A good deal for the public service unions, Government banks on industrial peace

BRIAN SHEEHAN

With massive uncertainty around job security in parts of the private sector, a public service deal that offers pay rises and the return of "lost" hours was always going to be backed decisively by public service union members.

The 'Building Momentum' agreement, backed by "13 out of 17" public sector unions affiliated to the ICTU, secures pay increases significantly weighted in favour of the lower paid, the restoration of overtime and twilight payments, a special 'sectoral bargaining' element – and the promise of a special review on the restoration of working hours conceded in 2013.

In return, the Government will hope it can retain the sort of change and productivity necessitated by the pandemic, while also securing industrial peace for the duration of the deal. It may be engaged in an element of wishful thinking if it expects pandemic levels of cooperation to continue, but can feel reasonably confident of avoiding industrial troubles.

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However, uncertainty surrounds the attitude of secondary teachers as well as some non-ICTU bodies, especially those representing Gardaí and the Defence Forces.

Issues will bubble up that could put pressure on the agreement's €906m price tag, but the dispute resolution mechanisms agreed by ICTU unions may be enough to contain disputes among affiliate unions.

PUSH FOR REWARDS

But there will be calls for extra benefits or rewards due to Covid-19.

This week, union leaders expressed confidence that their members in the health service will see some form of reward, like special leave, as a 'thank you' for work done in 2020. Although there may be widespread backing for this sort of gesture, government and employers generally will be wary of other groups pressing for similar rewards.

Already, semi-state bus workers are calling for extra leave days, with the support of their unions.

The Government also faces a 'call', importantly not a formal 'claim', from the nurses and midwives union, INMO, for some extra reward for nurses for this year, 2021. Again, if this was to be granted just to nurses, will other health staff exercise restraint

Meanwhile, one of the key elements of the new deal, the special 'Sectoral Bargaining Fund', promises to resolve category or group claims – at least on an interim basis. The agreement suggests this new approach could be continued into a new agreement in 2023, so the unions may interpret the 1% allowable in the new agreement as a sort of “down payment” in respect of longstanding claims in some cases.

Already, the chairman of the public services committee, Fórsa general secretary, Kevin Callinan, has indicated they could all be back in talks as early as May of 2022, to negotiate the next agreement.

PROCEDURAL “TREACLE”

The new oversight and disputes mechanisms are quite different to what was there previously. Stand-out features are their complexity and the fact that unions will be policing, not just their own agreement, but also considering claims or disputes by colleagues in other unions.

But there is an absence of finality in the series of steps through which a dispute can move up, although only those rows of national level or “strategic” importance can get as far as the TIB (Tripartite Implementation Body), a mechanism that has some similarities to the disbanded National Implementation Body of the social partnership years.

After the TIB, a case can go to the Labour Court, where the matter “is concluded”. But it is notable that the word “binding” is absent from this agreement. Perhaps this is in recognition of the simple fact that binding decisions don’t work in a voluntarist system, as the 2019 nurses strike ultimately demonstrated?

So, the very fact that the rules governing these new Building Momentum mechanisms are so convoluted, could be interpreted as an attempt to bog down disputes in procedural “treacle”.

RIPPLE EFFECT OF 2019 STRIKE

The ripples from the 2019 strike by nurses and midwives have helped shape this agreement.

Ironically, the new disputes system is directly due to the success of that INMO strike, which resulted in a favourable deal for the bulk of that union’s members. It also triggered claims by other unions seeking compensatory increases, demands that have, ultimately, led to the new sectoral bargaining fund.

Whether sectoral bargaining can become a long-term feature of these agreements hinges on the success of this latest bid to manage such special claims. Efforts to do so in the past failed, resulting in the leapfrogging claims of the later 1990s that led to the now infamous Public Service Benchmarking Body’s first report.

DPER’S CONFIDENCE

How to manage future pay formation is a big challenge for DPER, a department that appears confident that it has the wherewithal to handle collective bargaining, rather than “contract out” pay assessments to outside review bodies.

DPER didn’t take-up the advice of the disbanded Public Service Pay Commission, which suggested a broader, independent, pay review.

Some observers have pointed to the need for such exercises, most recently in respect of top paid personnel, following the controversy over the proposed salary for the new secretary general in the Department of Health. *(See ['Top public service pay: Government continues to operate in a policy vacuum' in IRN 06 - 11/02/2021])*

LOWER PAID

Regarding the basic pay deal, meanwhile, the benefits to the lower paid should not be underestimated, demonstrating the importance of the 'floor' of €500 in each phase.

Those higher up the pay ladder, set for further pay restoration in 2021 and 2022 – these were already agreed – on top of two 1% increases, won't be too concerned about this 'bias' in favour of those down the pecking order.

But management and unions need to be aware of possible attraction and retention issues in future years. Highly valued staff can be lured away by better opportunities in the private sector.

'LOST HOURS' RETURN

The most controversial concession is the return of the 'HRA hours', which can be best explained as unpaid hours once believed by government – and some union leaders - to be permanent.

Not only that, an envelope of money worth €150m has been set aside to 'oil the wheels' for the special review that will take up its task. Assessing the cost of restoring these hours is difficult, with unions rejecting an initial assessment carried out for DPER a few years back, which suggested it would come to well over €600m.

Whatever the final cost, it seems fairly certain that €150m – while an impressive down payment – won't quite cut the mustard. More importantly, how will an entity like the HSE get by without these extra hours, now they have been "embedded" in its systems? That is how its CEO Paul Reid put it to an IRN conference last year. Extra staffing - or more agency work – seems inevitable.

POLICING THEMSELVES?

PSC chairman Kevin Callinan and his four "top table" colleagues can feel particularly pleased to have forced the issue of the HRA hours onto the bargaining table, securing a tangible result, on top of the pay and other concessions.

They now face quite a job of work in managing the sectoral bargaining element to a successful conclusion, and a challenge in overseeing the deal via the new disputes mechanisms. Facing down their own colleagues won't be easy, but this sort of scenario is implicit in the disputes mechanisms, should the deal be challenged by threats of industrial action.

(See also, ['Public Pay deal backed: sectoral bargaining & working hours centre stage' in this issue])