



Northern Ireland  
Assembly

**Committee for Health, Social Services and  
Public Safety**

**OFFICIAL REPORT  
(Hansard)**

**Shared Services**

**8 February 2012**

# NORTHERN IRELAND ASSEMBLY

## Committee for Health, Social Services and Public Safety

### Shared Services

**8 February 2012**

**Members present for all or part of the proceedings:**

Ms Sue Ramsey (Chairperson)  
Mr Jim Wells (Deputy Chairperson)  
Ms Paula Bradley  
Mr Mickey Brady  
Mr Gordon Dunne  
Mr Mark H Durkan  
Ms Pam Lewis  
Mr John McCallister  
Mr Kieran McCarthy

**Witnesses:**

|                       |  |
|-----------------------|--|
| Ms Catherine Arkinson | Northern Ireland Public Service Alliance |
| Mr Kevin McCabe       | Northern Ireland Public Service Alliance |
| Ms Anne Speed         | UNISON                                   |
| Mr Jonathan Swallow   | UNISON                                   |
| Mr Kevin McAdam       | Unite                                    |

**The Chairperson:** We now have an evidence session with trade union representatives on the issue of shared services. The relevant papers are in members' meeting packs and include correspondence from the Committee for Finance and Personnel and from Down District Council. There is an e-mail from NIPSA, which has requested a separate meeting with the Committee. NIPSA is represented here today, so we can hear its input this afternoon. I remind the Committee that departmental officials will brief members on 14 March on the outcome of the consultation. I will hand over to the witnesses to introduce themselves. May we try to keep the session to around an hour, because we need to attend an event at 5.00 pm in the Great Hall.

**Mr Kevin McAdam (Unite):** May I open by saying that we are here on behalf of all trade unions in the health service. I am the chair of the trade union forum. I will start by extending our best wishes to Michelle in respect of her accident.

I will take members through a short presentation that is based on the paper submitted to members before the evidence session. I will share the presentation with my colleagues: Anne Speed from UNISON; Kevin McCabe and Catherine Arkinson, both from the Northern Ireland Public Service Alliance (NIPSA); and Jonathan Swallow.

We intend to cover aspects of the business service transformation project (BSTP). Our presentation focuses on the shared services element of that project, on the basis that employers, trade unions, the Health and Social Care Board (HSCB) and the Department of Health, Social Services and Public Safety (DHSSPS) all know and fully accept that the information technology and communications systems badly require to be overhauled and updated. We welcome the initiative and the development of that part of the project. So, at least today, the trade unions are being positive about parts of the project.

We welcome the introduction of the new, more efficient information technology systems, which should deliver benefits for the service that will reduce operating costs and release moneys to front line services. We do not believe that forced relocation to so-called centres of expertise will provide cost and efficiency savings. We do not think that relocation to four centres is necessary or beneficial to service delivery. We believe that if IT services perform in the way in which they are meant to, such work can be carried out with minimum disruption to staff and without physical relocation or costly refurbishment.

I will ask Kevin McCabe to deal with the first two issues in the paper.

**Mr Kevin McCabe (Northern Ireland Public Service Alliance):** Chairperson and Committee members, this is a trade union side presentation on what is a major issue for NIPSA, UNISON, Unite and some of the front line staff of the Royal College of Nursing (RCN) who are not part of today's delegation.

I will come to the structures in a moment. First, the business service transformation project states that it will deliver around £17 million a year in savings once the IT systems replacements are in place for the shared services model. It is said that shared services payroll will be in Belfast; shared services recruitment and selection (HR) in Armagh; shared services accounts in Ballymena; and shared services income in Omagh.

It is said that once the kit is in place and the model of centres of expertise is rolled out in those locations, the net effect will be that there will be a need for a whole-time equivalent staff of 405. Given where people are based in their current locations, more than 500 staff will be affected by the BSTP. As I said, it is only one of four projects that the Business Services Organisation (BSO) is taking forward.

From our point of view, we question whether it is shared services or shared misery. Many of the figures do not add up, and the consultation document that we have is fundamentally flawed, so much so that, despite the consultation document going out, we had to write to the project manager to say that fundamental questions were already being raised and points of clarification sought on the detail of the consultation document.

In our submission, we have difficulty in commenting on the proposed new structures for the centres of expertise, notwithstanding where they will be relocated, which is a separate issue that we will touch on later.

In the consultation document and in any discussions with the Department and the BSO, presentations to date have merely outlined the framework. They are limited in reference to the scope, remit and capacity. However, I will dwell on structures, staffing levels and grades. We framed questions on structures, to which I will return. We have little insight on staffing levels, grades and the capacity in those centres of expertise. There is scant detail about the number and banding of posts or job descriptions. It is a separate issue, but we hold the view that, rather than moving to centres of expertise located in those four areas, the new IT system could be implemented with people staying in their current locations as satellite hubs. That is a slightly different argument and will be developed later.

We have asked: how is any organisation expected to comment on proposed new structures when there is a complete lack of detail? We have asked to have sight of the structures for each of the services before an informed decision can be made. We also said that we would need some detail of the bandings and numbers required. It was highlighted to us that, as it stands, there are already different grading structures across trusts. This exercise may be about moving people from their legacy trusts to

the BSO, but different trusts have different grades in payroll, HR, finance and accounts. How will they reconcile those differences?

We asked for further clarification on the bandings and the impact on senior managers. If the move is to centres of expertise, will those be flooded with lower-graded staff? Where would that leave senior managers and directors? What would be the resultant impact on other staff? We asked for greater clarification and detail on the question of the numbers and the headcount. We said that there is disparity in the paper, which refers to whole-time equivalent staff and a headcount, which are two different measuring tools. The unions require clarity as to how those can be reconciled to make sense of the consultation document.

I will conclude on structures and staffing levels with the reply that we got from the BSO, which, we believe, like the consultation document, is wholly deficient. On structures, it said:

*"The work to develop the organisational structures is in the early stages and will continue to be developed during the consultation period. It is not part of the consultation process and will not be shared widely in advance of the completion of the consultation period. In the first instance, the structures will be tested with members of the shared services implementation group."*

We believe that that group, which has representation from all trusts, is made up of people from a HR perspective. The reply continued:

*"The structures for shared services will be developed based on future service needs and aligned with the design of the new IT systems and business processes to support finance, HR, payroll, travel and subsistence and procurement and logistics. The banding of posts within the shared services structures will reflect these requirements and not what currently exists within individual trusts. I have been advised by the director of HR in the BSO that these posts will be evaluated in accordance with normal partnership protocols when job descriptions are finalised."*

That is totally deficient. To say that the structures will not form part of the consultation and will be developed during the consultation period is a fudge. The BSO goes on to say that it is not part of the consultation process and will not be shared widely in advance of the completion of the consultation period. How can you comment honestly and genuinely on a proposed new model of working that will move you away from where you are at, bring in new equipment and relocate you to these centres of expertise when you are told not to ask for details of the structures or of the grades, numbers and bandings required? It is absolutely disgraceful. We hope that the Health Committee is well aware of the way in which this consultation is being rolled out. There is a complete lack of detail.

**Mr McAdam:** I will ask Jonathan to pick up the savings issue.

**Mr Jonathan Swallow (UNISON):** The outline business cases that we reviewed for the project use a form of work study approach that says that this is how long it takes to process an invoice, this is how long it takes to set up a shortlist on a computer screen, and so on. Despite many requests, we were not able to get an idea of where those times and values came from, apart from a Deloitte consulting definition that they are global. We also established that, instead of taking the median, which is the right statistic to use, the mean of various times was taken to construct a case for savings in advance. Of course, that figure included spectacular outliers that bore no relationship to the reality of the work. Nor were we able to get assurances that, in measuring work and, therefore, coming to conclusions about numbers of staff, figures had been set against a standard specification. So there is a fundamental risk on savings, because I do not think that the work and workload has been measured correctly.

During the past two or three years, it has been clear that, since the review of public administration (RPA), trusts acting on their own have already made significant savings in those areas of work through negotiation and without any extreme disruptions to people's lives, and they have sustained and maintained a good service. It is of particular concern to me that savings from this project, which, as members will understand, is far from realisation, have already been put into the trust delivery plans for this financial year and next year. In effect, trusts are now playing catch-up on a project that is significantly overdue and are already taking a financial hit without the benefits — if those benefits

could be realised — of any new service. There is a real problem for the Health and Social Care Board, the trusts and the Business Services Organisation. This is a destabilising mess.

Standing slightly outside the consultation paper, I learned that, over the water, unless the processes are handled carefully, particularly the payment of invoices, which is part of this project, small and medium-sized enterprises (SMEs) will go out of business. I would have expected any public consultation document to have met the objectives of your Programme for Government and economic strategy by outlining the current standard of payment for invoices where there is no question and how that standard will be at least maintained, or even improved, by this solution. There is no reference to that in the documentation. I have seen the faces of taxi drivers in a company in Wakefield whose payment cycle went from 30 days to 90 days when west Yorkshire payments was set up. I have seen the agony, bankruptcy and grief in the trust, because that company delivered an outstanding service to the trust. If the Committee can find the space and time, it needs to assure itself that the aspects of the services that can affect the wider economy are being properly modelled and prepared here. At this stage, my view is that they are not.

From reading the document, I have identified a specific audit risk in which HR functions will no longer update changes on wages and salary matters, and individual workers will be able to log in and change their own status. I shivered after many years of remembering how things can go wrong in those circumstances. Unless there is an audit verification that that procedure is sound, the procedure contains inherent risks.

On a number of occasions over the water, authorities that have the power to withdraw from those agreements are now withdrawing. I give you the example of Stockport in greater Manchester, which has now walked away from a local authority shared service because it claims that it can realise real savings in a much more effective way in partnership with staff and their trade unions. It is removing rework and unnecessary work, and there is nothing in this paper or the supporting business cases that shows a serious approach to improving and to removing rework and unnecessary work. On that basis, in two or three years' time, trusts might ask whether there is any way out of it.

Lastly, I stress to the Committee that the phrase "back office" is often used mistakenly as a stereotype. We have a chain of quality here. If, for example, a client is now put onto direct payments, the work of supporting functions, including finance functions, is absolutely fundamental to ensuring that that is properly maintained. So let us not fall into the trap of that stereotype.

**Mr McAdam:** Thanks, Jonathan. I will raise a few points about operational issues. One concern is that collective purchasing power and associated working in the health service is nothing new, and our members and staff engage in that.

It is a recognised practice that we would be in favour of promoting, wherever possible, to save money and direct money to front line services. We believe that, were the changeover to go ahead, one of the issues would be that front line nursing staff and other staff would have increased administrative functions around payroll, mileage claims and other administrative costs. So rather than people being released to focus on clinical needs, they would be doing more and more administrative work, which we do not believe to be a useful way to use resources.

Thirdly, we have given you some information today to alert you to the risk of failure with this proposal. There are enough examples from around the world — Australia, New Zealand and other places — to demonstrate that shared services, as a project, does not work and that, when it fails, one of the biggest consequences is that the only alternative is to buy a private sector product for much more than was intended. There is the potential for a serious increase in costs, even though the project set out to save money. As Jonathan said, we cannot clearly see where those savings are. I just wanted to alert you to those operational issues. Anne will address you on the issues around equality and its consequences.

**Ms Anne Speed (UNISON):** Good afternoon, members and Chairperson, and thank you for the opportunity to meet you. It is our hope and intention that your careful consideration of the arguments and your communication with the Minister will assist in coming to the right decisions on the proposal.

An additional point on operational issues has been our insistence that there has not been a proper risk assessment of the proposal. We think that it is foolhardy to run with the implementation of new technology and compulsory relocation concurrently. It is unwise to do that before the new technology and new systems have been fully and robustly tested, and I mean robustly tested.

By way of illustration of our concerns about operational matters, we have noted that, in the presentation, there are figures relating to affected departments that do not stand up to scrutiny. For example, in Downpatrick, which is in the South Eastern Health and Social Care Trust area, it is suggested that 34 people working in finance will be affected. However, there was no inclusion of the impact of travel concerns and costs, which will probably affect more than 10 people. I know that Assembly Members were present in public consultation meetings and heard the vigorous and robust concerns of the employees who will be affected. We also know that that has been commented on in the media.

In the Western Health and Social Care Trust area, and Omagh in particular, the indication is that, again, the figures in the presentation are not correct. At least an additional 10 people could be affected. In recruitment and selection in the Southern Health and Social Care Trust and the Northern Health and Social Care Trust, substantial numbers of people who will be affected — between 20 and 30 people — are not included in the initial presentation. The initial presentation did not indicate that those departments were to be included, so any evaluations or considerations of the proposal have not factored that in. If you look at the map that was presented with the proposal, you can see that the figures do not tally with the reality on the ground. We can supply those figures at the Committee's request, but we have examined the numbers and found that to be the case.

We have submitted our thoughts on section 75 compliance in the presentation. For the record, I reiterate that there has been no evidence that section 75 has been fully complied with. In fact, initial responses from one trust indicate that there will be an adverse impact on part-time female Catholic staff in the west. I have included in our papers the result of an initial equality impact assessment (EQIA) on that, and I will mention those figures in a moment. Those staff face potential discrimination, and the figures from the Downpatrick area also show the same detrimental effect on part-time female staff. A full EQIA needs to take place before there is any further progress or negotiation on that matter. There are fundamental issues of religion and political opinion that need close analysis and review. We believe that the process has reached only the initial screening stage. Under equality legislation, the project has failed to identify an alternative strategy. The Bain report's proposals on criteria for relocation have been ignored. Trade union side recommends that the relocation issues should be re-examined in that context and in a full EQIA.

If you look at the figures on the Western Trust that I included in your papers, you will note that the majority of employees to be affected are female and that one religious denomination seems to be more adversely affected than another. Those are matters that paragraph 3.4.4 of the Bain report's conclusions particularly stressed should be taken into account. I will read what Bain said into the report:

*"In considering the relocation of public sector jobs, equality issues – not least gender and religion – need to be taken into account. Given the comparatively high representation of females in the public sector and the large variation in the gender composition of occupational groups, there is potential for any relocation to have a gender effect."*

I am aware that members who were present at the public consultations will have noted that and will have heard the serious concerns that were raised about that by the employees themselves. A typical illustration of their concern would be that staff would have to travel further, adding maybe two hours to their working day, with all the implications that that has for child-minding, social life and family life. Furthermore, there does not appear to be compliance with the section 75 duty to promote equality of opportunity, particularly in the west, Derry, Downpatrick in the south-east, north Down and the Ards peninsula. Staff are also deeply concerned and upset because, having already had to endure the RPA and the comprehensive spending review (CSR), they are now, for a third time, faced with a major upheaval.

To conclude, we are saying that we are only at the initial screening stage. Full consideration has not been given to the imperative in the Bain report. There are serious implications that Assembly Members have to take into account. We believe that the project has to be fully reconsidered in that context.

**Ms Catherine Arkinson (Northern Ireland Public Service Alliance):** I move to the issue of the public consultation. It is trade union side's position that this was not widely enough publicised. It was not brought to the attention of those who may be indirectly affected, and Jonathan referred to that. There are individuals who do not know that the processes and practices may have an impact on when they receive payment, and that relates to staff in the organisation working under a centralised function for something like recruitment and selection. Who will be in charge of and responsible for that?

I know that a number of people here were at one of the six consultation meetings that took place. It was clear from those meetings that the consultation document lacks any real substance or detail. That is combined with the fact that there is a belief that staff may have to compulsorily relocate with their post. I represent many of the people affected in Belfast, and I have to say that, from their perspective, that is simply impossible. The transport infrastructure is not designed to go out of certain areas; it is designed to come in. One detail that was given for recruitment and selection alone is that over 90% of staff could not physically relocate. Outside of that, to date, no commitment has been given that there will be no compulsory redundancies, which, as you will appreciate, is an extra and unwanted burden on staff in the current economic climate, especially given that many of the individuals affected are low-paid female workers.

It was clear that much of the consultation document is based on assumptions and presumptions and a lot of "what ifs" and "maybes". There is no detail about exactly how this would be rolled out by the notional date of 1 September 2012. A lot of pressure is being placed, I think unrealistically, on the remit that this must be done and done now. That has caused huge angst and is an issue for every organisation. I touch again on the fact that the remit in the consultation document goes wider than most areas currently in the designated areas, such as recruitment and selection, and salaries and wages. Other departments are indirectly affected by this because they are involved in some of the roles identified in the consultation document. Part of what was taken away was that that information was to be clarified with the trust, yet no information has come back to provide clarification. As identified, no structures were provided, and Shane Devlin gave assurances at the public consultation meetings that that information would be provided to trusts by the end of January. I can confirm that that has not been produced to date.

For us, it is a major concern that the public consultation was not rolled out as far as it needed to be and to those who needed to be advised about it. A term like "BSTP shared services" means nothing to the public and is more off-putting than anything else. Another issue that we identified with BSTP was that, in its consultation document, an e-mail address was given that it turns out may or may not be the correct e-mail address. That has caused a lot of angst among people who were trying to return responses or to seek information, and we are trying to get to the bottom of exactly how, in such a major consultation, it has not been ensured that fundamental things like that are working in the way that they need to work.

Trade union side believes that there is an alternative way to deal with what we need. First, the IT systems need to be rolled out in an appropriate manner at a pace that ensures that those who need to be trained are trained and that as much experience as possible is kept in the organisation. We fundamentally believe that when the IT system is in place and is working at the level it needs to work at, there will be no need to physically relocate people. I apologise to Mr Wells for quoting his response. He said:

*"Why are we taking jobs from Downpatrick to Ballymena? Surely with all the modern technology we have we can achieve the same results in Downpatrick. There is no reason to have a whole department in the one location."*

Sorry, Mr Wells.

**Mr Wells:** Do not worry; keep going.

**Ms Speed:** Thank you, Mr Wells.

**Ms Arkinson:** It is not that staff and others are not willing to do this. I can comment from a personal experience; I have worked in the trust for a number of years, and we have gone through the review of public administration, which was, from a health service perspective, an extremely painful and difficult process for staff on the ground. Those staff have never objected to change, but the change has to be to the benefit of the organisation and to the service, and it is a credit to them that the service has continued to run. Our concern is that, if you locate services in one location, you will lose the vast experience that is required to run those organisations. In some cases, fewer than 50% of the staff who are currently in post in those areas will move into the new posts, and that will have a far-reaching implication not only for staff in the organisation and the organisation itself but for wider organisations, for example, the local taxi firm that may have difficulties with its contract. I will pass over to Anne to discuss the joint negotiating forum (JNF) negotiations that have been taking place.

**The Chairperson:** Catherine, I am conscious that we need to be finished by 5.00 pm, and members are keen to ask questions.

**Ms Arkinson:** It will be 30 seconds.

**Mr Durkan:** Her name is Speed.

**The Chairperson:** Mark says your name is Speed.

**Ms Speed:** That is true. Speed by name and sometimes by nature, and I am no relation to any other Speeds that you may have heard of.

We are willing to engage in negotiation; please do not misunderstand. We are not Luddites; we acknowledge and understand the capacity of technology to make life easier and to make communication easier. As Catherine said, you could e-mail the moon, so why do you have to upset people and move them on a compulsory basis and delete their jobs or positions? So we are asking that the two prongs of the project be separated, and we hope that we will get a robust response. We have indicated our negotiating framework, and a principle that we hold dear is that we do not want anybody to be forced to move on a compulsory basis or to be forced out of their position. So far, we have not been able to secure that. That is a serious impediment to advancing the negotiations. If there is a stall in negotiations, as may have been reported to you, it is because those fundamental minimum guarantees leave a substantive job of work to be done on the detail of the negotiation. They stall it and obstruct it. We ask that you be aware of that fact as well.

**Mr McAdam:** To summarise, the trade unions are here to say that we are not opposed to change. Parts of this, such as the IT project, are very good. However, we put it to you that there is a better way. The second part of the project, namely the shared services, can and should be suspended until such time as the effects and the benefits of the IT aspect are in place.

**The Chairperson:** I have a couple of questions. Four members — Jim, Mickey, Kieran and Mark — have indicated that they want to ask a question. Members need to indicate, as it allows me to work out how much time I am going to give to them. I ask members to keep their questions tight. Rather than all five witnesses responding — although I appreciate that you broke your presentation down — I ask that we get succinct answers so that we can ask more questions.

Thank you very much for your presentation. You will be glad to know that I was only in the job five minutes before five pages of questions on the issue were handed to me. As you can see here, some of them are in red. In my temporary role while the Chair is off sick, I have a meeting with the Minister on Monday to go over some things. I will give these questions to the Minister and come back to members with information. In the pack that you provided, there seems to be opposition to what is there. Part of that is down to the lack of information; that is what people are saying.

At the end of your presentation, you said that you are open to discussion and negotiation. Have you had any discussion with the Department or the trusts on the issue? Are you encouraging people to respond to the consultation document?



**Ms Speed:** We have had discussion at the joint negotiating forum. We had reached the point of seeking guarantees that, if we enter more detailed discussion, there will be no compulsory redundancy and no compulsory relocation. It has been indicated to us that it seems that the Department and the trusts are sitting on the sidelines, and we cannot get that guarantee. That is a real problem. We have advocated that our members participate in the consultation. My own union, NIPSA and Unite all advertise that. We ask people to participate and to express their views and concerns so that the project drivers and public representatives can hear the debate. The consultation experiences are very genuine. They are not constructed, and we did not manage them in any way.

**The Chairperson:** I appreciate that.

**Ms Speed:** If we can unblock the logjam of compulsion under those two headings, we will be in the door the next day because there is a job of work to be done. I repeat the point that we can engage with the installation of new systems and new technology. That is not the issue; the issue is the compulsion of location.

You will note that there was a reference in the initial presentation to there being no cost of relocation. That is a nonsense. There are four or five empty buildings that human beings will be put into. There will be refurbishment and running costs. I think that someone was not playing fair. If they made that presentation to the Minister, they were not being fair to him, because that is not correct.

There is a lot to be uncovered and unpicked, and we are willing and able to do that. However, our members are deeply worried that, if we enter a room in which there are no guarantees of protection for them, they will be forced into or out of posts or forced to locations that they cannot get to. I repeat the point that it is not proper procedure under the legislation of this state; it is just not. Obviously, Assembly Members have a responsibility to ensure that legislation is complied with. Hopefully, the final project that is adopted and supported by the Minister will be a sensible one.

**Mr Wells:** Thank you for the quote. I should put in the first line of what I said, which is relevant. If I book an airline ticket from LA to Florida on Delta, the lady who processes it might be in Limerick. If I wish to get my computer fixed in Kilkeel, the gentleman on the other end of the phone might be from Bombay. It struck me at the time that it was not revolutionary to expect to be able to process invoices for trusts in a single office but on two different sites. No one could answer that question for me.

By moving 33 people from Downpatrick to Ballymena, you are making 33 people redundant. With all due respect to Ballymena, it is far too far away, and it is extraordinary to ask 33 people on salaries of £17,000 or £18,000 — I am shocked by what some of those people earn — to even consider that option. So we will lose 33 jobs in Downpatrick. During the meeting, management side said that, to compensate for that, it will allocate jobs on a first come, first served basis in other aspects of health service administration. So the 33 people will be offered other jobs. Management could not say where they were coming from, but that is what it said. In your experience, is that a realistic option?

**Mr McAdam:** You raise a very good point, because there are not 33 spare jobs in Downpatrick, and the likelihood of redeployment on the same site or in the same town is very remote in the current climate of vacancy control and restrictions on posts. The best alternative they could hope for would be a job in either Lisburn or Dundonald. Again, that increases travel time, childcare costs and all those inconveniences for people who are on a reasonably low salary, so I do not think that that is realistic. The trust has an obligation to its staff, and, in discussions, it has made it quite clear to us that it will make every effort to try to find people jobs. However, we also know that it has to say that to its staff, but it cannot do it if there are no jobs. The climate is just not right, and the jobs are not out there for them. So I agree that it is not possible to find 33 jobs in Downpatrick.

**Mr Wells:** The turnover in health service jobs has slowed down almost to a complete halt.

**Mr McAdam:** From 7% to 2%.

**Mr Wells:** That is the other problem. I thought that the staff came up with a good idea. With invoice payments, the way they pay GPs is totally different to the way they pay cleaners. There was quite an

interesting division in how you pay overtime, travel, subsistence and so on, and you could basically employ about half the people in Downpatrick to deal with the specialist GP upper end of the market — I hate to use that term, but you know what I am getting at — and the other half in Ballymena to do a different role. There was quite a neat division there. The only issue is the IT. The staff have the experience and can adapt very quickly; there is no problem with adapting to new roles because they are so experienced. Is there any commitment to an improved IT system or could it be done under the present one?

**Mr McAdam:** The Health Committee may have received a presentation on it last year, but the Department has bought the IT system. The contract is out there and was issued in October last year. So it is in the process of being rolled out. There is, supposedly, a super-duper, all-singing, all-dancing IT system. The ability to do what you say now exists, and we are saying, "Get on with it". If that does what it says on the tin, we can then perhaps look at whether there is a reason for anyone to move anywhere — you would be in a virtual office.

**Mr Wells:** Yes, but you still accept the principle of having a unit for invoices, personnel, recruitment, and so on. It makes sense to have that but to have it on split sites.

**Mr McAdam:** It can be in a number of places, yes. That is what we are saying.

**Mr Swallow:** Trusts have been working towards that over the past four to five years. Each trust inherited four legacy trusts and discovered that it had a range of systems, and they have been working on those systems. I stress to the Committee that the new technology does not require a shared services approach. So if we move down that direction because we think that we have to because we have bought the equipment, that is a fundamental misunderstanding of the software and the equipment.

As for jobs and job availability, we need to remember that, as of now, the Health and Social Care Board's commissioning plan has removed 2,000 vacancies from health budgets. So the opportunities are diminishing steadily, and the realistic cost pressure for trusts next year is 6%. In that environment, I do not predict any easy solutions for redeployment.

**Mr Brady:** Thanks very much for your presentation. I went to the public consultation at St Luke's Hospital in Armagh. The only politicians there were me and a colleague from Armagh City and District Council. I went with a listening brief really, because people think that politicians talk for the sake of talking, which may well be the case sometimes.

**The Chairperson:** You had laryngitis that night.

**Mr Brady:** However, the more I listened, the more I had to comment. There was a lot of rhetoric from management and the Department but no detail whatsoever. Before and after the meeting, I talked to people who had been there for 30 years and were suddenly expected to change their job; those people may have been working towards retirement.

It was interesting when people asked about voluntary redundancy or voluntary early retirement. Staff have to have their notification letters in by 31 March. However, when we asked management and the Department whether they had any figures worked out, they said that they had not. People are going to give details about the rest of their working life, but they are given absolutely no detail. They could not tell people the details. As you said, Catherine, they are galloping towards September without any —

**Ms Arkinson:** That is a major issue for staff in the organisation. I can only take a Belfast perspective. We have met management. I tried my best to get a no compulsory redundancy position. I said, "These people are still your staff and they have given years of commitment". Because the BSTP direction is that there is no guarantee of no compulsory redundancies, trusts do not feel that they have the right to say that they will ensure employment for all staff. The current position, which we do not support, is that staff are being asked on a one-to-one basis so that information about voluntary redundancy and voluntary early retirement can start to be gathered. That is a major concern because, at this stage, staff could opt for things that would never have been in their mind because they are so unsure, and have no information, about what their role might be down the line. Voluntary redundancy has been an

issue for us most recently. Currently, voluntary redundancy in the health service means that you can never return to the health service at all. Someone who is 26 or 27 might think, "Right; I had better get out now before I am pushed." If that person can never again be employed in the health service, which is the largest employer across Northern Ireland, that is a fundamental issue that needs to be addressed.

The uncertainty for staff is an issue. They have been through major changes. They have been centralised within their trust areas. It has taken from the time when the Belfast Trust was six legacy organisations until now, 2012, for that to bed down and for people to be brought together. The process of having to bring into line all the different practices, procedures and systems cannot be underestimated, never mind the fact that this is not just about data processing, as it appears to be. There is a huge need for people to create networks between who they work with and who they know to go to to get things done. That gets lost. The more you centralise functions, the less you know.

A lot of areas have been kept going by the goodwill of staff. Staff have gone out of their way to ensure that people get paid, invoices are sent and so on. They are very dedicated to ensuring that there is no overpayment or underpayment. They are key gatekeepers. Recruitment and selection areas are conducting a pilot across Northern Ireland, so the Northern Trust may deal with the Access NI checks, the Western Trust may deal with the shortlist and so on. They have already started to work on a Northern Ireland basis, and, at this stage, that does not require them to be in one location.

**Mr Brady:** People are expected to give a decision on their working lives within weeks. There were two other points. Section 75 was not really mentioned at all; it was kind of glossed over. That is very important legislation for which people fought long and hard. The other thing that struck me was the Bain report, which I understood to be about decentralisation. Here, you have re-centralisation; that is my take on it. That was dismissed. They have put the cart before the horse, as far as I can see.

As regards IT systems, the social security system in the Department for Work and Pensions is notoriously unfit for purpose. The system was put in here in 1993 — the biggest computerisation since NASA. The budget went over by £55 million, and the system does not work properly.

All those have to be factored in, as does childcare for people who have to travel for as long as an extra two hours a day. We probably do not even have a childcare strategy yet. All those sorts of have not been factored in.

Somebody has decided to go ahead and do it and hope that the staff come in. After attending the meeting, that is my take on the issue and only my personal observation. I am glad that I went to the meeting, because it was a real eye-opener.

**The Chairperson:** The Programme for Government, Investing for Health and other strategies need to be factored in. Catherine, is there any truth in the rumour that the Belfast Health and Social Care Trust indicated that it could do what is asked of it more cheaply with its own system.

**Ms Arkinson:** Potentially.

**Mr Swallow:** I have been in discussions over the past few years, in which we said to the trusts, "Suppose we just did this with you and moved the shared services option aside". The trusts said that they regret that they cannot do that and are being compelled into the shared services option.

**Ms Arkinson:** There is no indication that the trusts —

**The Chairperson:** That is the point that I am making.

**Ms Arkinson:** The trusts have not said it openly, but I know that they believe that they can deal with those matters better in-house. They feel that they are being marched into this. They will make known their feelings, but they believe that it is under somebody else's remit and not theirs.

**Mr McCarthy:** Thank you for your presentation. I was on your side at the start, but I am even more on your side after listening to what each and every one of you has said. Jonathan, you have experienced this situation across the water, where it was introduced but failed and collapsed.

**Mr Swallow:** It did not fail or collapse, but there were substantial, ongoing problems with its implementation. Once it has been done, you cannot let it collapse because there is no way back. That is the nightmare. The audit impacts that I talked about earlier concerned me, particularly the impact on small suppliers. Unless those are carefully studied — they have not been in the process to date — we simply assume that people will get their bills paid. We all know that cash flow is critical to a small enterprise or in building a larger one. The balance sheet may be wonderful, but there is no cash flow. A number of reputable small and medium-sized companies here do excellent, sustained business with the Northern Ireland health service. Anything that jeopardises that or puts them at risk needs to be carefully analysed. Above all, the absence of that analysis concerns me in the current process.

**Mr McCarthy:** Is there no cost benefit?

**Mr Swallow:** No

**Mr McCarthy:** Absolutely. I went to the Belfast meeting. I was not able to get to the meeting in my own constituency, which is in your neck of the woods. I have to pull you up on your presentation. Your paper does not include the front page of 'The Newtownards Chronicle' or the 'County Down Spectator' —

**Mr Wells:** They got the important stuff, Kieran. *[Laughter.]*

**Mr McCarthy:** Why is that? Never forget north Down and Ards. The distribution of employment opportunities guide states that there should be no more than one CEO per geographical area. Do you agree that the area of north Down and Ards and south Down, which includes Downpatrick — in fact, the whole of County Down — is being discriminated against because it is not planned to have one CEO for that area. Throughout County Down over many years, there has been an excellent skilled workforce, which I hope will continue. What is going on? They have taken everything away. We have 44 staff in Ards, Downpatrick has 33 staff, and there may be more than 30 staff in north Down. That amounts to 100 jobs that will be taken away. It is absolutely scandalous. Do you agree that there is something wrong with that?

**Mr McCabe:** I will try to answer that. It would be wrong of us to get into the games of where jobs should go or remain. We must have regard to existing government policy and direction. There has been a view that jobs should be decentralised rather than re-centralised. The previous member's points were well made when the question was asked whether the general direction was right or wrong.

I want to distil the fact that the trade union position is clear. On the question of new equipment, our staff say that it is needed. We have been to Antrim to meet the new providers. We part company with the BSO and the Department to some extent on the model and location that are proposed. We say that we need the new equipment. You should bring it in. You should do so on a pro tem basis of allowing people to remain where they are. What is distinctly lacking is a cost-benefit analysis. None of those documents supports the view that the centres of expertise outweigh and outstrip people remaining where they are. There is a complete lack of financial detail and data. I will give you an example of that: in response to our questions, two documents were pulled out, one of which goes back to 2007 and the other to 2009. One of them was predicated on nobody moving. The other predication in the consultation was the assumption that everybody could drive.

You could ride a coach and horses through the robustness or the lack of integrity of preferring centres of expertise, if we say that we will move to these locations and here is the justification, rationale and financial savings that stand scrutiny against what you propose, which is to let people stay where they are and introduce the system on a pro tem basis. We say that if you at least allow the system to bed in and develop, a business case can be developed whereby the next stage is that we need to move those jobs, we need a new model, and we need to look at location. However, I think that these options have been plucked to satisfy some sort of general feel-fair approach that, if we put them here and

there, people may buy in. In our view, that is wrong. We say that the current models and locations are deemed unworkable and unacceptable.

We are working towards trying to get a change in the BSO's position by saying that this is ill-thought-out and not supported by any economic arguments. It does not stand up to scrutiny on the equality arguments or on costings, because once people are moved, there are the added costs of excess mileage, retraining and pay protection. The infrastructure is another argument. Is it designed to allow people to travel those distances? The unions' position is that we accept the new equipment. However, we say that what you propose does not make sense; is unworkable and unacceptable. It needs to be bedded in, which will take time. Plans need to be developed better and in more detail so that people understand whether the arguments stand up. There is no collective agreement. I would make one distinction: this is not the RPA. Some people have dressed it up as a review of public administration. This is purely a business reorganisation. It will require a transfer of undertakings — moving people out of the trust that currently employs them to a new employer, the BSO, and all that goes with that.

The fact that there will be no compulsory redundancies is a minimum requirement. I would qualify what Anne said: although there is no collective agreement, we would get into the room for talks, but as a basic minimum we say that there must be no compulsory redundancy or compulsory relocation. Funnily enough, when the BSO did what it called its own realignment, it undertook that nobody below band 6 would be expected to move. We have asked the BSO time and again to give that commitment to staff in trusts, in the context of this project. The organisation is silent on that matter. It keeps on saying that it wants to develop this project.

Everybody accepts that shared services will come about in some shape or form. We say that that may be the case, but the BSO says that it wants a dual process. It wants an agreement with a HR framework, to which we reply, sorry, not unless you give us a minimum of no compulsory redundancies and no compulsory relocation, as with that band 6 cut-off point. We will go into a room for talks after receiving that assurance, but it concerns me that, even in that response to us, the BSO keeps talking about consultation with individual employees and looking at their needs. It is of concern to me that the BSO would try to undermine any need for a collective agreement.

In totality, it is not a good general sense of direction. There are winners and losers.

**The Chairperson:** I want to bring Mark in here.

**Mr McCarthy:** Just to conclude —

**The Chairperson:** Let me bring Mark in first and if we have time, I will bring you in at the end.

**Mr McCarthy:** OK.

**Mr Durkan:** Thank you for appearing before the Committee. I am glad to have heard your presentation. The fact that it takes five of you to come here to say how much is wrong with the project shows just how much is wrong with it. My initial interest — a parochial one as a Derry Member — is that the proposals would take 63 jobs out of my constituency.

Although I find so many faults with the proposals, such as the lack of a proper cost analysis, the equality issues, and so on, the more I dig into it — I have asked several Assembly questions about it over the past month or so — the more horrified I have been to find so many flaws in the consultation process.

On the night of the public consultation meeting in Altnagelvin, there was virtually an admission that the EQIA was not right when the BSO officials said that they would revise the EQIA after the consultation process. My understanding is that a consultation process should follow an EQIA, but they were unable to outline whether they will reconsult on the revised EQIA. You touched on other issues about the EQIA such as the lack of differentiation between religion and political persuasion. That does not stand up at all. The BSO says that there will no compulsory redundancies yet, but at the same time, it accepts that the process will result in a net loss of 100 jobs. Although people may not be made redundant

compulsorily, they will be left with no choice other than to leave their work because of the financial cost of travel and the social cost to their family life. I am glad that you share my opinion that we should work towards the introduction of the IT system first, and perhaps the Committee could work on consensus. I endeavoured to get a meeting with the Minister. I am glad that the Chair is able to meet him because he had refused to meet MLAs while the consultation process is ongoing.

**The Chairperson:** I am meeting the Minister about a number of issues, not specifically this issue.

**Mr Durkan:** I was afraid that, as the issue was due to come up in Committee on 14 March, it would be too late in the process for us to alter the direction.

**The Chairperson:** It is not too late for the Committee. The consultation closes on 29 February.

**Mr Durkan:** The window of opportunity for people to tap into the £3 million closes at around the same time.

**The Chairperson:** We will get a synopsis of the consultation responses after that.

**Mr Durkan:** It is fine for us to get that, but people out there who may be contemplating voluntary redundancy based on a series of hypothetical scenarios do not know that.

**Ms Speed:** Or incomplete information.

**Mr Durkan:** In the interim, we should fight the fight to have the IT systems in first with the shared services deferred, if not done away with altogether. As a contingency measure, is there some mechanism whereby the £3 million can be carried over to next year to give people who may want to take redundancy once the proposals are finalised the opportunity to do so?

**Mr McAdam:** The Department has built in provision for the money to be carried over. People have to declare that they will go redundant by 31 March, but it will be effective at a date thereafter.

**The Chairperson:** If members are in agreement, we can write for clarification on that.

**Ms Speed:** We would welcome the removal of the date, and Catherine very ably described the pressure on people. We also ask that any report from the Committee or feedback to the Minister suggests that there should be no hasty decisions on the matter and that, in light of all the concerns that you may decide to raise, the timescale should be altered and decisions deferred until all processes have been fully observed and all matters tested. That is really important, and we would very much welcome that.

**The Chairperson:** Members have raised their concerns, and you can rest assured that the Department looks at this Committee's meeting very closely every Wednesday. We have a departmental Assembly liaison officer who brings information back to the Department, so there is a free flow of information. The consultation closes on 29 February, and if officials come to the Committee in March, it does not mean that it is the end for the Committee. We can do a number of things.

**Mr Durkan:** It might be the end for individuals.

**The Chairperson:** I appreciate that. Mark, I know that you have an interest in the issue, and you have shown that. However, will you ask some specific questions as the British Heart Foundation is waiting to meet us at 5.00 pm?

**Mr Durkan:** I had a question that is more for the Committee than the union reps.

**The Chairperson:** You are able to make recommendations or suggestions to get clarification as well. We will do that on your earlier point about compulsory redundancy issues.

**Ms Speed:** And relocation. We would welcome any influence that you can bring to bear to extend the process or timescale for consideration. The import of our presentation is that the process is too rushed, and there are too many unanswered questions and concerns. The risk of running too fast has

been outlined in the various submissions. We need to slow the whole thing down, which does not mean that we stay out of a room and do not negotiate. If any support can be expressed on the issue of compulsion, in whatever way possible, we can reopen engagement. That is really what we hope we can achieve.

**Mr Durkan:** That should be achievable, given that there are so many flaws and basic, elementary errors in the document on which we are being consulted. For example, it states: "From the table above, it is evident blah, blah, blah", but then gives facts that do not correspond with the "table above". I will share that with you as well. It forgets Derry, like you forgot Derry in your folder —

**Mr Swallow:** Chair, could I stress to the Committee —

**The Chairperson:** Sorry, Jonathan. We can look at what our next steps need to be. In fairness, the representatives of the trade union movement are well aware of the feelings of the people around this table. We also have concerns and questions. Unless we get answers to those concerns and queries, we will ask them and continue to ask them. It is important that we get a departmental briefing, because we have given you the opportunity to brief us. We need to give the Department the opportunity to brief us, but the information that you give us is as important. Keep that information coming in so that we can then question, or ask for clarification from, the departmental officials. We will write a letter on some of the points that have been raised today to try to get that soon and before the officials come to the Committee.

Today is not the end. Just because you have made a presentation to the Committee does not mean that you walk out the door and we forget about it. The issue is important to us as constituency reps. We live, work and socialise in our communities, and we want to get the best for our people across the board.

Mark, unless you have a specific question, I will indulge Kieran, because I like him. Make it quick.

**Mr McCarthy:** Since I read the damn thing, it has been said that the document is totally flawed. We have heard that from all the people here today. It should be thrown in the bin. You are there to bring the matter forward. You have said that you want to do it. It has to be done in the proper way. I am behind you, and I think that the Committee is behind you. We have raised the issue with the Minister at every opportunity.

**The Chairperson:** I said that I was letting you in to ask a question, not make a statement. Guys, I am sorry for pushing you. It is just because of the way things are. We had an interesting discussion.

**Mr McCabe:** I will make a very brief final comment to put the issue in context. Individual organisations will respond to the consultation. We have made it clear that if the BSO does not change its path, there is the potential for a dispute. Equally, unlike the Civil Service, which gave a contract to Fujitsu and privatised it — HR Disconnect, as it is called in the Civil Service — we recognise that this is a bespoke in-house system. We applauded them when they said that they were not going down the route of doing what the Civil Service did. We welcomed it when they said that they would develop a HR payroll system for the health and social care sector. However, we believe that it needs to be done incrementally. This is just plucked out of nowhere. It is very attractive for the Minister for £17 million to be saved, but none of the figures stacks up.

**The Chairperson:** You need to encourage your members to respond to the consultation so that we get a synopsis of their comments.

**Ms Arkinson:** We have done that. That is where we got the idea that the e-mail was incorrect.

**The Chairperson:** That is helpful. I thank you on behalf of the Committee. We will keep you in the loop of any information that comes up.

**Ms Speed:** Thank you very much.