

## Defra achieves seamless staff transfer with IBM.



### Overview

#### ■ The Challenge

- Overall aim to improve service quality and departmental efficiency over a seven-year period. Partnered with IBM to develop roadmap for business transformation and technical innovation within Defra
- Initial phase aimed to optimise provision of IT support services to internal Defra departments: achieving best possible quality of service in a cost-efficient way

#### ■ The Solution

- IBM Global Services – HR Solutions
- Transfer of 330 Defra IT staff to IBM
- Defra's terms and conditions of employment matched by

*IBM, with minor exceptions, to facilitate a smooth and painless transition for the staff*

- Consultative approach to ensure that staff were kept fully informed, and any issues raised for early resolution

#### ■ The Benefit

- Frees Defra resources to focus on core business activities
- Strengthens IT support service to internal Defra staff through greater scalability and flexibility
- Process efficiencies will result in cost-savings for Defra
- Retains or improves most terms and conditions of employment for transferred staff including access to a wide range of training and career opportunities.

Government departments are under pressure to improve service quality and cut costs through increased efficiency and greater focus on their core activities. The government's e-agenda requires that all departments explore and implement ways in which information technology (IT) can be harnessed to modernise services, making them more accessible, convenient, responsive and cost effective. With a remit ranging from international climate change to farming and food production, the Department of the Environment, Food and Rural Affairs (Defra) is tasked with protecting and sustaining our environment. Over recent years Defra has faced huge challenges in responding to an increased public focus on environmental and food concerns as well as addressing the requirements of the e-government agenda.

To modernise and improve services to staff and public, significant organisational transformation was required within Defra. Following an extremely competitive tendering process, IBM was chosen to help develop and implement a seven year programme for technology-enabled business transformation services and IT strategic outsourcing.

During the process, Defra found IBM to be good listeners, who understood and responded positively to Defra's needs, going a long way towards negating misgivings about IBM's ability to handle the programme and its HR implications. In order to align Defra's business objectives to its underlying IT infrastructure, Defra wanted the IBM team to work with them to provide innovative approaches, streamlining processes for greater efficiency. IBM was asked to build on existing IT systems and manage and support Defra's desktop IT infrastructure to help to improve service delivery.

### **Strategic staff transfer**

The first milestone in the programme was a strategic outsourcing project that saw the transfer of 324 Defra IT staff to IBM. "We wanted to ensure that the Department had the best possible IT support services," says Pearl Scrivener, HR lead at Defra. "We concluded that outsourcing to IBM would provide us with the level of resource and support we needed."

For the project to go smoothly, it was essential that this high-profile and potentially controversial transfer was handled with the utmost sensitivity by IBM. Defra stipulated that, for the

staff transfer to go ahead, IBM must comply with the requirements of Transfer of Undertakings Protection of Employment regulations (TUPE) and the Cabinet Office. This meant that the terms and conditions of employment of transferring staff must be matched by IBM. The Defra and IBM teams worked together on a solution to deliver the transfer requirements. Defra had concerns that IBM may not be able to deliver on their requirements, however, the IBM team listened to Defra's concerns and acted to resolve them. "IBM was very cooperative, listening to our needs and committing to undergo the transfer with minimal change to terms and conditions for employees," says Scrivener.

### **New employer, same benefits**

Initially, there was considerable concern amongst the workforce that the individuals transferring to IBM would suffer as a result. Many assumed their benefits would be cut, with IBM offering reduced pensions and holiday allowances, for example. Others were worried about being able to continue with flexible working arrangements and access to subsidised childcare. "They're hygiene factors really but once you start to put a question mark over them they become very important," explains Scrivener.

*"IBM was very cooperative, listening to our needs and committing to undergo the transfer with minimal change to terms and conditions for employees"*

– Pearl Scrivener, HR lead at Defra

However, IBM matched most of the current terms and conditions of Defra staff and, in some cases, even improved on benefits offered. Pension benefits are just one example of this. IBM was asked to replicate the pension benefits that had been provided by Defra. It exceeded this requirement with transferred staff able to enter a final salary pension scheme offering more favourable terms than the original Defra scheme.

### **A consultative approach**

As well as listening to the requirements of Defra management and responding to these, it was essential that the individuals affected, and their union representatives, were actively involved in the process. In an extensive consultative exercise, the IBM team had a series of workshops with individuals and union personnel, both one-to-one and in larger groups.

Measures to help facilitate the transfer were discussed openly and individuals and union representatives were kept informed with the opportunity to raise concerns. For IBM and the Defra HR team, these meetings were invaluable and enabled them to get feedback, and understand and respond to any issues raised by the workforce.

Key to the success of the staff transfer was IBM's liaison with the union. The staff continue to work at Defra offices but are employed by IBM within IBM Global Services teams. The IBM team worked closely with the union representatives and the Defra HR team to reach agreement on terms and conditions and ensure that any issues were resolved. IBM has now signed an official recognition agreement with the union – a foundation for a strong and cooperative ongoing relationship.

IBM's support to the transferred employees did not stop at the point of transfer. An onsite IBM HR presence at Guildford gives staff easy access to advice and support with swift resolution of any issues raised.

"I really feel that IBM has pulled out all the stops to ensure that people have got the support they need," says Scrivener.

### **A relationship for success**

IBM's flexible approach was key to finding the right solutions to ensure that the transfer went smoothly. Ultimately the IBM team won the respect of all of the stakeholders involved: Defra management, the union and the staff. "I found IBM easy to work with: flexible and cooperative, willing to listen and to adapt their approach as necessary," says Scrivener. "I think the thing I found most gratifying was the ease with which the staff transfer took place in the end. I expected it to be difficult with problems post-transfer. Actually it went extremely smoothly with no significant issues raised with Defra or the union reps."

*"IBM's ability to match industry insight with world-class technology expertise and genuine business innovation is key to the foundation of our transformation."*

– David Myers, Programme Director at Defra

### **Roadmap for the future**

Over the next seven years, IBM will continue to work with Defra, drawing on the skills of the employees transferred, to support its goal to become a leading example of

modernised e-Government. The full depth of IBM's capability will be leveraged to drive innovation programmes focusing on optimal sourcing models, business processes and organisational change as well as technical initiatives. It will also provide the IT infrastructure to support Defra's workforce in more mobile and flexible working initiatives.

Ultimately, the programme will not only benefit Defra staff, but aims to provide the public with an improved quality, more cost-efficient service. IBM's collaborative and innovative approach will be pivotal to this process of change and improvement at Defra. As David Myers, Programme Director at Defra explains: "This agreement brings immense benefits to our customers and staff. IBM's ability to match industry insight with world-class technology expertise and genuine business innovation is key to the foundation of our transformation."

### **For more information**

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**IBM United Kingdom Limited**

PO Box 41  
North Harbour  
Portsmouth  
Hampshire  
PO6 3AU  
Tel: 0870 010 2503  
**ibm.com/services/uk**

**IBM Ireland Limited**

Oldbrook House  
24-32 Pembroke Road  
Dublin 4  
Tel: 1890 200 392  
**ibm.com/services/ie**

**IBM Nederland N.V.**

Postbus 9999  
1006 CE Amsterdam  
Tel: 020 513 5151  
**ibm.com/services/nl**

**IBM South Africa Limited**

Private Bag X9907  
Sandhurst  
2146  
South Africa  
Tel: 0860 700 777  
**ibm.com/services/za**

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05-IGS-000685 (04/05) NG