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Our ref. SJT/BC001

23 January 2014

Private & Confidential

«Pers_Known_As» «Pers_Surname»
«Address_L1»
«Address_L2»
«Address_L3»
«Address_L4»
«Postcode»

Dear «Pers_Known_As»

Proposed Changes to Pay in Barnet Homes

We write further to the consultation meeting held with Unison and GMB on 20 January 2014.

During the recent contract negotiations with LBB it became very clear that The Fremantle Trust would need to contract with them at the same price level at which they are able to buy services in the local market. In order to do this our trustees agreed that the surplus from selling additional private places could be used to support our charitable objective of ensuring that people funded by the local authority can access places in our homes. However, even after increasing from 25 to 100 places for self funders over the next two years, we still need to save £285,000 from costs every year. We have explored all opportunities, but remain of the view unless we achieve the cost savings the services we provide will not be viable.

Several recent factors have contributed to the current position and the need to achieve the savings, principal among which is the removal of Catalyst as sub-contractor to the Council leading to The Fremantle Trust having a direct contract with the Council. Catalyst were operating the care contract at a loss and their removal has placed increased pressure on the Council and thus Fremantle to run a care service on budget.

Fremantle have been impacted by the rapid, above inflationary rise in food and utility costs. The introduction of auto-enrolment has also increased costs pressures.

Our main area of expenditure is staff costs. It is evident that the rates of pay for those employees who transferred from LBB in 2001 are in excess of local market rates. If its cost base remains in excess of local market rates, The Fremantle Trust will not be in a position to compete with and will be at a disadvantage to other care providers when tendering in the local market. Unless savings are made the service may become unviable placing existing jobs and the care The Fremantle Trust provides at risk.

In addition to the above commercial factors, people working doing the same job and often working side-by-side may currently be being paid at markedly different rates. This results in disharmony and exposes The Fremantle Trust to potentially damaging legal claims.



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The current system of separate pay negotiations is also divisive and inefficient and prevents The Fremantle Trust developing as 'one' organisation where future decisions can be made on the basis of all the staff The Fremantle Trust employs.

It is proposed to offer revised contracts to all those staff that are not currently on advertised rates of pay. All staff will then be paid the same rate for the same job; contracted hours will remain unchanged, but the full-time equivalent working week will increase from 36 hours to 39 hours. We will then be able to achieve the savings necessary to maintain the quality of services we can all be proud of and remain competitive in the local market.

We will also be able to include all staff in the annual pay review in October of each year and any increases which may be possible will be applicable to all. In considering what constitutes fair pay for all Fremantle staff we have taken into account National Care Forum pay surveys.

How will the proposed changes affect you?

We understand and appreciate the proposals may have a substantial personal impact on you and we want to offer what help we can to manage the change. Our proposals include a provision to compensate all affected staff (see further below) and which we will discuss with you and how this can be used to support the transition for you.

The proposals will bring about two important changes for ex LBB staff

- The full time equivalent working week will increase from 36 hours to 39 hours (this does not mean a change in the hours you are expected to work)
- All staff will be paid at advertised rates of pay for each job

For example:

LBB role	Hourly rate	Fremantle equivalent	Hourly rate
Care Worker	£10.62 - £10.92	Care Worker	£7.68 to £7.98
Care Assistant	£9.26 - £9.34	Care Worker	£7.68 to £7.98
Benchmark	£12.52	Senior Care Worker or Team Leader	£8.39 to £10.89
Night Care Assistant	£11.67	Night Care Worker	£8.92
Administrator	£10.97	Administrator	£9.28

The percentage change in basic salary ranges from 12% up to 36%. For most people the impact is a reduction of 20-25% in basic salary.

In accordance with the opening paragraph of The Fremantle Trust Statement of Main Terms and Conditions of Employment, we have reserved the right to modify any of the conditions in your contract after consulting with the recognised trade union. We appreciate that the proposed changes will be disadvantageous and may be seen by some as tough. However, we consider them to be fair, reasonable and necessary for the reasons set out above. However, although we retain this right, we have set aside a compensation fund equal to one year's loss of basic salary (the difference between the current and proposed basic salary) and we will discuss with you how you wish to utilise this. It may be that the compensation could be paid as a lump sum on signing the revised contract and then changing immediately to the new rate of pay, or for some it may be better to use the sum to protect their pay for a year. It is up to each person affected to decide what is best for them personally.





What happens now?

This letter is the start of a period of consultation which we anticipate will finish on 7 March 2014. The timetable for the consultation is set out below.

Date	Action
Commencing 23/01/14	Initial consultation letters sent.
Commencing 01/02/14	Individual consultations at services with Mark Kingman, Divisional Manager and Sarah Toye, HR Manager.
Commencing 17/02/14	Revised contracts and individual confirmation of compensation agreement sent out with deadline for acceptance.
By 14/03/14	Signed letters confirming contracts and compensation agreements to be returned to Sarah Toye at Woodley House.
01/04/14	Revised contracts commence.
15/04/14	Lump sum compensation payments paid with new April salary and/or period(s) of salary protection commence.

We have held initial discussions with Unison and GMB and we understand that they will be contacting their members directly in the very near future.

In addition to the above, we would like to arrange an individual meeting with all affected staff to discuss the proposed variation, and enclose a timetable of the meetings. In the first instance, please can you contact your Service Manager to book this meeting.

At the meeting you will have the opportunity to let us know how you feel about the proposed variation and will allow us to discuss:

- the reasons why we feel that it is necessary to make the variation;
- how it impacts on you as an individual; and
- the alternatives to making the variation.

Whilst we hope that you will agree to the changes we will also discuss with you individually our proposals should the changes not be accepted.

If there are no times or dates suitable for you, please notify your manager as soon as possible and we will endeavour to reschedule the meeting to suit all parties.

We understand that these changes are difficult. We hope we can rely on your continued support as we seek to introduce these changes.

Yours sincerely

Carole Sawyers
Chief Executive



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