

Pay Claim



PAY CLAIM FOR 2018 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 real term 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 in the face of continuing austerity.;
- Appropriate reward is needed for the increased workload and stress placed on staff against a background of major budget cuts;
- 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 **4%** 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 Living Wage.
- A percentage increase on out of hour's standby rates and other payments to prevent pay stagnation in these areas.

3. FALLING VALUE OF PAY

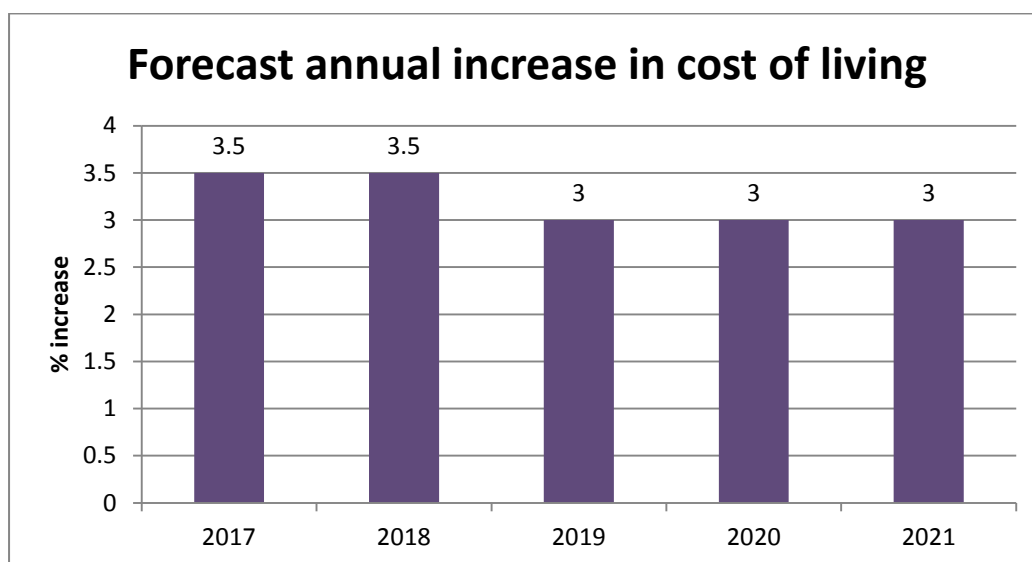
The table below demonstrates the major fall in living standards suffered by staff over recent years.

	Test Valley pay increases	Rise in cost of living ¹ (as measured by Retail Prices Index)
2010	0%	4.6%
2011	0%	5.2%
2012	1%	3.2%
2013	1%	3.0%
2014	2.5%	2.4%
2015	2.5%	1.0%
2016	2.5%	1.8%
2017	2.5%	3.0%

This means that, while the cost of living has risen by 25.6% over the last seven years, while Staff pay has risen by 12%. This means that thousands of pounds have been cut out of the value of staff wages.

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.



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

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

² Institute of Fiscal Studies, IFS Green Budget 2014

4. Maintaining pay rates

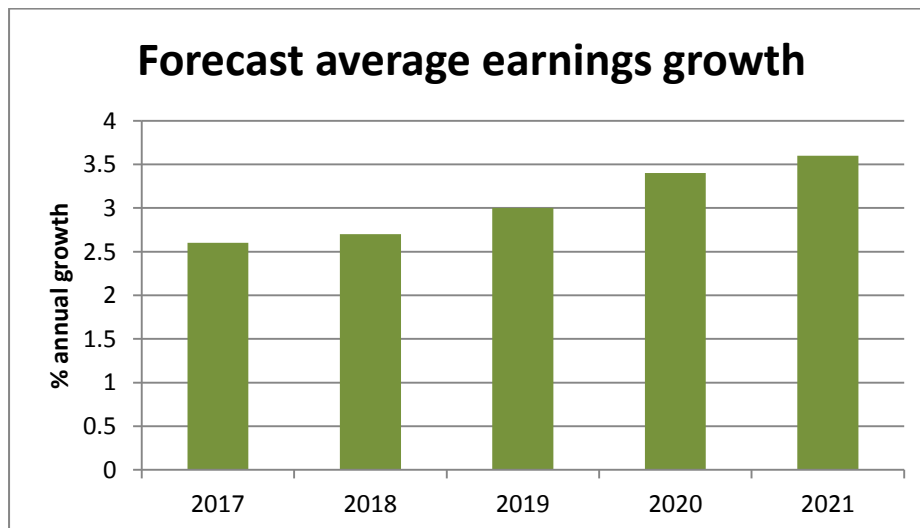
The ability of Test Valley Borough Council to attract and retain staff in the long term will be damaged if the pay of its staff falls behind the going rate in the labour market.

In recent years Test Valley Borough Council has recognised the need to maintain the real term value of Staff pay levels and has strived to do so despite the real term value of staff pay falling.

It is vital that Test Valley Borough Council remains a beacon of good practice and maintains the strategy to remain a desirable employer within the community. It is also evident with quality employers like Marks and Spencers making difficult decisions about their future in Andover that Test Valley is a lynch pin employer within the local community providing stable employment to local people who invest and spend locally.

Year	Private	Not for profit	Test Valley pay increases
2010	2.0%	1.0%	0%
2011	2.7%	2.0%	0%
2012	2.8%	1.8%	1%
2013	2.5%	2.0%	1%
2014	2.5%	2.0%	2.5%
2015	2.4%	2.0%	2.5%
2016	2.0%	1.5%	2.5%
Totals	16.9%	12.3%	9.5%

In order to remain competitive with wages across the economy, Test Valley Borough Council 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.



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

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.

Test Valley Borough Council is 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 3,500 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 that drew over 900 responses found that 51% of employers across these sectors already

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 Test Valley Borough Council’s ability to provide a consistent quality of service.

This is evident in a reduced workforce, increased responsibilities and an increasing population making more demands on services and statutory obligations provided by Test Valley Staff

- Between 2010 and 2017 approximately 5194 new dwellings were built within Test Valley
- The population increase was around 9418 more members of the public source: Hampshire County Council’s Small Area Population Forecasts (SAPF)

Against this background of ongoing ideological austerity, corporate challenges and an increased demand on services from an increased population with more complex needs it is essential that staff are encouraged to go the extra mile and suitably rewarded for doing so.

A firm belief in an altruistic approach to services from an organisation that recognises and rewards the innovative, pragmatic and determined approach by staff to get the job done is essential to maintain the second to none standards that our residents deserve and have come to expect.

It is essential in this current difficult environment to retain staff with the local knowledge, insight into best working practices and working contacts to maintain the high efficiency levels needed to maintain momentum and effectiveness with minimum staffing numbers.

8. CONCLUSION

There can be no doubt that all Test Valley Borough Council's staff have seen the value of their earnings stagnate over recent years while the real term value of their pay has decreased. 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.