

## EMPLOYEES' CONSULTATIVE FORUM: 15<sup>TH</sup> OCTOBER 2012

### HARROW UNISON REPORT ON CUTS TO TRADE UNION FACILITY BUDGET

#### SUMMARY AND DECISION REQUESTED

In its Medium Term Financial Strategy (MTFS) the Council intends to cut the Trade Union Facility budget in 2013-14 by £30k. A big proportion of the TU budget funds union secondments. The report presents key and unreported facts concerning the hidden cost-benefits that have not been considered by the Council or contextualised in determining the cut to the Trade Union (TU) facilities budget. It is evidence based and refers to external research conducted by the Taxpayers Alliance, TUC and national trade unions. It requests a fair-minded approach to cuts to the trade union facility budget in relation to total HRD spend on Consultants, Associates, Interims etc and concludes by requesting that ECF make recommendations to reconsider this cut in line with the alternative financial suggestions/savings made.

#### CHRONOLOGY

DATE	ACTION	OUTCOME
21 August 2012	Agenda 11 Trade Union Facility Time – Trade Unions informed that the Council are seeking to find £30k from the Trade Union facilities budget (including salaries, accommodation and other expenditure) contained within HRD budget.	UNISON requested details of current HRD budget including total spending on Interims, Consultants, agency workers/temporary staff and Associates and costs of the Civic Centre union office. At time of press this information remains outstanding. Further cuts to union facility time would be extremely restrictive affecting our ability to represent members' interests according to national union rules.

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#### Trade union 'duties' and 'activities'

Trade union representatives are afforded the legal right to represent their members in workplaces across the UK and undertake demanding and often complex work including the provision of advice to members, formal representation in grievances and disciplinaries, and negotiations with management over terms and conditions.

According to the legal distinction ((TURL(C)A, 1992) and ACAS Codes of Practice) the above are defined as union duties where upon union representatives are afforded paid time away from substantive posts to undertake union work. Union representatives are also allowed to carry out union activities during working hours which can relate to the running of the union i.e. holding steward elections, recruiting members and attending union meetings. According to the law, and unlike union duties, trade union activities are unpaid.

Harrow Council has recognition agreements with UNISON and the GMB. The recognition agreements, among other matters, formalise time-off arrangements and procedures for consultation and negotiation. It also sanctions secondment arrangements for union representatives who have been authorised by HRD to undertake trade union duties away from their substantive posts. An important point to note is that a large proportion of the TU Facility Budget funds the salaries of union representatives to undertake union secondments while the remainder of the budget covers accommodation, stationary and other expenditure costs.

According to Branch investigations, and in relation to the size of our membership, Harrow UNISON has one of the smallest allocations of corporate facility time in London. However, given the limitations it has offered constructive comment on every full business case, engaged on restructures and equality impact assessments and, in difficult economic circumstances, is in the process of reaching a collective agreement with the Council which should preserve jobs and protect frontline services.

### **Facility time; separating fact from fiction**

Recently there has been a negative portrayal in the media regarding the use of public monies to support the activity of trade union representatives in the public sector focusing on the costs of union secondments. Much of this has been fuelled by attention and hidden political motives from organisations such as the Taxpayers Alliance in claim's that TU's received £113 million of funding from taxpayers in the year 2010-11 (see the Taxpayers Alliance report on *'Taxpayer funding of trade unions in 2011'*).

However, in reports by the TUC (*'Facility time for union reps- separating fact from fiction'*, January 2012) and research by UNISON (*'The Value of Trade Union Facility Time- Insight, Challenges and Solutions'*, June 2012) much work has been done to disprove these figures and outline the substantial cost-benefits TU facility time delivers to the tax payer and the wider economy.

Research carried out by UNISON published in June 2012 revealed the following benefits to employers and trade unions:

- § The provision of a ready-made structure for meaningful consultation and negotiation saving organisations money and providing reassurance to members that their views are valued in decision-making
- § Partnership working with trade unions, which improves workplace relations and the reputation of an employer as 'a good place to work'
- § Earlier intervention in relation to complaints, grievances and disciplinaries, preventing escalation into more serious problems, which saves the employer money by reducing the impact on staff time and possible legal costs
- § Better communication and change management, which in turn minimises negative impacts and reduces the loss of working days through industrial action

A key report by the then Department for Business, Enterprise and Regulatory Reform (now BIS- Department for Business Innovation and Skills) in 2007 published that;

- § Dismissal rates were lower in unionised workplaces- resulting in savings related to recruitment costs of **£107-£213m pa**
- § Voluntary exit rates were lower in unionised workplaces with union reps- resulting in savings to recruitment costs of **£72m-143m pa**
- § Tribunal/litigation costs are lower in unionised workplaces with reps resulting in savings to government of **£22m-43m pa**
- § Workplace-related injuries were lower in unionised workplaces with union reps resulting in savings to employers of **£126m-371m pa**
- § Workplace-related illnesses were lower in unionised workplaces with union reps resulting in savings to employers of **£45m-207m pa**

The TUC calculated that as a result of the presence of union representatives (at 2004 prices) a range of between £372m pa to £977m pa of savings were accrued. The public sector proportion (60%) of this amount equated to a saving weight of between £223m pa to £586m pa. In today's money, taking into account the rate of inflation, the saving figures come out at between £267m pa to £701m pa which means for every £1 spent on facility time (using the Taxpayers Alliance disputed figures of £113m pa), between £2 and £5 is returned in accrued benefits which the TUC conclude 'is a very good return on investment'.

### **Harrow context- trade union facility time; 'priceless'**

UNISON representatives in Harrow have and continue to display the benefits detailed within the research accrued from public expenditure on paid time-off for union work which saves Harrow Council thousands of pounds a year. The Branch provides its own IT equipment, stationary and photo-copier. Our Officers and reps give up a significant amount of personal time and hours (over and above allocated seconded time) to carry out their duties and activities and are predominately composed from lower pay bands in comparison to their higher graded HRD colleagues whom they consult with. For instance, a lot of the work on the recent Modernisation project has been done at no cost to the Authority and at the detriment of our dedicated activists. We offer good value for money and at low cost to the rate payers of Harrow.

For instance, Harrow UNISON is an accredited Training Centre and has organised and run a variety of training courses on a plethora of subjects for Council employees at lower than market rates for nearly ten years resulting in significant savings and a better trained and educated workforce. A further £30k cut to existing facility time/budget (as tabled at Corporate Joint Committee on 21<sup>st</sup> August 2012) would impact this and other good work of the Branch affecting our ability to represent members with a knock-on effect for the employer, escalating its costs in areas mentioned within the report and across the board.

We do not use our member's money to fund Consultants because our reps are fully trained and are supported by a coherent and structured Branch nor do we pay honoraria payments. Additionally we do not have the funds to rely on expensive Consultants or Associates the like of which were hired and funded from the HRD budget during the Modernisation project at a cost in excess of £630 a day for an average of two days a week equating to £60k pa. We do not believe the constant erosion of facility time is fair, reasonable or justified when spending on Consultants by highly paid public officials in HRD continues.

### **Conclusion and recommendations**

In submitting this report UNISON request ECF, Cabinet and the Council adopt a fair-minded approach to the reduction of the trade union facility budget and recognise the financial and non-financial benefits that this Authority has accrued through recognition of trade unions. We also request the Authority reconsider the cuts to facility time, take into account the costs of vacant union office space in the Civic Centre, the early termination of funding for Joint Secretary (£45k) and the savings this created in the MTFS reporting period and, finally, consider the benefits of supporting union representatives not just the actual costs of supporting existing arrangements.

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