



PAY CLAIM FOR 2019 SUBMITTED BY UNISON, GMB & UNITE TO TEST VALLEY BOROUGH COUNCIL

1. INTRODUCTION

This pay claim is submitted jointly for all of the unions (UNISON, GMB & UNITE) under the local pay claim agreement and on behalf of staff working for Test Valley Borough Council – as implemented by the authority prior to 1991.

This currently recognises 16 Grades in the pay scale structure, ranging from Chief Executive at the highest point - down to Grade 2 at its lowest.

Performance related pay is not offered or recognised by any of the relevant unions or the authority for this local agreement.

Outline of joint union claim

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 and potentially improve the morale and productivity of staff in their crucial role of delivering high quality services – A number of which are currently going through restructures and the recent staff survey results showed that 35% of staff has low morale.
- Appropriate reward is needed for the increased workload and stress placed on staff against a background of local challenges;
- Pay awards to Test Valley Borough Council staff over recent years while above average, have only been catching up on losses inflicted directly by the recession.
- Increased likelihood of recruitment and retention problems in the long term with both public and civil service employers suffering an expertise drain to the commercial and private sectors - Increased vacancy rates across the economy making 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 JOINT CLAIM

We are respectfully seeking:

- A **4%** increase on all salary points and allowances on all grades, without bottom loading or a request to explore splitting officer and management graded awards. Therefore, while understanding union members calls for better wealth distribution - instead proposing;
- An additional increase in rates for staff at the very bottom of the scale (Grade 2) bringing their pay up to the level of a; '**Living Wage**' to **£9.10p Per Hour**.
- Claims above to be effective in award from **01 April 2019**.

3. FALLING VALUE OF PAY

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

| | Test Valley BC 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% | 3.6% |
| 2018 | 2.5% | 3.3% |

Source: HM Treasury, Forecasts for the UK Economy, Nov 2018.

This means that, while the cost of living has risen by 28.1% over the last nine years, pay in Test Valley Borough Council has risen by just 14.5% which means that thousands of pounds have been cut out of the value of staff wages.

Latest inflation figures have now hit 2.7% and Treasury forecasts indicate that the cost of living is set to average 3.2% throughout 2019, followed by three further years of inflation running at over 3%.

4. FALLING BEHIND AVERAGE 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.

The table below shows that pay settlements over the last year across the economy **upper level** have been running at 2.8%, which stands in contrast to the most recent Test Valley Borough Council settlement of 2.5%.

| Sector | Average pay settlements |
|----------------|-------------------------|
| Across economy | 2.8% |
| | |
| Private sector | 2.8% |
| Public sector | 2.2% |
| Not for profit | 2.5% |

Source: Labour Research Department, settlements year to July 2018

The Office for National Statistics reported in October 2018; *'The health check on the labour market showed that pay – which excludes bonuses, was 3.1% higher in the three months ending in August 2018 than in the same quarter a year earlier'.*

The table below shows that pay settlements were initially running behind economy averages 2010 to 2013, however later Test Valley Borough Councils rates had an uplift in 2014 and have been consistent, but could now become uncompetitive without a more pragmatic approach.

| Year | Average pay settlements | Test Valley BC pay increases |
|------|-------------------------|------------------------------|
| 2010 | 2.0% | 0% |
| 2011 | 2.5% | 0% |
| 2012 | 2.5% | 1% |
| 2013 | 2.5% | 1% |
| 2014 | 2.5% | 2.5% |
| 2015 | 2.2% | 2.5% |
| 2016 | 2.0% | 2.5% |
| 2017 | 2.0% | 2.5% |
| 2018 | 2.5% | 2.5% |

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 now competing in a labour market where the Living Wage of £9.00 an hour outside London and £10.55 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 over 4,700 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, minimum rates at or above the Living Wage have been established for staff among all Scotland’s public sector organisations, NHS Agenda for Change throughout Britain, Further Education colleges in Wales and all UK universities (for staff on a 35-hour week). Support staff in more than 12,000 schools across the UK is 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, schools and academies have taken up the Living Wage on their own initiative. A UNISON Freedom of Information survey covering local government, 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.

6. RECRUITMENT AND RETENTION PRESSURES BUILDING

With the unemployment rate at its lowest level in 43 years and vacancies escalating across the economy, competitive wage rates are becoming ever more crucial.

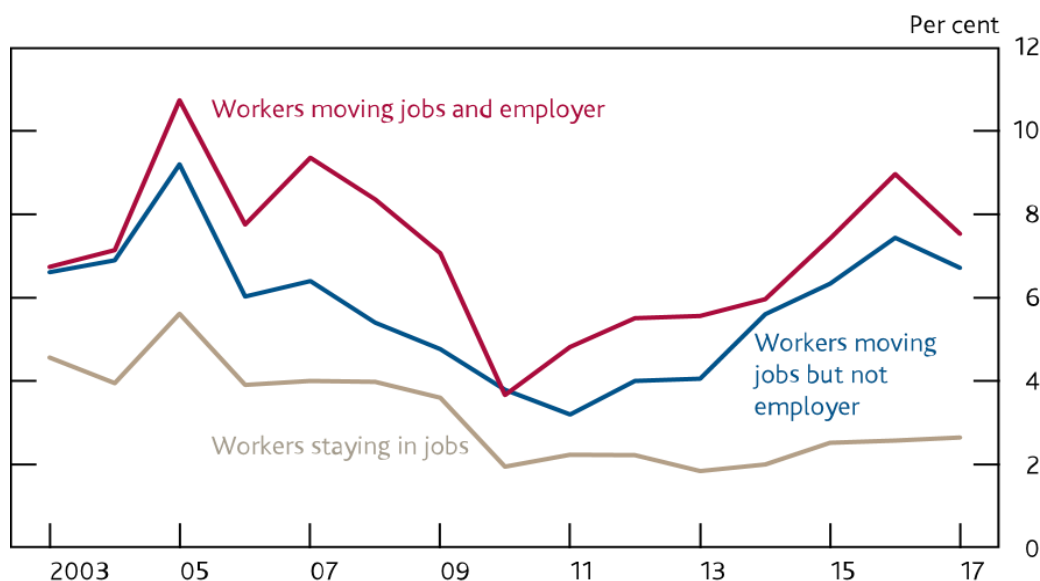
The general unemployment rate has been in decline from a peak of 8.5% in 2011 to 4% over the three months to November 2018, while the number of unemployed people per vacancy has fallen from 5.8 to 1.6 over the same period.

Unemployment rates are forecast to remain around current levels over the next year, averaging 4.1% in 2019.

The Bank of England is currently forecasting that;

A tightening labour market and lower unemployment is typically associated with higher pay growth as it becomes more difficult for firms to recruit and retain staff. Whole-economy regular average weekly earnings (AWE) growth — which excludes bonuses — rose to 2.7% in the three months to May from 2.0% a year earlier, broadly as anticipated.

Data from the Annual Survey of Hours and Earnings suggest that pay rises for those switching jobs had increased to pre-crisis rates, both for those moving to a new employer and for those moving to a new role with the same employer. Pay rises for those staying in the same job had remained subdued, however, and would need to increase to support a broader rise in labour cost pressures.



Source: HM Treasury, Forecasts for the UK Economy, January 2019

7. EFFICIENCY RESTRUCTURES

Government austerity cuts and a drive to see welfare reform delivered regardless of who it hurts, has impacted on the poorest and most vulnerable in our society and left those who maintain the relevant services now finding some roles and departments having to be merged as a direct result. Test Valley Borough Council has managed to avoid redundancies so far, but employees across a number of departments which have faced restructure are still coming to terms with the changes and what the future of central and local government reform will bring.

Stability, good communication, courage of conviction and clear direction from management at all levels is required so that staff feel they are valued and not just taken for granted through these changes and what lies ahead.

8. MORALE UNDER THREAT

Working against a backdrop of government budget cuts, employees 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 Councils ability to provide a consistent quality of service. While the council rightly reports that of those who took part in the recent staff survey, most are happy and feel the council is a good place to work. It still remains a fact that over 2017/18 the unions saw their best ever jump of new member recruitment for over 10 years. This shows palpable concern amongst staff, but for which executive representation review of matters dealt with over the same period, was mainly down to complaints of poor top down communication and management inconsistency - Not just concerns for potential job losses and government cuts. Therefore, any stagnation of wage, allowance and out of hours remuneration could erode good will and further compound feelings in staff decisions to vote with their feet.... Not just return dissatisfaction in a survey.

9. PUBLIC RIGHT TO HAVE CAPABLE AND EXPERIENCED OFFICERS

Although retirement, personal decisions for advancement and natural progression within a workforce changes the dynamics of both teams and departments, it is often forgotten that because systems and processes of work are passed from person to person, that the capability and experience will ultimately be eroded if efficiency drives and savings are implemented without urgent regard for retention and training being equally balanced.

Regardless of the calibre of new recruits to statutory work and the cost to employ with savings at Test Valley Borough Council, both the council and the public equally need the existing knowledge and experience of its public service officers to be retained and passed on. Any council's foundations are built on people with life experience and an understanding of how the processes of the past can be abridged with the needs of the future.

10. CONCLUSION

The Test valley Borough Council current statement of accounts is cautious, but optimistic about current finances and highlights the councils desire to see reserves and revenue surplus invested in projects which it feels will yield a strengthening return for the council if carefully managed and nurtured by corporate and council members. The staff and relevant unions in representation are sure that Test Valley Brough Council would not decry the same amount of care and nurture equally to its staff - seeing as many of the headline projects and services greatly depend on their dedication, skill and investment in them.

A workforce that is recognised for its experience and difficulty in replacing will deliver consistency and flexibility - Especially if their own acts of goodwill, which go above and beyond that of normal terms and conditions (sometimes overlooked in the measurement of success) is not forgotten in this award. The recent emergencies at a very large local employer and residential block of flats being just 2 examples of where staff have gone above and beyond in doing what is needed to serve its public and employer.... but the more mundane and unseen acts of selflessness that happen every day here are just as important.

11. CLOSING STATEMENT AND SUBMISSION

This again then echoes the previous compilers thoughts for the 2018 submission;

There can be no doubt that all Test Valley Borough Council staff have seen the value of their earnings fall considerably over recent years and evidence suggests that they are also falling behind pay settlements for comparable jobs.

Combined with these developments, the last year (yet again in 2018 /19) 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 deserves for their dedication, skill and hard work and the minimum improvement in pay needed to maintain workforce morale for delivering consistently high-quality services.

The representatives of the 3 relevant unions now respectfully submit this joint claim on behalf of the Test Valley Borough Council staff and our members for your kind consideration and approval.

Thursday 07th March 2019.

UNISON

Barry Andrews – Accredited Steward / Equalities Officer (Local)

GMB

Gary Shepherd – Workplace Organiser (Local)

Keith Roberts – Regional Officer

UNITE

Richard White – Regional Officer