



15<sup>th</sup> June 2011

### **Council Terms and Conditions Proposals - Joint Trade Unions Submission for CJCC on 21<sup>st</sup> June 2011**

UNISON, GMB and UNITE, the three recognised trade unions for Waltham Forest Council employees oppose the cuts to our member's pay, terms and conditions.

#### **Consultants**

First of all we would recommend that the Council's continuing practice of hiring consultants be brought to an end. We would argue that the £3 million target currently attached to employees' terms and conditions can be found from within that budget.

Let us cite one or two examples - in Phase 7 Head of Events post was deleted only for much of the work that should have been carried out by that now redundant employee being moved to a consultancy. This has cost the Council something in the region of £90,000 plus the cost of redundancy, rather than make any saving at all. We also see consultants in Economic Development doing some of the work previously carried out by permanent staff made redundant under Phase 4. Adult Services still has an interim Director and a series of interim staff and consultants in senior management positions. ICT also has consultants carrying out functions that should be carried out by permanent staff and are in the process of selecting another consultant to cover some of the management tasks. The Council are also calling in consultants to carry out various reviews, one of which will review the Arts and Events Team. We have even heard that CLaSS is to be reviewed by an independent consultant despite having only recently been inspected by OFSTED. It is our view that this free spending in consultant hire is scandalous when the Council intends to cut its own employees' pay, terms and conditions.

The consultant hired to run the Transformation Project for the Council cost over £35,000 for a 3 month period (equivalent to over £140,000 a year) and we are appalled at the amounts of money that are being paid to consultants and interim managers across the Council.

## **Opting out of the National Agreement**

The trade union side note that there is a target of £3 million already agreed by Full Council. The proposals though contain far reaching changes to long standing policies of the Council and go beyond any savings target.

The proposals seek to have Waltham Forest Council opt out of national bargaining. The trade union side is dismayed that this administration could seek to undermine the agreements made and honoured over many years on such a basic level. This Council has been signed up to national collective bargaining for decades and it is extremely disappointing that our Council, which includes members who are and have been active trade unionists themselves, embarking on such an anti-trade union course.

Whilst the Council might make some short terms savings by opting out of the National Agreement (although many of these claims are doubtful) any such decision would be short sighted and damaging to the Council in the medium and long term. The National Agreement sets a level playing field for pay, terms and conditions across the country and saves LBWF from having to adapt pay and terms and conditions to meet prevailing market trends. We have recently seen in London a scramble amongst London Councils to offer better pay and terms to Social Workers due to the shortfall in suitably qualified staff. This would be repeated whole scale across the authority's spectrum of jobs were it to lie outside of the National Agreement. It is hard to imagine Waltham Forest successfully competing with the inner London boroughs and the 30 potential competitor Councils in London alone.

As a consequence Waltham Forest would lose talented and mobile staff and find it much harder to replace them.

## **The Costed Items**

The proposals themselves contain a number of items that are not priced and will contribute nothing to the savings target but are included anyway under the guise of maintaining services. For example, cuts to annual leave are proposed without any savings being attributed to that item.

When looking through the list of costed items it should be noted that the price tag against each one equates to savings per annum, but the document states that the saving required is £3 million over two years. The implementation date is January 2012 so the figures should be increased by 25% to 33% in order to determine what they will contribute to the £3 million target. However, in a recent meeting with Finance the trade union side were informed that the figures were likely to be an under estimate as they are based on 2010/11 when the Council employed more staff. This means that the projections made cannot be fully accurate as the Council in making staff redundant is reducing the savings it can make from cutting their pay, terms and conditions.

## **The Dismiss and Re-engage Threat**

The consultation process is flawed in our view by the Council's statement of intent right from the start. The stated intent is to dismiss and re-engage work employees who

do not voluntarily sign up for the cuts to their own pay, terms and conditions. This is the kind of intimidatory tactic carried out by employers such as Rupert Murdoch and has no place in the employment relations of a trade union friendly employer. Our members are shocked and appalled at such an approach.

The anger generated amongst Council employees by the proposals and the bullying tenor of the dismissal and re-engagement approach will cause a schism to open up between the workforce and the management. The anger and mistrust of your employees will be a lasting blight on this Council as it is not possible to “all pull together” when it is clear that the lower paid are paying a higher price than the consultants and senior management.

### **The Staff Survey**

The trade union side notes that the Council intend to survey staff on an individual basis. The trade unions believes that this survey will not have any real influence as the report clearly states that the target of £3 million has to be reached at the expense of employees pay, terms and conditions. The trade unions argue that the Council can choose a different path, but it has chosen to attack its workforce. Indeed, the Council itself states that the savings equate to 75 jobs, which in itself offers an alternative, if unpleasant course.

Trade union members are angry that the redundancies are happening and they are fearful of the work demands that will be made on them as the Council seeks to maintain front line services without the resources to do so. To attack the very staff who face these huge difficulties in the future by punishing them with a series of proposals that damage practically all of their terms and conditions will break whatever good will exists and drive many employees to feel bitter about their employer and the way that they are being treated. It is not the public sector workers who are to blame for the economic difficulties facing the country, but they are the ones being punished for it. There are no pay freezes in the banking and monetary sectors, but our members are already in the second year of a pay freeze that has seen their standards of living drop by 10% according to recent research.

The trade unions are undertaking a petition for employees to show their complete opposition to these proposals. This will be handed to the Council as our contribution to the consultation.

The proposals argue that the Council cannot achieve the savings required without making savings from the salary budget. The trade unions believe that the salary budget has already been attacked by the slashing of jobs and the dismissal of staff in numbers never witnessed in Waltham Forest Council before, saving approximately 16 million pounds in salaries.

### **Less Pay for More Work**

Paragraph 3.11 says the Council needs to “maximise the value it gets from its workforce”. What it does not say is that the Council intends to pay its workers less for doing more. In the process of doing that it will drop its employment standards, cease

being a good employer and pay its staff as little as it thinks it can get away with. A 2% cut in pay across the board is simply unacceptable.

The trade unions are aware that some employees work in “hard to recruit to” posts. These include child protection social workers who will be able to move to other local authority employers who do not tread this path and remain within National Agreements. This will in turn lead to the Council having to pay more money to hire social workers via agencies. The Council’s plans show little thought for front line services in that area.

The document talks of the “Council’s financial reality”. Does it recognise the “financial reality” of the borough’s residents and employees? There are growing numbers of unemployed in Waltham Forest and the Council has played its part in that by embarking on a series of cuts. Many of our members have already taken pay cuts in the various reorganisations. All our members working for the Council have been subject to a pay freeze that is now in its second year. Research shows that that freeze has effectively cut our standard of living by 10%. Your proposals plan a further 2 years of pay freeze, which will probably total something like a 30% cut in living standards by the time we get to 2013. Remember that around 70% of your workforce are local residents. The loss of their ability to spend money as consumers will impact on the local economy. Have Council members considered the impact that their decisions will have?

### **Minimising the Scale**

We note that the Council talk of minimising the scale of the savings target in paragraph 3.9 and 3.10. However, the savings brought about by the initiatives outlined here have not even been included in the £3 million target. The Council has also failed to deliver on the use of agency staff. As far as we are aware the Council spend of around £20 million a year on agency staff and consultants (not including the interim managers that are also employed on inflated pay) continues.

The trade unions absolutely reject the non-pay related terms and conditions review. These contribute nothing to the savings target and are measures aimed at making our members work more to receive less. It is the opposite of being rewarded for hard work. In Waltham Forest workers can now expect to be punished for working hard.

### **Schools Based Support Staff**

The proposals include non-teaching schools based staff. The trade unions ask whether schools have been properly consulted about this. We are aware that many head teachers and school governors are utterly opposed to these measures. It is our understanding that the Council will not be able to enforce these changes in schools unless they get Governing Body agreement. The Council will risk good relations with schools and those who work in them if it continues down this path. It should be noted that any money saved by cutting school based staffs’ pay, terms and conditions will not contribute one penny to the £3 million target.

## **Equality Impact**

The trade unions believe that the equality impact assessment is not a realistic discussion of potential impacts. These proposals will impact more heavily on the lower paid, largely female and multi ethnic employees who will suffer more under these proposals than the higher paid management. The whole report aims to bully staff into acceptance by saying that any alternatives have to save £3 million from staff terms and conditions and that failure to accept the changes will result in being sacked! This can hardly be called a moderate approach to opening a conversation with loyal hard working staff.

The potential use of the figures given in the consultation document has to be questionable. The school based support staffs are not included and they are a large predominantly female group of employees. If they were included then the huge and disproportionate impact on women workers would be revealed.

Paragraph 5.6.10 c asks “Is the change in line with modern employment practice?” This is unacceptable given that the report is based on old Victorian values of hire and fire, cutting pay and making workers work longer and harder for less pay, less leave and less support when they are sick.

Paragraph 6.3 outlines the Council’s modern employment practice, “If they do not [agree] they will be dismissed once their notice has expired”.

## **Redundancy Notice Periods**

The trade unions oppose the reduction in redundancy notice periods. This has already been the subject of a registered dispute. The Council seemingly wants to further punish those workers whom it chooses to dismiss and cast out on to the dole queue by ensuring they have as little time as possible to find redeployment.

## **Car Allowances**

Car allowances provide for the Council to insist that staff use their vehicles to perform their duties. The current car user rates have fallen alarmingly behind the true cost to the employee of using their car at work. Now such staff will be asked to use their vehicles at a vastly reduced rate bringing further hardship upon them. The allowance has already been effectively frozen by the national employers this year and still this Council wants to take more. The trade unions will be advising members to cease using cars for work related travel and seek reimbursement of fares incurred in the course of their duties instead. This could well mean that every journey takes far longer than it does at present.

This proposal has given no thought to social workers who have to carry out home visits and reviews outside of the borough and staff delivering Meals On Wheels, who have to use their own vehicles to deliver the meals.

## **Sick Pay Scheme**

The sick pay options are also a breach of Part 2 of the National Agreement. No pay for the first three days will impact unfairly on employees who have Disability Discrimination Act recognised conditions like asthma. Many of our members who suffer from such conditions actually have excellent health records but occasionally a day off may be required because an attack has occurred. The proposals seek to punish those employees who suffer from such conditions.

Sickness should be managed through the existing sickness procedures not by penalising the sick. Have the Council considered the potential cost of litigation from employees that have attended work and exacerbated their conditions?

Furthermore, the Council employ workers to work with children, the elderly, the vulnerable and the infirm. When employees have symptoms, managers and head teachers will send them home for fear of harm coming to the vulnerable service users. What do the Council propose to do in such circumstances – send staff home without pay when they feel fit enough to work?

Reducing sick pay to 80% for all sickness absence will just cause those who are unfortunate enough to become ill to endure additional financial stress. They are already subject to a pay freeze while inflation rises. They may already be victims of pay cuts through the Council's Transformation Agenda. Yet further detriment will be heaped on them by reducing their sick pay by 20%.

The next option reduces sick pay entitlement from 12 to 6 months and further reduces the pay by ceasing full pay (or 80% of full pay if the option above is adopted) after 3 months instead of 6 and then giving half pay (or 40% if the above option is adopted) for the next 3 months. This will impact hardest on workers who have physical jobs and those who work on the front line. We believe that this will hit the lower paid, women and older workers the hardest.

## **Weekend Enhancements**

Ceasing all weekend enhancements will also hit those in front line jobs the hardest. Again it will impact hardest on the low paid. These enhancements are significant compensators for staff who have to work weekends. We note the Council's comments about the 24/7 society but most of the population still see the weekend as potential leisure time. Sporting events, festivals, even large Council events tend to take place at the weekends. Why is that? It's not because we are a 24/7 society, it is because many families enjoy their time together at weekends. Workers, who give up their weekends to look after vulnerable people, sweep the streets or staff the phones should be compensated for giving up their potential leisure time. This option is unfair and punitive to workers who provide valuable services.

## **Standby Payments**

When on standby workers have to remain ready for work. They cannot travel far, they cannot enjoy a drink and they cannot go to a show or the cinema or make any arrangement that might make their attendance at work difficult. The trade unions

would argue that the Council should thank staffs, who agree to standby duties, especially as the Council currently pays woefully inadequate rates. These proposals seek to punish those workers.

### **Overtime Rates**

Overtime payments are to be at plain time only. Those who work beyond contractual hours will not be rewarded with an enhanced rate. Again this suggests punishing the staff that are willing to do that little bit extra for the Council.

If staff don't volunteer to work overtime at a plain rate – what happens then? Will the Council need to hire more agency staff?

### **Shift and Shift Leader Allowance**

Shift and Shift Leader payments are to be ceased. Once more residential workers and those that have to work difficult, anti-social hours get to feel the brunt. After looking through all these proposals one residential worker looked at me and said “They're nothing short of thieves”, referring to the employer. Looking at these proposals one can only agree.

### **Unsocial Hours Payments**

However, the proposals have not finished punishing these workers yet as the next item is the unsocial hours payment. The Council will no longer recognise unsocial hours. Again low paid, front line staff will be hit the hardest.

In addition to the effects on existing staff from the proposed cuts to weekend enhancements, standby payments, overtime rates, shift and shift leader allowance and unsocial hours payments the trade unions have to ask what effect would this have on future recruitment.

### **Incremental Pay Rise Freeze**

The next item is the pay freeze for incremental pay rises. The trade unions reject this. These increments are the bedrock of our salary scales. The freezing of such payments is a disincentive to new workers and will likely hit the younger elements of our workforce hardest.

If the incremental pay cut is implemented then staff will find themselves on a lower point on the pay scale. If this incremental pay rise freeze is then added it will mean that staff will effectively suffer a potentially indefinite pay freeze.

### **Pay Cuts**

The pay cuts are opposed by the trade unions. At a time when public sector workers are subject to a pay freeze but still have to face rising prices in the shops, any pay cut comes on top of the cut in living standards that are already being endured by the public sector pay freeze. Any pay cut is a disincentive and will demotivate the workforce. The trade unions therefore urge the Council to reject all pay cut proposals.

## **Non Pay Related Proposals**

As we have previously stated the trade unions will not countenance the changes that are aimed at making staff work longer and harder. These items offer nothing to the budget issue. They bring no tangible savings and only exist as a stick to further beat the workforce with. They are pernicious wicked cuts that will make it more difficult for staff to carry out family duties and will make caring for your loved ones at home more difficult. In the course of our discussions over the reorganisations to date it has become obvious that the Council has ceased to be concerned about such matters.

These proposals kick off with cuts to our annual leave. As if everything we have set out above was not enough the Council want to reduce our leave. This is precious time for many workers - time to spend with your children, with your elderly relatives or time to relax and recharge your batteries. The proposal to cut annual leave will be counter-productive as it will breed resentment in the workforce.

It is unlikely that a cut in annual leave would leave to any financial saving for the authority. There are only increases in costs for annual leave where and when cover has to be paid for. In reality the vast majority of Council Posts rely on colleagues covering for sick leave and annual leave. The council has outsourced the majority of its care homes where paid cover is a requirement.

In fact for many council workers their presence at work means that they are actually spending council money in providing the services that they do. It could even be argued that providing more annual leave would save the Council more money.

It is therefore not surprising that annual leave cuts were presented without any financial savings attributed to them.

In addition, staff with child care responsibilities will have to find an additional 4 days child care funding if they have young children.

In Schools term time workers will be particularly affected as the period of unpaid work will be extended and will effectively mean a pay cut for employees on term time only contracts.

There are also proposals to pay Special Leave at half pay only in order to deter employees from looking after sick children, attending medical appointments with family members and other such tasks that the Council now sees as unworthy of support.

We note that you intend to end flexi-time for staff graded at PO6 to PO12 and you will be doing away with the notion of working hours as the expectation of the Council will be that these staff will work for as long as it takes to get the job done. This will provide senior management with ample opportunity to bully and coerce their management teams. It is utterly unfair to expect people to work professionally but not pay them. This is not modern employment practice; it is more akin to the Victorian era.

There are also a series of changes to items like bereavement leave and hospital appointments that again show the Council's callous attitude towards its workforce.

There are further changes that will discourage local government officers from taking part in public duties by cutting the amount of paid leave available for such duties. It also cuts the unpaid leave available for employees who seek election to Parliament.

### **Job Evaluation**

The proposals seek to change our established job evaluation scheme and leave the method of evaluation to the Council's discretion. The trade unions view this as a potentially cynical move to enable schemes like the Hay Scheme that appear to favour managers and professionals to be used. Leaving this open to such discretion will likely lead to a larger pay gap appearing between the higher paid managers and the lower paid front line workers.

### **Pensions**

All of these proposals will have a negative impact on staff pensions. These proposals will still cause detriment even when the employee has left the Council's employment.

### **Conclusion**

The trade union side are opposed to these unfair and unjust proposals. Some of the proposals are in breach of our National Agreement and as such are totally unacceptable.

Others relate to local terms and conditions but still represent a serious attack on our members' pay, terms and conditions.

All the proposals look like motivating staff to leave the Council to find jobs with the many local and London Councils that are not punishing their workforce in this way. How will the Council retain and recruit good workers?

We ask that the CJCC recommend that this set of proposals be withdrawn.

Failing that the trade union side will formally register a dispute with the Council.