



DRAFT PAY CLAIM FOR 2019 - 2020
SUBMITTED BY JOINT UNIONS TO THE LONDON BOROUGH OF BROMLEY

1. INTRODUCTION

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

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 Bromley Council 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 Foundation Living Wage (London 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:

- An increase on all salary points and allowances sufficient to equal, or better, their equivalents on the GLPC/NJC Framework Arrangements. (See attached information regarding the 2 year agreed Pay Award for the period April 2018 to March 2020 and how to assimilate onto them).
- A review of the pay and grades structures to create a clearer and more equitable distribution across all grades following realignment of the lowest bandings to achieve headroom above the Living Wage (National Minimum Wage) and the Foundation Living Wage (London Living Wage).

- 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 £10.55 per hour for 2019 (£10.20 for 2018).
- A review of payments and consideration of improvements to conditions in relation to additional components such as unsocial hours, gender pay, terms for working parents, and adjustments to hours.
- Special London Allowance for Residential Staff (should this apply) in accordance with the GLPC agreement as follows;
The agreed rate from 1 April 2018 to be £1144 and from 1 April 2019 £1167 (increased from the 31 March 2018 rate of £1122).
- Planned overtime rates in line with the GLPC recommendations as follows;

	1 April 2017	1 April 2018	1 April 2019
Rate a)	£20.20	£20.60	£21.02
Rate b)	£21.63	£22.06	£22.50
Rate c)	£23.47	£23.94	£24.42

These rates are relevant from spinal column point 29 and above. 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.

The NJC Two Year Award - Implications for Employers with Locally Determined pay spines

Unions are asking the Council, as a non-NJC employer, to look again at their arrangements in the light of the new national pay structures. 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 future proofs 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. 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%
2017	1.2%	3.6%
2018	2.0%	3.4% <i>est</i>

This means that, while the cost of living has risen by and estimated 31.0 % over the last nine years, for many LBB staff pay has risen by just 8.0%, which means that thousands of pounds have been cut out of the value of staff wages.

Latest inflation figures have now hit 3.4% and Treasury forecasts indicate that the cost of living is set to average 3.4% throughout 2018, followed by four further years of inflation running at 3% or above, in line with the graph overleaf.

** The table above does not reflect the tiered pay award for staff on lower pay, however it is recognised that;

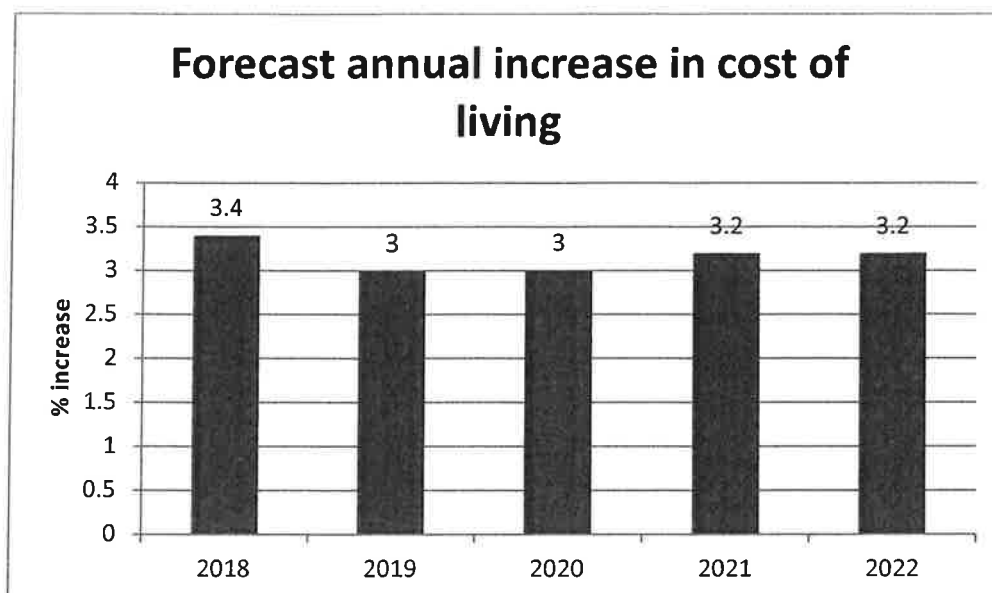
In 2013/14 and 2014/15 the LBB pay award was between 1.2-1.7%,

In the 2017/18 pay award the LBB gave a one off consolidated £300 payment to staff earning below £18,000 PA, and

The 2018/19 pay award applied the following for staff earning between

£17,000 - £19,000 FTE PA	-	£600 uplift
£16,000 - £17,000 FTE PA	-	£800 uplift
Less than £16,000 FTE PA	-	£1,000 uplift

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



Source: HM Treasury, Forecasts for the UK Economy, May 2018

4. FALLING BEHIND AVERAGE PAY RATES

The ability of Bromley Council 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 2.6%, which stands in contrast to the most recent Council settlement of 2% for the majority of staff.

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

Sector	Average pay settlements
Across economy	2.6%
Private sector	2.7%
Public sector	2.0%
Not for profit	2.4%
Energy & gas	3.0%
Water & waste management	2.5%
Retail & wholesale	2.4%
Transport & storage	3.3%
Information & communication	2.5%
Admin & support services	2.5%

Source: Labour Research Department, settlements year to May 2018

In order to remain competitive with wages across the economy during 2018, Bromley Council will need to keep up with average pay settlements that are expected to average 3.1% over the year, according to the Bank of England².

5. LIVING WAGE BECOMING STANDARD MINIMUM PAY BENCHMARK

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

Bromley Council is now competing in a labour market where the Foundation Living Wage of £9.00 an hour outside London and £10.55 an hour in London (London Living Wage) is becoming an increasingly common minimum point in the pay scale.

Studies supported by Barclays Bank have shown that Foundation 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 4,300 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 and the most recent pay deal has taken minimum rates above the Living Wage across the NHS in England. This development adds to existing agreements for Living Wage minimums throughout the NHS and Further Education College staff in Wales, as well as all universities across the UK (for staff on a 35-hour week). 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 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.

Greater London Local Government Living Wage Employers

The following 17 London Councils, along with the GLA, have voluntarily entered into agreements to pay the FLW/LLW as a minimum;

Brent

Camden

City of London

Croydon

Ealing

Enfield

Greenwich

² Bank Of England, Agents' Summary Of Business Conditions, February 2018

Hackney
Hammersmith & Fulham
Haringey
Hounslow
Islington
Lewisham
Redbridge
Southwark
Tower Hamlets
Waltham Forest

Unions are calling on Bromley Council to do the same for their staff.

6. RECRUITMENT AND RETENTION PRESSURES BUILDING

With the unemployment rate at its lowest level in 43 years and vacancies escalating across the economy, competitive wage rates are becoming ever more crucial.

The general unemployment rate has been in decline from a peak of 8.5% in 2011 to 4.2% over the three months to March 2018, while the number of unemployed people per vacancy has fallen from 5.8 to 1.7 over the same period.

Unemployment rates are forecast to remain around current levels over the next two years, averaging 4.2% in 2018³ and 4.3% in 2019.

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 Council's ability to provide a consistent quality of service.

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.

Since 2008 government spending cuts have lead to over half a million job losses across the entire public sector. As a result of these funding cuts and job losses there is a higher prevalence of job insecurity amongst the workforce along with an increase in turnover of staff. Many organisations now have a smaller workforce to do the same, or an increased, amount of work.

Unions are therefore asking the LB of Bromley to use this pay review process as the starting point in entering into a **Workload Agreement** in support of their staff.

See Appendix 1 for further information in this regard.

³ HM Treasury, Forecasts for the UK Economy, May 2018

8. AFFORDABILITY

The affordability of this claim is clear from the latest LB of Bromley accounts, which show a surplus for 2017/18 – see Appendix 2.

Bromley Council is reporting reserves in excess of £20 million pounds. See also Appendix 2.

Against this figure, the accounts suggest that a pay rise in accordance with this claim would cost [£_]. TBC

On the basis of the above, unions are asking Bromley Council to make pay awards in accordance with this claim as a minimum.

9. GENDER AND PAY

The joint unions request that all information in this regard is shared with the trade unions in order to facilitate an equal pay audit and action plan being agreed, if necessary, and to open discussions on how the organisation will work to close any pay gap and create a transparent pay system.

Publication of other data – As well as the gender pay gap data, unions are asking Bromley Council to publish other data in order to provide a fuller picture of the gender pay gap breakdown within the organisation, as follows:

- Number of full time male and female employees;
- Number of part time female and full time male employees;
- The distribution of men and women by grade and job role and age;
- The gap in basic pay and additional earnings – bonus payments, honoraria, overtime, expenses and other supplements which can hard the true figure;
- Hidden earnings – for example additional annual leave based on seniority or continuous service.
- Pay information by ethnicity and disability.

If any pay gaps are, or have been, identified the unions want to be working with the employer to establishing the reasons for them. This might mean that the pay structure, pay progression within the organisation, performance related pay procedures, premium pay and allowances subsequently require a jointly conducted review in this respect.

10. CONCLUSION

There can be no doubt that all Bromley Council 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 in other London Boroughs.

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.

APPENDIX 1

Workload Agreements - Background

It is well documented that work intensification can have a detrimental impact on the health and wellbeing of staff. UNISON surveys across public sector service groups have consistently highlighted the fact that excessive workloads have resulted in workforces with high levels of stress, increased sickness absence rates, poor staff morale and work/life balance, and ultimately increased staff turnover:

□ A 2015 UNISON survey of School Business managers found that over 87% usually work more than their contracted hours with nearly one in four doing more than ten extra hours per week.

□ In a survey of over 15,000 school support staff UNISON found that over 40% of staff work more than two additional hours per week with more than 10% working more than 7 extra hours per week (the same as working an extra per week). Nearly 80% of these staff said it was because their workload demands it.

A local workload agreement would help to protect employees against excessive workloads. The agreement would be designed to support workplace health and safety by regulating excessive working hours. It should seek to establish a framework to assist managers in supporting employees, and give practical guidance on reducing excessive workloads.

□ A national agreement 'raising standards and tackling workload' was established in 2003 for school staff in England to support reform in the sector; the agreement also explicitly covered support staff roles. The principles in the agreement recognise the contribution support staff make in raising school standards and states that all staff have a right to a reasonable work/life balance. The agreement puts in place a time-line with actions to reduce staff working excessive hours.

The University of Bristol has worked with joint staff-side unions and agreed a local workload policy. The central purpose of this agreement is to 'maintain and enhance the quality of work delivered at the University by its staff'. Although the policy only covers academic staff, in essence the policy covers some key principles which are the bedrock of any workload policy.

The policy states that staff have the right to

- reasonable workloads,
- a fair distribution of work,
- socially acceptable working hours,
- regular daily, weekly and annual breaks from work,
- the ability to challenge excessive workloads.

Within the policy there are procedures to review the overall allocation of work of staff.

Establishing an agreement

Many organisations will already recognise the health and safety implications posed by staff working excessive hours with unmanageable workloads and will want to discuss with unions how to alleviate stress on staff by managing workloads. Other reasons to establish a local workload agreement include:

I. Health and Safety

Workload agreements are part of safe working practice. Regulation 3 and 4 of The Management of Health and Safety at Work Regulations require employers to risk assess any hazards posed staff and that it is the responsibility of the employer to put measures in place to eliminate any risks to staff and their health. Employers also have a responsibility to ensure safe working practices under The Working Time Regulations 1998.

II. Improved morale and retention

Benefits include improved health and congenial working conditions for all staff, a reduction in sickness absence rates and improved staff morale and retention of staff. Better moral leads to greater productivity – so everyone wins! The agreement should include ways to monitor excessive workloads and allow employers to be able to identify any issues before they become unmanageable.

Unions could work with HR to identify levels of staff turnover in the various service areas and explore the reasons why staff are leaving the organisation – this could be down to work related stress, staff shortages and workload issues.

III. Change the workplace culture

Workload agreements can provide a safe and fair mechanism for staff to speak out about excessive workloads and unsafe working conditions instead of remaining silent and isolated in the workplace trying to complete a job which may be impossible and unsafe for them.

The agreement should apply to all staff and include the following key principles:

a. Regulate excessive working hours

As there is already legislation covering excessive working hours the agreement should recognise that the working time directive sets out minimum standards of employment in relation to monitoring working time and promotes staff having a healthy work/life balance.

b. Regulate excessive workloads

The agreement should aim to make sure that staff have the right to reasonable workloads and a fair distribution of work.

c. Management training and supporting staff

The agreement should set out how managers should manage workloads in a fair and transparent manner. Managers should also be offered training on supporting employees with their workloads and use the appraisal system as a tool to discuss and identify workload issues. Other training managers could be offered include strategies for managing cover and staff absence and planning and preparation of work allocations.

d. Mechanism to discuss workload

The policy needs to have a mechanism for employees to dispute unfair or unreasonable workloads. Where workloads are disputed staff should be invited to attend a meeting with their manager and are entitled to be accompanied by their trade union representative or full time trade union official.

Though any locally negotiated workload agreement may set out agreed key principles, it is important that managers are trained to understand the agreement in order for them to support staff with workload issues. If a member of staff is raising concerns about workloads, working excessive hours and there are incidents of staff absences due to work related stress, these are all very serious health and safety concerns and should be a warning sign for organisations that there are issues. As well as training managers to understand the workload agreement, managers should also be trained in delivering effective development reviews, which will identify any workload issues.

APPENDIX 2

Page 1	-	Funding and Expenditure Analysis for Bromley Council 2016/17 and 2017/18
Page 2	-	Bromley Council Reserves Analysis

EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's Portfolios and Services. Income and expenditure accounted for under generally accepted accounting Comprehensive Income and Expenditure Statement.

2016/17			2017/18		
Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to the General Fund	Adjustments between Funding and Accounting basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
Restated £000	Restated £000	Restated £000	£000	£000	£000
73,374	1,528	74,902	78,915	(2,480)	76,435
36,530	1,163	37,693	48,728	2,417	51,145
41,345	(3,728)	37,617	36,667	(2,725)	33,942
2,412	59	2,471	2,587	(14)	2,573
16,904	(518)	16,386	11,170	(521)	10,649
22,703	(3,236)	19,467	21,595	(1,606)	19,989
193,268	(4,732)	188,536	199,662	(4,929)	194,733
(194,068)	26,164	(167,904)	(223,163)	40,147	(183,016)
(Surplus) / Deficit on Provision of Services			(Surplus) / Deficit on Provision of Services		
(800)	21,432	20,632	(23,501)	35,218	11,717
(121,696)		Opening General Fund Balance	(122,496)		
(800)		Less Deficit / (Surplus) on General Fund	(23,501)		
(122,496)		Closing General Fund Balance at 31 March 2018	(145,997)		

Local authority	Estimated unallocated financial reserves level @ 1 April 2010 £'000	Estimated unallocated financial reserves level @ 1 April 2011 £'000	Estimated unallocated financial reserves level @ 1 April 2012 £'000	Estimated unallocated financial reserves level @ 1 April 2013 £'000	Estimated unallocated financial reserves level @ 1 April 2014 £'000	Estimated unallocated financial reserves level @ 1 April 2015 £'000	Estimated unallocated financial reserves level @ 1 April 2016 £'000
Bromley	49203	49700	30,849	29,759	20,156	18,857	20,185

Local authority	Estimated other earmarked financial reserves level @ 1 April 2010 £'000	Estimated other earmarked financial reserves level @ 1 April 2011 £'000	Estimated other earmarked financial reserves level @ 1 April 2012 £'000	Estimated other earmarked financial reserves level @ 1 April 2013 £'000	Estimated other earmarked financial reserves level @ 1 April 2014 £'000	Estimated other earmarked financial reserves level @ 1 April 2015 £'000	Estimated other earmarked financial reserves level @ 1 April 2016 £'000
Bromley	10886	13027	35,755	54,121	65,964	79,499	81,724