



Your Choice Barnet Consultation Paper

UNISON response

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UNISON is opposed to the proposed 9.5% cut to staff salaries from 1st April 2014.

UNISON reiterates its recommendations from May 2013 which were as follows:

- *Return YCB services to L B Barnet as stated in Cabinet Resources Committee 24th May 2011, see Appendix A Business Plan page 56 paragraph 7.4:“...Commercial risk ultimately remains with the Council and in the unlikely event of failure, the services will need to be brought back in-house.”*
- *Extend block contract*
- *Retain enhancements for staff*
- *Cease the benchmarking exercise*
- *Delete the post of Director of Social Care*
- *Reinstate fully staffed night shifts*
- *Provide an undertaking that an independent forensic financial review is carried out to establish business sustainability and viability of YCB*
- *Require Winterbourne training as mandatory for all Board members and senior management.*

In addition UNISON now recommends:

- Review post of Director of Growth and Development
- Retain Equal Pay proof salary structure unifying the whole workforce.
- Release the detail on the spot pay grades.
- Detail the introduction of the new pay rates and the meaning for the April salary. The current predicament for Your Choice Barnet (YCB) as expressed in the latest consultation exercise is that they are seeking to recoup £400,000.

UNISON's critique is essentially a continuation of the issues outlined in our last report May 2013 (as reproduced above)

UNISON is extremely concerned that in such a short space of time YCB is looking to cut the **staff bill** by a further **£400,000**. Our concerns are further reinforced when considered alongside statements from YCB such as:

“We could not have known the financial circumstances of YCB up until the end of December (six months into the second year of the contract). As a result of many of our service users having reduced hours which has impacted on our revenue, this has meant a funding gap in addition to the £1million outlined in the consultation paper. This has been a trend for the first six months of the year

which was not anticipated and could not have been foreseen.” (Question and Answer responses March 2014).

It is now 2 years since YCB came into being and still there is **no** evidence-based assurance of the current situation and the direction of travel. The proposals outlined in the document “Growth for Your Choice Barnet” (2014) are largely to be found in the original Business Plan 2012. This begs the question as to what has been done about this situation in those past 2 years. Growth is mentioned but with **no baseline** projection. Since the most favoured option of **cutting staff salaries** also mentions a need to grow business, and to maintain or improve staff salaries, we can only conclude there is **no evidence** this pay cut will be sufficient to protect future business and our members’ terms and conditions. UNISON has grave concerns that there is a **high probability** that YCB will be coming back with **further cuts** for their staff.

Indeed YCB predicts there will be an **ongoing squeeze** on Social Care funding over the coming years. This is against a backdrop that, according to the Care and Health Solutions report of May 2013, whilst YCB pays above the **average market rate** for staff, within Barnet care staff are **paid lower** than even the England average! New business is expected to come from **outside** the Local Authority or from self funders. When asked what work is being carried out to predict or model the effects of the new Care Bill, it became clear **no such work** has been carried out. The **lack** of detailed evidence of any sustainable new growth simply reinforces the **precarious** financial state of affairs of YCB.

The **£400,000** from staff salaries needed by YCB consists of a need to make savings and to build in a contingency. However, what is left out of the consultation document is the cost of people not agreeing to a wage cut. It beggars belief that YCB **never** costed this and assumed staff would accept swingeing wage cuts in the current economic climate where we have a ‘**cost of living crisis**’. YCB is not the first organisation to go through a “dismiss and re-engage” procedure in Barnet. Why this was not presented to staff as a given from the start (as other organisations usually do) is baffling. Instead YCB staff have been given this news as **a threat** to be implemented if staff were to refuse to accept this massive cut in their pay.

Additionally the responses by YCB to staff regarding the introduction of its proposal is confusing and exacerbating their already considerable stress and low morale:

“If this proceeds in April you will receive two weeks at the existing rate and two weeks at the new rate.”

“The consultation is 45 days and the changes would take effect from 1 April 2014.”

UNISON recommends YCB provides absolute clarity about what staff can expect.

The effect of the proposal on each of the current grades is to **cut staff wages** by 9.5% on each spinal column point, with **new starters** to be cut by **12.5%** from a salary scale point which has still not been disclosed to trade unions or staff. YCB will operate a spot grade and review the salary position in 2 years time on a benchmarking exercise.

What has become clear through the consultation exercise is that there is **no logical salary structure**. There is no progression route. Currently each post covers 4 spinal column points. Introducing a new start rate gives us a 5th rate of pay. Whereas new starters progressed through the grade, there is now **no proposal** for moving people from lower rates of pay for carrying out the same work. Potentially we will now have **5 different rates of pay** for the **same** job. This does not protect the employer from Equal Pay claims. UNISON has requested an Equality Impact Assessment for the effect of this breakdown of pay. We have not yet received this. UNISON has also requested a breakdown of pay for each post. We have received the hourly rate of pay reflecting 1 spinal column point only for each job title. In fact UNISON has alerted YCB to the risk of being an associated employer in the Barnet Group and with LBB and opening itself up to an Equal Pay challenge. We are still exploring this issue.

UNISON and staff **still** do not know what all the proposed rates of pay are for all the positions in YCB.

There are already some tensions between permanent and non-permanent members of staff around the differing terms and conditions and security of their job. Successful and **safe** work with vulnerable service users is predicated on good teamwork, respect and trust between colleagues. Having such varying rates of pay does nothing to promote this teamwork. It will **compromise** the health, safety and wellbeing of service users.

UNISON recommends that **YCB provides** a salary structure which is transparent to all members of staff and affords each member of staff equality of opportunity.

Little work seems to have been done to reduce the numbers of Agency and As and When staff – to move colleagues who have been working well in the service into more permanent positions. There appears to be no baseline understanding regarding the staffing levels on a day-to-day basis. It is also not clear what the respective advantages/ disadvantages are regarding hiring Agency staff in preference to As and When staff.

UNISON is unclear why there is a **need** for a Director of Social Care employed by The Barnet Group. The core business of Barnet Homes is not providing Social Care. The **deletion** of this post is one easy **saving** to make. The **lack of evidence** and therefore unhelpful speculations from YCB about the ability for the service to grow raises **serious doubt** as to whether the the post of Director of Growth and Development for the Barnet Group is sustainable. This post attracts a **substantial salary**, but if the room for growth is as narrow as YCB indicates – this post should be substantially scaled down. It could be reviewed according to the success of YCB to attract new business.

Ultimately the **crisis** for YCB has been created by the fact of it being a Local Authority Trading Company. This has led to it being put into the position of taking out a **£1million commercial** loan from Barnet Homes requiring a **6% interest repayment**. We believe the conditions of this loan need to be explored further with Barnet Homes and renegotiated.