



## TOWER 'REWARDS'

### JOINT TRADE UNION UPATE – 13 March 2019

*Trade Unions have told Senior HR Management that the 'Rewards' proposals which go to the core of our contracts of employment need to be withdraw - or face a trade dispute. This is a summary of the key proposals which are core to our contracts of employment. The joint trade unions conveyed this to Amanda Harcus, Deputy Director HR, and Neville Murton, Director of Finance, at the negotiating meeting on the 13 March. This is a summary of the Trade Union submission.*

#### INTRODUCTION

The Tower Rewards process is fundamentally flawed. Trade Unions have taken soundings from Councillors and our understanding is that delegated authority to explore contractual changes was approved on the basis that it would be a fairly straightforward exercise. Critically it was said to be designed to deliver key improvements to existing terms and conditions, particularly for staff in the lower to median pay grades.

This is manifestly untrue as overall it introduces detrimental changes for the majority of staff in the lower to median pay grades. The sheer number of staff turning out at joint union meetings has amply demonstrated the concern of staff. At these meetings staff have universally called for the proposals to be withdrawn.

The proposals lump together a number of disparate elements many of which would be better dealt with separately. *At the core of the proposals however are some fundamentally detrimental changes to core conditions which Staff have made clear are not acceptable or agreeable.*

The Trade Unions have always been willing to discuss changes where these are objectively justified and are developed with a view to improving services and valuing staff and their terms and conditions of employment (Single Status for example as a means of achieving equality proofed pay) . Before the 'Rewards' proposals were announced we were already in discussion on some elements:

**On a Market Supplement Policy** (which is misleadingly cited in the consultation document as agreed when it is not) for example we agree with the aim of having a consistent policy and were seeking further discussion on our view that it should apply equally to all post holders and payments must be fully transparent. We are still awaiting a management response to a request for further discussion on this.

**On Call Payments:** It was Trade Union requests for a consistent policy taking account of the different types of on call arrangements that led to a draft policy being developed back in June 2106 but management have prevented further discussion on this. Now it is tacked on to the Tower Rewards proposals and is significantly less favourable than what was proposed in 2016.

We remain open to discussion on such policies but not to conflating them with wider contractual changes. Some of the new proposals are relatively uncontroversial such as the rent deposit scheme. Many other types of loan schemes have been operated over the years, but no-one would suggest it requires changing contracts fundamentally to bring them in. Any more than such changes would be required for the various cash and non-cash rewards or employee referral schemes.

Whatever the merits or demerits of such schemes no-one regards them as fundamental to their contracts of employment. But many of the proposals are fundamental to contracts of employment in a way that is detrimental to the majority of staff, overwhelmingly those in the lower to median grades, who are more likely to live locally and be women or BME staff.

## **PROPOSALS WHICH IMPACT ON CORE CONDITIONS**

### **PAY**

Tower Hamlets Council has never indicated any intention to break from NJC pay and so the pay settlement for 2019 is a contractual entitlement for staff. Trade Unions argued for the newly created increments to be used to add increments at the top of the median grades Scale 5 – SO2, where many long serving staff have suffered over a decade of pay restraint, with few opportunities to upgrade, and increased workloads as the workforce has reduced. Tower Rewards has done the opposite and extended grades downwards, cutting pay across these grades whilst adding increments higher up in principal officer grades.

This is however mediated by changes to incremental progression. The need to achieve an as yet undefined excellent performance to be awarded and maintain the highest increment in PO grades is Performance Related Pay by any other name. Even more pernicious is the proposed end to automatic pay progression, with progression now dependent on annual assessment and the possibility of pay being frozen “until they drop to the pay level that matches their performance.”

In summary the grade for a large proportion of staff would be extended backwards, there would be increases in increments for a minority of PO grade staff but with the introduction of a performance related element and all staff will face the possibility of having pay frozen if they are deemed not to meet a level of performance. *This is clearly a detrimental change for the vast majority of staff, compounded by the impact of other proposed changes.*

### **Working Hours**

There appears to be no justification for the proposal to increase the working week from 35 to 36 hours. It is a wholly regressive measure. Tower Hamlets equalised hours at the then “white collar” level in introducing Single Status. It would lead to a real increase in working hours for many staff – making work life balance more difficult especially for those with caring and other commitments. It immediately cuts the hourly rate of pay by 2.8%. This would undoubtedly lead to cuts in real pay for many part time workers. It cuts the rate of pay for any allowance based on hourly rates. When it is factored in to the proposed new pay grades it means that even most staff in PO grades will face a cut in pay, relative to the hours of work required of them which are described in the draft contract as “a minimum of 36 hours”. *This is clearly a detrimental change for all staff.*

### **Annual Leave**

Taken on its own the modest proposal to increase leave for Scale 1-4 and 5 by 1 and 2 days respectively is a welcome and overdue proposal. However there is no disguising the fact that increasing leave by 7 or 14 hours per year whilst increasing the working week by 1 hour leads to staff working longer hours per year, not less, or in the case of many part time staff facing a pay cut.

### **Redundancy and Redeployment**

There are a series of detrimental changes proposed. The removal of all severance pay would have a huge impact on those staff facing the prospect of redundancy. Severance Pay allows a reasonable cushion to those losing employment through redundancy. It facilitates some organisational change by encouraging some people to volunteer and just as importantly puts a premium on avoiding redundancy wherever possible. Associated proposals also make it more difficult for staff facing redundancy and seeking suitable alternative employment within the authority. The reduction in protection to a single year gives people less time to find alternative employment within or without the authority at their existing level of income, or failing that to adapt to a permanently lower income. The reduction of notice periods and redeployment periods to the statutory or contractual notice period would give people as little as 4 weeks to find suitable alternative employment. Taken together these measures seem to indicate a significant shift toward making more people redundant more quickly and with less compensation, and making it more difficult for people to find suitable alternative employment within the authority. *This is clearly a detrimental change for all staff.*

### **Flexi scheme**

No justification is offered for the removal of the flexi scheme. It has provided an important element of flexible working alongside a suite of other policies. It allows for a degree of flexibility that is greater than agreeing permanent changes to working patterns; allows staff to cover a variety of domestic, caring and other commitments without incurring unpaid leave and allows staff to bank extra time they have worked or incur a debit (only to a maximum of 10 hours credit or 7 hours debit per 4 week period). It is far more open and transparent than requiring staff to rely on grace and favour from managers. Many staff already face a situation where they are unable to take time off where they have worked extra hours. Removing flexi time can only make this worse. *This is clearly a detrimental change for all staff*

### **Special Leave**

The proposal around a review “very generous special leave provisions” appears to presage cuts in Special Leave. We do not believe that Tower Hamlets Special Leave provisions are particularly generous, consisting as they do in the main of a combination of leave, special leave and unpaid leave. We would welcome an increase to bereavement leave, but the named specific cuts to leave for moving home and public duties appear to signal an intention to curtail special leave further. Combined with the proposal to remove flexitime this would have a significant impact particularly on those with caring and other responsibilities. *This appears to presage an intention to make detrimental change.*

### **Buying Annual Leave**

Taken on its own this proposal might seem harmless (if not particularly attractive in most cases as it is difficult to see in what way it is an improvement on unpaid leave). It seems however to be directly related to the proposals on flexi-leave and special leave in suggesting that a core way to deal with responsibilities or outside activities from time to time is to give up salary for leave, with the unfortunate sting in the tail that if you do not use the leave within the leave year you lose both the leave and your pay. Taken together all these proposals seem to be designed to restrict the ways that the occasional need to be away from work does not involve an automatic loss of pay. Those who most need to use flexi time and special leave to cover such situations are often also those who can least afford to lose pay.

## **Overtime**

There is a triple whammy on overtime. Firstly a reduction in the calculation of premium rates from 1.33 or 1.5 from Sundays to 1.25; secondly the impact of the increased working week meaning that overtime would only start after 36 hours work; and thirdly the impact of the longer working week on hourly rates. Overtime is often worked in lower paid roles providing essential services and there appears to be no proper assessment of the impact on staff or services. *This is clearly a detrimental change.*

## **Shift Pay and other Allowances**

There are a raft of proposals with no apparent justification (other than the claim that they are “modern”). Night work starting at 9 rather than 8; Saturday and Sunday Time  $\frac{1}{4}$  (currently time  $\frac{1}{2}$ ); Bank Holiday Time  $\frac{1}{2}$  (currently double); No weekend pay in addition to shift pay; Only one type of enhanced pay for any hours worked. Taken together these changes could have a massively disproportionate effect on sections of the workforce providing essential services at unsociable times. Again there appears to be no proper assessment of the impact on staff or services. *This is clearly a detrimental change.*

## **Travel Allowance**

The reduction in travel allowance would be a significant cut for a number of staff of some £600, ironically affecting large groups of staff in areas that are identified as difficult to recruit and retain. We do not believe that proper consideration has been given to the combined effect of this and other proposals which would lead to reductions in pay even in PO grades where the stated aim is to increase rewards. *This is clearly a detrimental change*

## **Mobility clause**

This is a wide ranging change to existing contracts for which no objective justification has been provided. Staff and Trade Unions have generally been able to reach agreement in situations where there is a genuine need to work outside the Borough, and less commonly to be based outside the Borough. Unless there are plans to relocate significant numbers of staff outside the Borough it is difficult to see what the purpose is. The excess travel policy offers little compensation to relocated staff. In making it possible for staff to be moved to any location outside the Borough that was claimed to be reasonable. *This is clearly a detrimental change.*

## **Contractual Status – Grievance & Disciplinary Procedures**

The contractual status of many of our policies offers a degree of protection to staff. It requires managers and the authority to follow the policies rather than regard them as simply guidance. It confers contractual rights in some instances. It means that important policies cannot be changed virtually overnight through a short consultation process. As our policies are contractual if staff find themselves in a TUPE transfer situation because our policies are contractual they have to travel with them to any new employer. *This is clearly a detrimental change for staff as it makes it much easier to change policies at short notice and without agreement.*

## **Conclusion**

This is a summary of some of the key objections to the proposed changes to core terms and conditions and not an exhaustive list or set of red lines. As indicated the Trade Unions in Tower Hamlets have always been willing to discuss the positive development of policies based on providing excellent services by staff whose recognised value is reflected in their contractual terms and conditions. We share the view that has been expressed by staff and which as democratic organisations we are required to take forward: *these proposals represent detrimental change for the overwhelming majority of staff and they need to be withdrawn or we must take forward a Trade Dispute.*

