

The public sector

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- A story showing that public service transformation is possible without outsourcing and privatisation
- That it leads to real improvements for citizens and a real sense of public service for staff
- And that UNISON can lead the way
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Newcastle UNISON



The Story...

"I went home. And Mam asked me what's the matter, I looked so bad. I was that gutted that you can hive off public services."

Lisa Marshall, a UNISON shop steward at Newcastle city council, described her reaction to the news that the council's IT services were going to be outsourced to the private sector. "But," she reflected, "there aren't many models of change from within public sector."

For the past five years, Lisa and the UNISON branch have helped to create a model of public sector change that is relevant to everyone who cares about defending and improving public services.

Then...

Like the technologies of the Tyne's heavy engineering and shipbuilding, in its heyday the council's vast, room-size mainframe computer was among the best. But those who managed it rested on their laurels. Technology first introduced in the 1960's was by 2000 holding back those who used it rather than enabling them to be responsive to the city's 250,000 citizens. It had become grossly expensive to maintain and was embedding routine and introversion rather than opening up council services. To compound the problem, an exceedingly heirarchical structure stifled staff initiative, encouraged a culture of deference and conservatism and fostered a 'silo' mentality.

By 2001, when this story begins, the council's IT and Related Services (ITRS) registered near the bottom of the scale on all counts. Senior managers assumed that internally driven change was impossible and that they would have to look to a private company to come in and take over the management of the service.

Now...

Five years on, there is a new council department, City Services, whose staff and managers are giving new life to the ideal of serving the public. They are increasingly confident about the possibilities of radically improving the public delivery of public services. Dramatic savings have been made and redistributed to the care of the elderly. And City Services is the only local government department to win a bid to provide IT services for local schools under Building Schools for the Future, a scheme originally set up by the government to renew and refurbish all secondary schools and which opened up schools to the private sector.

The trade union campaign...

This successful experiment in radical change has its origins in a two-year trade union struggle. The UNISON branch developed a comprehensive strategy against privatisation across the council. It included intervening in the tendering and procuring process to press for a serious in-house bid, scrutinising the companies bidding for the services,

campaigning alongside other unions and citizens' organisations under the banner "Our City is Not for Sale", and finally threatening strike action.

The goal was to convince the voters of Newcastle, their councillors and key senior managers that the council itself had the capacity to lead the process of change.

In 2002 UNISON was successful, first winning a political commitment to a serious in-house bid and then helping to produce one that was clearly better value for money than the rival private-sector bid from British Telecom.

The battle laid a foundation for the process of change through the union's commitment to make publicly delivered public services efficient in meeting public needs.

Everyone the authors talked to would agree that union engagement and support has been one of the key conditions for the success of the experiment.

What changed...

The challenge faced by the new management of City Services in early 2003 was to introduce collective multi-tasking on a large scale.

It involved choosing and buying new technology packages and transferring a vast amount of complex data – which in turn meant rethinking the nature of the information needed. Changing technology opened up possibilities for new ways of working and managing. It became a moment to rethink the whole organisation, eliminating multiple layers of supervision and pushing the power to take initiatives down to frontline staff in order to improve services.

This in turn entailed extensive retraining, some redeployment and much reorganisation – but no compulsory redundancies.

And it all had to be done at the same time as maintaining business as usual – processing benefit claims, collecting council tax payments, ensuring staff were paid – and running a network of new customer service centres and a new contact centre, both of

which opened up the workings of the council to public view and public demands.

And why it matters...

The experience is of national and international importance because it shows that – contrary to the presumption that incompetence and inertia are intrinsic to local government – public service managers and staff can drive and lead change, generating innovative ideas and successfully implementing them.

Moreover, they can contract private businesses to work to their agenda on terms and tasks determined by democratically accountable public bodies.

This book comes out at a time when the government assumes that market competition is the necessary spur to the improvement of public services.

This book demonstrates that this assumption is wrong: that a deepening and strengthening of democracy and an enlivening of public services values are the real catalysts to change in how public goods are provided.

Patently, democracy as we have known it – the election of representatives to manage public bureaucracies, local and national – hasn't been up to the job. Embedded routines, departmental empires and stalemate industrial relations have all too often blocked change that citizens desire. The vote has not, on its own, been powerful enough to be a driving force for change.

So this story is also a search; exploring how stronger mechanisms of democracy and responsiveness can open up the running of public services so that citizens can themselves be the stimulus for change. It's a story with lessons for all the public sector.