

Shared services

Branch guidance 2008



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Who is this guidance for and how does it work?

All across the country UNISON branches are dealing with shared services reorganisations. Whether they're campaigning against the changes to stop services being privatised or negotiating the best deal for members under a new employer, the hard work of UNISON branch officials on shared services is making all the difference.

Shared services can be a complex and technical issue to grapple with. Merging services can throw up a multitude of issues which can affect every area of members working lives. This guidance aims to help UNISON branches and activists to campaign and negotiate when faced with proposals for a shared services reorganisation. The advice given here is based on the experiences of UNISON branches, information from the bargaining information system (BIS) and research by the bargaining support group.

The guidance is divided into four sections. First there is an introduction which explains how shared services could affect your branch. Secondly, there is a section on representing members which shows how your branch can stand up for members interests both before and during a shared services reorganisation. Thirdly, there is a section on how your branch may need to adapt to a new situation if a shared services reorganisation is completed. Finally, there is a section on the more technical issues which may arise on pay and conditions, including a section on TUPE transfers. In appendix A, the advice is illustrated by case study examples from UNISON branches who have already been through this process.

The procurement process that an employers must follow in cases of shared services can be very complex. This guide does not attempt to detail every single stage of a procurement process, but instead, looks at the particular areas that will be a priority for branches. For a more comprehensive breakdown of the procurement process you should look at the various links and references in this guidance.

What are shared services?

"Shared services" means bringing together activities and processes that were previously carried out by a number of departments or employers, into a single place or body. In the past this has typically referred to "back office" operations like processing records, payroll, finance and benefits. However, shared services can now refer to a much wider range of services.

The development of shared services might take a variety of forms. They include:

- 1** Collaboration and shared procedures between existing public bodies. An example of this kind of operation might be two NHS Trusts sharing an IT support service.
- 2** Lead employer. This is similar to collaboration but, differs in that one public body will take the main responsibility for a service, providing it for a number of others. For example, one local authority might administer the local government pension scheme for itself and a number of its neighbouring authorities.
- 3** Corporate consolidation. A public body might bring together all its transactional and administrative operations under one roof within a shared services centre.

- 4 Joint management at regional or sub-regional level. This is when two or more public bodies create a new organisation often called a “partnership” to manage particular operations.
- 5 Joint venture with the private sector. A public body might create a partnership with a private sector company, each jointly contributing resources, to provide services.

Clearly, this variety of models shows that the experience of shared services can be vastly different from branch to branch. For example, a branch based at an employer which is going to be subsumed into a new organisation will have a very different experience to a branch which is based at a “lead authority”. It’s important to keep this in mind as you read through this guide.

Why is shared services important now?

Clearly the idea of bringing services together both within and between public bodies is not a new idea. Public private partnerships and strategic service delivery partnerships are both previous government initiatives which have sought to “share” or restructure public service delivery.

However, there are a number of reasons why this issue is of growing importance now.

The government has come to the conclusion that promoting shared services in the public sector is the way to save large amounts of money and improve the services provided. The UK government’s “efficiency agenda” is a driving force behind the policy to have the majority of back-office operations in the public sector delivered “through a handful of professional shared services organisations”. This handful of organisations is intended to include consolidated public sector organisations and private, out-sourced companies. There are similar shared service initiatives in the devolved nations.

Technology has also been a factor in the growing prominence of shared services. Large scale reorganisations have only been made possible in recent years due to advances in information technology. The development of one-stop-shops and centralised customer service centres has been rapidly accelerated by increased computing power and broadband communications.

More ominously for those concerned about the privatisation of public services, this agenda has been influenced by the unfounded idea that privately run services are inherently more efficient than those in the public sector. Numerous examples of services being contracted out with disastrous consequences have failed to convince policy makers that privatisation does not necessarily save money or provide better services.

Nonetheless, shared services has moved to the very top of the agenda when it comes to the organisation of public services and it will clearly have an impact on the working lives of many UNISON members.

How shared services might affect your branch?

If workers in your branch are subject to a shared services reorganisation it is likely to have a significant impact on their working lives. Many of these changes can put hard won terms and conditions at risk, lead to job losses and damage standards of service. This is why it's crucial to be aware of what changes will be made as a result of a reorganisation. Just a few of the areas which could be affected are:

Jobs

- Job losses due to redundancies or relocation.
- Possible relocation of employment to another location. This could mean longer and more costly journeys to work.
- Privatisation. Loss of public service principles and ethos as workers are forced to work for a private contractor.
- Redeployment and retraining.

Terms and conditions

- Changes to terms and conditions. Despite protection given to workers under TUPE regulations, there is still a risk that a shared services reorganisation might damage terms and conditions.
- Pensions. You could see a loss or erosion of pension rights.
- Early retirement. Some workers may be offered early retirement.
- Temporary/transitional arrangements. There may be a need to negotiate temporary allowances, such as the payment of travel expenses for a given period or child care allowances to take account of a longer journey to work.
- Equality impact assessments and equal pay. Transferring workers on to new terms and conditions must be done within existing equality legislation. Employers need to carry out comprehensive equality impact assessments of their plans. It is particularly important that employers do not out-source their equality responsibilities, for example on equal pay.

Industrial relations

- National pay structures. Shared services can lead to the breaking down of national pay systems into regional and local bargaining.
- De-recognition. New employers may attempt to scrap well established negotiating and consultation procedures.
- Branch structures. Fragmentation of trade union organisation and representation – loss of cohesiveness and collectiveness with restrictions placed on branch representation.

Questions checklist

When you are being consulted about a proposed shared services reorganisation, there are a series of questions about members pay and conditions that will require answers. Below is a checklist of these questions. Some will be obvious, but others less so. More detailed guidance on each of these areas will come later in this guidance.

Questions	Have you got answers?
Will there be an opportunity to develop a genuine in-house bid and service improvement plan?	
Has an equality impact assessment been carried out?	
Will there be job losses?	
Will trade union reps be allowed to use facility time on issues relating to a potential new employer?	
Will the employer guarantee no compulsory redundancies ?	
Will redundancy or early retirement be offered to staff? If so, on what terms?	
Will existing staff be forced to relocate to a new workplace?	
If so, where will this be and will any relocation or travel costs be made available to employees?	
Will any redeployment or retraining schemes be put in place?	
Will TUPE transfer apply for the duration of the contract? (see the section on TUPE on page 16)	
Will there be any loss or erosion of pension rights?	
Have the employers developed a pay and grading structure that complies with legislation on equal pay?	
Will the reorganisation comply with the public sector equality duties, including the employers own equality scheme(s)?	
Will the new employer recognise existing trade union structures for the purposes of negotiating?	
Will the new employer honour existing agreements, including trade union facility time?	

2 How should a branch respond to shared services?

Early engagement

As case study 2 (See appendix A) shows, when UNISON branch officers who have experienced a shared services reorganisation are asked for their advice on how it should be handled, they generally come back with the same answer: get involved early. Too often employers will try to shape a shared services project without properly consulting the staff who they expect to deliver the reorganised service. As a result, the important parts of the project are already decided before the union is able to contribute staff views or objections.

So don't wait until you're given a planning document and don't wait for the TUPE consultation period. Make sure your members have been represented early in the process, or even better, before it begins. How can you achieve this?

Corporate procurement agreements

The ideal situation is for the branch to be active around issues relating to shared services before employers make key decisions. Whatever situation you find your branch in, you should try and get an agreement with the employer which gives guarantees about future shared services, if possible giving guarantees on keeping staff in the public sector. Even if this can't be achieved a corporate procurement agreement may still give UNISON members important rights if and when a shared services reorganisation is considered. See the table below for a quick guide on what should be in your corporate procurement agreement

Checklist: issues to include in a corporate procurement policy

- A mechanism for involving trade unions and staff in any review of current services
- Any shared services reorganisation will give full and proper consideration to a "public-public" model before looking at the private sector
- Involving staff and unions in the option appraisal stage
- Involving staff and unions where there is a decision to outsource

And where there may be a transfer of staff to a new employer (public or private):

- Negotiate the appropriate level of trade union involvement in the consultation process. For example, making it clear that union participation does not mean the union is in favour of contracting out.
- Ensure confidentiality during the consultation does not unjustifiably limit information being released about how changes will affect pay, conditions and services.
- Trade union involvement in the tendering process
- Trade union involvement in the interviewing of short-listed bidders
- Trade union involvement in the selection process of contractors
- Requirement on contractors to negotiate with trade unions on terms and conditions for new starters

- Trade union recognition by the contractor for new starters as well as transferred employees
- Full disclosure of workforce information by the employer, bidders and contractors

Many of the issues above are affected by the Best Value Code of Practice. This code must be written into all new and re-tendered contracts between public sector employers and private, community or voluntary contractors in England. A similar code applies to the NHS, though this differs slightly from that which applies to other public sector employers. To view UNISON's local government guidance to the Best Value Code of Practice visit:

www.unison.org.uk/localgov/pages_view.asp?did=412

To view the procurement guidance on shared services in Scotland visit:

www.scotland.gov.uk/Resource/Doc/1265/0054715.pdf

In-house Service Development Plans

A similar approach to getting a corporate procurement agreement is to get your employer to develop an “in-house service development plan”. This is a plan that gives a step by step programme for improving services within the public sector. Keeping your ear to the ground about whether employers are considering shared services and if so, what services might be involved is crucial. In particular, identify departments that may be seen by management as weak or failing. In some cases you may need to lobby and campaign to persuade your employers to develop a plan.

You can find more information on service development plans on the Association for Public Service Excellence (APSE) website, visit: www.apse.org.uk

When do we campaign against shared services?

UNISON's policy is not to always campaign against shared services, whatever the circumstances. Branches should always take into account the variety of factors which determine the type of shared services which are being proposed.

It may be appropriate to support shared services where it will improve the service, safeguard jobs and bring or keep services in-house. An example of this kind of shared services is the amalgamation of children's residential care in Manchester.

Of course, one key factor is whether or not the new shared services will be retained in the public sector or run by the private sector. Due to their focus on profits the private sector tends to give far less consideration to the quality of services being provided or the well-being of the workers who are delivering those services. As a result, “public-public” shared services are preferable to “public-private” shared services.

Another issue to consider when deciding whether or not to campaign against the reorganisation is the effect that it will have on the local economy. Public sector employers are often the largest employer in a particular area. Shared services which move jobs out of that area can therefore have a devastating effect on the local economy.

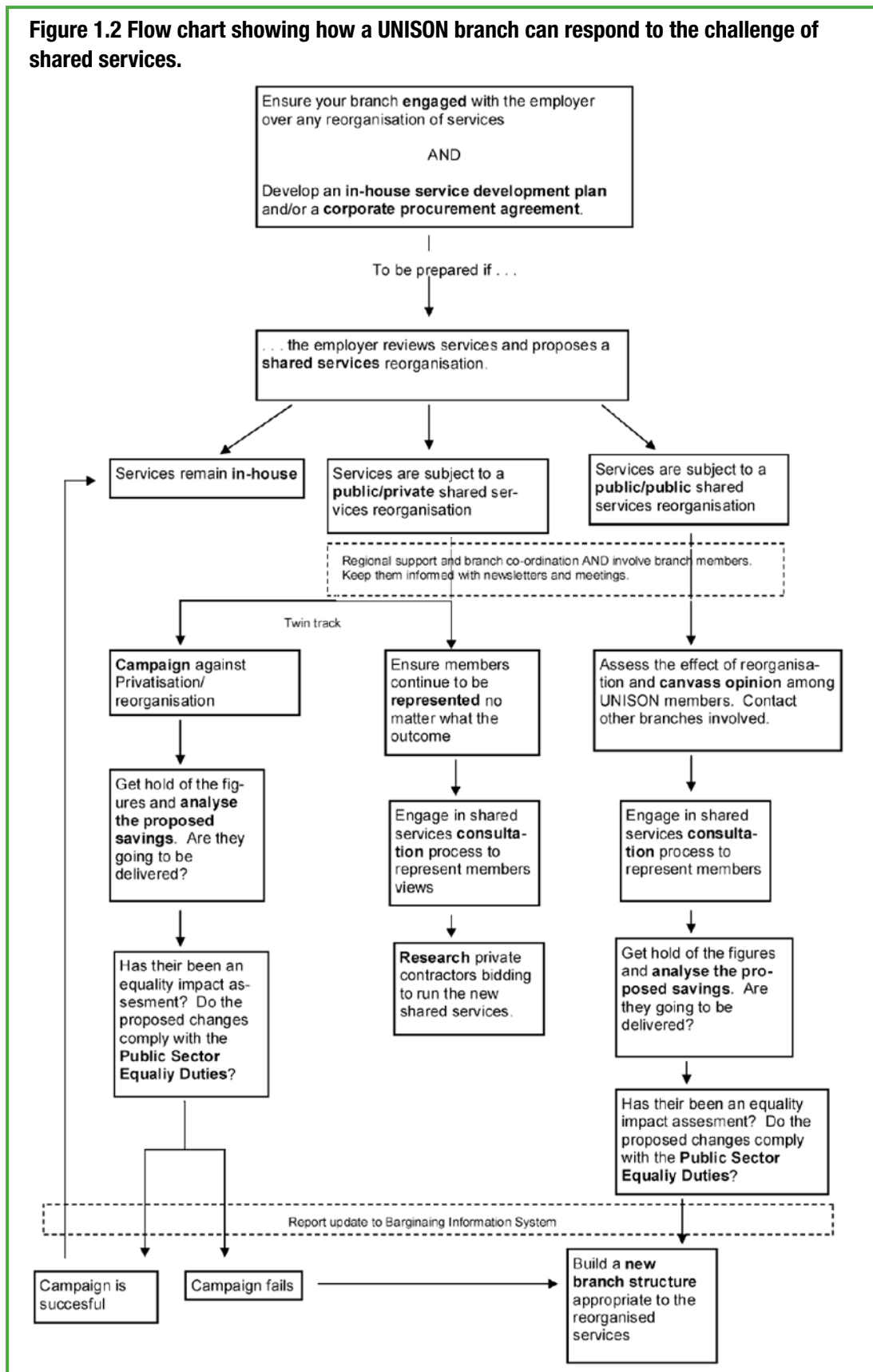
In making this decision it is, once again, crucial that you consult your regional office. They will have access to large amounts of information and advice on these issues which your branch can take advantage of.

Financial advantages of keeping services in-house

One advantage that in-house shared services might have over private sector alternatives comes from the ability of local authorities and NHS foundation trusts (in England) to borrow money at a cheaper rate. Under the government's prudential framework local authorities have the power to borrow money to fund capital investment provided that they can afford to pay back the loan. This means that some public sector employers can obtain the same investment as the private sector, but at a lower cost by financing through prudential borrowing, leasing, savings from service improvements and/or sales of unwanted assets. Keeping the services in the public sector might increase the money available for service development by between 10% - 15%. You may want to highlight this issue in any corporate procurement agreements or in-house service development plans you produce.

Another issue which public sector employers need to keep in mind is the increased cost of VAT that may result from contracting out services to the private sector. There is a potential extra cost if newly formed organisations are not given the exemption from VAT currently available to the public sector. A number of bodies are already encountering problems as a result of this. While discussions are now ongoing with Revenue and Customs (HMRC) it is believed that newly developed shared services bodies have not in general been granted this exemption and there is no expectation that this will change. The Serious and Organised Crime Agency has already been turned down, and the new Scottish Police Services Agency currently does not have the VAT exemption that individual police services have.

Figure 1.2 Flow chart showing how a UNISON branch can respond to the challenge of shared services.



Public sector equality duties and equality impact assessments

Following the introduction of the public sector equality duties, public sector employers are now legally obliged to promote equality of opportunity and eliminate discrimination for service users and staff.

If your employer is proposing a shared services project that involves contracting services out to the private sector, you could use the new duties to make sure there has been an equality impact assessment. The chances are that the contractor will have lower equality standards for staff and service delivery and you can use this to argue for the service to be kept in-house.

Equally, changes to working patterns which might result from shared services may not comply with the duties. If the changes have a detrimental impact on some staff, argue for changes on equality grounds.

The duties highlight the importance of changes to working conditions being assessed through an Equality Impact Assessment. This will expose the impact of the changes on issues of gender, race and disability equality.

For more information on the public sector equality duties you can see full UNISON Guidance here: www.unison.org.uk/file/16965_Equality_Guidance.pdf. In particular you may want to look at part of the guidance which deals with the experiences of UNISON in Northern Ireland. They have successfully used equality duties to fight privatisation on a number of occasions.

In section 8 of the Equality Duties Guidance you can also find detailed information about equality impact assessments. This information may be very important to your shared services reorganisation as the employer will have to carry out an equality impact assessment of their policy before implementing them.

See the section on “Equal Pay” on page 24 of this guidance.

Consultation

Assuming, a shared services reorganisation is going to go ahead, there will have to be a formal consultation process. Some employers are eager to engage with union representatives at an early stage of a reorganisation, whilst others will try to present branches with a rigid plan in which most of the key decisions affecting members have already been made. Although, there is no single model for consultation on shared services reorganisations for employers, they must comply with certain regulations relating to the information they release.

In 2005 the Information and Consultation of Employees (ICE) Regulations came into force, giving new rights to employees to be informed and consulted by their employer. These include rights to be “informed and consulted about decisions likely to lead to substantial changes in work organisation or contractual relations”. Obviously this includes the development of shared services. If your branch is coming up against unnecessary secrecy from employers during a consultation, it may be worth finding out if they are breaching these regulations.

In brief the ICE Regulations specify that employers must:

- Give information with enough time, and in an appropriate fashion, to enable information and consultation reps to adequately study it and prepare for consultation.
- Representatives must be able to meet with the relevant level of management, depending on the subject under discussion, to obtain a reasoned response to points that they raise.
- Employers have to present their future plans at an early enough stage for workers (or their representatives) to study them, prepare for discussions and influence the outcome.
- Employers are permitted to exclude staff transfers (TUPE) and redundancies on a case-by-case basis and use the existing statutory consultation process instead. But they should inform employee representatives that they are doing this.
- Employee representatives are allowed to negotiate changes to the statutory procedure with the employer.

It is important to note that ICE regulations are only triggered if there has been a “valid employee request” for information, which, among other things, means getting 10% of the workforce need to make the request. Also an “information and consultation representative” must also have been appointed. For those who would like to know more about the formal regulations relating to consultations UNISON has produced a guide to the ICE Regulations, visit:

www.unison.org.uk/voluntary/doc_view.asp?did=1462

But remember, these regulations are the minimum level of consultation that your branch should expect. To get the information you need and to get the members’ view across at an early stage you will need to use a variety of techniques.

Commercial confidentiality

Some employers and contractors will claim that “commercial confidentiality” should limit the amount of information that can be made publicly available during a consultation process. All too often this is just an excuse to limit the analysis and criticism of the out-sourcing of public services. To combat this, try to negotiate an agreement with your employer which specifies what information can and can’t be released during a consultation on shared services or privatisation.

Conversely, employers and private companies may try to get the trade union to sign a confidentiality agreement which is particularly restrictive. Our guidance is that this should be resisted, but that it is better to be on the inside, negotiating on behalf of members, than to exclude your branch from the process because you have not signed the confidentiality agreement. Remember, when it comes to getting information both the ICE regulations and TUPE include a requirement to consult, which puts your branch in a powerful position when it comes to getting access to information.

Commercial confidentiality is a contentious area. Information that would prejudice (in Scotland ‘substantially prejudice’) commercial interests is exempt from the Freedom of Information Act, except where it is in the public interest. Not all commercial information will be exempt, and even if it is, it may only be exempt for a period of time.

For more information on the rules relating to commercial confidentiality please look at the unison guide on freedom of information, visit: www.unison.org.uk/acrobat/B1803.pdf

Political engagement

Though managers are in charge of developing shared services, the policy itself may well have been set by politicians and community representatives. Political engagement may be easier in a local authority because they have a more overtly democratic political structure than other parts of the public sector.

Councillors and other community representatives also have some influence over areas which are not directly under a council's control. They may be able to influence a reorganisation among schools, hospitals, and local police forces. Keep this in mind when you are thinking about political engagement in your area.

If your branch has heard rumours of a shared services reorganisation why not ask for a meeting with the councillor with executive responsibility for those particular services? Obviously some councillors (and some parties) will be more open than others to meeting and talking to trade union representatives, but it is always worth making a request. It could give you a crucial opportunity to raise members concerns, and hopefully a way of shaping the eventual outcome.

Depending on your relationship with the local political parties and the make-up of the local council there may also be an opportunity for wider political campaigns either to shape or oppose a shared services reorganisation. You can always enlist the help of UNISON Labour Link in order to build links with local Labour councillors. Take a look at case study 1 in appendix A to read about an example of successful political engagement in Newcastle.

Each UNISON region has a political contact officer who works with the regional Labour Link committees on UNISON Labour Link activities and organisation. Contact your regional officer for more information on this.

Question the savings

On the face of it, the driving force behind every shared services reorganisation is to save money. Local councils, NHS trusts and other public bodies regularly come under great pressure to deliver savings for a variety of reasons. When private companies like IBM and Capita approach them and deliver a flashy presentation showing huge savings, the idea can look extremely attractive. But all too often, a shared services reorganisation can end up costing more money than the service it replaced – making the whole process pointless.

Depending on the model you are dealing with and your branch's relationship with the employers you may be able to get detailed financial information about the proposed project. From a trade union perspective the planned savings may look less realistic than they seem to the employers. Take a critical look at how the project is supposed to save money, and formally respond to the employers if you think the savings are unlikely to materialise. It may make them think again about the shape or even the viability of the project.

In case the employers who are consulting you have a rose-tinted view of shared services, it may be worth pointing out a recent Audit Commission report on shared services. In January 2008 they published, “For Better, for Worse: Value for Money in Strategic Service-delivery Partnerships.” The report states that, “Complex, long-term partnerships with the private sector can succeed, but they’re far from easy. If managed robustly, these agreements become true partnerships that deliver benefits for users and council taxpayers alike. But all partnerships are risky – even within the private sector, two out of every three fail. Our report highlights the opportunities, but also the challenges of partnerships, so both the public and private sectors know how to get the best from working together. Local authorities should not be seduced by the warm language of partnerships.”

You should get in touch with your regional office if you would like further support or advice on these issues.

To view the report in full, visit: www.audit-commission.gov.uk/reports

Another excellent source of information is the European Strategy Services paper “100 Outsourced public sector ICT projects” which gives details of numerous failures in ICT shared services projects. To view this report visit: www.european-services-strategy.org.uk/news/2007

Analysing the savings: The questions which need to be asked

Where is the pressure coming from to make the savings?

Are the savings realistic? Will the new shared services really reduce costs by as much as is promised?

If there is private sector involvement, has the private company failed to deliver savings on previous contracts in the public sector? Do they have a record of failure or success when it comes to delivering savings?

What will the effect of efficiency savings be on the quality of services?

Are there any hidden costs that either the public or private sector employer has not taken into account? (hidden costs might include: statutory redundancy payments, relocation costs, equal pay claims, supplement payments for secondments, the cost of new office accommodation)

Who is the new employer?

You might think that the answer to this question will be obvious, but in the complex world of shared services it may not be. If you are dealing with a “public-public” reorganisation, you need to find out if a single existing organisation is going to take the lead or if an entirely new organisation is going to be set up. Equally, if a private sector company is going to be the new employer you will need to investigate the ownership structure of the company in order to find out who you will really be dealing with. See below for more details on how to do this.

Find out about private contractors

If the shared services reorganisation affecting your branch involves the private or voluntary sector, it may help to do some background research. When a number of companies are competing in a tendering process you need to ensure that UNISON is involved in the process of choosing the company. This does not mean that UNISON should endorse the decision to outsource to a particular contractor. Yet, some companies may already have national recognition agreements with UNISON while others may have a reputation of not co-operating with trade unions. Making your views known on this issue at an early stage could make a huge difference to the outcome of the shared services project for members. You can get information about companies from UNISON's bargaining information system (BIS) and the national private companies unit. Contact your regional officer to find out more about getting hold of this information. Also see Appendix D of this guide for some basic information on the major private companies involved in shared services projects.

Fight privatisation, but be prepared for all outcomes

UNISON recommends a twin-track approach to fighting privatisation when it is part of shared services. Branches should do all they can to stop privatisation, but if this is not successful, they must be prepared to bargain, negotiate and organise on behalf of members under the new employer. There will be a temptation to "put all your eggs in one basket" by allocating all your resources into campaigning against private sector involvement and to shun the new employer if this is not successful. But branches should not disengage with the reorganisation if their campaign is unsuccessful. UNISON members will need their union to stand up for their interests all the more under a new employer.

3 Branch co-operation

Building co-operation

Whatever model of shared services is being developed by your employer, it will almost certainly involve bringing together separate workforces, which could mean members of currently separate UNISON branches being brought under one employer. In this situation it is crucial that the branches involved co-operate and co-ordinate their activity.

Establishing trust and cooperation between senior branch officers is vital to provide a foundation for this process. This is likely to be done through regular meetings of branch secretaries or senior branch officers, in close cooperation with the region and relevant regional officers. The basic building blocks are to meet up and find out who is who and who does what in other branches. Case study 5 in Appendix A gives a good example of how this process can work.

There will be sensitivities about some branches feeling 'taken over' by others, and there may be cultural differences in ways of working. It may be helpful to set out a list of joint principles and aims for all branches involved in the process, such as 'no job losses', 'maintaining quality services', 'no deterioration of terms and conditions'. The region can help resolve issues by acting as an independent arbiter.

Prepare and plan

If it is clear that a reorganisation is going to require a restructuring of branches, it is worth preparing a plan for how local branches intend to proceed. Any planning must be based on a mapping of where current members are, who they are employed by, and where prospective members can be recruited from in future. UNISON's RMS and the BIS systems should be used to provide the basic information.

When considering what the future branch(es) should look like, do not just assume a merger into a new single branch. A new structure should look forward to where new members might be recruited from in the future as well as where current members are. Potential changes may include:

- Convenors covering major service areas
- Sub-branches for certain employers or sectors
- Specific arrangements to support contracted-out members
- The branch operating as a resource centre for members in smaller employers
- Separate branches for members in the community and voluntary sector or further education

As many members and activists as possible should be consulted over what a future branch should look like, to ensure they feel committed to the vision when changes start to happen. This includes members who do not work for the core employer.

Regions will oversee and ultimately approve branch restructuring, and there are reporting requirements to UNISON Head Office. Contact your regional office to find out about the administrative milestones which will help you through the technical side of this process.

The plan will have to cover a number of overlapping areas and, given the size of this workload, one or more branch officers should be assigned to lead on each area and to coordinate with existing branches. This will take time and activists may still have responsibilities from their existing branches so additional facility time from both existing employers and the new one is important. Remember, it is important that you consult with your regional officer in the first instance. There are at least six areas which need covering:

- 1 Recruitment and organising
- 2 Communications
- 3 Bargaining
- 4 Equal pay
- 5 Political influence
- 6 Internal branch reorganisation

Existing branches will need to think about their own development in the transition period, as well as the new shadow branch.

Internal branch reorganisation

There will be a lot of basic administrative work that needs to be planned and carried out. It is important that this does not take over all the time of activists at the expense of organising and other work. A number of the tasks include:

- updating RMS records as members may be changing employer, workplace and job
- transferring branch assets
- transferring Branch Employed Staff
- moving branch premises.

There are also requirements to elect and ratify officers and stewards, notify retired members, set up new bank accounts and so forth. Regional officers will help guide branches through this and there may be regional support with the RMS system.

Recruitment and organising

The exact branch structure inside a new employer is likely to depend on the new management under the new shared services employer. The uncertainty and fear of cuts caused by major changes makes staff more open to joining a union, and is a major opportunity for recruiting members and for new people to step forward as stewards.

The organisations forming the new employer will be mapping their contracts and partnerships as part of the shared services process. Branches should use this information (available through a

freedom of information request, if blocked through normal channels) to help organise and recruit outsourced workers who may have drifted away from the branch or never been members.

These members will need representation, and with a new employer and reorganisation, even existing areas that are well organised may suffer disruption. It is important to recruit new stewards and have training courses ready not just for them, but possibly also on negotiating skills for a range of existing stewards and officers.

The role of existing activists needs consideration, because there is a risk that people may feel undermined and devalued by a restructuring and being merged with a bigger branch.

This is also an opportunity to review (and renegotiate) what facility time is available to the branch, and allocate it to officers and stewards in accordance with the branch's priorities.

Communications

Communicating and consulting with existing members is crucial at a time of upheaval, and may be an opportunity to draw new people into the union's organisation. Individual branches will have slightly differing priorities, but there should be a common communications strategy and a broadly common message going out to all.

Communication with existing members to ensure they realise the benefits of being a union member is as important as recruiting new members. Members who feel unsupported may question their union membership.

Bargaining

Branches should be aiming to get best practice from any new employers. This includes negotiating transitional arrangements – including facility time, and new recognition and other collective agreements. Locally, there should be a joint trade union side established, led by UNISON.

TUPE, or the principles of TUPE (under the Cabinet Office Code on Staff Transfers in the Public Sector) are likely to apply to the most shared services reorganisations. There are also a range of other key issues, which include:

- an equality impact assessment should be carried out for any changes to staffing, services or policies under the Public Sector Equality Duties
- a 'best-practice' recognition agreement needs to be made
- additional facility time for the duration of the shared services process
- no new outsourcing should be introduced by the shared services process
- there should be no compulsory redundancies from any future restructuring, and the full discretionary compensation package should be available (up to 104 weeks pay under the 2006 Discretionary Compensation Regulations)
- flexibility and compensation for any staff required to redeploy.

UNISON's bargaining support group and bargaining information system have a wealth of guidance and good practice for negotiating agreements. This material is on the bargaining zone webpage at www.unison.org.uk/bargaining. Copies of any new agreements should be sent to Bargaining Support at **UNISON, 1, Mabledon Place, London, WC1H 9AJ** or to bsg@unison.co.uk.

4 Pay and conditions

Redundancies

Clearly any shared services reorganisation poses the threat of redundancies being made. Though UNISON branches should always do everything possible to prevent job losses, sometimes this cannot be achieved. If this is the case for your branch you need to be prepared to negotiate the best redundancy process and package for members.

Firstly, negotiations should take place around ways in which the dismissal may be avoided, reducing the numbers of employees to be dismissed, and minimising the consequences of the dismissals. If redundancies are unavoidable, then voluntary redundancy should be offered to staff first.

Alternatives to redundancies that branches can propose to employers are:

- Basic staff turnover (employees leaving voluntarily)
- Restriction of recruitment to internal candidates
- Reduction in overtime
- Early retirement
- Re-training and / or redeployment
- Reviewing the employment of agency/contract staff (but NOT discriminating against fixed-term employees)

Employers must consult with unions with as much notice as possible. Legally, if 20 or more people are affected this has to be at least 30 days before the first dismissal, if 100 or more then it should be at least 90 days.

All decisions on who will be dismissed should be based on objective, job related criteria to ensure the right level of skills and experience are retained. Redundancy criteria should never be discriminatory – particularly with relation to issues such as trade union membership, age, sex, race, disability, sexual orientation, religion. Currently, it is not entirely clear if LIFO (Last in first out) will be legal under the new age equality regulations, but it is possible that it can be ‘objectively justified’ as a way of retraining experienced staff.

Employees affected should be given paid time off to look for work and support in looking for work and re-training.

Remember, you can contact your region or bargaining support unit to get copies of redundancy agreements that have been reached with other employers which might help guide you in your negotiations. To contact bargaining support about getting agreements from the BIS system e-mail bsg@unison.co.uk, ring 0207 551 1402 or write to Bargaining Support at UNISON, 1, Mabledon Place, London, WC1H 9AJ.

TUPE Transfer

The Transfer of Undertakings (Protection of Employment) Regulations 2006 (The TUPE Regulations) are intended to safeguard employees' rights when the business in which they are employed changes hands. For many staff, this will be exactly what happens to them as a result of shared services, so it is important to know the details of the regulations.

The regulations ensure:

- The protection against dismissal for a reason connected with the transfer for all those with one year's service.
- Protection of pay, terms and conditions for transferred staff – these cannot be changed by the new employer without agreement. (and even then only if they improve them)
- Pensions – accrued pension rights in the pension scheme operated by the former employer are protected. (see below for more information on this)
- Any collective agreements in force at the time of the transfer are transferred to the new employer and any terms of a collective agreement that are incorporated into the contracts of individual workers are protected in the same way as other individual contractual rights.
- Recognition of the union by the employer also transfers over to the new employer.
- Consultation and disclosure of information – employers must provide information and consult with the trade union(s) representing any workers employed by the old or new employer who may be affected by the transfer.

While accrued pension rights are protected, it is still possible for the previous pension to be frozen when you transfer employer and for it to be replaced by a new scheme. The new pension should be comparable to the old pension, but this is not guaranteed. This varies depending on who your employer is, so you should check with the employer and with your region to be sure.

You should also note that recent rulings in the European Court of Justice have stated that employers who have had staff transferred to them are not bound by collective agreements subsequent to those in force at the time of that transfer, even if those staff had previously been subject to such agreements.

There is full UNISON guidance on TUPE, visit:
www.unison.org.uk/bargaining/doc_view.asp?did=306

The “ETO” Clause

Sadly, some employers have in the past used TUPE transfers as an opportunity to dismiss staff without going through the correct procedures. There is a loophole in the TUPE regulations which states that a dismissal for a reason connected with the transfer of a business is fair if the employer can show that the reason was "an economic, technical or organisational reason entailing changes in the workforce" (ETO). For evidence of the popularity of this tactic take a look at a surprisingly unguarded section of “Modern Public Services: Shared Services”, a publication written by Soctim (the organisation which represents IT Managers in the public sector). It states the following:

There is a way around the problem of dismissals during the externalisation, known as 'ETO' for economic, technical or organisational reasons. However, use of this mechanism will probably inflame public sector union sensitivities. They are already alert to the risks of this loophole. Union tensions during an externalisation process could be very damaging both to the council and to service delivery when the private sector takes over with a probably disaffected workforce¹

Clearly it is the role of UNISON reps to ensure that regulations designed to protect workers rights are not abused by managers disingenuously invoking the ETO clause. Keep an eye out for this tactic and consult with regional staff if legal advice is needed. You should check to see if there is any particular staffing levels have been specified in the shared services contract, legitimising future job losses.

How does TUPE affect staff who are on already on secondment?

TUPE will transfer the contracts of employment in force at the moment that staff begin working for a new shared services organisation. Where employees are on secondment, if the part of the organisation they would normally work in is being transferred they automatically transfer as well. This is because the original contract of employment remains in force. This is similar to employees who are on long-term sick leave and/or maternity leave. You should be very careful to check the details of each individual secondment arrangement.

Secondment model: Does it breach TUPE?

A number of shared services reorganisations have “seconded” staff to the organisation that runs the new services instead of transferring their contracts via TUPE. Employers often use secondments as a way of simplifying often complex arrangements that arise when bringing together staff from different organisations, removing the burden on the lead employer, who would otherwise have to accept liability for the transferred staff. Equally, there are also some advantages for staff. They may well appreciate the opportunity to have a place in a new team and the right to return to their substantive post.

There are very particular issues relating the “Retention of Employment” (ROE) secondments by employees working for the NHS in England. For full UNISON guidance on ROE secondments, visit: www.unison.org.uk/acrobat/B935.pdf

ROE aside, clearly the widespread use of the secondment model poses risks to hard won terms and conditions for large number of public sector workers. If rights are not transferred to people working for the new shared services employer, then they may be lost for good. For example, workers who are subsequently made redundant may find they are given far worse settlement package as a result of their secondment.

The legal situation on this issue is far from clear and UNISON is currently in the process of getting full legal advice on this issue. Your branch will be updated as soon as this advice is received. In the meantime, always consult your region if you are unsure about secondment arrangements that are being put to you by employers as part of a shared services reorganisation.

If you are at all unsure, you should get legal advice from your region.

¹ Modern Public Services: Shared Services, November 2006, www.lcpe.gov.uk/Library/pdf/cm-070119-SharedServices.pdf

Equal Pay

A Shared Services reorganisation will require the employer to ensure that any new pay and grading structure complies with the law on equal pay. Equal pay claims must not be lodged by the union branch, but should be referred to your regional officer who will ensure that where agreed the claims are lodged in conjunction with head office.

UNISON's objective is to secure implementation of new pay and grading structures and with it pay equality, through negotiation. However, where negotiation is not proving effective the union is prepared, where appropriate, to pursue equal pay claims on behalf of its members through employment tribunals.

Advice should be sought from the regional officer before any action is taken, and the guidance periodically issued to branches should be carefully studied. For more information visit: www.unison.org.uk/equalpay/index.asp.

Case Study 1 – Newcastle City Council

In 1999 Newcastle City Council's new "modernising" chief executive wanted to make his mark by outsourcing back office services to a privatised shared services partnership. The services covered 660 jobs in payroll, council tax, business rates, benefits administration, IT, cashiering and payments to third parties. With weak political leadership at the council there was a real danger that in-house options would be ignored and workers would be transferred to the private sector against their wishes.

The UNISON branch ensured that this did not happen by running a concerted two year campaign against the privatisation. Underpinning the entire campaign was strong political engagement with key councillors in the administration Labour group. A more general city wide campaign against privatisation of public services, working with other trade unions and community organisations, helped persuade a core group of councillors that privatisation would be strongly opposed both by council workers and voters. Consequently, UNISON improved their ability to represent members views within council on the proposals for change.

The branch carried out extensive research into the performance of private sector bidders in other out-sourced contracts, convincing some middle managers that promised savings may not be delivered by private sector involvement. This prepared the ground for the development of a business case for an in-house option. UNISON secured union involvement in the procurement process, enabling them to influence the council's evaluation of the various proposals.

This duel strategy included industrial action being taken in September 2001 which ensured that key decision makers were in no doubt about the strength of feeling among workers and community representatives. In October 2001 the Labour group agreed a resolution committing to an in-house bid, sending a strong message to senior management on the need to work more constructively with the unions to develop a non-privatised solution.

UNISON reps say one key to the development of an in-house option was showing management that they were not opposed to change or efficiency improvements. Eventually a new model for delivering the services within the public sector was approved leading to a £250 million, 10 year contract. This was not painless, not least because of a 25% reduction in staff working on these services. However all redundancies were voluntary and there was a real commitment by the council to re-training and redeployment of staff.

UNISON was heavily involved in implementing the transformation programme as well as the procurement process itself. An in-house, four year transformation programme has now delivered £24 million savings, more than was originally hoped for. Performance is improving significantly in all areas and savings are forecast to rise to £30 million.

Case Study 2 – South West One JVC

Southwest One is a joint venture between Somerset County Council, Taunton Deane Council, Avon & Somerset and outsourcing provider IBM, delivering services such as human resources, IT, finance and customer contact centres for the councils.

In December 2007, more than 650 staff working for Somerset County Council and Taunton Deane Borough Council were formally transferred to a new company as part of the £400m, 10-year shared services deal. It is intended that the joint venture company (JVC) will be open to more than 30 other public sector organisations in the region, which will be able to make use of the shared services on offer. Both councils have said they hope to save in the region of £200m over the course of the contract, originally signed in October 2007, for reinvestment into front-line services.

Branch and regional negotiators have reported repeated difficulties in obtaining adequate information about the establishment of the JVC and its effect on UNISON members. Major changes to the nature of the staffing agreement were made on the evening before the company signed the agreement with Taunton Deane and Somerset County and there are still some unresolved issues for staff who may, or may not, be employed by the new joint venture company.

When UNISON activists were brought together at a conference to discuss their experiences with South West One, they highlighted one main lesson: “Branches cannot afford to wait until employers take the initiative – they have to discuss and devise a strategy now to ensure, as far as possible, that discussion take place around the union agenda. Timing is essential – don’t wait for the employer/council/PCT to initiate and put the union on the defensive. An internal review of service delivery to improve delivery in house being an obvious approach.”

Case Study 3 – Dacorum Borough Council

In an early example of shared services, in 2003 Hertfordshire Council planned to create a £60 million public private partnership which would have seen a private company running all of their finance, personnel, IT, revenues, benefits services. This would have meant 200 public servants being transferred to a private company.

To campaign against this the branch adopted a “twin-track” approach – combining the development of an in-house improvement plan with intense lobbying of the council on terms and conditions if the move went ahead, including a two-day strike.

“We had incredible support for two one-day strikes – from 80% of the membership,” said a UNISON representative “We also involved the public with our dispute, leafleting the borough and staging a petition in the three towns – Hemel Hempstead, Berkhamsted and Tring – which 4,000 people signed. But we also said to the council: ‘if this is going to happen then we need to be involved. We pressed for a guarantee that our members stayed in the local government pension scheme, for example, and that TUPE would last for the length of the contract.”

Their efforts paid off as negotiations between the council and Northgate, the private contractor, broke down, and the two parties failed to agree a contract. Dacorum Council turned to its reserve company, which also immediately withdrew. The council turned to the in-house improvement plan that it had all along, undertaking to try to find the funds – £7million – deemed necessary to bring its IT systems up to standard.

Case Study 4 – Questioning the figures, Newcastle Meals on Wheels

In October 2007 Liberal Democrat councillors running Newcastle City Council announced that they were going to bring together all the city's meals on wheels services for the elderly and outsource it to a private company. The leader of the council claimed that the changes would save the council £400,000 a year, but would mean hundreds of council staff would be transferred to a private company. UNISON branch officers fought a vigorous campaign against the proposals, pointing out that the nutritional value of the meals would suffer and that the savings were unrealisable.

Sure enough, just two months later Lib Dem councillors performed an astonishing u-turn and scrapped the plans to privatise the meals-on-wheels service. The council was on the brink of awarding the five year deal to private provider FCM when officials discovered the figures were wrong.

Originally, three bids were received, including FCM and neighborhood services, and after evaluating price, quality and choice, officials recommended that FCM was selected as the preferred supplier. However, at the eleventh hour it emerged that the FCM bid was based on an incorrect assumption that on top of £4.67 for each meal, it would also keep the £2.20 paid by customers. The other bidders did not make that assumption.

Following the u-turn, the council's own neighborhood services department continues to provide meals at home and at resource and day centres for elderly and vulnerable people. Managers have been ordered to draw up an improvement plan or the council may revive the privatisation option.

Case study 5 – Forming a new branch structure: North West Ambulance Service Branch

In 2006 a shared services reorganisation led to the merger of Greater Manchester Ambulance Service, Lancashire Ambulance Service, Mersey Regional Ambulance Service and Cumbria Ambulance Service. These services formed into the North West Ambulance Service employing 100% of the staff formerly employed by sub-regional services.

As a result the four branches involved needed to reorganise themselves into a larger regional branch in order to effectively negotiate with the new employer. Helpfully, many of the officers from the separate branches already knew each other through the process of electing a north west representative on to the national ambulance group and through events organised by the north west regional office. Building on these existing relationships and with the help of regional officers, the branches set up a working group and convened meetings to plan their response to the merger.

In February 2006 the officers used a Regional Ambulance Conference in Blackpool to focus in on the details of their new structure and organising processes. In particular, they used workshops to work on separate areas and then report back to the wider group. The conference then agreed the plan of action which was then implemented.

A new regional branch was formed which oversees all of UNISON's work in relation to the new employer. However, separate district committees (which reports to the regional committee) have been maintained to ensure that effective local organising could continue. The new regional structure is used to force the employer to negotiate on a regional basis, at a time when it has been attempting to "divide and conquer" by negotiating at district level. The new branch now has an effective structure which helps maintain a vibrant and active membership.

Case Study 6 – Public-Public Shared Services, Anglia Revenues & Benefits Partnership

A joint partnership has been established between Forest Heath District Council, Breckland Council and East Cambridgeshire District Council. The new employer is known as the Anglia Revenues & Benefits Partnership. This partnership provides the three councils' revenues and benefits service.

The branch was involved from the beginning of the project and attended meetings of a consultation group which had been formed specifically to deal with the establishment of the Partnership. There were no job losses involved in the reorganisation but the Forest Heath staff had to relocate to the offices of Breckland Council located in Thetford, approximately 10 miles from the Council Offices of Forest Heath. UNISON negotiated so that staff were reimbursed any additional mileage costs.

Due to Forest Heath staff being on nationally agreed pay rates and Breckland staff on local pay rates, there was a salary differential between the authorities, which caused some difficulties when people working alongside each other were doing the same job, but being paid on different rates. The partnership, following further negotiations with UNISON, developed a blended salary scale which merged the salary scales of Breckland and Forest Heath staff, without causing major contractual changes to terms and conditions of the staff.

As for new branch structures, Sharon Turner, the Forest Heath branch secretary explains the relatively minor changes that were needed: "As some members were moving out of the District Offices, we had to ensure that a branch Steward was appointed to represent the Partnership staff over in the Thetford Offices."

When asked for one piece of advice that she would pass on to other UNISON branches Sharon says: "Ensure that communication channels to staff are kept open and are robust. If these communication channels are insufficient then you get gossip and rumour flying around a working environment, which can cause unease amongst the staff."

Case study 7 – The Business Support Partnership in North Wales NHS

The North Wales Business Support Partnership (BSP) was initiated to provide business services across NHS organisations in North Wales as a pilot for the rest of Wales. The new shared services organisation went on to deal with procurement, payment for goods and services, accounting and recruitment.

Staff were consulted in two ways, partly via trade union involvement, but also through direct communication with existing staff from stakeholder organisations. The trade unions – Amicus and UNISON - were invited to sit on the stakeholder board and were actively involved as important partners. UNISON represented the majority of the unionised workforce.

It was clear to regional union representatives from the outset that the bulk of the cost savings envisaged would be as a result of staffing costs. Another huge issue for staff was the change of the location of the workplace, which caused considerable stress and anxiety for many. It was decided early in the project that a central location was needed, which would be hosted by an existing stakeholder organisation. The location for the BSP office was later confirmed as St Asaph and the

host organisation supporting the BSP would be at Conwy and Denbighshire Trust.

This was good news for staff employed by the C&D Trust and Ambulance, but staff working in Wrexham, Bangor and Mold were very worried about the location. A survey was undertaken of staff views in May 2006 and 46% raised concerns over the additional travelling time from home. The additional issue of poor public transport added to these concerns.

It was evident to UNISON that staffing issues needed to be at the forefront of the stakeholder board considerations. UNISON therefore decided its own agenda very early on in the process. This was

- no Compulsory Redundancies
- management of issues needs to be consistent across all stakeholder organisations..
- a pay protection policy – no less favourable than current
- TUPE – principles to apply

UNISON reps identified the need for a formal route of consultation to take place. It was decided that a sub-group of the stakeholder board be established – this became known as the change and transition group, which also had a formal consultation group running from it which formalised agreements with staff.

The trade unions, played a key role and UNISON members' views were actively sought from the board. This partnership approach has meant that there has been a high level of transparency and openness in the project. UNISON's regional representatives believe only time will tell if the BSP will realise the financial savings it sets out to achieve. The reps involved recommend using formal policies and procedures from the very beginning of a reorganisation. This will ensure consistency and compliance of all stakeholder organisations, including the new employer.

One area which has arisen following the reorganisation is that some posts evaluated under Agenda for Change in North East Wales NHS Trust prior to transfer came out at a lower band under the BSP (which uses the Conwy & Denbighshire NHS Trust's process). UNISON reps are trying to negotiate around this, but the issue is ongoing.

Appendix B – Other Sources of information

UNISON Sources

- The Bargaining Zone website
www.unison.org.uk/bargaining
- Local government guidance to the Best Value Code of Practice
www.unison.org.uk/localgov/pages_view.asp?did=412
- Full guidance on the public sector equality duties
www.unison.org.uk/file/16965_Equality_Guidance.pdf.
- TUPE guidance **www.unison.org.uk/bargaining/doc_view.asp?did=306**
- Equal pay information **www.unison.org.uk/equalpay/index.asp**.
- UNISON Scotland briefing: Shared Services: Not the route to savings
www.unison-scotland.org.uk/revitalise/sharedservicesleaflet.pdf

External shared services sources:

- IDEA, Workforce issues in shared services
www.idea.gov.uk/idk/core/page.do?pagelid=6328944
- The Association of Public Sector Excellence (APSE) **www.apse.org.uk/index.html**
- Local Government Employers Advice on shared services: Shared corporate and transactional services in local government, guidance for members and senior managers on workforce implications **www.emce.gov.uk/documents/publications/collaboration_guidance.pdf**
- Audit Commission report on shared services, “For Better, for Worse: Value for Money in Strategic Service-delivery Partnerships.
www.audit-commission.gov.uk/reports
- European Strategy Services Strategic Service-delivery Partnerships page
www.european-services-strategy.org.uk/publications/public-bodies/strategic-service-delivery-partnerships/
- Scottish Government Shared Services Guidance Framework – Dec 2007
www.scotland.gov.uk/Resource/Doc/82980/0055049.pdf
- Welsh Assembly Government: Making the Connections
<http://new.wales.gov.uk/about/strategy/makingtheconnections/?lang=en>

Appendix C – Examples of Shared Services, Source: Shared Services in Britain, European Services Strategy Unit, June 2007

Shared service model	Back office – IT, HR, payroll	Professional & technical services – property, management, architects	Sub regional scale services – pensions, waste and other services
Collaboration	Northumberland & Durham Partnership	Blackburn & Hyndburn Councils	
	Ashford-Maidstone BCs		
	East Surrey Improvement Partnership		
Corporate Consolidation	Surrey County Council Shared Services Centre		
	National Health Service/ Xansa		
	Prison Service		
Lead authority		Stirling & Clackmannanshire Councils.	Pensions – South Tyneside MBC on behalf of Tyne and Wear Councils and public sector bodies.
			Westminster City Council-lead Partnership in Parking
Jointly managed Services	St Edmundsbury BC & Suffolk CC Public Service Village.	North East Scotland Joint Public Sector Group	Joint Newcastle & North Tyneside PFI Street Lighting
	South Worcestershire Districts Revenues & Benefits Shared Services.		Joint Newcastle & North Tyneside PFI Street Lighting
	Teesdale & Wear Valley Revenues & Benefits Shared Services.		North Tyneside NHS LIFT project.
	North East Scotland Joint Public Sector Group		Gateshead and South Tyneside Councils joint Building Schools for the Future Project.
	Anglia Support Partnership		Tayside Contracts, Scotland.
	Derwent Shared Services		Staffordshire Joint Waste Management Board (10 local authorities)
	Buckinghamshire NHS Shared Services		
Strategic partnership or joint	National Health Service/ Xansa.	Strategic Service Delivery Partnerships in Rochdale and Oldham	
Venture with private sector	Prison Service SBC.		
	Dept of Work & Pensions SBC		
	Strategic Service-delivery Partnerships		

Appendix D – Private Companies involved in Shared Services projects. Source: UNISON’s Bargaining Information System.

Company	Examples of Past/Current Contracts	Other Comments
Capita	<p>1 North East Lincolnshire Council and Capita have set up a joint venture company to work on business transformation and property development. 350 council staff will be seconded to the new organisation.</p> <p>2 Swindon Council revenue and Benefits.</p> <p>3 Capita has signed a 10 year strategic partnership contract with Southampton City Council worth around £290. Capita will provide such things as customer services, IT, property and the administration of HR, payroll, revenues and benefits, and procurement.</p>	<p>Capita is a support services company that specialises in long-term public-sector contracts across local government, central government and education. It focuses heavily on IT-driven services in areas such as payroll, council tax collection and housing benefit. In 1997, UNISON signed a recognition agreement with Capita Business Services – Capita Group’s main subsidiary.</p>
Vertex	<p>1 Vertex and Hertfordshire County Council have formed a strategic partnership for the provision of customer management and business process re-engineering services. The contract will initially be for 10 years, and is valued at £26m. 100 employees will transfer.</p> <p>2 In 2004 Vertex won the 15 year contract to reorganise activities such as administration, customer services, procurement and personnel for Thurrock Council in Essex. 600 staff transferred.</p> <p>3 In 2003 Vertex was awarded the contract by the DWP to set up new payment arrangements for individual claimants and pensioners through its call centres.</p>	<p>Main activities are around customer management services such as handling of billing operations. Around 60% of Vertex services are conducted through call centres. In 1998, Vertex and UNISON signed a framework agreement for Best Value. The agreement includes specific undertakings to address the concerns of staff who are transferred from the public sector to Vertex. These include continuing application of the key national provisions of the NJC Single Status Agreement, trade union recognition and mirror image pension rights. There is also a commitment to employee consultative forums and investment in training and updated technology.</p>
IBM	<p>1 In November Somerset County Council, Taunton Deane Council and Avon & Somerset Police established a Joint Venture Company with IBM improve corporate, transactional and support services and upgrade technologies to improve productivity. including Taunton Deane’s Housing Benefit service. IBM have an 81%shareholding in the new company.</p> <p>2 For DWP, they ran contract to streamline benefits processing. This was cancelled in August 2006 after 3 years.</p>	<p>IBM is the world’s largest information technology company. IBM has often taken an unsympathetic stance towards trade unions. It is now concerned that the European Works Council directive will force it to set up a Europe-wide works council with employee reps on it for the first time.</p>

Company	Examples of Past/Current Contracts	Other Comments
Liberata	<p>1 In September 2006, 500 Liberata staff TUPE transferred 06 effectively ending what was to be a 10 year plus Strategic Partnership after less than 3 years.</p> <p>2 (As CSL) At Waltham Forest a revenues and benefits contract was terminated in 2001 following long delays complaints. 'Poor' service with performance and user satisfaction in lowest quartile nationally. Returned in-house.</p> <p>3 At Newham Council a 7 year revenues and benefits contract started in 1999 was terminated late 2001 as a result of an increasing backlog of claims and poor performance. Council Best Value Review recommended termination. Returned in-house and "good two star service with promising prospects" inspection in 2003.</p>	In 2005 UNISON agreed a national partnership agreement with Liberata UK.
Accenture	<p>1 As part of the NHS Connecting for Health IT project Accenture won a contract to be a local service provider in the North East. The 10-year contract started Dec 2003. Accenture quit the contract in Sept 2006 which was then taken over by Computer Services Corporation at original contract price. Accenture received £173m and repays £63m in compensation to NHS.</p>	UNISON has no national agreement with Accenture.
Capgemini UK Plc	<p>1 In 2006 Capgemini won the contract to take over Gloucestershire County Council's IT systems. Existing systems in areas such as finance, human resources, payroll and procurement were replaced and combined in a new integrated business management information system. The completion date was scheduled for October 2007.</p> <p>2 The "Prism project" for the Foreign and Commonwealth Office started in 2002 and eventually lead to a cost increase of £99.9m (a 22% increase). An internal review concluded it is 'substantially behind time' and causing 'great dissatisfaction' in embassies.</p> <p>3 At Swansea City Council Capgemini won the IT outsourcing contract in 2005. The Council decided phase 2 with new call centre was not affordable only 2 years into 10-year contract. The full contract would cost Council £40m more than its normal IT budget over 10 year period.</p>	Capgemini provides expertise in management consulting and IT to redesign organisational operations. Significant contracts are with Inland Revenue. In September 2002, staff at Westminster Council threatened strike action over the appointment of a consortium involving Cap Gemini Ernst & Young due to fears that the 2,500 employees due to transfer would suffer erosion of their pension rights.

Company	Examples of Past/Current Contracts	Other Comments
<p>Fujitsu</p>	<p>1 UNISON members at the National Care Standards Commission reported considerable difficulties with Fujitsu IT systems and accessing assistance from the company.</p> <p>2 As part of NHS IT project “connecting for Health” Fujitsu acted as a Local Service Provider in the Southern region. The 10-year contract started January 2004. Fujitsu ‘lost confidence’ in it’s contract partner IDX who were replaced by Cerner in April 2005. The contract dragged 18 months behind schedule. They promised system running in 17 acute trusts, 36 community trusts and 8 mental health trusts by April 2006 but only managed 1 installation by this date.</p> <p>3 In 2003, The Lord Chancellor’s Department claimed that it could not take legal action against Fujitsu Services for huge cost over-runs on its computer system to link magistrates’ courts because it would be fruitless and result only in “claims and counter claims.”</p>	<p>Provision of IT services, with 10% of business derived from outside Britain.</p>
<p>Serco Group Plc</p>	<p>1 In February 2008, Serco signed a deal to operate Glasgow City Council’s IT and property services in a contract valued at £265m and which will have an impact upon almost 300 staff. A new shared services company will be set up named “Service Glasgow”</p> <p>2 (As ITNET) Serco Solutions ran a Seven-year Revenues and Benefits contract for Hackney Council which started in 1997 but was terminated in 2001. Thirty housing associations demanded action to reduce £3m payment delay. Performance fell sharply with £13.7m benefit losses and fraud in 1999/00.</p> <p>3 As ITNET, a 2003 contract for the Cabinet Office started on data centre and hosting management service. The contract was terminated in 2004 after just £5m expenditure. “none of services... delivered or accepted and the project is several months behind schedule and was forecast to be considerably over budget if continued.”</p>	<p>UNISON does not have a national recognition agreement with SERCO.</p> <p>Serco provides FM and systems engineering around the world, employing over 37,000. Serco was an early participant in MoD PFI. It has branched out in the facilities management side to gain contracts in other parts of the public sector.</p>

Company	Examples of Past/Current Contracts	Other Comments
Xansa	<p>1 The NHS Business Services/Xansa Partnership currently provide finance, accounting and payroll services to about 100 NHS organisations, including PCTs, Ambulance Trusts, Mental Health Trusts, Foundation Trusts and non-departmental public bodies. It operates from Shared Service Centres in Leeds, Bristol and Hampshire.</p>	
Sodexho	<p>1 In July 2007, Sodexho won a three year £850,0000 a year contract from Leicester City Council. They will look after leisure centres, libraries, care homes and council offices under the three-year deal.</p>	<p>This is a national framework agreement covering Sodexho and it's subsidiaries. Negotiating rights are for UNISON members only. There are joint meetings twice a year.</p> <p>Over the years, Sodexho has also concluded a number of local agreements with UNISON.</p> <p>However, there have been a number of protracted disputes over the two-tier workforce involving Sodexho support staff in hospitals.</p>

More Information on other private companies involved in shared services can be found on the Bargaining Information System (BIS). Contact Bargaining Support for more information at **bsg@unison.co.uk** or call **0207 551 1402**.

