

Public Ownership Is Making a Comeback in the U.K.

BY DAVID HALL AND CAT HOBBS | AUGUST 2, 2017



Royal Mail workers in the U.K. took part in a protest against the privatization of the organization, in London in 2013. (AP Photo/Matt Dunham)

The following is an excerpt from *“Reclaiming Public Services: How cities and citizens are turning back privatisation,”* published by Transnational Institute (TNI).

For several decades, we have been told that outsourcing, privatisation, public-private partnerships (PPPs), and financing schemes, such as private finance initiatives (PFIs) in the UK, are the only options for local authorities in a context marked by more responsibilities and less resources. But evidence is growing that such policies are bad for public budgets in the long term, and lead to poor services and a loss of democratic accountability. As a result, many local authorities are now looking to remunicipalise public services.

Our research shows there have been at least 835 examples of (re)municipalisation of public services

worldwide in recent years, involving more than 1,600 cities in 45 countries. Remunicipalisation refers to the return of public services from private to public delivery. More precisely, remunicipalisation is the passage of public services from privatisation in any of its various forms — including private ownership of assets, outsourcing of services and PPPs — to public ownership, public management and democratic control. (Re)municipalisation uses parentheses because this survey also includes actions in which local governments established new municipal companies in liberalised markets.

The trend of remunicipalisation has even reached the UK — the home of Thatcherite ideology and an island asserting its independence through Brexit. As elsewhere, the need for cost savings and control over quality have been major drivers for bringing services into public ownership.

Over the last decade local authorities in the UK have carried out significant remunicipalisations, or created new services, most notably in the energy and public transport sectors. Metro schemes have been brought in-house in London, Newcastle and Birmingham, and the UK is seeing its first municipal energy companies set up by local authorities to deliver affordable power for communities. in Nottingham, Bristol, Leeds and Scotland.

Nottingham City Council (population 532,000), for example, decided in 2015 to set up its new supply company because it found that many low-income families in the city were struggling to pay their energy bills, and that the creation of a municipal company was the best way to help them. Named Robin Hood Energy, after the local medieval outlaw famous for robbing the rich to give to the poor, the company offers a cheaper service because it does not extract large profits of one kind or another, and it does not confuse customers with complicated tariff packages. As the company puts it: “No private shareholders. No director bonuses (...). Just clear transparent pricing.”

The company has the cheapest prices in the UK for people on pre-payment meters (that is, households who have been unable to pay their bills and so have to pay in advance for their electricity by feeding a special meter with coins or credit), and new tenants moving into council houses are placed with the company by default. There is already a significant market impact beyond the company’s own customers: the average cost of energy in the East Midlands region, where Nottingham is located, is now the cheapest in the country.

Councils across the country are bringing services in-house when contracts fail, including highway maintenance, housing, waste, cleaning services, IT and human resources. Meanwhile a number of local authorities have chosen to buy themselves out of public-private partnerships (PPPs) for hospitals and other key services, years before the official contract end date. Services are often brought in-house without too much fanfare. However, the stories above add up to a rejection of privatisation on the ground, as local government (if not national government) discovers its failures.

Public opinion in the UK strongly supports running services for people not profit – polling shows that both EU Leavers and Remainers want public ownership. This popular mood is finally being reflected in mainstream politics. For the 2017 election, the Labour party embraced public ownership of the railways, energy, water, buses, council services, Royal Mail and the National Health Service (NHS) – making a

decisive break with the 'third way' Blairite years. Campaigns like "We Own It" are using examples of remunicipalisation to show that privatisation is not inevitable. It can be reversed or made irrelevant as local public companies displace multinational corporations.

REMUNICIPALISATION OF PPPS

Since the 1990s, the UK has introduced an extensive range of PPPs under the Public Finance (PFI) programme. By 2011 the programme had become thoroughly discredited, rejected by a series of parliamentary reports and even right-wing media, such as the *Daily Telegraph*. Many PFI projects have run into major problems and more than 30 have been terminated. The factors behind these terminations have included public pressure, financial collapse and the identification of savings from direct public management control. The PFI projects represent roughly 5 per cent of all PPPs in the UK, but because they include some of the largest their value totals an estimated 25 per cent of all PPPs, a very high proportion.

These terminations have often resulted in the remunicipalisation of public services, including:

- Local public transport: notably the PPPs remunicipalised by Transport for London
- Healthcare: one notable example was the buyout of the PFI scheme at Hexham Hospital in Northumbria, which was made possible because the elected Northumberland County Council decided to loan the NHS Trust £114.2 million to enable it to buy out its PFI contract, although this was a risk for the county council. Another was West Park Hospital, Darlington, bought out by the local hospital trust in 2011. But this avenue may be stopped by governments: in early 2016, the Highland Council was refused permission by the Scottish Government for additional borrowing powers to buyout two PFI schools' contracts.
- Waste management: the Crymlyn Burrows waste treatment plant in Swansea was started under a PFI, which was then terminated in 2005 and taken over for direct operation by the municipality.

PROSPECTS

Alongside these encouraging returns to public ownership, the current (May 2017) Conservative government continues to press for further privatisations. The most damaging and largest of these policies is the systematic attempt to outsource as much as possible of the NHS. The government has also privatised the Post Office in the last three years. But other smaller privatisation plans have been defeated, for example plans to sell the Land Registry and the second public TV channel, Channel 4.

But overall, this period has seen the emergence of stronger forces toward creating a new public sector. There are three political factors suggesting that this trend will continue. Firstly, public opinion in the UK is strongly in favour of public ownership of rail, energy, water and other services, and against the continuation of privatisation by PPPs and outsourcing of the NHS. This is based on bitter experience of rising energy and water prices, rail accidents and failure of the private sector to invest, but also on a new confidence in the future of a new public sector. One outcome of this is the creation of a highly

successful national campaign, called We Own It, which provides for the first time a consistent and coherent voice for public ownership. The campaign has produced a summary of the case specifically for the general election campaign of June 2017, and a website with detailed information on each sector.

Table 2. Public support for public ownership in the UK (May 2017)

	Should be public %	Should be private %	Don't know %
Energy	53	31	16
Water	59	25	16
Post	65	21	14
Rail	60	25	15
Bus	50	35	15

Source: [YouGov UK](#)

Secondly, the polarisation of the Brexit referendum has shown how many people in Britain now reject the complacent establishment politics of austerity. But polling shows that the support for public ownership of these services is equally strong among those who voted to leave the EU in the Brexit referendum and those who voted to remain. This opens two positive possibilities: to offer public ownership as a progressive alternative for people to reclaim control over their lives, the planet and the economy, and so reclaim popular support away from the xenophobic, nationalist right. And as a result of the Brexit decision itself, there is also the possibility of reshaping the public sector without the constrictions of EU policies on internal market, state aid, fiscal and macroeconomic policy dogmas.

Thirdly, the left leadership of the Labour Party under Jeremy Corbyn is, in effect, trying to convert one of the declining social democrat parties of Europe into a new left party like *Podemos* in Spain or *Syriza* in Greece, rejecting neoliberal austerity and privatisation politics in favour of transparent, democratic, community-based government. The Labour Party 2017 election manifesto included a commitment to return railways, energy, water and postal services to public ownership – which may have helped them to capture more support than any other party among voters under the age of 40. The election of 8 June produced a huge swing to the Labour Party, partly due to this clear commitment to extending public ownership. The political trend in the UK is now moving strongly against privatisation.

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TAGS: TRANSIT AGENCIES, CITY HALL, PUBLIC-PRIVATE PARTNERSHIPS, UTILITIES, PRIVATIZATION





New Orleans Group Wants to Get Rid of Red Light Cameras

BY RACHEL DOVEY | AUGUST 1, 2017



(AP Photo/Mel Evans)

Hey hey, ho ho, New Orleans' red light traffic cameras have to go — at least according to one very dedicated grassroots organization. [NOLA Initiative](#) is attempting to gather hundreds of signatures a week to put the controversial cameras on a 2018 ballot.

“We just don't like them,” member Mike Bowler recently [told](#) Fox-8 News. “When we're out collecting signatures, people's ears pop up when they hear we're asking for signatures to get rid of the cameras. It's kind of fun, actually.”

According to the initiative's [website](#), the New Orleans Parish Charter “allows for any charter amendment to appear on the ballot with valid signatures from 10,000 registered voters, or 10 percent, whichever is less. With 257,369 registered voters on June 1, 2017, that is only 3.885 percent that is needed to get this measure on the ballot.” The city, however, told Fox-8 that getting 10,000 signatures wouldn't automatically get the issue on the ballot — the City Council would need to pass an ordinance.

The city's Department of Public Works has installed around 40 traffic cameras since last December, [according](#) to Curbed. Their purpose, according to a statement from the mayor's office, is to keep people safe by deterring red light and speeding violations.

As Next City [reported](#) in March, red light cameras in Chicago have been shown to decrease injury-producing crashes, particularly angle and turn crashes. The report that made those findings (from Northwestern University Transportation Center), also recommended that the city ease up on enforcement, however, and give drivers a longer grace period before being charged with a \$100 red light camera ticket. The cameras have been controversial in Chicago as well as New Orleans. In February, however, the cities of San Jose and San Francisco [announced](#) a pilot to test cameras for speed enforcement, as well as red light ticketing.

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Rachel Dovey is an award-winning freelance writer and former USC Annenberg fellow living at the northern tip of California's Bay Area. She writes about infrastructure, water and climate change and has been published by Bust, Wired, Paste, SF Weekly, the East Bay Express and the North Bay Bohemian.

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TAGS: NEW ORLEANS, CARS

Designers Tell the Story of Mexico City Through Emojis

BY RACHEL DOVEY | AUGUST 1, 2017



One of the emojis from first-place winner Itzel Oropeza's deck

City-specific emoji — from Beyoncé for Houston to the Times Square Elmo for New York — are **on the rise** in the U.S. Now, Mexico City is hopping on the textable symbol train with a host of Lucha Libre wrestlers, axolotls (i.e., Mexican salamanders), Frida Kahlos and axolotl Frida Kahlos.

Those symbols, and many more, are the results of a contest held by the **Laboratorio Para La Ciudad**, the city's office for civic innovation and urban creativity, and organized by emoji expert (and Next City contributor) Zoe Mendelson. The contest was **announced in June** with the tagline “How to Capture a

City in 20 Symbols,” and the names of winners were released today. Originally, it was stated that the winning pack would be turned into a free app, but the city has now decided to include the designs of the first-, second- and third-place winners, along with several honorable mentions and picks from Mayor Miguel Ángel Mancera.

As Fast Company [wrote](#) when the contest was announced, the lab “opted to keep the design brief relatively open,” asking designers to simply create emoji that represented Mexico City. Judges included Emoji Dick author Fred Benenson, journalist and creator of the Dumpling Emoji Jenny 8 Lee, and designers Federico Jordan and Oscar Estrada and Mendelson.

“Emojis have become an aesthetic, a playful way of communicating,” Gabriella Gómez-Mont, founder and director of Laboratorio para la Ciudad told Fast Company. “We’re very intrigued with the relationship between a person and a megalopolis, how people actually relate to it, and what emotional and visual responses [we will] get.”

“To me, it’s a way of bringing to the surface the different ways citizens of a city can all imagine it so differently, of seeing what are the focal points and for whom,” Mendelson wrote in an email to Next City.

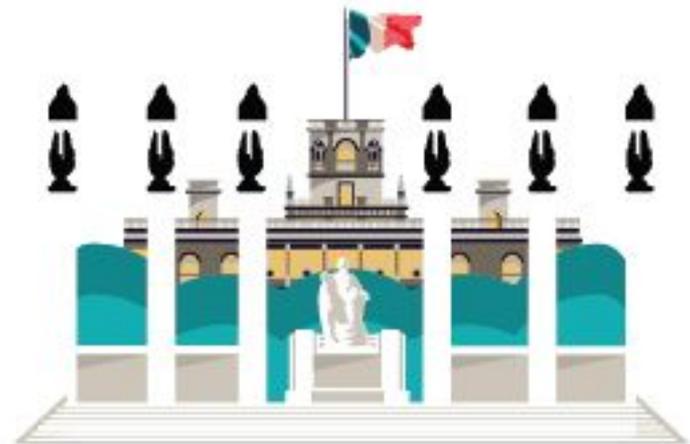
City-centric emoji in the U.S. have tended to capture easily recognizable pieces of the city landscape — things that tourists would likely be familiar with. At the same time, the ones that are used most tend to convey some emotional message, as is often the case with the **“LOVE” statue-turned-symbol** from Philadelphia.

The same formula seems to be playing out in the symbols chosen in Mexico City. The combination of landmarks and cultural symbols easily associated with the city aren’t necessarily stagnant — it’s easy to imagine the brujo axolotl and the torta-eating axolotl being used to convey wildly different moods.



disenñado por eduardo camacho mayén & pedro grajeda ortega
uivoracho studio

(Design by Eduardo Camacho Mayén and Pedro Rodrigo Grajeda Ortega)



(Design by Ivonne Andrea Torres and Martin Robert Cook)



(Design by Itzel Oropeza)



(Design by Itzel Oropeza)

The top three winning teams are: Itzel Oropeza Castillo, Eduardo Camacho Mayén and Pedro Rodrigo Grajeda Ortega, and Ivonne Andrea Torres and Martin Robert Cook. See more of the finalists and their designs on the lab's [Twitter](#).

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