THE pcs VOICE

Speaking up for DCLG HQ members

6th September 2017

DCLG NON-SCS PAY TALKS RESUME TODAY

PCS TO PRESS FOR INFLATION CONSOLIDATED AWARDS FOR ALL AND FOR MEANINGFUL PAY PROGRESSION

Key issues to be raised

DCLG management and trade unions resume talks later today about the 2017 pay offer. PCS negotiators intend to raise the following issues as a matter of priority:

- The importance of **all** staff receiving **fully consolidated and pensionable pay increase** which reflects both the real level decline in civil service salary levels and current rates of inflation.
- The need to **honour** the previously promised and long overdue new pay progression arrangements so that all staff can reach their pay band maxima in good time.
- The carrying out of an **equality impact** assessment of all pay related arrangements and proposals.

The devastating impact of Government policies on our pay and pensions

Since 2010 the value of average earnings in the civil service has:

- Fallen by between 8% and 9% in comparison with CPI inflation.
- Reduced 5% further than the decreasing value of average earnings in the rest of the public sector.

From now up to 2019 it is projected that

- If the 1% cap on public sector pay increases continues, then the value of median public sector earnings will fall a further 3.9% behind CPI and 6.9% behind RPI inflation.
- Average earnings as a whole will rise by 8.5% meaning that public sector pay will fall even further behind private sector comparators.

This detrimental impact on members' living standards is a situation which **needs to be urgently addressed**. It is vital that civil service departments such as DCLG start the process of restoring the real value of pay by agreeing increases above the rate of inflation, and certainly not by imposing further real term pay cuts!. DCLG management should therefore **immediately approach the Treasury** requesting permission to fund an inflation proof plus pay award.

Increased pension contributions

In addition since 2010 members of the civil service pension schemes have seen the introduction of **increased contribution rates** and detrimental changes to benefits and retirement age. For instance the many members who remained in the Classic pension scheme have seen their pension contributions increase from 1.5% of salary to either 4.6% for those earning £21,210 or less; 5.45% for those earning between £21,211 and £48,471; and 8.05% for those earning higher salaries. In the case of a civil servant on average salary paying tax at the basic rate, these increased pension contributions will have reduced their take home pay by around £1,000 a year.

Position in Scotland

The Scottish Government, under intense pressure from the Labour Party and trade unions including PCS, has already announced that it will abandon the public sector pay cap (https://www.theguardian.com/politics/2017/jun/29/scottish-government-abandons-public-sector-pay-cap). The same redundant and destructive cap should not be used to hold down pay for civil servants elsewhere in the United Kingdom.

Failure to meet pay progression commitment

During the 2014 pay reform negotiations, management committed to introducing a new pay progression system in an effort to encourage staff to move to the new pay arrangements. The then Permanent Secretary Sir Bob Kerslake stated in September 2014, ***"First, there will be progression in future. Second, we will make sure it is a fair system for all of our staff and not one which diverts the money towards only the top performers."***

In September 2015 management, with the current Permanent Secretary in place, advised staff that they would undertake pay progression design work against principles reflecting Sir Bob Kerslake's earlier assurance. They also committed to updating staff once this work had been concluded.

However this work **was never undertaken**. Management pay representatives have stated that the Department cannot pay for a meaningful pay progression system and effectively repeatedly rejected PCS's view that having repeatedly promised pay progression it is under an obligation to seek additional funding from the Treasury.

Management's explanation for the failure to deliver the promised pay progression system may be found at https://intranet.dclg.gov.uk/task/read-about-pay-progression/. It states that ***"Shortly after that [2014 pay progression] announcement, the Treasury capped pay for all departments at 1% of pay bill"***. It is not a sustainable explanation because the Government's pay policy was a matter of public record at the time of the first commitment to DCLG pay progression and at the time of the second commitment.

The failure of management to honour the commitment to staff means that the so-called 'reformed' pay system provides DCLG staff with different salaries for undertaking the same grade of work - and with **little prospect of pay parity ever being achieved**. Indeed this will only occur if pay range maxima is frozen or barely increased for years. This would slash both the real value of maxima for new recruits and promotees and the real living standards and pension expectations of staff already on maxima. The lack of any meaningful progression arrangements is an intolerable situation which **must be urgently addressed.**

If you have views on the issues raised in this bulletin, then please contact the PCS pay negotiators: Chris.HickeyTUS@communities.gsi.gov.uk, Paulette.Romain@communities.gsi.gov.uk and David.Jones@communities.gsi.gov.uk

If you work with colleagues who are not in a trade union, then please ask them to join PCS by e-mailing Karen.Johnson@communities.gsi.gov.uk **or applying on-line at https://join.pcs.org.uk/**

Further details of the PCS national pay campaign can be found at https://www.pcs.org.uk/payup