THE FIRE BRIGADES UNION

SPECIAL CONFERENCE 2012

EXECUTIVE COUNCIL POLICY STATEMENT

MUTUALS AND PRIVATISATION –
A DUAL THREAT TO THE FIRE AND RESCUE SERVICE

INTRODUCTION

The Executive Council has recognised the threat of privatisation of the Fire and Rescue Service (FRS) since it was promoted by the last Conservative administration and then continued by New Labour. But firefighters face a new series of privatisation threats from the Tory-led coalition government, which has ruled nothing out. The Fire Brigades Union (FBU) must continue to be at the forefront of defending our Fire and Rescue Service as a public owned and publicly accountable service.

NEW THREATS OF PRIVATISATION

The Westminster Government is committed to "support the creation and expansion of mutuals, co-operatives, charities and social enterprises, and enable these groups to have much greater involvement in the running of public services" (Coalition Agreement, May 2010). Under the umbrella of the Big Society, it promised to provide "a new right for public sector workers to form employee-owned cooperatives and mutuals to take over the services they deliver" (Comprehensive Spending Review, October 2010).

The Localism Act 2011 enables voluntary and community groups, charities, parish councils and staff of 'relevant authorities' that wish to form a mutual organisation to express an interest in running existing relevant authority services where they believe they can do so differently and better. This creates a particular threat of privatisation for Fire and Rescue Services covered by this Act.

The Government White Paper *Open Public Services* (July 2011) declared that publicly-provided services such as fire and rescue were "broken" and organised in an "outdated" fashion. The White Paper excluded the Fire and Rescue Service from the list of core services like policing, schools and the National Health Service (NHS) that are to remain free at the point of use.

An update to the White Paper (March 2012) made the threat explicit: "Public service mutuals are now well established in community healthcare, with thousands of public servants working in new mutuals with contracts worth almost £1 billion. We have extended these rights to new areas, including adult social care and NHS trusts, and we are looking to go further, in areas such as youth services, probation services, children's centres, and Fire and Rescue Services".

Cleveland Fire Brigade has stated publicly that it has received the go ahead from the Government to work up proposals for a mutual in the form of a Community Interest Company and has subsequently created a "social-enterprise company" to attract "alternative" funding. It claims to be close to announcing a "very large" contract to deliver risk management services to a local industry.

The national interests report for FireFutures recommended decoupling commissioning from delivery. It cited Denmark as a model to be copied, despite very different circumstances in that country and higher fire deaths per head. The Danish private fire service provider Falck has signed a "memorandum of understanding" with Devon and Somerset FRS, though both parties have refused to reveal the details of the arrangement.

The London Fire and Emergency Planning Authority (LFEPA) brought forward the timetable for the outsourcing of both training and the control centre, to ensure that they were pushed through before the May 2012 GLA elections. Asked at a Fire Authority meeting "are there any functions of LFEPA that you believe are inappropriate for take-over by private operators?" chair Brian

Coleman replied, “No, in the right circumstances”. The private provider Capita is due to take over the London control room and the National Coordination Centre by the end of 2012, thereby threatening both local and national resilience

The Executive Council is aware that many private sector providers are currently hawking for business in the UK Fire and Rescue Service and are actively meeting with civil servants and local Fire Service managers. In March 2012 the Westminster Government announced plans to privatise the Fire Service College. The sale was formally launched on 10 April 2012.

THE EXPERIENCE OF PRIVATE SECTOR INVOLVEMENT

The recent experience of private sector involvement in the Fire and Rescue Service reinforces the FBU’s scepticism about privatisation.

AssetCo: The private provider AssetCo has contracts with the London Fire Brigade covering its fire engines and equipment, as well as “contingencies” – such as providing contract staff during the 2010 London strikes. A similar contract with Lincolnshire Fire and Rescue Service was terminated in April 2012. AssetCo has become a by-word for mismanagement and greed, with over £100m of debt and near insolvency for the company itself. In and out of court, replete with internal scandal, AssetCo is a terrible advertisement for what can and does go wrong when private providers come into public services. What is particularly disturbing is that public authorities lack control over this private company and have been left as helpless spectators watching this catastrophe unfold.

FiReControl: The FiReControl project wasted around half a billion pounds of taxpayers’ money and much of that went on private sector providers. The taxpayer is still paying £50,000 a day in rent for eight empty buildings, built under the Private Finance Initiative (PFI). The private sector owner of five of these buildings has now gone into administration. The National Audit Office report (2011) found that the implementation of FiReControl was heavily reliant on consultants and interim staff, who contributed over three-quarters of the total spend on the personnel supporting the project. The private firm EADS failed to deliver the technology necessary to allow the new control rooms to communicate effectively beyond a few square miles. The project was rightly dubbed by the Public Accounts Committee as “one of the worst cases of project failure” they had seen in many years.

MUTUALS AND THE FIRE AND RESCUE SERVICE

The Government’s Mutuals Information Service says that “a public service mutual is an organisation which has left the public sector (also known as ‘spinning out’) but continues to deliver public services. Mutuals are organisations in which employee control plays a significant role in their operation”. It estimates that there are currently 45,000 public sector workers now in mutuals, with the aspiration to have 1 million public sector workers in mutuals by 2015.

Developments in Cleveland Fire Brigade and Humberside FRS show that mutualisation is proceeding within the Fire and Rescue Service. The FBU is aware of many discussions and meetings about mutuals, usually behind closed doors and with no democratic scrutiny or accountability.

Mutuals represent a specific threat in the current situation, in particular because they may play the role of ‘stalking horse’ for further privatisation. Elsewhere in the public sector, organisations are being forced to become mutuals as a ‘lesser evil’ to full privatisation. However, this arrangement may simply be a prelude to more opening up to the private sector in the future. The FBU opposes the Government's mutualisation programme because its real objective is to transfer public services to the private sector.

The drive for mutuals does not derive from a genuine desire to hand power to ordinary people in the workplace - an ambition historically promoted by the Co-operative and Trade Union movements. Staff do not gain financially from being given a share of the "business". Nor do they get much more than a vote on a staff council, which then filters responses to management. Instead, the Government's plans rest on imposing unpopular ideas on unwilling staff.

The Government's "mutualism" agenda is not a model that will improve the delivery of the country's public services. It is part of its austerity plans for the public sector. It is designed to save money and deliver spending cuts. It is driven entirely by the market and by commercial values. It has no time for genuine social solidarity, voluntarism or industrial democracy.

The Executive Council does not believe that mutuals are a credible model for the Fire and Rescue Service. Changes of ownership are not necessary to improve the Fire and Rescue Service for the communities we serve. Mutuals would have serious implications for firefighters' jobs, pay and conditions.

CONCLUSIONS

The Executive Council recommends to Conference that the FBU should:

- Oppose privatisation in all its forms, in particular efforts to sell off the Fire Service College, other training facilities, control rooms and the introduction of AssetCo-type contracts

- Mount a robust defence of the Fire and Rescue Service as a publicly funded, publicly owned and democratically controlled public service, including bringing all Fire Service assets under public ownership and control

- Support Brigades campaigning against privatisation, mutualisation and other forms of fragmenting the service

- Gather information and intelligence from Brigade and Regional officials about local developments

- Coordinate strategies between Brigades so that the FBU remains best-placed to defend the service

- Lobby elected National and Local Government figures and stakeholders to defend and improve the publicly owned Fire and Rescue Service.