



## **Bucks Area Branch Local Pay Claim 2020**

### **INTRODUCTION**

This pay claim is submitted by UNISON on behalf of staff at **Aylesbury Vale District Council**.

UNISON's claim recognises:

- Appropriate reward for the major change our members have experienced and will continue to experience in the transition to Buckinghamshire Council, including the additional duties many have taken on as part of this.
- Reward for the increasing stress faced by front line workers arising from difficulties in recruitment and retention – 60% of our survey respondents report staff shortages in their area in the last year.
- A substantial (but realistic) pay rise to help restore and maintain employees' living standards.
- A real living wage of £10 per hour - or a 10% increase - for all pay points (whichever is greater)
- A settlement weighted towards the, often female, lower paid members of the workforce who have done least well in monetary terms out of recent pay awards
- The expectations of service users can add to pressure on staff. In UNISON's local government members survey , 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.

UNISON is therefore submitting the following claim for 2020, which seeks to improve and enhance the morale and productivity of our members. Meeting our claim will give you the opportunity to demonstrate your 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 5.25 % across the board increase on all salary points and allowances
- A minimum pay point of £10 per hour

### 1. BACKGROUND TO THE CLAIM

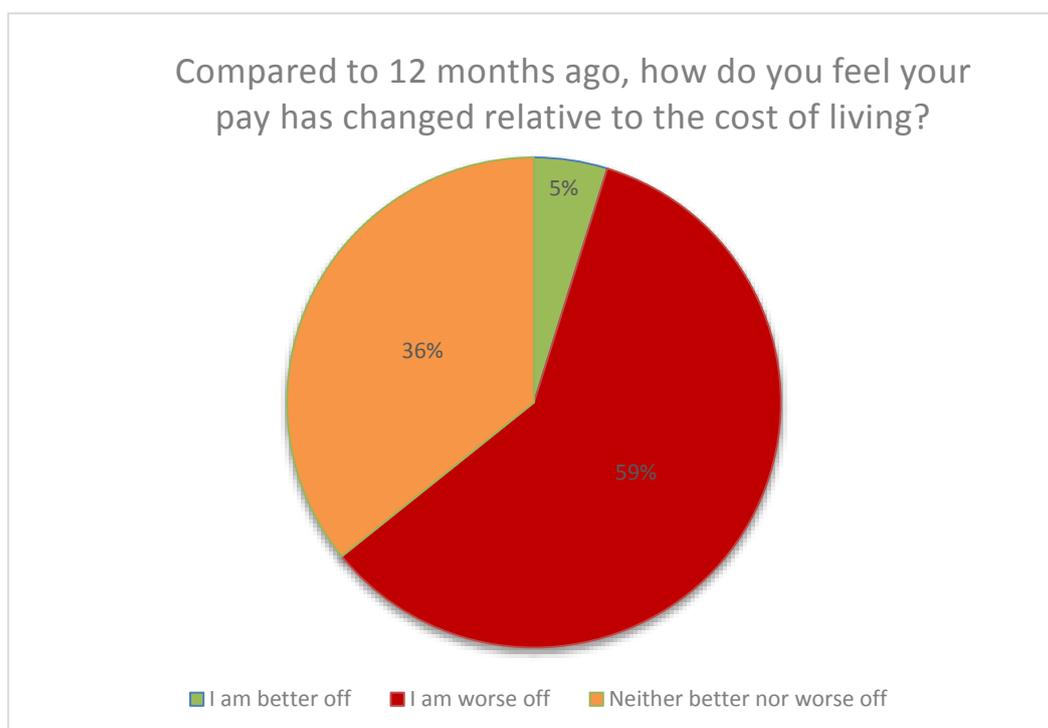
A substantial increase will help restore and maintain living standards of the staff who have seen their real pay eroded considerably.

The greatest asset of the Council is its employees. In this pay round, our members are looking for evidence of the value that the Council 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. UNISON hopes that the Council will give this claim the full consideration and response which employees expect and richly deserve.

### 2. FALLING VALUE OF PAY

Our local pay survey shows how staff perceive their pay relative to the cost of living:



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

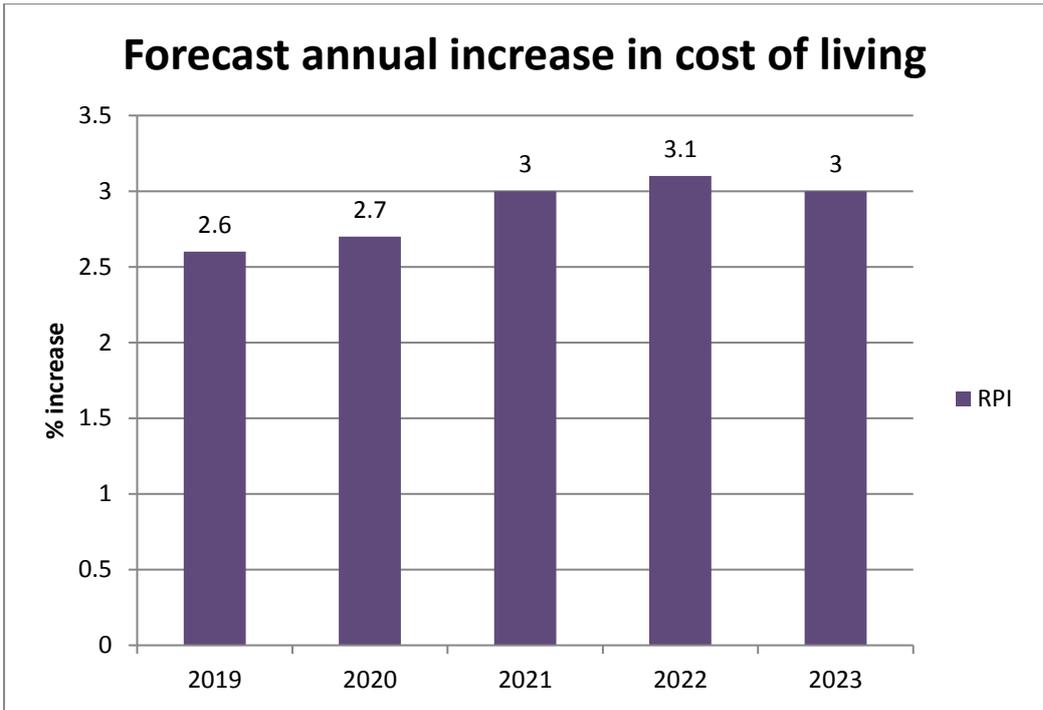
	AVDC Cost of Living awards	Rise in cost of living <sup>1</sup> (as measured by Retail Prices Index)
2010	0%	4.6%
2011	1.5%	5.2%
2012	0%	3.2%
2013	1%	3.0%
2014	1.5%	2.4%
2015	1.5%	1.0%
2016	1.5%	1.8%
2017	1%	3.6%
2018	2%	3.3%
2019	2.5%	2.6%

This means that, while the cost of living has risen by more than 35% over the last nine years, salaries at Aylesbury Vale District Council have risen by just over 13%. **In real terms this is a pay cut of over 20% from 2010 and thousands of pounds wiped off the value of salaries.**

The Treasury average of independent forecasts states that RPI inflation will average 2.7% over 2020 . It will then run at 3% or above every year until 2023, following the pattern shown in the graph below. These annual rates show the rate at which pay rises would be needed for wages just to maintain their current value.

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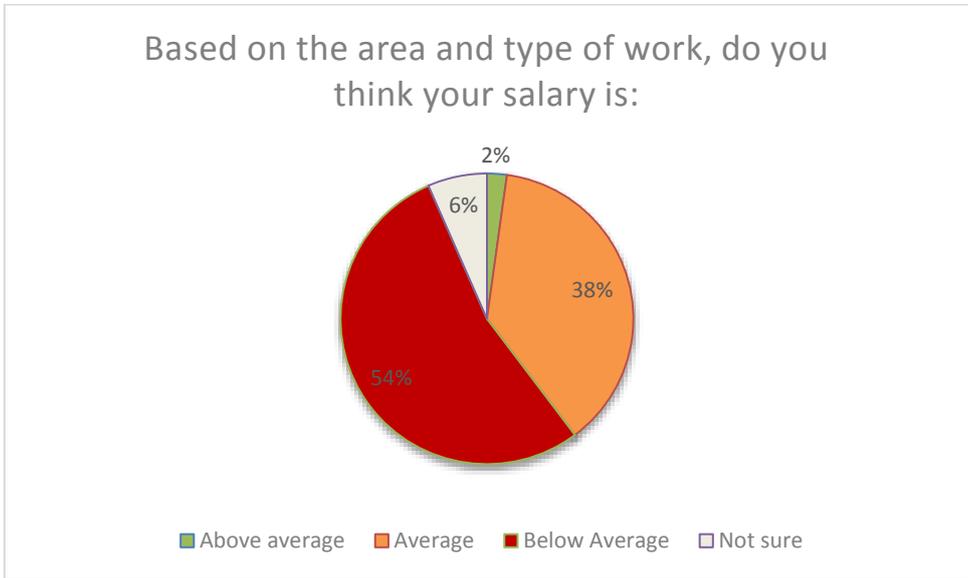
<sup>1</sup> Office for National Statistics, Consumer Price Inflation Reference Tables, March 2018



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

### 3. FALLING BEHIND AVERAGE PAY RATES

Our local pay survey shows how staff perceive their pay relative to local competition:



The ability of the 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 have been running at 2.6%, which stands in contrast to typical budget assumption of just 2%

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

<b>Sector</b>	<b>Average pay settlements</b>
Across economy	2.5%
Private sector	2.7%
Public sector	1.5%
Not for profit	2.5%
Energy & gas	3.0%
Water & waste management	2.5%
<i>Source: Labour Research Department, settlements year to June 2019</i>	

#### **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.

**Currently, AVDC Grade 1 falls below this level.**

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 the Council 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.<sup>2</sup> 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.<sup>3</sup>

<sup>2</sup> 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>

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

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

Recruitment and retention is a key priority for councils. As of 2017/18, 78% of councils are experiencing recruitment and retention difficulties, with 10% feeling forced to enact a recruitment freeze at some point during 2017/18 (LGA workforce survey 2017/18). This issue is particularly acute for a variety of professional and specialist roles, including social work, planning and building control.

Successive workforce surveys conducted by the LGA make it apparent that pressures are rising. Local authorities' reported average vacancy rate of 8% (rising to 9.5% for unitary authorities) is significantly higher than the averages for wider public sector and in the economy as a whole.

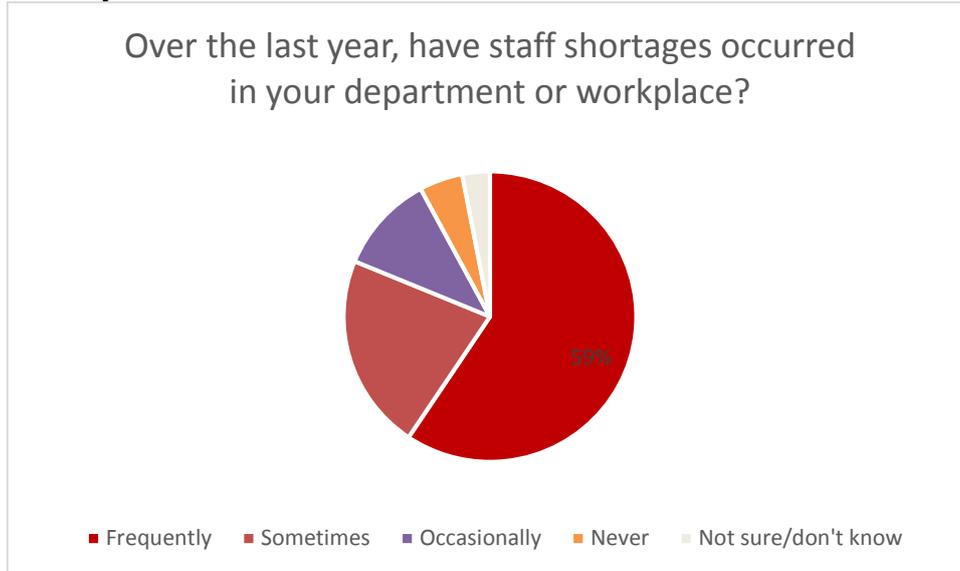
With the general unemployment rate in the UK economy at its lowest level in 44 years, employers reporting their most challenging recruitment pressures since 2001, and vacancies escalating across the economy, competitive wages are becoming ever more crucial if the Council wish to recruit and retain staff.

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<sup>4</sup>, 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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<sup>4</sup> Under pressure, underfunded and undervalued- UNISON members keeping communities together June 2016

Our local survey shows:



## 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 the Council's ability to provide a consistent quality of service. *Our local survey shows that two thirds of staff have considered leaving the Council in search of better pay.*

## 8. CONCLUSION

There can be no doubt that all employees working for the Council have seen a significant fall in their living standards. Their real earnings have fallen substantially.

To deliver a quality service, the Council 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. 2020, and the transition into unitary, is the year in which the Council 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.