



NAPO **UNISON**

Interserve CRCs Pay Claim

2020 & 2021

1. Introduction

This claim is submitted by Napo and UNISON on behalf of members working for the Interserve owned CRCs.

Whilst we acknowledge the benefits provided by the reduction in pay points and consolidated 1% increase in 2019

- most staff are paid significantly less than NPS staff on the corresponding pay point.
- the retail prices index (RPI) of inflation was 2.7% in February 2020.

2. Synopsis

This claim is split into the following sections:

- Summary Claim
- Detailed Pay Claim
- Conclusion

3. Summary Claim

We seek:

- **Parity with pay points in the National Probation Service**
- **Further pay reform as agreed in the 2018 and 2019 awards**
- **A consolidated increase in the value of all pay points above the Retail Prices Index (RPI) of inflation on 1 April 2020 and 1 April 2021**
- **An increase in the value of all allowances above the Retail Prices Index (RPI) of inflation on 1 April 2020 and 1 April 2021**
- **Automatic Pay Progression on 1 April 2020 and 1 April 2021**
- **Payment of the prison supplement to all staff working in prisons as an environmental allowance.**
- **Removal of Pay Band Overlap in Band 5**

4.1 Parity with National Probation Service Pay Points

Interserve CRC staff are paid significantly less than NPS staff on corresponding pay points - see attached table. This pay round provides an opportunity to close that gap through further pay reform and a consolidated pay award.

4.2 A two-year pay award to cover 2021

The unions submit this claim to extend the pay award to cover 2021. We do this for the following reasons:

- An extension to 2021 would provide both employees and employer with certainty during a period in which staff will be going through further major upheaval with the delivery of the 'Unified Model'.
- The unions wish to create some space in 2021 to deal with all the many issues which will arise from delivery of the 'Unified Model' in June 2021. We do not believe that separate pay negotiations will be helpful in this respect this time next year.
- An extension of the award creates certainty over the delivery of pay progression in the second year of the award, as this will not require separate sign off if agreed in advance.

4.3 An increase in the value of all pay points above the Retail Prices Index (RPI) of inflation on 1 April 2020 and 1 April 2021

Staff working in CRCs have seen their salaries eroded by inflation since 2010. It is important now that pay at least keeps pace with inflation through this challenging period.

4.3.1 The unions are using RPI Inflation as the benchmark for this pay claim.

The most widely reported measure of inflation in the UK is the Consumer Prices Index (CPI). However, the most accurate indicator of changes in the cost of living facing workers is the Retail Prices Index (RPI)

Inflation rose markedly over 2016 and 2017, pushing the RPI rate to over 4%. During 2018 and into 2019, rates have generally fallen back and by November 2019 RPI stood at 2.2% while CPI was 1.5%.

Between the start of 2010 and the end of 2018, the cost of living, as measured by the Retail Prices Index, rose by a total of 31.1%.

The ability of the CRCs to attract and retain staff in the next 18 months will be damaged if the pay of its employees falls behind the going rate in the labour market.

The table below shows that pay settlements over the last year across the economy have been running at 2.5%, which stands in contrast to the most recent NPS settlement of 0% revalorisation.

Sector	Average pay settlements
Whole economy	2.5%
Private sector	2.7%
Public sector	2.5%
Not for profit	2.3%
<i>Source: Labour Research Department, settlements year to December 2019</i>	

4.3.2 How Probation Pay Awards Compare with Competitor Organisation Awards

The following table helps explain why staff may be tempted to take their skills elsewhere. Here is a short history of probation pay point revalorisation since 2010 compared with the pay point revalorisation received by police staff, local government and health workers:

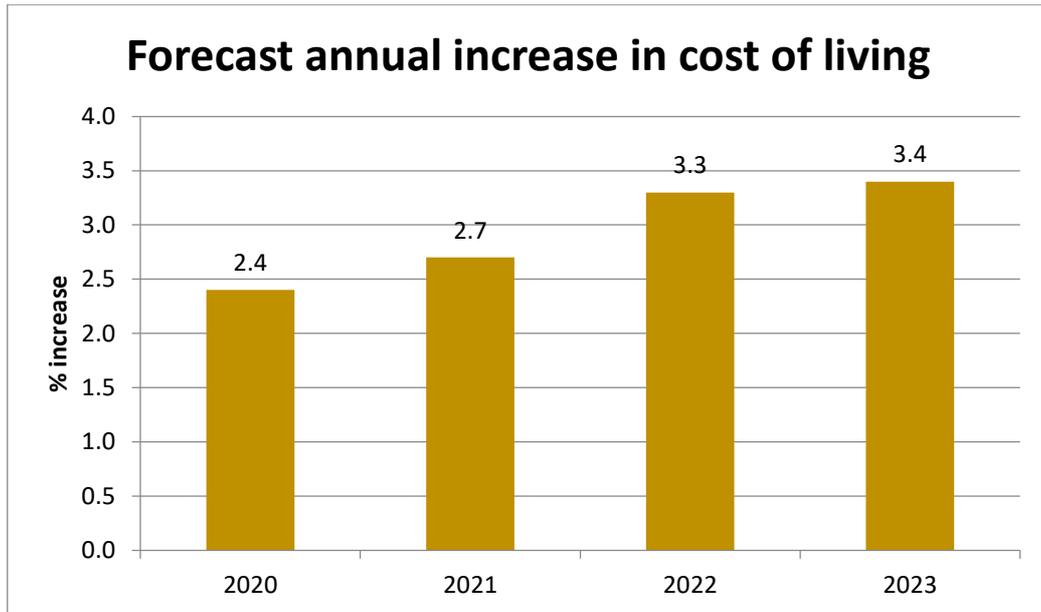
Table 1

	Probation/Interserve CRC	Police Staff	Local Government	Health
2010	0%	2.58%	0%	0%
2011ⁱ	0%	0%	0%	0%
2012	0%	0%	0%	0%
2013	1%	1%	1%	1%
2014	0%	1.1%	1.1%	0%
2015	0%	1.1%	1.1%ⁱⁱ	1%
2016	0%	1%	1%	1%
2017	1%	1%	1%	1%
2018	1.5%	2%	2%ⁱⁱⁱ	3%^{iv}
2019	1%	2.5%	2%	1.7%
TOTAL	3.5%	12.28%	9.2%	8.7%

So, over the last seven years, pay, in relation to the value of pay points, has gone up only 3.5%. When compared with police, local government and health workers, it is clear that staff have been particularly badly treated.

We recognise Interserve CRC employees have had their increment each year, police staff, local government staff and health staff (for most years) have earned their increments in addition to the pay rises set out above.

For the value of Interserve CRC staff wages not to fall back even further, they must at least keep pace with predicted rises in the cost of living, which Treasury forecasts put at 2.4% in 2020, rising to 3.4% by 2023, in line with the graph below.



The lack of pay increases is now beginning to bite, as the CRC are beginning to find it increasingly difficult to get staff to work in certain jobs in certain parts of England and Wales.

4.4 An increase in the value of all CRC allowances above the Retail Prices Index (RPI) of inflation on 1 April 2020 and 1 April 2021

Probation staff allowances used to go up in line with each pay rise when unions and employers negotiated pay awards under the auspices of the National Negotiating Council. However, since 2014, there has been no increase in the value of any of the allowances. This has a negative impact on the competitiveness of the offer to new and existing staff.

This means that the following allowances have all been frozen since 2013:

- Prison Supplement: £675
- Standby Allowance: £42.16

These allowances have all suffered a significant loss in relative value since 2010, so an increase above inflation in the value of all the above allowances in each year of a two-year award would begin to redress this.

To demonstrate just how far these allowances have declined relative to RPI inflation, here is what they would be worth now if they had been increased by the 31.1% inflation rate between 2010 and 2018:

- Prison Supplement: £885
- Standby Allowance: £55.27

It is not acceptable that these allowances have been frozen in value over the last 10 years; they should be keeping pace with inflation.

4.5 Automatic Pay Progression (in both years of the claim) in line with 2 year pay modernisation award

In line with the situation in the NPS, Interserve CRC staff should receive automatic pay progression on both 1 April 2020 and 1 April 2021.

4.6 Removal of Pay Band Overlaps

There are currently overlaps between pay bands 4 & 5.

Pay band overlaps carry with them the risk of equal pay challenge if it is found that there is any detrimental impact of the overlaps in relation to gender.

5. Conclusion

Staff morale is low, workloads are unsustainable. The announcement that Interserve do not intend to bid for probation contracts has added to the uncertainty staff are facing. In order to ensure the Interserve CRCs, function up to June 2021 the organisation needs to show staff that it values them by addressing the issues set out in this claim.

Settling our claim for a two-year award, with both pay progression and revalorisation of pay points, and an inflation increase for allowances, is one of the most effective ways that the Interserve CRCs can show it cares for staff.

The unions look forward to working collaboratively with the Interserve CRCs to deliver a decent pay award for our members this year and next. Much depends on the success of our negotiations.

ⁱ In 2011 and 2012, the Government froze the pay increases of most public sector workers, but proposed a £250 increase in each year to workers earning up to £21,000. The majority of public sector workers, including the majority of probation staff, got nothing, and in Local Government the £250 was discretionary, so many local government staff under £21,000 also got nothing

ⁱⁱ In 2015 and 2016, Local Government workers in the lowest pay points on the NJC pay scale received major uplifts of between 1.2% and 8.6%.

ⁱⁱⁱ The 2018 Local Government NJC settlement also included increases for staff on the lowest pay points ranging from 3.7% to 9.2%.

^{iv} The 2018 NHS Agenda for Change figures shown are for the current offer, which is yet to be settled. If settled on the basis of the offer, bottom loaded increases would also raise the wages of the lowest paid staff by 13.3% and bring the lowest wage above the Living Wage, as defined by the Living Wage Foundation.