

STATEMENT TO ALL STAFF – Final

PAY 2005

Forestry Commission management and the FC Trade Unions have recently held a series of meetings in order to discuss the issues which arose during the 2005 pay review. The aim of the meetings was to try and find an amicable solution to the current pay dispute, and to agree a joint approach to preparing for the 2006 pay review.

Whilst recognising the existence of different views regarding the priorities to be addressed within the 2005 pay negotiations, both sides are disappointed that it was not possible to reach agreement. FC management believe that the imposition of a pay award should be the last resort. Both the FC management and the FC Trade Unions agree that it is in everyone's best interests to make every effort to avoid such a recurrence in the future, and are committed to working in partnership to reach agreement on negotiated settlements whenever possible.

Both sides also recognise the genuine concerns of staff on the maxima of their pay bands, and in particular of those on the maxima of pay bands three and four. FC management concluded from the available information that these grades were among the highest paid when compared to other similar grades in the civil service, whilst the unions fundamentally disagreed with that position. Whilst recognising the many competing issues which will have to be addressed during the forthcoming pay round, including affordability, both sides will work together over the coming months to try and find a solution to these issues, and have agreed that we shall undertake a further exercise of benchmarking our pay scales against those of other employers. This will be done jointly, openly and transparently; taking full account of a range of pay scale criteria (including pay band minima, maxima and progression times), any differences in underlying grading structures, and the legacy of recent changes to our pay and grading structures. Given this, both sides are committed to a settlement based on agreed evidence.

Further, whilst it would not be appropriate to pre-empt the discussions which will take place as part of the 2006 pay round, FC management and the FCTU agree to work

together to ensure that the 2006 pay remit (the business case for the pay award), gives us the best possible opportunity to reach agreement through negotiation. Clearly, it would be unrealistic to expect to agree on every aspect, but greater understanding of each other's position must help identify the common ground.

The outcome of our discussion therefore is that whilst we have reached an understanding on how we shall work closer together this year, we have not yet been able to reconcile our different views from last year. Consequently whilst we have not yet been able to resolve the current pay dispute both sides are hopeful and will strive to ensure that the difficulties which arose last year will not be repeated.

Further discussions on these issues will commence shortly. The stages of the process, and anticipated timescales, leading up to the 2006 pay award are :

Discussions with FCTU about key issues	April/May
Preparation of proposals for FC EB consideration	May/June
EB decision on affordability and outline pay remit	June
Seek Ministerial approval to pay remit	July
Seek HM Treasury approval to pay remit	August
Begin negotiations with FCTU	September

Tim Rollinson
Director General

Robert Beaney
Chair, FCTU