

1. AGENDA 2020

Agenda 2020 is an EMEA-wide initiative which particularly hits UK&I in terms of jobs (up to 15-20% of current workforce). Fujitsu's stated rationale behind the exercise is a confusion of becoming more global than multinational, increasing market standing against the competition, being behind the curve in a changing IT market, and improving margin (profit against cost base). Their solution to meet these aims is a mix of outsourcing some previously in-house provided functions to 3rd party "partners", automation, and off/near shoring to Global Delivery Centres. These GDCs, based mainly in Poland, India, Portugal and Russia, are supposedly Centres of Excellence in a particular discipline in terms of the skillsets of the employees at that location, but it will not surprise members to learn that their main attraction is more that they are particularly cheap in terms of employee costs compared to the UK and other western European countries (and with exceptionally high attrition rates in comparison to the UK). How these GDC's will replicate the work done in the UK still remains to be seen, with the company seemingly having a very cavalier attitude to the risks this could present.

PCS has been actively engaging with UK management and HR alongside Unite, CWU and locally elected employee reps (in the absence of an elected UK works council during the consultation window after the forced termination of Fujitsu Voice) via what is known as the Combined Consultation Group which has been consulting on the first batch of proposals of what will be at least an 18 month long process. Consultation has been focussed on 6 main areas (BAS, MIS, TMS, Product, Finance and Pre-Sales) involving a mix of TUPE, redundancy, off-shoring and general re-organisation. Two further areas have since started consultation (the Oracle practise within BAS, and N&T) but the company has seen fit not to do this under the auspices of the CCG.

Certain areas of the Business have been more prepared than others at making cuts, with areas such as BAS having been quick to do so, where other areas such as MIS CSM have only just produced proposals. Again some areas have been more open to mitigation as a method of reducing the losses, where others have pretty much ignored mitigation all together. However, Reps have made a lot of progress in attempting to get the Selection Criteria as fair and objective as possible and ensuring some form of consistency across the exercise.

The Reps have also been successful in pushing the company into accepting Voluntary Redundancy in principle, but the Company insist that this be limited to affected pools where there is selection and not across the wider Company as the Reps originally requested. The suggestion of a company organised Job Swap scheme was refused, but reps were assured that Fujitsu are prepared to look at it on a case by case basis if individuals can identify potential pairings themselves. To assist this Unite put out an e-mail to all Fujitsu employees on the 7th March but this was then condemned by the company as being unauthorised on the 8th.

Initial indications were given to PCS that the Government Accounts (other than MOD and HMRC which are outside the scope of Agenda 2020 to start with) would be ring-fenced, and thus not impacted directly. However, the company have seemingly done a U-turn, and many teams working to Government Accounts are currently still in scope.

Under Fujitsu's reckoning of the consultation timeline, we are now past 60 days (magnanimously increased from the statutory 45 days for most employees) but not quite at the 90 days that some

people have (under legislation in Northern Ireland, or contract/collective agreement if covered by Unite's Security of Employment Agreement or Annex 1 of the Manchester bargaining unit agreement). As such, the first terminations (under both voluntary and compulsory redundancy) have already started in the BAS area, with others expected to be staggered between now and at last the end of the year. We also now know the identities of the 3rd parties that members in Product and TMS at Warrington will potentially move to under TUPE (DHL and CBS respectively).

Affected PCS members should be receiving weekly updates on progress via e-mail. If you are not already on the distribution list for these but would like to be, contact Stuart Thomas (stuart.thomas@uk.fujitsu.com).

Of particular interest to those members working on the ring-fenced HMRC and MOD accounts (which are not directly subject to Agenda 2020 but have their own independent initiatives going on in parallel) will be the proposal to off-shore all private sector work from NI and replace it with public sector work from the mainland – including some relating to central government accounts. The worry is that it could provide a template for delivery of HMRC or MOD services too in the future.

2. HMRC – DPS

HMRC have awarded the input scanning contract to an organisation called EDM. Members at Netherton and Worthing are due to TUPE transfer to the new employer with 1st July being the target date. Consultation meetings on the transfer of T&Cs has already started – for more information, staff at Netherton should contact Karen Ashdown (karen.ashdown@hmrcaspire.com), or Stuart Thomas (stuart.thomas@uk.fujitsu.com) for Worthing.

Likewise output print has been awarded to Communis and they are expected to take over that contract from 1st July too. However HMRC have also announced the closure of the Cumbernauld print production hall on 12th May. As this is before the transfer to Communis, Fujitsu have now confirmed (finally – 6 months after the initial announcement made to staff!) that they will transfer operations to Warrington and thus this will mean redundancy for up to 59 employees based at Cumbernauld unless they wish to relocate (into a potential TUPE situation). PCS have been engaged in a redundancy consultation – contact Andy Taylor (andy.taylor@uk.fujitsu.com) or Martin Bright (martin.bright@uk.fujitsu.com).

We are still waiting to be engaged for the TUPE transfer to Communis that is expected to affect those others in DPS output at Warrington, Telford, Shipley and Longbenton.

3. HMRC – PINS

The latest round of change in PINS has now completed and was largely successful in mitigating against unwanted compulsory redundancies by means of VR and job swap. The comparatively positive outcome was mainly due to early engagement with PCS and a pragmatic approach by management to our Continuing Employment Framework that covers all PCS members.

At this point we have not been made aware of any further job reductions or changes to working patterns, but it would not be unexpected for there to be some other initiatives in this area between now and end of contract extension in 2020.

4. HMRC – MDS

The long awaited announcement on the future of the Managed Desktop contract has now been made and Fujitsu have been confirmed as retaining the business. Whilst this initially looks like good news in terms of long term job security, this is tempered by the fact that it was bid on the basis of being MIS

rather ring-fenced HMRC account led and also under the provisions of New Fair Deal (more on NFD below). What this means for members working in this area either as field engineers at customer locations across the company or the projects and management team in Telford is still unclear but the company is seeking to engage with us now that the ethical walls surrounding the bid have been removed – so expect to hear more on this soon.

The contract win will also involve the TUPE of a number of staff from Capgemini (mainly based in Aston but some in Telford) into Fujitsu.

5. HMRC – RCDTS WAVE 4

After the transfer of a number of members from various work areas to HMRC's offshoot "gov co" in October as part of Wave 2, the latest phase affecting members in Fujitsu working in CDG and VAO is now underway. Affected members should be getting regular updates on progress, including sight of the minutes of consultation meetings and the evolving TUPE Measures Statement.

The main concern of many members will be around the fact that, like the previous Waves, this transfer is being carried out under New Fair Deal with regards to pensions (see below).

Martin Bright and Stuart Thomas (supported by Andy Taylor) are the senior reps involved in the TUPE consultation with RCDTS but, to ensure continuity of representation across the transfer, Jim Draper (jim.draper@uk.fujitsu.com) at Worthing and Walter Glennie (walter.glennie@uk.fujitsu.com) at Telford are the PCS reps members should approach with any questions or issues in the first instance.

6. HMRC – DCDM

The latest information we have is that this area is to be handled as a TUPE (possibly as part of Wave 4) rather than removal of work and redundancy – but we are still awaiting confirmation and official engagement.

7. HMRC – MANAGEMENTORS

We are told that Managementors have now completed the work they were contracted to undertake across the account but consideration is still being given to their findings so there is an expectation of further "efficiencies" to be announced in some areas in the near future. Over the last few months there have been quite a number of these affecting various areas and teams, often on a relatively small scale, so we may not always be aware of exactly what is going on. If your work area is affected in any way, be it job reduction, new working patterns, or any other detrimental change, then please contact your local rep for advice.

8. HOME OFFICE

There is still a lot of confusion and uncertainty over exactly what will happen to members working on this account. On the one hand, unlike HMRC and MOD, they are not excluded from the direct scope of Agenda 2020 so have mostly been put at-risk, but they are still regarded as ring-fenced to the customer so not included in the general selection pools. To a large extent we are still waiting for Home Office themselves to define their contract exit plans to see whether they will remain with Fujitsu or TUPE back in-house to the Home Office or to another 3rd party supplier.

9. MOD

No news as such – the only things we are being made aware of affecting members on this account is that Fujitsu have won some further packets of work (involving TUPEs into the company) and it is currently actively recruiting extra staff (mainly in the south).

10. PENSIONS – FJUK SECTION B (EX-EDS INVESTMENT PLAN)

The company have kindly agreed to a request from PCS to repeat the exercise they undertook in 2007 and the remaining people stuck in FJUK Section B DC pension without the option to switch to the Comparable Section D DB one at age 30 will be given an invitation to join the more advantageous FJUK Section A (although in exchange they will also have to swap from EDS mirror medical and dental plan entitlement to the Fujitsu standard offering). We have not been given a timetable of when this will happen but it will be a time-limited offer so if you receive an invitation please respond to it as soon as possible.

11. PENSIONS – NEW FAIR DEAL

The government are encouraging private sector companies looking to tender for new or existing public sector contracts to do so on the basis of New Fair Deal – but what does this mean?

Pensions are not covered by TUPE legislation, but over the years there have been a number of protocols put in place by the government regarding pension provision for public sector workers moving to the private sector under first or later generation TUPE transfers. The latest, New Fair Deal (NFD), allows private sector employers to apply for a Participation Agreement so that any public sector workers who TUPE to them can retain membership of their existing public pension scheme and so they don't need to set up a mirror scheme. Ex-public sector workers can remain in their current pension scheme so long as they stay on their original T&Cs, and continue to provide the services they originally provided to their parent department or body, or to other public sector contacts their new employer may have where NFD would apply. These rights are retained if the undertaking they are aligned to subsequently moves to another employer with a Participation Agreement under a TUPE transfer.

e.g. A Civil Servant in the MOJ who is a member of the PCSPS can stay in the PCSPS if they TUPE to e.g. Fujitsu so long as they continue working mainly to the MOJ account as they were previously, or move to similar work on, say, DWP or HMRC contact work where Fujitsu had also TUPE'd other ex-Civil Servants covered under NFD (new or legacy). If Fujitsu later lost the government contract to another company who also have a Participation Agreement, they could again stay in the PCSPS. However, if they moved to work on a non-public/NFD customer account (like Vodaphone, RBS, etc) they would no longer qualify and would have to leave the PCSPS and join whichever other pension scheme Fujitsu dictated.

The NFD legislation also covers retrospective TUPES out of the public sector where previously private sector employers usually set up "mirror" pensions schemes that were broadly comparable with the public sector one.

So far so good, but now for the nasty bit. Since most ex-Civil Service employees in Fujitsu were originally TUPE'd out of their original government department, the PCSPS has been drastically watered down. Many people would have been in the final salary scheme that is now known as Classic. This has been replaced by the latest offering Alpha, which a career average scheme with a higher employee contribution (was non-contributory, now around 7.5%) and a later pension date (linked to state pension age rather than 60) – as the PCS national campaign at the time put it, you now have pay more for longer for less. Even current Classic is now not so favourable as Fujitsu's mirror (various sections of the Comparable Pension Scheme).

Worse than that though, if you don't qualify for NFD then you will not be allowed to join the PCSPS scheme at all but only whatever pension scheme the employer offers. As most companies in the UK

have been closing own their DB (e.g. final salary) schemes to new members over the last few years, chances are this will only be a DC (e.g. investment) one. This may not be much of an issue if you are only in a DC scheme to start with, but if you are in a DB scheme now in most cases this would be a detriment in your pension provision.

All new entrants into the Civil Service are only allowed to join Alpha; existing staff who are still in Classic are being switched to the new scheme on a sliding timescale which you can find here <http://www.civilservicepensionscheme.org.uk/members/the-new-pension-scheme-alpha/how-will-this-affect-me/active-members/dates-that-you-will-move-to-the-new-scheme/>

Anyone involved in a TUPE involving NFD who is not already on the new Alpha provision is treated in exactly the same way as if they had always remained in the Civil Service – so will move to this as per the above timescale.

Anyone TUPEing back in-house directly to a government department (such as with Fujitsu's DVLA account in 2015) who is not covered by NFD will be treated as a new entrant and given immediate access to Alpha. Unfortunately, a "gov co" is not classed as a government department but a private sector employer with a Participation Agreement. This includes RCDTS where in Wave 2 and in the current Wave 4 consultation, only ex-Civil Servants covered by NFD are retaining a DB pension (although as per the above) and everyone else not covered is only being offered access to a DC scheme.

Fujitsu have been granted a Participation Agreement for the PCSPS and have indicated that their intention is that any future bids for new government contracts, ***or rebids for ones where they are already the incumbent*** (including MDS), will be made on that basis. Furthermore, where in the past they were happy to allow people to retain membership of the Comparable Scheme on change of T&Cs or a move to non-government customer accounts, they are proposing that this will now entail a switch to the FJUK Scheme (Section A).

So if you work on a Fujitsu government account that is due for rebid, whether Fujitsu win it or not the chances are anyone with a DB pension will either have it watered down to the current Civil Service Alpha offering, or lose it completely in return for a DC scheme. Even if you are not due for rebid, you might still lose out if you move away from your current account or accept a change of contract on a role change.

This is obviously a fundamental change to the way our pensions have been handled in the past and is of utmost concern to us. At the moment it is still a proposal and we expect the company to engage with us on proper consultation exercise before anything is implemented.

12. PAY 2017

We are about to start the initial stages of pay negotiations for this year – the first part of which will be the annual review of CBU membership. As this is not a major "opt in" renewal year (next one in 2019) anyone who has already been confirmed as being in the CBU remains so and therefore does not need to do anything – unless they on non-Civil Service "Image" T&Cs and no longer works at least 50% on government account work (HR will flag up anyone they think no longer qualifies and we will contact them individually to check that they agree with this). Any new members who have not previously received an invitation to join the CBU will be asked if they would like their name to be forwarded to HR in order to receive one (binding until next "opt in" renewal).

Pay talks themselves will commence in late May/early June with a view to complete in time for a settlement date of 1st August.

13. SPECIAL NEGOTIATING BODY

Towards the end of 2016 the company decided to call time on Fujitsu Voice. It is mandatory for a company of Fujitsu's size, to have a works council in place to consult with. Therefore elections for an SNB have been held, whose role will be to construct a new constitution for the new consultation body.

PCS rep Stuart Thomas has been elected on to the SNB for the HMRC constituency, ensuring PCS members have a voice in this consultation process.

14. PCS ORGANISATION

As you may have read in the Fujitsu annual report in the latest issue of Commercial Break, our branch and group structures within the company have been hard hit over the past 2 years following a number of redundancy rounds and contract losses followed by TUPE transfers across all accounts and locations. In Telford alone we have lost 4 reps in the last 6 months with another in scope to move to RCDTS in the near future. Unfortunately this means that the number of experienced reps we have to deal with the various issues facing PCS members has gone down while the workload has steadily gone up (see all the above and contact list below!)

The ending of the original Aspire account on HMRC has been a work in progress for the last couple of years but has its natural conclusion on 30th June, after which we will lose yet more members and reps in TUPes (most notably outgoing Group President Karen Ashdown and her team at Netherton who are transferring to EDM) and will see the collapse of what remaining relationship we have with PCS members on the Capgemini side of the account – particularly hitting Telford and ELSE branches where we had kept joint BEC structure in place since 2004.

The group has therefore had to concede that the current 6 regional branch structure (East, London & South East; Wales and West; North West; Telford Aspire; Yorkshire, Humberside & North East; and Scotland & Northern Ireland) is no longer tenable so the intention is to collapse it into single national branch and drop the group status.

However, that does not help with the fundamental problem of a lack of reps – especially outside of Telford! Any volunteers to help out in any way in whatever capacity (e.g. someone to maintain membership records and e-mail distribution lists) will be welcomed with open arms.

For the record, following the Group AGM on 23rd March, the GEC currently consists of:

OFFICERS

President	Martin Bright
Vice-President	Andy Taylor
Secretary	Jim Knotts (full-time officer - jimk@pcs.org.uk)
Treasurer	Stuart Thomas

MEMBERS

Telford Aspire	Chris Durok Janet Mannering
North West	Karen Ashdown Linsey Benbow Cathy Halliwell

ELSE	Vacant
YH&NE	Vacant
Wales & West	Vacant
Scotland & NI	Vacant

You can contact any rep about any issue, but the following is a list of leads on specific pieces of work:

Agenda 2020

Main CCG	Andy Taylor/Stuart Thomas/Jim Knotts
MIS	Andy Taylor/(Stuart Thomas)
BAS	Martin Bright
MIS TMS	Stuart Thomas
Product	Jim Knotts/Alan Gregory (employee rep)
Pre-Sales	Paul Feder (employee rep)
Print Redundancy/TUPE	Martin Bright/Andy Taylor
Scan TUPE/Redundancy	Karen Ashdown/Stuart Thomas
Ops Helpdesk Redundancy	Stuart Thomas
Ops HD/ISW/CDG/VOA TUPE	Martin Bright/Stuart Thomas/Jim Draper/ Walter Glennie/(Andy Taylor)
TMS/Product TUPE	Jim Knotts/Stuart Thomas/Alan Gregory

We are also awaiting invitations to consult around MDS, DCDM, and the implications of NFD.