

# Group IT Offshoring Review

**G**roup IT will announce today that it is to review how it can make greater use of offshore providers. The Bank has told LTU that initially this review will look at moving the work of approximately 400 external contractors to India but that the review it is to conduct with three offshoring companies may well also have implications for permanent staff.

In his note to staff, Darryl West, Director Group IT says that to meet its need for technical skills the Bank has either taken on local contractors or used providers in India. He says he believes this is inefficient and has set in train a review that will look to replace "expensive UK contractors" with staff in India. The review will look also at the use of "offshore providers to enable it to deliver more for less".

The Bank has told LTU that Cognizant, TCS and Wipro will be the three companies involved in the review and the areas being considered include Sales & Service, Telephony, CBS, Insurance and possibly Testing, with conclusions being expected by July.

Whilst it would be possible to see this announcement simply as a way of cutting costs by replacing "expensive UK contractors" with staff in India, with no wider implications for permanent IT staff – that would be wrong.

We say that in part because an obvious, lower cost alternative to employing "expensive UK contractors" would be to fill skills gaps with permanent Bank employees. If the Bank was to offer competitive salaries, recruitment would not be a problem and it would not be exposed

in the same way to contractors leaving to seek permanent assignments elsewhere.

Neither should this review be seen merely as being about trying to "deliver more for less" as Mr West claims. That apparently reasonable approach has led to significant problems when other processes have been offshored; the most obvious leading to the closure of the Bank's Mumbai Call Centre and return of work back to the UK because of serious customer service issues.

Candidly, the Bank says the review may well have implications for permanent staff and that should be warning enough because our experience elsewhere has been that initial warm words of reassurance to existing staff count for little. Top management are all too easily seduced by possible short-term cost savings; irrespective of the longer-term consequences. When the Bank's plans to export jobs were first leaked to LTU some years ago we said that IT jobs particularly were in the firing line: this review is proving that prediction to be all too correct.

LTU has been the only Union to recognise the very real threat to all members of staff in non-customer facing roles and only LTU is campaigning for Lloyds TSB jobs to be kept in Britain. The repatriation of jobs from Mumbai was a major success and has shown how effective our campaign has been but there is a great deal more to do. We need your support and if you are not already a member of LTU please join today to help our Campaign.

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