



2009 RECESSION CHARTER NOT FOR PROFIT SECTOR

- **Charities in the recession - the forgotten crisis**
- **Stability is the key for employee job security**



unite
the **UNION**

Executive Summary

- **Longer term funding streams to secure jobs and services for the next ten years**
- **National and local government, as well as the devolved administrations, to take an active role in underpinning the jobs in the Not for Profit sector**
- **A strong emphasis on the training and welfare of the sector's 750,000-strong workforce**
- **Trade union involvement in a progressive 'pay and conditions' agenda**



Introduction

The Recession Charter is a major initiative by Unite, the country's largest trade union, to focus the debate about the sector's future funding arrangements on those working for Not for Profit organisations, and the very real challenges they face as job losses mount and funding severely dips.

The UK has about 171,000 registered charities and an array of thousands more voluntary and community organisations, such as play groups and residents' associations, not registered with The Charity Commission.

The work of what is generically known as the Not for Profit sector has a different role to play when considering its activities compared with the public sector and privately-run organisations. Not for Profit organisations cover a myriad of activities from campaigning to the provision of services; from Greenpeace to the Church of England.

The work of its 750,000 employees makes it a larger contributor to the social and economic wealth of the nation than some more traditional sectors, such as agriculture. In 2006/07, the total income for General Charities was £33.2 billion.

Our members work in housing associations, law centres, children's charities, organisations fighting threats to the environment, and those supporting community and youth projects, as well as a wide-range of international organisations. They are employed in the four countries that make up the United Kingdom, as well as the Republic of Ireland.

During this recession, the sector has been at the frontline for those most in need of support, whether it is advice on employment and housing issues, or relationship counselling. The sector has done this by:

- providing preventative services
- piecing together the lives of those directly effected
- campaigning for new and improved ways of doing things in our society

Financial situation

The impact of the financial downturn on those that work in the sector can go unnoticed by politicians, opinion formers, the media and the general public.

The UK and the Republic of Ireland's Not for Profit sector finances are under mounting pressure from losses in the Icelandic banks; a decline in donations from the general public as highlighted by the recent Charity Commission Economic Survey of Charities; and cut backs from local authorities as they struggle to keep council tax increases under control. Also, many charities have few assets to draw on to plug the widening gaps in their budgets. International aid organisations have also been hard hit by the fall in the value of the pound.

Employees are being asked to provide the same, if not more services, but with fewer resources. The dedicated workers in the sector are responding to this by finding innovative ways to ensure the quality of service for users, but in parallel, they also need their organisation to protect their well-being during the recession.

Not for Profit sector workers have mortgages, families and financial commitments they need to consider. They are no different, in these respects, from anyone else in the working population.

Politicians, policy makers and employers cannot ignore the essential needs of this workforce. Quality investment in the workforce is a prerequisite for the delivery of quality services. Without a well-trained workforce there will be no quality services.

The challenges

This can be encapsulated in one phrase: the quest for stability.

Unite believes that the government must take every step possible to maintain employment in the sector. The moment someone loses their job, they are placed under mounting financial pressures and start losing their dignity, confidence, skills and worth, not to mention drawing on precious state resources.

As a union, we have witnessed the ease by which redundancies can be made as a short-term fix to budgetary pressures. We believe that the government has an obligation and responsibility to work with us to maintain employment by:

- reviewing redundancy legislation, ensuring that redundancy is a last resort after all other options have been explored
- seeking out opportunities to up-skill the workforce during this downturn, so people are ready for work when the economy picks up again
- exploring other options, such as career breaks and part-time volunteering opportunities

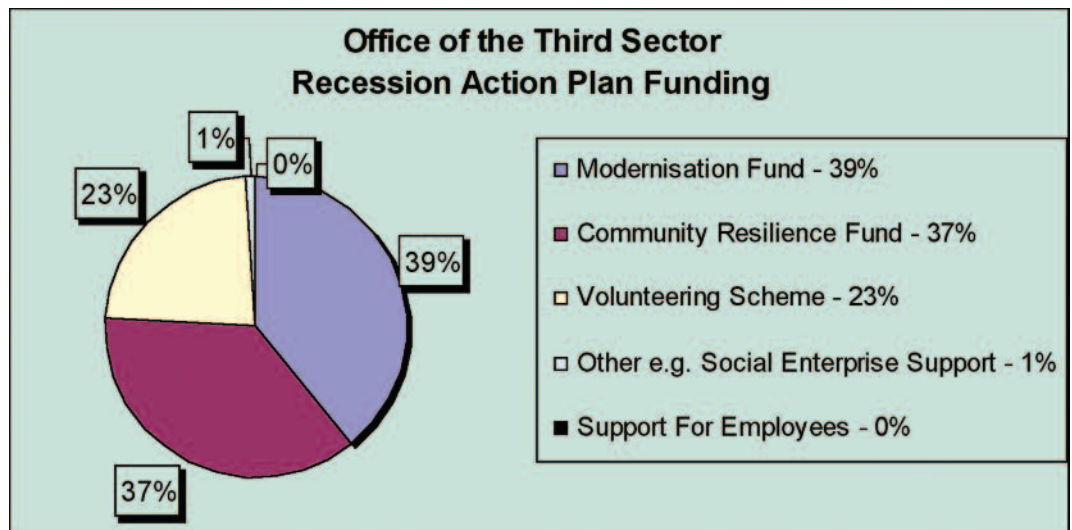
The quest for stability

Unite is calling for:

- stability in funding
- stability in jobs
- stability in skills provision
- stability in pay, and terms and conditions, and
- stability in the workforce through good policies to protect workers

Unite recognises that the recent injection of the £42.5m by the Westminster government is nowhere near enough for the sector to sustain and develop its vital services and campaigns for the benefit of all.

Where this bail-out plan falls down is that all the funding is directed at schemes, such as volunteering and a 'modernisation fund', with nothing towards support for employment - actual jobs - as the pie chart below only too clearly demonstrates.



In the same way that other sectors, such as banks and the car industry, have received financial assistance to help them through the recession, we call upon the Treasury to seriously assess the needs of job security in this sector and put appropriate measures in place.

With the recession deepening, now is the time to act. Below, Unite, which has more than 60,000 members in the sector, is calling for the implementation by government and employers of five action points to achieve the elusive stability that we all seek for the sector and its growing number of clients.

The path to stability in 2009 and beyond

• STABILITY IN FUNDING

Short term contracts and other forms of funding have caused the Not for Profit sector to become very unstable. This has resulted in organisations being unable to strategically plan their services and campaigns because their funding cycle is three years or less, thus resulting in services users and employees being put at risk.

The increasing contestable contract environment in which Not for Profit organisations are having to engage with needs urgent review, as this is driving down the quality of services and jobs.

Current contracting arrangements lead to job insecurity, which in turn means that employees are in a constant cycle of looking for where their next job is coming from.

This is not good for morale and denies employees access to decent pension arrangements and the mortgage market, with its increasingly strict lending criteria.

The most vulnerable in our society are also learning that those on whom they most depend, i.e. those working for a particular organisation, will often change. The employees will feel constantly insecure or even disappear, adding to the problems the vulnerable already face.

ACTION

Unite members are calling for all funding streams to be of five-to-ten years duration, with trigger processes which enable them to be extended. Funding also needs to be sustainable and take into account inflationary increases and expenditure relating to Full Cost Recovery – this means the ‘on’ costs, such as accommodation, and heating and lighting expenses. True quality comes at a necessary cost.

Additional tiers of bureaucracy should be removed from funding streams, leading to slimmed-down administration costs.

• STABILITY IN JOBS

Not for Profit organisations rarely hit headlines as redundancies are usually on a relative small scale, however, their cumulative impact is far greater. The 'drip, drip' effect of one or two job losses at a number of charities is in danger of becoming a flood, when they are all added together.

Many organisations feel obligated to undertake reorganisations to secure viability, which can, again, be very unsettling for staff.

Making people redundant seriously impacts on the lives of workers and those that are left behind with invariably increased workloads. It leaves organisations bereft of the very skill mix that is needed for them to function well.

ACTION

The government must do all it can to invest in the Not for Profit sector to ensure that it can continue to function well and to provide the necessary support to staff over the long-term. Longer funding cycles contribute greatly to job security, and ensure that TUPE (Transfer of Undertaking and Protection of Employment) is applied in all circumstances, where employees are transferred from one employer to another, as increasingly is the case.

Organisations need assistance to see how redundancies can be avoided. They need to engage in meaningful consultation with unions and staff.

To ensure we save every job possible, Unite calls for a series of high-level ministerial meetings during 2009.

The Not for Profit sector must be seen as a resource for assisting the nation back to recovery. Therefore, the need to invest in its workforce has never been greater, nor more urgent.

• STABILITY IN SKILLS PROVISION

Due to time and financial restraints on organisations, training and development has fallen down the priority list of many organisations and yet we know that they are essential to enable its workforce to develop in order that they can properly assist their clients.

In addition to personal benefits, it helps organisations to go further, faster. At a time when many risk losing their jobs, having a portfolio of skills can be the very bridge that helps individuals to transfer to new employment, and resurrect their working lives.

ACTION

Ensuring that every employee in the sector has access to accredited training and development and is allowed time off to make the most of this opportunity.

Establishing quality apprenticeships for all areas of the Not for Profit sector, and mechanisms for transferring skills gained from other sectors, whether public or private to the Not for Profit arena.

Promoting the work of union learning representatives who assist many employees to engage with the learning agenda, including within the New Skills Body.

• STABILITY IN PAY, AND TERMS AND CONDITIONS

Poor pay, and unimpressive terms and conditions, seriously impairs organisations. Parts of the sector have struggled in this area for sometime and, therefore, it is only right that measures are put in place to support the sector's workforce.

We know that many organisations are looking to cut terms and conditions, blaming the recession for this. Now is not the time to take such a negative stance, with all the long-term effects it will have.

Pension provision is also seriously under threat and as organisations have little in the way of assets to help guarantee them, they often turn to cutting pensions rather than fighting to save them.

Many organisations suffer from poor management of their staff and/or volunteers, which is unfortunate given the sector's ethos.

ACTION

Organisations must work with unions and their employees to ensure that they are providing the best possible package for staff. Unite supports the development of an employment 'kite mark' for the sector.

Social clauses in contracts - for example, a requirement for training or to pay the London Living Wage - need to be used to ensure employment standards accompany all procured services.

Training for employers should be in conjunction with the trade unions on the myriad of employment matters.

• STABILITY IN THE WORKFORCE

Organisations need support to cut the number of grievance, disciplinary and tribunal cases in the sector. Each case represents an unnecessary cost, wasting energy, time and money. Good management provides for a stable workforce.

ACTION

Organisations must implement policies and accompanying pro-active strategies that address bullying, inequalities, stress, health and safety, work-life balance and other relevant issues. Training management in 'people' management in demanding environments is needed to prevent problems arising in the first place.

Mediation and other forms of alternative dispute resolution must be made available at an affordable rate.

Conclusion

Trade unions have a vital role to play in times of economic downturn. When people most need support, the union is always there. Whether as a whole workforce or as an individual, Unite will work tirelessly to maintain quality jobs.

Unite has met with the Prime Minister and other leading politicians to make the case for stability. We believe that full employment, based on the tried and tested post-war economic policies practiced by governments of both parties up to 1979, will protect this country from the economic and social devastation that we have seen in previous recessions.

The Not for Profit sector has one of the largest workforces of the economy and its services, along with the jobs they provide, need protecting.

The economic downturn is hitting charities hard and will continue to do so during 2009 and beyond – it can no longer be the forgotten crisis of this recession.

What you can do

You can support Unite's Campaign for Stability by joining Unite online
www.unitetheunion.com

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