



Portsmouth City Council Joint Unions

Councillors set to reject Joint Union offer for agreement on Increments: 15 November 2011

On 20 September 2011, the Chief Executive sent a letter to all staff telling them that "As a last resort, if agreement cannot be reached (either with the unions or staff individually), the council may need to dismiss and re-engage staff on new contracts with new terms".

The Council want the Joint Unions to agree to a 2 year freeze on increments for all staff earning a basic salary of £21k and above (other than schools staff). The Joint Trade Unions have been in discussions trying hard to persuade the Council of the folly of going down this route and believe there is no need to freeze increments in order to save money. The 90 day consultation period comes to an end on 15 December 2011 (as they gave notice to TUs on 16 September).

However, today the Joint Trade Unions met with the full Employment Committee of the Council and put forward a proposal which would lead to an agreement on an increment freeze for 1 year, in exchange for an improved Voluntary Severance/Redundancy Scheme. Portsmouth City Councils current scheme is the worst in Hampshire (except Isle of Wight).

The Joint Trade Unions stressed this was a very difficult thing for them to agree to, as it was agreeing to negotiate locally on a core national condition of service. The National Joint Unions issued advice to local branches that this should not be done - once started, then the whole of the national pay and conditions of the NJC will be under threat of abolition.

However, despite that difficulty, we have been prepared to move significantly in order to avoid a local dispute. We believe that if we have an attractive voluntary Severance/Redundancy Scheme we will have enough "acceptable volunteers" (they would have to be acceptable to the Council) to save £5.6m by 2014/15 and there would be no need for an increment freeze. In contrast, the Senior Management Team are proposing a 2 year increment freeze which would affect 1,249 people and save only £926,500. The unions believe it is unfair to say to the fewer people who are left behind to run services, that they then should also take a hit with an increment freeze. That is less people, doing more work, for less money! You have heard that one before!

It is hard for the unions to make this proposal for another reason – an improved voluntary severance/redundancy scheme would allow more people to leave on better terms for them, but it would mean job losses. However, we believe it would enable the Council to free up posts during the transformation programme for people who are affected by the new structures, to be offered alternative jobs, so they are not forced to join the swelling ranks of the unemployed.

There is a further meeting of the Employment Committee on 21 November 2011, but today they have not budged from the position of the Senior Management Team on Wednesday. In fact they had made up their minds before we entered the room at 9 am. We had no choice but to inform them that if they proceed with a decision to impose the change, then the Joint Unions will have to lodge a dispute and refer the matter to the joint employer/union forum at regional level (Provincial Council) and then the national forum the National Joint Council. (See overleaf for full details of the position we face).

Senior Management/Councillors Position	Joint Trade Unions' proposed agreement
<p data-bbox="165 199 794 338">"In exchange for trade union agreement to a 2-year increment freeze the Council will implement a Voluntary Severance scheme as follows:</p> <ul data-bbox="213 378 735 448" style="list-style-type: none"> <li data-bbox="213 378 735 448">• Open for 2 months from 1 January 2012 to 29 February 2012; <p data-bbox="213 483 759 553">The maximum cost of severance will be based on:</p> <ul data-bbox="213 557 783 1016" style="list-style-type: none"> <li data-bbox="213 557 783 692">•x.... of a week's pay for each complete year of continuous Local Government Service, for staff aged 21 and under. <li data-bbox="213 696 743 837">•x.... of a week's pay for each complete year of continuous Local Government Service, for staff aged between 22 and 40 years. <li data-bbox="213 842 783 1016">•x.... of a week's pay for each complete year of continuous Local Government Service, for staff aged 41 years and over (see below for those aged 55+) <p data-bbox="213 1052 783 1193">This would be subject to a total maximum payment of 30 weeks pay and total maximum of 20 years service being used in the calculation.</p> <ul data-bbox="213 1232 762 1406" style="list-style-type: none"> <li data-bbox="213 1232 762 1406">• Staff aged 55 and over who are members of the LGPS will not be eligible for a severance payment but the Council will fund early release of pension, where applicable. <p data-bbox="165 1442 791 1617">The Senior Management Team (SMT) has stated that the multiplier of 3 x a week's pay that the Trade Unions are proposing is too high and they have only offered 1.5 x week's pay.</p> <p data-bbox="165 1653 783 1877"><i>The trade union's survey of members indicated a good level of interest in an improved scheme but that was at a multiplier of 3 x week's pay for every year worked. On this basis the trade unions believe the SMT proposal is too low to attract enough volunteers.</i></p> <p data-bbox="165 1912 794 2067"><i>This is why the TU proposal is 2.8 x week's pay (with minimum and maximum weekly pay built in to make the scheme attractive to lower paid staff as well as higher paid and to keep costs down for the Council. See next column.</i></p>	<p data-bbox="826 199 1445 300">"The Joint Unions are prepared to agree to a 1 year increment freeze on the following basis:</p> <ul data-bbox="874 340 1461 1868" style="list-style-type: none"> <li data-bbox="874 340 1374 409">• There is a joint agreement on no compulsory redundancies; <li data-bbox="874 414 1445 555">• There is a joint agreement on an improved Voluntary Severance/Redundancy Scheme (see below); <li data-bbox="874 560 1461 801">• The 1 year increment freeze would only become effective from 1 April 2013 if it is deemed necessary on the basis that there is insufficient interest/acceptable volunteers from the enhanced Voluntary Severance/Redundancy Scheme; <li data-bbox="874 806 1461 1016">• Should it become necessary for the 1 year increment freeze to be implemented in April 2013, account and any remedial action is taken of any detrimental impact, identified via the Equality Impact Assessment; <li data-bbox="874 1021 1461 1162">• Should it be necessary for the increment freeze to be implemented in April 2013, it would only be for 1 year and not subject to further review. <li data-bbox="874 1167 1445 1341">• 2.8 x of a week's pay (min.£441/wk, max £863/wk) for each complete year of continuous Local Government Service, (subject to a maximum of 2 years salary). <li data-bbox="874 1346 1461 1520">• Staff aged 60 or over will also be eligible to claim their pensions benefits as this will not involve the organisation incurring additional costs related to the payment of pensions benefits. <li data-bbox="874 1525 1461 1868">• Staff aged 55-59 will also be eligible to claim their pensions benefits but any Voluntary Severance/Redundancy Scheme payment will be reduced by an amount equal to any actuarial costs incurred by the Council. Also, staff in this age bracket who take up voluntary redundancy can achieve maximum pension without having to qualify for the 85 year rule. <p data-bbox="874 1872 1430 1942">There are also rights to convert certain amounts of lump sums into LGPS years.</p> <p data-bbox="874 1977 1345 2047">Also that it would be a time-limited scheme as proposed by SMT."</p>