



Say No to Gloucestershire SubCo!

Joint Union Members Meeting: Thursday 1st February, 6.00pm
Conservatory, Plock Court, Longford, Gloucester, GL2 9DW

Sign the petition: <https://tinyurl.com/Glos-NHS-subco-petition>

As trade unions representing staff in Gloucestershire Hospitals NHS Trust Unison, Unite and RCN are very concerned about the proposal to transfer approximately 750 Estates and Facilities staff out of the Trust and into a limited company.

If you are in scope for this transfer it is vital to understand that if it goes ahead **you will no longer be an NHS employee**. The concept of “the NHS family” has no legal meaning – SubCo staff will be employed by a limited company which the Trust could either choose or be forced to sell off at any time.

Why is This Being Done?

The Trust is in serious financial deficit as a result of NHS underfunding and is looking to save money – they have claimed that setting up SubCo will save £35m over ten years. However they have not explained how they have arrived at this figure or how much will come from tax avoidance and how much will come from cutting staff terms and conditions.

The Trust has also claimed that there are operational, non-financial benefits to SubCo, but they have given no examples and we believe that if anything, dividing the organisation in two is more likely to cause operational problems than to solve them.

Who is In Scope?

All staff in Estates and Facilities including maintenance staff, cleaners, porters, medical engineers, grounds and gardens, pest control, domestics, staff in catering, laundry, non-patient transport, print and postal. One thing almost all these staff have in common is that they are generally amongst the lowest paid.

However, once the SubCo is established it will be easier for any group of staff to be transferred across to it, and our fear is that this is only the beginning.

How Much Will This Cost?

In addition to the considerable amount of time and effort which has already been expended on SubCo, the Board has approved spending of £200,000 including fees for accountancy firm KPMG and solicitors DAC Beachcroft.

What Does the Government Think?

The Department of Health wrote to all NHS Trust financial directors in September urging them not to engage in tax avoidance schemes and to stop spending money on private consultancy firms. This suggests that they are likely to try and close the VAT loophole which the Trust is seeking to exploit in the near future.

Will My Terms & Conditions Be Protected?

Under TUPE, the law covering transfers of employment, the Trust is legally obliged to maintain existing terms and conditions including pay on the day of transfer. However the new employer is legally permitted to cut terms and conditions provided that they have an “Economic, Technical or Organisational” reason for doing so, and we believe that it is very likely that they will be able to meet this criteria, especially if they aren’t making the predicted savings on tax.

It has been suggested that the Trust is prepared to go above and beyond TUPE, however no detail about this is included in the consultation document or business case, and in any event we do not believe that such a guarantee would be legally enforceable.

What Will SubCo Terms & Conditions Be Like?

All we know at this stage is that new starters won’t have access to the NHS Pension Scheme, because the Trust have not given us any further information. However similar companies exist elsewhere in the NHS and the terms they offer are generally much worse than Agenda for Change terms:

What Can We Do About It?

Senior managers including the Chief Executive have said on several occasions throughout this process that they will not go ahead with establishing SubCo if staff do not support it. Unison, Unite and RCN will be submitting an official response to the consultation outlining our concerns and highlighting the many unanswered questions.

It is very important that we show the strength of feeling and concern amongst staff – so please make sure you sign the petition, attend the meeting and encourage your colleagues to do the same!