



Emma Freeman  
Head of Organisational Services  
East Herts Council  
Wallfields  
Pegs Lane  
Hertford  
SG13 8EQ

Jane Sharp  
UNISON Branch Secretary  
East Herts Council  
The Causeway  
Bishop's Stortford  
Cm23 2EN

17 November 2009

Dear Emma

### **Review of Terms and Conditions – Proposals**

As agreed, UNISON has consulted extensively with union members as part of the collective bargaining process on the proposed variation to people's contracts with regard to lease cars and the 5% local award. Four union meetings were held, two on each site before and after the staff briefings in order to give all members the opportunity to hear the case for contract changes from both the employers' and employees' perspective. In addition union members were invited to feed back their views and concerns by email, in person or by letter.

UNISON acknowledges the Council's need to respond to economic factors beyond its control and to manage its finances efficiently and effectively, whilst maintaining a high standard of service delivery. UNISON also acknowledges that as part of this process a review of terms and conditions of employment was necessary in order to ensure that the principles of equality, fairness and consistency were applied and that remuneration was maintained at an appropriate level in order to recruit new staff and retain existing staff. Finally, UNISON acknowledges that it is never an easy task for employers to present a case for cost savings which reduces the level of remuneration for employees.

It was evident early on the consultation process that although most employees were unaffected by the proposals on lease cars and car user allowances they were nonetheless sympathetic towards colleagues who stood to lose up to 11% of their remuneration package. A decision was taken at this stage to treat the proposals as a complete package rather than two separate elements.

The conclusion of the consultation exercise was an overwhelming rejection of the proposals for the following reasons:

#### **1. Failure to persuade members of the financial case**

Despite the professional power point presentation by the Director of Internal Services, staff felt there was insufficient financial information provided to convince them of the urgent need to implement changes to terms and conditions. The financial/business case made was simply not detailed enough. Many members felt that the Council was taking advantage of the economic downturn to persuade staff that a reduction in salary costs was necessary. A request for more

detailed budget information in order to find out implications for staff of service plan proposals was not granted in time to meet the consultation timescale and deadline.

**2. No offers forthcoming in compensation for the proposed changes, in terms of future job or salary protection**

A no compulsory redundancy policy or guarantee of no further cuts would have helped.

**3. No incentive for collective agreement**

It was made very clear by the Chief Executive that these proposals would go ahead with or without staff or union agreement. The argument that a collective agreement would “shorten the uncertainty for all of us and give us more time to make the necessary adjustments to our personal circumstances” failed to reach hearts and minds. Certainty of a pay reduction was not a convincing argument.

**4. Lack of affordability/ pension implications**

The current retail price index was distorted due to the housing market and fall in mortgage repayments. Many staff, especially those from single income households were struggling to pay rising utility and food bills. A pay freeze for the next three to four years would hit them hard. All staff, unless promoted, would lose out when it came to their pensions, since their final salary would be 3% lower than it would otherwise have been.

**5. Fear for future terms and conditions**

Many staff felt that a collective agreement allowing these changes would set a precedent for the future and encourage further changes.

**6. Failure to reward loyalty and demonstrate recognition of staff worth**

Many staff commented on the fact they felt undervalued and demoralised by the proposals.

I am sorry that this will not be the outcome you were hoping for but trust that you will understand that as a union, we have a responsibility to reflect our members' views. I have attached a list of direct quotes, which may give you a flavour for the strength of feeling against the proposed changes. I have included two supportive comments but must emphasise that these were the only two received.

I would be grateful if you could inform UNISON as quickly as possible if and when you intend to implement the proposed variations to contracts so that we can obtain further legal advice.

Yours sincerely

Jane Sharp

UNISON Branch Secretary

CC's to: Alan Madin – Director of Internal Services

Anne Freimanis – Chief Executive