May 2010

IMPACT Semi-State Sector

Proposed public service agreement 2010-2014

New deal recommended

THE PROPOSED public service agreement 2010-2014 would mean no further pay cuts for non-commercial semi-state workers, no compulsory redundancies, and important safeguards on outsourcing. And there would be a process to start reversing the pay cuts from next year. These commitments would be part of a package requiring all public servants to cooperate with changed work practices including new redeployment arrangements.

IMPACT's elected Central Executive Committee (CEC) has recommended that members vote to ACCEPT the proposals after it received important clarifications from the Labour Relations Commission that strengthen the protections for semi-state staff and others.

Under the proposals, there would be a pay review in spring 2011 and again in 2012, 2013 and 2014. These reviews would take account of savings generated by reforms. The savings would be independently verified by an Implementation Body, with trade union representation. Pay increases would be sanctioned if the pay review found that sufficient savings had been generated.

Priority would be given to those earning under €35,000 a year once the reversal of pay cuts begins. But subsequent clarifications from the Labour Relations Commission (LRC), which brokered the deal, confirmed that others would also benefit from any restoration of pay rates.

The proposed package would also bring a commitment that no compulsory redundancies could be introduced. But staff numbers would continue to fall because some semi-state organisations would continue to be closed, merged or rationalised. The recruitment moratorium would also stay in place until Government staffing targets were reached.

The commitment to avoid compulsory redundancies is linked to new redeployment arrangements – within and between public service organisations – which would be used to maintain services as staff numbers fall and as some functions are rationalised or prioritised.

Any redeployment would first be done on a voluntary basis and then on the basis of seniority. In all but exceptional cases you could not be relocated more than 45km from your current workplace or home (whichever is the shorter) and employers would also have to have regard to reasonable daily commute times. IMPACT sought and received a letter from the Department of Finance, which confirms that these arrangements won't be used to require Dublin-based staff to move under decentralisation.

IMPACT also sought and received LRC assurances that employers could not constantly move individuals or impose multiple redeployments. There is also a time-limited appeals process and protections regarding the pay and conditions of anyone who is redeployed.

The proposals also include restrictions on when and how outsourcing could be used and strong consultation requirements. No compulsory redundancies would flow from any outsourcing, and wages and employment standards would be protected for staff in outsourced functions and the staff that remain behind.

Reforms underpin pay

The commitments on pay, job security and outsourcing are dependent on changes in the way that services are delivered. The recruitment moratorium would stay in place until Government targets were reached.

The review of the PMDS system would be completed, and any changes implemented, in 2010. This review would address IMPACT's demand for third party involvement in PMDS appeals. Work-life balance policies and arrangements would be reviewed but any changes would be implemented on an agreed basis with consideration given to the impact on any individual.

Revised arrangements for managing sick leave would be implemented, although these effectively mean the full implementation of existing agreed practices. Issues like restricted mobility, staffing levels and structures, work practices, office opening and closing hours, shift patterns, attendance and cross-stream reporting arrangements would be reviewed and could be revised, but unions would be involved and the overall safeguards and appeals mechanisms would apply.

Pensions link preserved

IMPACT SOUGHT and received clarifications from the Labour Relations Commission, which confirm that there will be no change in the current arrangements for the indexation of pensions for current public service pensioners and serving public servants.

The Government had previously said it intends to replace the link, which sees pensions rise by the same percentage as pay increases, with a link to inflation. That won't now happen, at least during the period of the four-year agreement.

There would be discussions about changes to pension arrangements for new entrants to the public service. But this would have no impact on existing staff or public service pensioners. The proposals also say that the period for which 2009 pay rates would be used to calculate pension entitlements would be extended from the end of 2010 to the end of 2011.

What if we reject?

THE LABOUR RELATIONS COMMISSION is clear that this deal is the best that negotiations can achieve. So there are two options if the deal is rejected. IMPACT could continue its existing industrial action. But it's very likely that this would quickly provoke a management response, which would demand an escalation of industrial action to protect the members concerned.

This option would also mean that the Government or employers could opt to impose pay cuts, outsourcing or compulsory redundancies. Without the protection of a deal, IMPACT could only attempt to fight this through industrial action. It is also likely that employers would continue to seek to impose changes in working conditions and work organisation, but without the safeguards for staff contained in the proposals.

The second option would be to attempt to force further concessions by escalating the industrial action. Much stronger and sustained industrial action would be necessary to have any chance of forcing the Government to further change its position.

At a glance

What you get

- **No further pay cuts.**
- **Process to reverse pay cuts starting in spring 2011.**
- **Priority for lower-paid workers, though all will benefit.**
- **No compulsory redundancies.**
- **Link between pay and pensions preserved for existing staff and pensioners.**
- **Pensions calculated on 2009 pay rates until end of 2011 at least.**
- **Restrictions and safeguards on changed work practices.**
- **Union involvement in change.**
- **Independent verification of savings that trigger pay restoration.**
- **Protections against outsourcing.**
- **No change in premium payment rates.**

What you give

- **Recruitment moratorium stays until staffing targets reached.**
- **Revised work practices and restructuring.**
- **Promotions and increments linked to performance.**
- **New arrangements and safeguards for staff redeployment.**
- **No cost increasing claims apart from the annual pay reviews starting in spring 2011.**
- **Limits on industrial action.**
- **Reviews of work-life balance and other arrangements.**

Industrial action

Like all previous national agreements, the package would rule out strikes or other forms of industrial action on matters covered by the agreement. That would not rule out industrial action on matters outside the agreement. And the LRC clarifications are explicit that unions would not be bound by the restriction on industrial action if management or the Government breached its side of the deal.

A free hand for management?

IF THE deal is accepted, management will not be able to impose any changes it wants because the reform proposals set limits on what management can do. IMPACT sought and received clarifications from the Labour Relations Commission, which confirm that public service reforms would be implemented in a manner that recognises employment rights and "the full participation of staff and their trade unions" and the early resolution of any problems arising through the civil service conciliation and arbitration procedures or the Labour Relations Commission. An Implementation Body would be established – with equal representation of unions and employers plus an independent chair – to interpret the agreement and any disagreements about the level of change required. There would be binding third party arbitration if agreement couldn't be reached.