



JOINT UNIONS PAY CLAIM FOR 2018/19

SUBMITTED BY UNISON, UNITE AND GMB TO LONDON BOROUGH OF BROMLEY

January 2018

1. INTRODUCTION

This pay claim is submitted by UNISON, UNITE and the GMB on behalf of staff working for the London Borough of Bromley.

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

- Major increases in the cost of living over recent years have significantly reduced the value of staff wages;
- 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 against a background of major budget cuts;
- Average pay settlements across the economy have been running ahead of those received by London Borough of Bromley staff over recent years, increasing the likelihood of recruitment and retention problems in the long term;
- Increased vacancy rates across the economy make a competitive wage rate ever more crucial;
- Nobody should be paid less than the nationally recognised Living Wage rate, which has become a benchmark for the minimum level of decent pay across the UK and is now paid by large sections of the public services and many major private companies.

2. SUMMARY OF CLAIM

We are seeking:

- A **5 %** increase on all salary points and allowances
- **An additional increase in rates for staff at the bottom of the pay scale to bring their pay up to the level of the London Living Wage**, wherever this is not already the case within the Council's employment, including community schools
- A review of training and CPD opportunities across the organisation to facilitate staff development, retention and progression
- Consideration the equalisation of annual leave entitlements across the grades/scales in view of increasing demands on staff and resources – all staff should receive a minimum of 30 days leave, with the possibility of increments to 31 days after 5 years' service and 32 days after 10 years. Unions would be happy to discuss possible arrangements for phasing this in over a number of years to reduce the impact on the budget and operations
- A review of Family Friendly Policies, in particular Parental Leave entitlements in respect of fully paid Maternity and Paternity Leave for parents of premature babies, effective between the actual date of the birth and the due date (date at which standard Maternity/Paternity Leave comes into effect). Please refer to the campaigns being run by charities 'The Smallest Things' and 'Bliss', as well as ACAS publications for further information. Where extended hospital stays in the Special Care Baby Unit are necessary due to birth complications and the baby's ill health, we request that the Employer grant either parent, upon request, up to 6 months full pay and 6 months half pay where hospitalisation extends beyond the period of contractual Maternity Pay.
- Greater fairness and transparency in the award of bonuses and rewards
- Greater emphasis of the benefits to employees of the Employee Assistance Programme
- Better training and support for managers in dealing with the impact of work-related stress on staff wellbeing and mental health

3. FALLING VALUE OF PAY

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

	London Borough of Bromley pay increases – note, this does not apply to <i>all</i> staff – see **	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%

This means that, while the cost of living has risen by 22.6% over the last six years, for many LBB staff pay has risen by just 4.8%, which means that thousands of pounds have been cut out of the value of staff wages.

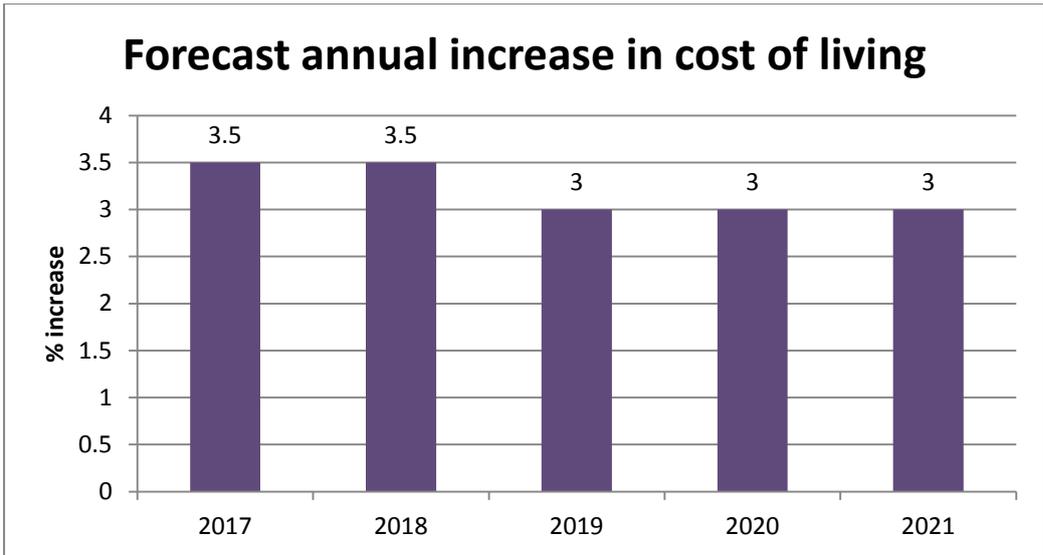
Note ** - the table above does not reflect the tiered pay award for staff on lower pay, however it is recognised that in 2013/14 and 2014/15 the LBB pay award was between 1.2-1.7%, and the 2017/18 pay award gave a one off consolidated £300 payment to staff earning below £18,000 PA.

Studies have also shown that the low-paid have tended to suffer even higher rates of inflation than the average employee. A 2014 report by the Institute of Fiscal Studies found that, between 2008 and 2013, the lowest income fifth of households had faced average annual inflation that was 1% higher than the highest income fifth.²

Latest inflation figures have now hit 3.6% and Treasury forecasts indicate that the cost of living is set to average 3.5% throughout 2017 and 2018, followed by three years of 3% inflation, in line with the graph below.

¹ Office for National Statistics, Consumer Price Inflation Reference Tables, December 2014

² Institute of Fiscal Studies, IFS Green Budget 2014



Source: HM Treasury, Forecasts for the UK Economy, August 2017

4. FALLING BEHIND AVERAGE PAY RATES

The ability of the London Borough of Bromley to attract and retain support 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 shows that pay settlements over the last year across the economy have been running at 2%, which stands in contrast to the most recent London Borough of Bromley settlement of 1.2%.

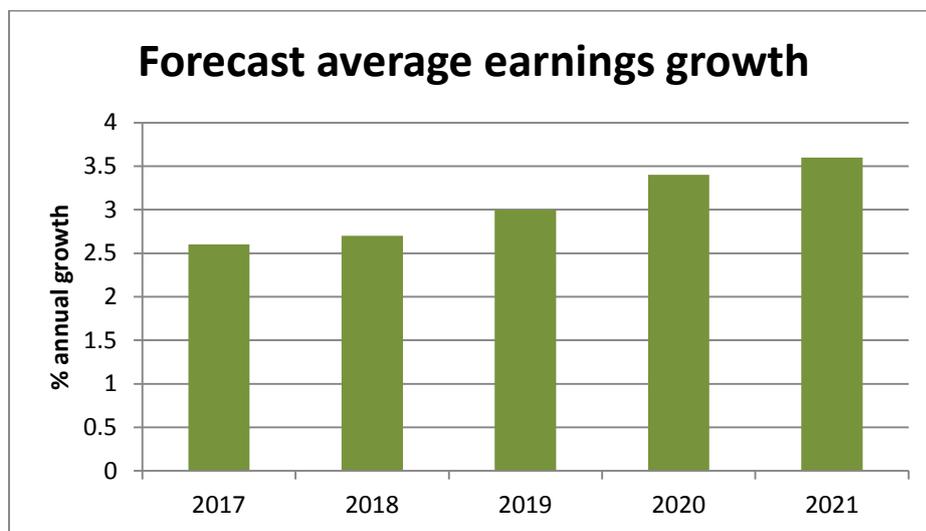
A sample of economic sectors that can provide alternative career options for London Borough of Bromley staff shows that pay settlements are running at the rates shown below.

Sector	Average pay settlements
Across economy	2.0%
Private sector	2.1%
Public sector	1.0%
Not for profit	1.8%
Energy & gas	2.6%
Water & waste management	2.0%
Retail & wholesale	2.5%
Information & communication	1.5%
Admin & support services	2.3%

Source: Labour Research Department, settlements year to August 2017

In order to remain competitive with wages across the economy, the London Borough of Bromley will need to keep up with average earnings growth predicted to rise across the

economy at 2.6% during 2017 and climb steadily to 3.6% by 2021, following the pattern shown below³.



5. 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.

The London Borough of Bromley is now competing in a labour market where the Living Wage of £8.45 an hour outside London and £9.75 an hour in London has become an increasingly common minimum point in the pay scale. **From early 2018 these rates will increase to £10.20 an hour in London, and £8.75 an hour outside of London.**

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 almost 3,000 employers accredited as Living Wage employers by the Living Wage Foundation, including some of the largest private companies in the UK, such as Barclays, HSBC, IKEA and Lidl.

Across the public sector, the Scotland government has established the Living Wage within all its public sector organisations, minimum rates for NHS and Further Education College staff in Wales have been raised to the Living Wage and all UK universities have established the Living Wage rate (for staff on a 35-hour week) in the most recent pay settlements. Support staff in more than 12,000 schools across the UK are also set to be paid the Living Wage as a result of national agreements.

Furthermore, even where national agreements have not achieved a Living Wage settlement, a major proportion of individual councils, NHS trusts, schools and academies have taken up the Living Wage on their own initiative. A UNISON Freedom of Information survey covering local government, the NHS, universities, further education colleges and police authorities

³ Office for Budgetary Responsibility, Economic and Fiscal Outlook, March 2017

that drew over 900 responses found that 51% of employers across these sectors already pay at least the Living Wage to their lowest paid staff.

6. RECRUITMENT AND RETENTION PRESSURES BUILDING

With the unemployment rate at its lowest level in 42 years and vacancies escalating across the economy, competitive wage rates are becoming ever more crucial.

7. MORALE UNDER THREAT

Working against a background of budget cuts, 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 the London Borough of Bromley's ability to provide a consistent quality of service.

Union members have expressed growing concerns in relation to the following factors over the course recent years;

- Increasing demands on the service;
- Reductions in staffing;
- Staff feeling greater stress;
- Staff suffering falling morale;
- The impact of these pressures showing themselves in rising levels of stress related sickness absence, and higher staff turnover. Inevitably this leads to declining service standards

Analysis by the Social Market Foundation has shown workers in the public sector and the energy sector are experiencing some of the highest levels of stress across the economy.

8. AFFORDABILITY

The affordability of this claim is clear from the latest London Borough of Bromley accounts, which show reserves of £629,421,000 for 2016/17.

9. CONCLUSION

There can be no doubt that all the London Borough of Bromley staff have seen the value of their earnings fall considerably over recent years and evidence suggests that they are also falling behind pay settlements 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.

