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Circular: 2017HOC0442AD

Date: **26 August 2017**

To: **All Members**

Dear Brother/ Sister

FBU PAY CONSULTATION 23 AUGUST – 13 SEPTEMBER 2017

As reported in the brief all members' circular issued on 23 August 2017 (207HOC0439AD) the Executive Council considered the employers' offer made on 1 July 2017 seen in the context of the discussions between the NJC Joint Secretaries and all the communications received from the employers in the intervening period.

This all members' circular provides a summary of the key issues considered by the executive council and copies of the correspondence between the two sides of the NJC the since 1st July 2017. This material is provided to members in order to inform you of these matters and to complement the membership consultation agreed by the Executive Council (EC) which will be conducted between now and a meeting of the EC scheduled to take place on 13 September 2017.

It is not a short read. An issue as pivotal as this should be as comprehensive as possible. The issue requires that the context is put fully, and members deserve and are right to expect a full explanation of the thinking behind both the decision to consult the membership and the recommendation that has been made.

1. An outline of recent events/ milestones

The following outlines the correspondence and formal meetings that have taken place since 1 July 2017. At various junctures meetings took place between the joint NJC secretariat invariably after the relevant meetings where each side briefed and explained their side's position to the other.

1 July 2017 - the national employers provide the pay offer. The offer included an immediate first stage payment of 2% and conditional second stage payment of 3% in April 2018 - both stages in respect of the pay settlement for the pay year 2017-2018. The offer also set out that by April 2018 subject to the conditions of funding sources being available and an agreement on changes to the rolemaps such that the role of firefighters would be broadened that agreement could be reached on pay arrangements in respect of the following pay years - 2018; 2019 and possibly 2020.

3 July 2017 – the FBU EC met to discuss the pay offer and agreed that a letter would be sent to the employers and a consultation would commence with the membership when the recommendation was that the employers' offer should be rejected.

4 July 2017 – the letter was sent to the national employers. This was reported to members via an all members' circular (2017HOC0342MW).

17 July 2017 - the employers wrote in response to the letter from the general secretary.

24 July 2017 - at the conclusion of the membership consultation, the EC met to report and discuss the outcomes. The primary outcomes were (a) that the offer was rejected (b) that if no satisfactory outcome was achieved that the trials would not be extended beyond 24 August 2017.

25 July 2017 – those outcomes were reflected in the letter to the employers dated 25 July 2017 which was reported to members via all members' circular (2017HOC0392MW)

26 July 2017 – the employers responded to the letter from the general secretary. This was provided to members via all members' circular (2017HOC0400MW)

14 August 2017 – the employers wrote further to their letter dated 26 July 2017.

14 August 2017 – at its meeting held that day, the EC considered all the matters up to that point including the letter received from the employers that morning. Broadly, the Executive Council sought an assurance that the stage one payment of 2% would be paid with immediate effect and for the employers to commit to conclude the scoping/ extent of the activities that broadening the firefighters' role would entail by the end of November. This in turn would allow for the very real possibility of a further consultation with the FBU membership with a recommendation would to accept the offer. During any such consultation the trials would be continued. It was agreed that a letter would be sent to the national employers.

15 August 2017 - an update was provided to members via all members' circular (2017HOC0425AD)

17 August 2017 – a letter reflecting the decisions of the EC were sent to the national employers.

22 August 2017 - the national employers met to discuss the letter from the assistant general secretary. The employers wrote to the assistant general secretary reflecting the outcomes of their meeting.

23 August 2017 – the EC met and considered the employers' letter, the strategic objectives agreed by conference of securing better pay for firefighters' and the future of the fire service; the sincerity or otherwise of the employers, and a range of other issues which will be a key focus of this all members' circular. Having considered those matters, the decision of the Executive Council was that

(a) The trials should continue…
(b) Pending the outcome of a membership consultation on the pay offer which will begin with immediate effect…
(c) In which the recommendation of the EC would be to recommend acceptance of the offer.

It was further agreed that

i. The consultation period would end on 13 September 2017
ii. That a meeting of the EC must be arranged for the EC to meet on 13 September to report, discuss and consider the outcomes of the consultation
iii. An all members circular would be sent out immediately to inform members that the trials would not be suspended , as previously planned, from 24 August 2017
iv. Seek agreement with the employers' national joint secretary on an agreed form of words to report the status of the trials
v. A further all members' circular would be promulgated providing the relevant pay-related correspondence and a narrative to inform the consultation.

Update: 25 August 2017 – items iii. and iv. were actioned (2017HOC439AD and NJC Joint Circular 09/17 23 August 2017) . Officials have been, and will continue, making arrangements in order that item i. is implemented. The meeting referred to in item ii. has been arranged and this circular delivers item v.

2. Key background issues

2.1 Strategic considerations

Putting aside for a moment the cuts in jobs in the five years before, since 2010 the number of firefighting personnel has been cut by 11, 000 alongside closures of fire stations and significant reductions in the number of pumps. Similarly, since 2010, we have experienced the erosion of firefighters' take-home pay as a consequence of the rise in the cost of living and other inflationary factors that impact on working people such as firefighters' made worse by insulting and derisory pay awards:

- 2010: 0%
- 2011: 0%
- 2012: 1% (not applied to CPD)
- 2013: 1% (but with reductions to mileage rates)
- 2014: 1%
- 2015: 1%
- 2016: 1%

The backdrop to the current pay negotiations is the strategy first considered and agreed by FBU Conference in 2013 as detailed in the Executive Council statement *"The Future of the Fire and Rescue Service"* and ratified by successive conferences thereafter. Whilst still being at a high level, fire calls and overall calls requiring fire service intervention have, with occasional and local variation, been falling year on year for well over a decade.

In 2013, Conference recognised that the Coalition government's choice to adopt an austerity-based economic strategy rather than an investment and growth strategy would continue to impact adversely on the fire service. Unless the government was replaced- and replaced by one which chose a different economic plan – the future held the continuation of caps in the government's public sector pay policy and the commensurate limitation in Treasury settlements for local government and the devolved administrations. This would manifest itself in the following ways:

- The value of firefighters' pay including poor pay awards would continue into the future.
- Disinvestment in the fire and rescue service would continue unabated.

Accordingly, Conference authorised the Executive Council to embark on the implementation of the strategy, correct at the time and correct now, to adopt a strategic approach in an attempt to break the deadlock in respect of pay; the survival of the service and the safeguarding of public safety in the event of fire which claims and/ or ruins far too many lives. The aim was and remains to attract greater funding for the service in order to attain those objectives. The means by which we intend to achieve that funding is through broadening the role of the firefighter and of the service itself. That broadening is not unlimited. It must be measured, realistic, worthwhile and achievable.

Conference identified, with whatever reservations collectively and individually we might have had, and continue to have, the status quo prevailing at the time. Poor reward and a service continuously being undermined was, and is, not acceptable.

Those fears and predictions have been borne out. In 2015, no longer a coalition, the government announced in its Budget in Summer 2015, its expectation that public sector pay rises would be capped at 1% for the financial years: 2016-17; 2017-18; 2018-19; and 2019-20.

Though the aims have not yet been realised, in the absence of any viable and/or identifiable alternative they remain extant and hold out the best hope for what we as a union, root and branch, intend to, and must, achieve.

Should the consultation reveal that members find the offer unacceptable we will have to consider the alternative routes to try to achieve the pay we deserve that will remain open to us including that of industrial action.

2.2 An end date for the strategy?

Whilst not inflexibly drafted and agreed, the time-line for the strategy was, and is not, open-ended. Whilst it is taking longer than any of us perhaps hoped for or predicted, in real terms the success / continuing viability of the strategy will be assessable in a known timeframe. By April 2018 at the latest, if the offer is accepted, head office; the EC; the wider layer of officials and you the members will be able to judge its success or otherwise.

In reality, the central underlying themes/ questions in the consultation are:

- *Whether members consider the strategy should be declared unsuccessful now or to allow the process to continue until April at the latest to see, for certain, if the funding for stage 2 and the pay arrangements for the successive years can be achieved?*
- *Whether, in the absence of any alternative strategy, the expected alternative of a 1% pay offer in respect of 2017-18, reflecting the Treasury's 1% pay increase for each year up until and including 2019-20 is the preferred option?*

Those two points are starkly posed- and make for uncomfortable reading- but there is no escaping them.

2.3 The moving of end-dates for trials

The Executive Council has been mindful for some months now that the trials have been extended a number of times. On each occasion the EC has had to balance the impact that ending/ suspending the trials would have against the frustration and anger, particularly of those members undertaking the activity. Ending/suspending the trials would undoubtedly weaken the case for investment in the service and would give succour to those vested interests in government circles and within other agencies who don't wish to see the initiative succeed. In parallel to this many members understandably fear that the employers are taking advantage of firefighters and are seeking simply to extract more work for no pay.

The Executive Council has been vigilant in protecting members from this potential abuse by insisting that an early date for determining whether the project for broadening the role in return for the funding for investment pay is viable. At the same time however the EC has recognised that the evidence for showing both the human and financial "added value" of the additional work is essential - and to that end, with the national employers, engaged the *University of Hertfordshire* to produce its report, and more recently the cost benefit analysis being put together by *New Economy*. As part of the consultation, members will judge the merits of this for themselves.

2.4 Problems experienced during the trials

At the end of 2016, the Executive Council undertook an exercise amongst officials to scope the problems and shortcomings of the various trials being undertaken. In order to understand those problems more fully, the EC brought FBU members who were involved in the EMR trials together.

The EC has ensured that there are robust local mechanisms in place for problems to be identified and addressed locally between fire rescue service management and FBU brigade level representatives. This complements the establishment of the national EMR Technical Working Group between the employers and the FBU in order that generic problems can be addressed at sector-wide level.

Good progress has been, and is continuing to be, made. We anticipate that the work undertaken to date to address the problems will be reportable quite shortly. The employers have been informed, and they fully acknowledge that the solution to the problems must not only be found, but must be implemented, and will have to be incorporated into the framework underpinning any final agreement in respect of broadening the role into EMR and other work.

To that end another survey will be undertaken to ascertain the current picture and (a) whether and to what extent the problems previously identified have been addressed and resolved by fire and rescue service management (b) whether new problems have been experienced and what actions have been taken or are in progress to address and resolve them by fire and rescue service management. The outcomes of the survey will inform the work of the joint national Technical Working Group.

3. The employers' offer and the recommendation to accept.

3.1 The employers' offer.

The offer made on 1 July 2017 was considered by the Executive Council at its meeting on 3 July. The Executive Council determined that the offer did not appear to meet its ambitions. The Executive Council determined that the employers' offer needed to be explained and clarified and felt that the employers should be pressed to offer more advantageous terms. Those matters were reflected in the decision to consult the membership with a recommendation that the offer should not be accepted.

Members will recall that the Executive Council meeting took place at a time when there was significant debate fuelled by politicians from across the spectrum and a lot of speculation in the press concerning a potential loosening of public sector pay restraint. This took place in the wake of the general election which had taken place only a few weeks' before, where the Labour Party campaign on public sector pay and state of public services has a much greater resonance than the government, pundits and media had expected. Executive Council members reported and correctly shared the view that had been expressed by officials and members of a feeling that there was a potential that the government might abandon, or more correctly adjust its pay policy and that an early acceptance of the offer may be premature.

In the midst of the consultation, on 10 July, the government announced that it would accept the headline recommendation of the School Teachers' Review Body (27th report: 2017) published that day that teachers should receive a 1% pay award. In the days and weeks that followed the hopeful speculation of an early reversal of pay restraint was quashed as government ministers including the Chancellor made strong statements in support of it being maintained.

3.2 The correspondence between the FBU and national employers.

3.2.1 On **4 July 2017**, the general secretary wrote to the employers explaining the Union's position which was the subject of an internal consultation with members and stressed two points in particular:

I. That the 2nd stage of the 2017 settlement being delayed until April 2018 was unacceptable;
II. That the detail of the settlements in respect of 2018, 2019 and 2020 being unknown until April 2018 was also unacceptable

3.2.2 The employers' replied on **17 July 2017.** In that letter the employers provided the following clarifications and comment:

a. That the stage 1 payment in the offer was *"double that set aside in fire authority budgets";*
b. That the 2nd stage would be dependent upon funding by governments and that such funding has not been secured;
c. That the settlements in respect of 2018, 2019 and 2020 were similarly dependent upon funding that at this stage had (has not yet been secured;
d. That they felt that the continuation of the EMR and other work was "a fundamental part in reassuring both governments and the partners we work with that the fire service is a reliable *partner in which to invest and continue to work with."* To that end the employers said they *"urge the FBU not to do anything at this time which would negatively impact upon discussions with governments and where necessary other partners."*

3.2.3 At the conclusion of the FBU consultation we wrote to the employers on **25 July 2017** and responded to the employers' letter and provided information in respect of the outcomes of the FBU dialogue with members following the EC meeting held the previous day. The general secretary made the following points:

i. That *"the FBU finds the employer proposals on pay inadequate in their current form";*
ii. That the union seeks to continue discussion in respect of broadening the role and making the case for funding;
iii. That there were problems experienced by members during the conduct of trials in addition to the failure *"to address the concerns of the union on pay and conditions".;*
iv. That there was no agreement to extend the trials and that *"We will advise our members that the trials will cease on 24 August 2017."*

3.2.4 The employers replied the following day on **26 July 2017**, largely reiterating those points made in their letter dated 17 July, adding that (our adaptation in square parentheses): *"We sincerely hope this [i.e. the union revisiting its decision to end the trials] can be agreed as… it would unfortunately leave us with little choice but to revert for 2017 to an offer of 1.0% and that is not where we would want to be."*

3.2.5 Reflecting on discussions between the national joint secretaries, the employers wrote again on the morning of **14 August 2017** in the knowledge that the EC would be meeting that day. In that letter the employers reiterated many of the matters contained in their previous correspondence with more detailed explanation of their position and an expansion on the lobbying arrangements and activities that could be undertaken to secure the required funding.

3.2.6 Having read that letter, the EC at its meeting identified that the employers had not changed its position and had not committed to bring either the 2nd stage payment or mapping out the pay arrangements forward to a date earlier than April 2018 as contained in the union's letter of 4 July.

The Executive Council resolved to write to the employers and stress that (a) the funding and pay arrangements be resolved by November 2017 and (b) that the work to establish the scoping of the activities that would be undertaken in broadening the role of a firefighter would be concluded by November 2017. Further, the EC resolved that if satisfactory arrangements could be agreed that the consultation amongst the membership with a recommendation to accept the offer could commence.

These matters were reflected in a letter to the employers dated **17 August 2017**.

3.2.7 The employers met on **22 August 2017** where the FBU letter was considered. At the conclusion of that meeting they wrote to the FBU.

3.2.8 At a meeting convened the following afternoon (**23 August 2017**) the employers' letter was considered. The following points made by employers were noted:

a) In respect of scoping activities for broadening the role, the employers have firmed up its commitment expressing its position as being not one simply of *"expectation"* (as they had said in the letter of 17

July), and instead using the phrase *"We have every intention of being able to identify the scope of activities jointly by November…";*

b) The employers emphasised that the control of the funding and the timing of its release was not within their gift

c) The employers stated that they could not give an absolute commitment to completing that work by the end of November, instead the employers stated that the extent of the types of activity *"for both parties this will also be influenced by the availability of appropriate and sustainable funding...";*

d) The employers went on to suggest that in that light *"… it will not suit either party to set such a firm cut-off point…";*

e) The employers said that the issue of funding, which clearly is perhaps the key issue, for reasons such as the governments being in recess; and the upcoming political party conference season dictated that government funding could not be secured by the end of November.

f) The employers reiterated again the impact of ending/suspending the trials;

g) The employers could not envisage any funding being received before April 2018;

h) The employers noted the likely FBU membership consultation and committed to pay the first stage payment of 2% backdated to 1 July with immediate effect if the outcome of the consultation was to accept the employers offer.

<u>3.3 Evaluation of the employers' correspondence at the Executive Council meeting on **23 August** and the decision to consult with members.</u>

In examining the successive pieces of correspondence from the employers, the EC engaged in a long, keenly-debated discussion. In that discussion the Executive Council's considerations were informed by the advice and information received from the assistant general secretary, the union's national negotiator who was able to be present.

The AGS said that the correspondence from the employers reflected their acknowledgment of some key issues that had been raised in discussions held at joint secretary level. He said that other than committing to bringing forward the scoping of the activities in respect of the broadening the role, the employers had not significantly changed their position.

The AGS expressed the view that the employers had better explained the rationale for their position in the successive letters. It was apparent that they had realised that it was necessary to go further than simply provide a description of the offer and that they had subsequently attempted to (a) more fully explain the reasoning for their position and (b) provide reassurance that their inability to commit further was based on their perception of the limitations of how far they could commit. He said that he did not vouch for, or act as an apologist for the employers, but that he did feel that they were genuine in their commitment to increasing the pay of firefighters.

He had noted the following points and felt they had to be taken into account:

- That the employers had made clear that FRA Chairs and CFOs who attended the employers' consultation events in early Summer were emphatic in their support for improved pay, and that this had been echoed in informal discussions between officials and CFOs and/or FRA chairs;
- The ability of the employers to pay the 2nd stage payment and/or commit to specifics re 2018 2019 and 2020 by the end of November had to be assessed;
- That whilst officials and members are clearly reticent about the April stage 2 payment date and its dependency on funding, this also had to be measured against an alternative 1% offer of payment which he felt was all but certain if the members rejected the offer;
- That a membership consultation allowed members to make the decision
- That there were mechanisms to address problems encountered by members in the trials and that the employers recognised that they had to resolve them whether locally or nationally;
- That the scoping exercise was where the union would make clear what it felt would be in and out of scope re the broadening of the firefighter's role.

In considering the recommendations being made to them, EC members took a number of factors into account, *including*:

- Reports and discussions with their regions;
- The discussion at previous Executive Council meetings;
- The reports received from the FBU's national negotiators;

- The overarching strategy agreed at Conference 2013 in respect of pay and the fire service, and the aims of that strategy;
- The changed likelihood of stark and **early reversal of the Treasury's pay policy since the time of the first consultation agreed at its meeting** on 3 July;
- The likelihood of any further movement from the employers;
- Assessing the employers' justification / reasoning, centred on availability and supply of funding, as to why they had not moved on the payment date of the 2nd stage and determination of pay arrangements for subsequent years;
- Assessing the risks arising from ending/suspending the continuation of the trials;
- The prospects for pay if the status of the employers' offer remained as being "unacceptable"
- That whilst the offer was centred on April 2018 the EC could reassess the union's position at any time if it becomes clear that securing extra funding is not achievable. It was not unhelpful that the employers acknowledged this point in their letter dated 17 August.

Having considered and debated these matters the Executive Council resolved that:

(a) The trials should continue…
(b) Pending the outcome of a membership consultation which will begin with immediate effect…
(c) In which the recommendation of the EC would be to recommend acceptance of the offer.

4. <u>Concluding remarks</u>

The narrative above is provided to inform the discussions which will be organised by your branch, brigade and local officials.

All those who sit at the EC table urge members to engage in the membership consultation which concludes on 13 September 2017.

As explained above, in the light of all the facts and information, in contemplating the options available and the likely outcomes- the recommendation is that the employers' offer of 1 July, as clarified in the subsequent correspondence from the employers, be accepted.

Best wishes.

Yours fraternally

ANDY DARK
Assistant General Secretary