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GENERAL PURPOSES AND LICENSING COMMITTEE

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6 2024/25 PAY AWARD (Pages 3 - 18)

The joint trade unions pay claim and the Council's response are attached.

Copies of the documents referred to above can be obtained from
<http://cds.bromley.gov.uk/>

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PAY CLAIM FOR 2024/25 SUBMITTED BY JOINT TRADE UNIONS TO LONDON BOROUGH OF BROMLEY

1. INTRODUCTION

This pay claim is submitted by UNISON on behalf of staff working for London Borough of Bromley ('the employer' or 'LBB' hereafter).

The claim is set at a level that we believe recognises the following key points:

- Substantial increases in the cost of living over recent years have significantly reduced the value of staff wages and the rise in prices facing workers has been running at a 40-year high;
- Appropriate reward is needed to sustain the morale and productivity of staff in their crucial role of delivering high quality services;
- Appropriate reward is needed for the increased workload and stress placed on staff;
- Average earnings and pay settlements are surging across the economy, adding to the problem of rates running ahead of those received by LBB staff over recent year and increasing the likelihood of recruitment and retention problems in the long term;
- Nobody should be paid less than the nationally recognised Foundation Living Wage (London Living Wage – 'LLW') rate, which has become a benchmark for the minimum level of decent pay across Greater London and is now paid by large sections of the public services and many major private companies.
- An additional day's annual leave, mirroring that awarded to Local Government employees across London through the 2022-23 NJC settlement, as requested in our previous claim for 2023-24

The joint unions are therefore submitting the following claim for 2024-25, which seeks to improve and enhance the morale and productivity of our members.

Meeting our claim will give LBB the opportunity to demonstrate its commitment to creating a workforce which is well paid and high in morale and productivity.

The claim is straightforward and realistic.

2. SUMMARY OF CLAIM

We are seeking:

- A minimum of £3,000 or 10%, whichever is greater, across the board increase on all salary points and allowances
 - An additional increase on all salary points of 2% prior to the above, reflect the discrepancy following the LBB awards in 2022-23 of 2.25% and 2023-24 of 7.75%, when the GLPC Settlement of the 2022/23 and 2023/24 claims by the joint unions saw an average pay rise of 6% on both occasions
 - An additional increase on all allowances of 3.88% in accordance with the GLPC Settlement of the 2023/24 claim by the joint unions
 - Further to the above, backpay to all staff equivalent to any updated pay scales for the period 1 April 2023-31 March 2024
- Consideration of a flat rate increase to hourly rates of pay in order to bring the minimum rate up to £15 per hour within two years
- An increase in the annual leave entitlement by 1 day, in accordance with the GLPC Settlement of the 2022/23 claim by the joint unions
- An additional day of annual leave for personal or well-being purposes
- A reduction in the working week by two hours
- A further review of the pay and grades structures following previous realignment and removal of the lowest bandings to achieve headroom above the Living Wage (National Minimum Wage) and the Foundation Living Wage (London Living Wage)
 - A review of the pay spine, including looking at the top end, and discussions about the link between how remuneration can be used to improve retention
- An additional increase in rates for staff at the bottom of the pay scale to bring their pay up to the level of the Foundation Living Wage (London Living Wage) which is currently set at £13.15 per hour.
- A review of payments and consideration of improvements to conditions in relation to additional components such as unsocial hours, gender pay gap, disability pay gap, ethnicity pay gap, terms for working parents, and adjustments to hours
- A review of job evaluation outcomes for school staff whose day-to-day work includes working on Special Educational Needs (SEN)
- A homeworking allowance for staff for whom it is a requirement to work from home
- Special London Allowance for Residential Staff (should this apply) in accordance with the GLPC agreement (for reference, the agreed rate from 1 April 2023 was £1,321, the 2024 rate is awaited)
- Planned overtime rates in line with the GLPC recommendations for 2023-24 (see paragraph 2.4 of the Gold Book for guidance on the application of these rates)
- An agreement with the joint unions on behalf of staff in relation to the management of workloads across the Council
- Unions are asking the Council, as a non-NJC employer, to look again at their arrangements in the light of new national pay structures as they are forthcoming
- The advantages of the NJC pay spine are:
 - The NJC pay spine is transparent

- Using the NJC pay spines aids comparability with other NJC employers
- It becomes easier to apply future NJC pay awards
- Using the NJC pay spine futureproofs the employer against National Living Wage
- Increases and so provides stability
- The NJC pay spine provides a sound basis for future pay and grading exercises

3. BACKGROUND TO THE CLAIM

A substantial increase will help restore and maintain living standards of the staff who have seen their real pay eroded considerably, especially following the NJC settlements for 2022-23 and 2023-24 which now puts LBB employees at a disadvantage to other boroughs in Greater London.

The greatest asset of LBB is its employees. In this pay round, our members are looking for evidence of the value that LBB places upon them and a share in the economic recovery.

This claim is both realistic and fair. The following gives full justification for the claim. The joint unions hope that LBB will give this claim the full consideration and response which employees expect and richly deserve.

4. FALLING VALUE OF PAY

The table below demonstrates the major fall in living standards suffered by staff over recent years.

Year	LBB pay increases	Rise in cost of living ¹ (as measured by Retail Prices Index)
2010	0%	4.6%
2011	0%	5.2%
2012	0%	3.2%
2013	1.2%	3.0%
2014	1.2%	2.4%
2015	1.2%	1.0%
2016	1.2%	1.8%
2017	1.2%	3.6%
2018	2%	3.3%
2019	2.25%	2.6%
2020	2.5%	1.5%
2021	2%	4.1%
2022	2.25%	11.6%
2023	7.75%	9.7%

This means that, while a wage keeping pace with the cost of living each year would have risen by 74.9% since 2010, pay in LBB has risen by just 24.75%, which means that thousands of pounds have been cut out of the value of staff wages.

The last two years have seen the steepest rises in the cost of living facing workers in over 40 years - 11.6% in 2022 and 9.7% in 2023² and inflation is expected to continue to rise at the substantial rate of 4.4% across 2024³.

For the value of staff wages not to fall back even further, they must at least keep pace with rises in the cost of living, which currently include⁴:

- A 44% increase in mortgage interest payments;
- An 8% increase in food prices;
- An 8% rise in rent for a new rental property.

¹ Office for National Statistics, Consumer Price Inflation Reference Tables, December 2023

² Office for National Statistics, UK Consumer Price Inflation: December 2023

³ HM Treasury, Forecasts for the UK Economy, November 2023

⁴ Office for National Statistics, UK Consumer Price Inflation: December 2023 for food and mortgage interest payments - HomeLet Rental Index, December 2023, for rental prices

5. FALLING BEHIND AVERAGE PAY RATES

The ability of LBB to attract and retain staff in the long term will be damaged if the pay of its staff falls behind the going rate in the labour market.

The table below demonstrates how LBB's pay settlements have fallen behind economy averages over a sustained period.

Year	LBB pay settlements	Average pay settlements
2010	0%	2.0%
2011	0%	2.5%
2012	0%	2.5%
2013	1.2%	2.5%
2014	1.2%	2.5%
2015	1.2%	2.2%
2016	1.2%	2.0%
2017	1.2%	2.0%
2018	2%	2.5%
2019	2.25%	2.5%
2020	2.5%	2.3%
2021	2%	2.0%
2022	2.25%	4.0%
2023	7.75%	5.6%

While average pay settlements have seen salaries grow by 44.1% since 2010, LBB increases have only amounted to 24.75% across more than a decade, so LBB pay has lost more than 19% of its value against average pay over the period.

Pay rates are set to fall even further behind, given that average earnings growth across the economy is now running at almost 6.5%⁵ (such levels of average earnings growth had not been seen in over two decades prior to 2021).

Recent vacancy rates across the economy have also been among the highest level recorded in over two decades, providing staff with substantial alternative areas of employment.

⁵ Office for National Statistics, Labour Market Overview UK, November 2023

6. LIVING WAGE BECOMING STANDARD MINIMUM PAY BENCHMARK

The Living Wage has become a standard benchmark for the minimum needed for low-paid staff to have a “basic but acceptable” standard of living.

LBB is now competing in a labour market where the Living Wage of £12 an hour outside London and £13.15 an hour in London has become an increasingly common minimum point in the pay scale.

Studies supported by Barclays Bank have shown that Living Wage employers report an increase in productivity, a reduction in staff turnover / absenteeism rates and improvements in their public reputation.

Consequently, there are now over 14,000 employers accredited as Living Wage employers by the Living Wage Foundation, including almost half of the largest companies listed on the UK Stock Exchange and household names such as Barclays, HSBC, Nationwide, Google and IKEA are among them.

Though not accredited, Sainsbury’s announced in January 2024 that it will raise rates for its staff to the Living Wage rates from March of this year.

Across the public sector, the Living Wage has now long been set as the minimum pay rate across all Scotland’s public sector organisations and this was extended to social care workers in Scotland’s private and voluntary sector from October 2016. The Welsh Government has committed to achieving the same goal in social care by 2024.

7. RECRUITMENT AND RETENTION PRESSURES BUILDING

Following the economic downturn triggered by the pandemic, recruitment and retention pressures are now beginning to reassert themselves on employers.

The unemployment rate had been in decline from a peak of 8.5% in 2011 to 3.8% (the lowest level for 44 years) by September 2019. The impact of the pandemic saw that figure rise to over 5% in 2020, but this soon fell back to an almost pre-pandemic level of 3.9% in the three months to January 2022.

The Office for National Statistics (ONS) put the average unemployment rate at 4.2% in 2023 and then 4% or just below over the subsequent four years. Such a labour market background makes competitive wage rates ever more crucial.

The ONS Bromley Labour Market profile 2020 saw Bromley report the 2nd lowest unemployment rate of the Outer London Boroughs at 3.7%

8. MORALE UNDER THREAT

Working against a background of tight budgets, staff have been facing greater workload pressures. The resulting increased stress puts the morale of the workforce at risk and poses a long-term threat to LBB's ability to provide a consistent quality of service.

UNISON conducted an anonymous survey of LBB members, the findings of which illustrate the demoralising effects the aforementioned pressures are having:

- 62% of respondents said they were worse off financially than 12 months ago
- 41% of respondents were dependent on additional payments to sustain their standard of living
- 79% of respondents reported feeling greater stress;
- 76% of respondents reported an increased workload compared to 12 months ago
- 89% of respondents have experienced staff shortages in their workplace
- 76% of respondents felt the number of service users had increased
- 35% of respondents felt the quality of service had decreased
- 52% of respondents felt an increased workload had a detrimental effect on their personal life
- 40% of respondents felt an increased workload had a detrimental effect on their performance
- 48% of respondents said morale was Low or Very Low. Just 6% of respondents felt morale was High
- 51% of respondents said morale had Worsened compared to 12 months ago
- 72% of respondents said they had Fairly Seriously or Very Seriously considered leaving their current position
- 5.18 was the average rating where respondents were asked "In relation to your working life, on a scale of 1 to 10, where 1 is extremely low and 10 is extremely high, how motivated are you?"

9. CONCLUSION

There can be no doubt that all LBB staff have seen the value of their earnings fall considerably over recent years and evidence suggests that they are also falling behind earnings for comparable jobs.

Combined with these developments, the last year has seen intensified pressures placed on staff at the same time as greater job choices are opening up for staff in an improving labour market.

Therefore, this pay claim represents a very reasonable estimate of the reward staff deserve for their dedication, skill and hard work and the minimum improvement in pay needed to maintain workforce morale for delivering consistently high-quality services.

LBB Response to Joint Unions Claim LBB 24/25

SUMMARY CLAIM

We are seeking:

- A minimum of £3,000 or 10%, whichever is greater, across the board increase on all salary points and allowances. An additional increase on all salary points of 2% prior to the above, reflect the discrepancy following the LBB awards in 2022-23 of 2.25% and 2023-24 of 7.75%, when the GLPC Settlement of the 2022/23 and 2023/24 claims by the joint unions saw an average pay rise of 6% on both occasions.

The latest figures from the Office for National Statistics (ONS) currently report CPI at 4% and RPI at 5.2%. The Bank of England expects inflation to continue to fall in 2024.

The unions' claim of £3000 or 10% (whichever is greater) would cost the Council minimally £7.5m (based on 10%).

An additional increase on all salary points of 2% prior to this would cost the Council £1.5m.

In total, both elements would be in the region of £9m

The Council's pay offer has to be seen in the wider context of the pressures on Public Sector finances. The recent report 'Draft 2024/25 Budget and Update on Council's Financial Strategy 2025/26 to 2027/28' details the potential budget gap of around £16.6m in 2025/26 increasing to £38.7m per annum in 2027/28.

Nationally, whilst the previous years pay award was finally settled in November 2023, there are currently no proposals for the 24/25 pay award.

- An additional increase on all allowances of 3.88% in accordance with the GLPC Settlement of the 2023/24 claim by the joint unions

In light of the proposed pay award, we will look at uplifting our allowances by 3% to ensure we remain competitive and don't compromise the Councils service delivery interests.

- Further to the above, backpay to all staff equivalent to any updated pay scales for the period 1 April 2023-31 March 2024

Members are not proposing to provide backpay for 2023/24. The pay award for 2023/24 was 2% + 5.75%.

Since the Council came out of national terms and conditions in November 2012, the pay award in Bromley has been delivered in time for staff to receive the increase in April of each year.

- Consideration of a flat rate increase to hourly rates of pay in order to bring the minimum rate up to £15 per hour within two years

The proposed increase would mean the minimum hourly rate at Bromley would be £12.76 per hour, an increase of 0.83 per hour compared to the current minimum rate at Bromley. The National Living Wage from April 2024 will be £11.44 per hour.

One of the key principles of adopting a local pay framework allows democratically elected Members/Councillors to determine staff pay and terms and conditions based on a number of factors including affordability and local benchmarks. In 2024/25, the Council are also proposing the removal of the equivalent of lower spinal points 9-11 (BR3).

- An increase in the annual leave entitlement by 1 day, in accordance with the GLPC Settlement of the 2022/23 claim by the joint unions

There are no plans to increase the minimum entitlements for annual leave. The minimum leave in the Council is 24 plus the statutory bank holidays, rising to 30 for long standing employees with 5 years or more service. This compares favourably with the leave provisions both in the private and public sector.

In addition, employees are given a discretionary additional concessionary day during the Christmas period.

- An additional day of annual leave for personal or well-being purposes

The Council is committed to the well-being of our employees and regularly promotes wellbeing initiatives such as the Telephone Lottery, Well-being webinars, Ask HR sessions as well as the introduction of our Volunteering Policy. Support is also available to all staff through the Employee Assistance Programme as well as our Mental Health First Aiders. Promotions from Workforce Development are sent to staff on a regular basis.

In addition, the Council already have a special leave scheme in place to support employees.

- A reduction in the working week by two hours

There are no plans to look at a reduction of the standard working week

However, we are committed to giving serious consideration to requests for flexible working arrangements. This includes 'compressed weeks' where staff work their usual 5-day week hours over the course of 4 days or 9 day fortnights. We already have a number of colleagues working under these arrangements.

- A further review of the pay and grades structures following previous realignment and removal of the lowest bandings to achieve headroom above the Living Wage (National Minimum Wage) and the Foundation Living Wage (London Living Wage) A review of the pay spine, including looking at the top end, and

discussions about the link between how remuneration can be used to improve retention

The proposed increase would mean the minimum hourly rate at Bromley would be £12.76 per hour, an increase of 0.83 per hour compared to the current minimum rate at Bromley. The National Living Wage from April 2024 will be £11.44 per hour.

- An additional increase in rates for staff at the bottom of the pay scale to bring their pay up to the level of the Foundation Living Wage (London Living Wage) which is currently set at £13.15 per hour.

In 2024/25, the Council are also proposing the removal of the equivalent of lower spinal points 9-11 (BR3).

As above, the proposed increase would mean the minimum hourly rate at Bromley would be £12.76 per hour. The National Living Wage from April 2024 will be £11.44 per hour.

- A review of payments and consideration of improvements to conditions in relation to additional components such as unsocial hours, gender pay gap, disability pay gap, ethnicity pay gap, terms for working parents, and adjustments to hours

The Council recognises the need to ensure an adequate work life balance for its staff and empowers its managers and staff to ensure that this happens.

Bromley has a range of flexible working and benefits for working parents including the Childcare deposit loan scheme, parental leave and special leave along with flexible working practices. Bromley's pay arrangement is equality compliant.

- A review of job evaluation outcomes for school staff whose day-to-day work includes working on Special Educational Needs (SEN)

The Council uses the Greater London Provincial Council (GLPC) Job Evaluation Scheme for evaluating all BR roles across the Council. The scheme was jointly agreed by the employers and unions in London local government with all staff who undertake job evaluation at Bromley being trained in the scheme.

- A homeworking allowance for staff for whom it is a requirement to work from home

We do not currently have any staff who are required to work from home as part of their role.

During the Covid-19 Pandemic, various support was made available including laptops and IT goody bags to support agile working, desks and chairs made available where required, mental health support and wellbeing initiatives and online training and support.

The Council's commitment to hybrid and agile working is very clear as stated in the Transforming Bromley Workplace Modernisation Programme. Therefore, when we eased back to the workplace following the lifting of the coronavirus restrictions, staff could continue to work smartly in a mixed arrangement including a combination of home and office working or wholly from the office, subject to the desk to staff ratio (approximately 50% desk occupancy).

- Special London Allowance for Residential Staff (should this apply) in accordance with the GLPC agreement (for reference, the agreed rate from 1 April 2023 was £1,321, the 2024 rate is awaited)

Not applicable

- Planned overtime rates in line with the GLPC recommendations for 2023-24 (see paragraph 2.4 of the Gold Book for guidance on the application of these rates)

In light of the proposed pay award, and also the ongoing review of our allowances we will look at uplifting our allowances by 3% to ensure we remain competitive and don't compromise the Council's service delivery interests.

- An agreement with the joint unions on behalf of staff in relation to the management of workloads across the Council

The Council recognises the need to ensure an adequate work life balance for its staff and empowers its managers and staff to ensure that this happens. Monitoring by Senior Management helps to reinforce this best practice. The introduction of a formal workload agreement between the Council and the Trade Unions is not therefore required

- Unions are asking the Council, as a non-NJC employer, to look again at their arrangements in the light of new national pay structures as they are forthcoming

The advantages of the NJC pay spine are:

- The NJC pay spine is transparent
- Using the NJC pay spines aids comparability with other NJC employers
- It becomes easier to apply future NJC pay awards
- Using the NJC pay spine futureproofs the employer against National Living Wage
- Increases and so provides stability
- The NJC pay spine provides a sound basis for future pay and grading exercises

Bromley Council previously adopted localised terms and conditions giving democratically elected Members/Councillors the ability to determine staff pay and terms and conditions based on a number of factors including affordability and local benchmarks.

The Recruitment & Retention Board, chaired by the Director of HR, Customer Services & Public Affairs continues to monitor and benchmark a number of hard to fill positions across the Council. This includes undertaking regular benchmarking activities with London Councils and other neighbouring authorities in regard to pay and benefits.

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