

## Trust Board Report

<b>Meeting Date:</b>	28 November 2011
<b>Title:</b>	Industrial unrest and the possibility of industrial action.
<b>Executive Summary:</b>	<p>As you will be aware there is significant unrest amongst Trade Unions in relation to the government proposals for changes to public sector pensions. Seven Trade Unions notified their intention to ballot for strike action, and six have conducted a ballot, with 30 November suggested as the likely day of action. The Trust is therefore putting plans in place to respond in the event of the national position translating into industrial action at a local level.</p> <p>The purpose of this report is to update the Board on the current position and the possible implications for the Trust.</p>
<b>Action Requested:</b>	
<b>Report of:</b>	
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<b>Resource Implications:</b>	
<b>Public or Private: (with reasons if private)</b>	Public Session
<b>References: (eg from/to other committees)</b>	
<b>Appendices/ References/ Background Reading</b>	
<b>NHS Constitution: (How it impacts on any decision-making)</b>	In determining this matter, the Board should have regard to the Core principles contained in the Constitution

## Background Details

### 1. Introduction

The purpose of this report is to update the Board on the current position in terms of industrial unrest amongst Trade Unions in respect of the proposed changes to NHS pensions. In addition the report provides a brief overview of the proposed changes that are the cause of the concern and the steps that the Trust is taking to respond to the potential risk of industrial action.

### 2. Background

The Department of Health has recently consulted on proposed changes to the level of contributions made by NHS Pension Scheme members towards their pension.

The proposed changes mean that the lowest earners would be protected and the vast majority of NHS staff will not see an increase above 1.2 per cent.

The highest earning NHS staff will see an increase of 2.4 per cent. After tax relief this will equate to 1.4 per cent, which means that for someone earning £130,000 this would equate to £152 per month.

The consultation sets out proposals for increased employee contributions to the NHS Pension Scheme in 2012/13 only. This represents around 40% of the total contribution increases expected by 2014/15. Proposals for increasing rates in 2013/14 and 2014/15 will be the subject of further discussion with trade unions. For further detail see appendix 1.

### 3. Current Position

The Trust received notification from Unison, Unison, Unite, GMB, CSP, SOR, BDA, and SCP that they would be balloting members in respect of taking industrial action in the form of a strike over the proposed pension reforms. The BDA ballot did not in fact proceed. The widely held view is that a joint day of strike action will take place on 30 November. This is expected to consist of coordinated strike action involving public sector workers from across the spectrum of public services. Alternative approaches such as rolling strike action involving only certain trade unions/groups of workers over multiple days of strike action to maximise disruption to services have also been proposed.

The current known position is:

- The ballots by Unison, Unite, GMB, CSP, SoR and SCP have closed and the outcome was in all cases was in favour of a strike. No call for action has been made to date.
- It is likely that any strike action will take place on 30 November (although not formally announced).
- The Trust will receive a minimum of 7 days' notice of strike action. Assuming the ballots are legal and the vote is in favour of industrial action we expect to be notified of the intended action by no later than 23 November.
- RCN, RCM and BMA have not issued formal notice of their intention to ballot members. RCN still remains ready to ballot and is fully in support of the day of action. RCM have ruled out taking strike action on 30 November, however members are being urged to support the day of action while continuing to provide maternity services, which may include taking part in lunchtime demonstrations. BMA have indicated that they do not intend to ballot members.

#### **4. Wider Public Sector Action**

Public sector trade unions are balloting members outside of the NHS on strike action, which could also impact adversely on the Trust. The services likely to be affected are ambulance services, schools, higher education, and local government.

Strike action by head teachers and teachers is expected to result in school closures, and consequently Trust staff may need to make alternative arrangements for childcare.

According to Wolverhampton Council the local fire service and the police are not striking, and on the whole they are expecting business as normal. From discussions to date, Wolverhampton Council does not believe there is much appetite for agreeing exemptions to strike action, though Public Health and Social Services have been alerted.

Preparations are being made by unions to hold a rally in Wolverhampton city centre on 30 November. Formal Council permission has not yet been granted, but the proposed route has been discussed with the police. Staff Side have indicated that they intend to join the rally rather than picket at the Trust premises. There will also be a rally in Birmingham.

#### **5. Mitigating action**

We are unlikely to have confirmation until 7 days prior to 30 November of whether industrial action be called for as a result of the ballots. In order to ensure that we have plans in place to respond to this situation if it becomes a reality, a weekly operational planning meeting was established on the 28 October 2011.

Command and Control: Silver Command will be instigated with effect from 10 pm on 29 November 2011, until required post 30 November 2011, supported by an updated standard operating procedure. The role of Silver Command will be to ensure all statutory duties are met, maintain essential services where possible, ensure Health & safety in the workplace is not put at risk and that recovery arrangements are in place.

Service Planning: a review has been undertaken of the Trust's critical and non critical services including the community provider services in the event of industrial action. Business continuity plans have been enhanced to support the inclusion of industrial action, involving identifying the potential impact on staffing levels, reviewing the services they offer and the actions that are being taken prior to 30 November to reduce demand on services for that day.

Human Resources: we are monitoring Trade Union activity at a national level and working with our partner organisations across the region to share intelligence and legal resources. At a local level we have engaged with staff side to agree exemptions to strike action, and are maintaining regular contact to gauge staff reaction.

In anticipation of the closure of local schools, arrangements have been made for a child minding facility on site to support staff affected by school closures who do not have alternative arrangements. In conjunction with the family centre we have also identified contacts for emergency child minder and nursery provisions for staff.

Management Support: three contingency planning sessions were held in October to prepare and equip managers for potential industrial action.

Management guidance has been produced, that gives guidance to managers on steps that may be necessary if industrial action occurs and the relevant HR Policies. It includes the potential action required to redeploy staff to undertake duties outside

of their normal role.

Communications: preliminary communications have been cascaded to managers and staff, including an NHS factsheet detailing the proposed changes to pensions. Further content will be provided as the situation progresses.

A range of further communications targeted at staff, patients and other key stakeholders are being developed.

## Overview of proposed changes to the NHS Pension Scheme

The Department of Health is currently consulting on proposed changes to the level of contributions made by NHS Pension Scheme members towards their pension.

Under the proposals, the lowest earners are protected – those earning less than £15,000 on a full time equivalent basis will pay nothing extra. Almost all newly qualified healthcare professionals would pay only 0.6 percent more towards their pensions in 2012/13. Contributions increases would be greater for the highest earners.

Examples of how the proposed changes would affect individual members include:

### Healthcare assistant working full-time earning £15,000

- You would pay no extra for your pension.
- In 2012-13 you will continue to contribute 5% compared with the current employer contribution of 14%.
- This means that for every £1 you contribute, the employer contributes £2.80. For your overall yearly contribution of £750, your employer pays £2,100.
- Because your contributions are tax free, your effective contribution rate is 4%, which is equivalent to £600 per annum.
- If you are in the 1995 section of the pension scheme then for this, after you retire, you will receive a pension, for this you will earn pension of £188 per year and a tax free lump sum of £563 payable at age 60.
- If you are in the 2008 section of the pension scheme then for this, after you retire, you will receive a pension of £251 per year, with the option to exchange some of this for a tax free lump sum, payable at age 65.

### Nurse working full-time earning £25,000

- In 2012-13 you will contribute 7.1%, compared to the current employer contribution of 14%.
- This means that for every £1 you contribute, the employer contributes £1.97. For your overall yearly contribution of £1,775, your employer will pay £3,500.
- Because contributions are tax free your effective contribution rate will be 5.7%, equivalent to £1,425 per annum. This represents an increased personal contribution in 2012/13 of £10 per month after tax relief.
- If you are in the 1995 section of the pension scheme then for this, after you retire, you will receive a pension, for this you will earn pension of £313 per year and a tax free lump sum of £938 payable at age 60.
- If you are in the 2008 section of the pension scheme then for this, after you retire, you will receive a pension, for this you will earn pension of £417 per year, with the option to exchange some of this for a tax free lump sum, payable at age 65.

### Manager working full-time earning £60,000

- In 2012-13 you will contribute 8.5%, compared with the current employer contribution of 14%.
- This means that for every £1 you contribute, the employer contributes £1.65. For your overall yearly contribution of £5,100, your employer will pay £8,400.
- Because contributions are tax free your effective contribution rate will be

5.1%, equivalent to £3,060 per annum. This represents an increased personal contribution in 2012/13 of £60 per month after tax relief.

- If you are in the 1995 section of the pension scheme then for this, after you retire, you will receive a pension - for this you will earn pension of £750 per year and a tax free lump sum of £2,250 payable at age 60.
- If you are in the 2008 section of the pension scheme then for this, after you retire, you will receive a pension for this you will earn pension of £1,000 per year, with the option to exchange some of this for a tax free lump sum, payable at age 65.

### **Consultant earning £130,000**

- In 2012-13 you will contribute 10.9%, compared to the current employer contribution of 14%.
- This means that for every £1 you contribute, the employer contributes £1.28. For your overall yearly contribution of £14,170, your employer will pay £18,200.
- Because contributions are tax free, your effective contribution rate will be 6.5%, equivalent to £8,450 per annum. This represents an increased personal contribution in 2012/13 of £152 per month after tax relief.
- If you are in the 1995 section of the pension scheme then for this, after you retire, you will receive a pension for this you will earn pension of £1,625 per year and a tax free lump sum of £4,875 payable at age 60.
- If you are in the 2008 section of the pension scheme then for this, after you retire, you will receive a pension, for this you will earn pension of £2,167 per year, with the option to exchange some of this for a tax free lump sum, payable at age 65.

The consultation document sets out proposals for increased employee contributions to the NHS Pension Scheme in 2012/13 only. This represents around 40% of the total contribution increases expected by 2014/15. Proposals for increasing rates in 2013/14 and 2014/15 will be the subject of further discussion with trade unions.