

CONSULTATIVE BALLOT OF MEMBERS ON CAPITA PENSIONS OFFER

Your Unite National Capita Committee (NCC) Reps met on Thursday 30th September to formally discuss the offer from Capita, review the initial feedback from members and confirm the Union's position.

As a result it was agreed to organise a series of on site member's meetings to give members the opportunity to receive a full report back from the Negotiating Team, understand the NCC's position more fully and give members the opportunity to provide further feed back on the way forward for Unite. All the member's meetings are being organised to take place by the 13th of October and full details will be confirmed locally.

Bristol Wednesday 6th Oct am
Reading Wednesday Oct 6th pm
Craigforth Friday 8th Oct am

Glasgow, Bothwell Street Friday 8th Oct pm
Manchester Tuesday 12th Oct am,
Quadrant Court, Birmingham Wednesday 13th Oct

This will be followed by an electronic ballot run collectively across all the impacted sites.

The Consultative ballot will start on the 14th of October and close on the 21st October.

Full details will be communicated to members via email. (Members not on Capita internal email systems will receive a ballot paper.) Members who do not receive an email from Unite on the 14th October confirming how to vote need to contact your Unite Workplace Reps as a matter of urgency.

A SUMMARY OF THE NEGOTIATIONS FROM THE START

As part of its discussion the National Company Committee reflected on the progress made since Capita's initial approach to Unite when they confirmed in September 2009 they were looking at moving all staff to a 6% Employee 5% Employer Defined Contribution scheme. This was condemned by Unite at the time as a recipe for immediate industrial action.

Formal consultation based on a revised proposal for a 6% 80th CARE scheme (with many diluted benefits) started in October 2009 during which Unite repeatedly questioned Capita's business

rationale and that the pension arrangements being offered were way short of the mark. At a subsequent meeting Capita came back with a revised proposal to reduce the contribution level to 4%. This met with some heavy criticism from Unite as we were pushing for the retention of the best quality pension scheme possible with built in salary protection.

On the back of this Capita made further significant concessions that gave members a number of different defined benefit options including moving or building up to a 60th CARE scheme at 7% by 2013 with a 1.5% discounted contribution (for those on 0% contributions) in the 1st year, in addition to the restoration of the

Unite in Capita Life and Pensions

Daryl Williams, Full Time Officer, Unite the Union, Finance and Legal Sector

life cover element. Despite movement from the company to address the additional or new contributions issue the consultation period ended in March 2010 without a satisfactory resolution on the pay protection issue.

In the middle of the consultation a number of clauses in the Capita commercial contracts came to light which were raised by Unite but dismissed by Capita, who claimed that the clauses sat in relation to a wider contract which gave them the legal right to affect the changes. Unite did formally raise these issues on a number of occasions with previous employers such as the Prudential and Phoenix. This was met with either indifference or ultimately confirmation that its own legal advice supported Capita's position and that the change to pension is within the terms of the contract. Unite Solicitors were asked to look at the various clauses and concluded that they were not enforceable by a third party.

In April 2010 members voted heavily to reject the proposals in a consultative ballot. Despite this Capita refused to re open consultation on the matter at a subsequent meeting in May. Informal talks took place over the summer as Unite prepared for an industrial action ballot and this led to the 2 year pay deal being tabled by Capita.

In the meetings that followed Capita remained unwilling to put measures on the table to address the pension contributions issue and the NCC agreed to proceed with the industrial action ballot in late August. The ballot resulted in all sites voting for industrial action on both questions, some by bigger margins and turn outs than others. Talks quickly reopened with Capita to seek a way of avoiding industrial action and Unite pressed hard in negotiations for a consolidated pay rise for members to compensate for the burden of new/ increased contributions but Capita maintained that they would be prepared to cushion the blow in terms of one off payments they would not consolidate any payments into salary. This resulted in the final offer from Capita of 3.5% one off payments spread over two years for those in non contributory schemes and pro rated for those who were previously making a contribution lower than the 7%.

MEMBERS MUST NOW DECIDE

Whilst recognising that feelings are still running high in some areas the NCC believes it has a responsibility to consult with members on the Pensions offer, to explain in more detail the wider context of the pay offer and possible consequences before any further steps are taken. The NCC believe that members who are looking to reject the offer on the table need to be prepared to take protracted and sustained Industrial Action. Although the NCC have taken no formal decisions on strike action in advance of the Consultative Ballot it is strongly of the view that effective action involves the preparedness and determination by all members to take part in a series of stoppages of one two or even three day strikes over the coming weeks and months in addition to any proposed action short of a strike.

Unite are asking members to consider all the concessions already made before deciding which way to move forward. These have been achieved against the back drop of some difficult negotiating meetings with much straight talking by both sides. Unite believe that had the Company moved more quickly to address the issues that Unite have been pressing for then employee relations may not have deteriorated to such an extent.

THE OFFERS ON THE TABLE

Whilst we have agreed with Capita to conclude pay and bonus talks separately members need to understand that Capita have left the pay deal on the table with a very clear condition that there is no Industrial Action by Unite.

In the last newsletter we stated what the pay bonus and pensions offers might be worth and members have asked Unite for more clarification about what it might mean to them.

This is not as straight forward as it sound given the mix of different TUPE term across all the sites and we have yet to understand what bonus arrangements are likely to be put in place for those on £25k or over, so the following example is for illustration purposes only.

Member currently earning £20,000 as a standard performer, previously non contributory, in divisional bonus scheme and assuming 2% pay pot each year (based on current Average Earnings forecasts.).

PENSIONS (BEFORE DEDUCTIONS)

- Jan 2011 pension payment £20 400 x 2.25% = £459 one off
- Jan 2012 pension payment £20,808 1.25% = £260 one off

PAY AND BONUS (BEFORE DEDUCTIONS)

- October 2010 buy out £20,000x2% = £20,400 per annum = extra £200 (over 6 months.)
- Feb 2011 bonus £20 400 x 1.25% = £255 one off
- April 2011 pay rise £20,400 x 2% = £20,808 per annum = extra £808 (over 12 months)
- April 2012 pay rise £20,808 x 2% = £21,224 per annum = extra £1224 (over 12 months)

One off payments received until April '13 = £ 974. Potential extra Salary received until April '13 = £ 2232

For further information please contact your Senior Workplace Rep.