

# Strike against Tower Hamlets Labour council's "fire and rehire" of 4,000 employees

By Alice Summers  
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Thousands of public sector workers in the London borough of Tower Hamlets are striking today, against attacks on jobs, pay and conditions. Two further days of industrial action are planned on Monday and Tuesday next week.

Tower Hamlets is set to sack 4,000 of its workers by July 6 before rehiring them on significantly worse contracts. The east London council is controlled by the Labour Party, which has 41 of the local authority's 45 councillors.

The new contracts, named "Tower Rewards" by the council, would see cuts to pay for new entrants, reductions in night-working supplements and in incremental pay increases linked to promotion, and could see severance disbursements slashed by as much as 80 percent—making it easier to lay off workers. Working benefits such as travel allowances, annual leave and flextime schemes will be gutted, and disciplinary procedures changed to the detriment of workers.

Those affected include social workers, housing and homelessness support workers, library staff, youth services, drug and alcohol services, teaching assistants, special educational needs teachers, refuse collectors and street cleaners.

The Labour council planned to force workers onto the inferior contracts by April 13, but delayed imposition until July 6 in the face of widespread condemnation and the impact of the coronavirus pandemic.

A strike ballot of Tower Hamlets employees by Unison in February returned an 89.6 percent vote in favour of industrial action. The National Education Union (NEU) also balloted, with its members at 68 schools across the borough voting 95 percent in favour of strike action on a 51.5 percent turnout. Strike action planned by Unison for March 24 was cancelled due to

the coronavirus pandemic.

The unions have made clear that their renewed calls for strikes does not mean a genuine struggle to defend pay and conditions. Despite claims in February that Unison and the NEU would seek to coordinate industrial action, strikes on July 3, 6 and 7 will only involve Unison members. The NEU has not called out its members on these days, demonstrating the intention of both unions to sabotage and isolate the struggles of Tower Hamlets workers.

In addition to Unison and the NEU, the GMB and Unite unions have members who will be affected by these attacks, but neither have called for any action.

The Labour-run local authority has systematically worked to block any opposition. In February, the council threatened to take Unison and the NEU to court over their strike ballots, claiming that a strike by school workers would lead to financial hardship for parents and cause an increase in "anti-social behaviour."

While Apsana Begum, Labour MP for the constituency of Poplar and Limehouse, claimed to oppose the moves by her own party, her criticisms amounted to a warning about inopportune timing. Asking council chief executive Will Tuckley in March to postpone negotiations on the new terms and conditions, she argued that pushing through the contract at that time would look like the council was using the COVID-19 crisis to force through cost-cutting measures instead of focusing on the health emergency. Begum is a member of the rump of Socialist Campaign Group of Labour MPs and was selected as the prospective MP for her constituency after being nominated by the Momentum group—the main supporters of its former nominally "left" leader Jeremy Corbyn.

Labour councils have loyally imposed every cutback

demanding of them by the Brown Labour government from 2008 and Tory-led governments since 2010. From 2016, austerity was imposed under the instruction of Corbyn and his shadow chancellor, John McDonnell.

The proposed contract changes in Tower Hamlets come as the council announced plans to cut £44 million from its budget, having lost 64 percent of its central government funding since 2010. Tower Hamlets first announced plans to impose “Tower Rewards” contracts at the start of 2019 and pushed ahead as the pandemic hit.

The situation faced by Tower Hamlets is echoed in hundreds of councils across the country. The financial impact of the COVID-19 pandemic could see councils across England making budget cuts of up to 20 percent, according to a Labour Party report—likely leading to deep cuts to workers’ pay and conditions and the evisceration of essential services.

Chair of the Local Government Association and Conservative Leader of Central Bedfordshire council James Jamieson estimates that councils will face vast costs of up to £13 billion to tackle the pandemic. The BBC found that almost 150 local authorities have forecast a combined budget shortfall of at least £3.2 billion as the pandemic sees sources of income dry up. One in eight councils faces bankruptcy, with Leeds reporting a £200 million shortfall.

These shortfalls come after over a decade in which local authority budgets have been slashed, devastating social care provisions and other important frontline services. Between 2015/2016 and 2017/2018, councils lost 77 percent of their funding from central government, used to provide essential services.

Reports appear daily detailing the savage effects of budget cuts on local communities, with virtually every municipality witnessing an increase in food-bank usage, homelessness and poverty, and seeing the closure of valuable public resources such as libraries and leisure centres. According to Trust for London, the borough of Tower Hamlets is one of the poorest in London, with a staggering 57 percent of children living in poverty in 2017/2018.

Tower Hamlets council’s “fire and rehire” plans were pioneered in 2011 by the then-Conservative councils of Southampton City and Shropshire County, in the wake of the 2008 financial crash. Amid demands for massive austerity, Southampton laid off its 4,600

strong workforce before rehiring them with 5.5 percent pay cuts. Shropshire County Council followed suit, with the tearing up of contracts of its 6,500 workers to enforce pay cuts of 5.4 percent. New contracts were imposed with the collusion of Unite, Unison and GMB. Action was limited to rolling or one-day strikes that proved ineffectual and served to split up various sections of workers.

The onslaught at Tower Hamlets gives the lie to government claims that austerity is “over.” Asda and British Airways are also demanding that their employees’ contracts be torn up and inferior conditions imposed. In local government, the offensive is being led by Labour and its trade union backers, with the Tories unable to impose the most brutal attacks on workers conditions in living memory without their assistance.

Other Labour councils will be emboldened to intensify their attacks on their workforces if their counterparts in Tower Hamlets are able to impose their devastating plans. To defeat Labour’s assault on their livelihoods, council workers in Tower Hamlets must take control of the fight out of the hands of Unison and the other unions. Workers must urgently form rank-and-file committees and turn for support to other council workers in the capital and throughout the UK who face similar attacks.

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