

## **Public Service Pay**

### **Modernisation and Flexibility**

1. The increasing demand for improvements in the provision of public services requires a flexible approach to working practices by individual public servants, management and unions. This entails the removal of unnecessary demarcations, the adoption of more modern approaches to work and the promotion of innovative ways of meeting the demand for services. It is also necessary that managers have the flexibility to adapt procedures to respond to particular pressures, which may vary from sector to sector, and to ensure that work methods are suited to the efficient delivery of services.

2. The report of the Public Service Benchmarking Body noted that change is accepted as an essential and ongoing criterion of survival, growth and prosperity in the private sector. The report identified flexibility of working as a key requirement in the achievement of greater efficiency and effectiveness in the public service. In light of the importance of this issue, the parties to this agreement will co-operate with flexibility and modernisation as provided for in Chapter H.

### **Stable Industrial Relations Climate**

3. The Parties recognise the importance of stable industrial relations and are committed to maintaining a well-managed industrial relations environment to minimise disputes affecting the level of service to the public. A stable industrial relations climate has important benefits for the general public and the public service itself. These benefits include the provision of uninterrupted services, improved productivity and staff morale, increased public confidence and the maintenance of Ireland as a desirable location for foreign direct investment.

4. Many public services differ from services which are provided by the private sector in that they are essential services which the public cannot obtain from alternative sources. Providers of essential services and their staff, therefore, have a special responsibility to ensure that they have well developed communication channels and to seek to resolve problems before they escalate into industrial disputes. If the problem cannot be resolved then it is agreed by all

Parties to take up all available dispute resolution mechanisms (both statutory and non statutory).

5. The parties are agreed on the importance of confidence in regard to wage developments. Specifically, employers expect unions to adhere to the terms agreed and unions expect the terms agreed to be applied to their members.

6. This Agreement:

- • Provides that no cost-increasing claims by trade unions or employees for improvements in pay or conditions of employment, other than those provided for in clauses 17 and 18, will be made or processed during the currency of the agreement;
- • Commits employers, trade unions and employees to promoting industrial harmony; and
- • Precludes strikes or other forms of industrial action by trade unions, employees or employers in respect of any matters covered by this agreement, where the employer or trade union concerned is acting in accordance with the provisions of this agreement.

7. The parties are agreed that engagement at local level in relation to issues in dispute must be meaningful and undertaken in a spirit of making every effort to reach agreement at the earliest possible stage.

8. Where the parties cannot reach agreement through negotiations on any matters covered by this agreement after local discussion, these will be referred to the Labour Relations Commission and, if unresolved, these shall jointly be referred to the Labour Court or, where appropriate, to other agreed machinery. Where a Conciliation and Arbitration Scheme applies the referral shall be to the

Conciliation machinery under the Scheme and if unresolved shall be referred jointly to the Arbitration Board acting in an ad hoc capacity.

9. If a dispute arises as to what constitutes a breach of the agreement after local discussion the matter will be referred to the Labour Relations Commission and, if unresolved, it shall jointly be referred to the Labour Court under Section 20(2) of the Industrial Relations Act, 1969 and the parties will accept the outcome.

Where a Conciliation and Arbitration Scheme applies the referral shall be to the Conciliation machinery under the Scheme and, if unresolved, shall be jointly referred to the Arbitration Board, acting in an ad hoc capacity, and the parties will accept the outcome

10. Where there is disagreement as to what constitutes normal ongoing change, after local discussion the matter will be referred to the Labour Relations Commission, and if unresolved, it shall jointly be referred to the Labour Court for adjudication under Section 20(2) of the Industrial Relations Act, 1969 and the parties will accept the outcome. Where a Conciliation and Arbitration Scheme applies the referral shall be to the Conciliation machinery under the Scheme and, if unresolved, shall be jointly referred to the Arbitration Board acting in an ad hoc capacity and the parties will accept the outcome.

### **NIB and the Public Service**

11. The Agreement at Paragraph IKKK provides for the continuation of the National Implementation Body (NIB) to ensure the delivery of the stability and peace provisions of this Agreement. A subgroup of the NIB will be established to review progress on all aspects of this Agreement in the public service and to consider any issues arising out of the implementation of the Agreement. It will meet monthly or as otherwise may be agreed.

### **Code of Practice on Dispute Procedures**

12. The Parties are committed to agreeing voluntary codes of practice to address in particular the maintenance of essential services. These codes should reflect the Code of Practice (*Dispute Procedures Including Procedures in*

*Essential Services*) prepared by the Labour Relations Commission (S.I. No. 1 of 1992).

13. Discussions will take place as a matter of urgency within each sector, under the auspices of the appropriate negotiating machinery, on the adoption of a voluntary code of practice for that sector. The Parties are committed to these codes being agreed by September 2003. A copy of each agreed code should be lodged with ICTU, the Department of Finance and the Labour Court/Arbitration Board as appropriate. In the event of the parties encountering problems in agreeing the code of practice, the matter should be referred to the Labour Relations Commission or Conciliation and Arbitration machinery where appropriate and, if necessary, the Labour Court or Arbitration Board acting in an ad hoc capacity.

#### **Public Service Monitoring Group**

14. A Public Service Monitoring Group (PSMG) was set up under the Programme for Prosperity and Fairness (PPF) to oversee implementation of the public service pay agreement. The PSMG deals with any overarching issues that arise in implementing these agreements as well as any other issues which both sides agree would help to improve the operation of public service pay and industrial relations arrangements. The PSMG will continue to meet on a regular basis under this Agreement.

#### **General**

15. The parties, their officials and members accept as essential, adherence to the spirit and intent of the Agreement and will communicate these commitments, obligations and responsibilities in good faith.

16. In this context, the parties to the Agreement recommit themselves to extending and deepening the partnership process at the workplace in accordance with commitments under previous national agreements. It is intended that the National Centre for Partnership and Performance will play an increasing role in supporting this process.

All other aspects of the Agreement apply equally in the Public Service.

## **Public Service Pay**

### **Pay Increases**

17. This Agreement shall come into force on the expiry of the Pay Agreement under the Programme for Prosperity and Fairness and will last eighteen months.

18. It is agreed that pay increases shall be calculated on the basis of:-

A pay pause of 6 months to be followed by:

3% from 1 January, 2004

2% from 1 July, 2004

2% from 1 December, 2004

### **Payment of benchmarking increases**

19. It was agreed under the adjustment to the PPF in December 2000 that one-quarter of the increases recommended by the Public Service Benchmarking Body would be paid with effect from 1 December 2001. This will be paid on ratification of this agreement. It has now been agreed that the balance of the increases recommended by the Public Service Benchmarking Body will be paid under this Agreement on the following basis:-

50% of the increases from 1 January, 2004 and 25% from 1 June 2005.

20. The Public Service Benchmarking Body said that “ *In two cases exceptionally – the Defence Forces and teaching at primary and second level – certain allowances are deemed part of basic pay and were treated as such when the Body considered the recommendations for those sectors of the public service. Other allowances fall to be adjusted in accordance with normal custom and practice*”. It is agreed that allowances will be treated in accordance with this recommendation. Where adjustments arise they will be made on the basis of the phasing set out in paragraph 19.

21. The Public Service Benchmarking Body’s Report recommended that the payment of this portion of the awards should be dependent on real and verifiable outputs from modernisation and flexibility changes.

22. The payment of the final two phases of the benchmarking increase and the general round increases as set out above is dependent, in the case of each sector, organisation and grade on verification of co-operation with flexibility and ongoing change, satisfactory implementation of the agenda for modernisation set out in YY, maintenance of stable industrial relations and absence of industrial action in respect of any matters covered by this agreement. Payment is dependent on verification of satisfactory achievement of these provisions as set out in paragraph RRR.

23 The provisions above including the phasing specified will apply to any increases that arise from the Craft Parallel benchmarking process and the related processes for the Non-nursing grades and the General Operatives.

## **Benchmarking**

24. The parties are agreed that the benchmarking exercise under the PPF was an important initiative in developing a better system of pay determination in the public service. The parties agreed that this process is an appropriate way of determining public service pay rates in the future. Importantly, the process allowed for an evaluation of public service jobs and pay as compared with the private sector. It was accepted when establishing this process that cross-sectoral relativities were incompatible with such an approach and the parties agree that such relativities no longer apply and that as stated in the Report of the Public Service Benchmarking Body *“The Body’s recommendations on remuneration of the benchmarked grades have the effect of severing all previous pay links and establishing new absolute levels of pay of each of those grades.”*

25. Over the period of this agreement, the parties will engage in consultations, in the light of the experience of the benchmarking exercise, in relation to matters such as:

the terms of reference of a further benchmarking exercise;

the modus operandi of a further benchmarking exercise; and

the establishment and timescale of a further exercise.

These issues will be settled in the context of the discussions on whatever arrangements on pay and conditions are to be put in place on the expiry of this agreement.