



TUC Response to the UK Government's Approach to Public Service Reform

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Introduction

In June 2006, the government published *The UK Government's approach to public service reform*, to describe its intentions for public services, looking at the programmes, policies and strategies for reform and the experience to date in operating them.

The paper, accompanied by major speeches by the Prime Minister and other senior ministers, underlined the commitment to continued private sector involvement in public services, an increase in voluntary sector delivery and the use of competition and contestability. It sets out the aim of moving away from top-down management towards "self-improving" public services.

These 'reforms' will bring radical transformation to those very services that are essential to the health and wellbeing of our country. We all want to make public services better, but the TUC believes that the best route forward lays with a combination of increased investment and collaboration and co-operation, where service users, employees and unions, managers and employers commit to working together to secure improvement – not through divisive and expensive competition. We should continuously strive to improve relationships between patients, pupils, users, their communities and public service providers.

It is deeply troubling that the government's approach to public service reform fails to acknowledge the benefits of social partnership with trade unions and consultation with the workforce. The improvements that both the government and public want to see in our public services cannot be achieved without the direct involvement of organisations representing the views and interests of those people who run and deliver all aspects of public services.

The government's approach also fails to appreciate the desire and ability among public sector workers to improve the services they deliver and to which they are committed. Public sector workers have pioneered many new ways of delivering higher quality and more cost-effective services. Public servants deserve recognition of their contribution to the economy and for the government to show confidence in their ability to deliver high quality services.

In this pamphlet, we look at the overall approach to public service reform and analyse the implications of the main policies and strategies for public services, their users and the workforce. We then look in more detail at the impact of the reform programme in the main sectors within public services, including the NHS, local government, social care, housing, education, police, the probation and prison services and the civil service.

We look at the current direction of travel of reform in each sector and set out the implications of these changes. We also set out alternative approaches to improving public services to one which relies on competition, privatisation and service cuts.

Much has already been achieved

Building quality public services requires investment in infrastructure and equipment, in people and in the work they do. A long-term commitment is needed to maintain and develop public services to continue its contribution to the wellbeing of society. The TUC strongly welcomes the sustained high rates of investment in the public services since 1999 and advocates continued high levels of spending in order to achieve quality services for everybody.

High rates of investment and the commitment of public service workers to new ways of working have delivered improvements across the board in public services as evidenced by the NHS Agenda for Change agreement and the Drive for Change pilot (see below). This is a more accurate and encouraging description than the one often painted that implies that public services are starting from scratch in delivering improvements. The Government's repeated message that reform is necessary because public services are not delivering properly is damaging to staff morale and public confidence.

The Reform Model

A model of reform is presented by the government, with a mix of challenges from top down performance management, pressure from citizens and competition to improve alongside support to build capability and capacity, all combining to produce a 'self-improving system. Public services are complex systems, requiring sophisticated and differentiated approaches to improve performance levels. An evidence-based approach should always be taken in deciding the best strategy for improvement in different public services.

Our concerns over the current route to reform

The TUC is concerned that the preferred approach to public service reform relies too much on competition and contestability over other methods of improvement. The Government says that the competitive models being imposed on our public services are designed to support better efficiency. It argues that the public sector should be made up of autonomous providers of services – hospitals, schools, probation services etc. – and that competition between them will drive up their performance and keep costs down. The models also dictate that planning and providing services should be divorced from each other and undertaken by separate bodies. In this way, they argue that commissioners or planners of services will be able to drive a better deal.

The new public sector models also presume that giving citizens a choice of provider will lead to greater equity, as they are able to switch from poor performers to better ones. With a greater provider role planned for the public and voluntary sector, they predict that this competition between service providers will push up standards as they improve in order stay in business, or risk being forced to close.

We have major concerns about this approach. We do not think it will deliver either better value for money or more choice or achieve the key objective of improving the quality of public services for all. Most worryingly, the reforms have neither the backing of the public sector workforce nor the public.

Lack of evidence

The models are not based on a pragmatic evidence-based view of what has worked well here or in other countries. Indeed the evidence that is presented here does not provide a convincing case that private or voluntary sector providers of public services are better managed or more efficient. There is considerable evidence of costly private sector failures and there is no evidence that competition leads to better services by pitching service providers against each other.

The Government's paper argues that there is a lack of evidence that competitive markets put the public service ethos at risk. This argument works on the principle that the public service ethos can be maintained through carefully worded contracts of service between the public and private sectors. However, the TUC is not convinced that the long-term survival of the public service ethos can be assured in this way given that commercial considerations will always be the primary concern of any contract.

In fact, the evidence shows that the profit motive often harms the public service ethos and quality of service. For example, PFI hospitals have reduced bed numbers and staff levels and PFI schools are built without kitchens at the same time as delivering huge profits to the companies involved. The failure of private prisons or hospital cleaning contractors to meet targets highlight the problems of private sector delivery.

The Government also appears keen to make increasing use of the community and voluntary sector as a provider of services. This sector has a long tradition of providing services and often meet the needs of people who fall outside mainstream public services. But it should not be allowed to become a cheap substitute for fully government-funded and accountable public services. In addition, as the sector is currently organised, with a reliance on short-term funding and competition for contracts we remain unconvinced of its ability to take on a larger share of public sector work. It is also important that voluntary and not-for-profit sector organisations retain their independence and ability to meet the specific needs of their service users.

Competition is not the right way

The reforms threaten to fragment our public services and introduce competition instead of cooperation within public services and with other providers. Public services work best when they are supported to collaborate and share resources and information. Providers will be tempted to cherry-pick, competing for services that are more financially rewarding. The losers will be those services which are most complex or expensive and those users who may be least informed and least able to navigate their way around the system.

Merely transferring services from the public sector to the private or voluntary sector in the name of competition does not in itself guarantee improvement in service quality, efficiency or innovation. It is time to take a step back and review the evidence on competition and contestability and their impact on public services and the public service ethos before going any further.

Choice for all?

We strongly question whether the reforms can genuinely increase choice for all. What matters to most people is having choice over the way they can access good quality local services so that it fits in with their daily lives and meets their needs and

concerns. Evidence consistently shows that choice over the provider is a secondary concern. A market-based approach will simply reinforce the current divide between those able to access the best public services and those who cannot.

We must also consider the conflict between individual choice and efficiency, as spare capacity is needed to provide choice. This is seen in sharp relief in the NHS, as patients have the right to choose free treatment in foundation hospitals and private clinics anywhere in the UK. This is diverting income from local health services already facing financial deficits and cuts.

Real choice, supported by the TUC, means a positive commitment to responding to citizens' needs, making services accessible, encouraging individuals to shape services and actively learning from user involvement. By building on the innovations pioneered in public services and supporting public servants in responding to changing needs, we can reap genuine rewards for all.

Continuous improvement

We support the need for continuous improvement in the pursuit of high quality public services, yet the sector has been subjected to almost constant change in recent years. The constant cycle of new structures and ways of working is demoralising and inefficient and often imposed on public sector organisations with no chance for discussion. It is important that reforms and changes should be based on sound evidence and plans discussed and developed between employers, trade unions, staff and users.

We also support the increased use of piloting and testing new approaches and programmes for service delivery. Testing new initiatives – from major structural changes to local adjustments in service delivery – must be the best way of measuring the impact of new approaches and learning from mistakes. And by involving and consulting with the staff and patients, the people who surely know best about what works well, this is an effective way to make the best use of a range of skills and experience.

Change and restructuring should only be undertaken where there is strong evidence and sound consultation. Through social partnership, government, employers, trade unions and staff can forge a positive agenda on decisions affecting the world of work, the way public services are provided and how they are organised.

The progressive solution

The TUC believes that public services should be effective, universally accessible and responsive. And we acknowledge that changes and improvements often need to be made for services to better respond to the citizens' needs.

But public sector workers and their trade unions, along with users and their representatives, must be at the forefront of any changes. They have the expert knowledge and experience of these vital public services to ensure services are improved and waste minimised. Public services and staff can be the real motor for change and innovation, without having to look to new models and structures.

This requires that the public sector is adequately resourced so that it can play its full economic role in society, including sufficient funding to ensure well-trained and properly resourced workers.

Public service improvement depends on successful strategies which enhance the motivation and enthusiasm of public service employees and develop a strong sense of professionalism. This includes training and development strategies, and enabling collaboration and joint working between staff in public service organisations. Unless public servants feel involved in and own the processes of change within any service, then any improvements in quality will not be embedded.

The Government's reform programme must have a more robust commitment to consultation and involvement with employees and trade unions, both at a national and local level. This commitment must be based on offering genuine opportunities to influence and shape change and not just consultation on decisions already made. As shown through the Public Service Forum's Drive for Change project below, arrangements to ensure the effective and constructive engagement of unions and the workforce will help improve the quality of decisions affecting the world of work, the way public services are provided and how they are organised.

Drive for Change

Drive for Change is a joint project between the TUC and the Cabinet Office specifically for people working in the public services. It provides a practical guide for improving services through the effective engagement of trade unions and the workforce.

The Drive for Change approach has been piloted in four public service organisations - Holloway Prison, Birmingham City Council, Sheffield City Council, and the Cheshire and Wirral Partnership NHS Trust. All four have already demonstrated tangible results, including a significant reduction in self-harm in Holloway Prison, and a successful social care self-rostering pilot in Birmingham.

www.driveforchange.org.uk

In addition, the rush to use the private sector and the market is the opposite to the joined up government required for social change. A fragmented system that divorces school meals from education or considers so many services as non-core and marginalises the so-called 'back office' as less important will fail to deliver.

The progressive solution also relies on stronger local democratic involvement to ensure that service users and their representatives are consulted and involved, collectively and individually, in service planning.

TUC public service principles

The government's policy drivers of choice, contestability and use of the private sector must not be pursued at the expense of the protection of the public interest, democratic accountability, service quality and of the most disadvantaged in society.

We urge the Government, public sector employers and trade unions to adopt the following principles to ensure quality public services for now and the future:

- The recognition of the need for change should come about through the full involvement of unions and staff, at the earliest possible stages, in both influencing and shaping change and not just consultation on decisions already made.
- Constant change is demoralising and inefficient. The extent to which earlier reforms have been consolidated should be assessed before embarking on further changes.
- Improvements and change must be based on sound evidence and coherent business plans discussed and developed between employers, trade unions and staff.
- Improvement and reform must be underpinned by sufficient investment and resources, and funding for transparent, equality proofed pay structures.
- Public services drive equality and extend opportunity and as such must be subject to democratic accountability.
- The public service ethos must be supported and strengthened by any reforms and changes. Much of the expertise needed to improve public services can be found inside the public services and the key is tapping the reservoir of knowledge and engaging the commitment and enthusiasm of public servants in delivering change.

The National Health Service

Direction of travel

The government's reform agenda for the NHS is designed to tackle head-on what it sees as the key challenges of demographic change, advances in medical and pharmaceutical know-how and increasing expectations of the public.

The combination of these challenges is seen as representing such a unique and new situation that it requires a radical change in direction for the NHS. The impact of the policies introduced to address this situation is now becoming clear. Under proposals set out in documents such as the White Paper 'Our Health, Our Care, Our Say' (January 2006) there is a clear strategic shift of health services from secondary to primary care, with more resources devoted to prevention and public health, increased emphasis on joined-up health and social care provided in the community and greater patient choice.

In terms of the structures and organisations, the direction of travel is towards a commissioning model, in which GPs and Primary Care Trusts (PCTs) buy health and social care services from a diverse range of providers on behalf of the communities they serve.

To such ends, the Department of Health is seeking to strengthen commissioning capability in the health service. A recent notice of invitation to organisations and businesses to apply to provide a range of commissioning related services to PCTs indicates the assumption that PCTs will be commissioners, not providers in future. Organisations have been invited to bid to become 'official suppliers' of a range of services including identifying population health needs, data collection and analysis, designing care pathways and implementing and managing contracts. Many of these tasks are currently undertaken by PCTs themselves.

Department of Health publications on commissioning indicate the intention that PCTs and GP practices will in future commission services from an expanded NHS Foundation Trust sector, private sector providers, third sector organisations and PCT direct provision. The framework identifies competition between providers as a central driver of service improvements.

These reforms are set against a backdrop of existing programmes and strategies such as PFI/PPP, Independent Treatment Centres, privatisations and outsourcing and of ongoing financial difficulties, which are leading to redundancies, loss of posts and deterioration of services.

Where this will take us

a) More competition

David Nicholson, the new Chief Executive of the NHS, has said he would be very keen to see private sector providers running district general hospitals. Attempting to calm the waters, health minister Andy Burnham said "I think people think there's a secret privatisation agenda – and there isn't." Secret agenda or not – the Government is certainly intent on developing an NHS where a range of private and voluntary sector organisations compete to provide services currently offered directly by NHS staff and organisations.

There are some services that PCTs will continue to be able to provide services directly. However, it is not yet clear how this will work in a competitive setting in which PCTs will, according to the White Paper, have to put in place 'clear governance procedures which ensure that there is no undue influence of the provider side on commissioning decisions.'

b) Divestment of services / outsourcing

As with recent reforms in local government, the purchaser-provider split is likely to lead to an increased trend towards divestment of services and outsourcing. This trend can already be seen at NHS Logistics, which will outsource staff and services to DHL/Novation at East Elbridge PCT, which has plans to transfer staff to a newly created social enterprise.

The fragmentation resulting from high levels of outsourcing poses a serious threat to workforce planning and development. This puts the NHS's ability to ensure appropriate staff and skills levels for the future in danger.

c) A slimmed down hospital service

A further inevitable consequence of the shift towards greater emphasis on prevention and community care will be a slimmed down hospital service. At the same time, NHS trusts are encouraged to reconfigure services at a local level. This is partly to address the record deficits across the health service, but also reflects new policy priorities and will likely lead to facilities being closed or scaled back. This will seriously compromise quality of healthcare.

d) Choice

Supporting the principle of funding following user choice, the payment by results (PBR) system pays health service providers per user or procedure. Experience so far with PBR has revealed significant problems which have forced changes to be made to the payment tariffs. There have also been problems highlighted by certain NHS organisations which provide specialist children's services exposing the inadequacies of PBR for the provision of highly specialised and expensive care. The likely impact of the PBR system will be further instability in finances and structures.

Our alternative vision

We welcome the greater emphasis on prevention and public health as detailed in the White Paper. However, the greater competition between providers will result in fragmentation of services and deterioration in patient care. A health service based on the principles of equality of care, free to all at the point of need is ultimately incompatible with competition and private sector provision.

We call for co-operation in place of competition, stable finances, more consultation with patients and staff and a more deliberative, evidence based approach to reform. The combination of these principles will better safeguard the huge progress that has been made in the NHS since 1997.

Primary and Secondary Education

Direction of travel

The Government's childcare and education strategy - *Every Child Matters* - aims to ensure that children are safe, healthy and are offered additional opportunities to develop. This includes the concept of extended schools, with all schools in England expected to provide services from 8am to 6pm by 2010. Extended services can include childcare, adult learning, parenting support programmes, community-based health and social care services. This requires schools to work together with other agencies, including childcare providers, play and youth workers and social services.

Workforce reform has also been a key component of recent education reform policy, underpinned by the National Agreement of School Remodelling signed in 2003. This includes the transfer of a range of administrative tasks to support staff and the development of new roles in and outside the classroom. The agreement introduces the concept of the school team as part of culture change within schools.

The other main push in education policy has been the creation of more self-governing schools with influence from the private and voluntary sector. This is a key feature of the Education and Inspection Bill, which will open the way for the creation of Trust Schools. This increased emphasis of the independence of schools will take them further away from local authority control.

Private sector involvement has also been encouraged through the creation of academy schools and the Building Schools for the Future (BSF) programme. Academy schools are publicly funded, independent schools with independent financial sponsors and subject specialisms. These schools will have greater autonomy over staff appointments, staff terms and conditions, pupil admissions, curriculum and governance.

BSF provides significant investment in secondary school buildings and Information Technology. BSF is worth £2.2 billion of investment in its first year (2005/6) and will take approximately 10-15 years to complete. Most of this programme will be delivered through Private Finance Initiatives.

Where it will take us

Schools will be increasingly encouraged to break away from the local authority family. There already exists a fast track route for community schools to become foundation schools, where the school becomes the employer. This can be done by a simple majority vote of governors. We will see the emergence of more foundation schools which do not need to apply local authority pay and conditions and greater influence of the private and voluntary sector in schools with the formation of Trusts.

While local authorities have for many years engaged and commissioned services from a range of providers, particularly for specialist provision, the involvement of the private sector is going far beyond this into the employment of staff, management of services and ownership of previously public assets. The TUC is concerned about this, particularly where it involves private companies assuming

employer status in state-funded provision. In addition, since many of the extended services in schools will be provided by the private and voluntary sector, we are concerned about the danger of a two-tier workforce, with staff on different terms and conditions.

The independence of schools from local authorities will also mean that the interface between schools and other public services, such as youth services, special needs support, social services and children's services, will be lost. At a time when the Government's agenda demands the coordinating role of local authorities in the protection and safeguarding of children, the independence of schools will make the delivery of extended services for all children more difficult. And since schools will have the power to charge for extended services there is a danger that these will only be available to the better-off.

In general, there is no convincing evidence in state education that private providers have provided better value than those from the public sector. At best, where private providers replace local authority financed and managed provision, they deliver comparable services but which are more expensive. This applies to PFI, private sponsorship and local authority outsourcing. In many cases, services are worse largely because private providers are unwilling to deviate from their original contracts.

While we welcome the massive building programme in secondary schools we are opposed to the involvement of the private sector in education. PFI has not proven to be an efficient use of public money and the involvement of private sponsors has added little value to the education sector.

It is troubling that while the number of academies is relatively small (200 out of 24,000 schools) the public investment (£5 billion) is hugely disproportionate. In addition, private sponsors, who were supposed to provide £2 million per academy often pay much less which retaining total control over assets, staff, admissions and governance.

The TUC has wider concerns about the level of spending devoted to state education. The Institute for Fiscal Studies estimates that there is a real terms gap of £2,400 between the amount spent on a pupil in the state sector compared with the amount spent on an average pupil in the private sector. The Government has committed to remove that gap, but the Institute estimates that an extra £17 billion in real terms would be needed to do so. It would take until 2014 with an increase each year of 5.3% to that date to remove that gap.

Future education policy will also see the continuation of workforce reform with support staff taking on more responsibilities, with profound implications for training and reward. The Training and Development Agency for Schools has been set up to take on a strategic role regarding training of support staff. Its work involves the establishment of standards and work with local authorities to co-ordinate training programmes. There are serious concerns, however, about the inadequate level of funding to support the training. And there is a danger that support staff will be forced to take on more responsibilities without the necessary training or reward.

Our alternative vision

The TUC believes that the provision of state education is critical to the public service ethos and the creation of a democratic, just and inclusive society. We therefore believe that the provision of state education must ensure democratic accountability and value for money and raise standards of education. We believe that local authorities have a pivotal role in strategic delivery and provision of services. Community schools are accountable to parents and the community and should have a strategic role in the provision of extended services.

We are concerned about the creation of a two-tier workforce in providing extended services in schools and support joint working with Local Government Employers to provide training to authorities and schools.

Trade unions support any workforce reform which gives support staff far greater opportunities to develop their skills and be part of a team that delivers education. However, we are concerned about the number of staff with no access to higher levels of pay which reflect the likely increase in responsibilities and skills. Only 20% of local authorities have negotiated career structures for support staff. Because of the increase of schools functioning as employers, trade unions are seeking a national framework of pay with a statutory underpinning. This is particularly urgent given the low capacity of HR functions in schools and we urge that progress is made on this development.

Local Government

Direction of travel

Local government has traditionally had difficult relations with central governments as politicians wrestle with the contradictions of local government autonomy and a desire for central control over a major component of public spending and policy.

Since 1997 Labour has introduced major changes to local government including new political structures, from elected mayors to cabinet government, devolved administrations, comprehensive performance assessment, local strategic partnerships with local area agreements, new trading and charging powers and the children's agenda.

Local government in England is currently in a state of limbo on key policy areas awaiting the outcome of numerous reviews including the Lyons Inquiry into the future role of local government and impact of the White Paper on structures. Business interests meanwhile campaign to keep the status quo on the business rate, worried that it will rise if control over the rate is returned to local government.

In Northern Ireland, despite the absence of an elected government, the review of Public Administration will drastically reduce the number of councils and other bodies, leading to job losses across the public sector and an expanded role for the private sector. Meanwhile in Wales, the review of public services looks likely to promote joint services across health, local government and higher education, which could lead to job losses and worsened regional pay and conditions. The Scottish Executive continues to review public sector efficiency and has plans to consider the

functions and role of local government and how to achieve greater collaborative working across the public sector.

Most worrying for all UK councils, is the combination of tight financial settlements, the political and practical limitations of council tax and implementation of the Gershon Efficiency Reviews all potentially leading to further, substantial cuts in services and jobs.

Local government has long experience of making cuts and has achieved its 3-year savings targets in just two years in England and exceeded its targets in Scotland. Yet far from being impressed the government has responded by saying that "this early progress has helped lay the foundation for a more radical and ambitious value-for-money programme for CSR07 years, which will see local authorities securing far greater cashable efficiencies to meet new priorities."

The efficiency reviews are driving lower level reforms, such as the introduction of more shared services through public-private partnerships or public-public partnerships. This is leading to further job losses from economies of scale, job relocation and in some cases off-shoring.

In England most efficiency savings are being made by cutting adult social care, corporate services and housing services alongside procurement savings. Across the UK, sick leave, sick pay and unsocial hours payments have been targeted, with large numbers of staff made redundant or their working hours reduced, while others are being forced to work longer hours to cover vacant or deleted posts. Unions are concerned about the impact on the workforce, especially of deskilling and demotivation. We are also not convinced that savings will be fully reinvested in frontline services or in workforce training and development.

Where this will take us

The overall effect of these changes is a period of instability and financial pressure and above all a constant pressure to adopt the remedies offered by Gershon to meet efficiency targets. So for the foreseeable future, local government will be in a state of flux, meeting its savings targets by reforms that impact on jobs and services, whilst waiting for the outcomes of larger scale reforms and restructuring.

Our alternative vision

The TUC wants to see well-funded, efficient and joined-up local services which are publicly owned and managed and which meet the needs of all users. We support Michael Lyons' assertion that local government not only "needs to be appropriately funded for the roles it is expected to take on" but that this includes ensuring that "requirements placed on it by central government are adequately funded".

The TUC calls for proper workforce investment in local government. Genuine gains in efficiency and productivity and service standards can only be achieved with workforce development and training.

We are concerned that workforce consultation on change and improvement continues to be the exception in local government, but unions, staff and progressive managers alike know this is essential for real progress.

We also call on all UK administrations to ensure that any savings made through efficiency reviews are put back into staffing, enhanced services and equal pay and appropriate terms and conditions for employees. This also must be backed by appropriate monitoring and evaluation.

Voluntary and Community Sector

Direction of travel

Contracting out of public services to the 'third sector' is continuing apace, and has been given greater impetus by the creation of the Office for the Third Sector within the Cabinet Office. This has a dedicated minister, and task forces to focus on third sector provision in most spending departments.

The TUC is concerned that the Government's aim appears to be looking at *how* the Government can go about increasing third sector provision as it wants – not to look at *whether* or *where* this should occur.

This development is accompanied by a general shift in public services provision by the voluntary and community sector from 'traditional charities' to more commercial organisations like social enterprises and large Housing Associations. Social enterprises now account for 5% of all businesses, with a rising share of the country's GDP.

Where this will take us

The reforms will lead to a voluntary and community sector (VCS) increasingly trapped into reliance on public service contracts. VCS organisations are competing with each other on cost, forcing down terms and conditions and hence the quality of the public service. For example, in many areas NCH, Barnardo's and the Children's Society are competing for children's services contracts based on cost – not on their respective approaches to delivery. As a result of this new focus, NCH has cut a third from its own training budget in the last year.

The TUC, along with many VCS organisation and representative bodies, are concerned about the sector's independence and its traditional roles of innovation, campaigning and advocacy being diminished.

VCS organisations are clearly becoming more professional and are modernising. We welcome any organisation's commitment to run itself professionally and ensure its own stability, especially since this helps provide job security for our members. Yet, many of the more established charities are suffering financial difficulties and this is often manifested in detrimental changes to terms and conditions. For example, both NCH and Scope are planning changes to their final salary pension schemes.

The TUC has severe concerns with the Government's approach to the voluntary and community sector. The evidence of the new approach can be seen in the creation of voluntary organisations set up specifically to bid for contracts. For example Trafford Community Leisure Trust and Wigan Leisure and Culture Trust were both set up as charities after it became possible for charities to provide public services which are part of a public authority's statutory duty. These are not VCS organisations formed in the traditional way, out of a perceived social gap and such organisations may well be private companies in all but name.

We are concerned about the future status of progressive national agreements such as Agenda for Change in the NHS and whether VCS providers will be allowed to break away from these agreements. It is, as yet, unclear about what will happen to

staff whose jobs are moved to VCS providers but who wish to remain with public sector employment. For many workers, the principle of working directly for the public sector is of great importance to them.

Our alternative vision

The TUC has always supported and will continue to support, the voluntary and community sector. Organisations and staff have for many years made a vital contribution to public services and to society. The sector's independence and ability to innovate must be protected.

Where transfers from the public sector occur, unions will continue to defend the terms and conditions of workers transferred to new employers. We call for stronger protection for workers transferred to new providers and for parity between VCS workers carrying out public sector contracts with public service workers.

We support the principle of 'full cost recovery' to ensure that the full costs of providing a service to voluntary and community sector organisations are covered. We believe that this should be a statutory mechanism with a minimum of three-year contracts and that full cost recovery includes payment for training and development, incremental pay increases and pensions.

We also urge the Government to investigate the possibility of cross-sector schemes for training and development and pensions, to protect workers who are in transferred organisations which do not have the capacity to provide such benefits.

The Civil Service

The Direction of Travel

The civil service has now been subjected to the Gershon efficiency programme for over two years, and with a spending squeeze set to tighten over the next five years the future looks certain to remain tough.

The 2004 efficiency review committed departments to make 2.5% annual savings, and to reduce civil service employees by 70,600 by April 2008. So far around 36,000 jobs have been scrapped and £10 billion out of the target £21.5 billion has been saved.

One area of the civil service particularly affected by government reforms has been Department for Work and Pensions (DWP), with the privatisation of core frontline services. This comes in spite of previous Government assurances that these services would be safe. Jobcentre Plus Action Teams, which had received praise for high performance, were closed and replaced with private sector employment services. An acute example of the impact is in Hartlepool where One Action Team, which had been singled out as a high performer with an award for outstanding public service, was shut down. No in-house bid from DWP was allowed.

The Ministry of Defence is also coping with tough reforms, with over 20,000 civil staff facing job cuts and privatisation. The TUC fears that this will adversely affect

the current high quality of logistical support to our armed services. Areas under threat of privatisation include specialist and basic training, and most of the defence supply chain – including procurement and delivery of frontline equipment, IT and military communication systems, and maintenance of military vehicles. These plans will weaken the cohesiveness of Britain's defence forces at a critical time for those forces; there will also be a consequential negative impact on local economies.

On a smaller scale but also driven by the efficiency programme are the Government's plans to privatise the UK's Forensic Science Service. These plans have been put on hold and are under review at present, but if followed through would leave the UK as the only country in the world that considers that the detection of crime should be a matter for private profit (the danger of subsequent miscarriages of justice can be clearly envisaged).

We oppose this unstrategic approach to efficiency based on simple headcount reduction. It is the very epitome of the top-down "diktat" model for public services. The reduction in posts was not decided upon after a careful, evidence based analysis of performance targets, workloads and staff in post across individual departments from which appropriate "efficiencies" were concluded as practical and desirable, but rather a centralised imposition of broad brush targets on a wide variety of different bodies performing different tasks.

The result of this has been predictable - many front line services such as benefit offices, pensions centres, tax offices and child support offices, have cut back on delivery to the public in order to achieve their targets, with a subsequent negative impact on service delivery. To take one example, the DWP's efficiency programme has led to many calls going unanswered and benefit calculation taking much longer. This flows directly from an ill-planned and impractical programme that may have initially aimed for qualitative improvements in service delivery, but is now focused more on crude headcount reduction.

Where this will take us

The efficiency programme is clearly damaging our public services. A National Audit Office report found that 21million calls to the DWP's contact centres were going unanswered and that only one half of calls to Jobcentre Plus Direct were returned within 24 hours. Meanwhile, a Commons Work and Pensions Select Committee report on the efficiency savings programme in Jobcentre Plus described its contact centres as a "catastrophic failure" due to the efficiency programme. The committee stated that too much had been done too quickly, leading to damage to services, and recommended that the pace of headcount reductions should be slowed down.

Departments are clearly losing expertise. Posts are not being cut because they are deemed surplus to requirements, but on an ad hoc basis when civil servants leave or retire, and these are often the most experienced members of staff. Job relocation out of London and the south east are reducing the diversity of the civil service, as transfers have a disproportionate impact on services and employment opportunities for women, part-time workers, disabled people and people from BME communities.

Our alternative vision

Civil and public services are vital to the economic, political and social well being of the country and reckless cuts and charges, not based on sound evidence and consultation will not deliver efficiency for critical and complex services.

Trade unions are committed to improving efficiency and value for money in public services. But this cannot be achieved through piecemeal cuts and privatisation. Neither can it be achieved by the artificial distinction of civil and public services into back-office and front-line. Service delivery depends on them both and on effective integration. A failure to acknowledge and support the often complex relationships between different job roles, functions and departments will lead to fragmentation and inefficiencies.

Cuts in jobs and services are creating worse services with less accountable decision-making, reducing the trust of citizens in public servants and the trust of public servants in their employers. Above all, they are weakening the national standards of delivery that have characterised and built the civil service.

It is vital that new definitions of efficiency are developed which do not automatically devalue support staff, while fully acknowledging the social efficiency of public services, their contribution to democracy, social justice and community cohesion. A new definition would also learn lessons from the impact of the Gershon programme, by fully exposing the risks involved in resorting to short-term and knee-jerk policies and seeking out only market-based solutions.

It is vital that the government and trade unions work together in securing an independent well-resourced and accountable civil service staffed by impartial, well-trained, fairly treated employees with a strong sense of public ethos and high levels of public trust.

As a highly labour-intensive service, the civil service is dependent on its workforce. The workforce can implement policy properly and fairly only when they are appointed and promoted fairly, when they are free from arbitrary and short-term management, when they receive adequate training and when pay and conditions are fair. Change to public and civil services are best achieved through negotiated agreement than through change that is imposed unilaterally.

Housing

Direction of travel

A snapshot of the current housing landscape paints a bleak picture:

- The number of houses built in the UK has fallen from 42,700 per year in 1994-95 to 21,000 in 2002-03
- Shelter estimates that 48,000 new social rented homes are required each year to meet rising need
- In 2005, the number of homeless households living in temporary accommodation in England topped 100,000 and over one million children are living in overcrowded, unfit or temporary accommodation
- There are 1.5 million households recorded as on the waiting list for social housing
- Households are now paying the highest proportion of their incomes towards housing costs for generations. 90% of towns in the UK have become unaffordable for many public sector workers who are now borrowing as much as six times their salary to buy a home near their workplace

The debate about social housing focuses on the interaction of supply and demand. In short, demand is far outstripping the supply of new homes and in turn this has a major impact on affordability.

In response to the Baker review on social housing, the Government promised to respond 'with ambitious plans for increasing social housing supply, with new investment alongside further efficiencies and innovation in provision, as part of 2007 Comprehensive Spending Review (CSR).'

Meanwhile, a range of options for increasing supply of new social housing are being explored. This includes allowing local authorities with ALMOs the flexibility to use their own resources to build and own homes; exploring ways in which local authorities can build new homes for rent; developing new PFI partnership programmes to build new homes, including shared ownership schemes; and looking at ways of providing settled homes in properties that would otherwise be provided as temporary accommodation.

In general, there is increasing private sector involvement in new social housing build. The Housing Corporation is negotiating for funding for approximately 3,000 homes by private sector developers under the PFI Partnership Programmes. Private sector developers including Barratts and George Wimpey have signed up to affordable housing contracts with the Housing Corporation and have received grants. The Treasury has indicated that it is looking to attract more private sector money to further develop affordable housing.

Recent government announcements in relation to housing have little to say about local authorities being directly involved in new build. It is very likely that the lion's share of new development announced in the CSR will go to ALMOs, housing associations and variants of PFI.

The Minister for Local Government has indicated the intention that local authorities should take an increasingly important strategic role on housing as leaders of their local areas, using planning powers as well as housing policies, to create mixed communities, particularly in areas of concentrated disadvantage. It is disappointing, however, that it is unlikely that this vision includes local authorities pursuing their traditional role of social housing provider.

It is also unlikely that successive motions carried at Labour Party conferences on the Fourth Option will be implemented. The last bidding round for ALMOs and stock transfer has put pressure on authorities to pursue stock transfer. The government's vigorous pursuit of stock transfer continues despite 100 authorities deciding to retain their stock.

Where this will take us

- Increasing private sector involvement in building new social housing
- Expansion of Housing Associations, further mergers in housing associations, with diminishing geographical consistency with local authority boundaries
- Increased number of shared ownership and ultimately right to buy type models, thereby releasing to the market either existing social housing or new social housing from councils and housing associations
- Increased focus of integrated care and use of social housing models for care of vulnerable people such as the Supporting People initiative.

Our alternative vision

The Fourth Option as a credible alternative to the government's approach to housing in terms of cost to the public sector of transferring stock, the retention of social housing in the public sector and enhanced tenancy security. Councils, with government support, must be free to build and renovate housing.

We therefore call for a level playing field between the different options for tenants and local authorities. Direct investment is the simplest, quickest and most cost effective means of achieving the decent homes standard while stock transfer produces significant additional public expenditure costs, increases social exclusion. It can also destabilise local communities and reduce democratic accountability.

The TUC supports Key Worker housing since housing costs are a large proportion of take-home pay for many public sector workers. We also support the extension of the definition of key worker to include many public sector workers not currently covered, including many local government workers.

The Police Service

Trade unions have strongly supported the Government's police reform agenda since 2001 largely because of its focus on workforce modernisation and the development of new police staff roles and responsibilities. The recent collapse of force restructuring, however, threatens the realisation of many of these positive workforce reform objectives.

Direction of Travel

New neighbourhood policing teams have been developed to cement closer links between the police and the communities they serve. The new role of Police Community Support Officer (PCSO) is central to this vision, with a manifesto commitment to employ 24,000 PCSOs by 2008. A new Neighbourhood Policing Fund has been set up to support PCSO recruitment. Police authorities and crime and disorder partnerships will have a new statutory duty to deliver community engagement and local priorities. The delegation of budgets to Basic Command Units (BCUs) is part of a new localism agenda

Workforce Modernisation is central to the police reform agenda, with the creation of a more flexible workforce with a new skills mix. This has led to:

- The highest ever number of police staff: 70,000 in England and Wales
- Proposals for 24,000 PCSOs by 2008 with new powers for PCSOs and other key police staff roles
- An ambition to 'converge' the terms and conditions of police staff and police officers
- Workforce modernisation pilots in key forces
- A programme to encourage volunteers to work in police stations
- Plans to improve training, PDR and career progression
- An examination of whether current police negotiating arrangements are 'fit-for-purpose'

Up until June 2006 the Home Office was committed to delivering efficiency and effectiveness via an ambitious agenda around force restructuring. This would have seen forces reduced from 43 to about 20 on a regional model. Funding difficulties and a re-appraisal of political priorities following the appointment of a new Home Secretary have now seen these plans shelved. The focus has now shifted back to a more standard Gershon approach of collaboration, shared services and procurement to deliver an efficiency agenda.

Where it will take us

While the collapse of force restructuring plans makes any exact prediction of outcomes difficult, on current trends, we foresee the following over the next 5 years:

- Some voluntary mergers of forces, particularly where small rural forces adjoin

larger metropolitan forces.

- Regionalisation of 'protective services' (anti-terrorism, serious organised crime, major incident handling) via a lead force model.
- Shared support services on a regional or lead model basis e.g. finance, IT, HR, procurement.
- Chief constables given flexibility to vary workforce mix locally via relaxation of funding constraints on police officer numbers.
- Continuing growth in the police staff workforce to approximately 90,000 by 2010.
- More convergence of police staff and police officer terms and conditions delivered via new negotiating and consultative machinery.

Our alternative vision

The collapse of the force restructuring proposals threatens the central agenda on workforce modernisation. Restructuring, whilst unpopular in many quarters, promised to tackle some difficult issues in relation to workforce configuration and terms and conditions. For example, new forces would have had to create new pay systems. Coherence of pay and conditions and workforce development will prove more difficult to pursue in a more chaotic shared services environment.

Trade unions will continue to campaign for:

- Chief Constables to be allowed to decide workforce mix at force level.
- Much better training and development opportunities for police staff to equip them for new, more challenging roles.
- A centrally managed approach to the efficiency agenda, including protection for at-risk employees.
- A new national pay and grading system for police staff linked to the Skills for Justice Integrated People Management system.

The Probation Service

Trade unions are committed to the most efficient and effective delivery of services to reduce re-offending and to best protect the public. Unions are not opposed to change or reform and support the government's targets to reduce re-offending, but fail to see how the proposed National Offender Management Service (NOMS) structures for England and Wales, will deliver these aims. No proper business case has ever been published in support of these radical restructuring proposals, which involve dismantling the National Probation Service, only established in its current form in 2001, since when it has been performing at its best against all targets.

Direction of Travel

In the consultation paper “Restructuring Probation to Reduce Re-offending” the government proposes to:

- Dismantle the National Probation Service;
- Remove the statutory duty to provide probation services from the 42 Probation Boards to reserve this function centrally to the Home Secretary;
- Legislate for the replacement of the existing 42 Boards with provider-only business type trusts, removing the requirement for Boards to contain magistrates and nominees of local authorities;
- Empower Regional Offender Managers to commission probation services such as unpaid work and programmes from either the Probation Boards/Trusts, the voluntary sector or the private sector.
- Subject whole Probation Boards to either market testing or privatisation so that only some of the current Probation Boards will become Probation Trusts

Where it will take us

The government’s proposals will lead to:

- The effective destruction of the public Probation Service;
- The replacement of local Probation Boards with a less accountable business-dominated model reducing the involvement of sentencers and members of the local community;
- Reliance on a dogmatic and unproven belief in the ability of markets to deliver complex probation services;
- A model which increases the levels of bureaucracy and the silos in the working arrangements between the Probation and the Prison Services and between other partners;
- A model of provision based on competition and adversarial bidder relations rather than a model which necessarily relies on cooperation and partnership working;
- A model which threatens to undermine the professional basis of the Probation Service, along with the necessary training skills, commitment and public sector ethos on which the Probation Service currently relies.

The government provides no evidence or business case for dismantling the current Board structure. Indeed, the sole reason given is that it would enable the Home Secretary to reserve the statutory duty to provide probation services centrally, rather than locally. This unashamedly centrist agenda flies in the face of the Government’s stated commitment to localism in the governance and delivery of public services.

Trade unions have not been alone in opposing the plans for the Probation Service. Indeed, a consultation exercise on NOMS conducted in autumn 2005 elicited 748 responses, with only 10 responses supportive of the proposals.

Our alternative vision

The TUC believes that the positive goals set out in the consultation document can be delivered without the expensive risks from dismantling the whole service. Trade unions strongly support:

- The Government's targets to reduce re-offending
- The concept of 'end to end' offender management
- Joint working with the voluntary sector on the basis of cooperation and partnership to reduce re-offending and tailored packages to address offending behaviour
- Closer working between the Probation and Prison services
- Strong local accountability of Probation Services to the communities they serve.
- The maintenance of a National Probation Directorate, coordinating and driving up performance and speaking up for the Service at a national level
- A directly employed, highly skilled and well-managed workforce, working to a clear value base including the promotion of diversity
- The involvement and confidence of members of the local community and sentencers, in the work of the Service.

We remain totally opposed to the NOMS contestability model. There is no convincing evidence that the private sector can deliver probation services more effectively or cheaper than the public sector. The government's references to private sector prisons as a justification for their involvement in the probation service are dubious and ill-founded. There is no evidence that private prisons are more effective than public sector in reducing reoffending.

The National Audit Office has raised concerns about staff turnover and the lack of experienced staff in private prisons as well as the consequential problems this causes for ensuring a safe environment. The Government cites Florida as a good example of private involvement, but evidence comparing private and public youth offender prisons found that while some private prisons had lower costs than public counterparts, recidivism rates were higher and short-term savings were reversed in the long-term.

The trade unions in the Probation service support the case that co-operation and partnership offer a more effective basis for delivering high quality probation services than contestability and competition. The unions have proposed the need to address:

- Action plans for a multi-agency strategy based on the principles of partnership working to reduce re-offending;
- Development of new training, skills and a qualification framework and a new system for staff development and performance review;
- Genuine partnership working between unions and employers.

Scotland has rejected the idea of a National Offender Management Service and competition and instead opted for the establishment of a statutory duty on prisons and probation to consult each other and the voluntary sector on the provision of

offender services. The Scottish Executive has also accepted that the provision of services for offenders should be as close to the point of delivery as possible.

Accordingly Community Justice Authorities, comprising locally elected councillors, will produce plans on how cooperation will be realised and how service delivery will be enhanced. There are numerous examples in England and Wales, where a duty to cooperate has been successful in delivering efficient services, including Youth Offending Teams and Multi Agency Public Protection Arrangements for dangerous offenders.

The TUC is concerned that the proposals for dismantling the Probation Service as planned will lead to a serious deterioration in the provision of offender services as well as a reduction in local accountability and the ability to respond to local needs. The TUC commends the Scottish model for the delivery of offender services in the community, a model which builds on the principles of partnership rather than competition.

Higher Education

Direction of travel

The Government's agenda for Higher Education in England has largely been set by the 2003 White Paper 'The Future of Higher Education' and the Higher Education Act 2004. Both reinforced the intention to achieve 50% participation Higher Education for 18-30 year olds.

This goal has been supported by increased funding for HE institutions, schools and colleges and targets to achieve HE goals. In addition to the extra funding, HE institutions have been allowed to charge fees to individual students. To help with additional fee costs, there are students loans and widening access programmes for working class and Black and Minority Ethnic students.

Other policies affecting Higher Education reveal the government's often contradictory approach to the sector. For example, certain policies and agreement applicable to the public sector do not apply to HE as it is deemed part of the private sector. Most notably, the two-tier workforce agreement does not apply to HE. However, the Government has commented on national pay disputes, putting on pressure on employers and unions alike.

Where it will take us

Although the sector is expanding rapidly, it is questionable whether HE institutions are able to fulfil the government's 50% target and funding pressures may well cause the government to increase the current cap on student fees. Even with targeted programmes to help out with fees, this will impact heavily on students. Data already shows a modest reduction in applications from prospective students and there are concerns from some institutions (notably the post 92 institutions) that they will suffer more from these changes.

As the current funding pressures spill over into short-term financial difficulties and cuts in some HE institutions, it is likely that support staff will be affected the most.

This is because HE institutions are paid on a student staff ratio, and since only academic staff are included in this calculation, support staff are deemed more easily expendable. The financial situation is also leading to increased pressure to outsource services. With unacceptable delays on finalising an agreement on the two-tier workforce, support staff are looking increasingly vulnerable.

However, academic staff do not by any means escape insecurity and uncertainty, with nearly half of all academic and academic-related staff and over 90% of research staff on fixed-term contracts. Within the Higher Education sector this situation disproportionately affects women and BME staff.

Our alternative vision

The TUC welcomes the opening up of Higher Education and the Government's commitment to widening access for working class and black and ethnic minority students.

We believe that services should be delivered directly and oppose the outsourcing of services traditionally provided by directly employed staff. We call on employers of renewed progress on discussions to finalise the Code of Practice on Workforce Matters in Public Sector Service Contracts.

The recent decent long-term pay deal will allow unions and employers to focus on implementation of the national framework agreement. Some employers have harmonised terms and conditions for all staff, however others offer differential agreements with preferential treatment for some groups.

Further Education

Direction of Travel

Since general further education and sixth form colleges left local authority control and became corporations, the sector has been subject to a succession of reviews of its mission, purpose and management. It has also operated within different funding regimes, firstly overseen by the Further Education Funding Council and then the Learning and Skills Council and its 47 local offices. Success for All (2002), aimed to tackle poor provision across the system by improving teaching, training and learning. Its delivery plan included strategic area reviews; improvement targets; college development plans; performance-related and three-year funding plans; teacher training programmes; and a national leadership college.

In 2005 a thorough review of the sector took place under the chairmanship of Sir Andrew Foster. It ran in tandem with the LSC's Agenda for Change review and the Leitch review of skills. Its report emphasised the need for a clearer mission, improved management and leadership and a focus on learner and business needs. The ensuing White Paper focused on delivering skills to sustain a competitive economy; reforming 14-19 education and training the adult workforce. There is a new entitlement for 19-25 year olds to their first full level 3 qualification and piloting of level 3 learner accounts for adults. . By 2008, five new specialised diplomas are expected with 14 available nationwide by 2013. New providers will be encouraged to enter the system and inadequate colleges, providers or departments

will not be funded. Some of these changes are contained within the Further Education Bill, which was introduced into parliament in late November. Some FE colleges may also be able to offer Foundation Degrees.

The final report of the Leitch Review of Skills was published in early December 2006, and included recommendations that would have major implications for the FE sector. The report argues for a strengthening of the link between skills and employability, giving employers more say in the learning and skills system and making funding more demand led. It is also recommended that all public funding for adult vocational skills in English (apart from personal and community development learning and provision for learners with learning difficulties and disabilities) be channelled through Train to Gain and Learner Accounts by 2010.

Where it will take us

The full significance of the contestability element of the Foster report and the indications in the White Paper that new providers will be encouraged is not yet clear. There are indications that colleges will be encouraged to outsource some services and that private companies will be sought to take over courses if not whole colleges. The assertion that failing or non-improving colleges will not be tolerated implies that as well as privatisation, there are likely to be closures and mergers.

The emphasis on skills for young people and workers has already meant that adult education is being cut; a trend likely to continue. Colleges with a heavy adult provision are suffering already, making staff redundant and reprofiling their provision to fit the new priorities. The TUC believes that the narrowing of college focus must not be at the expense of the valuable contribution that many lifelong learning experiences make to people's lives.

The 14-19 agenda and personalised learning is predicated upon collaboration and co-operation in a competitive environment. It is difficult to envisage how partnerships will be formed, funded and judged. There are issues around workforce inequality in terms and conditions and an acknowledgment that there needs to be a level playing field if FE colleges are to retain and recruit qualified and able staff.

The ambition to increase the skills of the workforce may need further measures. The free Train to Gain training will save money for some employers and provide new funds to others but there may still be a reluctance to release staff. Without an element of compulsion, we cannot rely upon employers to add to the economy's skillbase. The Leitch Report recommended that a new right to workplace training up to level 2 be introduced if employers failed to achieve a challenging new target to upskill such employees by 2010.

The implications of the Leitch report are as yet unclear for the FE system. However there is concern that if more funding is to be channelled via Train to Gain, FE funding and provision may be further affected. Train to Gain puts funding largely in the hands of employers and Learner Accounts puts it in the hands of individuals. At best FE colleges face instability and uncertainty, at worst there could be widespread loss of FE capacity.

Our alternative vision

The TUC is committed to the welfare of the learning and skills sector, which provides opportunities for union members and the public to improve their skills and lives. Affiliated unions also represent large numbers of college staff and others in education affected by the 14-19 agenda and regularly emphasise the need to treat support staff on a par with teachers and managers. There is long-standing under-resourcing of the FE sector, and there needs to be a level playing field if FE colleges are to retain and recruit qualified staff. In a financial environment fraught with instability, unions are worried that training priority will be given to senior staff and teachers and that the value of an all staff approach will be lost.

There is national bargaining machinery for general FE and sixth form colleges. While the latter tend to follow national settlements, about one third of FE colleges fail to implement jointly agreed recommendations either for teaching or support staff. This has made it extremely difficult to push through the government supported modernisation agenda. Elements in the package, such as job evaluation, which was intended to help deliver equal pay, have not been implemented in the majority of colleges because of a fear of cost. The standard of industrial relations practice in colleges is generally poor and in need of professionalisation. There is little sign of a partnership approach at local or national level. In higher education, pay modernisation was separately funded by the HE Funding Council. In schools the Workload Modernisation Agreement was also separately funded. Further education, lying between the two, has never had earmarked pay or staff modernisation funding.

The drive to keep young people learning is laudable, but FE unions and organisations, including the Association of Colleges are campaigning to protect adult education. We do not feel that one should be sacrificed to the other and have made various representations on the cuts that are affecting courses for disabled students or facilitators. The cuts have been justified by promoting an image of adult education as the provision of leisure activity and therefore something not worthy of state funding.

The TUC is committed to successful education programmes for members and forms partnerships with employers and providers to reach over thousands of learners every year. We campaign to improve employer engagement and promote learning opportunities, particularly in the workplace through unions and union learning reps as a major vehicle for delivering the government agenda as well as our own.

Early Years - Children's Services

Direction of travel

The Government is driving through radical reforms of children's services in England, while changes in the other UK countries follow a similar, but less radical theme. In England, under the broad banner of 'Every Child Matters', the Children's Act 2004 and the Childcare Act 2006 have been supported by a series of white and green papers including a childcare strategy and a Children's Workforce Strategy. Meanwhile, a joint working party has produced a consultation document on the early years and childcare workforce in Scotland.

The focus in England is on giving access to childcare for all working parents via children's centres and extended schools and stopping further failures in preventing child abuse. A host of policies and supporting papers is aimed at closer working, integration of services and safeguarding children. We note that there has been little involvement with the trade unions or recognition of the need to work towards a "social partnership" model.

Where will it take us

Local authorities are given the strategic role in delivering the new arrangements. They are required to set up Children's Trusts to act as the vehicle for commissioning services. There is a requirement to have a lead officer and lead councillor for children's services and most local authorities have now merged their Education and Children's Social Services Departments under a Director of Children's Services and Education.

Further integration of service delivery is inevitable and is supported by policies such as introducing a lead professional, common assessment framework, information sharing index, an integrated qualifications framework and degree led early years professional and multi agency working.

The Childcare Act provides for massive expansion of childcare. It forces local authorities to hand over future children's centres (based on the Sure Start model) to the private and voluntary sector. Local authorities would only be allowed to deliver services as a last resort. This is significant move as whilst most childcare is already provided by the private and voluntary sectors, the new services are supposed to be integrated i.e. involving health and social care. We are concerned about quality issues as the public sector has significantly set the benchmarks in terms of quality provision, high standards, qualified staff, pay and conditions and we believe that the move to the private sector threatens to undermine these advances.

Local authorities are also required to co-ordinate childcare via extended schools. Again, the private and voluntary sectors are being encouraged to take on more provision. However, under the government's policy of giving schools enhanced independence, schools are not required to deliver Every Child Matters and has thus given them the opportunity to opt out of delivering extended schools. Trade unions view extended schools as a double edged sword since they may offer additional employment opportunities for some staff but also have potential to extend working hours for others and be detrimental to pay and conditions as a result of increased private and voluntary sector involvement.

Our alternative vision

Trade unions have been a leading voice in calling for increased childcare and the expansion of Sure Start centres. However, the proposed implementation strategies are disappointing. There is an urgent need to set up a national social partnership vehicle to address a number of the new policies and strategies

We have serious concerns about the increased involvement of the private and voluntary sectors and point to the relative advantages - especially service quality of direct local authority provision. We are concerned about the ability and capacity of the private and voluntary sectors to provide wider services involving other public services. We believe there needs to be agreed national quality guidelines and

minimum standards to shift the focus away from the drive for quantity of provision.

Trade unions have been closely engaged in work on the integrated qualifications framework. We see this as offering strong opportunities for early years workers to build career pathways in the sector. We remind the Government that there are already skilled workers such as nursery nurses whose skills are not being properly recognised and have much to offer in an increasingly professional environment.

Conclusion

There is clearly a very great deal of change currently underway across all public services. The TUC and its affiliates are committed to reform but only where these reforms can be demonstrated to lead to sustainable improvements in service delivery. At the heart of this sustainability is the need to win the support of public service staff through consultation and engagement. The tendency within Government to impose change from above without meaningful engagement with staff and their unions will only lead to demoralisation. A situation exacerbated when the outsourcing of services – which seems to be an increasingly central feature of reform – only leads to fears of greater job insecurity and weaker terms and conditions of employment.

Clearly no organisation, whether it is in the private or public sector, can hope to produce a step change in performance with a dispirited and alienated workforce.

A set of six principles for public service reform were outlined in the Introduction to this paper – they are reproduced in the box. We believe that they should be adopted by the Government, public service employers and trade unions. If they are applied rigorously we believe that a reform programme can be adopted for public services which not only stands a real chance of delivering significant improvements but will do so in collaboration rather than conflict with staff.

TUC Public Service Principles

- The recognition of the need for change should come about through the full involvement of unions and staff, at the earliest possible stages, in both influencing and shaping change and not just consultation on decisions already made.
- Constant change is demoralising and inefficient. The extent to which earlier reforms have been consolidated should be assessed before embarking on further changes.
- Improvements and change must be based on sound evidence and coherent business plans discussed and developed between employers, trade unions and staff.
- Improvement and reform must be underpinned by sufficient investment and resources, and funding for transparent, equality proofed pay structures.
- Public services drive equality and extend opportunity and as such must be

subject to democratic accountability.

- The public service ethos must be supported and strengthened by any reforms and changes. Much of the expertise needed to improve public services can be found inside the public services and the key is tapping the reservoir of knowledge and engaging the commitment and enthusiasm of public servants in delivering change.