

The alternative

The monthly campaign newsletter from PCS | April 2011

This issue of *The alternative* features PCS members facing attacks on their jobs, pensions and pay; and highlights plans for joint strike action against cuts

There is an alternative...

The cuts are a choice and not a necessity. The government could find the money to fund public services and to protect the jobs, pensions and pay of public servants.

PCS has drawn up detailed alternative economic proposals:

- Create jobs to boost the economy and cut the deficit
- We should invest in socially useful projects like housing, renewable energy and public transport
- There is a £120 billion tax gap of evaded, avoided and uncollected tax
- Instead of cutting jobs Revenue and Customs should employ more tax compliance officers – each one collects £658,000 annually
- The UK holds £850 billion in banking assets from the bailout – this is more than the national debt
- End the use of consultants.

Visit pcs.org.uk/alternative to read the union's economic alternative.



It's now or never

Time to stand up for jobs, pensions, pay and public services

PCS members are gearing up for the joint strikes with other public sector workers that will be needed to stop unprecedented attacks from the Conservative-led government.

Everything we have worked for is under threat:

- Pay is frozen while inflation soars
- People are working longer and paying more for smaller pensions
- No public sector job is safe as services are slashed
- The government has ripped up the redundancy terms in the civil service compensation scheme (CSCS).

Talks are ongoing between trade union leaders and Cabinet ministers about pensions – though the government is determined to save billions of pounds by making public

servants pay much higher contributions to schemes that are already sustainable.

Legal action has started in the High Court to defend the CSCS.

Job cuts are being fought in every workplace – through talks, protests and industrial action where necessary.

What you can do

- **Check** your closest colleagues are in the union
- **Join in** workplace and branch meetings – your idea could be the one that wins the dispute
- **Support** local anti-cuts activities – whichever union is leading them
- **Read** our alternative economic strategy at pcs.org.uk/alternative

But the PCS national executive has agreed that the best way to defend the conditions our predecessors fought to win is to hold co-ordinated strike action with other public sector unions.

An emergency resolution – which you can read on page 4 – will go before the union's conference in May.

Before then – so every member can have their say – all branches have been urged to call meetings to discuss the plan.

Hundreds of thousands of working people took to the streets of London on 26 March to demand an alternative economic strategy.

The protesters' confidence grew as trades unionists glimpsed their collective strength.

It's time to turn that energy into action.

Everything you have ever worked for is under threat

Jobs

Melanie is 23, she works in a London Jobcentre on a fixed-term contract earning less than £20,000 per annum.

She uses public transport – the cost of which went up by more than 50% for some London journeys in February.

She's struggled to heat her small flat through the winter as gas and electricity prices rose by 5%.

And when VAT went up in January it meant her few luxuries were all more expensive.

But her biggest fear is losing her job. More than 10,000 fixed term Jobcentre staff have been axed in the past few months.

One in five under 24-year-olds are already unemployed.

Melanie's civil service experience

won't help much – with 25,000 jobs set to go at the Ministry of Defence, 14,000 posts due for the axe in Revenue and Customs, and 8,500 workers lined up for the chop in the Home Office.

In October's comprehensive spending review chancellor George Osborne said 490,000 public sector jobs would have to go.

Unions calculate that more than 300,000 posts have already been picked out for redundancy in government, the NHS and local authorities.

Working Links, a company that runs a government scheme to cut the dole queue has made 600 of its 2,000 employees redundant.



Pensions

Waseem is 52, he lives in Huddersfield and works as a higher executive officer for Revenue and Customs earning £32,000 per annum.

He lives with his wife and two grown-up children – one has just finished university and the other is just starting.

Waseem was hoping to retire at 60. A review of public sector pensions by Lord Hutton proposes that some of his payout will have to be postponed until he reaches state retirement age.

He is worried that his children are being saddled with debt for their education and he may need to support them again.

If Hutton goes ahead

Waseem faces the prospect of working at least five years longer for a smaller pension.

His contributions will rise from next April by about £1,000 a year – if he works to 65 that means he pays out £13,000 extra.

Hutton would mean paying into an inferior scheme for the last few years of his career.

And a change in the method of calculating annual inflation upgrades from the retail price index to the consumer price index will mean his pension rises by less each year.

The changes to education funding and pensions mean Waseem and his wife are facing financial worries into the future.

Pay

Marcia is 34, she works in Cardiff as an executive officer for the Welsh assembly government earning about £25,000 per annum.

She lives with her husband and three young children and is paying a mortgage on her home.

Her pay is frozen until at least 2012 – but prices aren't.

Inflation calculated with the Retail Price Index – which includes housing costs – is soaring at 5%.

A survey by the organisation learndirect found that families believed the rising cost of living would leave them £2,500 worse off this year.

VAT rose to 20% in January – costing the average family

more than £400 this year.

Council tax in Cardiff rose by 2% in April – and with active boys Marcia was disappointed by the introduction of charges for under 18s to use sports pitches.

If the government gets its way on pensions Marcia's contributions will go up by £750 per year from April 2012.

Marcia's family use a car – and petrol has gone up much faster than inflation.

Her expenditure will rise by at least £4,000 a year – while she has a pay freeze.

And her husband's private sector security job relies on public sector contracts – so there is always a lurking fear of unemployment.



Illustrations: Thea Birnie

Redundancy payouts

PCS and the Prison Officers' Association have launched legal action against the imposed new civil service redundancy scheme, known as the civil service compensation scheme (CSCS).

The unions are asking for a judge to review the government's decision of 22 December 2010 to introduce a new scheme – reducing redundancy benefits by up to a third.

The legal claim seeks a declaration that the new scheme and the changes to the law – called the Superannuation Act 2010 – which were rushed through parliament in the autumn, are incompatible with the Human Rights Act.

Following the submission of their case the unions are waiting for a response from the Cabinet Office and a date for a hearing in the High Court.

Last year PCS won victories in the High Court over the previous

government's attempt to reduce CSCS benefits – arguing that it was unlawful to reduce rights that had accrued through length of service without the union's agreement.

The parliamentary joint committee on human rights, scrutinised the superannuation bill as it was debated by politicians, and concluded that it interfered with the human rights of civil servants.

In January 90% of 80,000 PCS members who voted in a consultative ballot agreed with the union's recommendation that the new scheme should be rejected.

Members of the POA, the union with the second-largest civil service membership, voted by 95% – on a turnout of 48% – to reject the new compensation scheme. That means 90,000 civil servants have now voted against the cuts.

The government's changes to the CSCS tear up accrued rights and cut compulsory and voluntary redundancy payments.

The new scheme removes the need for ministers to agree changes with staff, meaning it can impose reductions at will.

This, the union says, is a gross abuse of the government's unique power as both employer and legislator.

“The new scheme removes the need for ministers to agree cuts with staff, meaning it can impose reductions at will”

Everything our grandparents fought for is under attack

Our grandparents bequeathed us the NHS, the welfare state, free education, and decent pensions and holidays.

Unless we act now our grandchildren will be lucky to learn about these things in history lessons from teachers on the minimum wage at corporate-sponsored free schools.

But protests are growing. Hundreds of thousands of working people took to the

streets of London on Saturday 26 March to demand an alternative economic strategy.

PCS and education unions are planning co-ordinated strikes to defend jobs, pensions and pay.

And across the public sector workers are gearing up to defend the services that hold society together.

Health

The government's proposed reforms to the NHS in England

are so unpopular that a vote of no confidence in health secretary Andrew Lansley was supported by 99% of delegates to the conference of the Royal College of Nursing in April.

The almost unanimous dissent from an organisation traditionally seen as being more conservative than most of its sister unions forced the minister to apologise for not communicating his intentions clearly enough.

The union-backed campaign

“Across the public sector workers are gearing up to defend the services that hold society together”

group Health Emergency says that if Lansley's health bill is passed “it will spell the end of the NHS as we know it”.

The British Medical Association's consultants' spokesman Mark Porter argues that the reforms threaten to drag the NHS back to the 1930s.

And Health Emergency adds: “This is purely and simply about maximising the slice of the public NHS budget that can be grabbed by private sector providers.”

Schools

The government policy in England of setting up more academies and free schools outside of local council control is also a way of handing influence and public property to the private sector.

Melanie Crossman, vice-chair of the National Union of Teachers' Manchester branch, said: “I am very concerned about the privatisation of schools and their assets in the form of

academies and free schools.

“Removing those institutions from the national pay and conditions agreements is about breaking up the power of unions to resist changes and defend teachers.

“Market forces do not work in schools – like they haven't worked in the health service.”

The NUT is stepping up its campaign against the changes – across the country teachers are passing motions against the plans

even if they don't seem imminent in their schools.

Business

Bosses have been expressing concerns about the economy.

Former Asda chief Andy Bond said: “I don't think the private sector is going to be able to pick up the slack in this climate.”

ITV chairman and former Tory MP Archie Norman said growth targets were too optimistic.

I would go on strike to defend public services and public sector workers...



"We need to have solidarity with other workers like teachers and nurses and across all the different departments of PCS." **Clara Paillard**, 30, chair of the PCS national museums Liverpool branch



"It is vital to defend public services against these dreadful cuts. The union has shown that there is an alternative." **Ian Chard**, 52, chair of the PCS Enleigh Ministry of Defence branch near Bath



"The response by the government to the March for the alternative has made me absolutely 100% prepared to strike." **Faye Jones**, 26, learning rep at the Home and Communities Agency, Reading

For more details see pcs.org.uk/campaigns

Ballots – everyone's at it

Tens of thousands of PCS members are already taking or threatening industrial action against job cuts and dictatorial managers.

- **Driving Standards Agency** a deal was negotiated guaranteeing no compulsory redundancies and saving a DSA presence in Cardiff and other threatened locations after 1,700 members voted to strike over office closures.



Striking DWP workers

- **Department for Work and Pensions** 7,000 members striking in mid-April over working conditions in Jobcentre Plus contact centres.
- **Home Office** 15,000 members working to rule and refusing to do overtime in protest at job cuts and the victimisation of two PCS reps.
- **HM Revenue and Customs** 55,000 members balloted and voting for strike action over a new sick absence policy.
- **Equality and Human Rights Commission** 350 members balloted and supporting strike action against cuts that would axe more than half the staff.
- **Office of the Public Guardian** 177 members balloted and backing strike action after 177 staff faced moving from London to Birmingham with no relocation expenses on offer.



Vote for action

PCS's national executive has agreed to put this emergency motion to the union's ruling delegate conference in May:

"Conference condemns the policies of the coalition government which are designed to cut hundreds of thousands of public sector jobs, cut services, attack public sector workers' pensions, and which have imposed a two-year pay freeze.

Conference further condemns the proposed redundancies that have been recently announced in a number of areas and believes they could have been avoided.

Conference notes that the government has already made it clear that it will implement the Hutton proposals meaning members will pay higher contributions and work longer for a lower pension.

Conference believes that it was not the jobs, pensions or pay of public sector workers which caused the economic crisis and rejects the coalition

government's attempts to scapegoat public services.

Conference welcomes the recommendation of the April NEC for a national ballot for discontinuous strike action and for discontinuous action short of a strike. Conference further welcomes the ongoing talks with the education unions for joint action involving hundreds of thousands of public sector workers.

Conference therefore instructs the incoming NEC to:

- Proceed with a national ballot in defence of jobs, pensions and pay
 - Continue to work with other trade unions to co-ordinate the action for maximum impact.
- Conference therefore urges all members and activists to prioritise mobilising for a 'yes, yes' vote."

Your PCS branch will be debating the resolution at its next meeting – please do your best to attend.

Top economist slams Tories

An American economist who won the Nobel Prize in 2008 has accused the Conservative-led government of indulging in a "fad" for austerity in which the "fashion victims are the people of Britain".

Paul Krugman said coalition policy was not based on careful analysis but was "more like a fad, something everyone professed to believe because that was what the in-crowd was saying."

The London School of Economics professor believes the government has an ideological programme to downsize the welfare state, saying the plan

"boldly goes in exactly the wrong direction" and has been sold to the public with an unprecedented and unwarranted degree of fear-mongering.

Krugman supported the PCS call for investment to stimulate growth saying: "The lessons of the past remain relevant, that trying to balance budgets in the face of high unemployment and falling inflation is still a really bad idea."

Writing in the New York Times he warned: "It echoes the budget of 1931, which tried to restore confidence but ended up deepening the economic crisis."