

GMB Union Opinion on GardaWorld Offer for G4S



Introduction:

GMB is the union for security workers in the UK. GMB is the largest recognised union in G4S's UK operations.

Our priority is securing the future of our members jobs and improving their quality of employment. We believe that G4S's current UK operations can emerge from the pandemic in a position of strength.

The GMB would welcome engagement from both G4S and GardaWorld management on their visions for the company's long-term future.

Securing employment:

G4S is a leading employer - the company accounts for around a quarter of private security jobs in the UK. It is deeply concerning that up to 1,150 jobs are at risk of redundancy in G4S's remaining cash handling business, without an assurance of redeployment elsewhere in the business.

We note that G4S recorded a profit before tax and dividends in each of the last five years and that the company recorded an underlying profit of £187 million in the first six months of the year before exceptional items (despite adverse trading conditions).

We do not believe that redundancies are inevitable, nor that the loss of skilled and experienced workers is the right strategic direction. We call on G4S and GardaWorld management to set out a clear plan for growing the company and securing employment in G4S.

The GMB believes that all workers should receive a real, living wage. The benefits of this to employers are well rehearsed; making it easier to attract new staff, raising morale, motivation, reducing absenteeism and sickness rates and improving employment relations.

The security industry has suffered from a 'race to the bottom', a strategy that does nothing to protect the longevity of a business with a loyal and committed workforce. We call for a commitment from both parties to ensure G4S becomes a living wage employer.

G4S runs a number of key strategic contracts within the public sector and yet the workforce on those contracts receive pay and conditions far below those enjoyed by the equivalent, directly employed workforce. GMB calls for a commitment from both parties to end two-tier discrimination and for a commitment to working with the public sector contracting bodies to deliver equal terms for all privately employed staff.

Maintaining the integrity of G4S's operations:

G4S has a strong employment profile across its Secure Solutions, cash handling, consulting, and technological segments. We believe that these segments are complimentary. The company and its workforce derive benefit from the worked experience of the diverse range of the UK's security industry. We are seeking a reassurance that, following the conclusion of the bidding process, the integrity of the G4S's operations will be maintained.

A sustainable future for the pension scheme:

It is not disputed that the G4S defined benefit pension scheme is in deficit. The deficit grew to £331 million in 2019 (an increase of 10 per cent on 2018). Although we note that this figure has more than halved between the 2012 and 2018 valuations.

The 26,000 members of the scheme deserve certainty over their security in retirement. This issue must be a priority for both G4S and GardaWorld management and we note that a number of deficit repair payments have been made.

GardaWorld has stated that: *'We intend to address the underfunded G4S UK Pension Scheme and ensure that the interests of the scheme are safeguarded.'* We would welcome engagement with GardaWorld to better understand the detail of its plan for the scheme and call for an assurance from GardaWorld that the employer covenant for the scheme will not be weakened if its bid succeeds.

Maintaining and extending good industrial relations:

In 2008, a ground-breaking global [Ethical Employment Partnership agreement](#) was signed between G4S, GMB, and UNI Global Union. The agreement sets out G4S's commitment to upholding good industrial relations and employment standards, and to abide by the ILO conventions. GMB holds a number of recognition agreements across G4S's UK business.

We note that the Offer Document states that:

'GardaWorld is focused on ensuring that any legal duties in relation to such arrangements [to engage with works councils, trade unions or other employee representative bodies] (including any duty to inform and / or consult about the Offer) are discharged.'

While it is important that statutory minimums are upheld, we are clear that - if the takeover were to proceed - the new management should uphold existing agreements and seek to extend them. We ask that GardaWorld commit to this.

Whatever the outcome of the current processes, good industrial relations at G4S could be deepened and codified through a national recognition agreement that builds on the

principles of the Ethical Employment Partnership. We would welcome a commitment from both companies that they will work in good faith with the GMB to achieve this.

Conclusion:

Our members are seeking certainty during this process. GMB stands ready to play a constructive role as G4S, GardaWorld, and shareholders consider their position.

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