

EAST HERTS COUNCIL

LOCAL JOINT PANEL – 17 SEPTEMBER 2008

REPORT BY THE SECRETARY OF THE STAFF SIDE

7(B) PAY DEDUCTIONS FOR STRIKE ACTION

WARD(S) AFFECTED: None

RECOMMENDATION - that future pay deductions following strike action by employees be calculated on the basis of 1/365<sup>th</sup> of annual salary, consistent with the calculation of payment for untaken leave at the end of employment.

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1.0 Purpose/Summary of Report

1.1 To agree the methodology for the calculation of pay deductions for employees involved in any future strike action.

2.0 Contribution to the Council's Corporate Priorities/Objectives

2.1 Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.

3.0 Background

3.1 It was agreed before the strike action of 16 and 17 July that deduction from pay for each day's strike would be 1/365<sup>th</sup> of annual salary. This was honoured and deductions were calculated accordingly.

3.2 At a meeting of the Human Resources Committee on 16 July it was resolved that the Head of Paid Service takes due consideration of the National and Regional Local Government Employers advice on the calculation of the loss of a day's pay for each day of strike action. This advice is for a deduction of 1/260<sup>th</sup>.

4.0 Report

4.1 The current national pay dispute has not yet been resolved, although the NJC Committee will be meeting on 18 September to discuss progress on negotiations. Both the Employer and Trade Union

Sides are keen to settle the dispute and find a satisfactory way forward.

4.2 The Staff Side wishes to emphasize that the dispute is a national one and not a local one and that in the unfortunate event of a failure to agree at national level and a further ballot for industrial action, the East Herts Branch of UNISON would be obliged to abide by the majority decision.

4.3 Employees who take the action do so as a last resort, only when negotiations have broken down. Many are extremely reluctant since they do not wish to disrupt services and inconvenience the public. However, as union members they have been asked to abide by the majority decision even if they themselves voted against strike action.

4.4 Staff do not expect to be paid if they are on strike but to deduct 1/260<sup>th</sup> of their salary is a purely punitive measure, used to deter employees from taking action. It bears little relation to the financial loss to the Council and is not consistent with other calculations of a day's pay.

4.5 To put the "loss" to the Council into perspective, over the last 20 years, there have been five days of industrial action. It is certainly cheaper for the Council to deduct 1/365<sup>th</sup> for strikes than it would be to compensate employees for untaken leave if the favoured calculation of 1/260<sup>th</sup> was used in the latter case.

4.6 Advice from the National and Regional Employers Organisations is provided as guidance only and is not statutory. Making deductions in lieu of damages for a breach of contract is undoubtedly a punitive, rather than compensatory measure. It is unnecessary. It does little to deter employees from taking action and does little to help maintain industrial relations.

## 5.0 Consultation

5.1 Not applicable.

## 6.0 Legal Implications

6.1 None

## 7.0 Financial Implications

7.1 None

8.0 Human Resource Implications

8.1 There are financial implications for all employees taking strike action.

9.0 Risk Management Implications

9.1 None

Background Papers: None

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