

UK: Greater Manchester devolution agreement sets agenda for private sector bonanza

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Trafford Metropolitan Borough Council, one of ten authorities that make up local government in northwest England's Greater Manchester conurbation, is set to announce the privatisation of swathes of its public service provision.

Trafford, the only one of the ten authorities that is run by the Conservative Party, said this week that one or more private companies will be handed contracts to provide services in the area, including refuse collection, street cleaning, street lighting and parks maintenance.

The move was announced within weeks of the decision by Conservative/Liberal Democrat government to hand over the entire £6 billion budget of the National Health Service for the Greater Manchester conurbation to the ten constituent local authorities. When this goes ahead, it will formally end the centralized operation of the National Health Service in England, which has been in existence since 1948. In Scotland and Wales, the NHS is already devolved.

That followed the deal last autumn by the government and the leaders of the 10 Greater Manchester authorities (nine Labour Party and one Conservative), which agreed to the devolving of £1 billion from central government. In what was termed "Devo-Manc", the £300 million housing budget, £30 million annual business rates for building a new tramline local transport, local apprenticeship funding, and part of the Government's Welfare to Work Programme are to be devolved.

What is now clear is that this was just the tip of a massive iceberg.

The Trafford deal is being seen as the trailblazer for similar agreements to be reached by all the Greater Manchester councils, resulting in a further massive

transfer of wealth from the public purse into private hands. The Trafford contracts are, according to sources, considered to be worth at least £1 billion to the private sector. The *Manchester Evening News* (MEN) commented, "The move could eventually lead to Greater Manchester's bins, street cleaning, parks maintenance—and a host of other frontline services—ALL being outsourced in a deal worth up to £5bn." It notes, "Trafford, facing cuts of £57m in the next three years, is the first council to take such a radical step, but Manchester [City Council] is also asking for bids for domestic waste and street cleaning services".

The latest announcement by Trafford council confirms the assessment made by the *World Socialist Web Site* and Socialist Equality Party that the "Conservative/Liberal Democrat government has set out to destroy all the gains in health, education and social welfare conceded to the working class after the last World War, and has found willing accomplices in numerous Labour councils."

Among the firms competing for Trafford's contracts, to run for 23 years, are Amey, which has bid to run all available services. Amey currently has the contract for refuse collection and street lighting for the area's largest authority, Manchester City Council. Amey is bidding to take over the Trafford refuse collection from another private company, Veolia, which has run it since 1992.

Kier MG is competing with Balfour Beatty Living Places to run highways services and street lighting.

Amey and Kier MG have also bid to deliver technical services, including property development, land sales, engineering.

According to the MEN, the winning bids “have to prove they can meet four aims—delivering the intended savings, saving further cash through finding efficiencies in the future, respond to ongoing budget pressures and protect jobs and maintain service standards.” It added, “Trafford council bosses say around 250 staff will transfer to the chosen firm—or firms—with pay and conditions protected”. As well as those workers, a further total of around 100 workers, employed on the current Veolia waste contract, would also be transferred to whatever firm wins that contract.

Given that councils throughout the UK, including all ten in Greater Manchester, are pushing through massive job losses and reducing and eliminating vitally needed services in response to “budget pressures”, the remit to “protect jobs and service standards” and pay and conditions is a cynical PR exercise.

Trafford has already cut its spending by £75 million since 2010 and it estimates savings of up to £3 million a year will accrue once the newly-privatised contracts are in place. Up to 20 percent of its current outgoings will eventually be saved. All told, £57 million in savage cuts are being planned by the council over the next three years, with £21.5 million to be slashed this year. Nearly 200 jobs are threatened, and among services threatened are libraries, many children’s and youth centres and school crossing patrols.

Particularly brutal is the proposal to slash £8 million from adult social care. As part of the changes, people deemed as “critical or substantial” would still receive support but those classified as being “moderate” or “low” could have their funding cut. Among the proposals to save up to £2.6 million is the re-negotiation of contracts, cancelling the learning disability development fund and reviewing care package. Funding for cleaning, domestic services and shopping, where “reasonable alternatives” are available privately, will go. Supported accommodation services are to be privatised, saving £206,000, while funding for services for those with learning disabilities will be reduced by £71,000. Among other cuts proposed is a £230,000 reduction in support for homeless people. Voluntary and community groups could lose £97,000.

Trafford’s decision to sell off swathes of public services was inevitable and integral to the overall devolution programme agreed with central government. Like that deal, it was concluded behind closed doors

without any public consultation or mandate. Such is their determination to exclude the wider population from being able to hear about, and to oppose the measures, that the council barred protesters from a debate on Monday evening that was supposed to be legally open to the public.

In opposition to the carve-up by the private sector of vitally needed publicly funded services, the SEP warned, “Devolved services will facilitate the end to national pay agreements and conditions, as the trade unions offer up their workforces at competitive rates of pay.”

Over the last five years, the trade unions have not lifted a finger in opposition to any of the austerity cuts, including tens of billions of pounds in cuts pushed through by councils throughout the UK. Up to one million public-sector jobs have been lost, with the unions collaborating all down the line, mostly with their allies in Labour-run councils, but also with councils run by other parties.

In order to divert opposition to a struggle against all the political representatives of the ruling elite, including Labour, the Greater Manchester Association of Trades Union Councils (GMATUC) is running a campaign for the “people of the Greater Manchester area to write to/e-mail/phone/tweet/personally lobby their *local Councillors and MP’s of whatever Party to do their utmost* (including by seeking an emergency Parliamentary debate and emergency Council debates) to slow down, hinder, obstruct and/or in any other way prevent the implementation of any devolution of central Government budgets and responsibilities ...” [emphasis added]

To this end the GMATUC called a lobby of Manchester City Council on March 6. Labour-run Manchester City Council pioneered the devolution agreement with the government, on behalf of the Greater Manchester authorities, and has implemented tens of millions of pounds of cuts over recent years. In 2015-16 it plans to impose a further £55 million in cuts.



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