

# IMPACT Health

## Proposed public service agreement 2010-2014

# New deal recommended

THE PROPOSED public service agreement 2010-2014 would mean no further pay cuts for health 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 health workers and other 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 and a Labour Court recommendation that strengthens the protections for health workers.

*There would be no further pay cuts over the lifetime of the deal, by which time economists think we'd be out of recession.*

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 the reform elements of the deal and the expected drop in public service numbers due to the continuing recruitment moratorium. 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 the recruitment moratorium would stay in place until Government staffing targets were reached.

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### Controlling privatisation

The proposals set out restrictions on management use of outsourcing in all parts of the health services. They commit management to use direct labour "to the greatest extent possible" and say that wages and employment standards must be maintained as part of procurement policy. And the pay, pensions and other conditions of staff remaining in the public service couldn't be worsened if outsourcing takes place. IMPACT members will get exactly the same protections as every other union.

No compulsory redundancies could result from any outsourcing, which could only happen after consultation and an evaluation and comparison of in-house and outsourcing options and costs. All costs would have to be included in the evaluation – not just hourly pay rates – stopping employers from outsourcing based solely on unit labour costs.

Management would have to consult with unions on "all aspects of the procurement process at key stages before decisions are made" and this would have to continue even if outsourcing went ahead. In such cases management would have to establish an agreed mechanism for monitoring contractors' compliance with employment law.

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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. The redeployment measures would also help maximise savings from staff reductions, which would ultimately contribute towards the restoration of the pay cuts.

But it is expected that most staff would remain in their current location and any redeployment would first be done on a

voluntary basis and then on the basis of seniority. Nobody could be relocated more than 45km from their current workplace or home (whichever is the shorter) and employers would also have to have regard to reasonable daily commute times. 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 ●

# Reforms would underpin pay and job guarantees

THE COMMITMENTS on pay, job security and outsourcing are dependent on significant change in the way health services are delivered. The most important is the introduction of an 8am to 8pm working day, although this does not mean staff would be working longer hours than now.

It would mean that, subject to safeguards, some staff could have their existing hours rostered within the 8-8 working day, rather than on the existing 9-5 basis. There could also be new rostering arrangements in 24/7 emergency services, but management would first have to identify that this is needed to meet service requirements.

The proposals say there must be local discussions with unions about any rostering changes, which would have to deal with issues like individual personal circumstances and loss of earnings. It says any “impact on family commitments and personal or social arrangements of staff” would have to be satisfactorily addressed.

Disagreements would have to be resolved within seven days or passed to a joint review group with equal union and management representation. If the joint working group could not resolve the disagreement it would go to an agreed third party adjudicator who would make a quick binding proposal.

IMPACT also won an important concession on premium pay in the negotiations. Existing premium pay arrangements will continue. This includes time-plus-one-sixth between 6pm and 8pm, Saturday premium, double time on Sundays, and double time plus a day off in lieu on public holidays. And these will be extended to staff categories that currently don't have access to them – including clerical and administrative staff and certain health and social care professions.

## Shared services

The deal also allows the centralisation of “functional, transactional, support and other services at national level, including areas like medical card and other scheme processing func-

tions, payroll, procurement and purchasing, ICT and HR management.”

But there would be no compulsory redundancies and the agreed safeguards over relocation would apply if any service were centralised. The proposals also say there must be “robust consultation” with trade unions on major changes. None of this would prevent the union from arguing against particular proposals or putting forward alternatives.

The proposed deal also requires a performance measurement system to be put in place within three months of the agreement taking effect. Increments and promotions for staff at general manager level and above would be linked to new individual performance management systems, while other staff would continue to be covered by team-based management systems.

## Multi-disciplinary work

The proposals also call for more multi-disciplinary working and reporting arrangements, particularly in community services. But they say there should be protection for existing clinical governance within professions, which would help IMPACT prevent HSE attempts to undermine existing professional structures. This proposal reflects a focus on integrated patient care that would see an attempt to lower costs by reducing in-patient numbers while increasing day care, outpatient and diagnostic capacity.

## No Government get-out clause

Clause 1.28 of the proposals says: “the implementation of the agreement is subject to no currently unforeseen budgetary deterioration.” There were similar clauses in all previous national agreements. The Croke Park clause reflects the reality

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that an unforeseen shock to the economy – like the collapse of the banks around the world in 2008 – would create a new economic and budgetary situation. But the clarifications IMPACT got from the Labour Relations Commission confirm that the implementation of paragraph 1.28 “will be applied in a bona fide manner by the Government side” and “it is not envisaged that, on the basis of any currently known facts, that the clause would be utilised.” The clarifications also confirm that, if such a situation arose the Government would have to have talks with unions to discuss the implications for the agreement before taking any decisions.

The LRC clarifications also confirm that the unions have made it clear that if clause 1.28 is invoked, the unions would cease to be bound by the terms of the draft agreement.

## Hospitals breakthrough

The Labour Court recommendation of 5th May backed IMPACT's longstanding call for staff in voluntary hospitals and similar organisations to be recognised as public servants when it comes to the standardisation of terms and conditions. This is subject to the Croke Park proposals being accepted.

## 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 for grade 8 and above.
- 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.

## 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 both the employment rights of those who work in the public service and their reasonable expectations to be engaged in the process,” with “the full participation of staff and their trade unions” and “the early resolution of any problems arising through agreed third party mechanisms.” The health reform element of the proposed deal demands national and local union involvement in major changes. Furthermore, an Implementation Body would be established by the overall agreement – with equal representation of unions and employers plus an independent chair – to interpret the agreement and any disagreements about the level of change required.

Disagreements would normally have to be resolved within six weeks. If agreement wasn't reached in that period they would be referred to arbitration through the LRC who would have to resolve the matter within four weeks. The arbitration decision would be binding on both sides and staff would have to co-operate with the proposed changes pending the outcome of the arbitration.

## In brief

### Acting breakthrough

IMPACT sought and received a 'side letter' which says that, if the Croke Park agreement is ratified, the HSE will confirm the positions of admin staff who have been acting in posts up to grade 7 for more than two years. This would be a substantial achievement on behalf of some 800 members. The union is continuing to make the case for those acting as grade 8 and above, and in other disciplines.

### Existing agreements

The proposals explicitly say that "all previous agreements, collective or otherwise, or recommendations by industrial relations bodies remain intact," but that these should not delay implementation of the change measures.

A recent Labour Court recommendation confirms that the existing 2004 agreement, which has protected IMPACT members' jobs and working conditions since the abolition of the old health boards and the formation of the HSE in 2005, could only be amended by a subsequent agreement between the two parties. The Labour Court said amendments to bring the 2004 agreement in line with the Croke Park proposals should be agreed between IMPACT and the HSE and should go no further than is necessary to make the two agreements compatible.

### 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.

### Benchmarking

The proposals are silent on the payment of the Towards 2016 increases but says that all outstanding adjudication findings should be considered in spring 2011. That includes the outstanding benchmarking increases, which IMPACT wants paid.

# 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. If the deal is rejected, the Government is likely to seek to press ahead with the changes.

Under a Croke Park deal, 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 GOVERNMENT has made it clear, in public statements from the Taoiseach and others, that it won't be bound by the commitments on pay and jobs if the deal is rejected. It's also said it won't renegotiate the agreement. That means the clarifications IMPACT got from the Labour Relations Commission in early May are as good as it gets in terms of a negotiated settlement.

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. The HSE has already threatened to remove members from payroll or take other disciplinary measures. This 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 certain that the HSE and hospital managements 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. The existing IMPACT action was designed to force the Government back to the negotiating table after it reneged on a deal last December. Much stronger and sustained industrial action would be necessary to have any chance of forcing the Government to further change its position.

## You decide

IMPACT'S ELECTED Central Executive Committee (CEC) has recommended that members vote to accept the deal.

The final decision rests with IMPACT members, who are entitled to vote on the proposals. You should receive a ballot paper from your IMPACT branch secretary and you must return your completed ballot paper to your branch secretary by NOON on WEDNESDAY 9th JUNE.

You can get more information about the ballot and the issues from your branch secretary or from our website at [www.impact.ie](http://www.impact.ie). If you have a query about the ballot you can email [impacthelpline@impact.ie](mailto:impacthelpline@impact.ie) or phone 01-817-1500.