PAY CLAIM: 2023-24

Submitted by Joint Trade Unions to the London Borough of Bromley

INTRODUCTION

This pay claim is submitted by the joint trade unions on behalf of staff working for the London Borough of Bromley (LBB hereafter).

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 continue to significantly reduce the value of staff wages, with exponential impact forecast in 2023-24 as inflation continues to adversely impact our members
- Appropriate reward is needed to sustain the morale and productivity of staff in their crucial role of delivering high quality services following the Covid-19 pandemic and rampant inflation
- Appropriate reward is needed for the increased workload and stress placed on staff against a background of sustained major budget cuts and the pandemic recovery
- Average pay settlements across the economy have been running ahead of those received by LBB staff over recent years, 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) 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
- An additional day's annual leave, mirroring that awarded to Local Government employees across London through the 22-23 NJC settlement

The joint unions are therefore submitting the following claim for 2023-24, 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.

SUMMARY CLAIM

We are seeking:

- A minimum of £2,000 or the current rate of RPI + 2%, whichever is greater, across the board increase on all salary points and allowances
    - An additional increase on all salary points of 3.75% prior to the above, to reflect the discrepancy between the LBB award for 2022-23 of 2.25%, when the GLPC Settlement of the 2022/23 claim by the joint unions saw an average pay rise of 6%
    - An additional increase on all allowances of 4.04% in accordance with the GLPC Settlement of the 2022/23 claim by the joint unions
    - Further to the above, backpay to all staff equivalent to any updated pay scales for the period 1 April 2022-31 March 2023
- 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 £11.95 per hour for 2022-23 (£11.05 for 2021-22)
- 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
- 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 2022 was £1,271, the 2023 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

1. 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 settlement for 2022-23, 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.

2. 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)
2013	1.2%	3.6%
2014	1.2%	2.8%
2015	1.2%	2.2%

[1] Office for National Statistics, Consumer Price Inflation Reference Tables, January 2023

2016	1.2%	2.6%
2017	1.2%	3.4%
2018	2%	3.2%
2019	2.25%	3.3%
2020	2.5%	2.1%
2021	2%	2.9%
2022	2.25%	13.8%

This means that, while the cost of living has risen by more than 39.9% between 2013-2022, pay at LBB has risen by just 17% which means that thousands of pounds have been cut from the value of staff wages year on year.

The Treasury average of independent forecasts stated that RPI inflation will average 14.0% over 2022, then drop back to 7.0% in 2023 [Source: HM Treasury Forecasts for the UK Economy, December 2022].

These annual rates show the rate at which pay rises would be needed for wages just to maintain their current value.

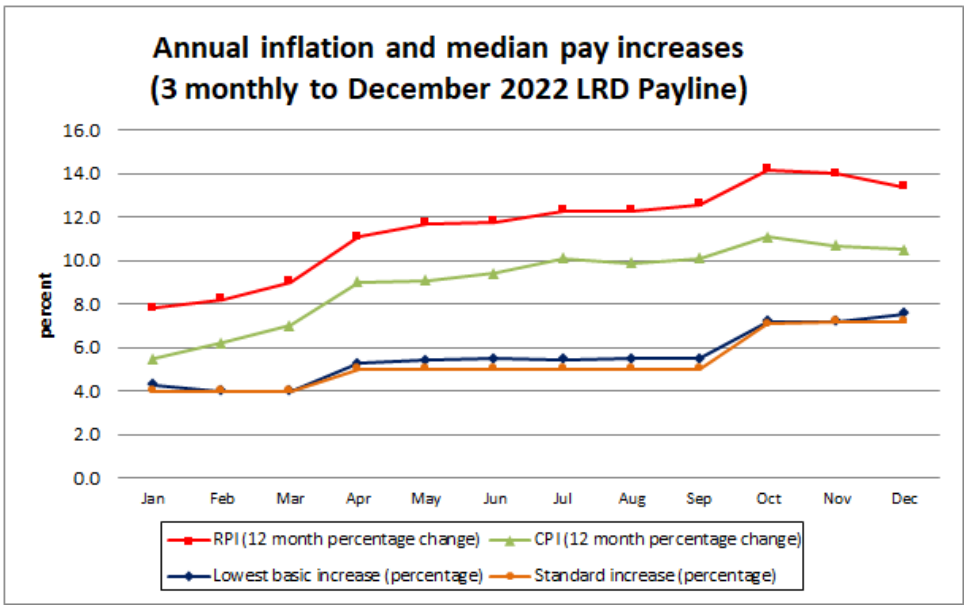
3. FALLING BEHIND AVERAGE PAY RATES

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 shows that pay settlements over the last year across the economy have been running at 5%, which stands in contrast to the most recent LBB settlement of 2.25%. The proposed pay award for 2023-24 of 5.75% + 2% does not address this shortfall.

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

Sector	**Average pay settlements**
Across economy	5%
Private sector	7.3%
Public sector	3.9%



Source: Labour Research Department, settlements year to December 2022

Year	Average pay settlements	LBB pay increases
2010	2.0%	0%
2011	2.5%	0%
2012	2.5%	0%
2013	2.5%	1.2%
2014	2.5%	1.2%
2015	2.2%	1.2%
2016	2.0%	1.2%
2017	2.0%	1.2%
2018	2.5%	2%
2019	2.5%	2.25%
2020	2.3%	2.5%
2021	2%	2%
2022	5%	2.25%

The above table also highlights how pay in LBB has fallen behind pay settlement averages over a sustained period.

4. A £10 MINIMUM WAGE - A NEW STANDARD MINIMUM PAY BENCHMARK

A £10 an hour minimum wage has cross-party support. Across the political spectrum, politicians see it as a common-sense solution to the unsustainable problem of topping up low pay via tax credits - a cost to the Treasury that has now ballooned to £30bn a year.

Since May 2018, Labour Party policy has been to establish £10 an hour as the minimum wage for all workers, regardless of age. The Conservative Party has made it plain that it is considering setting two-thirds of average earnings as the next target for the National Minimum Wage. If adopted, this target would be expected to rapidly close on a £10 an hour rate.

Establishing a £10 minimum hourly rate in this pay round would enable LBB to build in some headroom now and avoid skirting a new legal minimum wage as has happened in the past.

There is also good reason to call on the Government to fund an increase in local government pay. Analysis by the IPPR found that 43% of the cost of raising public sector pay would be returned to the Treasury through taxation and lower social security costs.[2] The macro-economic benefits of moving to two-thirds of average earnings, in terms of generating employment through the multiplier effect and increased government revenue, have been set out in a report commissioned by UNISON as evidence to the Low Pay Commission.[3]

5. RECRUITMENT AND RETENTION PRESSURES BUILDING

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.

Forecasts now put the average unemployment rate at 4.2% in 2022 and then 4% or just below over the subsequent four years. Such a labour market background makes competitive wage rates ever more crucial.

The use of temporary and agency staff can be linked to issues around workload and morale, as temporary and agency staff are used to deal with staffing problems caused by absenteeism or recruitment and retention difficulties. In UNISON's local government membership survey [4], 39% of respondents in the South East said the use of temporary/agency staff had increased in the last twelve months.

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[2] IPPR, Uncapped Potential: The Fiscal and Economic Impact of Lifting the Public Sector Pay Cap, November 2017, https://www.ippr.org/files/2017-11/uncapped-potential-november2017.pdf

[3] https://www.unison.org.uk/content/uploads/2019/06/Supplementary-Evidence-2019-Landman-Economics-Report.pdf

[4] Under pressure, underfunded and undervalued- UNISON members keeping communities together June 2016

6. 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 LBB's ability to provide a consistent quality of service.

Staff continue to highlight:

- 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 sickness absence, higher staff turnover or declining service standards

7. PAY-RELATED CONDITIONS OF WORK

Our call for decent pay for our members also reflects the massive increase in productivity which has arisen from fewer workers providing almost the same services, as a result of government cuts. Cost savings are being achieved simply by getting more from staff for less and less. Increased work intensity, accompanied by greater job insecurity and low or non-existent pay increases have characterised LBB working life for far too long.

Cuts are being met by reducing pay and cutting other terms and conditions, working patterns and processes, and in LBB's case, by falling behind neighbouring boroughs as a result of the failure to address the discrepancies created by the most recent GLPC settlement.

The expectations of service users can add to pressure on staff. In UNISON's local government members survey [5] , 82% of South East respondents reported an increase in service users' expectations in the last 12 months. This was the greatest perceived increase across all UK nations and regions.

Working against a background of budget cuts, employees have been facing greater workload pressures. The resulting increased stress and declining morale poses a long-term threat to the employers' ability to retain dedicated and skilled employees and provide a consistent quality of service.

Investment in the workforce is often seen as distinct from investment in better public services. However, there's a clear link between decent pay and conditions and quality services - services that are responsive, reliable, consistent, caring, and accessible. Continued improvement depends on decent pay, conditions and staff training and development. In many cases, the service ***is*** the staff.

The rewards employers will reap in return for investment in the well-being of their employees cannot be underestimated. An employer offering a pay cut in real terms, on top of cuts in the last eight years, will struggle to retain or attract the existing and new skilled people it needs for the future.

[5] Under pressure, underfunded and undervalued- UNISON members keeping communities together June 2016

8. CONCLUSION

There can be no doubt that all employees working for LBB have seen a significant fall in their living standards. Their real earnings have fallen substantially – particularly against the latest cost of living crisis and rampant inflation.

To deliver a quality service, LBB relies on its workforce, and the retention of a specialist, skilled, experienced, and dedicated workforce is important to the quality-of-service delivery. Competition for that workforce from other sectors is strong.

2023 is the year in which LBB can begin to demonstrate that its workforce is included in the recovery. This is a fair and realistic claim which we ask the Council to meet in full.