

UNISON

**Why we are fighting outsourcing
Why YOU must join the fight today
IT'S HAPPENING NOW!**



Background

On Tuesday 16 December 2014, 63 Barnet Councillors debated on the Five Year Commissioning Plans which involve CUTS & Outsourcing and Redundancies.

- 32 Conservative Councillors voted YES to begin the £73 million CUTS & Redundancies & Outsourcing projects
- 30 Labour Councillors voted NO
- 1 Lib-Dem Councillor voted NO

The following services facing outsourcing are:-

- Education & Skills and Catering services
- Library Service
- Children's Centres
- Adult Social Care
- Street Scene Services

A “race to the bottom”

We now have local evidence through the One Barnet Programme which shows that following privatisation, employment standards are driven down in the race to reduce costs as much as possible and make the contract deliver services as cheaply as possible. Private companies' first priority is profit. Even when services are handed over to the not-for-profit sector, for example Your Choice Barnet, price competition drives down funding and staff pay and conditions. Organisations such as St Mungo's, One Housing and Greenwich Leisure Limited all compete for local government services; all three are “not-for-profit” yet all three are cutting pay, conditions and staffing.

Pensions, Pay and Terms & Conditions

In the last ten years our pension scheme has been under attack by successive governments. On each occasion national strike action has supported our negotiations; which has meant we still have a good pension scheme. However, one of the motivating factors behind the outsourcing is the saving. Once outsourced it is down to the new employer to make the pension contributions.

In the Barnet Pension Scheme there are currently two types of contributions:

- 24.8 % employer contributions
- Employee contributions which are based on a sliding scale dependent on your earnings.
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By outsourcing the workforce the Council is making a 24.8 % saving for each council employee who transfers out of the council.

Whilst the new employer **will have to pay** into our pension scheme,

they won't have pay for new starters. This is critical and why we are asking Barnet Council for the pension scheme to be accessible for new employees. To date the Council has **refused** to accept this proposal. It is our experience from feedback from members that transferred council workers have a price tag on their head. They are expensive compared to new starters. This is what we refer to as the **two tier workforce** or a **divided workforce**.

A divided workforce

After privatisation, new staff who come in will be on poorer pay and conditions. We estimate that the employment package as a whole, including pensions, means that the staff are worse off by 33%. This creates an unfair two-tier-workforce, where employees carry out similar roles, yet are on different pay and conditions. Employers then use this to erode the terms and conditions of staff who transferred over from the local authority. We have also seen hundreds of former council staff made redundant after transferring to the new employer in 75 % of the One Barnet contracts so far.

Impact on services

One of the most important consequences of privatisation is that it breaks up and separates services rather than integrates them. Competition means that costs are driven so low that either the quality of services or pay and conditions will be affected. Companies will also “cherry pick” the more obviously financially rewarding services where they can make the quick wins. This may mean in Health and Social Care where people have less complex needs, companies will have a higher incentive to offer support to those people as this will be relatively cheap and quick to provide compared to supporting those with more complex needs.

What we are doing

- We are working hard to promote in-house service delivery models
- We are working with service users, community groups and residents to campaign and protect Council services.

These proposals are a fundamental attack on your pay, pensions and your terms & conditions. We need to take action to defend them!

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