



Annex 2 - LOCAL PAY CLAIM 2022

INTRODUCTION

This pay claim is submitted jointly by GMB, UNISON and UNITE on behalf of our members employed by Test Valley Borough Council.

Our claim is for the following:

- A package of measures that appropriately reward staff for dealing with increasing workloads and pressure over the previous year, particularly in light of Covid-19 and the additional demands that have arisen
- A substantial above-inflation (RPI) pay rise of 10% to help restore and maintain employees' living standards
- A commitment to review the Council's other pay and allowances, with a view to introducing suitable increases to recognise the additional pressures being faced by staff in key areas.
- A one day increase to the minimum paid annual leave entitlement
- A two hour reduction in the standard working week
- Improvements to family leave and caring arrangements

GMB, UNISON and UNITE are therefore submitting the following claim for 2022, which seeks to improve and enhance the morale and productivity of our members. Meeting our claim will give TVBC the opportunity to demonstrate its commitment to creating a workforce which is well paid and high in morale and productivity, as well as rewarding them for the efforts they have already made.

1. BACKGROUND TO THE CLAIM

The council will be aware that the latest inflation figures for February 2022 show that Gas has risen by 28.8%, Electricity by 19.2%, children's clothes by 12.3% and housing by 9%. As a result, the Retail Price Index (RPI) inflation figure stands at 8.2%. A substantial pay increase will therefore not only help restore and maintain living standards of staff who have seen their real pay eroded over the years, but will also address the cost of living crisis that they now face.

For example, surveys of our membership show that over 82% claim they are worse off in 2022 than the year before. Over 66% rely on getting On Call payments to

increase their take home pay, whilst over 22% need to claim state benefits to supplement their income.

Nevertheless, the greatest asset of TVBC is its employees. In this pay round, our members are looking for evidence of the value that TVBC places upon them and a recognition of the work they have been doing and the value that they bring to the authority, particularly in light of what they have done during the Covid pandemic.

This claim is therefore both realistic and fair, and GMB, UNISON and UNITE hope that TVBC will give it the full consideration and response which employees expect and richly deserve.

2. THE IMPACT OF COVID-19

The unprecedented period which the UK and the world has experienced for the last two years has raised a number of fundamental questions about the way in which our society and economy are structured. The public displays of support for frontline and key workers show the value that we place on the staff that are carrying out these essential duties, including many local government workers who have continued to provide much needed services and support to local residents and the wider community throughout the pandemic.

What is of concern to us is that some staff do not feel they have been supported during this time. Our surveys revealed that over 37% felt they had not see any noticeable support enough during the Covid crisis, including 3% who said they'd had no support at all. When asked if TVBC should reward staff for the efforts they have made during this period, the response was 'Yes' from over 56%. Given this, it would be unthinkable for the authority not to make a reasonable pay award this year.

3. FALLING VALUE OF PAY

The table below demonstrates how overall, salary increases at TVBC over the last ten years have not kept pace with inflation and the cost of living:

	TVBC pay increases	Rise in cost of living ¹ (as measured by Retail Prices Index)
2013	1% subject a minimum increase of £250	3.0%
2014	2.5%	2.4%
2015	2.5%	1.0%
2016	2.5%	1.8%
2017	2.5%	3.6%
2018	2.5%	3.3%
2019	4% up to Grade 6 and 2.5% for Grade 7 and above	2.4%
2020	2.75%	1.6%

¹ Office for National Statistics, Consumer Price Inflation Reference Tables, March 2018 and <https://www.unison.org.uk/content/uploads/2020/07/Pay-claims.pdf>

2021	1.75% up to Grade 6 and 1.5% for Grade 7 and above	4.8%
2022	TBC	8.2%

As part of the Spring Statement on 23 March 2022, the Office for Budget Responsibility revealed that UK households have experienced a 2.2% fall in living standards – the highest since the 1950s. Inflation is now climbing towards 10%, energy bills are due to rise in both April by 50% and October by a further 40%, prices at the petrol pump continue to be volatile and thresholds for National Insurance and Income Tax personal allowances are being frozen. Increases in council tax and food prices are also having an impact on real incomes and spending power.

4. A NEW STANDARD MINIMUM PAY BENCHMARK

We acknowledge the council's stated intention of creating a new Grade 3 and abolishing Grades 1 and 2 in order to address the issue of pay rates at the lower end of the scale being barely above the new National Living Wage after April.

We are also aware that TVBC currently has 19 permanent staff, 8 apprentices and 15 casual staff on less than £10 an hour. Establishing a minimum hourly rate well above this point would therefore enable TVBC to build in some headroom now and avoid skirting a new legal minimum wage in the future. However, by abolishing Grades 1 and 2, the council has created further complications around the issue of pay differentials – which will also need to be addressed.

As an authority, 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 latest analysis from the LGA shows that average vacancy rates appear to have risen in the last year, but there has been little change in turnover. It is possible that vacancy rates reflect the availability of jobs in other sectors, especially as recruitment and retention difficulties remain high for many councils.

TVBC's turnover figure is certainly starting to rise, from 3.2% in the first quarter of 2021/22 to 6.28% in the third quarter. One key areas that local authorities therefore need to consider are the incentives and career opportunities available, as well as flexible working and the quality of job design to support and nurture employees. This has been an important aspect of the recent home working situation brought about by Covid.

However, it remains that pay is one of the crucial determining factors that affect recruitment and retention. Findings from our membership surveys show that 36% of

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>

staff have seriously considered leaving the council in the last 12 months, with a further 32% having also considered the option. Even more worrying is that these results include many staff with over 20 years' service. This should therefore be a concern to the council and its elected members.

6. MORALE UNDER THREAT

Working against a background of budget cuts and the Covid pandemic, 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 TVBC's ability to provide a consistent quality of service. Our surveys found:

- Over 64.5% say their workload has increased in the last year compared to pre-Covid levels
- Over 63.5% say stress levels have increased
- Staff are finding it increasingly difficult to balance their work and domestic commitments, both prior to as well as during Covid-19

These are serious concerns that TVBC need to address. One of the first steps towards doing this would of course be to introduce a meaningful pay award in 2022.

7. CONCLUSION

Our members are acutely aware of the council's financial challenges, including those which have arisen due to the Covid pandemic. However, they are also aware of the economic realities that they currently face and the importance of maintaining confidence between the council and its staff.

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 ten years, will ultimately struggle to retain or attract the existing and new skilled people it needs for the future.

There can be no doubt that all employees working for TVBC have seen a fall in their living standards over time. Yet to deliver a quality service, the authority relies on its workforce, and the retention of a specialist, skilled, experienced and dedicated staff is important to the quality of service delivery.

In this pay round, TVBC can further demonstrate that its workforce is properly and adequately recognised and valued. This is a fair and realistic claim which we are happy to consult over in order to explain how the council can and should meet it in full.