

Date: **15th October 2007**

To: **Mike Russell MSP**
Scottish Parliament

From: **Robert Beaney**
Forestry Commission Trade Unions

Subject: **Forestry Commission Pay**

Purpose: **For Information**

Timing: **Routine**

Background

- 1) In 2001 the Forestry Commission Trade Unions (FCTU) entered into a three-year pay agreement with the Forestry Commission (FC) which introduced a new pay system for all staff below the Senior Civil Service.
- 2) The system was designed in part to address an issue highlighted in the department's Equal Pay Audit—that for the majority of grades the average salary for female employees was significantly less than that for male counterparts. The new pay system sought to address this by introducing a system of fixed progression within each pay scale whereby all staff whose performance was rated as at least 'fully effective' would progress to the 'rate for the job' in no less than eight years. This system was similar to others introduced elsewhere, including what is now the Scottish Government.
- 3) The progression period allowed the costs of the harmonisation (currently around 2.0% of the annual pay bill, or approx £1.5m/annum) to be staged over a ten year period. However despite the system being agreed by the three Ministers and HMT, the FC was unable to secure any additional funding to meet the costs of the harmonisation, nor any allowance in its pay remit to implement the agreement beyond the first three years.

Issues

- 4) As a consequence of the above, funding and remit provision allocated to cover increases in the cost of living have been diverted to cover the cost of pay harmonisation. As a result the real value of our pay scales have dropped by around 6.0% against RPI over the last three years.
- 5) Pay negotiations covering the period 01/10/07–30/09/08 are about to begin. Current indications (we have yet to have an opening pay offer) are that funding and remit provisions will be broadly similar to recent year, which when combined with the increase in RPI will mean that the scope for reaching a pay settlement is significantly reduced; and the likelihood of a dispute arising is a real risk.
- 6) Although this paper is for information purposes only, we should be happy to discuss the issues outlined in it.

Ends.