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NOTTINGHAMSHIRE

BULLETIN

for Old Peoples Homes

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TRANSFER NEWS No. 1

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This is the first in a series of special bulletins NUPE will be putting out for staff in Notts OPHs.

The idea will be to try to keep members up to dtae with developments in the proposed transfer of homes to an independent operator.

Meetings have now been held for members in all parts of the county. Stewards will be notified of further meetings as and when anything happens. There will be further mass meetings, too.

This first bulletin deals with what happened to staff when Gloucestershire County Council pushed through a similar scheme last year.

CSL IN GLOUCESTERSHIRE

In October, 1991 Gloucestershire County Council set up an Industrial and Provident Act Society and transferred to it 23 of its OPH's. It did so on the advice of CSL Consultants. The parallels with Notts. are close.

On 22nd June, stewards from NUPE, NALGO and GMB in Notts. OPH's went down to Gloucester to meet stewards from the transferred Homes. This report sets out what we found out.

Why Did They Do It?

Gloucestershire CC was facing a major overspend and had no available capital to refurbish its total of 25 OPH's. Like Notts, it had a stock of ageing dilapidated, unsuitable buildings which had no hope of meeting registration standards without major spending.

The decision to call in CSL was taken as an alternative to a proposal to close 10 of the OPH's, sell off land and buildings and use the capital receipts to refurbish the remainder.

The Industrial and Provident Act Society

CSL recommended the setting up of an IPAS and the transfer to it of 23 of the Homes.

The IPAS has a management committee of about a dozen unpaid members who were selected by the CSL following advert and applications. The Management Committee meets only two or three times per year and day to day management is by a small team consisting of a Chief Executive, an Operations Manager, three care managers, a Personnel Officer and a Business (Finance) Manager. There are 3 or 4 admin staff. These are the only employees of the IPAS outside the Homes themselves.

Payroll and architectural services are bought in on contract from GCC.

Each Home is considered to be a 'cost centre' and has to work within a budget. It is too soon to see the full impact of financial responsibility at unit level because first year budgets and expenditure analyses have only just been produced (i.e. seven months into the life of the IPAS). So the degree of pressure on OIC's to control costs and maximise income is not yet clear. This will be a vital question; to what extent will individual units become ***commercial***, rather than ***caring*** in their managerial culture and ethos?

Clearly also, it is too soon to say whether the IPAS has become a viable business but indications are that it will be.

Transfer Conditions for Staff

The Staff working in the OPH's were transferred to the new employer on the basis of their existing terms and conditions. The transfers were covered by section 94 of the Employment Protection Act. This was agreed upon as the appropriate legislation in preference to the transfer of undertakings regulations. NUPE locally felt that Section 94 allowed for negotiations prior to transfer to bind the new employer more effectively than the Transfer Regulations would have done.

Transferred staff retained the full package of national conditions of service. They lost only those conditions which were agreed locally with GCC. Of these, Gratuity payments for long service, frozen holiday pay, car purchase and leasing deals were paid up or bought out prior to transfer. (This was done at a cost of some £$^1/_2$ million to GCC). Grievance and Disciplinary Procedures were re-negotiated.

The terms of the deal reached commit the new employers to honouring future pay and conditions agreements reached by the NJCs for local authority staff in respect of the transferred staff. (Separate pay talks would be held locally in respect of staff joining after transfer).

Superannuation Pensions

Transferred staff retained the right to contribute to the Local Authority Superannuation Scheme. The IPAS became an Admitted Body to the GCC fund. (Staff over 50 had lump sums and pensions activated by their technical redundancy but were able to continue to contribute and thus accrue pension rights based on service with the new employer).

New Starters

Staff joining the new employer after the transfer do so on a new package of conditions. These provide for higher basic rates than those enjoyed by transferred staff but exclude enhancements. New starters do not get extra statutory and concessionary holidays.

Temporary Staff

Staff taken on between the decision of GCC to establish the IPAS and the transfer date were granted permanent contracts only after transfer and so became entitled to the new, rather than the protected 'national' conditions. (Note the local NUPE branch now considers this to be a questionable aspect of the deal).

Working for the New Employer

Opinion varied on working for the new employer. There have virtually been no grievance cases brought in the seven months since transfer - surely an indication of contentment amongst staff as over 600 workers were transferred.

But some of the officers we spoke to talked about reduced job satisfaction following the introduction of nursing staff to the dual-registered Homes. Loss of sleeping-in allowances in these homes is clearly a major factor, too.

Union Recognition

The new employer recognised NUPE and NALGO for purposes of collective bargaining and representation. There have been no problems in setting up acceptable bargaining machinery. New starters are signing up for the union and stewards are functioning without hindrance.

Dual Registration

All the Homes are being pushed into dual-registration in order to access higher rates of DSS payments for those residents who are assessed as eligible. Dual registration has brought radical changes to staffing with the introduction of round the clock nursing care. NUPE reps complained of a major challenge to the culture of the homes as a result. Nurses tended to institutionalise the Homes and were resistant to becoming involved in social care and continence management. They also introduce a further set of pay rates and conditions into the Homes.

Short Term Care

Beds are set aside within the IPAS Homes to provide short term care. These are paid for by GCC whether occupied or not and day care places are paid for (whether or not they are taken up on any given day) as part of a care contract between the IPAS and GCC.

Conclusion

The parallels with NCC are obvious. The differences need to be borne in mind. GCC transferred 23 Homes needing a total of £9 million spending on them in order to meet registration standards. The proposal in Notts is for a maximum of 25 Homes to be transferred requiring nearly £23 million spending.

Clearly this is a very different business proposition. We <u>have</u> to see a business plan which demonstrates that the Notts. IPAS will be a viable enterprise in the medium term and can realistically service the debt from its projected income.

It is instructive to note that the NUPE and NALGO members in the transferred GCC Homes are still not discounting closure of those Homes which require the greatest input of capital in order to achieve registration standards. It is difficult to see how the Notts. Homes on the "transfer list(s)" can feel safe from closure without either reductions in the debt burden on the IPAS and/or increases in its potential income.

This raises the possibility that additional Notts. Homes may be transferred in order to increase the potential income of the IPAS. It would be logical if these were the newer Homes which do not require significant capital spending.