

**Mr John Corey
Trade Union Side Chairperson
Central Whitley Council
Harkin House
54 Wellington Park
BELFAST
BT9 6DP**

16 August 2004

Dear John

2004 PAY

1. I wrote to you on 3 August and set out Management Side's formal offers on the pay award for non-industrial staff below the Senior Civil Service. As promised on 3 August we have sought to adjust the offers within the overall ceiling as flexibly as possible taking account of the views expressed by Trade Union Side. Following further talks to explore how those offers could be adjusted I am now setting out our final offers. These offers, which replace those made on 3 August, apply to all non-industrial staff below the Senior Civil Service who are included in the existing pay agreement.
2. The first offer covers the 12-month period from 1 April 2004 to 31 March 2005 and would be the one taken forward in the event that we are unable to secure agreement to the 16 month offer. The second offer, which is our preferred one, covers the 16-month period from 1 April 2004 to 31 July 2005 and would involve changing the settlement date to 1 August. This would be a change from the existing arrangements under our pay agreement and would require Trade Union Side's agreement.

Offer 1 – 12 Months

3. Offer 1 covers the period 1 April 2004 to 31 March 2005 and constitutes an earnings growth figure of 3.49% plus 0.78% in respect of non-consolidated bonuses giving an overall quantum of 4.27%. The elements of the offer remain as set out in my earlier letter of offer dated 3 August and are as follows:
 - (a) A one point increase for all eligible satisfactory or better performers (ie Box 1, 2 or 3). In light of (c), this would include those on the current maximum of their pay scale;
 - (b) An increase of 0.25% on all pay points on all pay scales;
 - (c) The addition of one point to all pay scales, 2% higher than the current scale maximum, with the exception of cleaners and Support Grade Band 1 (trainee) and O Level trainee;
 - (d) The majority of pay scales would have the existing minimum removed;
 - (e) Under the provisions of our equal pay agreement the salary maxima for Executive Officer 1 and Staff Officer and other relevant analogous grades (who are outside the old PTO, Scientific, related and certain other grades agreement) would be increased to align with the P&T equivalents;
 - (f) The new minimum of the AA scale would be increased by a further 0.2%;
 - (g) The cleaner, Support Grade Band 1 (trainee) and O Level Trainee minima would be increased to the value of the new minimum of the AA scale, whilst the maxima would be increased by a further 3.0%; and
 - (h) Box 2 performers would receive an additional non-consolidated bonus of £180 and Box 1 performers would receive an additional non-consolidated bonus of £410.

Offer 1 Implementation

4. The sequence for implementing the offer would be as follows:
 - The additional point would be added to all pay scales;
 - All eligible fully satisfactory or better performers (ie box 1, 2 or 3) would be awarded a one point increase;
 - The maxima for Executive Officer 1 and Staff Officer and other relevant analogous grades would be increased to align with the P&T equivalents;
 - The minimum pay points on the majority of pay scales would be removed;
 - All pay points would be increased.

Offer 2 – Revised 16-Month Offer

5. Offer 2 covers the 16-month period 1 April 2004 to 31 July 2005 and proposes a change in the settlement date to 1 August. The offer constitutes an earnings growth figure of 4.65% over the 16 month period plus 0.78% in respect of non-consolidated bonuses, giving an overall quantum of 5.43%. In addition, the offer includes a further element of 0.12% that is not part of the 2004 award. The main difference between the original 16-month offer and this new one is the increase in the rates of pay from 1.5% to 2%, the removal of the additional pay point at the maximum of the pay scales and the changes to the distribution and value of the non-consolidated bonuses. These differences reflect the priorities and preferences identified by Trade Union Side in our further discussions.
6. The elements within the offer are as follows:
 - (a) A one point increase for all eligible satisfactory or better performers (ie box 1, 2 or 3);

- (b) An increase of 2% on all pay points on all pay scales;
- (c) Pay scales with an existing minimum below £11,474 would have the minimum point removed;
- (d) Under the provisions of our equal pay agreement the salary maximum for Executive Officer 1 and Staff Officer and other relevant analogous grades (who are outside the old PTO, Scientific, related and certain other grades agreement) would be increased to align with the P&T equivalents;
- (e) The cleaner, Support Grade Band 1 (trainee) and O Level Trainee minima would be increased to the new minimum of the Administrative Assistant scale, whilst the maxima would be increased by a further 3.5%;
- (f) Box 2 performers would receive a non-consolidated bonus of £65 and Box 1 performers would receive a non-consolidated bonus of £100
- (g) All staff would receive a non-consolidated payment of £120.

The additional element of 0.12% would be used as follows:

- (h) All staff would receive a further non-consolidated payment of £30.

Offer 2 Implementation

7. The sequence for implementing this offer would be the same as Offer 1 (excluding the additional point added to all pay scales).
8. On the basis that this offer is accepted, Management Side is also committed to taking forward a number of associated issues in time to inform the next pay negotiations. These are:
 - A survey of the remuneration of Home Civil Service staff in accordance with the existing pay agreement;

- A full equal pay audit in compliance with the Equality Commission's guidelines;
- A joint examination through the Central Whitley Council, including an independent element, of the circumstances of the 2003 pay dispute.

Conclusion

9. The above overall packages, which are within Government pay policy, are the absolute maximum that can be paid in this pay round and represent Management Side's final position. We believe that we have been as flexible as possible in taking account of the views expressed by Trade Union Side and in how these offers have been constructed. In particular, we have maximised the increase to the rates of pay as you suggested and also as requested we have revisited the distribution and values of the non-consolidated payments. I hope that you will now engage in comprehensive consultations with your members on these offers.
10. In the light of our efforts to be as flexible as possible, and in order to create a more positive environment for any consultation exercise that you may embark upon I would again request that you suspend all industrial action immediately.
11. Finally, I must again stress that the 16 month offer involves a change in the settlement date to 1 August that would require Trade Union Side agreement. In the event that we are unable to secure your agreement it would not be possible to pursue this offer further and we would have to focus on the 12-month offer.

Yours sincerely

Linda Brown

LINDA BROWN