

# Britain: Attack on civil service redundancy pay anticipates massive job losses throughout public sector

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The Conservative-Liberal Democrat government is to implement legislation slashing the redundancy pay of civil servants by as much as 85 percent. The aim is to pave the way for the 600,000 public sector job losses required by its savage cuts package to government departments of between 25 and 40 percent in the next four years.

Cutting civil service severance pay will be followed by similar moves against workers in the National Health Service, education and the local authorities.

Cabinet Office Minister Francis Maude announced that redundancy terms for Britain's 500,000 civil servants are to be cut before September to a maximum of one year for voluntary redundancy and 15 months for compulsory layoff. A bill will amend the 1972 Superannuation Act that meant changes in conditions could only be implemented with union approval. He wants the public sector to match the situation in private companies, which typically pay two weeks' salary for every year worked.

Maude declared that there would be no negotiations on the move other than how to implement it, stating, "I want to make it absolutely clear that we see today's bill as the basis for immediate discussions to start."

In a letter to the unions, Maude invited them instead to negotiate a scheme for voluntary redundancies.

Before leaving office Labour also sought cuts to payoffs, limiting them to two years pay. This was agreed to without a murmur of complaint by five of the civil service unions, but was prevented by a successful High Court legal challenge in May by the Public and Commercial Services (PCS) union.

The government and newspapers regularly headline claims that civil servants can currently receive six-and-two-thirds years' pay for redundancy and cite the payoffs of a few top mandarins. But the average civil servant receives a payoff worth three years' salary with long service of more than 20 years, and this is more often than not a paltry sum given the low pay endemic in the civil service.

According to the PCS, almost half (48 percent) of civil servants are in admin grades where the average (median) pay in

2009 was £17,120 for women and £17,600 for men. The average pay overall is £22,850—£2,000 less than in the private sector. Since 2004, when the government announced 100,000 posts would be cut from the civil service, tens of thousands have lost their jobs and about 2,000 offices have been closed. Pay has been frozen or increased below the rate of inflation.

Maude told a civil service conference in London that "radical steps to increase efficiency and performance will be required". He said more would be done to tackle staff deemed to be "underperforming", stating, "I pick up some concern about the rigour of individual performance management."

He warned that civil service pay, pensions and redundancy payments had to be reformed to become "modern, flexible and appropriate to the times".

Sick pay would be targeted, he said. There was no mention of plans to introduce regional pay levels, but this is widely understood to be a government goal.

Maude announced that all existing Whitehall contracts with consultants would be reviewed.

Although Maude did not mention regional pay rates, the government has refused to rule out introducing them after 2012, when the two-year pay freeze it has already imposed runs out. Fully three-quarters of the 520,000 civil servants work outside London and the South-east. The Institute for Fiscal Studies claims that pay is 5 percent higher for men and 11-13 percent higher for women than in the private sector—indicating the type of cuts being considered.

Pensions are also under threat. The government has set up a review under John Hutton, the former Labour cabinet member. This will inevitably call for pensions to be slashed and for workers to pay a greater contribution from their wages.

Jobs, pay and pensions of the six million workers in education, the National Health Service and local authorities are next for the axe.

The *Telegraph* reported that Chancellor George Osborne is "resisting pressure from Conservative MPs to end the special immunity from spending cuts he has given to the £104.1 billion-a-year budget of the National Health Service."

In private meetings Osborne has made clear that the NHS

“would not be a no-go area for reform or efficiency savings.”

Already the Royal College of Nursing (RCN) has said almost 10,000 posts had been lost through recruitment freezes, redundancies and not replacing people when they retire—the equivalent of 47 jobs a day over the past six months.

The *Financial Times* hailed the move as precisely such a declaration of broader intent, declaring, “The UK government has shown a flash of steel.”

“Earlier governments should have reformed the system. The administration is tackling the problem as drastic redundancies loom,” it added before noting that “The government is also planning to allow greater regional variations in civil service pay—another welcome step... a truly radical government would abolish national pay bargaining across the state sector, allowing local providers to set pay as they wish.”

The government is considering changes in the law designed to avert strikes and prevent any opposition to its assault. The *Times* reported that the employers’ Confederation of British Industry wants a turnout of 40 percent for any strike ballot to be valid, rather than a simple majority.

But more important at present for the government is the supine position adopted by the trade union bureaucrats.

Maude’s announcement was met with predictable howls of outrage by the six civil service unions—the First Division Association (FDA), the PCS, Prospect, the Prison Officers’ Association, Unite and the GMB—and even talk of industrial action from some. Behind the rhetoric, the unions want nothing more than an accommodation with the government that will prevent any possible action by their members.

Dai Hudd, deputy general secretary of the Prospect union, which represents 120,000 civil servants, pledged to fight the measures in the courts and parliament, emphasising that “Conflict can be avoided if ministers take a fair and sensible line.” He added that the union would “certainly consider” some form of industrial action if there were no satisfactory agreement.

Jonathan Baume, general secretary of the FDA, which represents senior civil servants, said he “regretted” the PCS’s refusal to sign up to the original agreement offered by Labour, stating that “The challenge facing both the government and all the unions is to get around the table in meaningful negotiations to end the current uncertainty.”

Other union officials said they regarded the PCS’s previous strikes as ineffective, and that any action would depend on their members’ reaction to job cuts.

The PCS is led by Mark Serwotka and Janice Godrich and has a majority “left” executive dominated by the Socialist Party. The union’s militant rhetoric notwithstanding, it has organised just three one-day strikes against the attack on redundancy payments and precious little else.

Serwotka, general secretary of the union, speaks of industrial action being inevitable “if jobs are cut, pay is frozen, pensions are cut and our contractual terms are ripped up.” But what is

being done falls far short of this. The PCS website states that it is “seeking urgent legal advice over the Government’s actions. We are seeking support from opposition MPs and also Assembly Members and the Scottish office.”

It also states that “We are in discussions with the other trade unions over unity in response to this unprecedented attack”—a recipe for nothing at all being done.

Branches are urged merely to “Encourage members to write to their MPs asking them to lobby on our behalf against the new legislation that is proposed”.

The Socialist Party is again playing the role of cheerleader for the union tops. Its July 7 statement, “Mass action can stop cuts” cites approvingly Serwotka’s call for “joint union action and campaigning in communities” to stop the cuts and Bob Crow, general secretary of the Rail Maritime and Transport union, who called for a “sustained campaign of generalised strikes across both the public and private sectors and community direct action to defend public services.”

It continues, “The Socialist Party urges all trade unionists to take up this rallying call.”

This all ends up as support for “the call by the PCS and others for the [Trades Union Congress] to organise, as soon as possible, a mass national demonstration against the attacks of the Con-Dem government” that would supposedly “build confidence in struggle and prepare the way for a 24-hour public sector strike” at some point in the future.

“Working class people must prepare ourselves for the fight of our lives,” the SP declares. That much is true. But these preparations must begin by developing a spirit of rebellion and an independent socialist movement amongst rank and file workers directed against the rotten leadership of the trade unions and its attempt to stifle opposition to the attacks of the government and big business.



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