

PCS PAY CLAIM

2011

Introduction

PCS members are facing severe financial hardship having endured below inflation pay increases for a number of years. The imposed pay freeze that was announced last June in the Budget will apply to all members earning over £21k this year, with at least £250 consolidated payment for those below £21k. For many members on the max a pay freeze is not a new phenomenon as the rate for the job (or max) has, in many areas of the civil service, been frozen for some years and long serving experienced members have seen the value of their pay and potentially pension eroded year on year. PCS is calling for and end to the pay freeze.

PCS have consistently campaigned for fair and equal pay in the civil service and would like to spend the period of the pay freeze in detailed discussions with the Cabinet Office and Treasury to achieve a single transparent pay system with contractual min to max progression in five years or less for all grades. At departmental, agency and NDPB level negotiators will be looking in detail at how to harmonise pay within their own Department in line with our objective to reduce the number of bargaining units from the over 230 in existence.

Structural reforms

In addition to the pay freeze, many civil servants will not receive the progression payment that they would have expected to move towards to the max/rate for the job. This is because unlike in the rest of the public sector and indeed in sections of the private sector such as British Telecom, many civil servants progression is not considered by the government to be contractual.

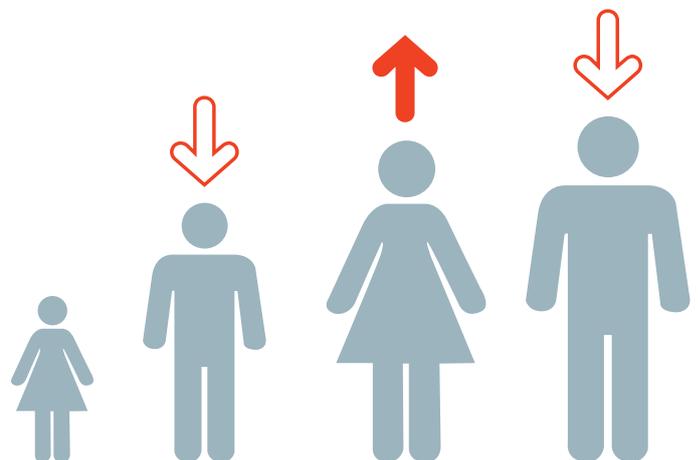
Despite the pledge to protect the lowest paid with the announcement of at least £250 for those earning £21k or less, the way in which this is being implemented allows departments to count any progression payments towards this guaranteed minimum, which means that in those departments where progression payments are being honoured, all staff regardless of rate of pay are receiving no cost of living increases.

Conversely in those departments that appear to have achieved more than the £250 minimum, this disguises the

fact that staff in those departments will not have received any progression payments, and those earning above £21k will have had a double whammy of no progression and no cost of living increases. It should also be noted that even in departments where staff have received higher than £250 to compensate for the lack of progression for the lowest paid no payments have got even close to matching inflation. Inflation-proof increases for both those earning above and below £21k are essential. This will be further compounded by the proposals to increase pension contributions which will mean another real terms pay cut.

PCS has long stated its aim of achieving fair pay through the introduction of contractual, transparent min to max progression schemes. The max of a grade should be the rate for the job which all staff that are fully proficient in their role should earn. On this basis no pay scale should be longer

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than five years and for grades up to EO and equivalent scales should be no longer than two years. Spot rates should also be considered for AA and AO equivalent grades.

Performance related pay

The continuing controversy over Bonus payments across many private and public sector organisations, notably the huge amounts paid in banking and financial organisations highlights the concerns expressed on many occasions by PCS about the unfair and discriminatory nature of them.

A considerable body of research has revealed that performance based pay systems often discriminate against women because: the appraisal process is subject to gender bias and stereotypes; women's skills are often undervalued by their managers (and by women themselves); women - especially those working part-time have fewer opportunities for training, and managers are less likely correctly assess women's training needs. Performance pay usually runs counter to the development of objective, gender neutral job evaluation schemes which are being introduced to achieve equal pay for work of equal value.

The priority in pay setting should be a general across the board increase and the revalorisation of minima/maxima and any fixed points. Performance pay is generally seen as delivering biased outcomes as shown in many statistical reports; creates divisive tensions among the workforce, and is being increasingly challenged as discriminatory.

Pay freeze and increase to pensions contributions = poverty for many members

Low pay affects morale, at a time when public services are under increasing pressure from users to continue to provide a good service, and with less staff to do that. PCS members deserve better than another year with a derisory increase, following years of pay restraint. Civil servants are the lowest paid across the economy with average civil service pay falling below average pay in both the private sector and the public sector as a whole. Over the last three years civil servants have seen their pay increase at only half the rate of inflation and they are again being asked to share the pain. 35,000 (7%) civil servants are paid less than £15,000 a year and 40.5% of civil servants – 210,000 people – are paid £20,000 or less. 63% of civil servants – 330,000 staff – earn less than £25,000 a year. In real terms these pay levels will be cut further by the proposed introduction of increased pension contributions. In a recent survey of PCS members – 23.7% of respondents would consider opting out of the pension scheme if contributions were raised by 3%. To achieve the balance between fairness and sustainability, there are more sensible options than merely increasing employees' contribution rates such as closing the tax gap and other forms of tax justice. Civil servants are already facing job cuts, a pay freeze and intensified workloads

as staff are not replaced. Cuts in their pension provision and increased contributions that lead to a cut in take home pay, at a time when inflation is biting and pushing up domestic bills such as heating, will add to the volatile cocktail of issues they face. In fact the value of public sector pensions has already been hit hard by linking them to the CPI inflation measure, rather than the RPI measure. The Treasury's own figures show that this is likely to reduce pensions by seven per cent over the next six years

Cost of living increases

PCS believes all workers should have increases that match inflation, with a cash underpin of £1,200

The PCS members finance survey also forms a key part of our anti cuts campaign. We know that members and their families are struggling to pay for the essentials such as heating and housing. The recent rise in VAT has come on top of price rises on household essentials, cuts in benefits and proposals to increase pension contributions – all at a time when members are being hit by pay freezes, pay cuts and redundancies. In this survey we hope to obtain clear evidence to show the hardship these austerity measures are causing our members.

Therefore at least a £4,500 London pay premium and the implementation of at least £8.25 per hour. The living wage reflects the fact that those working and living in the capital need an hourly wage rate set at 17% above the national minimum wage rate of £5.93 to take them above the poverty level.

At a time when FTSE 100 directors have seen their pay increase by 55% and pay in the private sector is predicted to increase by 2–3%, PCS believes that all workers should have increase that at least match inflation, with a cash underpin of £1200. Currently inflation is 5.3% RPI and 4.0% CPI and we know that individual inflation for the lowest paid is far greater than published figures.

PCS welcomes the prime ministers concerns about work-life balance, but given the possibility that the national process of achieving common conditions may not be finalised as soon as we would want, we restate below, our demands on these items:

- 30 days annual leave for all grades/bands (on entry).
- 35 hour (net) working week.
- 39 weeks full pay for maternity/adoption leave.
- 15 days paid maternity support leave.



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