OUTSOURCING AS A THREAT TO PUBLIC HEALTH
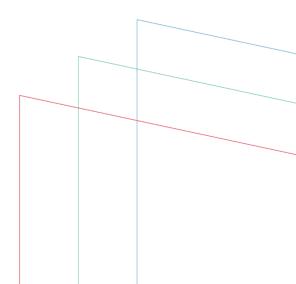
THE CASE FOR INSOURCING PUBLIC SECTOR CLEANERS AND FACILITIES MANAGEMENT

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INTRODUCTION

The coronavirus pandemic has forced us to recognise that some of the most essential workers in our society have been undervalued and underfunded for decades. If we are, in Boris Johnson's words, to "beat coronavirus", it will be thanks to doctors, nurses and hospital cleaners, all playing vital and interdependent roles in our healthcare system. But the current model of managing services within much of the public sector makes this impossible.

Cleaners are key workers on the frontline of the fight against Covid-19. The Prime Minister Boris Johnson has said: "They do an extraordinary job and they deserve all the protection and support we can give them at this difficult time".[1] But the current system of outsourcing neither protects, nor supports cleaners. Outsourced workers are poorly paid, overworked and subject to poor working conditions. This negatively impacts their ability to work effectively, and the quality of the cleaning is severely compromised. This in turn results in an increase of hospital-acquired infections.

In addition, cleaners have contracted Covid-19 at the highest rate of any workers within hospitals – more than doctors and nurses working in acute medicine or intensive care.[2] The inability of cleaners on statutory sick pay to self-isolate without some form of financial penalty, combined with their increased likelihood of catching the virus, means that working conditions associated with outsourcing are likely to have exacerbated the spread of the virus both within and outside of hospitals.

The evidence cited in this report suggests that outsourced health facilities management services pose a threat to public health. This represents a major weakness in the UK's ability to cope with subsequent waves of Covid-19.

As a matter of public health, and in recognition of the essential role played by cleaners in maintaining it, this paper recommends that:

- *The government should launch an urgent and independent inquiry into the outsourcing of key workers, including cleaners, to assess whether, as the literature suggests, there is a link between outsourcing and higher rates of infection.*
- *As a pandemic precautionary measure, all local authorities and NHS Trusts should immediately assess their portfolio of healthcare facilities management and sanitation workers, and examine opportunities to bring them in-house.*

PROBLEMS WITH OUTSOURCING

Outsourcing is the contracting out of public services to private providers. In 1983, the Conservative government of Margaret Thatcher introduced compulsory tendering for all cleaning and catering work in NHS hospitals throughout the UK as a key feature of their New Public Management approach to public services.[3] Around 40 percent of National Health Service trusts outsource their cleaning services.[4]

The interconnectedness of all roles within the NHS has been both recognised and ignored since its inception: upon its creation, workers argued for the integration of facilities and cleaning roles (healthcare facilities management, or HFM) into its broader structures including the removal of hazardous waste and general maintenance, and building renovation.[5] They made the case that doing so would lead to a more coherent system of healthcare overall, viewing both HFM and clinical services as inextricably linked functions.[6] However, the government dismissed the arguments of workers, and in 1954 the Bradbeer Report introduced a tripartite management system for medical, nursing and lay officers. This was the first step in the separation of HFM services from the rest of NHS services.

Outsourcing of NHS HFM services only occurs in NHS England Trusts, after the Scottish, Welsh, and Northern Irish governments ceased their use of private contractors between 2008 and 2010. The devolved powers ended outsourcing because of their perception that – in their attempts to save money and improve their profit margins – private contractors were employing fewer staff with poorer working conditions. As we discuss in the following section, these cost-cutting exercises by private contractors lowered standards of cleanliness and subsequently increased risk of infection within dirty hospitals.[7]

The process of outsourcing HFM services has been linked to a decline in the quality of the service that is provided. Those working within the NHS reported that private providers were providing a poorer quality of service, with lower levels of cleanliness than the in-house NHS staff they replaced.[8] In addition, contracted-out services were considered too inflexible to deal with changing circumstances, including problems with unscheduled cleaning out-of-hours, which might have increased risks of outbreaks.[9] Nevertheless, since the 2008 global financial crash and the implementation of public sector austerity, outsourcing has been justified as a way of cutting costs further in the public sector.

Outsourced services are directly linked with poorer health outcomes for patients

Empirical studies using systematically collected data have found that there is a direct link between outsourced HFM services, lower standards of cleaning, and subsequently higher rates of hospital acquired infections.[10] These studies have concluded that HFM services play a significant role in improving the health outcomes of patients.

Hospitals with outsourced cleaning staff have significantly higher rates of MRSA infections than hospitals where those workers are directly employed by the hospital. One study in *Social Science and Medicine* looked at evidence from 126 English acute hospital Trusts over four years and linked data on MRSA incidence per 100,000 hospital bed-days with surveys of cleanliness among patient and staff.[11] The study found that the mean MRSA incidence in outsourced hospitals is 2.28 per 100,000 bed-days, nearly 50% more than the 1.46 per 100,000 bed days in the hospitals with in-housed cleaners. Hospitals with outsourced cleaners also report more often that handwashing materials are not always available, and patients' perceptions of bathrooms, rooms and wards are that they are less clean.[12]

The motivation of profit-maximisation in outsourcing companies leads directly to cost-cutting exercises which lower the quality of service provided. Cleaners working for outsourcing companies in hospitals complain of low levels of staffing; longer waiting times in receiving materials and subsequently less time to perform cleaning duties; a poor quality and quantity of materials; and a lack of clinically informed training.[13] One study looked at 130 NHS trusts over three years and found that private providers are "cheaper but dirtier than their in-house counterparts".[14] However, this invariably leads to higher rates of hospital-acquired infections which adversely affect patients and are costly to treat. There are an estimated 300,000 cases of hospital-acquired infections in the NHS each year, costing over £1 billion.[15]

Additionally, the poor pay and conditions for outsourced workers has knock-on effects for the quality of overall service, and thus the level of infection risk in a hospital. The low pay, poor treatment, and undervaluing of the workers has negative repercussions on the commitment and motivation of the workers, inevitably leading to poorer service quality overall.[16] In addition, poor working conditions are a key determinant of poor health for workers and exacerbates health inequalities. Within the NHS, sickness rates for lower paid band 2 staff are over four times that of better paid band 6 staff.[17]

Cleaners have contracted Covid-19 at the highest rate of any workers within hospitals

The massive increase in hospital admissions as a result of the Covid-19 pandemic has placed extreme pressures on the healthcare system as a whole. Within that system, infection control is also placed under severe strain, and risk factors are multiplied. More people in hospital beds increases the risk of infection spreading because of the physical proximity of patients and a greater number of interactions between people and surfaces.[18] In order to maintain a sufficient standard of cleanliness, cleaners will have to increase the intensity of their cleaning.

Cleaning and disinfection are a fundamental part of infection prevention and control. During an outbreak, it is essential that more stringent cleaning protocols are employed, often in combination with disinfection procedures.[19] Cleaning is a labour-intensive process – therefore, the increased regularity of cleaning during an outbreak would, by necessity, include an increase in working hours, or numbers of cleaning staff.

Cleaners are by definition on the frontline in the fight against the virus. Research has shown that during the course of the crisis, cleaners have contracted Covid-19 at a rate more than twice as high as those working in intensive care.[20] They have contracted Covid-19 at the highest rate of any workers within hospitals.[21] The high levels of infection they are subject to risks a higher rate of contamination and infection within hospitals, as has been the case with other hospital-acquired infections.

CASE STUDY: OUTSOURCING FAILURE

Brighton and Sussex University Hospitals NHS Trust

In 2015, Brighton and Sussex University Hospitals NHS Trust ended a five-year cleaning contract with private outsourcing company Sodexo because of serious concerns about quality of the service.[22] The contract affected around 600 workers, who were brought in-house after the cancellation of the contract.

In December 2012, Sodexo were awarded a £15 million a year contract over five years, to provide all healthcare facilities management services within the NHS trust. However, Sodexo's poor treatment of its workers, the lowered cleaning standards, and the subsequent increased risk to infection control led to the trust cancelling the contract two years early.

There were issues from early on in the contract, including the withholding of full wages over Christmas, the failure to pay a Real Living Wage, and a lack of basic equipment such as working wheelchairs and trolleys, and mops and cleaning cloths. The workers and their representative union GMB raised concerns over their poor treatment, as well as the declining cleaning standards and the risk of cross-infection under Sodexo.

CASE STUDY: OUTSOURCING FAILURE

Lewisham Hospital

On 13 March 2020, outsourced cleaners at Lewisham Hospital – the first London hospital to treat a coronavirus patient – walked out after a prolonged pay dispute. Their employer, the private contractor ISS, took on a seven-year contract with the hospital in February 2020, taking over 400 workers from Interserve.

Dozens of hospital cleaners joined the walk-out but returned to work the following day after being promised that underpayment of wages would be corrected.

Many of the cleaners are members of GMB trade union. Helen O'Connor, a GMB organiser, said:

> *"This could not have happened at a worse time – we are facing a coronavirus pandemic and infected patients are now being admitted into the hospital. Meanwhile the people who are meant to be keeping the hospital clean and safe are not getting paid. Once again the dangers of outsourcing in the NHS are laid bare for all to see."*[23]

GMB union is calling for all hospital services to be brought back under the control of the NHS with immediate effect.[24]

POLICY RECOMMENDATIONS

In order to defeat the virus – and protect the health of the population at large – it is essential that the quality of cleaning services be maximised. The evidence cited in this report suggests that when cleaning services are outsourced, their effectiveness is compromised and their quality declines. This in turn results in an increase of hospital-acquired infections.

This report therefore makes the following recommendations:

Launch an inquiry into outsourcing of key workers.

The government should launch an urgent and independent inquiry into the outsourcing of key workers, including cleaners, to assess whether, as the evidence suggests, there is a link between outsourcing and higher rates of infection. This is all the more pressing if the UK is to suppress repeated deadly waves of coronavirus.

As a pandemic precautionary measure, local authorities and NHS Trusts should immediately assess their portfolio of outsourced services across healthcare facilities management and sanitation workers, and examine opportunities to bring them in-house.

There are a number of ways[25] in which public sector institutions can bring their workers in-house, including:

- Wait for outsourcing contracts to naturally come to an end, and bring those workers in-house when the contract expires. However, this may take a number of years depending on the length of the contract and the date of expiration.
- Use contract lawyers to identify loopholes and clauses which would allow them to break the contract early – including break clauses, or a failure of the provider to uphold its obligations such that they were in breach of the contract.
- Review warranties and representations at the start of a contract, and evaluate whether these remain true. If they are no longer true, they could form the basis for terminating the contract.
- Declare the Covid-19 pandemic a 'force majeure' event and terminate the contract. The World Health Organisation has declared Covid-19 a 'pandemic' which may allow NHS trusts and local authorities to draw upon a 'force majeure' clause and terminate the contract immediately.[26]

When bringing workers in-house, public sector institutions should also:

- Apply TUPE – Transfer of Undertakings (Protection of Employment) regulations – to all outsourced workers who wish to be in-housed. This would mean that when outsourced workers are in-housed, there will be safeguards against dismissal and changes to term and conditions.

- Ensure that new contracts issued are paid at least a Real Living Wage, with full sick pay from day one, and are brought onto the same pay scales enjoyed by other workers in the hospital.

- Work actively with any trade unions onsite to ensure that workers' interests are placed at the centre of the change and support the accountability of the transition.

CASE STUDY: INSOURCING SUCCESS

Islington Council

Insourcing workers can be a key mechanism through which local authorities can achieve overall strategic objectives. Islington Council insourced a number of its public services in 2010.[27] They did so as part of a broader mission to improve social justice outcomes and improve the quality of life of Islington residents, where a third of the population live in poverty.[28] The Islington Fairness Commission identified an alignment between social justice outcomes (including the payment of the London Living Wage) and a direct employment model.

In September 2010, around 150 cleaning staff, outsourced to contractors, were offered a contract with the council which guaranteed the payment of the London Living Wage. Crucially the council was able to do so without increasing its service costs, and gained efficiency through better deployment of the cleaning staff and service changes.

Insourcing gave the council leaders direct control over the services the local authority was providing. This meant the council could use its control over these services to set higher employment standards, develop skills within the borough, and improve the relationship with the local workforce and trade unions.

Bringing these workers in-house allowed the local authority to create a more coherent approach to public services, which had been fragmented through the process of outsourcing to various providers. This increased coherence and responsiveness to organisational need, and the improvement of inter-departmental communication meant that the services were more effective in achieving social justice outcomes.

NHS Colchester Hospital University Foundation Trust[29]

Colchester Hospital University Foundation Trust – now East Suffolk and North Essex NHS Foundation Trust – brought all of its 3,500 facilities and estates staff in-house in 2011. The previous outsourcing contract was costing the trust around £13 million a year, but the trust had little control over how those services were delivered, or how they were aligned to support clinical care.

The trust decided to in-house these workers in order to achieve three main objectives:

- **Patient focus:** To align the health and facilities management services with broader hospital objectives and so make better suited to meeting clinical needs.
- **Future proofing:** Having direct control over the service so the trust can react effectively to any changes in strategy, or context. The service as a whole would therefore become more flexible and responsive to organisational need as and when they arise.
- **Financial control:** Outsourcing was viewed as an inefficient way to provide quality services and reduce costs. Insourcing was viewed as a way of achieving the required efficiency savings targets in both the short and long term.

Just a few months after insourcing these workers, the trust saw evidence of cost savings, as well as an overall improvement in National Patient Safety Agency audit cleaning standards. A Care Quality Commission review of compliance reported very positively on cleaning standards, with staff impressed with the standard of cleanliness since the service was moved back in-house.[30]

ENDNOTES

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