs in Milton Keynes and Bath both made single union deals and the commercialisation process is likely to pressure for similar deals in Bradford. Commercialisation is also likely to create the conditions for wider conflicts of interest between different groups of workers and hence between different trade unions.

**Conditions of service:** An increasingly diverse range of conditions of service within different units and sections of the authority is likely to lead to many more queries and complaints from members. This will raise questions about the use of resources within the branch. It also has implications for regional and national levels within NALGO. 'Servicing' these queries/complaints/negotiations will require additional resources. There is a danger that they are diverted to existing members at the expense of organising and recruitment and/or research and policy work.

**Unity and industrial action:** Getting unity of purpose and common demands will become increasingly difficult. Wider differences in wages and conditions and workers likely to identify more with their particular unit than with workers in the authority as a whole, organising and sustaining industrial action at branch level will be more problematic.



## Part 4

## The Sale of Elderly Homes

# The Enabling Council in Practice

Public opposition to the sale of elderly homes, rises in school meals prices and plans for the re-development of Lower Grange formed the basis of the original campaign against the cuts in Bradford.

More than one year later we look in more detail at the impact of these decisions and policies within the context of Bradford's commercialisation strategy. They give an indication of what this strategy means for public service provision and jobs, challenging the claim that it will mean that they are more effective and better organised.

We also look at the extent of opposition to the Council's plans and the possibilities that exist for action to delay and frustrate privatisation.

Section 1: The Sale of Elderly Homes

Section 2: Education - School Meals

- CTCs

- Magnet Schools

Section 3: Housing



## Local and National Impact

The sale of elderly homes illustrates many of the aspects of Bradford Council's approach to privatisation. At present the sale only involves non purpose-built homes, but it is clear from the consultants' report by Price Waterhouse, that the Council will soon be looking at the future of all residential accommodation for the elderly.

This view has been reinforced by the revelations in the Government's White Paper on community care which includes plans to encourage privatisation of local government provision for old people including residential homes, home helps and meals on wheels. This strengthens our belief that Bradford has become a testing ground for Tory plans for the restructuring of local government.

The way plans for the sale have been carried out and the strategy developed to oppose them, serve therefore not only as a lesson for other services in Bradford, but also for how privatisation may be carried out in other local authorities throughout the country.

In Bradford the sale of elderly people's homes has specific implications in terms of:

- staffing in the homes and in attached services
- the way in which users of the service are being treated as commercial commodities, with economic viability taking precedence over quality of care
- the views of residents, relatives, staff, trade unions and ratepayers which have been ignored, despite smokescreen 'consultations'
- promises made to staff and residents about the sales procedure which have been broken
- the dependence on consultants to produce costly reports and for management services in order to ensure that privatisation goes ahead.

The privatising of elderly homes in Bradford also has to be placed within a national context in which private companies are expanding in the 'care' industry as demand increases, and in line with Government proposals.

## The Need for Homes

During the 1980s the number of private residential places in Britain has increased by more than fifty percent, and they are now home to 400,000 people.

Whilst demographic trends show that the number of people in the 55-64 age group will drop, the number of elderly over that age is growing, with a consequent increase in demand for residential care. By 2021 it is estimated that 60 percent of pensioners will be over 75, with 750,000 over 80 years old. Many of these will have disabilities and need special care.

Of today's six million disabled adults, 70 percent are over 60 and 50 percent are over 80, as are 55 percent of severely disabled people. In Bradford it is estimated that the number of people over 85 will increase.



by a third in the next twenty years, from 7,100 to 9,400.

It is increasingly evident, however, that these are not the people the private sector is looking to house. Most private sector services are aimed at the more profitable area of sheltered housing or residential services for the active elderly. The private sector is both unwilling and unsuitable to be the major provider for disabled adults who require intensive and specialist care. Not surprisingly, these are often the people housed in local authority homes.

This problem is illustrated by the make-up of present residents of the homes to be sold in Bradford. Many of the residents are elderly women, three-quarters are 75 or older and half are over 85. Eighty percent have some form of physical disability, nearly a third suffer from dementia and 10 percent require special medical attention.

As a report to the Council pointed out in September 1988, *the current population is very dependent and requires a substantial amount of physical care from staff in order for their needs to be met.*

## The Private Homes Industry

Increase in demand from an ageing population has been matched by government policies aimed at decreasing statutory provision in favour of the private sector. This process will be further encouraged by the restructuring of community care recently announced by the Government. Local authorities will become the main community care agencies whilst losing their role as direct providers of care. Council-run homes will remain excluded from entitlement to Department of Social Security (DSS) payments to the private and voluntary sector. These proposals are already accelerating the tendency to sell off council provision to the voluntary and private sector.

The privatisation of social services' old people's homes and day centres is also being promoted as an extension of the model of opting-out contained in the latest health service reforms by the right wing think tank the Adam Smith institute.

Bradford Council, in its bid to become a model Tory local authority, has pre-empted national decisions by deciding to sell off its supply of non purpose-built homes. (Bradford has been followed by other local authorities such as Wirral MDC, which in September 1989 announced that it was going to sell off all its 22 old people's homes.)

## Criticisms

Concern about the growth of the private homes industry has focussed on revelations of bad conditions and accusations that they are over-priced. In 1988 research by the DHSS showed that 10 to 15 percent of homes were charging too much, whilst the Commons' Public Accounts Committee suggested that many homes make unrealistic profits by charging to the limit of benefit - from which it is unrealistic to expect frail residents to ensure that they get value for money - and they called for tighter monitoring of residential homes.

Existing regulations have been found insufficient to cover privacy, quality of life, and self-determination for residents, but leniency towards the private sector has been encouraged by the fact that regulating authorities would have to find alternative places if they closed down private homes.

Evidence from countries with more experience of private nursing, care such as the USA and Canada, supports these findings. Studies there reveal little staff or resident involvement in planning, lack of consumer choice, little rehabilitative programming, patronising attitudes, low levels of trained nursing staff, and low levels of skills among care workers in private nursing care.

## Big Companies

The growing interests of large companies in the care industry in Britain also mirrors developments in North America, where initially small independent private homes were established which were soon taken over. The market is now dominated by a few large companies.

Also in Britain, the decline in the level of Income Support means that many smaller private homes, particularly those which have dual registration as nursing homes, are finding it hard to cope. The Registered Nursing Home Association estimates that private homes reckon to lose £50 per resident per week. Responsibility for the shortfall is dependent upon charitable donations.

Not surprisingly, there is a lot of change going on, a lot of buying and selling with large groups consolidating their holdings and less room available for small owner-managed homes. This is despite a rise in fees at private residential homes of an estimated 140 percent over the last eight years.

Hotel and leisure groups are making big investments in nursing homes for the well-off elderly.

Stakis, the hotel and casino group is committing at least £25 million into a crash investment programme through its subsidiary Ashbourne Homes, which would make it Britain's biggest operator of nursing homes with 1000 beds on offer. The group is aiming at the top end of the market, where it will offer mainly single rooms and many of the facilities of luxury hotels.

Other groups are also expanding in the same direction.

These developments confirm the view that a two-tier system is developing, with small homes cutting corners, skimping on staff, food and other costs and

growing to meet demand from elderly people unable to pay much above DSS levels. Large homes with every facility will deal with the richer market.

Large companies also depend on low paid staff and do not necessarily have the willingness or ability to provide good services.

Last year, for example, ARA Services, a company with considerable experience in the USA, were sacked by Wandsworth Council from their five-year £3m catering contract in ten old people's homes. This followed revelations about unhygienic kitchens, supplying rotting food and shortchanging elderly residents with meagre portions.

## The Sale of Homes in Bradford

The debate about what to do about Council owned homes has a long history in Bradford. Like many local authorities, its stock of residential accommodation has been added to in a piecemeal fashion by the adaptation of non-purpose built Council owned properties. Despite the fact that staff in the homes provide a high standard of care, the layout and age of the properties means that many would not achieve the standards laid down for private homes in the 1984 Registered Homes Act.

Moves by the then Labour-controlled Council to lease Bolton House and Park House to Anchor Housing Association in 1987 were blocked by the unions in the face of public concern about the importance of retaining local control and accountability of council-owned old people's homes. Plans were then made for a programme of phased rehabilitation starting with these two homes, which were re-opened in 1988 after refurbishment costing £1.3m. Proposals to close other homes such as Birchlands were only accepted as part of a package to replace them with purpose-built homes, or on the basis that any money raised would be spent on services for the elderly in the city. This was true of plans already made by the Labour group to close Farfield Hall, Shirley Manor and Rawdon Cragg.

It was not, however, until July 1988, during the period of the hung council, that the Conservative and SLD groups combined to propose that plans be made to sell all the non purpose-built homes to the private sector. It was at this point that public opposition to the plans grew and AGE (the Action Group for the Elderly) was formed. In September 1988 a feasibility study was carried out and reported to the October Council meeting (now dominated by the Tories following the Odsal by-election), which agreed that consultants should be employed to look into the plan. The sale of 12 non purpose-built homes was presented as part of the Tory package of cuts designed to develop the council's role as an 'enabler', rather than provider of services.

Financially this move was no surprise, given that residential accommodation is the most important item of council expenditure on the elderly. The Social Services Department overspend for 1987-88 was £1/2m, at a time when the Council wanted to reduce as far as possible the costs of the poll tax in an attempt to retain control of the Council.

At the Council meeting on 25th October it was

proposed that 10 homes be sold for continued use as residential homes, with two others - Farfield Hall and Thornton View - being put up for sale without restriction on their use. In addition, it was decided to investigate the possibility of selling Woodville, Semon Home and High Park. This idea was later abandoned because of the charitable restrictions applying to Woodville, the joint responsibility held by the Council and the DHA in running the other two and the sensitivity of privatising services for the mentally handicapped provided by High Park.

The initial public outrage and concern about the implications of the proposals were met by soundings of opinion, a MORI poll and meetings with staff, residents and relatives. Despite the degree of opposition these revealed, the only concession made was to include covenants and restrictions in the proposals covering the terms of the sales of the 10 homes earmarked for privatisation. These covered a commitment to retain the homes as homes for the elderly for ten years, gave the Council rights to nominate 50% of the beds and designate the timescale within which the homes should be brought up to registration standards. Attempts by the Labour Group to block these plans failed and in December 1988 consultants Price Waterhouse were brought in to advise on the method of inviting offers, and to consider and advise on the most appropriate way of dealing both with the homes and with other areas of land making up the sites.

CITY OF BRADFORD METROPOLITAN COUNCIL  
**BRADFORD**  
**FOR SALE**  
BY FORMAL TENDER  
*individually or as a whole*  
**FIVE FREEHOLD  
RESIDENTIAL HOMES**  
TO BE RETAINED FOR THE CONTINUED  
CARE OF THE ELDERLY  
LOCATED THROUGHOUT THE  
METROPOLITAN AREA  
These homes in need of modernization will have the  
benefit of planning consent for extensions.  
Responsible open market and international enquiries  
by e-mail or fax to: 0532-442068  
12 beds, 11 beds, 10 beds, 10 beds, 10 beds.  
ALSO 24 HOURS OF STEERING WITH  
OUTLINE PLANNING CONSENT FOR  
RESIDENTIAL DEVELOPMENT  
Price Waterhouse  
Weatherall  
0532-442068

## Costs

The Conservative group masked its privatisation plans behind spurious claims of financial bankruptcy and arguments that it did not have the £10m it would cost to bring the homes up to standard. These claims have since been shown to be false and even the consultants claim that initial renovation will only cost £1m.

Proving that it is possible to make money out of caring for the most vulnerable sector of the community has in fact proved itself to be a costly and time-consuming process for the Council. Potential revenue savings of £1.7m a year also need to take into account how much the privatisation exercise is costing the Council. To date this includes:

- the cost of the consultants' report, which rose from £73,000 to £108,000 after Price Waterhouse demanded more money in April 1989
- payments to Weatherall Green and Smith for the valuation report and for negotiating the sales
- costs of the MORI poll
- legal consultations
- the time spent by officers preparing valuations, writing reports and assisting the consultants.

Future costs will include fees to Price Waterhouse for managing and designing the tendering process (which could be as much as 10% of the sales price), officer time for assisting this, increased inspection costs of about £99,000 a year and a £265,000 redundancy bill.



## The Price Waterhouse Report

The consultants' report by Price Waterhouse needs to be considered in the context of their position as consultants to the Government on the privatisation of electricity and water, and the history of their work in the NHS and with other local authorities promoting privatisation. Indeed, they have never been known to argue against privatisation. In Bradford this was not an option given them.

## Making Privatisation Pay

To make the sale of old people's homes a positive proposal for the Council and, perhaps more importantly, the potential buyers, the Price Waterhouse report reduces the costs of the privatisation exercise and the estimated operating costs of the homes to a minimum, whilst maximising the gains to the Council and potential buyers.

One of the most important revelations in the report has been the revelation that bringing the homes up to standard will only cost £1m

Other proposed savings include:

- reducing revenue costs by reducing staff wages and conditions
- slimming down running costs by deleting management costs and assuming owners also manage
- increasing occupancy rates by planned extensions
- raising costs per occupant.

Even so, Price Waterhouse have had to admit that *the estimated operating result for the first year of operation and after interest charges associated with the homes is a loss.*

## Jobs

*'... savings would be achieved largely by reductions in staff benefits, bank holiday and other holiday entitlements, extra sickness payments, and by lower basic rates of pay.'*

Price Waterhouse blatantly admit that the only way to make these homes profitable is by reducing staff wages and conditions to a minimum for caring staff, and by reducing the number of ancillary staff (by 40%).

In their calculations Price Waterhouse set pay rates for care staff at the higher end of those paid by the private sector in the area, at £2 an hour, compared with £2.95 in the Council. Yet these estimates are just that, it does not mean that private employers will pay even these rates. In a recent study of pay rates for staff in private homes, West Yorkshire Low Pay Unit revealed that at least three-quarters of care assistants (the majority of care staff) were paid under £2 per hour, with rates of pay as low as £1.20

Bradford has more private nursing homes than other areas of West Yorkshire, it also has the lowest rates of pay. One of the problems of offering such low rates is the difficulty in finding and retaining staff. The local Rest Homes Association warned the Council about this in September 1988, and admitted that

this meant they had difficulty providing constant care.

Advertisements for staff in the local job centre can take as long as five months to fill, and increasing competition by increasing the number of private homes is unlikely to solve the problem of skilled and responsible work being offered at ridiculously low levels of pay. Workers in the industry also get few paid holidays, less sick pay, less overtime pay, and have less job security or trade union support than those employed by local authorities.

Even assuming the rates of pay outlined by Price Waterhouse, the potential loss of pay alone is dramatic. If we compare the total wage for a 30-hour basic week, assuming a rate of £2.00 an hour for a care assistant, and £2.10 for the nursing auxiliary in private homes, the result is shown below.

	Private	Local Authority
Care Assistant		
Residential Home	£60.00	£88.50
Nursing Auxilliary	£63.00	£90.00

This does not take into account the fact that most women in this sector work part-time, earning less than £43, so do not pay National Insurance contributions and cannot claim statutory sick pay.

## Other Savings

Private homes maintain profit margins by careful management of revenue costs such as staffing. However, the difficulty in filling posts raises questions about how understaffed homes manage. Not filling posts may be one way of cutting costs for small homes, many of whom are being forced to close, given that wages make up 75% of the total costs as against about 10% for food, heat and drugs.

Evidence from West Yorkshire and nationally indicates that food is a favourite area for cutting costs in residential homes, and it is about the quality and quantity of food served in private homes that a lot of concern has arisen, (see the earlier example of ARA in Wandsworth). Price Waterhouse estimates for food costs in the homes are set at only £10.50 per week per person, a figure which allows for no flexibility in terms of varied dietary needs, given that they also estimate that 55% of residents will qualify for additional DSS payments.

This compares with the present allowance of £11.27 in Council-run homes, where the budget for food can be made up, for example, by charging staff for meals. Even then, it is not unusual for homes to overspend on their catering budgets. Budgetting on the basis proposed by Price Waterhouse is likely to be especially difficult for smaller homes where there are fewer chances for reducing costs through bulk buying. These figures can be compared to those in the Health Service, where in large hospitals with 500 beds or more, catering managers have every opportunity to cut costs through bulk purchasing which would be impossible for homes with less than 40 residents. Yet here food allowances for elderly patients are still higher than those set by Price Waterhouse, from £11 to £12.



## Purpose-Built Homes

The higher returns and profit margins offered by larger homes and the possibilities they contain for joint registration as nursing homes, leads Price Waterhouse to make the additional recommendation that Bradford Council continue the process it has started and review the future of purpose-built council-owned homes, 'to determine if more efficient operational practices could be secured producing the required revenue savings.'

## Breaking Promises to Staff and Residents

Promises made by the Council to staff and residents and contained in the Covenants attached as conditions to the sale of each home are clearly seen by Price Waterhouse as constraints to privatisation. Their report amending the covenants has been accepted by the council and is now being used as the basis for going ahead with the sales. However, even in their existing form it is unlikely that the covenants could offer residents any real protection because there has never been any real commitment on the part of the Council to enforce them.

The most effective way of ensuring compliance would be by including provisions that enable the Council to take back the property into local authority ownership. Given the Council's aim to dispose of properties, this option is highly unlikely. Legal opinion sought by Price Waterhouse about this notes that the Council is unlikely to lose out even if covenants are broken. Unless the Council felt obligated to rehouse residents, they would be forced to take up residence at another home for which the Council had no financial responsibility, with costs falling to residents rather than the Council.



- **Security of tenure:** Security of tenure has been an important feature of the campaign against selling the homes. Price Waterhouse fear that some of the residents are young enough to outlive the ten-year restriction on usage of the property, and that the covenant threatens the ability of new owners to change the usage of homes. They therefore recommend only giving continued security of tenure to those tenants who live in Homes which continue as Homes for more than ten years.

Given the unlikelihood of covenants being strictly enforced, Price Waterhouse also recommend that residents should be allowed to *choose* to give up security of tenure by moving elsewhere.

- **Continuity of care and continuity of employment:** Price Waterhouses' main concern under this covenant is that staff might have a legal right to transfer. This would seriously affect their analysis of costings, given that transferred staff would retain existing terms and conditions. However, this is not likely to be the case. The Council is now in the process of redeploying or offering redundancy to existing staff, so that staff in private homes are likely to be recruited by the new owners from outside the Council. The Council's promises about continuity of care are therefore a sham.

Despite quoting pay rates at the higher end of the scale paid in the private sector, Price Waterhouse admit that pay rates and conditions will be worse than in the Council. This will inevitably mean large turnovers in staff as happens in other private homes in the area.

## Timetable for the Sales

Advertisements for the sale of the homes have gone out and some have already gone through.

Plans approved in January 1990 pave the way for the demolishing of Shirley Manor to make way for flats or sheltered accommodation and houses: The Shroggs home, lodge and grounds have been sold to the Northern Healthcare Group of Burley-in-Wharfedale for £750,000. The company plan to convert it into a multi-million pound continuing-care complex, sheltered housing and special care units for people suffering from dementias such as Alzheimer's Disease.

Park House and neighbouring Bolton House have been sold for more than £900,000 to local home owners William and Denise Stephenson from Gargrave.

## Ignoring Opposition

Throughout the last year, the Tory Council has refused to listen to the views of residents, relatives and the public. It is forcing through the sales in the face of overwhelming public opposition and well-founded fears that this is the precursor to more dramatic changes in the services to the elderly.

Other cuts affecting the elderly already include:

- raising the charges for home helps.
- increasing the costs of meals on wheels.
- putting up charges for those living in private homes who use Council-run day centres.

The Council's Business Plans include the speedy implementation of the Griffiths proposals without ensuring that any additional resources are made available. Services to the elderly such as heavy cleaning, taxis and specialist residential care are included in plans to speed up competitive tendering. Elderly people will also feel the effects of other enforced tendering, including the contracting-out of catering services such as meals on wheels. Further plans to privatise all Council-owned residential accommodation are also likely to be in the pipeline.

## The AGE Campaign

In the face of these attacks on services to the elderly it is important that we learn the lessons of campaigns to stop the sales.

The decision by Bradford Council to sell its stock of non purpose-built elderly homes generated vocal opposition. Following the initial resolution in July, the Action Group for the Elderly (AGE), was formed to fight the sales. Supported by NALGO and NUPE, it included relatives of residents and concerned members of the public.

Objections to the sales focussed on the Council's emphasis on monetary savings rather than an understanding of the care issues involved. Campaigners recognised that people in council homes are more confused and are more likely to have physical dis-



abilities than residents in private homes. They were also aware that the specialist care needed is unlikely to be provided in private homes because of the staff required and expense involved.

AGE organised on the basis that decisions about the future of the homes should be based on the wishes and needs of residents, nearly all of whom wish to remain in Council care. The distress and worry resulting from uncertainty about what the future holds, and frustration at the Council's unwillingness to respond to their wishes has surely had an impact on the health of already frail elderly people.

Although everyone agrees with the need to renovate the buildings, AGE has pointed out that quality of care is not about furniture and fittings, but depends on continuity of care from committed, trained staff.

Action initiated by AGE included sounding out public opinion before the Council meeting in October 1988. They organised a public referendum on the streets of Bradford in which more than 18,000 people participated, 97 percent voting against the sale of homes.

AGE later played an important role supporting legal action initiated by Jemima Wilson, a council home resident and lifelong Tory voter, which challenged the legality of the use of the mayor's casting vote to push through the decision to sell the homes.

All the public meetings held by AGE, and by the Council showed the extent of public opposition to the sale, and helped to slow down the speed of sales, forcing concessions from the Council about standards of care and terms of employment following privatisation. However, as we have already pointed out, many of these promises enshrined in covenants attached to the sales offer little real protection to residents or staff, given the lack of commitment to enforcing them and what we know about standards of care and employment in the private sector.



The fight to prevent the sales has continued, although much of the effort now focusses around particular homes.

In Clayton, local residents have formed an action group to fight the sale of Upper Syke now scheduled for unrestricted sale, despite initial promises that it would remain an old people's home. Plans to demolish the home or turn it into a private school or hotel, have been turned down in favour of proposals to convert the building into offices and flats and to build houses in the grounds.

The persistence of this campaign has at last proved successful. Following a well-publicised ballot of Clayton residents in which 97 percent, or 1,129 people, voted against the sale, and a public meeting in January, council officers held talks with villagers and agreed to recommend that Upper Syke be re-opened as an old people's home.

The AGE campaign illustrates the importance of the unions building alliances with users of services and community organisations and the importance of using publicity campaigns and the media to force concessions from the Council.





## Education

Much of the focus of concern about cuts in the education budget of Bradford Council has been on the demoralising effect they are having on teaching standards and the fabric of the schools.

It is clear, however, that the starving of funds to state schools is part of the broader strategy to transform the structure and content of the education service in Bradford. The Tory aim to become an 'enabler', rather than a provider of services has meant that money which would have gone into the education budget has been diverted to develop alternatives more responsive to privatisation. Nowhere is this more clearly illustrated than in:

- the plan to put the school meals service into private hands by sponsoring a management buy-out.
- the establishment of a City Technology College.
- the proposals to magnetise upper schools.

Other parts of the education service are also likely to be opened up to privatisation. Cleaning and grounds maintenance are already included in Government legislation which Bradford is keen to implement ahead of time, and the supply teaching service cut-back over the last year is also now under threat.

Rushing through privatisation programmes, supported largely by political rhetoric rather than sound planning, has raised problems for Bradford when trying to implement its proposals for education. These have largely arisen because of lack of consultation, opposition by parents and teachers, unskilled management, and bad organisation and planning. This has resulted in the postponement of the magnet school scheme and last year led to the Council and the Director of Education being found guilty of racism at an Industrial Tribunal, brought by race trainers whose posts were cut in 1988. These have significance not only in terms of their effect on jobs and services in Bradford, but reflect too on privatisation plans in other local authorities.

## Local Management of Schools

Bradford Council sees itself as pioneering the Government policy of Local Management of Schools, which will increase competition and open schools to possible exploitation by the private sector.

Under the new arrangements, head teachers will become 'business managers' responsible for their own budgets.

An essential part of this process is the need to computerise management systems in schools. Bradford is leading the way on this and is expected to complete a £750,000 computerisation of first and middle schools by April 1990 - three years ahead of the national schedule of April 1993. Only Westminster with far fewer schools, is expected to meet such an early target.

A report to the Education Committee in September 1989 showed that some schools will be better off under Bradford's plans for LMS. Others could lose

more than £100,000 each. This, together with the need to find £23 million for building repairs, has led to more education cuts.

## School Meals

One of the spending cuts for which Bradford Council has received most criticism has been the decision to increase the price of school meals, and the consequent impact on take-up. Along with the decision to sell elderly homes, the issue of school meals has been one of the major focuses of opposition in a city where the first subsidised school meals were served in 1907.

The rise in the price of school meals was subsequently followed by the controversial offer of a Management Buy-Out of the service following privatisation.

## Impact of the Price Rise

As part of the proposed £3.8 million cut in the education budget announced in October 1988, it was decided to raise the price of school meals from 4Sp in primary schools and 60p in secondary schools, to a standard rate of 80p a day. The rise, which came into effect in November 1988, made the cost of school meals in Bradford the third highest in the country, after Harrow and Avon who charge 8Sp.

The immediate effect of the rise was that take-up of paid meals dropped from 23,000 to 13,000, whilst overall there has been a decline in take-up of 39 percent (from 2S,368 to 1S,4S9 between October 1988 and May 1989). This has happened despite assurances from the Council that although figures could be expected to drop initially as parents resisted the rise, numbers would eventually go back up. It is clear that this has just not happened. These overall figures do however, disguise large variations.

A survey of church schools undertaken for the Bishop of Bradford in January and February revealed that the proportionate falls in children paying for meals have been at schools in poorer areas. This meant that in Church of England Schools, figures ranged from a fall of only 2S percent at Ilkley All Saints, to 92 percent at Eccleshill St. Lukes.

There was no significant improvement in take-up during the period of that survey, in fact in 11 of the 28 schools, numbers dropped towards the end of January, and in schools where there was an increase, this could be accounted for by increased intake of children at the schools.

At the same time as this survey was undertaken, Cllr. Seager, then Chair of Education, was claiming that take-up was now at 81 percent of its pre-November figure, despite the fact that figures produced by his department showed that 8,616 fewer children were paying for meals. He also claimed that: *'Every indicator now shows that the number of children returning to school meals will continue to increase.'* His belief that, *'It is clear that parents agree that school meals still represent good value'*

illustrates the general unwillingness of the Council to listen to the voices of school governors, or respond to petitions organised by parents protesting about the price rise. The first of these with over 1,200 signatures was presented to the Council within two weeks of the rise taking place.

In January the Council also took part in a national campaign to increase school meals take-up. The hypocrisy this decision exposed only increased criticism of the Council from teachers, parents and governors. As one head teacher expressed it, *'How can we be expected to market our facilities when they are inadequate'*

## Effects on children

Not surprisingly, the Council has been keen to show that the cut in the numbers taking school meals is not their fault and that it has not had a detrimental effect on children's health. Every attempt has been made to rubbish the findings of the Bishop's report and to defend the effect of Government benefit changes which, from April 1988, denied free school meals to the parents of 9,000 children in Bradford from low-income families receiving Family Credit. Soon after the price rise came into effect Eric Pickles claimed on TV that children would be no worse off, despite the fact that those on Family Credit only get an extra £2.50 a week to compensate for losing free school meals, whilst the rise in school meals meant that they now cost £4 a week. However you work it out, parents who pay for school meals had to pay

£1.50 per child more after November than they had from April to October. This does not take into account the fact that only a third of families entitled to do so are claiming Family Credit.

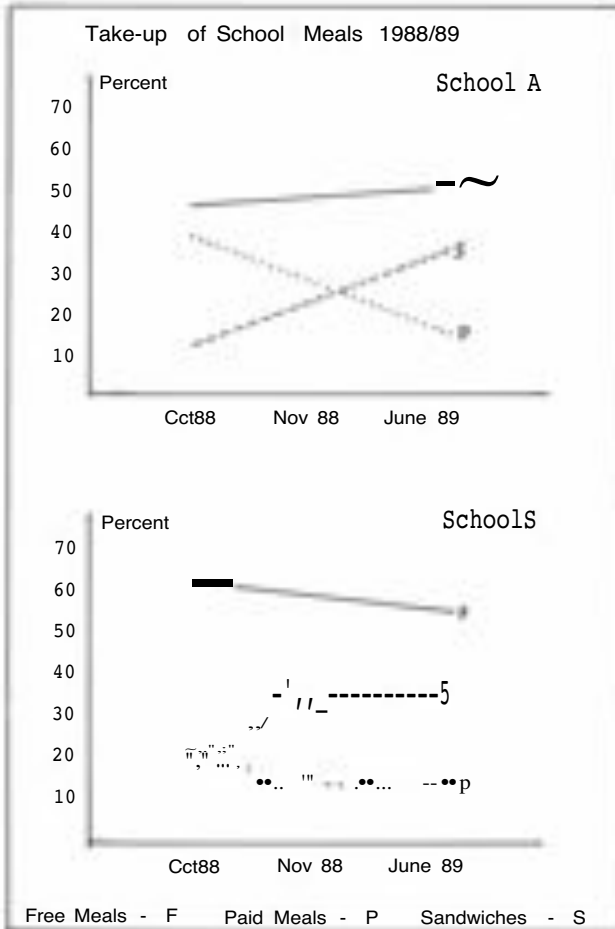
Despite the similarities in the figures it is impossible to say if those children who no longer take paid school meals are the same as those whose parents receive Family Credit. Neither schools nor the Council have any way of clearly knowing. However, it is clear that reductions in school meal take-up is happening in poorer areas of the city where more families receive benefits. These are the very same areas where take-up had earlier increased following a drop in the price from 60p to 45p in primary schools following the benefits changes and a campaign by the Council and schools to increase take-up.

The Council's promise to review the situation if something was proved seriously wrong with the rise in the price of school meals, needs to be put into practice when six months later more than a third of those previously taking them no longer do so. It is not clear what more concrete evidence is needed.

The cheapest alternative to school meals for most families is for children to take sandwiches, costly and time consuming where families have three or four children. Evidence from Bradford, as well as other cities, shows that in practice, packed lunches provide reduced nutritional value, with many children having to make do with biscuits, crisps and jam sandwiches. Teachers in the schools we visited have noticed the impact going without school meals has had on the educational performance of some children.



Examples from two primary schools illustrate a general trend. In both these schools situated in large council estates, the picture is similar. Local advice agencies estimate that 20-25 percent of children come from families in receipt of Family Credit. Since November, there has been a drastic decline in the number paying for meals, whilst those taking sandwiches has increased to fill the gap, with over one-third of children now relying on packed lunches.



## Impact on Jobs

An immediate effect of cuts in the education budget after October 1988 was the loss of temporary jobs in the school meals division. Forty jobs were cut straight away.

The drop in the numbers paying for school meals has also affected jobs, especially in individual school kitchens. Few schools now have their own kitchens since the opening of the cook-chill unit four years ago. However, less children having meals means less work for the women who prepare and serve them. In School A above, the five part-time staff have seen their hours, which had risen prior to October in response to the take-up campaign, decline again after November as the number paying for school meals dropped. Hours since then have been cut by 7 percent, with the total hours worked now 5514. Out of this, only three hours is allocated for supervising the 80 children who now take packed lunches. Although the three hours lost appears relatively small, if repeated throughout schools in the authority, the overall impact on women employees has been drastic.

## School Meals Management Buy-Out

Following the controversy over the unprecedented rise in school meals prices in November 1988, the service was put out to tender under the terms of the Local Government Act. A week after tenders closed in March 1989, it was announced that Mike Howat, the authority's catering manager, and his deputy Derek Halliday, were putting together a bid for a management buy-out (MBO) of the catering service.

The debate which followed centred around the fact that the MBO was an informal bid made after the closing date for tenders, so excluding it for consideration, and the fact that the bid contravened Audit Commission guidelines on procedures for competitive tendering, because of the involvement of the two managers in the preparation of the in-house bid.

Opposition to the proposal from Labour councillors, NUPE and NALGO rested on the fact that a viable in-house tender had been put forward. Despite evidence of their support and involvement in the MBO, council leaders were forced to conduct an inquiry into the bid to cover issues of probity, value for money and service delivery at the same time that the MBO was considered by the District Auditor.

## Encouraging MBOs

The report which was finally produced by the Chief Executive managed, in fact, to neatly sidestep issues relating to the origins and legality of the initial proposal. Instead it concentrated on the factors that the Council would need to consider when evaluating MBOs. Relying heavily on advice from the Audit Commission it provided the basis for dealing with MBOs quickly and efficiently. The only reference to school meals was the need for the MBO proposal to include information about varied menus, nutritional standards, portion sizes, hygiene and health and safety. Despite the fact that it acknowledges Audit Commission advice which states that managers who prepare in-house tenders should not be involved in buy-out bids, the report now forms the basis for the Council's exoneration of the two officers and provides public support for future employee schemes.

Eric Pickles, in applauding the initiative and example that the MBO offer provided other staff, is now advocating that employees form consortiums and workers co-operatives to take over and run departments privately, with the possibility of these saving the Council £40m of the city's £300 million annual budget.

Problems with this bid have provided some of the arguments behind current proposals by Coopers and Lybrand that a clear division is made between the Council's 'client' and 'customer' roles.

Eventually in late July it was decided that council staff would have to be given the contract to run the service for an unspecified length of time. That is, until the possibility of a MBO had been fully investigated and tested in the market, with new efforts being made to encourage private sector bids.

It was also decided to encourage staff to put forward additional MBOs, and the Enterprise and Development Unit was given the job of encouraging and assisting staff to do so.

## The Role of Consultants

Using their inside knowledge of the service the two officers worked on the bid with the help of financial consultants Capita. Capita are well-known for their advocacy of MBOs and advised on the biggest public sector MBO - that of Westminster City Council's cleansing department.

It is not clear where money for this consultation came from, but it has now become apparent that the initiative for the bid came from the Conservative group who held discussions with Capita in March. The importance of the MBO became clear when it was obvious that, as has been the case elsewhere, no private companies were interested in competing to run the school meals service, despite the recently inflated prices. For Bradford Council, determined to prove privatisation is viable, an MBO became the only alternative to allowing the service to remain in-house. Private consultants are becoming an essential part of the Bradford plan, and in April the Council decided to employ outside consultants to evaluate both the in-house tender for the school meals service and the MBO. Catering consultants Greene Belfield Smith were brought in to do the job at a cost of at least £20,000, and to provide an 'external voice in the decision'.

In May, MBO consultants' Capita's document was presented to councillors. This claimed that the price of school meals at First Schools would drop from 80p to 60p if the buy-out were accepted, thus implying that it would attract back some of the 9,000 odd pupils who stopped taking meals after the November price rise.

However, the subsequent report by Greene Belfield-Smith described the cost implications of the



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buy-out as 'double that which we believe to be reasonable' and estimated that meals would increase in price to £1.05 a day. This would generate a return on assets of 30 percent - six times higher than the customary rate of return.

The decision about whether to go ahead with the MBO bid was delayed awaiting the analysis of the Council's strategy for competition by consultants Coopers and Lybrand. Their report recommended delaying progress on any MBOs until after the Council has set up its Commercial Services organisation.

## The Current Situation

The original Howatt Halliday Ltd bid is now off the agenda. The present plan is to incorporate the school meals service into Bradford Commercial Services, now being set up under the direction and management of Coopers and Lybrand.

The possibility of the MBO idea being revived in the future remains, pending the outcome of the competitive tendering programme and the impact of the new round of cuts announced to maintain the low level of poll tax. One option suggested is that Derek Halliday may be prepared to lead a MBO of the Laisterdyke cook-chill unit. This could be run either on a management fee basis or by setting up a company to lease the centre from the Council. Included in the original list of SDUs, the centre is ripe for privatisation. It produces 7,000 school meals a day and is currently operating at only half capacity. Laisterdyke also has considerable experience of producing 'ethnic meals' for the NHS and other local authorities as well as Bradford.

An MBO would free the centre from the trading constraints imposed by council ownership and allow exploitation of external markets where there is existing demand for this service.

## Business Schools - CTCs

### What are CTCs?

Plans for City Technology Colleges (CTCs) were initially revealed at the 1986 Conservative Party Conference. The idea was developed as part of the strategy to wrest control of education from the hands of largely Labour-controlled local authorities, and break up comprehensive education by encouraging business involvement in education. Intended to meet skill shortages in technical subjects and to raise educational standards in urban areas, they were initially met with hostility by education authorities and lack of interest by private companies, many of whom recognised the political nature of the initiative and the possibility of participation in the scheme, resulting in negative publicity.

Those CTCs which have been established are heavily reliant on right-wing Tory councils like those in Solihull, where the first CTC opened last year, and in Bradford. The original plan outlined by Kenneth Baker involved companies meeting most of the capital costs of the college, which they would then own and manage. Schools would have a science and technology bias and run independently of local education authorities. The Government would meet the running costs with a grant linked to the number of pupils.

### Control of CTCs

CTCs will not be accountable to the local community, but will be run by the government and the commercial sponsors of the college. The local education authority will have no say in what goes on, nor will teachers, neither of whom will be represented on governing bodies. Parents, too, will have little say, with only one or, if they are lucky, up to three representatives. Even if these criteria change it is clear that the in-built majority in favour of commercial sponsors will remain.

Not surprisingly, plans for a CTC in Bradford have no real support outside the Tory group, who had been engaged in secret discussions with Dixons about the plan for 12 months before it was announced in November last year. It had only been the hostility of Labour local authorities that prevented the company from being able to locate a site in the North earlier. The college in Bradford is now due to open in 1990 and will eventually cater for up to 1000 pupils.

### CTC Failures: Location

Since it was initiated the CTC idea has been widely criticised, not least because of the failure to get the programme off the ground. Of the twenty CTCs intended to open this decade, it is likely that only three or four will open before 1990. The plan to site them all in urban areas has also failed, most are now being earmarked for suburban sites.

In Bradford, the site for the CTC is only a mile from the city centre, in Newby Square, an area of elderly terraced housing with a large Asian population. It fits ideally with Kenneth Baker's vision of CTCs as 'beacons of excellence' in relatively deprived inner-city areas.

It is true that West Bowling, the district in which Newby Square is located is a deprived area. However, with 30 percent unemployment, priorities for the area have in the past focussed on the need for jobs and better housing. The local Community Association has opposed plans for a CTC from the start, arguing that the 17-acre site should be used for low-cost housing as promised by the Council following the demolition of tower blocks on the site.

Residents also claim that siting the hi-tech college in Newby Square will create road safety and noise problems. However, their protests have been ignored and last November 8-10 acres was released for sale to Dixons for a CTC. Plans for the CTC also include a controversial floodlit games area which the Council admits will have to be carefully designed to avoid disturbance to nearby homes. Releasing land for a CTC



The hi-tech college as it will look when completed



has also increased concern about what will happen to the rest of the site. At present there are only plans to allow housing associations to build 120 homes to replace the 6-700 demolished.

## Specialisation

The emphasis within CTCs on early specialisation runs counter to current thinking about education, not just in Britain but in Europe as a whole, where the number gaining technical qualifications is higher than in Britain. France for example, recently abolished its Lycees Agricoles, which were intended to groom children from the age of 11 for an agricultural career. Now they and West Germany do not start technical education before 16. Although the Germans select children for schools on three levels at the age of 11, they all receive a general education.

The CTC in Bradford will teach the national curriculum, but the key concept will be the relevance of the curriculum to industry, commerce and technology. The college is already trying to encourage more involvement from local industry. Courses will also emphasise 'business and enterprise' and information technology. Additional courses will also include so-called 'enrichment modes', which include everything from sport and music to languages. They would also involve residential trips and projects, most of which will involve additional costs to parents.

## Selection

Bradford's Tories claim that CTCs are part of their policy of providing 'choice and opportunities' to parents and pupils. So far, however, the Council has refused to answer questions about how students will be selected or whether students refused places will have the right to appeal. It is likely that selection will be carried out on a similar basis to other CTCs, like Solihull which was the first to open last November. Although there will be no entrance examination and colleges will not be selective in the conventional sense, Government guidelines stress that selection must be made on the basis of attitude (including that of the parents) and aptitude. The aim is to attract bright, socially deprived children.

In fact, it is much more likely that far from attracting impoverished children, the new schools are likely to drain children from the independent sector. Parents who would otherwise pay for their children to go to private schools rather than the local comprehensive are likely to see CTCs as a positive alternative, especially as they will be free. It will also attract parents from the suburbs who, like those in Bradford, at present send their children to schools outside the area. In the face of large numbers of applicants from middle class backgrounds, it is unlikely that they will all be excluded.

This is also true of claims that CTCs will not cream off brighter pupils. At Solihull, pupils selected averaged scores of 102 for maths and verbal reasoning, compared to averages in the catchment area of 91 and 90. All 350 of the first batch of applicants were interviewed, with their parents. The children were given an ability test and the parents were expected to

make a commitment to their children staying in education beyond 16. An active interest in college affairs and in their children doing homework were also important. This will be important in Bradford, where homework will be compulsory.

Inevitably these selection criteria will exclude many working-class children and parents.

## Costs

In order to rescue what was fast becoming a lame duck, Kenneth Baker changed the financial basis for establishing CTCs in 1988. The private sector is now only expected to contribute about 25 percent of the capital costs of each college; although the lead sponsor is still expected to put in at least £1 million. This is very different to the original proposal that commercial sponsors would, '*meet all or a substantial part of the capital costs*'. Latest estimates reveal that capital costs to taxpayers of CTCs so far and over the next three years come to £126.3 million.

This means that on average ten times more cash is spent on one CTC than the Government would allow most local authorities to spend on hundreds of primary and secondary schools. The largest amount given to a CTC is the £10 million the Government has committed to proposals to establish a CTC in Southwark, costing £13 million altogether. As costs have risen, the imbalance with the rest of the schools' budget has become more pronounced. For instance, the Government contributed £7.655m towards the capital costs of Nottingham CTC, yet the total capital budget for Nottinghamshire's other 513 schools this year is £5.134m.

Revelations about the amount being spent on CTCs led to a public outcry at the end of 1988 and demands for an official parliamentary inquiry into the way the Government has used taxpayers' money to establish its CTCs.

The Government has also set up the City Technology Colleges Trust to oversee and give new drive to the programme. The Trust give backing to company sponsors and acts as a marketing agent and buyer of sites for CTCs. There are also plans for it to appoint six officers to disseminate CTC practices into other schools.

The lack of interest shown by large firms in supporting CTCs has meant that the Government now mainly depends on individual entrepreneurial support, like that of Stanley Kalms of Dixons who is sponsoring the Bradford CTC, committing himself to investing £1 million of the total cost, with the Government promising £8 million. It was revealed in January that a Hong Kong businessman has also promised £1 million to the scheme. Other CTCs are being sponsored by Geoffrey Leigh, millionaire chairman of Allied London Properties, who wants to sponsor a CTC in Dartford out of his private means, and Bermuda-based conglomerate ADT, which plans to sponsor a CTC in Croydon.

Controversy was also aroused last year when it was announced that two of the four colleges being set up were mainly sponsored by companies with extensive tobacco interests - Solihull by Hanson's, which



# No-strike contracts for teachers at CTC

TEACHERS who want to work at Bradford's new City Technology College will have to sign no-strike contracts. It is revealed today.

Leaders of the new Government-backed school for 11 to 18 year-olds, due to open next September, say they want to avoid any disruption by industrial action.

and that, as on we will be issuing contracts which include a no-strike agreement."

A But Bill Lakin, spokesman for the National Women Teachers, said: "It's appalling. It's a

return to the worst sort of Victorian labour

practice. We will be advised anywhere ---

owns Imperial Tobacco, and Middlesbrough by BAT Industries. BAT has announced that it would ban anti-smoking education in the CTC.

## Impact on Jobs

As well as attracting brighter pupils, the likelihood is that CTCs will also cream off the best teachers at a time when there is already a crisis in the supply of teachers in secondary schools, particularly in subjects like chemistry, maths and physics. They will also possibly earn higher salaries than in a comprehensive. At Kingswood in Birmingham, ideas include introducing performance-related pay schemes for teachers. Contract conditions for teachers will also be transformed. Government guidelines for CTCs say that teachers will not be allowed to be governors of a CTC.

CTCs will also have longer working days - Bradford's teaching day will run from 8.30 am to 4.00 pm or 4.30 pm, and have shorter holidays, which will increase the school year by two weeks. The year will be divided into five rather than three terms, each eight weeks long. At Nottingham it has been announced that teachers' unions will be outlawed - the college has included a no-strike clause in all staff contracts, and says it will only deal with a staff association which is committed against industrial action. Similar contracts are planned in Bradford.

## Effect on Existing Schools

Given the cost implications as outlined above, it is increasingly clear that CTCs will be developed at the expense of existing schools. Those chosen to be CTCs will not necessarily be run-down or redundant schools, but like magnets, will be those with existing records of high standards. Their impact on other schools once they open is likely to be drastic. In Nottingham, which has suffered from declining rolls for several years, the opening of a £9.3 million college will take 1,000 pupils from a catchment area of less than 7,000. This will threaten at least two comprehensives with closure.

It would only take a fraction of the money being spent on the colleges to upgrade every school science laboratory and technical workshop to modern standards. The colleges will also drain resources, teachers and industrial sponsorship from other schools. In Bradford, the college threatens the TVEI initiative in schools, the money for which the Council wants to invest in plans for magnetisation.

## Magnet Schools

### What are Magnets?

The idea for magnet schools is based on the belief that public service delivery can be focussed around 'centres of excellence'. In educational terms this means replacing secondary schools with schools specialising in different subjects within science arts and languages on top of providing a common core curriculum. Additional money would be made available by the Government and LEAs, for which rival schools would make competing bids, based on performance and cost effectiveness. Copied from an idea developed in inner-city areas of towns in the USA, there is little information available about how they might operate in this country. In the USA, where they are aimed at attracting less motivated teenagers, they have been praised for their excellence but criticised for having demoralising effects on other schools.

In Britain, proposals for magnets are taking place in the context of LMS (Local Management of Schools), which has already been criticised for encouraging competition between schools.

### Government Support

Magnets are strongly supported by the Government. Former education secretary, Kenneth Baker, called them a '*breath of fresh air*' when he visited a sample in New York two years ago. Now Conservative party chairman, he recently held talks with the leaders of Bradford Council about their proposals for magnets, following the visit to the USA by councillors and education officers. He is also playing a behind-the-scenes role in supporting similar proposals in Wandsworth.

Not surprisingly, Wandsworth, which represented the testing ground for Tory privatisation plans during the 1980s, earning itself the title of Margaret Thatcher's favourite local authority, is the only other council apart from Bradford which has been attracted by the magnet idea. Despite fierce opposition from parents and schools, Wandsworth is pressing ahead with plans to magnetise all of its secondary schools by September 1991, hoping that the £10 million it has put aside will prove enough to persuade schools to accept the proposal. In order to ensure that the magnet school idea takes-off in Bradford, the Government will need to find up to £6 million.

### Magnets and CTC

Magnets are now likely to be favoured from an economic point of view, as they are cheaper and easier to establish than the other 'centres of excellence', CTCs, few of which have actually been set up in the face of rising costs and increasing indifference on the part of the private sector, (see the section on CTCs).

Magnets are being hailed by the CTC Trust set up by the government, as the '*natural evolution*' of the CTC concept, whose scope has now been broadened to encompass arts technology colleges. Magnets will



enable the CTC idea to be introduced into the mainstream of education.

Cheaper and easier to establish, they rely on transforming existing schools with a known reputation in specialist subjects. Instead of being schools set up outside local authority control with the backing of private capital, they will be 'voluntary-aided' on the same lines as church schools, run as a partnership between local authorities and private sponsors. Local authorities will be encouraged to seek private sponsors for the schools, which will be free to run their own curriculum, and hire and fire staff. They can take pupils from as wide a catchment area as possible and do not necessarily have to be located in urban areas. Education authorities would retain responsibility for overheads like repairs and maintenance.

Justification for these new proposals is also based on the theory that schools with a performing arts and entertainment bias would be more likely to keep young people in education and stop widespread truancy. Ministers cite Brixton and similar areas, with high proportions of black and Asian children, as potential sites for colleges. More realistically, it is a response to pressure from potential investors like Richard Branson, owner of the records-to-airlines Virgin Combine, who has expressed interest in establishing a new-style performing arts college on an existing school site.

## Magnets in Bradford

In Bradford, the Council argues that magnetisation is a 'consistent development' of current changes now taking place in education, such as the introduction of the National Curriculum and LMS. However, teachers and Governors already struggling to cope with these changes believe that suggesting that its twenty-four schools for 13-16-year-olds run specialist programmes in science, arts and languages alongside the national curriculum requires substan-

tial additional resources, at a time when education is bearing the brunt of new cuts.

Where Bradford differs from other authorities is that it would like to integrate its plans for magnetisation with the opening of a CTC. This would mean that there will be no need to provide a magnet specialising in technology, and the existence of the CTC provides an excuse for diverting TVEI funds into the budget for magnetisation.

Bradford also aimed to implement its plans even faster than Wandsworth, hoping that by learning from their mistakes, they would have the first magnet schools operating by September 1990, the same time as the CTC. According to Mike Gaunt, Chair of the Education Committee, this would have been a 'feather in the cap' for Bradford in terms of Government support.

## Problems

Cracks are now appearing in the Bradford plan and the Council was forced to delay the start of the scheme in the face of opposition from teachers, heads and school governors. The Government's recent refusal to come up with the £3.1 million needed to launch the magnetisation programme means that the plan has now been indefinitely postponed. If revived, it is likely to be limited to a smaller number of schools, so increasing competition for resources and pupils.

Criticism has been focussed on lack of consultation, unsound financing and the potential divisiveness of the plan. Magnetisation also diverts attention from the real problems faced by Bradford's schools. That is, the need to raise standards by providing decent buildings, sufficient books and materials and enough properly paid teachers, in the face of the recent announcement of a further £2.3 million of cuts in the Education budget.



## Housing

The major emphasis of the Bradford approach to housing since the Tories seized control last year has been to remove it from the control of the Council and put a halt to any council house building. In practice this has mainly depended on restructuring the department and making the most of opportunities contained in the 1988 Housing Act. Housing management and service delivery are being decentralised through the establishment of service delivery units (SDUs), and commercialised along the lines of the Department's Business Plan. This restructuring aims to increase the sale of council houses to tenants or encourage tenants to choose private landlords.

## Housing Need in Bradford

The dominant factor affecting housing need in Bradford is population growth. Unlike most cities, Bradford's population is set to rise, not fall, and the Council estimates that together with falling household size this will mean that there will be an increase of 5,000 extra households during the next five years. This will require 1400 new units each year.

Demand for rented housing in Bradford is high, with approximately 3,500 new applicants joining the Council's waiting list each year, of whom 2,200 are rehoused. 40 percent of people on the waiting list are single, 16 percent are single parents who also make up half the homeless families applying for council housing, 13 percent are adult sharers and only 11 percent are two parent families. Council tenants are also the city's poorest tenants. Despite last year's changes in Housing Benefit rules, 68 percent are still entitled to Housing Benefit - one of the highest figures in the country.

The number of homeless people in Bradford continues to rise, particularly amongst young people penalised by the changes in benefit rules. The number of households who consider themselves to be homeless and who have applied to the Council for housing has risen over 100 percent since 1983, from 2,700 in 1983/4 to 5,500 in 1988/89. Between 1983 and 1987 the number of registered homeless rose by 64 percent from 2,700 to 4,200. Recent figures predict a further rise, with 3,900 cases being dealt with in the first six months of 1989. At the same time, voluntary sector support for those in housing need has been reduced as a result of cuts in funding introduced by the Tories. For example, CHAS (Catholic Housing Aid Society), are now trying to meet the same level of need with three staff, as they were last year when they had nine MSC posts.

## Strategy

Bradford's intention is that the Council should take on an 'enabling role' in housing. This is made clear in its recent Housing Investment Programme Submission for 1990/91, in which the Council has estimated it only needs to spend £22 million, a quarter of previous year's estimates (£81 million in 1989/90).

The cornerstone of the new policy is to be the creation of Local Housing Executives (LHE), to run the



seven area offices which will all become SDUs. LHEs will include both staff and tenants and will assume the major responsibility and decision-making power for their area. They will also be expected to develop plans for the social and economic regeneration of the area as a whole.

Budgets and targets for LHEs will be controlled centrally and the LHE will be presented with an established 'Suite of Solutions' to housing problems, the main thrust of which will encourage further privatisation.

These are:

- demolition and rebuild (private or Housing Association)
- better use of stock
- local authority investment
- voluntary transfers
- partnership schemes
- Tenants' Choice, co-operatives and HATS

## Future Housing

The Council wants all new provision of housing in Bradford to be provided by Housing Associations and the private sector. This will be achieved through a number of ways including:

- partnership schemes between the council, private developers and Housing Associations, such as the one at Lower Grange.
- encouragement of Housing Action Trusts.
- encouraging tenants to form co-operatives to run estates.
- use of Estate Action funds to improve estates and also to encourage tenant management of estates.
- sale or demolition of 'uneconomic' properties to open up land for private development.
- creation of a 'Land Bank' of council-owned land which could be developed by Housing Associations.

- setting up a Local Authority Housing Association to transfer property.
- making use of Area Improvement powers to work in partnership schemes with private finance to improve areas and provide finance to private householders.

## Management

Management will be based on SDUs run by a Local Housing Executive (LHE). Additional financial controls will include relating income to expenditure for each SDU, encouraging avid rent collection and discouraging expenditure on repairs, with areas of hard to let housing experiencing reduced expenditure and less opportunities for re-development.

This ties in with a new assessment of housing stock based on financial viability. Properties will in future be categorised as either desirable for investment and maintenance, outmoded or to be put to special use. By limiting the range of property available to tenants, the Council hopes to reduce the financial and administrative costs involved in transfers. Proposals are also being made to make rent levels reflect market demand for different types and standards of housing rather than tenants needs. This is an attempt to increase take-up of hard-to-let housing. Poor housing will be offered at lower rents, attracting low income tenants who receive little or no Housing Benefit. The drawback for the Council is that the poorest tenants, eligible for the maximum Housing Benefit, will not be affected by this policy.

## Privatisation

Council tenants in Bradford are now being referred to as 'customers', and the other major initiative being developed by Bradford is the move to privatise tenancies. Council house sales are being speeded up and in the future efforts will be made to promote shared equity schemes, low cost mortgages and partnership developments with Building Societies to encourage sales to people who would otherwise not be able to afford to buy. Privatisation will be further encouraged by the use of provisions in the 1988 Housing Act, through the promotion of voluntary transfers, Tenants Choice, Housing Action Trusts and tenant management and ownership co-operatives.

Future new applicants for Council Housing will also be given the option of Housing Association rented property and details of low-cost home ownership schemes.

During the last year it has become increasingly difficult to gain access to information from Bradford Council. This may be an attempt to restrict public access to information about the impact of cuts and changes in policy.

## Rents and Repairs

Rents in Bradford have so far increased by £5, or 27 percent since October 1988. This was justified as the only way to raise money to carry out essential repairs and maintenance, the Council promising that, 'every penny will go back into housing'. However, criti-

cisms continue to be made of the Council's record on repairs and the Council has refused to reveal how the extra income (estimated at £10 million for the coming year), has been spent. Local housing managers are not being allowed to carry out day-to-day repairs, although it is clear that a lot of money is being spent on security and fire protection, particularly in flats and maisonettes in hard-to-let walk-up blocks. This reflects the fact that repairs are now being linked to sales rather than the needs of tenants.

**Bradford's strategy has been most clearly illustrated by the level of staff and resources being put into house sales, and proposals which are now going ahead for the re-development of the Lower Grange estate.**

## Sales

9,000 Council houses in Bradford have been sold so far and sales are expected to exceed 1,200 this year, compared to 445 in 1987/88 and 351 in the first three quarters of 1988/89 (the most recent figures available). Right to Buy applications have increased, encouraged by fears about the future of council housing in Bradford, and in response to the high rents policy.

In order to speed-up this process a number of new steps are to be taken:

- the section organising sales has been restructured, more staff have been recruited - most on a temporary basis in the face of recruitment problems.
- a new high-status post has been created to try to promote sales and increase applications.
- a new computer system has been set up.
- there has been a growth of promotional literature.
- the aim is to reduce the turn-round time of sales from 8 months, including 3 months for evaluation and surveys, to a maximum of only 6 weeks.
- tenants are being offered discounts of 70 percent on flats and 60 percent on houses.
- setting up 'designated sales areas' to increase sales on some estates.
- reviewing the transfer system to allow tenants to move to~ property in order to buy it.
- reviewing the possibility of selling void properties where the costs of repair cannot be met by existing budgets.



The Council recognises that this is a finite process, given that there are only **11,000** tenants not on Housing Benefit, many of whom live in properties they are unlikely to want to buy, such as flats and maisonettes in 600 walk-up blocks. Not surprisingly, it is these properties that are the ones getting increased security and fire prevention work carried out on them so that they might become more attractive to buy. Efforts are also being made to develop low-cost home ownership schemes with Housing Associations and to increase private development on council-owned land where tenants will be given priority to buy new houses. The Council is also building on its links with Building Societies to encourage them to increase the level of finance available to tenants.

As part of its efforts to privatise council housing, Bradford Council is also making renting less attractive by tightening its policy on rent arrears and strictly enforcing its powers of eviction, whilst narrowing the interpretation of the Homeless Persons Act to make more people 'intentionally homeless'. Although the number of evictions has not gone up, the high rent arrears policy of the Labour administration has been dropped in favour of a policy of harassing people with arrears, not informing people of their rights when seeking arrears payments and increasing litigation for repossession.

Possession Orders:

1986/87	282
1987/88	282
Apr. '88 to Feb. '89	542.

## Lower Grange

The development of Lower Grange is taking place in the context of an existing history of private partnership schemes in Bradford such as Sloane Square and Gilstead and Newby Square, which are seen by the Tories as examples of the successful implementation of the 'enabling' concept. However, these were previously part of mixed housing policy which had emphasised tenants' needs. The Tories are now try-

ing to increase the numbers of these schemes as a way of disposing of housing stock and privatising tenancies. At Lower Grange, the partnership deal agreed between the Council, North British Housing Association and private developers Wimpey last October, overturned an existing commitment to provide replacement homes for the tenants who had expressed a wish to remain with the Council. With the help of the DoE and the Housing Corporation, the Council is now supporting a planned £30 million development programme. This involves building 180 homes for rent by the Housing Association, 315 for low-cost home ownership and the improvement of 308 Dennis Wild steel-framed Council houses.

The Council's plans for Lower Grange have not, however, gone smoothly. Tenants on the estate have a long history of organising and had been told that the Henry Boot houses would be demolished and replaced with new homes for rent. Many were furious when, after years of broken promises and lobbying, the new Tory-controlled Council decided about the re-development plan with no consultation with them. Their major criticism has been of the deal with Wimpey, which means that their homes will be demolished to make way for private houses.

They also object to the fact that tenants who want a new home to rent will be offered a housing association house or nothing. They argue that if people could afford to buy, they would have done so years ago and believe that the Council's plans will destroy the community. Tenants who have refused to go along with the Council's plans have now formed their own housing association, Lower Grange Housing Association, and have decided to follow the Walterton and Elgin tenants in Westminster and plan to use the 'Tenants Choice' option of the 1988 Act, to transfer 24 of the Boot homes to their association. This will stop some of the tenants in the Boot homes being replaced by Wimpey owner-occupiers. The tenants believe that as the Council is giving Wimpey Homes the land - or selling it at a low value - and clearing the site, and the DoE is providing £34 million in funding to the schemes, including £2.60 million to Wimpey, it is Wimpey and not the tenants that are getting the best deal.



## Part 5

# Impact on the Local Economy

## Introduction

The slogans used by the City Council and local businesses to identify the revitalisation of the local economy are *Bradford Bouncing Back* and more recently *Brilliant Bradford*. This section examines the links between employment in council services and the wider local economy. Whilst most residents and workers in Bradford want the city to develop better facilities, more jobs, and improve the general living environment, it is important to separate fact from fiction. All redevelopment schemes have both winners and losers.

## City Council job losses

The City Council has targetted £4m-£5m 'savings' from enforced tendering of the services currently covered by the Local Government Act 1988. Further 'savings' will be expected from the inclusion of additional services under Bradford's own programme. The £5m 'savings' could lead to SOGfull and part-time jobs losses, with further losses expected as enforced tendering covers additional services staffed by white collar workers. Perhaps another 250 jobs could be lost from this additional tendering.

In addition, further jobs are likely to be lost through commercialisation and spending cuts. Conservative Leader Eric Pickles claimed on BBC Televi-

sion in late October 1989 'to have taken out 400 jobs this year' compared to an annual target of 500 jobs. Unfilled posts caused by staff unwilling to work for the city council because of its policies, the commercial culture, and lack of security, will add to these numbers.

The Council's no-compulsory-redundancy policy (excluding those services covered by enforced tendering) may ensure that staff do not lose their employment, but the fact remains that jobs are being lost in overall terms.

A Privatisation Audit, carried out by SCAT for Sheffield City Council, developed a detailed model for assessing the impact of job losses and contracting-out on the local economy. Jobs losses, lower wages, cuts in hours, reduced benefits such as sick pay, changes in the supply of goods and services away from local firms to contractors' own sources, the transfer of contractors' profits out of the local economy, all have a cumulative impact on the local economy. For every four local authority jobs lost through contracting-out, one further job would be lost in private services in the local economy because of reduced spending power.

If 750 council jobs are lost through enforced tendering (as distinct from transfers to the private sector) then a further 190 jobs will be lost in the local economy, making a total of 940 jobs.

## Impact on the local labour market

The local authority is a major employer in the local economy. Changes in wage rates, increased casualisation, cuts in hours, etc will reverberate on the local labour market, driving down wages in some services, for example social services, cleaning, catering, still further. Some professional and technical workers are likely to gain where there are shortages.

## Limiting rather than enabling

In the longer term, the City Council's strategy to become a model 'enabling' authority will, together with privatisation of assets and services, lead to it





having less and less influence in the local economy. It will become increasingly weak and ineffectual in the local economy if the Council succeeds with its strategy. Its ability to intervene will be constrained by contracts with private firms, a lack of technical expertise, and limited assets on which to base a financial strategy.

It will be essential to monitor the full impact of the City Council's policies on the local economy. The very arguments used to justify private sector schemes can be used to show the knock-on effects of job losses in the public sector.

## Brilliant Bradford

Job losses within the City Council as a result of spending cuts, privatisation and commercialisation will have a knock-on effect on the local economy. These may be tempered in overall terms by recently announced mega-million pound job creating development schemes. The City Council has produced a list of schemes amounting to a £1.2 billion five-year investment creating 32,000 new jobs.

It is important to maintain a realistic perspective. It has not been the function of this study to carry out a detailed analysis of the impact of changes in the local economy. However, it is important that the loss of jobs within the City Council is not marginalised by misleading propaganda about 'new' jobs in the 'boom' city.

Recent redevelopment schemes include a £180m tourist and leisure scheme in the west end of Bradford. It includes a conference and exhibition centre, shopping, cinema and an arts centre. The developers, 3D Developments of Leeds, claim 5,000 full-time jobs will be created. Another scheme, a 27 acre technology park for the European Centre for Advanced Manufacturing, is predicting 1,000 jobs and a £12m annual benefit to the local economy from salaries. The list of new public and private projects must be qualified because:



1. Many of the schemes are new projects, for example, office developments and road schemes, but they are not 'new' in employment terms because they simply replace existing developments. Construction workers move from one project to another.

2. Many are highly speculative, for example, some 12,000 jobs or 37% of the total are expected in the private sector spin off from European Community industrial grants.

3. Most cities can boast a long list of public and private schemes totalled over five years. Some of these schemes may not materialise according to current plans.

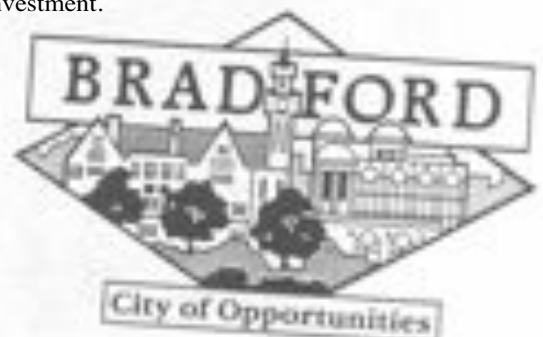
4. Job generation figures are often exaggerated for political purposes. For example, temporary construction jobs and part-time jobs might be included as full-time permanent jobs. Published job figures for the West End redevelopment vary between 5,000-7,000.

5. Gains have to be offset by redundancies elsewhere, for example, mail order firm Grattans announced 500 job losses in late October 1989. Grattans are also included in the list of projects with £35m investment creating 300 'new' jobs. There is no attempt whatsoever to estimate the likely job losses in both the public and private sectors over the next five years.

6. The quality of jobs is as equally important as the quantity. Many jobs in tourism and leisure are part-time and poorly paid. By 1994 the proportion of jobs in manufacturing is expected to have fallen to 25% compared to 46% twenty years earlier. The 'blueprint' contains few hard schemes which will generate manufacturing jobs.

7. Property development, tourism and leisure are also very vulnerable to a recession in the economy.

The Conservative controlled Council may not want to acknowledge the full extent of the important role of the public sector in the revitalisation of Bradford. Much of the private sector investment will be generated by European, Government and City Council investment.





## Part 6

# The Lessons for Organising and Action

We have made it clear throughout this report that many of the policies being implemented in Bradford are also being implemented elsewhere, usually less comprehensively and more slowly. Bradford is unique, in early 1990, in the way that the Council is attempting to rapidly implement a large package of privatisation and commercialisation policies.

Faced with this situation, Bradford NALGO have drawn together the following lessons and guidelines which may help other branches facing similar issues.

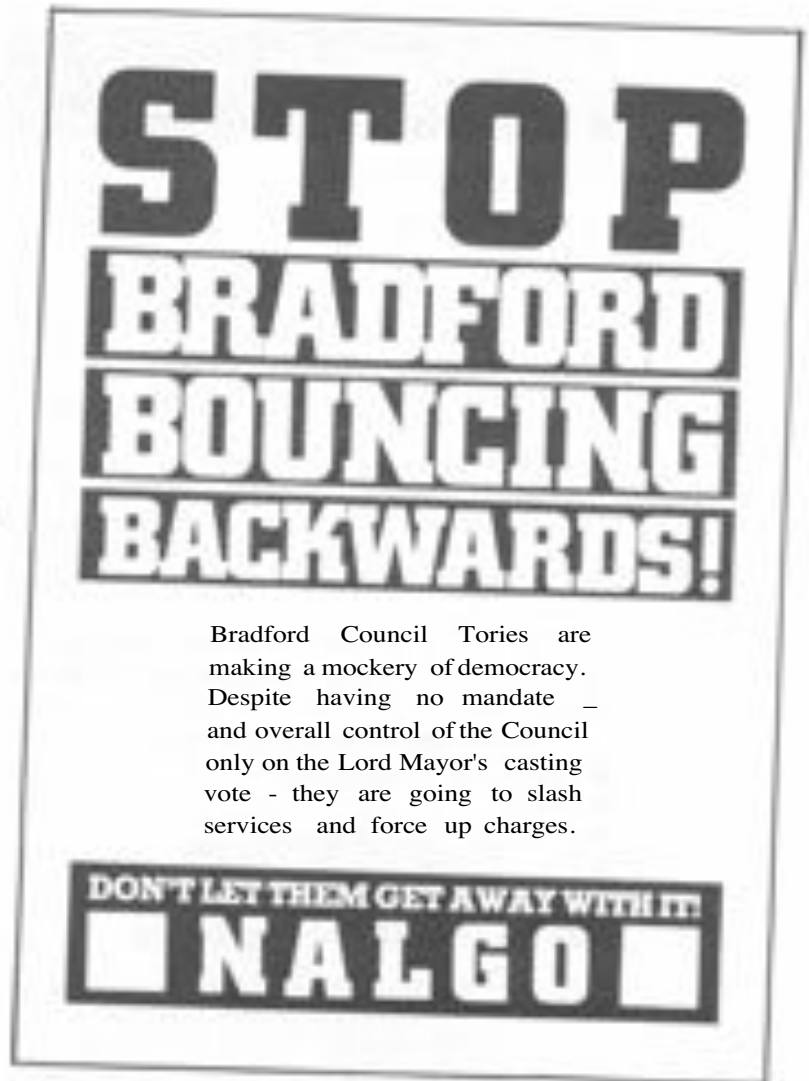
Clearly, the City Council's commitment to spending cuts, privatisation and commercialisation cannot be stopped or changed immediately. It is, however, possible to thwart, delay and change specific proposals. Equally, the national trend towards commercialisation cannot be immediately reversed.

### Action required at National Level

The findings in this report lead to a number of points which require urgent consideration by NALGO at national and district levels.

A Critique of Current Local Government Policy Initiatives is required to try to prevent more local authorities going down the same path. It is essential that Bradford City Council and the Government are not allowed to use Bradford as a model council for the 1990s, without consistent criticism and evidence of the real impact on services and jobs. This needs to be pressed at all levels, *ie*, local authority associations, other trade unions, user organisations and users generally.

Organising/education tactics: Clear advice is needed on the tactics which might be used to counter or at least diminish the impact of commercialisation measures. In addition, far too many members do not have a clear understanding of the full effects and implications of Management Buy-outs and commer-



Bradford Council Tories are making a mockery of democracy. Despite having no mandate — and overall control of the Council only on the Lord Mayor's casting vote — they are going to slash services and force up charges.

cialisation in general. NALGO education courses should be set up to address this need.

Research into the impact on jobs and conditions in MBOs and SDUs: These need to be closely monitored to gather evidence of what happens to jobs, benefits, working conditions, industrial relations, and the quality of services to counter the propaganda from companies and some local authorities. This should include a full analysis of all the public costs and other forms of assistance given in the setting up of MBOs, SDUs, arms length companies *etc.*, to counterpose against the 'savings' and 'efficiency' claims and the manipulation of budgets.

Organising strategies to recruit in contractors/private firms: The difficulties and the resources required to effectively try to recruit members in contracting and other private firms should not be underestimated. Most full-time trade union officers do not have the time to undertake this lengthy work given their existing commitments. The work also requires particular organising and campaigning skills. Specific training should be developed. Additional staff resources will be essential.

Development of alternative public service policies: Commercialisation is not inevitable nor the only option when faced with government legislation, financial constraints *etc.* A clear set of principles based on public service practice and principles is urgently required.



## Action required at Branch Level

### We recommend a three-part strategy

**Firstly**, to develop strategies and tactics which branches can use to stop, delay or change policies being imposed WITHOUT FULL CONSULTATION and which affect services and jobs. This must cover the use of consultants, business planning and reorganisation proposals.

**Secondly**, to adapt and if necessary create new organisational structures to cope with decentralised bargaining together with education and training of branch officers and shop stewards to deal effectively with new demands on recruitment, bargaining and tactics.

**Thirdly**, continue to develop clear policies covering, for example, CCT strategy, public service planning in place of business planning.

These three strategies depend on four key issues.

- Research and information.
- Strategy.
- Organisation and Alliances.
- Education and Training.

### Research and Information

Spending cuts, privatisation and commercialisation are often introduced with a fanfare but detailed information concerning their actual implementation is often deliberately withheld by the Council. In Bradford there has been virtually no information available on Service Delivery Units once the Council took the decision to set them up.

- All major proposals covering Council strategy and reorganisation usually go to Policy and Resources Committee and then full council. It is essential that branches obtain copies of all relevant reports:
  - to be able to respond to, and initiate when necessary, media coverage of NALGO's view's.
  - to inform members of proposals and their implications.
- Copies should be circulated to each shop stewards committee.
- Briefing Sessions should be held for shop stewards when proposals affect the Council as a whole, so that they can inform members who may otherwise have to rely on press coverage and internal rumours.
- A Research and Information officer should be appointed in each branch. The importance of getting information quickly and obtaining information of proposals and progress (or the lack of it) in departments cannot be stressed too strongly.

A brief for a Research and Information Officer should include:

- gathering information about Council proposals, helping to ensure items are on branch meeting agenda, and helping to assess the implications of policies.

- gathering information about the costs incurred by the Council in implementing its policies, for example the use of consultants, the speed-up of housing sales, the cost of privatisation and so on.

- being a contact point for members to keep the branch better informed about developments in different departments. This work could be shared by two or three members if no one person can undertake the work.

- A regular Branch Newsletter can be an effective and important means of informing members about union policies and action. This will be increasingly important as Council policies will lead to fragmentation and divide and rule tactics.

- The information gathered should be placed in a set of privatisation/commercialisation files in the Branch office. Branches should also ensure they obtain copies of useful reports, pamphlets and other material from other NALGO branches confronted by similar issues.

### Strategy

Depending on the circumstances this should be based on a combination of the following:

- try to negotiate the best possible deal for each and every proposal,
- try to stop or delay proposals by various forms of industrial action including non-cooperation,
- try to ensure full consultation at all stages,
- try to change proposals by putting forward alternative proposals,
- try to expose the full consequences of proposals on services and jobs and specific groups of users.

The minimum objective must be simply more than trying to negotiate the best possible deal as each proposal is announced. Negotiations are most effective when they are conducted from a position of strength. One of the purposes of adopting the 'commercial culture' is to try to decrease the power of the trade unions at all levels in the authority. The establishment of commercial units and separate companies could give the Council more power to simply impose employment and industrial relations conditions without consultation unless NALGO takes steps to avoid this happening.

- Whilst large-scale demonstrations are vitally important to try to counter major Council proposals, many of the privatisation and commercialisation proposals require more specific ongoing tactics. For example, for detailed ways of dealing with consultants, see *Public Service Action* No. 19, pp 8-9. The trade unions joint publication *Who Cares Wins* and the later supplements on each service, together with detailed advice from SCAT (*Contractor's Audit, Tender Evaluation, Taken to the Cleaners*), LGIU, and the local authority associations such as AMA, ADLO and the ALA, provides comprehensive material for challenging the commercial approach to enforced tendering.

Adopting more detailed tactics will also be a crucial means of involving more members in branch activities and action.

## Organisation and Alliances

Joint trade union action both between manual workers and with white collar workers has been a crucial ingredient in campaigns against privatisation. The policies now being implemented by Bradford City Council will lead to further tensions and conflicts of interest between different groups of workers and between white collar and manual workers. The proposals will radically affect all council workers. Those not directly affected by enforced tendering now may well be targetted in the speed-up proposals. Commercialisation knows no boundaries between sections or groups of workers.

It is likely that some groups of senior/middle managers and certain professional and technical staff will stand to gain larger pay packages from commercialisation. But a large number of NALGO workers in clerical and administrative posts will face similar threats of job losses and cuts in earnings. Most of these workers are women. A common strategy uniting all the local authority trade unions will be essential.

- Alliances with user organisations, particularly over the sale of elderly homes, built up support which delayed the sale programme and led to the Council adding conditions to the sales. There will be

increased opportunities for local alliances following the implementation of Local Management of schools and housing estates. The St. Ives Action Group success in delaying the sale of the St. Ives Estate showed how important it is for campaigns to target particular sections of Conservative support.

- Joint shop stewards committees should be strengthened and can play a key role in pulling together local authority trade unions affected by the Council's policies.

## Education and Training

- Branch organised educationals can play an important role in increasing awareness of the issues and implications of policies as well as a means of getting wider examination of possible tactics amongst the membership.

- Specific training will be required for Branch officials and shop stewards to meet the new demands placed on negotiating tactics and recruitment.

- Branch educationals on enforced tendering are essential to apply NALGO policy and advice to the particular situation in Bradford and to develop tactics to try to minimise the Council's obsession with commercialisation.

