From outstanding to average?

Why North West Anglia Foundation Trust would be most unwise to privatise key services

a report for UNISON NW Anglia branch by Dr John Lister

UNISON
North West Anglia Hospitals

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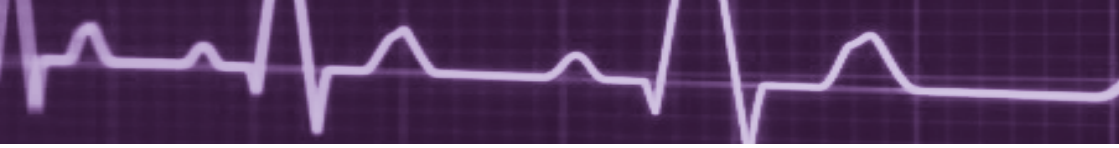
Executive summary

1 UNISON is opposing the decision of North West Anglia Foundation NHS Trust (NWAFT), to put a number of patient services at Hinchingbrooke Hospital, which are currently performed in-house by NHS employed staff, out to private tender, with no alternative in-house bid being submitted. UNISON believes the Trust would benefit far more from bringing together the outsourced services into a **single in-house service**.

2 The tendering process, which puts at risk Hinchingbrooke's award-winning and low-cost catering department, is not backed up by any **business case** to show what the Estates Department might hope to achieve. The HR department has been unable to inform the unions about **Key Performance Indicators** applying to the new contract or even those applying to existing outsourced contractors in the Trust. Nonetheless management wish to push through a decision on a new private contractor as early as November.

3 UNISON notes that the drive to outsource in-house catering flies in the face of stated **government policy to bring NHS catering back in-house** to improve the quality and safety of the food served to patients and staff. And UNISON also notes that a major London teaching hospital trust, Imperial Healthcare, earlier this year opt-



ed to bring **1,000 outsourced support staff at its five hospital back in-house** to ensure that cleaner, porters and catering staff could feel "properly valued and part of the team."

4 NW Anglia FT, sadly, despite brave words in Trust policy documents, and despite the nationwide applause during the Covid lockdown for support staff as "key workers" who kept the NHS going despite the risks to themselves, is moving in precisely the opposite direction, **excluding even more support staff** from the policies of "Caring for our largest resource" and **excluding support services** from the aim of progressing from "Good to Outstanding."

5 Hinchingbrooke's catering department has long-serving staff who have **driven up the standards to win awards** for locally sourced and freshly prepared food despite budget cuts. Whatever the management objective in outsourcing, it cannot be to improve the quality or cost, given that **Hinchingbrooke meals are 46% cheaper** than reheated cook-chill food served elsewhere in the Trust. If cash savings were the objective the **Hinchingbrooke model should be rolled out** to include Peterborough and Stamford.

6 Last year Mr Hancock, in the aftermath of the deaths of a number of NHS in-patients from Listeria, launched a **review of hospital**

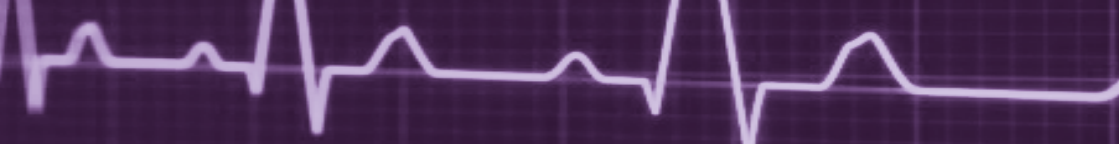
catering, urging an end to outsourcing. He has since opened newly modernised kitchens in St Richard's Hospital in Chichester emphasising the same message. Instead, NW Anglia Trust is putting at risk an existing top quality service in a misguided quest for cash savings.

7 Similar arguments apply to **Hinchingbrooke patient services and logistics staff**, who have shown themselves to be **loyal, flexible and committed to quality patient care** through the peak of the Covid pandemic, and who have written to management, emphasising that no effort has been made by Estates management, prior to tendering, to find out what work staff are actually doing. Outsourced staff have made clear to UNISON they would **prefer to be brought in-house** rather than remain employed by the current three private contractors.

> "If cash savings were the objective the Hinchingbrooke model should be rolled out to include Peterborough and Stamford."

8 The recent experience of trusts signing large-scale contracts for support services with private contractors includes a number of **high-profile contract failures**, preceded in each case by periods of **poor-quality services to patients which discredit the trust** concerned and put increased pressure on clinical staff.

9 Board members are urged to familiarise themselves with the long history of competitive tendering since the mid 1980s, with



copious evidence that this quest for short term savings has time and again **undermined the quality and safety of patient care**.

10 NW Anglia Board are also reminded of the need for an in-house bid to offer genuine competition based on quality rather than price, and that any apparent savings from outsourcing are **at the expense of low-paid, loyal and dedicated staff**. UNISON again argues the long-term advantages and efficiencies of investing in bringing services together in **one NHS team**, through a single in-house contract, and urges Trust Board members and Governors to think again and intervene before management award a contract that will undermine existing high standards.

> “An in-house bid is needed to offer genuine competition based on quality rather than price.”

Since this report was written a dispute meeting has been held between UNISON, Unite and executive representatives of NW Anglia Trust to discuss the trade union concerns around the lack of meaningful consultation on this outsourcing process and the lack of looking at alternatives to the continuation of privatisation of services. NW Anglia Trust has now committed to engaging more with the unions and the sharing of relevant information. While unions acknowledge this is a step forward, the Trust has declined to halt the outsourcing process.

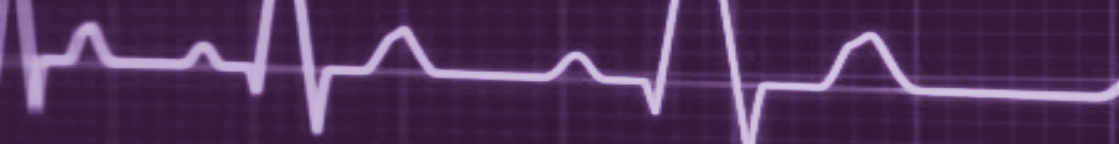
Introduction

Quality of patient care, and the Trust's professed ambition to progress from "Good to Outstanding" have been set aside by the decision of North West Anglia Foundation NHS Trust (NWAFT), which covers Peterborough, Hinchingbrooke and Stamford & Rutland hospitals, to put a number of patient services that are currently performed in-house by NHS employed staff out to private tender.

Catering, Logistics and Patient Services at Hinchingbrooke Hospital will be included in the tender, leaving more than 70 NHS staff facing the prospect of having their employment transferred to a private provider. The Trust has made clear that it has no intention of developing any in-house bid for the services — and claims not to have the resources to do so. As such, the mini-competition for the contract will only be between rival private companies.

Current costings show that the cost per patient meal is significantly HIGHER supplying bulk-processed food from the privately-run re-heating facilities in Peterborough Hospital than it is in the in-house kitchens preparing fresh food in Hinchingbrooke.

The logic behind the perverse decision to put multi-award winning catering services and logistics services out for tender, when the food



delivered to patients in Hinchingbrooke is 46% cheaper as well as superior in quality, is unclear.

Management have claimed to staff that the outsourcing is not driven by saving money, but getting the "best quality for the right price" and "joining up the FM [facilites management] service": but since they have excluded in advance the option of unifying services in-house, which would meet both objectives, and ignored the obvious cost benefits of in-house catering, it's hard to take that seriously.

It's equally difficult to understand the additional confused management claim that the evaluation of the private-sector bids will be focused on "60% quality and 40% savings."

No business case has been produced to show what management might hope to achieve from their apparently irrational initiative, and despite misleading claims in the local press by the Trust's chief operating officer, there has been little consultation with the unions — and no prior engagement with the staff whose jobs, and terms and conditions of employment are at risk.

Replies from HR reveal that they cannot answer some of the key questions raised by the unions about the proposals, and state that "The decision to outsource was made by Estates colleagues, not HR." There is no evidence of discussion of this at the Board meeting, and there appears to be minimal subsequent involvement of the Trust's HR team.

"No business case has been produced to show what management might hope to achieve from their apparently irrational initiative, and despite misleading claims in the local press there has been little consultation with the unions."

It is remarkable that — even as the Trust invites bids from private companies wishing to run the services for profit — its HR department were unable to supply any answers to questions about the Key Performance Indicators applying to the existing outsourced contracts, or indeed the KPI's for the new contract that companies are now being invited to tender for.

In the absence of any business case or coherent explanation, it appears that the aim of this disjointed and chaotic process initiated by the Estates Department is to generate the illusion of short-term "cost savings" at the expense of loyal, high-performing but low-paid NHS staff, who face a transfer out of the NHS, with the potential loss of pension, national pay scales and sickness benefit.

Indeed no guarantees have been given by the Trust that any attempt has been made in the tender documents to safeguard the Agenda for Change pay and conditions which the affected staff currently enjoy.

Staff trade unions UNISON and Unite have therefore been left with no alternative other than to register a dispute with the Trust in order to pause the tendering process and to allow meaningful consultation.

However, an email from the deputy director of workforce and organisational development on 9 September has regrettably made clear that the Trust intends to ignore previous custom & prac-

tice and press ahead regardless, stating:

> "upon receiving legal advice we have been advised we should continue with the procurement exercise".

Staff have now been told that final bids for the tender need to be in by October 2, and the Trust plans to announce the contract winner as soon as November. Apparently three companies have shown an interest, the minimum number of bids required for the outsourcing to proceed.

This report is designed to explain the trade unions' concerns, and, hopefully, enable North West Anglia Trust Board members and governors who do not seem to have been involved in the decision, as well as local politicians, other NHS staff and the wider community to fill in the many gaps in the information provided by the Trust.

John Lister
October 2020

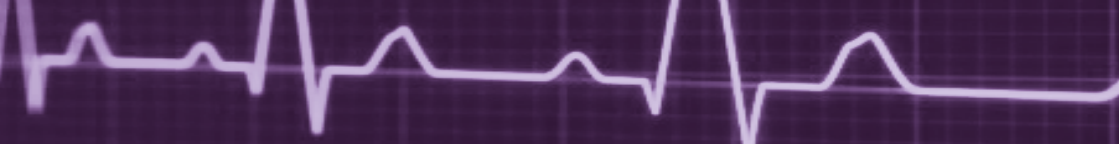
Benefit from in-house teams

We also aim to explain the importance not only of preventing this regressive privatisation of key services at Hinchingbrooke, but also the benefit that would flow from bringing all of the Trust's fragmented and privately-provided support services back together as a single service, working together as One Team with nursing and medical staff within the NHS, and under the direct control of NHS management.

This is the lesson that has been learned by Imperial Healthcare in London, which in January this year decided to bring 1,000 low-paid porters, cleaners and catering staff working in the Trust's five hospitals back in-house from April, after the previous five-year Sodexo contract ended.

The Trust decided not to put the contract out to tender again, but instead bring the staff into the Trust, with full Agenda for Change pay and conditions, initially for a year while a review takes place. The official statement says: "we will undertake an evaluation after one year in order to decide whether to continue to employ hotel services staff directly - and bring all staff up to full NHS (Agenda for Change) terms and conditions — or re-tender the contract with a significantly amended specification."

Imperial College Healthcare chief executive Professor Tim Orchard said:



"We went into the hotel services contract re-tendering process knowing we wanted significant improvements in quality and for our cleaners, porters and catering staff to feel properly valued and part of our wider team. We thought we could achieve that through a new contract but it became apparent that our amended specification was not enough. We have looked at different models for managing hotel services, all with successful examples. We now have an opportunity to make a real step change – for our patients and our staff – that best suits our circumstances.

"These changes will create additional cost pressures next year but we are confident that there are also benefits to unlock, arising from better team working, more co-ordinated planning and improved quality."

"We are confident that there are also benefits to unlock, arising from better team working, more co-ordinated planning and improved quality."

Supporting everyone – apart from support staff

Anyone reading the official policy statements published this year by NW Anglia FT might be have gained a misleading impression that the Trust is committing itself to support its staff at a time of great stress ('Covid 19 – Caring for our largest resource' – May Board papers), or the promotion of "Five Workstreams – One Goal" – progressing from "Good to Outstanding" (July Board papers).

Yet a closer reading reveals that the Covid policy of "supporting everyone who works in the hospital through a time of uncertainty" *excludes* non-clinical support staff.

And of course the decision to outsource support staff at Hinchingbrooke, alongside the continued outsourcing of support staff at Peterborough and Stamford means that technically they are not, or would no longer be employees of the Trust or the NHS, and so can be disregarded.

Of course when it comes to the functioning of the hospitals during the pandemic these support staff are far from marginal: Covid-19 has intensified the need for thorough cleaning services, and the hazardous job of delivering them at the potential risk to the health, safety, wellbeing and indeed lives of staff has been highlighted as never before.

Indeed Conservative ministers have added in

occasional acknowledgement of the vital role cleaning staff have played during the period of regular weekly applause for the NHS — although what's happening now feels like a "slap in the face" to those hardworking, dedicated staff who have been treated so badly by NW Anglia FT.

Support staff working in the hospitals have faced the same pressures and threats to their own health, safety and wellbeing as nursing and medical staff throughout the Covid pandemic, and the same problems of access to PPE and potential exposure to the virus. As a result some support staff are among the 500-plus NHS staff who have tragically died in the UK from Covid-19, and others have suffered serious illness.

However it is clear from the way the document is written that NW Anglia FT, seeking above all to minimise costs, has offered none of the support to privatised cleaning catering and logistics staff it has correctly offered to clinical staff — and that far from seeking to remedy this weakness, the Trust is now focused on excluding even more staff from the support network available to their clinical colleagues.

If they succeed, then the staff affected stand to lose far more than the promise of support for "emotional wellbeing". We know that few private contractors offer the equivalent sickness benefit to the NHS, with many contractors' staff facing the prospect of surviving on statutory sick pay

"We know that few private contractors offer the equivalent sickness benefit to the NHS, with many contractors' staff facing the prospect of surviving on statutory sick pay of less than £14 per day."

of less than £14 per day if they are forced to take time off sick — or for quarantine.

If the Trust really was concerned to ensure that everyone who works in its hospitals is supported, and that staff who should be off sick are not pressurised by financial problems to come in to work, management attention would be focused on bringing existing outsourced staff back in-house as a single NHS team, rather than forcing 70 more NHS staff out into the cold and bitter world of working for contractors focused on shareholder profits rather than patient care.

There are similar problems with the Trust's professed ambition to take its services "from good to outstanding" (G2O).

That five-page policy document also completely ignores the role of non-clinical staff in achieving what the Trust has achieved so far, and what role they could and should be playing as part of an integrated NHS team to take the Trust further forward in delivering "outstanding patient care."

Despite the fine words of the policy document, non-clinical support staff working for contractors are not being "provided with opportunities and the environment that encourages them to lead healthy lives and make choices that support their well-being;" they are not covered by the promise to "conduct a thorough review of all sickness and absence processes, to focus on a supportive approach;" they are not going

to benefit from “a review of staff facilities and recommendations for improvement;” they have not been offered “a range of support services and processes to ensure that no staff were left financially compromised during Covid;” nor indeed have they benefited from “actions to support the retention of staff; positive teamwork, leadership and communication.”

Instead they have been hived off to private companies, who offer them inferior terms and conditions. And now the Trust wants 70 more staff to be pushed into the same situation: key Trust Executive managers have decided they not only do not want to retain these staff — they do not even want to employ them any longer, and will not even pretend to be interested in drawing up an in-house bid to compare with those that might be received in response to the tendering process.

Quality services at risk

By any measure, the decision to put Hinchingbrooke's award-winning and highly successful in-house catering service out to tender is quite blatantly perverse and utterly bizarre in the current climate of a pandemic in which retaining a loyal, experienced and dedicated team is a vital asset to the Trust.

It's clear that whatever the motivation of the senior managers who decided on this course, it cannot be to improve the quality of the services, which are firmly established as among the very best in the country, and completely consistent with what the Health Secretary Matt Hancock has argued should be the model for other hospitals.

Instead the danger is that a centre of excellence in the Trust is downgraded in the quest for quick savings, and that the quality of care for patients will be dragged *downwards*, when what is needed is for services at Peterborough and Stamford to be *raised* towards the Hinchingbrooke level.

Hinchingbrook Hospital Catering Department was the first NHS Hospital to be awarded gold from the Soil Association in 2016.

It has twice won Health Business Awards in 2015 and 2018 .

In 2018 Hinchingbrooke became the only NHS Hospital in the country to have won an

"The danger is that a centre of excellence in the trust is downgraded in the quest for quick savings, and that the quality of care for patients will be dragged downwards."

award at the Craft Guild of Chefs Awards, and has been named one of the top 10 hospitals in the country for healthy food.

The department has a 5-star hygiene rating. Its loyal catering team has a combined 507 years of service at Hinchingbrooke, with the longest-serving member of staff at the North West Anglia NHS Foundation Trust, having worked in the catering department for 40 years.

As the catering department staff have pointed out themselves in an eloquent and passionate appeal to Matt Hancock, putting them out to tender would have consequences for patients and staff. It

> "could mean freshly made award-winning food could be replaced by frozen meals and pre-pack salads and sandwiches …
>
> "… We have also been told the contract is to run all soft services at all 3 hospitals to make it a more attractive package for prospective bidders. This was done without any consultation with dieticians, clinical staff or catering staff
>
> "If you really want to change hospital food you need to start from the top and change the way food is perceived, and give the decisions on food and nutrition to clinical staff, not hospital estates whose mind set is cost saving and not about if someone is malnourished on a hospital ward.

> "You will never be able to have the best catering teams like ours in NHS hospitals if the process of going out to tender every 3-5 years carries on."

By contrast with Hinchingbrooke, the relatively new, PFI-funded hospital at Peterborough was built without full kitchen facilities and provides only frozen reheated meals with pre-pack salads and sandwiches. The way reheated meals are actually served to patients — often lukewarm after being wheeled around a large hospital for an hour or more in a heated trolley — means that they taste very different from the cook chill and frozen meals sold by Marks and Spencer or Waitrose, and from the dishes NHS management may have been able to sample straight from the producer's oven.

Moreover as TV chef James Martin and other campaigners for freshly cooked hospital food have pointed out, while an individual cook-chill meal may appear to be cheaper than a freshly cooked one, they do not come as individual meals, but as trays of up to eight, which can mean high levels of waste.

With growing awareness of the hazards of single-use plastic and focus on environmental sustainability the large volumes of plastic packaging and additional food miles from production centres are also an unnecessary environmental cost. When the Royal Free hospital reverted

"You will never be able to have the best catering teams like ours in NHS hospitals if the process of going out to tender every 3-5 years carries on."

to home-produced food, it ended the need for 50,000 disposable plastic containers.

Martin worked with hospital staff to produce three excellent series of Operation Food, proving that investment into kitchens and locally sourced food could enhance the food for patients and for staff, reduce wastage rates and even generate a modest surplus where there had previously been a cost.

But it was an uphill battle against management who had decided in advance that cook chill or the replacement of hot meals with sandwiches was the only way to go. It was also done without any support from government.

However a minority of NHS hospitals have retained or developed in-house production of freshly-cooked, locally sourced food — including Matt Hancock's own local constituency hospital, West Suffolk Hospital in Bury St Edmunds, which:

> "Prides itself on the quality of its food – nearly all of which is freshly cooked in house. With three meals a day for the 450 patients, plus feeding the hospital's staff and visitors, work is demanding for the 14 chefs and 57 catering staff."

"Matt Hancock's own local constituency hospital, West Suffolk Hospital in Bury St Edmunds, prides itself on the quality of its food – nearly all of which is freshly cooked in house"

Morale booster – and cost-saver

Hinchingbrooke Hospital's own Catering team have written to estates and facilities director Eric Fehily and HR, making similar arguments, but also pointing out the catering department's role in improving the health and morale of patients and staff:

> "As an NHS catering department we are a standard bearer for healthier choices for patients, staff and visitors.
>
> "We believe in the welfare of all our patients and staff. By providing healthier food for staff on different shifts including those on night shifts we believe we help make Hinchingbrooke a great place to work, and help build the very special and unique "community and-family" atmosphere to our restaurant and our hospital.
>
> "We believe we are incredibly good value and a high quality service for the UK taxpayer. North West Anglia NHS Trust has highlighted the fact that we are more expensive than other ways of delivering a catering service, but the other side to that argument is the Board do not put enough importance on food and nutrition, which is reflected in the budget they provide for patients and staff.
>
> "We believe that the proposals to change

how catering services are provided will have a long term and negative impact across the hospital. We strongly believe there will be significant negatives in terms of patient and staff well-being, poorer patient outcomes and reduced patient and staff morale."

"How can NW Anglia Estates Department, claiming to be seeking efficiencies and cost savings, justify spending an extra 46% per meal in order to bring in a private company to serve inferior food?"

Indeed the official figures bear out the staff claim to represent incredibly good – and better – value for the Trust.

The most recent official figures show that while the Trust as a whole ordered 923,000 meals in 2018-19 at a cost of £4.5 million, or £4.88 per meal, Hinchingbrooke delivered 263,000 meals at a total cost of £953,000 — an average of just £3.64 per meal. By contrast, the 633,000 meals supplied to Peterborough Hospital patients averaged £5.33 each.

How can NW Anglia Estates Department, claiming to be seeking efficiencies and cost savings, justify spending an extra 46% per meal in order to bring in a private company to serve inferior food?

Why are they not looking at ways of developing the facilities at Peterborough to replicate the highly successful Hinchingbrooke model of catering?

And why will they not break down the figures for annual food waste between the two sites, to show the additional added value and efficiency of the Hinchingbrooke system?

Government policy ignored

The NW Anglia Trust Estates Department clearly places little or no value on supplying patients and staff with freshly cooked, locally sourced and nutritious food.

Leaving them to decide the future of catering and other in-house services at Hinchingbrooke puts the Trust Board and Governors in flat contradiction to stated government policy, especially since the summer of 2019, in the aftermath of tragic deaths of five NHS in-patients from Listeria (a sixth died later). Then, as the Daily Telegraph (June 17 2019) reported:

> "Mr Hancock set out plans for a "root and branch" review of hospital food, to improve its nutrition, as well as its safety. And he said he would be keen to see an end to outsourcing of hospital food. He told the Commons:
>
> "There are dozens of hospital trusts that have brought their catering in house and found that you get better quality food more likely to be locally produced and better value for money by bringing the delivery of food services in house.
>
> "And that is something we are going to be examining very closely because I am very attracted to that model and it also has the potential to reduce the risk of safety concerns like this."

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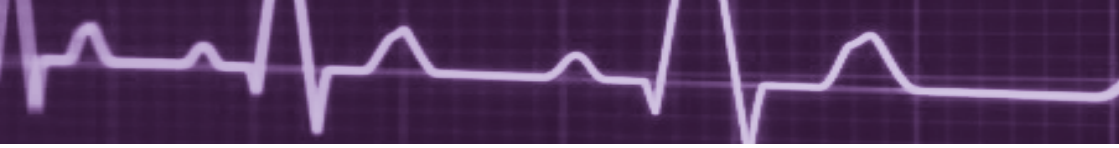


The Sun ran a similar account of the new direction being adopted by the Secretary of State, implying even greater urgency (30 June 2019):

> "An exhaustive review of hospital food will be launched in a matter of days as the Health Secretary urges management to end a reliance on outsourcing companies — and cooking back in-house.
>
> "An insider said: 'Matt has had growing concern about the quality of hospital food for a while now, and he wants to sort it out as soon as possible. He's seen examples where sourcing food locally has both improved food quality and reduced costs, and wants more hospitals to look at bringing their catering back in house. So our review will look at the benefits of cooking more fresh food for patients rather than outsourcing it'."

In July, the Daily Mail followed up on the story, revealing that the average daily spend on food per NHS inpatient in England is £11.41 per day — more than double the average spend per meal at NW Anglia Trust in 2018/19.

The Daily Mail quoted Kath Dalmeny, of charity Sustain's Campaign for Better Hospital Food arguing that half of NHS hospitals failed to comply with basic food standards (29 July 2019):

> " 'The best hospitals prioritise fresh, healthy,

> sustainable and appetising meals, served in a compassionate way to help those with physical difficulties,' she said.
>
> "Rob Percival, of the Soil Association's Food for Life programme, said: 'Patients deserve real food, and we know that it's possible'."

In 2018, Hancock's opposite number Jonathan Ashworth made a similar commitment to freshly prepared and locally sourced food produced in-house by NHS teams.

Although Hancock's promise of an urgent review appears to have vanished without subsequent trace shortly after the appointment of Bake Off judge Prue Leith as its figurehead at the end of August 2019, Hancock and Leith earlier this year jointly welcomed the £3 million investment in new in-house kitchen facilities at St Richard's Hospital in Chichester. Hancock told the local press:

> "It's absolutely terrific to be here, firstly to learn about the food and secondly to say congratulations and thank you to all the staff who work here. Food is so important to recovery. It's important for nutrition of course but it's important for morale, if you're stuck in hospital one of the few things you look forward to is the food.
>
> "I want to improve hospital food right

across the country, and we've come here to St Richard's to learn what good looks like. I would love to see the quality here in Chichester be the norm across the country."

Prue Leith went further, noting:

"It's not necessarily about the ingredients, it's about the kitchens, the infrastructure, the training and changing the attitude of the entire hospital. You have to get food up the priority of food culture.

"The attitude of any organisation comes from the top. I would imagine that the top people are good here and the hire the right people. They inspire the staff and it works."

"It's not necessarily about the ingredients, it's about the kitchens, the infrastructure, the training and changing the attitude of the entire hospital. You have to get food up the priority of food culture."

It's quite clear from this that in heading in the opposite direction, seeking to break up the existing system in Hinchingbrooke, the NW Anglia Trust is not only showing its disregard for patient and staff nutrition but flouting the current direction of government policy. And the only possible result is a worsening of existing standards.

Logistics and Patient Services

In similar fashion to the proposals for Catering, NW Anglia plans to outsource the existing logistics services at Hinchingbrooke lack any clear rationale and are backed by no business plan.

The current services, like catering, are provided by a loyal and flexible team, and it's not clear that any changes could do other than undermine existing services, alienate and potentially lose dedicated and experienced staff, and fragment the workforce at Hinchingbrooke. Outsourced staff have made clear to UNISON they would prefer to be brought in-house rather than employed by the current three private contractors.

Moreover by outsourcing these staff the Trust would lose 'direct control' over the management of staff to deal flexibly with the ongoing ever changing Covid situation. Contractors work to rigid contracts, and securing any variations can be extremely expensive, wiping out any short term savings.

Hinchingbrooke Patient Service staff have also written to the Estates management and HR arguing their case against privatisation:

> "As a department there are concerns that this will affect the day to day running of the entire hospital. Patient Services provide an excellent service for all departments and is

"Plans to outsource the existing logistics services at Hinching-brooke lack any clear rationale and are backed by no business plan."

flexible with responding to issues at a moment's notice whilst priding itself on going above and beyond for our colleagues and patients alike.

"Communication is a key component to our team especially in urgent responses where we have to ensure processes involving all departments are effective.

"As a team, our members have dedicated years of service·and are proud to represent the NHS in often difficult circumstances. Furthermore, our staff from a personal perspective have worries about how this change may impact our pensions and entitlements in accordance with our current terms of employment."

"It seems certain that the Estates management will lack the expertise to draw up a suitable specification for a contract to cover all of the existing work done by Patient Services."

The staff also raise further concerns that the rush by the Trust to issue the Invitation To Tender means that it has not been informed by any insight into the way the department works, since no effort was made by Estates to shadow of any of the three shifts of their work pattern. Angry staff hearing the management explain themselves at a meeting in the midst of the tendering process (September 10) pointed out that the management "don't know anything about what we do."

As a result it seems certain that the Estates management will lack the expertise to draw up a suitable specification for a contract to cover

all of the existing work done by Patient Services and their current tasks and duties.

Once again it looks as if outsourcing, opening up a "mini-competition" between up to nine private companies who have been included in a pre-approved list for delivery of "soft FM" services, has been adopted as a way forward for the sake of it, or out of ideological prejudice against public-sector provision rather than for any obvious purpose or expectation of benefit or improvement in services.

Any financial "savings" that might be made from contracting out these services hinge entirely upon the Trust hiving off responsibility for pensions, sick pay and other terms and conditions previously enjoyed by in-house staff. Trust directors are clearly expecting, and happy to accept that whichever company wins a new contract will seek to save money and maximise their own profitability at the expense of eroding the jobs and living standards of already low-paid staff.

Since the larger plan motivating the Trust appears to be to bring all of the non-clinical support services together into a single privatised contract, it's worth noting that from recent experience this would potentially put the Trust's reputation at risk – for the sake of a few possible short-term cash savings.

Learn from previous failures elsewhere

NW Anglia Board members and Governors are strongly urged to look at the recent track record of similar contracts (including companies on the shortlist for tendering) which have ended in costly failure:

■ In Sussex, a five-year £15m contract with Sodexo for cleaning, portering and catering ended 3 years early in 2015, with services brought back in house: it was clear the trust and the company had attempted to make unsustainable savings, resulting in what management described as "inconsistencies in standards such as difficulties with maintaining cleaning standards."

■ In Leicestershire a much bigger seven-year £300m contract with Interserve to provide catering maintenance and support services to two NHS trusts and NHS Property Services was scrapped four years early, in 2016. Around 2,000 staff were brought back into the NHS, and services are now delivered in-house. Two years later University Hospitals Leicester admitted that cleaning and maintenance required significant additional investment, including an extra £2m in pay for the lowest-paid staff.

■ Later in 2016 in Nottingham University Hospitals trust the failing contractors Carillion, who

later went bankrupt, lost a five year £200m contract for cleaning, catering, laundry, car parking and security after just two years, amid a barrage of complaints over unacceptable standards. 1,500 staff were brought back in house. Carillion employees in Nottingham complained of being short-staffed and lacking the right equipment to do their jobs properly: the trust argued that Carillion was employing about 70 fewer cleaning staff than required. The BBC reported some nursing staff were doing cleaning tasks themselves because they were not satisfied with the work of Carillion's staff.

Concerns over quality of service

“In the 36 years since the Thatcher government introduced competitive tendering for NHS cleaning, catering and laundry services there has been a continuous criticism that the process puts quality at risk in pursuit of cash savings.”

These examples are far from unique. In the 36 years since the Thatcher government introduced competitive tendering for NHS cleaning, catering and laundry services there has been a continuous criticism that the process puts quality at risk in pursuit of cash savings.

By September 1986 the National Audit Office found that cash savings had been made following the introduction of competitive tendering, although most of this had come from successful in-house bids. In 1987 an NAO study of 33 contracts found that:

> “Savings have arisen mainly from the need to draw up specifications including the rationalisation of existing operations … less favourable conditions of employment, greater use of part time staff, changes in working practices” as well as “increased productivity.”

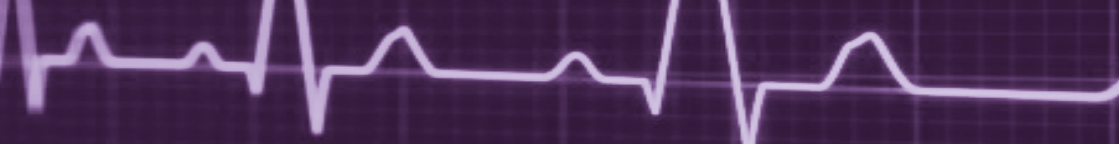
The NAO found cost reductions often came from reducing the amount of service and reducing labour costs as well as increased productivity. In one case the in-house team reduced its total working hours by 50%. The NAO also argued that the costs of introducing competition had been ignored, as had the adverse morale effects of staff having to accept worse pay and

conditions and reduced hours of work. NHS managers disliked the loss of control, commitment, trust and flexibility from previous in-house services.

Between 20-25% of contracts failed before the contract period was complete. By 1993 a review of the experience concluded: "After seven years experience the verdict on competitive tendering as a way to encourage more cost-effective ancillary services in the NHS remains in doubt."

In 2000 the Guardian reported: "Fines of £2m over the last three years have been levied against private companies working in the NHS." It quoted a cancelled laundry contract in Basildon as an illustration of what many in NHS management were beginning finally to recognise:

> "privatisation is not an infallible cure for service inefficiencies; and that the relentless drive towards ever greater cost savings through contracting out has, in many cases, had a disastrous effect on service quality.
>
> "Recently, the NHS Confederation — trusts in membership of which have contracted out hundreds of millions of pounds of support services over the past 17 years — admitted that cost-cutting had directly led to the filthy NHS wards, dirty bed linen and inedible hospital food of public infamy."



In 2003 a summary in the Daily Telegraph, noting that "you are 15 times more likely to catch a serious infection in an NHS ward than in many other European countries," argued:

> "Dirty hospitals, high on the list of almost every patient's complaints, are a direct result of a management system in crisis. Five thousand people die from hospital-acquired infection a year, and it contributes to the death of a further 15,000. It costs the NHS more than £1 billion a year and loses 3.6 million in "bed" days."

How did the Telegraph explain the decline in standards?

> "In the past, hospitals took cleaning seriously. Florence Nightingale reduced the fatality rate of wounded soldiers in the Crimea from 40 per cent to just five per cent merely by imposing basic standards of hygiene and sanitation. Forty years ago, matron checked levels of cleanliness every morning. One consultant remembered that his hospital even used to set aside a ward exclusively for cleaning staff to learn how to clean.
>
> "Cleaners were valued members of the team and worked with the medical staff. All cleaning would be done before the nurses changed patients' dressings so that the dust

> "The cleaning of wards is no longer under the control of medical staff; instead a cleaning manager hires contract cleaners from outside."

> could settle before wounds were exposed to the air.
>
> "The cleaning of wards is no longer under the control of medical staff; instead, a cleaning manager hires contract cleaners from outside. Many staff complained that the root of the problem lies in management ignorance about cleaning and its inability to negotiate a tight contract."

By 2004, 20 years after competitive tendering had been introduced, the Department of Health itself has explicitly recognised a link between competitive tendering and the falling quality of what remain labour-intensive services. Its December 2004 document Revised Guidance on Contracting for Cleaning notes:

> "Following the introduction of compulsory competitive tendering, budgets for non-clinical services such as cleaning came under increasing pressure, and too often the final decision on the selection of the cleaning service provider was made on the basis of cost with insufficient weight being placed on quality outcomes.
>
> "Since NHS service providers were in competition with private contractors, they too were compelled to keep their bids low in order to compete. The net effect of this was that budgets and therefore standards

were vulnerable to being driven down over an extended period until, in some cases, they reached unacceptable levels.

"Although improvements have been seen in recent years following the introduction of the Clean Hospitals Programme and the investment of an additional £68m in cleaning, there remains concern that price is still the main determinant in contractor selection."

Also in 2004, then health secretary John Reid, interviewed by the Guardian, argued that one reason for the spread and proliferation of one of the most serious Hospital Acquired Infections, methicillin resistant staphylococcus aureus (MRSA) had been the Tory government's decision to contract out cleaning work, with contracts going to the lowest tender. Dr Reid also conceded that cleaners did not always feel part of the NHS health care team.

A national report from the Patient Environment Action Teams (PEATs) at the end of 2004 found that while just over a third (440 of the 1184 hospitals surveyed) employed private contractors, 15 of the 24 hospitals deemed "poor" were cleaned by private contractors. This suggested that the incidence of poor cleaning was twice as common among privatised contracts as it was with in-house services.

Ten years later an article for Practical Patient Care noted that "For all the talk of privatisation,

the demand for competition and cost-saving has been an almost permanent feature of public health policy since Thatcher." It quoted the NHS Confederation's Nigel Edwards, who argued:

> "There has been a 20-year history of asking the NHS to produce efficiency savings. Cleaning and catering... have suffered the brunt of the major cuts in provision".

It also quoted Jane Lethbridge, director of the Public Services International Research Unit, who pointed out:

> "Contracting out pushes wages down, creates a high turnover of staff and problems with general recruitment. Other processes that result from outsourcing - particularly the pressure on time and the focus on specific tasks - also lead to a very fragmented way of delivering the cleaning service.
>
> "What is required is good teamwork between infection control teams and the cleaner. Before cleaning services were outsourced, the cleaners would have taken more time, talked to nurses, chatted to patients, and there would have been a much greater degree of teamwork in the ward and hospital."

"Contracting out pushes wages down, creates a high turnover of staff and problems with general recruitment."

By 2016 academic studies of extensive data had confirmed the views and vindicated those

who warned over the dangers of competitive tendering:

> "Linking data on MRSA incidence per 100,000 hospital bed-days with surveys of cleanliness among patient and staff in 126 English acute hospital Trusts during 2010–2014, we find that outsourcing cleaning services was associated with greater incidence of MRSA, fewer cleaning staff per hospital bed, worse patient perceptions of cleanliness and staff perceptions of availability of handwashing facilities."

And last year another study covering a similar period and range of data came to similar conclusions:

> "Hospitals contracting out cleaning services had lower levels of cleanliness and worse health-care outcomes as measured by hospital acquired infections.
>
> "Public service managers must be very careful when outsourcing services— even auxiliary services; some performance indicators should reflect aspects of the quality of the core service."

In other words there are literally decades of evidence and experience underlining the hazards of contracting out to private sector com-

panies which all too often show no sense of responsibility to anyone other than their shareholders.

Time and again serious studies have shown that the only benefit from privatisation is the possibility of a short-term cash saving – at the expense of low-paid staff, and at the risk of fragmenting the ward teams which are the front line for the quality of patient care.

“There are literally decades of evidence and experience underlining the hazards of contracting out to private sector companies which all too often show no sense of responsibility to anyone other than their shareholders.”

Cleaning in a pandemic

The Covid-19 pandemic has been a sharp reminder of the need to retain direct management control of cleaning to ensure flexibility according to need, rather than outsourced services stuck to a rigid contract drawn up years earlier.

We know that the Trust must have had such problems, because since the beginning of 2019 the Trust Board has been receiving regular reminders of the potential added cost of enhancing cleaning standards across the Trust to PAS 5748 (a cost of £50-£60,000 per annum, £12,000 per month), along with reminders of the decision of the Infection Prevention and Control Team and the Estates Director not to do so until it becomes compulsory*.

Before deciding to opt once again for outsourcing additional staff, and potentially contracting services for the whole Trust to a single company to replace the current fragmented arrangement involving four cleaning contractors (Medirest in Peterboroughm Mitie at Hinchingbrooke, ISS at Stamford & Rutland and Keir in Hinchingbrooke's Day Treatment Unit), will the

**Although the PAS standard was adopted in 2014, and planned for roll-out across the NHS from March 2019, for some reason this still has not occurred. However it is clear from the Trust Board reports that variations in the contracts signed with private contractors can only be made at significantly increased cost, while NHS in-house services have shown themselves to be more flexible, with increased costs linked only to additional hours worked, and no need to generate additional profits for shareholders.*

Estates Department at least reveal to the unions and to the Board and Governors the additional costs that have already been incurred by the Trust above and beyond the original contracts for delivering enhanced Covid cleaning?

What are the further likely costs in the event of a second spike in Covid infections and continued requirements to maintain higher levels of hygiene and disinfection?

No in-house bid = no real competition

From the earliest experience of contracting out services, experts have stressed the importance of allowing in-house units to tender, rather than allowing private companies to carve up contacts between themselves: in-house bids

> "have no incentive to collude with outside firms in bidding. There may thus be a case for retaining some public sector capability to reduce the scope for collusion." (Whitbread and Hooper, 1993)

There is ample evidence that privatisation of non-clinical services offers limited cash savings at the expense of low-paid staff and through the long-term disintegration and division of the workforce, with weakened possibilities of teamwork and improving morale.

"From the earliest experience of contracting out services, experts have stressed the importance of allowing in-house units to tender, rather than allowing private companies to carve up contacts between themselves."

Conclusion

> “The Covid pandemic is also a stark reminder that the Trust can only achieve ‘direct control’ and the flexibility required at this time from in-house services that are part of a single NHS team.”

UNISON believes there is a strong case for investment by the Trust to bring hard-working but in many cases under-rewarded cleaning, catering, logistics and patient services staff throughout the trust back in-house, and the Trust Board itself taking back control and accepting its responsibility for the improvement of support services and their coordination with the aims and objectives of clinical staff at ward and department level.

The example of Imperial Healthcare should be followed, not the ideology of privatisation that has led to so many contract failures and undermined so many standards since the mid 1980s.

The Covid pandemic, which could last for many years to come, is also a stark reminder that the Trust can only achieve “direct control” and the flexibility required at this time from in-house services that are part of a single NHS team. The Trust cannot get the same results or responsiveness from outsourced services. Additional contracted cleaning requirements cost money!

This in turn would establish a firm but flexible base for future measures to address the Covid pandemic and similar pressures on the NHS, with in-house services composed of high quality, dedicated staff who are, and feel themselves

to be, part of a single NHS team rather than units of profit for private-sector shareholders.

Treating staff with respect, and working with them to develop the highest quality support services the highest quality patient care in a safe and comfortable environment can in turn help to create a positive and supportive environment for clinical staff, and the crucial task of recruitment, retention and further training of nurses, other professionals and medical staff.

UNISON urges Trust board members and Governors to think again, to opt for lasting improvements in quality rather than the illusion of short-term cost savings, and to at very least draw up and consider a convincing in-house bid for the contract as a basis for comparison, rather than moving once more unthinkingly towards the inferior option of a new, and an extended private contract.

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