



Pay Talks Begin at TfL

The Pay talks began today between the recognised Trades Unions and TfL. This circular is to update you on the management's opening offer and the Trades Unions' response.

The Offer

TfL want to have a 4-year pay award from 2009/10 to 2012/13, to include the Olympics, as follows:

Year 1	1.5% (RPI is currently -1.1%)
Year 2	RPI+0.5%
Year 3	RPI+0.5%
Year 4	RPI+0.5%

They have also offered to retain the season ticket reimbursement of 75% for the four years of this award.

TfL stated that any of the other items specified in the Trades Unions' pay claims would only be considered at the expense of the offer already tabled.

The Unions' Response

This offer has been unanimously rejected by all the Unions. It was unrealistic to expect that the Trades Unions were going to negotiate 'down' from what was already a wholly unsatisfactory offer.

We have made it clear that we have not agreed the size of the salary pot.

We are not going to tie you into a four year deal when there is no certainty that TfL can deliver on their pledge of 'certainty and security'. If there is a change of Government during the life of the pay deal, TfL are not in a position to guarantee what that Government may seek to do.

We have made it clear that 4 years is unacceptable.

It is clear that RPI is not the whole story. Many staff do not benefit from cheaper mortgages and the cost of essentials such as food, the utilities and Council Tax continue to rise exorbitantly. The Consumer Price Index (CPI) is currently running at **2.2%** (as at May 2009).

The most recent analysis of inflation rates, comparing poorer and richer households showed that, in the year to January 2009, price increases of **4% to 5%** applied to those in the lowest **40%** of household income groups, whilst inflation for the highest income groups was in the range of **0.5%** to minus **1%**. Over the same period, the RPI figure was down to **0.1%**

For those on lower incomes, real inflation is nearer **5%**.

The size of the offer is too small. We have made it clear that RPI is far from the whole story. As the expression goes - lies, damned lies and RPI.

TfL continue to tell us that PRP works very well and that it has a positive and motivating effect on staff. They tell us that great improvements have been made in the way performance is managed. We have said that PRP is a discredited system that is loathed by all. This is because there is a fixed pot for paying performance pay and so no matter how well you may do during the year, the performance scores are 'moderated' to ensure there are only a certain number of achieved, exceeded and outstanding awards allowed. Our members are disillusioned when their performance grades are airbrushed out by the bean counters at City Hall.

We have made it clear that PRP is discredited and bankrupt.

So what **are** TfL spending their money on? How about consultants? Here are the figures TfL did not want you to see. The day rates for Deloitte consultants working right now on various Congestion Charging and Traffic Enforcement projects are:

Grade 2008/9)	Day Rate	Total cost (2007/8 and
Analyst	£705	£2.070M
Consultant	£962	£2.268M
Senior Consultant	£1,348	£2.169M
Manager	£1,732	£2.790M
Senior Manager	£2,119	£1.021M
Director	£2,438	£0.967M
Partner	£2,761	£0.810M
Total		£12.098M (difference is due to roundings)

This has been going on since 2005 and will continue next month and the month after and the month after that...in the meantime, the Operating Cost Review continues to push loyal and hard working staff out the door.

We have made it clear that spending on so-called 'Framework' Consultants should be severely curtailed and the savings be diverted to the salaries bill, together with savings from the wider NPL (Non Permanent Labour) operating cost review to protect jobs and to provide a decent pay increase.

The Trades Unions, working together, will be organising at your workplace in the coming days to keep you informed and to ensure we continue to understand your concerns.

We have asked for another meeting with TfL on July 8th, the same day as scheduled for Company Council. We await their response.