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While much of the media focuses on the catastrophe-in-waiting of Brexit and the catastrophe-which-is-with-us of Trump’s America there is a subterranean current flowing under the clear blue water opening up between the Conservative government and the Labour opposition. It may not be getting much sustained attention but its implications for public services, and those who use the services and who work within them, are potentially radical and reforming.

Indeed re-forming may be an apt description of Corbyn’s pitch to reclaim and regain the values underpinning formation of the welfare state 70 years ago. It is a move away from the political commitment of the past 40 years of promoting public service commercialisation within a profit-dominated and increasingly privatised competitive market place.

It is a return to an emphasis on services which deliver benefits for the public rather than profits for the few, and the few are often now international venture capitalists and hedge funds with no roots or commitment to the people or communities in the UK. Their goal and track record is to make money, usually by reducing staffing levels and terms and conditions of workers or selling off property.

It was not always like this. Seventy years ago, at a time of post-war austerity, Clement Attlee’s Labour created the welfare state. Attlee had experience of community action through the settlement movement. His experience of those living in poverty and his values would chime with social workers today and in 1920 he wrote a book called ‘The Social Worker’.

Unlike the current government’s policies of politically-chosen austerity following the rich banker-created crisis ten years ago, with poor children and adults and public services targeted for cuts, the government of the late 1940s created the legislative framework for the welfare state – including the 1946 NHS Act, 1948 Children Act, and the 1948 National Assistance Act with its first paragraph noting it was an Act to abolish the Poor Law which had sought to deter and discriminate against the poor.

Right across the public sector services which had been provided for the public good have, since the advent of Mrs Thatcher as prime minister in 1979, become the machinery of money making for those already affluent. The reach and range of this neoliberal, monetarist and marketisation revolution really is quite staggering. Not only has it included the selling off of public utilities such as the provision of safe and secure water and power supplies, public transport, and public communications, but very personal people-focussed services have also been captured in the net – the education of children, health services, social security benefits, and housing – and also public safety services – police, probation, and prisons.

The track record of the private for-profit companies getting publicly funded contracts for these services has often been awful and sometimes abysmal. The big out-sourcing contractors such as Serco, G4S and Virgin Care have failed in their delivery of public security, prison, probation, health services and the provision of welfare benefits. Academy schools have been denuded of funds by academy chains and hospitals ripped off by private contractors through the public-private finance initiative (PFI).

Social care for adults and children have also been hit by the tidal wave of privatisation with those needing assistance and care left stranded. The merry-go-round of care homes for older people being
sold on amongst networks of distant and opaque owners creates uncertainty and anxiety for residents and relatives. What remains of local authority adult social services have had to be quickly mobilised when the profit-generating business models of Southern Cross and Four Seasons imploded with the threat and reality of homes closures. The same has happened in children’s residential care with Sedgemoor giving very short notice of the closure of children’s homes.

Since the 1990s the care homes for older people, following a trend started in the 1980s, have primarily been provided by private owners. This is now also true for home care services. What may be less known is that almost 80% of children’s homes are now privately owned and almost half of foster care in England is provided through for-profit foster care agencies. Corporate Watch reported that in 2014-15 eight commercial foster care agencies generated profits totalling £41m. Three years on, the profits being taken out of children’s social services by the owners of private foster care agencies will be even bigger.

But something else has been happening. In addition to the privatisation of social care there has been, in England but not the other UK administrations, the privatisation of social work and there is now in place the legal framework to allow statutory children’s social work services to be the moved outside the public sector.

Since 2014 any organisation or company can be contracted to undertake the assessment of children and families, child protection investigations, the setting and management of children in need and child protection plans, the initiation of care proceedings, and deciding where and with whom children should live if subject to a care order.

The big out-sourcing companies such as G4S, Serco, Amey and Mouchel have attended DfE meetings to explore the opportunities to take on these responsibilities and the government commissioned market analysts LaingBuisson to report on how a market place might be created within what has now been called the ‘children’s services industry’.

In adult social services social workers have already been transferred from publicly accountable and transparent local authorities to profit-making Virgin Care. Even those statutory social work services which remain within the public sector have increasingly been infiltrated by commercial companies with 20% of children’s social workers provided through for-profit employment agencies and with this also a growing trend within adult statutory social work services. Two of the largest social work employment agencies are each reporting profits of over £3 million a year and making individual payments to their directors of over a quarter of a million pounds a year. These private agencies are not only providing individual interim social workers but are providing local authorities with a whole teams of social workers plus managers.

Social work education and the assessment of social workers has also become a fruitful opportunity for the international management accountancy firms to make money as they have become the preferred providers of government developments such as social worker accreditation. These are the same companies which have been central, for example, to the recent scandals about the collapse of Carillion and the awful fire at Grenfell Tower.

Why should any of this be of any concern to social workers and its professional association? Firstly, money has been leeching, and is now flowing, out of social work services to private companies as profits and exceptionally high salaries for their directors. This amounts to many hundreds of millions of pounds. At a time of politically-determined cuts in the funding for social work services the morality of social services funding being used to generate private profit is even more shocking.
Secondly, what remains after the profit has been taken is money which is not well spent. Children and adults are being placed in care and foster homes often largely unknown to the social workers and at a distance so that they are hardly overseen by the social workers or their managers. Services are more fragmented, the focus is competition rather than cooperation, and the driving motive is cash rather than community and profit not people.

Thirdly, commercial confidentiality and self-interest means that there is less accountability and transparency. Distant management trumps local engagement and commitment. If the financial going gets tough the privatised services are quickly closed down or sold on leaving what remains in the public sector to scurry around trying to pick up the pieces.

And this all costs more time and money – the process of tendering, setting up, monitoring and re-letting contracts takes attention and resources away from today’s frontline services and requires that a new overhead of a commissioning and contracting infrastructure is created and funded.

It does not have to be this way. It should not be this way. Publicly-provided and directly accountable social work services rooted in communities, with continuity and strong partnership working, focussed on people not profit, reflect much more social work’s value base and our professional heritage. It really is something worth fighting for and preserving.

1372 words
1. Profit generally is the making of gain in business activity for the benefit of the owners of the business. The word comes from Latin meaning “to make progress”, is defined in two different ways, one for economics and one for accounting. There are commentators who see benefit in making adjustments to economic profit such as eliminating the effect of amortized goodwill or capitalizing expenditure on brand advertising to show its value over multiple accounting periods. Who Profits is a leader in BDS efforts against Israeli and foreign companies. The NGO maintains a public database of businesses that are often targeted in international BDS campaigns. For more information on Who Profits, read NGO Monitor’s Report “Who Profits: Foundation for the UN BDS Blacklist.”

Profit definition: A profit is an amount of money that you gain when you are paid more for something than it. Meaning, pronunciation, translations and examples. Profit is the amount by which revenues are more than expenses in a business enterprise over a given period of time. net profit, operating profit, profit center, profit margin. ProfitsThere is a list of compound nouns containing the word profit at the beginning of this entry.