Unions Need To Start Talking Hard cash

With a Government as chaotic as the Tory/DUP coalition, it’s difficult to know for sure what their strategy and thinking was in announcing the staged lifting of the public sector pay cap on 12 September. Whether deliberately or not, the impact of the timing has been primarily negative on two counts.

Firstly, by coinciding with the latest inflation figures they've amplified both the scale of the public sector pay crisis and the inadequacy of their proposed solution – the 2.9% inflation figure being almost 3 times the cap for 2017-18 on teachers, nurses, doctors, probation officers, fire fighters, etc and still almost double the 1.7% average proposed increase for police and crisis stricken prison staff.

Secondly, the timing came at precisely the moment all of those most likely to directly challenge the Government were literally gathered together in a big room at the annual TUC in Brighton, with the nation's media on tap angling for a story. Inevitably, they got one. Union leaders queued up to support the POA and police, warning about the inadequacy of the "insulting" below inflation offer; illustrating how their members were just as badly off or worse; and universally pointing out that any increases needed to be funded or hospitals, schools etc faced a choice between breaking from their national award or redundancies. The timing recognised the hornet's nest and whacked a stick at it like a pinata. Public disruption looms as the swarm readies it sting.

But whilst Mayhem reigns in Government the unions have a communication challenge of their own. Whilst there’s growing unity across the powerful, well organised public sector unions about the unfairness and unsustainability of the pay freeze, there is less commonality about the solution needed in each sector. Because of the range and complexity of different public sector pay arrangements the impact of the pay ice age is different and as the thaw starts the damage and fault lines opened up will vary across different sectoral landscapes.

For example, whilst both prison officers and probation staff have suffered the same 1% overall cap, with staff at the published rate for their job actually getting no consolidated increase at all for 7 years, their situations are in almost every other way different. In prisons, botched pay reform has left their system neither “fair nor sustainable” - or transparent with differences between people doing the same roles; hidden allowances for some over others; and variations to the application of CARE pension principles meaning the thaw will reveal divisions and dangers across prisons. This could easily undermine unity across prison staff - all can agree 1.7% isn't enough for anyone but it will be more difficult to find any single figure to address everyone's loss during austerity or give everyone security in their new landscape.

Meanwhile, in probation, another service in crisis where the MoJ Minister signs off the pay deals, the prison cap announcement was met with incredulity. Clearly not enough at about 1/2 inflation but more than the 1% probation are told they're still stuck with as they don't have a Review Body. Whilst the MoJ bodged prison pay reform, the pay freeze has prevented pay modernisation across probation, leaving them adrift with pay scales that take at least 27 years to progress to the official rate for the job and where in all but one of the 6 main pay bands the majority of staff earn less than their range mid-point. Even a universal 10% pay award wouldn't remove the entrenched unfairness or improve relative competitiveness for a service desperately needing to recruit more staff. That's without accounting for additional pay pressures via the internal probation market, created during the pay freeze and unleashed with any thaw, following the part-privatisation and part - nationalisation of the service.

Whilst probation unions Napo, Unison and the GMB will want to line their members up alongside the TUCs ranks any common headline % figure they are called to rally around will likely leave them short changed. Any concessions won collectively will as likely leave probation isolated when inevitably going back to ask for more.

**Hard Cash Alternatives**

There is another option. Unions could unite around a Fair Pay for Public Servants campaign without any common alternative figure and specifically without any %'s - making a virtue out of the principle of pay transparency. Instead each sector can set their demand for a fair salary in real terms. These can be tested and illustrated not against each other (cutting off Government excuses like, "If nurses only got 3% and privatised care workers 2% how and why can we justify giving you lot 5%" or "How can we justify a 10% increase to taxpayers when inflation is only 2.7%?) but against actual costs that resonate with workers, voters and politicians.

Which of these two approaches is likely to be the most effective? The traditional "We haven't had a real terms rise for 7 years and need to catch up so give us 10% plus some more for pay reform" or the alternative that:

* Starts with asking the politician and public, "How much do you think a skilled, experienced probation officer, working in your community or inside a prison with some of societies most complex and difficult people, making critical decisions that have a profound effect on public safety, should get paid?";
* Moving to the same statement but wrapped in "So do you think it is fair that....get less that £32,000 on average with many experienced but less qualified Probation Support Officers being forced into making decisions they're not trained to make on less than £25,000?"

By moving away from percentages unions can also broaden and humanise the debate more clearly. A key pay figure hugely under - utilised and under - played is ***relative disposable income***. This is why public servants go to food banks... in some parts of the country after rent, travel costs, clothing (to meet professional dress codes), mobile phone costs to remain contactable, childcare costs, student loan repayments, and additional pension contributions since the pay freeze many public sector professionals literally have almost nothing left. Putting public sector pay in these terms would certainly stop Hammond and Co patronising their staff about the need to save and spend responsibly.

Disposable income and hard cash comparisons also help translate the weaknesses in the official headline average inflation figure that disproportionately weights factors like low mortgage rates and cheaper second hand cars - of limited relevance to the typical mid 20's debt ridden recent graduates being targeted by Government to fill the public sector job gaps who will typically be renters in more expensive cities, who commute on public transport or pay higher car insurance premiums, and who would expect to occasionally at least be able to socialise with workmates in their unfamiliar new surroundings. The TUC would do well to invest in research to show the real inflation costs for this basket in direct comparison to the official CPI basket and a disposable income calculator.

Hard cash offers will also help those on both sides who help design and maintain pay systems. People understand real costs. If circumstances vary or change, real cost comparators offer more flexibility and transparency - for example in justifying and explaining higher pay rates in and around London without using the blunt and offensive Regional Pay device that's as likely to embed low pay in regions like Wales as it is to address recruitment pressures in Wandsworth.

And real cash awards would have more consistent resonance with taxpayers. Demanding at least 10% can sound like a difficult sell. But start by explaining that an offer of a pay freeze busting 2.5% (or an extra £600 a year for most new entrants in the public sector) isn't much when it works out at less than £5.50 a week after normal stoppages. Point out that's the increase for someone doing a complex, pressured and at times dangerous job in probation or a prison and then tell them their starting pay is only about £460 week before stoppages and you'll possibly be getting their attention. Then explain their normal disposable income is only currently only about £70 a week before food if they don't have kids and they may well start to see why demanding four times the proposed increase perhaps isn't so unreasonable.

Unions know that gaining support for industrial action on pay is usually difficult an never more so than when general pay rates have been stagnating across the economy. That's as true internally as externally – before worrying about public support for strikes the unions need to gain the support of their members who don’t go into public service jobs for the money and have been keeping them going despite the cuts and pressures – going on strike is not their instinct. A new, more transparent approach, centre on hard cash has more chance of engaging and explaining the cause on all fronts.

Note: The figures in the article are estimates and not meant to be costed real examples. These have been published elsewhere.