



**PAY CLAIM FOR 2017**  
**SUBMITTED BY UNISON TO Test Valley Borough Council**

**1. INTRODUCTION**

This pay claim is submitted by UNISON on behalf of staff working for Test Valley Borough 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;
- A pay settlement that allows staff pay to stagnate or reduce in value will increase 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**

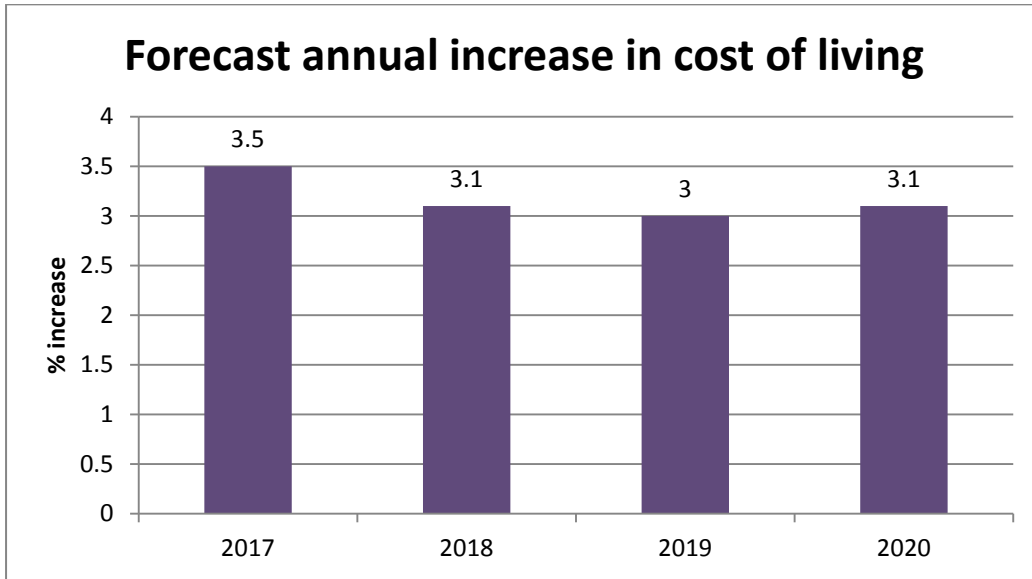
We are seeking:

- A 3% increase on all salary points and allowances
- An additional increase in rates for staff at the bottom of the pay scale maintain the Living Wage.

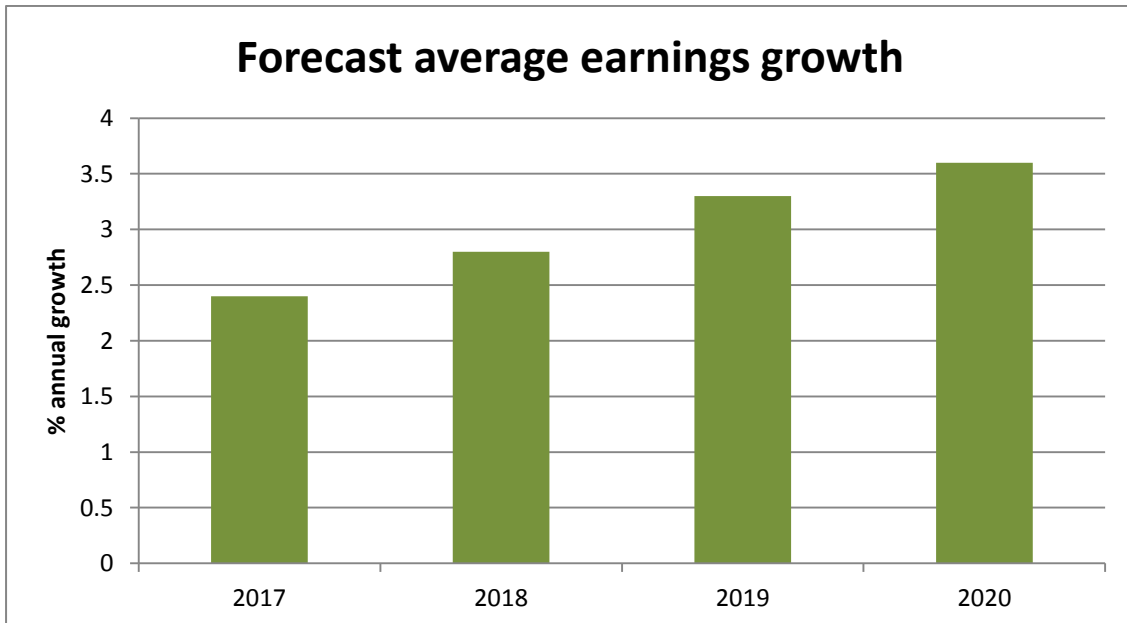
### 3. FALLING VALUE OF PAY

Studies have 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.<sup>1</sup>

Inflation is currently running at 2.2% and Treasury forecasts indicate that the cost of living is set to accelerate sharply to 3.5% in 2017, then remain at 3% or over every year between 2018 and 2020, following the pattern shown in the graph below.



Source: HM Treasury, Forecasts for the UK Economy, November 2016



<sup>1</sup> Institute of Fiscal Studies, IFS Green Budget 2014

#### **4. 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.

Test Valley Borough Council 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.

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, and minimum rates for NHS staff in Wales and police staff in England and Wales have been raised to the Living Wage or higher 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 a recent 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.

#### **5. RECRUITMENT AND RETENTION PRESSURES BUILDING**

With the unemployment rate on a marked downward trend over the last five years and figures from the UK Commission’s Employers Skills Survey estimating that vacancies have grown by 42% over the last two years, competitive wage rates have become ever more crucial.

Within Test Valley Borough Councils area maintaining competitive salaries to ensure quality recruitment has been challenging in some areas and the pay scale percentage increase will mean that Valley Borough Council will not fall behind other local employers who are competing with us for staff locally.

#### **6. MORALE UNDER THREAT**

Working against a background of budget cuts and an increasing population within Test Valley, 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 Test Valley Borough Council ability to provide a consistent quality of service.

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

A reasonable pay award is one irrefutable, tangible and practical way of trying to alleviate the aforementioned stress levels by demonstrating that staff are valued by the organisation.

<http://www.smf.co.uk/wp-content/uploads/2016/01/Working-Well-How-employers-can-improve-the-wellbeing-and-productivity-of-their-workforce.pdf>

## **7. CONCLUSION**

There can be no doubt that all Test Valley Borough Council staff have seen the value of their earnings fall over recent years.

It is also clear that the workload and pressures being placed upon staff in local government is greatly increasing and maintaining morale is vital to ensure that staff continue to provide members of the public with the services that they need

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 consistently delivering the highest quality services.