

Dear Bethan

I write in response to the Committee's request for submissions to inform its scrutiny of the Welsh Government's 2020-21 Draft Budget proposals. I do so on behalf of the Public and Commercial Services union (PCS), one of the UK's largest trade unions, with more than 15,000 members in Wales, around a third of whom work for the National Assembly, the Welsh Government, Welsh Government Sponsored Bodies and other employers within the Welsh devolved public sector.

I wish to focus on the area of 'Sustainability of public services, innovation and service transformation' listed under the third of the Committee's Consultation questions.

In PCS' view, the sustainability of public services in Wales, and the capacity within those services to promote innovation and transformation, is dependent on adequate resources being made available to support a workforce that is sufficient in numbers to do the job required without being subjected to intolerable pressure and is properly rewarded and recognised for its contribution. The austerity programme imposed by successive UK governments since 2010 has seriously undermined the capacity of our public services to fulfil that role. We acknowledge that Welsh Government ministers throughout that period have voiced concerns similar to our own about the effect of Westminster spending cuts and have sought to protect Welsh services in so far as they have felt able; nevertheless, staff working for the Welsh Government and its Sponsored Bodies have, for most of the last decade, been subject to the 1% cap on pay increases in the same way as their counterparts in 'Whitehall' government departments.

Ending pay restraint

Never has it been more necessary to have a well-paid and well-funded civil service than at this time of great uncertainty over Brexit. Yet recent years have seen the worst crisis in living standards in generations, with low wages, along with exorbitant housing costs, energy bills and transport fares, threatening the wellbeing of families in Wales and across the UK. The TUC have said that workers are experiencing the longest fall in real wages since the 1870's. Prices have been rising faster than earnings since 2010.

The UK government announced last year that the pay cap had been lifted, yet civil servants were, in effect, singled out for unfair treatment as a de facto pay cap remained in place for them. PCS members have had enough of years of the real-terms wage cuts they have suffered and have voted overwhelmingly, in three national ballots over the last two years, to take industrial action in pursuit of a pay claim that would halt and begin to reverse the decline in their living standards; only the draconian ballot restrictions introduced in 2016 has prevented such action from taking place. Our members in the Welsh devolved sector were involved in all but the last of these three ballots.

PCS has continued to highlight the devastating effect of UK ministers' pay policy on their own workforce in the civil service and its related bodies and to make representations for an end to what is now a decade of pay restraint in the civil service and related areas by funding pay rises that restore living standards, while keeping pace with inflation.

While recognising the constraints imposed by the financial settlement received from Westminster, PCS believes that the Welsh Government must do everything in its power to break the cycle of declining real wages and living standards. This is not just a matter of distributive justice but of regenerating the Welsh economy through the economic stimulus provided by workers' salaries and the purchases that they make.

Moving towards pay coherence

It is longstanding PCS policy that there should be one set of pay scales for all workers in the Civil Service and its related bodies that provides for coherence on pay and eradicates the enormous inequities that exist within the current delegated bargaining system. As a step change towards that goal, we have been pressing at delegated level for a reduction in the number of bargaining units across particular Sectors through pay coherence within those Sectors.

During a meeting with Mark Drakeford in 2018 when he was Cabinet Secretary for Finance and Local Government, Mr Drakeford indicated that he was prepared to consider a proposal for pay coherence within the Welsh Sector, holding out the potential for the relevant trade unions to influence the process in advance of any funding settlements for 2019. PCS then contacted our branches within the Welsh devolved sector and it was agreed to gather data on the various pay and grading arrangements that existed across the Sector with a view to developing a proposal for coherence. Details of the disparities in pay are contained on the attached spreadsheet.

While it was not possible for us to submit detailed proposals in time for the 2019 pay round, PCS wrote to Mark Drakeford on 24 October 2018 setting out our position on pay and seeking a meeting with him to explore this further, to which he agreed. When the meeting took place on 29 November 2018, he indicated that the financial position remained tight and that he was unable to provide more money for cost of living rises but he accepted the principle that there should be a more coherent pay system. He therefore agreed to open talks on coherence through a specific sub-committee of the Workforce Partnership Council's Devolved Sector Group (DSG), which covers the Welsh Government, Sponsored Bodies and related employers.

The first meeting of this sub-committee agreed terms of reference for the talks, confirming that the role of the sub-committee was to develop a road-map that supports: 1) a move towards standardised rates of pay across DSG employers; and 2) a move towards collective pay bargaining.

Three workstreams have been formed to take this work forward, as follows:

- Pay scales and job evaluation;
- Pensions; and
- Non-pay benefits and other relevant terms and conditions.

PCS welcomes the positive start that has been made in the process of securing pay coherence across the area of the Welsh devolved public sector with which we are primarily concerned. It is clearly vital, however, that the Welsh Government's Budget for 2020-21 should make available sufficient funding to ensure meaningful progress in this initiative.

We would welcome the opportunity to provide the Committee with further information in relation to our objectives in this area.

Yours sincerely

Shavanah Taj
PCS Wales Secretary

