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Secretary of State for Northern Ireland

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ALL NICS STAFF

I wanted to take this opportunity to write in person to you all to reflect on where we are with this year's NICS pay round. Under the terms of the formal offer made nobody who is eligible for a pay award will receive less than 2.2 %, which is broadly in line with inflation, so everyone's real standard of living will be preserved. Some will receive an increase of 6.5% or more – almost three times the rate of inflation.

I recognise that there are important problems in the NICS pay system which need to be addressed. The lowest paid staff are barely on the national minimum wage, and I want to address that in the future. The pay scales are too long compared with practice elsewhere in the United Kingdom public sector, and that too needs to be addressed.

I would have liked to explore these issues with your trade union representatives in the context of next year's pay round, but they have decided to call a strike ballot rather than accept my invitation to do so. I would also have liked to explore with your trade union how we might have restructured this year's offer in a way that would better meet their concerns, subject to staying within the 3.49% increase agreed with HM Treasury, but again this has been overtaken by the strike ballot.

The Trade Union has asked for arbitration. I cannot accommodate that request because arbitration means that both sides should have something to give. It would have been misleading and unfair to agree to an arbitration process in the knowledge that, whatever the outcome, we were constrained by this remit.





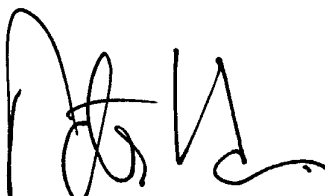
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There is no point in me beating about the bush. There is no extra money beyond the 3.49% pay envelope which has enabled us to offer pay rises ranging from 2.2 per cent to 6.5 per cent. The Chancellor has made it emphatically clear that he is determined to secure pay restraint in the public sector given the current very difficult public spending climate. Bear in mind that public spending in Northern Ireland has increased by 50 per cent since our Government came to power - an unprecedented rise historically, with more jobs in the civil service than ever.

You will have to decide in these circumstances whether to go on strike. Meanwhile, so that staff do not lose out any longer than necessary on money due from 1st August 2005, I have issued instructions that the pay deal, including back pay, is put into everyone's pay packets as soon as possible.

I have no desire for confrontation with you or your colleagues. Furthermore, 14 years as a national trade union pay negotiator taught me that strikes and disputes always end with getting around the table. Although we have been unable to agree on this year's pay increase we *can* begin discussions about next year's pay round to address the issues I have already highlighted. We can do this without a dispute in which staff involved inevitably will lose pay – only you can decide.

Meanwhile I should like to thank you for your work on behalf of the people of Northern Ireland and wish you and your family best wishes for Christmas and the New Year.

Best wishes,


THE RT HON PETER HAIN MP
Secretary of State for Northern Ireland

