

This bulletin provides the latest reported developments over the month on companies in which UNISON is interested. The information is mainly taken from press reports and does not necessarily represent UNISON's views. Comments and further information on the companies mentioned should be posted to the Bargaining Support Group, 1 Mabledon Place, London WC1H 9AJ or e-mailed to the address at the foot of the page.

ARENA HOUSING

Arena Housing has merged its care divisions with its subsidiary **St Helens Housing Association**, which joined Arena in 2005. As a registered social landlord, the new **Arena Options** will be responsible for Arena's supported and sheltered services as well as three foyers for young people and two retirement villages.

CAPGEMINI

Capgemini plans to double the number of people it employs in India to 10,000 by the end of 2007. **Capgemini Global BPO Services** is looking for locations to set up three new operations. Eighty per cent of services offered out of India by Capgemini is to its US and UK clients, and 20% to European companies.

CAPIO

Capio is the first health care company to conclude a European Works Council agreement. Under the agreement Capio commits to a positive attitude towards workers' representation and trade unions. The company is active in France, UK, Sweden, Norway, Denmark and Spain. It currently employs more than 12,000 employees.

CARESHARE

The Fife **Careshare** nursery struck by E coli opened in June following subject to the approval of Fife Environmental Health and the Care Commission. A specialist cleaning company cleaned the premises and removed more than 200 bags of contaminated items. Staff are also undertaking additional training in infection control procedures. Although the infection did not start in the nursery it was spread through person-to-person contact.

CIVICA

Civica plc, the software and services group set up to rival **Anite** and **Capita**, has announced a rise in interim operating profit of 40% and turnover up 14% to £56.5m. Civica bought out **Comino Group plc** in February 2006. New clients are the government's Gambling Commission and a £3.3m housing project at Manchester City Council. The Office of Government Commerce has put Civica on its solutions provider list for the national 'Catalist' procurement framework.

CLEANAWAY

Brambles is selling **Cleanaway UK** to **Veolia ES Holdings plc**, a subsidiary of **Veolia Environnement SA** for £595m. Veolia has taken responsibility for the defined benefit pension funds of Cleanaway UK, which had an FRS17 deficit of £56m as at 30 June 2005. Other businesses included in the sale are: **Cleanaway Germany, Cleanaway Australia** and **New Zealand, Brambles Industrial Services Northern Hemisphere, Industrial Services Australia** and the Regional Businesses. Cleanaway UK employs more than 7,500 people around the country.

EAST THAMES HOUSING

East Thames Housing Group, social housing manager **Pinnacle PSG** and **British Waterways** are part of a pilot project involving registered social landlords and private companies to set up a public private partnership to enable unemployed people to sell their free time. **Slivers of Time**, which is jointly funded by the government and private companies, said if housing associations contributed to the scheme they could reinvigorate the areas they work in by offering casual work to tenants. Slivers of Time will be launched in 2007.

ENGLISH CHURCHES HOUSING

English Churches Housing Group is being taken over by **Riverside Housing Group** to save it from financial collapse. Hundreds of job losses and a widespread sale of housing stock across the south of England are expected. English Churches has agreed to transfer all of its general needs homes to Riverside and close its head office in Leicester. English Churches will be the 9th subsidiary of Riverside.

ENTERPRISE LIVERPOOL

Enterprise Liverpool, the joint venture between **Enterprise plc** and Liverpool City Council is being investigated after criticisms of job cuts and the slow progress of its work. Enterprise Liverpool was set up in 2004 to manage the repairs service for the council's 21,000 properties. KPMG will also examine the contract with Liverpool Direct, set up with **BT** to improve the customer relations system.

GLASGOW HOUSING ASSOCIATION

The back office functions of **Glasgow Housing Association** are likely to be broken up in preparation for a second stage transfer. Seven organisations will provide services such as IT and legal for 38 local housing organisations. About 200 staff will transfer.

GROUP 4 SECURICOR

Group 4 Securicor's security alarm codes and door codes of business premises in Northern Ireland were turned into the offices of the Belfast

Telegraph, having been found allegedly amongst confidential documents in a waste disposal site in Belfast. The names and telephone numbers of keyholders for a number of premises were among the data. Some of the documents originated from **Group 4 Securicor's** Belfast base.

INTERSERVE

A consortium led by **Interserve** has won a contract to build and operate a new prison in Scotland. Another partner in the consortium is **UKDS**, a subsidiary of **Sodexo**. The contract will run for 25 years.

Pyramid, a consortium led by **Interserve**, has been named by Plymouth City Council as the preferred bidder on a PFI schools contract. Interserve would provide the schools FM - maintenance, catering, caretaking - and possibly administration for the 25 year term of the contract. Hundreds of staff would transfer to Interserve.

Sheffield headteachers are trying to get improvements to some of the first schools built under PFI about five years ago. The school buildings and services are run and maintained by **Interserve**. In the summer sun temperatures can rise over 30c because of the construction of the building. The PFI contract allows action to be taken over minimum but not maximum temperatures.

Since **Interserve** took over property and environmental services for Croydon Council, 85 former employees of **Crosfield** believe they have been given "demeaning" jobs. Crosfield was shut down as a council run business because it was considered financially unviable.

ISOFT

iSOFT, one of the sub-contractors to the NHS National Programme for IT (NPfIT), has delayed its financial results and changed its accounting rules, resulting in a fall in turnover and profits. iSoft is also making 150 (15%) of its UK staff redundant. The company admitted that the NPfIT's stringent rules for payment of delivered systems had affected its cash flow.

The chief executive of **iSoft** has quit. iSoft was subcontracted by **Accenture** to work on the National Programme for IT in the NHS and has struggled to deliver its product on time. The entire programme is 2 and a half years behind. iSoft is supplying software in three of the five English regions: with Accenture in the north-east and east of England and with the US-based **CSC** in the north-west. At the tendering stage iSoft promoted itself as having already developed a patient record system but apparently this has not yet been installed.

BT Group plc denies as 'speculation' the rumour that it is considering taking over **iSoft** Group plc.

ISS

Nearly 500 hospital staff have transferred back to Swansea NHS Trust after working for **ISS Mediclean** as cleaners, porters, telephonists and receptionists. Due to extra cleaning under the new contract 27 new jobs have been created.

LIVERPOOL MUTUAL HOMES

Liverpool Council wants to transfer its remaining 18,000 homes to **Liverpool Mutual Homes** but the housing association's business plan will need £135m in government funding. Questions about the financial viability of LMH's business plan have been raised by a housing consultant who also said that the council had adopted a dictatorial approach towards LMH staff. LMH reject these claims.

LONDON & QUADRANT

A merger with **Threshold Housing** would push **London & Quadrant Housing Group** into the top five largest housing associations in England. A successful merger would bring together 50,000 homes in London and the south east of England. Plans under discussion would make Threshold a subsidiary of L&Q. Threshold called for tenders from associations in April 2006 after posting a loss of £700,000 in its 2004/05 annual accounts. The target date is March 2007.

MAY GURNEY

Norwich-based **May Gurney** launched itself on the stock market and raised £13.5m net of expenses. The construction services company Chief Executive David Sterry said the company was interested in moving into waste management.

NETCARE

Netcare has acquired a controlling interest in **General Healthcare Group (GHG)**, a leading private UK hospital company. Netcare is in the deal as part of a consortium including **Apax Partners Worldwide LLP**, **London and Regional Properties** and **Brockton Capital LLP**.

Netcare will own 50.1% of **GHG** in return for an investment of approximately £217m, along with the injection of its wholly owned UK subsidiary **Netcare Healthcare UK Limited**.

Commenting on **Netcare's** acquisition of **General Healthcare Group** in the UK, the director general of the South African department of health said that this raises concern about losing well qualified staff. However, Netcare's chief operating officer said that the UK operations were actually a way of retaining staff. About 700 nursing staff were rotated through Netcare's UK operations on short term work permits of three to six months and only two had chosen to remain illegally.

A former patient of a **Netcare** hospital in South Africa is preparing to sue Netcare and a gynaecologist. A swab was left inside her during an operation in 1998. It is claimed that as a result, she developed complications that required further surgery and removal part of her colon. The patient is also claiming loss of sight and hearing and psychological problems. The surgeon denies negligence and blames the theatre personnel for what happened.

The head of **General Healthcare Group**, owner of **BMI Hospitals**, one of the largest private hospital operators in the UK, is said to be a strong contender for chief executive of the NHS. Sir Nigel Crisp resigned from the post in March after a record year of deficit. General Healthcare was bought last year by a consortium led by South African group, **Netcare**, which has a number of ISTC contracts in the UK. Other candidates are said to include Tim Smart, chief of **BT's Global Services** division in the UK; Sir Ian Craft, chairman of the Academy of Medical Royal Colleges; Ian Watmore, the head of the Number 10 delivery unit; and a former boss of consulting firm **Accenture**.

NORD ANGLIA

EduAction, the education services joint venture between **Amey** and **Nord Anglia** is looking for a new 'Sector Sales Manager'. EduAction's main contract of work, running Waltham Forest LEA services, is due to be phased out over the next couple of years.

Nord Anglia's Leapfrog Nursery chain is the largest private nursery provider in the UK. It accounts for half of Nord Anglia's turnover. Worrying then for Nord Anglia that operating profits in this division fell to £100,000 from £1.8m in the first half of last year. Other private nursery companies are also feeling the pinch as the government increases its spending on free nursery places. Nord Anglia's international schools business is doing much better as operating profits rose 56% to £1.9m, but this business is only a fifth of turnover.

NOTTINGHAM CITY HOMES

Less than 20% of staff at **Nottingham City Homes** think the services it offers are improving. An improvement plan to council lists changes that need to take place if the ALMO is to improve and win the two stars it failed to achieve in its first Audit Commission inspection.

PARADIGM

Sheffield City Council has appointed a **Taylor Woodrow** led consortium called **Paradigm** to deliver its £320m Pathfinder Building Schools for the Future programme.

RENTOKIL INITIAL

Rentokil Initial has sold its US manned guarding business, completing its decision to get out of the manned guarding business. It recently sold the UK business to **Mitie**.

SCOLAREST

Scolarest has won two schools meals contracts in Sheffield. It has primary school meals for 5 years and secondary schools for 3. The current **Serviceteam** contract ends on 31 July 2006.

Bracknell and Wokingham college have today dropped their plans to privatise the catering facilities at all their colleges, primarily because **Scolarest (Compass)** would not agree to allow staff to keep their LG pension under Admitted Body Status as demanded by UNISON.

Scolarest has won a 4-year school meals contract with Reading Borough Council, replacing **Initial**. It is also the preferred bidder for the West Sussex contract.

SCOPE

After just over three years the Chief Executive of **Scope** is resigning. Tony Manwaring was appointed in February 2003. Jon Sparkes, Executive Director of Human Resources, will take over as an interim measure.

SENATE HEALTH

Senate Health, a consortium of **Amey** and **Innisfree**, want Essex Rivers Healthcare NHS Trust to return £10m of their bid costs following the Department of Health's decision to drop the £167m Colchester Hospital PFI scheme to compensate for five years of development costs. Key factors in abandoning the project were the government's decision to move healthcare provision from the acute to the primary level, the introduction of the payment by results regime, and new Independent Sector Treatment Centres. The Trust had estimated that it would lose 20% of its income to ISTCs.

SERCO

A prisoner escaped from Lowdham Grange Prison in Nottinghamshire hidden in a box of chef's hats. **Serco**, which runs the prison, insists proper procedures are in place to prevent smuggling. The prisoner, due for release in 2009, is on a 10-year sentence for robbery and burglary.

SHAFTESBURY

Shaftesbury Housing Association has sold its supported housing division to **Sanctuary Housing Group**. This adds more than 500 residential units and 1,000 care beds to Sanctuary's stock of 52,000 homes across the UK.

SHANKS

Shanks Group plc has bought the Dutch waste collection and disposal company **Smink Beheer BV**. Smink employs about 170 people and processes approximately 0.5m tonnes of waste annually.

SITA

Sita UK will create 100 new local jobs if it is awarded the contract for Cornwall's waste management. Currently the preferred bidder for the 30-

year contract, Sita said they also expect to retain almost all those currently employed by County Environmental Services.

SODEXHO

Cleaners, porters, catering and security workers at Glasgow Royal Infirmary staged a one-hour walkout in a dispute over a 10-year private contract. Multi-national firm **Sodexo** is nearing the end of its deal to run cleaning, catering, portering and security services at the hospital. That means 500 staff employed by the firm do not know who they will be working for after 6 December. Most hospitals in Glasgow have taken services back "in house" and hired their own cleaners under NHS terms and conditions. The Victoria Infirmary ended its contract with Sodexo in 2002, while Stobhill ended its contract with another firm, **Medirest**, a few months earlier.

Sodexo plans to be "very selective in the UK education market" due to the falling school meals uptake and tight profit margins. Sodexo's profit fell 6.5% in the UK education sector in the first half of 2006.

STONHAM HOUSING ASSOCIATION

Employees of **Stonham Housing Association** are considering strike action over annual pay negotiations. Staff have been offered 2.5% but employees of **Home Group**, of which Stonham is a member, have been offered 2.7%.

SOUTHERN CROSS

Southern Cross, the largest nursing home operator in the UK, is to list on the stock market. Thanks to an expansion of demand for beds and greater demand from the public sector, the market is worth £11.7bn annually and Southern Cross has 6% of it. The vast majority of providers are small single site operators. Southern Cross' closest competitor in size is **Care UK** with only one-tenth its capacity.

SYNERGY HEALTHCARE

Profits for **Synergy Healthcare** plc went up by 22% in 2005/06. The rise was helped by the acquisition of **Shiloh**, another company in the hospital decontamination and infection control business. Synergy is currently bidding for seven new NHS contracts.

TOGETHER

UNISON has this week signed a recognition agreement with the charity **Together Working for Wellbeing**. This is the first time that Together has recognised a trade union to represent staff in negotiations over terms and conditions. The agreement gives UNISON full negotiating rights for all terms and conditions within Together. Stewards will also receive facilities and paid time off. Together was previously called MACA – Mental After Care Association.

TRIBAL

Tribal Group announced a 6.7% rise in annual pre-tax profit and commented on its prospects for new acquisitions. The company, which has grown by supplying services to the public sector said it was now in a position to do so and intended to make a small number of acquisitions over the next couple of years.

UNITEDHEALTH

The villagers of Langwith, Derbyshire have lost their High Court battle to overturn the PCT's decision to contract out GP services to **UnitedHealth Europe**. As no consultation with the community was held and a resident appealed the decision on the basis that the service would be substantially altered and therefore a 90-day consultation would be required. Villagers supported the contract bid submitted by local GP Elizabeth Barrett which was not shortlisted.

South Sefton PCT has put a GP service out to tender and the names of the bidders have been kept secret. Two GP surgery contracts that have been awarded to the private sector so far are **Care UK** in Essex and **UnitedHealth** in Derbyshire.

UnitedHealth Inc is one of 25 companies asked by the California Public Employees' Retirement System, the largest public pension fund in the US, to conduct "independent" investigations into their policies and practices in connection with options backdating.

The stock-option backdating scandal is having an effect on **UnitedHealth Inc** share prices. Shares have lost more than 20% of their value since the revelations of possible improper action linked to executive stock options and the founder and CEO's pay package. The shares, which were valued at \$64.61 in 2005, barely reached \$46.57 on 7th June 2006.

Following the SEC investigation into **UnitedHealth Group Inc's** practice of granting stock options to directors, the company will now only pay its directors cash for attending special meetings. Previously they had been allowed to take stock options instead.

A civil lawsuit against **UnitedHealth Group Inc** and **Coventry Health Care** was dismissed this month in Florida. The class-action suit, filed in 1999, accused the insurers of tampering with reimbursement software to deny and diminish insurance claims made by as many as 700,000 doctors. Several other insurers named in the suit settled out of court but the judge ruled that there wasn't enough evidence against UnitedHealth and Coventry.

UNITED UTILITIES

United Utilities' 2005/06 pre-tax profits benefited from higher water and electricity bills. Income for the year ending 31 March rose to £2.4bn mainly because of an 8.4% rise in water bills and a 11.5% rise in electricity bills. Pre-tax profit for the group then increased to £481m.

VEOLIA ENVIRONNEMENT

Liverpool council has contracted its waste collection and recycling services to **Veolia Environmental Services**, previously known as **Onyx**. The council has terminated its agreement with Ellesmere Port-based **Abitibi Consolidated Europe**. At the same time, Veolia lost its contract with Wirral council to **Biffa**.

Veolia Environnement has called off its proposed merger with **Vinci**. The Vinci board was hostile to the deal and an agreement could not be reached.

VERTEX

Call centre operator **Vertex** is expected to make 231 workers redundant at Forres, in Moray, and 131 more in Edinburgh. A **Vodafone** contract is ending early and if more work is not found they could be out of work by November.

Vertex, the business outsourcing subsidiary of **United Utilities**, is reported to have received offers to buy it. United Utilities PLC has hired investment bank Merrill Lynch to advise.

Tata Consultancy Services (TCS), one of the leading IT services companies coming out of India, is preparing a bid for **Vertex**, the outsourcing arm of United Utilities plc. United Utilities is said to want to sell Vertex because its business of customer services, human resources, procurement, finance and accounting is non-core to the utilities services. TCS currently holds an IT maintenance contract with United Utilities. Westminster Council is among Vertex's public sector clients.

United Utilities denies that **Vertex** is up for sale. Although **Tata** and others have apparently made offers and Merrill Lynch has been appointed advisers United Utilities insists Vertex will stay within the group.

XANSA

The Office for National Statistics has extended its IT contract with **Xansa** for two years with an option for a further one year. Since 2004 Xansa has been developing new software to support the modernisation of the ONS' statistical processes, and to improve the ONS' internal IT skills, methods and processes for improved efficiency.

HEALTH

NHS Greater Glasgow and Clyde has decided to bring its facilities management contract back in-house from December 2006, which will see 500 catering, portering, domestic and security staff return to the NHS team.

Monitor, the regulator of NHS Foundation trusts, says they are not making enough money to invest in the renewal of their assets. Although foundation trusts have reduced their net deficits, unlike other ordinary NHS trusts, their results have not been as good as predicted partly because

some PCTs are not paying for work done. Bad debts totally £28m have been declared across the 32 trusts.

The Department of Health's commercial directorate placed an advertisement in the EU official journal asking multinational firms to begin "a competitive dialogue" about how they could take over the purchasing of healthcare for millions of NHS patients and manage services worth up to £64bn.

HOUSING

The future of Leeds' six housing ALMOs is uncertain as negotiations continue to find a solution to their viability. The most likely outcome will be a proposal to cut the number to three or fewer.

The Information Commissioner has ruled that Mid Devon Council should have handed over the addresses of council tenants in the lead up to a ballot on a proposal to transfer ownership of council properties to a housing association.

Black and minority ethnic housing associations appear to be the subject of unfair treatment by the Housing Corporation. This is the view of the Federation of Black Housing Organisations. The FBHO intends to undertake research into how statutory inquiries might be used disproportionately for BME associations and whether they are used 'to will/force independent BME associations into mergers outside of the BME sector'. Statutory inquiries into **Black Roof Community Housing Association** and **ARHAG** are currently under way. A corporation spokesperson said 'The corporation remains a key supporter of the BME housing sector both through investment and regulatory engagement'.

IT

Some NHS organisations are being penalised for failing to meet contracted obligations to multinational suppliers of the **National Programme for IT (NPfIT)**. Some local managers are especially resentful as these commitments were agreed centrally without being agreed locally by IT trust managers. Local conflict has also arisen where the suppliers require staff with high grade skills which are also needed in the NHS. Managers cannot force employees to work for the suppliers. Added to the tension is the fact that NHS staff would be paid about half that of their private sector colleagues. In the South of England cluster the NHS is paying £19m to be released from an obligation to supply **Fujitsu** with 50 staff. In the North West and West Midlands cluster, the NHS employers face penalties from **CSC** of up to £6.9m a year, a total fine over the 10-year life of the contract of about £70m if no employees are seconded.

Implementation of the NHS's National Programme for IT in the south of England has been postponed to give time to learn lessons from the problems encountered at the Nuffield Orthopaedic Centre in Oxford. Despite a lengthy NAO report into the contract no 'lessons learnt' were noted in the final report. When Nuffield went live with a basic version of the NPfIT Care Records Service by **Fujitsu** operations were postponed due to confusion over appointment bookings. Nor has the trust been able to produce reports on its performance, causing it to breach national targets.

OTHER

NHS Direct is to become a NHS Trust from April 2007, with the objective of becoming a NHS Foundation Trust as soon as is practical after that.

The head of the Prime Minister's Delivery Unit said that sufficient efficiency targets in local government cannot be met through internal reorganisation alone. Local authorities will be expected to adopt shared services for standard business processes, such as finance, human resources and payroll as the government sets a target of cutting 20% off spending on these functions by using shared services.

The first round of Ofsted inspections of some voluntary and community sector-run children's centres has raised concerns over the standards of care and education. Judgements ranged from good to inadequate. Publication of new guidance from Ofsted has been postponed until the remaining 30 pilots are completed in autumn.

The government agency Partnerships for Schools (Pfs) has shortlisted 14 firms to bid for inclusion on the £1.2bn to £2bn national framework for academy schools. The framework will build academies, single schools and other educational facilities on behalf of local authorities that are not yet part of the the Building Schools for the Future programme. The bidders are: **Alfred McAlpine; Amec; Balfour Beatty; Carillion; EC Harris; HBG; Interserve; Kier; Laing O'Rourke; Mace; Skanska; Taylor Woodrow; Vinci subsidiary Norwest Holst; and Willmott Dixon.**

The High Court is expected to hear challenges from groups of parents to proposed academies in Merton, south-west London; Islington, north London; and the Isle of Sheppey, Kent. They will try to show that consultation processes for the new schools are flawed, claiming that rights are being undermined because parents do not have access to "funding agreements", which spell out legal obligations on areas such as admissions, special educational needs and exclusions.