



4. STEWARD'S BRIEFING

Introduction

This briefing outlines the key points and provides background information as to why the Trade Union have rejected the Employers offer and what is required to develop a campaign for industrial action to persuade the employers to improve the offer.

Our claim

- A one year settlement
- 5% or £1000 whichever is the greater
- An additional 3 days annual leave
- An additional public holiday

The employer's offer

The Final Offer by the employers to the trade unions was made in early March and was as follows;

- A 3 year settlement
- 2008 – 2009 - 2.5%
- 2009 – 2010 - 2.5%
- 2010 - 2011 - 2.5%

This offer was the third offer and final offer that the employers made. This offer improved upon the percentage value of previous offers. However, the 3 year settlement was a feature of them all as was the fact that no offer was made regarding annual leave or public holidays.

The employers argued that the political mandate that they had been given meant that they were tied to making a 3 year offer and that there was no prospect of any more money being available given the tight settlement to Local Government from Central Government.

The trade unions' response

All three trade unions, UNISON, GMB, and UNITE (T&G) noted the offer and informed the employers that they required to consult with their respective sides and members and respond at a later date.

Principal concerns

1. The offer does not meet our claim, nor does it meet our member's expectations.
2. It is not in the interests of our members to agree a multi year deal given the current economic climate and the uncertain level of inflation particularly in Year 3.
3. The employers steadfastly refused to negotiate or agree to a re-opener or trigger clause linked to inflation.
4. There is nothing in the offer for our lower paid members.

What does the offer mean?

It is a 3 year offer from 1 April 2008 until 31 March 2011. It is worth 2.5% in each year.

Why is UNISON recommending rejection?

We believe that it is a poor offer. Our claim was for a single year deal, £1000 or 5% whichever is the greater and additional annual leave and public holiday entitlements. The offer falls short of this.

/PTO



We also believe that it is not in our interests to sign up to a 3 year deal at this stage. Inflation is continuing to rise, the longer term forecasts suggest that by 2010 inflation will still be at a higher level than 2.5% and there is growing uncertainty given the current economic climate.

What does 2.5% mean to me now and in 2010?

Someone on SCP3 with a current hourly rate of £5.99 stands to gain the princely sum of 0.46p after three years. If any evidence was needed to highlight the fact that we have a low pay issue within local government here it is. It's about time the employers realised this.

HOURLY RATE	1 APRIL 2008	1 APRIL 2009	1 APRIL 2010
£5.99	£6.14	£6.29	£6.45
£6.74	£6.91	£7.08	£7.25
£7.83	£8.03	£8.23	£8.43
£8.95	£9.17	£9.40	£9.64

How does this compare with inflation?

Local Government workers pay awards have consistently been below inflation (RPI) since 2005. Inflation currently sits at 4.1% and while it is predicted that this figure will fall it is expected to still be above 3.5%, considerably higher than the employers offer.

DATE	INFLATION (RPI)	PAY AWARD
April 2005	3.2%	2.5%
April 2006	2.6%	2.5%
April 2007	4.5%	2.5%
April 2008	4.1%	2.5% offered

Economic Background

The median pay settlement level for the whole economy for the three months to the end of March 2008 was 3.5%.

Negotiations are taking place against a backdrop of stubbornly high inflation, with RPI inflation at 4.1% in April 2008. Meanwhile the unemployment rate ran at 5.2% for the three months to March 2008, unchanged over the previous quarter but down 0.3 over the year.

IRS Pay Intelligence reported in April 2008 that headline RPI inflation is forecast to run at 3.5% during the second quarter of 2008. It will continue to fall throughout the remainder of the year, to 2.6% by the forth quarter. The average for 2008 as a whole is forecast to run at 3.4%.

Annual average earnings growth across the whole economy is 3.8% (without bonus) in the quarter to the end of March 2008. Public sector earnings in the three months to December rose by an average of 3.9% and the equivalent figure in the private sector.

What do we do next?

The recent member consultation exercise returned an 80% rejection of the employers offer following which the Local Government Committee at their recent policy seminar agreed to build a united campaign for industrial action together with the other two trade unions (GMB, UNITE T&G).

/PTO



The Joint Trade Union Side met on 22 May to discuss strategy and how best to work together on the campaign and industrial action.

Following this UNISON's Special Local Government Conference in Glasgow on 29 May formally agreed UNISON's campaign.

The immediate focus must be to build awareness of the campaign, to engage members and persuade them of the need to take action and to support a 'YES' vote in the industrial action ballot.

We will also be seeking a negotiating meeting with the employers to try and improve upon their final offer.

Let's show the employers we mean business

UNISON is urging every branch and every member to push hard to deliver a clear 'YES' vote for strike action to improve the offer from the employers.

Unless there is a high turnout and a very clear mandate for strike action, the employers will not even reopen negotiations.

UNISON does not take the decision to ballot for strike action lightly and we are aware that many members are facing difficult times with prices riding high. However the fact that the consultation exercise delivered a very clear rejection of the offer gives us a mandate to proceed in building our campaign for industrial action. We need as many members as possible to vote so that we have a very clear idea of member's wishes and can organise effective action.

What needs to be done

There is a tight timetable for the ballot, so every branch and every member needs to switch into action immediately to show the employers we mean business. This means:

- Let your members know the ballot is going ahead
- Talk to them about why the offer is not acceptable
- Get members of the UNISON side to come and speak to your branch meeting
- Engage with members as to why they need to vote 'YES' to action if they want an improved offer
- Recruit non members and show them we are fighting for their pay
- Talk to members of UNITE (T&G) and GMB and campaign together
- Lobby your councillors and MSPs

Local pressure on your councillors and MSPs is a vital tool in our campaign.

Ballot Timetable

We will notify of our intention to ballot members around the 23 June with the ballot likely to run between 1 July and 25 July. The timetable will be finalised and agreed at the Local Government Conference on 29 May.