



The

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# Open Book

*A bulletin by and for University of London workers*

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## Say no to 'Shared Services'!

From the autumn, the University is set to embark on an ambitious 'shared services' scheme.

Leaked confidential documents, seen by the *Guardian*, report that staff are hostile. In focus groups, it records, "most of the sessions became overrun with examples of ... what would be wrong if UoL had a commercial partner".

We are right to be hostile. One model under consideration is the establishment of a "new entity with a commercial partner utilising a wide range of the university's existing services and back-office provision".

In other words, the outsourcing of yet more services - thought to include the Careers Service and ULCC - to a private company.

Private companies are only interested in service delivery for one reason: to make a profit. Money that should be being spent on education will instead be diverted into the pockets of shareholders.

The only way to profit from services being currently delivered by the University is to cut costs. This could mean driving down staff pay and conditions, slashing jobs, cutting corners to deliver services on the cheap, or all of the above.



"And these are the projections if we stop doing silly things like paying the employees."

## The Balfour Beatty contract

The precedents for outsourcing at UoL are not good. Evidence from the *Guardian's* documents shows that in the case of the Balfour Beatty contract, serving and staffing levels suffered.

One report, from October 2012, revealed that BBW were making a loss of "an apparent £800k-£1m" on the contract. In response, "BBW have chosen to reduce the deficit by reviewing ... staffing and service levels...This has led to a difficult working relationship between BBW and the university when the constant perception is that they are reviewing service levels to reduce deficit rather than to bring efficiencies and better service levels to the University."

None of this should have been a surprise! Private companies do not exist to efficiently deliver services; they exist and are hard-wired simply to make money. Everything else is an incidental by-product.

The report continues: "Where BBW are using old university direct contractors, the companies are charging BBW a higher rate than the one we paid direct – mainly due to having to pay an annual 12% management fee to BBW on top."

As Aditya Chakraborty commented: "Here in the university's own words, is the basic problem with outsourcing. Where there were two parties, a third has now inserted itself – and is demanding a cut just for being there."

## What about pensions?

One issue which the University of London Commercial Shared Services programme 'Questions and Answers' glosses over is that of pensions.

Staff transferring via TUPE to a joint venture would (initially) have their terms and conditions protected. The Q&A rightly states, though, that 'TUPE does not cover pensions'. Reassuringly, it

goes on to assert that ‘any employees transferring would be offered membership as defined in the TUPE legislation’.

But what does this mean in practice? It means you are no longer able to stay in SAUL or USS, where the University pays a 13% or 16% contribution to your pension, and you are guaranteed a regular defined income when you retire.

All TUPE legislation stipulates re pensions is that the new employer would have to meet ‘a certain minimum standard’. This would be an employer contribution of 6% AND can be a money purchase rather than defined benefit scheme, leading to no guarantees of what this pension might actually pay out.

In other words, our pensions will be massively reduced if we end up in the planned joint venture.

## **Case study: London Met beats “Shark Services”**

Between January and October 2012, the Unison branch at London Metropolitan University (LMU) was engaged in a hard, and ultimately victorious, struggle against shared services.

This shows us that shared services can be and has been defeated in HE before. We can do it again!

In December 2011, the LMU announced their decision to embark on a ‘Shared Services’ delivery of all support services.

Staff feared the creation of a ‘special purpose vehicle’ would have been the first step towards privatising all services on campus apart from those tightly defined as related to teaching.

According to the *Times Higher Education*: “The university had put out a tender for a private firm to run all of its services, except teaching and the vice-chancellor’s office.

Services included library facilities, IT, estates, payroll and student services, such as counselling and careers advice.

Three firms – BT Global, Capita, and Indian-based consultancy Wipro – were shortlisted to bid for the contract worth £74 million over five years.

The plans were eventually put on hold following the institution’s loss of its license to recruit international students, but not before a vigorous campaign from the Unison branch.

Branch Chair Max Watson, who was victimised as a result of his union activity, explained to *Union News* how the campaign was run: “Our campaign was member-led, from the bottom up, and we used everything we could in a union organiser’s toolbox and engaged the imagination and creativity of our members.”

It began with a mass meeting of all members to respond immediately to the shared services proposals.

This was followed by a flash-mob photoshoot and an email campaign encouraging staff to tell the Vice Chancellor, Malcolm Gillies, that they didn’t want to be transferred to another company. It was so successful that the university tried to block the emails coming from the campaign’s website!

Materials were produced, such as t-shirts, cards and leaflets, informing staff of the plans.

When private companies came on to site to speak with management, they were greeted by a vibrant activist presence.

As Max said: “Our campaign has been vindicated: rather than negotiate, we agreed to fight the proposals outright, which severely delayed and disrupted their plans until it was too late to implement.”

### **Get in touch and fight ‘Shared Services!’**

This bulletin is written by University of London workers. We intend it to be a source of information so that staff can be informed of what is happening in the workplace.

But more importantly, we want it to help us organise together, inside and across our campus trade unions, around workplace issues. ‘Shared services’ is a big threat to all UoL workers. We need a campaign just like London Met’s. If you want to help us to organise one, then please get in touch by emailing us at: **[openbookbulletin@gmail.com](mailto:openbookbulletin@gmail.com)**

*The Open Book is a bulletin written by and for UoL workers, and published by Workers’ Liberty, an organisation fighting as part of the labour movement for a socialist alternative to both capitalism and Stalinism, based on common ownership and democracy.*

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