



# NORTH TYNESIDE COUNCIL

## WORKPLACE NEWS

### 2010 BULLETIN No. 2

#### CONTENTS:

PAGE 1:	LOCAL GOVERNMENT PAY
PAGE 2:	NORTH TYNESIDE BUDGET CUTS & SSSNB
PAGE 3:	PART 3's CONSULTATION
PAGE 4:	LGPS UPDATE

#### LOCAL GOVERNMENT PAY DISPUTE FORMALLY LODGED - ARBITRATION NEXT?

GMB local government members will know that there has been a pay freeze this year. The National Employers have refused to hold any negotiations with us at all and won't even meet to discuss pay. Furthermore, the Employers have declined to apply the £250 announced by the Chancellor in his budget to the three quarters of the NJC workforce earning below £21,000, forcing them even further behind the pay rates of other groups of Public Sector workers. This is insulting to staff and is totally unacceptable to GMB and the other unions.

To make matters worse, the employers have also produced a guidance book on how to cut staff pay and conditions and sack people cheaply. It really is the most damning indictment of council employers and their total lack of any respect for employees.

In July GMB, Unison and Unite have registered a formal dispute over these matters and have written to the Secretary of the NJC, setting out the complaints. The dispute is registered under clause 17 of the NJC agreement which calls for the dispute to be referred to ACAS.

This is absolutely the right step to take and the employers should agree to the ACAS process forthwith. They can make their case to ACAS based on what they say is their shortage of funding - we can make our case based on the hard working council staff who deserve a pay rise. ACAS can help broker a deal or can decide for us, the trade unions will honour any outcome. Now it's time for the employers to show some leadership and do likewise.

Your Branch will keep you informed of any further developments.

GMB Branch Office:	Park Road, Wallsend.
Telephone:	0191 643 7648
Email:	<a href="mailto:gmb@northtyneside.gov.uk">gmb@northtyneside.gov.uk</a>
<a href="http://www.gmb.org.uk">www.gmb.org.uk</a>	& <a href="http://www.gmbnorthern.org.uk">www.gmbnorthern.org.uk</a>



Join online at [www.gmb.org.uk/join](http://www.gmb.org.uk/join)

## **BUDGETARY CUTS & POSSIBLE REDUNDANCIES**

Following the Coalition Governments announcements of ongoing cuts to the Public Sector budget of £6.2 billion, with approximately £1.2 billion coming from Local Authority Grant reductions, we have met with the Chief Executive on 2<sup>nd</sup> August to discuss the impact on North Tyneside Council and how this affects our members.

The current in-year impact to North Tyneside is that they are expecting to lose approximately £3 ½ million pounds from both their revenue grants and capital grants.

The Chancellor, George Osborne, will reveal the Coalition Governments spending plans for Local Government for 2011 to 2015 on 20<sup>th</sup> October, with a strong possibility of a further 25% reduction in budgets over that period.

Numbers of potential redundancies as a result of the existing cuts in grants are being considered by management and the Joint Unions continue to be consulted regarding avoiding any compulsory job losses. We have recently been provided with copies of a new Redundancy and Redeployment Procedure, much of which was unacceptable to the GMB, and we expect further discussions on these matters throughout September and October, prior to any redundancies taking place.

The next meetings are due to commence on the 15<sup>th</sup> September, and NTC have indicated to us that it is likely that the start of a 90 day consultation period for the potential redundancies will begin on that date.

The GMB will continue to keep you updated as to the progress of these negotiations as, and when, things become clearer.

## **SCHOOL SUPPORT STAFF NEGOTIATING BODY – UPDATE**

Following on from the General Election, and the election of the new Government, we are yet to find out whether the constant torrent of cuts are going to affect the introduction of the SSSNB which would negotiate the Terms and Conditions of all school support staff.

Philip Ashmore, the independent Chair of the SSSNB, on behalf of the Joint Trades Unions wrote to Michael Gove, Secretary of State for the Department of Education, on 14<sup>th</sup> July, complaining about the lack of information from the Government about the future policy of for support staff, and asking for a statement on the new Governments future intent for the SSSNB.

The Trades Unions have concerns that the new Coalition Government may axe this body in order to achieve potential future savings, and there is still much work to do if a new pay and conditions framework is to be agreed and implemented by the target date of April 2012, if the SSSNB is to remain in it's current form.

The Joint Unions are yet to receive a reply from Michael Gove to this letter, but when there are any future developments we will advise our members accordingly, at the appropriate time.

## PART 3 CONSULTATION – PHASE 2

Following the implementation of Phase 1 NTC have started further discussions with the Joint Unions on other areas of additional harmonisation of Terms and Conditions that they wish to include in the second phase of negotiations.

Coupled with the need to make further savings, as a result of the budgetary problems, Senior Management have been instructed to make £500,000 of additional savings from the rest of the Part 3's payments, in order to reduce the impact on job losses.

We have had 2 preliminary meetings with NTC on these issues but are yet to be supplied with detailed information as to where these savings can be achieved from; we have further meetings planned for September and October where we hope to be provided with the required information to continue the negotiations. NTC are indicating that they would like an agreement to be reached by the end of December 2010.

Areas that they have identified that they wish to discuss are:

- **Honorariums**
- **The Working Week and Pay** – affects small groups of staff
- **The Working Week and Annual Leave** – some staff are apparently receiving to high an entitlement of Annual Leave
- **Contractual Overtime Rates**
- **Standby and Callout Payments**
- **Shift Working Arrangements**
- **7 Day Working** – i.e. removal of premium payments if your normal working week falls on either Saturday or Sunday
- **Incremental Progression**
- **Some outstanding Equal Pay Issues**
- **Control of Overtime being worked**
- **An outstanding issue around the former Nursery Nurse position regarding part time hours**

We are at the beginning of a lengthy consultation process and the Joint Unions have not agreed anything, at this moment in time, with Senior Management. Once we receive the details of each of the areas for discussion we will be consulting with our members, through your local representatives, to keep you updated on the progress of the negotiations.

We have complained about some Service Areas management attempting to negotiate further local agreements for certain groups of staff, this should not happen as we are attempting to remove the majority of local agreements to have one set Terms and Conditions that apply to all Service Areas, irrespective of what job you do for the Council. If your manager attempts to discuss matters relating to changes to your Terms and Conditions you should contact your local representative, or your Branch Office immediately, and not agree to any of the proposals until you have taken further advice from your Union.

We will keep you updated on all of the above matters when we have the relevant information.

GMB Branch Office:  
Telephone:

Park Road, Wallsend.  
0191 643 7648

2010 Bulletin No. 2  
Page 3 of 4

As predicted in previous GMB bulletins, the coalition government has lost no time in targeting public sector pensions. This update sets out what steps the government is taking and the challenges ahead.

## **Budget Announcement**

The budget set out a change in the indexation (the amount pensions increase each year to keep up with the cost of living) of all public sector pensions. This includes all existing pensioners and deferred members as well as the past and future service of current contributing members. Historically pensions from the LGPS were increased each April in line with the previous September's RPI figure. This year, as RPI in Sep 2009 was negative; no increase was applied in April 2010. On average RPI is up to 1% higher than the new measure the government have decided to adopt for pension indexation: CPI. This means that over the course of a twenty year retirement an LGPS member could effectively lose a fifth of the pension they would have had if the Tories/Liberals had not made this change.

## **Hutton Review**

The government has also announced that John Hutton, the former Labour Secretary of State for Pensions, is to conduct a review of all public sector pensions. In a very short timescale a request was circulated by this Independent Public Service Pension Commission for evidence to the first stage of Hutton's deliberations. GMB made a full written submission which is available online at [www.gmb.org.uk/pspc](http://www.gmb.org.uk/pspc) and is participating in an ongoing dialogue with the Commission.

The first stage of the IPSPC's review on the potential for short term savings is due to be submitted to the government in September in time for the Spending Review in October. A second report on the longer term approach to public service pensions, including the LGPS, is due in Spring 2011.

## **Hutton Submissions**

GMB's evidence reflected the ongoing discussions we have had with this and the previous government about reforms to the LGPS. As members will be aware we have consistently sought to retain the value of the scheme to members and make changes to ensure the continued viability of the scheme to members and taxpayers. In 2008/9 a new LGPS was introduced for all members with some key changes to benefits, contributions and the outline of a cost sharing mechanism for the future. We have urged the IPSPC and government to acknowledge the impact of these still very recent reforms and allow the cost sharing mechanism to be introduced and tested before any radical changes to the scheme are force through.

We have always recognised the need for the LGPS to be adaptable, not least to the changing shape of the workforce in local government and related employment. In the GMB submission we reiterated our call for a new member contribution rate of 10% for those earning over £100,000. We also called for the IPSPC to examine retaining the current value of the LGPS but changing the final salary basis to a career average based scheme.

## **Career Average**

Career average schemes are an alternative form of defined benefit pension scheme to final salary schemes. Instead of your pension being based on your last year's pensionable salary it is based on the average salary you have received over your period of membership revalued to take into account the effects of inflation. Final salary schemes are designed to benefit those who get promoted during their time in the scheme, the traditional management career model. Career average generally benefits those who stay in the same job and see their pay increase only as a result of annual pay rises. This now reflects the pattern of the majority of members of the LGPS and the majority of GMB members. It is also advantageous when pay rises are below the rate of revaluation (which is usually an index based on average earnings or inflation).

In considering this option for the LGPS there are two important factors to take into account. Firstly, any change would only apply to service after the date of any change, so current members would have all their service recorded on a final salary basis up to date X and on a career average basis afterwards (as the change in accrual rate is recorded since the new scheme was introduced). Secondly, GMB's consideration of career averaging is conditional on retaining the same overall value of the LGPS not as a means to reduce costs. We would also insist on consulting members over any such proposed change.

More information on career average is available in the GMB Guide to Pensions available to GMB members at [www.gmb.org.uk/pensions](http://www.gmb.org.uk/pensions)

## **Next Steps**

GMB continues to discuss LGPS reform in the official Policy Review Group and challenge the many unwarranted and inaccurate attacks levelled at the scheme and its members. Material is available on the website to assist members in challenging any attacks they see in the media or from local politicians. The cut to the LGPS announced in the budget will not be the end of the attacks from the government on members' retirements and we must all work together to make sure GMB members' voices are heard.

**GMB Branch Office:**  
**Telephone:**

**Park Road, Wallsend.**  
**0191 643 7648**

**2010 Bulletin No. 2**  
**Page 4 of 4**