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A briefing on UNISON Scotland's public services campaign
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UNISON
Scotland

Slash and Burn Policy Risks everything

The Government say they need to make drastic cuts in public services in order to cut the deficit. They say that not tackling the deficit immediately will destroy our economy. UNISON is not just concerned about the very real hardship that these cuts will directly cause. There is a real risk that they will also destroy the fragile recovery and push us in to a "double dip" recession. The recent positive UK growth figures have been much publicised but the impact of the cuts from the spending review is yet to be felt. There is still a very real risk of a double dip recession.



The Irish Government were very quick to take the steps the Tory Government is now taking. Sadly we fear the consequences will be the same for the UK.

- Is the Irish economy back on track?
- Have private sector jobs been created?

The answer is no. Ireland is in fact in deep trouble.

The Irish banks were badly hit by the financial crisis leading to a bailout of €25bn. The government rushed then to balance their books introducing pay cuts and tax rises

equivalent to 5 percent of GDP. They have made cuts of €4bn this year, and will make cuts of €3bn in 2011 and €4.5bn between 2012 and 14. Public sector workers have had pay cuts of 5%. Child benefit has been reduced by €16 per month and €960m of planned public investment was cancelled.

The banks are still in trouble. The total cost of the bailout could rise to €34bn. 455000 people are unemployed (total population: 4.2million). The cost of borrowing is rising not falling. Bonds are now at a record high. The Irish economy has shrunk by almost a quarter since 2007. This year in the second quarter GDP fell 1.2% on the quarter and 1.8% on the year. It is economic madness to follow Ireland's route.

Running up the deficit was a sensible proportionate response to crisis. The cheering Tory MPs during the cuts announcement show what they are really all about. Whatever the state of the UK economy they would cut public services. Its what they do.

We must continue to argue against bad economics and defend members jobs and the services that ordinary people rely on.

Council Tax

Scottish Valuers are calling for local authorities to be given more powers to raise taxes. The Institute of Revenues, Rating and Valuation (IRRV) conducted an inquiry into local taxation and presented interim results to members in September.



The "emerging findings" include proposals for interim reform of council tax, long term plans for a modernised property tax as well as powers for councils to raise supplementary taxes. The changes include extra council tax bands, regular valuations, improved enforcement procedures and improved collection through better data sharing. The proposed property tax would be based on discrete capital values.

They also propose that each council could set its own rate of taxation. The final report will be delayed until the end of the year in order to take account of the spending review and benefits reform. The IRRV say the council tax freeze needs to end as it makes it impossible to fund current services.

Scottish Parliament should act quickly to reform the current system to make it fairer and ensure adequate funding for local government services.



Taxpayers Alliance is a waste of time and money

Rightwing Lobby group The Taxpayers Alliance (TPA) is wasting millions of pounds of public money by demanding answers to spurious questions from public sector organisations. UNISON calculates answering their questions would have cost taxpayers at least a million pounds as well as taking up valuable time and resources – equivalent to more than 100 nursery nurses, teaching assistants or home carers or 50 nurses or social workers.

Their latest line of attack was on facility time. Far from costing taxpayers money, trade union involvement has a very positive impact on the workplace. Research commissioned by the Department for Business in 2007 suggested that effective and engaged union representation saves the public purse between £170m and £400m a year by improving retention, training take-up, health and safety, and dispute resolution; and as much as £3.6bn a year through general productivity gains.

Dave Prentis, UNISON General Secretary, said “The Taxpayer’s Alliance is digging up another tired old chestnut. Taxpayers expect their money to be spent pro-



viding services, not answering spurious questions from the TPA to prop up their own political interests”-

A report for the Department of Trade and Industry in 2007, said that the UK’s 350,000 workplace reps brought in benefits worth £476 million to £1,133 million annually.

A TUC report in December 2009 said that trade union involvement

boosted productivity by making people feel listened to, and more in control of their working lives. The DTI estimates this productivity boost is worth between £3.4 billion, and £10.2 billion to the economy. Examples of trade union involvement boosting services and saving money include-

In Oxfordshire, unions were involved in remodelling the council’s finance and HR, leading to £4million savings per year, whilst protecting relocated or redeployed staff.

In Peterborough, increased facility time enabled the UNISON branch to find ways of reducing the negative impact on staff of redundancies and job evaluation.

In Sheffield, unions played a central role in building Care4you, an award winning service for older people, delivered by city council employees. The move has cut down on hospital admissions, and helped more people to stay at home without ongoing support.

See for http://www.unison.org.uk/asppresspack/pressrelease_view.asp?id=1966 for more info

Why can anyone visit UK museums for free?

Because we’ve already paid through our taxes.

The Taxpayers Alliance recently hosted the European Resource bank conference. This gathering of rightwing lobby groups and think tanks is sponsored by the Cato Institute and the Americans for Prosperity Group.

The conferences aims to bring people together to learn from each

Free museums

other to improve their campaigns for low taxes, loose regulation and privatisation of public services.

Surprisingly these advocates of easy-jet-style public services advertised London’s many free-to-visit museums a part of their conference promo pack.

We hope that those who took advantage enjoyed their visit and recognised the value of this service paid for by British taxpayer. They may even change their views on the value of the public sector!

Democracy Fairness and Taxation

Christian Aid have published an interesting report on the impact of tax dodging by multinational corporations on the global economy and on the poorest countries. Countries need tax revenue in order to function. Every day is tax-free-day in Somalia but few of us would migrate there. The PCS, who represent those working in HMRC, estimate that £130billion goes uncollected evaded or avoided every year in the UK. This has a huge impact on the quality of our services. The impact in developing countries is devastating.

Christian Aid estimates that the nine countries that the Scottish people support through the government's aid programme lost over £4billion through lost tax revenue from bilateral trade between 2005 and 2008. The report estimates that developing countries lose \$160billion every year. That is one and a half times the world's annual aid budget. Tax dodging via trade mispricing cost Zambia almost £3million between 2005 and 2007. More than 600 000 children in Zambia have been orphaned by AIDS related illnesses. Oxfam states that £31 will train a health worker. You can see how this tax revenue could have been better spent preventing the spread of HIV/AIDS. These countries desperately need this tax revenue. They need to build stable government and infrastructure. It would also reduce their dependence on aid. <http://www.christianaid.org.uk/images/ChristianAidTaxReport.pdf> Tackling tax avoidance is a key route to bringing down the UK deficit. Tackling it on a global level will save lives.

Spend to save?

The AFL-CIO have been keeping a close eye on developments at the big US banks. Like UNISON they believe that the bankers who caused the crisis need to play a bigger role in fixing the mess they have made of the world economy. Instead of sorting out their mess the banks are spending millions lobbying to prevent necessary financial reforms and taxation on their businesses. They want to go back to business as usual while we pay the price through cuts in public services.

Lobbying expenses in 2009 were

Bank of America \$3.7 million

JP Morgan Chase \$6.2 million

Citigroup \$5.6million

Wells Fargo \$2.9million

Goldman Sachs \$2.8million

Morgan Stanley \$2.9million

(<http://www.aflcio.org/issues/jobseconomy/jobs/activiststools.cfm> Source Centre for Responsive Politics)

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Taxing Questions

A survey for the BBC World Service indicates that people estimate that over half the money they pay in tax is not used in ways that "serve the interests and values of people in their country." In Europe Spain was the country with the lowest average estimate of misspent money at 34%. In Britain the average estimate was 46% of tax money not spent in the public interest, possibly related to the disgust over the MPs expenses scandal.

Despite this belief in widespread waste 35% preferred tax rises to services cuts as a method to tackle the deficit, 49% preferred cutting services. Britain had the highest proportion of people willing to pay higher taxes in the survey.

More positively Edinburgh City Council's survey of residents found that 70% are willing to pay more in council tax to avoid cuts to services.

The council has used local summits, online questionnaires and email surveys to get residents' views. People were told that a one percent rise in council tax would provide £2.2million and asked if they would pay this for "essential front line services". There is widespread support for the services members deliver when the question is put in this way.

We need to ensure that people understand more about how their money is spent and how cost effective public delivery of services is in order to build on this support and protect services from the current dogmatic attacks.

The survey is available from

<http://>

www.worldpublicopinion.org/pipa/pdf/sep10/

[BBCecon_Sep10_rpt.pdf](http://www.worldpublicopinion.org/pipa/pdf/sep10/BBCecon_Sep10_rpt.pdf)

PAYING OUR DUES: HOW TAX DODGING PUNISHES THE POOR

A Christian Aid report
October 2010



christian
aid

POVERTY

Small is Beautiful

A new pamphlet outlines how local government staff create innovative service improvements. **“Small is Beautiful: Innovation from the frontline of local government”** by the Local Government Information Unit (LGIU) gives an overview of ten local projects which have improved services and provided real benefits to their communities.

It draws together the lessons learnt in order to help others improve. The current spending pressures mean it is essential that service improvement continues. The project looked at hundreds of examples of how small programmes on low budgets made a “decisive difference to their local area”.

The projects cover a range of issues for example anti social behaviour, social cohesion, using new technology to improve ways

of working and tackling consumer scams.

There is a great deal of pressure on local government budgets and management consultants are selling top down initiatives and large scale shared services as the answer. These projects indicate that there may be a better route to improved services.

The LGIU has established that the key factors which allowed innovation (and therefore improvement) to flourish were: they were not top down initiatives, they were small, they had limited but crucial amounts of funding, they had a focused team to lead them and were given time to develop.

The report can be downloaded from <https://member.lgiu.org.uk/whatwedo/Publications/Pages/smallisbeautiful.aspx>

Libraries Change Lives

The Library in an Edinburgh prison has won this years Libraries Change Lives Award. Less than two years ago the prison library was a small book depository used by a fraction of prisoners. Now it has a waiting list and 12500 people have used it in the last 12 months. The prison worked with Edinburgh City Council to create a new library that would support education and employment in order to support prisoners on the transition back into community life. Now 50 per cent of prisoners borrow books from the library and damage has gone down from 80 per cent to zero.

The awards team expressed their hope that the project will inspire others to start up similar projects. Libraries in the UK are under threat. They are a valuable service which change lives and they need to be protected.

Privatisation fails again, this time in Liverpool

The top secret world of public sector outsourcing has been breached by a leaked report into Liverpool Direct Limited (LDL). The report is highly critical. LDL is a Strategic Service Delivery Partnership between Liverpool City Council (LCC) and British Telecom. The company, jointly owned by LCC and BT, was set up in 2001 to deliver a range of services to the council. Services include IT and contact centre and revenues and benefits service. LDL also trades on its own, selling those services to others. BT own 80% of LDL and the council the remaining 20%.

LDL was one of the earliest delivery partnerships and is widely quoted as a success story. UNISON used it as a good example of large scale secondment of staff. However the review set up to examine the contract, which was leaked to the Liverpool Echo, shows just how poor value for money LDL has turned out to be.

The council has been overcharged by at least £19million. The cost of the contract could be cut by £10million. Transparency and agreement on future investment were problematic. The council could save £23million



annually by taking the work in house. There is evidence of overcharging totalling £18.364m including not paying the council when using council facilities for non-council business, additional charges for training which should have been “in-scope” (included in the actual contract and so already paid for), excessive mark-up on out of scope IT equipment while

failing to provide in-scope project/support/change capacity and charging for IT support items not on the asset register. The mark up on desk top and lap top catalogue prices was between 93% and 149% of alternative suppliers. There was also no accurate register of assets leading to unnecessary purchases which then increased support costs. Support charges for PCs, scanners and printers are about £1million too high.

LDL claims to have invested £51.9million but the list of investments provided by LDL could not all be substantiated. The council can only identify £27.2million.

Despite the evidence to the contrary there is continued pressure on public sector bodies to move to this delivery model. This is just one more example of how privatisation costs money rather than saving it. Public delivery is efficient and cost effective and we should not hesitate to say so.