
From: Slater, Gill
Sent: 13 January 2020 13:09
To: Obazuaye, Charles
Cc: Kathy Smith (bromleyunite1@outlook.com); 'Kasab, Onay'; N.Turnbull@unison.co.uk; Mick Butler (mick.butler@gmb.org.uk); Downie, Emma
Subject: Joint TU Pay Claim
Attachments: Joint Pay Claim 2020 2021.pdf
Importance: High

Dear Charles

I write further to the Trades Union and Council pay meeting of 08.01.2020 on behalf of Unite, Unison and GMB Unions.

The 2020 - 2021 joint pay claim submitted to Bromley Council by Unite, Unison, GMB, reflects the national joint pay claim (attached) but additionally seeking to locally raise Bromley pay for grades BR1, 2 and 3 to ensure that all Staff are paid the London Living Wage (LLW), recognising the higher cost of living in London (i.e. seeks a minimum £10.75 per hour). Despite the outsourcing of many of the Low Paid Bromley jobs, it is our understanding that approximately 30 staff employed by LBB currently fall below the London Living Wage.

The case was advanced at the pay meeting that workers across the Borough generally tend to be on lower wages than elsewhere in London. Regardless of the rates of pay of other Bromley employers, a race to the bottom is not an appropriate way to assess a fair pay settlement. Furthermore, simply assessing the average pay of the workforce fails to understand the financial pressures on Bromley staff.

Whilst the workforce in Bromley and other east London Boroughs, both north and south, are less well paid than those employed in West and Central London, Bromley stands out amongst the other boroughs with lower paid workforce in that Bromley's residents, influencing the housing market, are significantly better paid (on average, residents earned £200 per week more than employees).

Aside from a moral responsibility to fairly recompense its employees, and the clear signal to staff that this time cultural change is real, the Council's pay settlement has a wider local impact. Many staff live locally and therefore their income feeds back into the local economy. Additionally, the Council has a leadership role amongst Bromley businesses and its endorsement of the London Living Wage would send a strong message about respect for staff to other employers in the borough.

The Retail Price Index (RPI) should be used in assessing pay settlements since it more closely reflects the actual price rises experienced by staff than the Consumer Price Index (CPI). The RPI is used to decide prices such as mobile phone bills, rail fares, student loans and various taxes e.g. alcohol, whilst the CPI is calculated using a different mathematical model and includes the spending of groups not usually relevant to pay negotiations (the top 4% of households by income, pensioner only households, stock brokers fees and spending by foreign tourists) The CPI also fails to include the price rises staff experience notably mortgage payments and spending on holidays.

As the joint pay claim notes, the price of housing remains one of the biggest issues facing employees and their families nationally. In London this position is far more severe. Research funded by Trust for London updates the first Minimum Income Standard for London report published in 2015 and indicates that the single biggest change since the last MIS London report is the increased cost of private renting, especially for properties at the cheaper end of the market, which have increased four times as much as in the rest of the UK.

This additional financial pressure therefore impacts disproportionately on Bromley staff on lower pay grades. 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 - outcomes which reflect the objectives of Bromley Council's Transformation Programme.

Bromley's Values and Competency framework advises that

"...an organisation can demonstrate its own values system through the day to day practices and processes it adopts, management action and how decision making is conducted"

In light of the borough's real values and the Cultural Change which the Transformation Programme heralds, we look forward to receiving the Council's formal response in respect of this request made on behalf of its staff and our members.

Kind regards

Gill Slater

(Unite Rep)