



## WEST NORFOLK LOCAL GOVERNMENT BRANCH LOCAL PAY CLAIM 2021

### 1. INTRODUCTION

This pay claim is submitted by UNISON on behalf of staff working for borough council of King's Lynn and West Norfolk.

The claim is set at a level that we believe recognises the following key points:

- Substantial increases in the cost of living over recent years have significantly reduced the value of staff wages, with current forecasts predicting rapidly rising inflation;
- Appropriate reward is needed to sustain and/or improve 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 unprecedented changes in working practices.
- Average pay settlements across the economy have been running ahead of those received by borough council of King's Lynn and West Norfolk staff over recent years, increasing the likelihood of recruitment and retention problems in the long term;
- 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.
- Management have worked with UNISON in the past to revise pay scales and to improve pay for those at the lower ends of the pay scale. However, these employees are still struggling to make ends meet and having to claim benefits to top up earnings. These are also the very people who will spend money in the local economy and help West Norfolk's recovery from the pandemic.

UNISON is therefore submitting the following pay claim for 2021 accordingly.

Meeting our claim will give the borough council of King's Lynn and West Norfolk the opportunity to demonstrate its commitment to creating a workforce which is well paid, high in morale and productivity. Objectives that will intrinsically improve service delivery.

## **2. SUMMARY OF CLAIM**

We are seeking:

- An 8% increase on all pay points and allowances.
- A minimum pay point of £10 per hour.
- Substantive improvement to promotion pathways and performance related pay plan.
- Christmas Eve (or equivalent additional day's leave) off each year

## **3. BACKGROUND TO THE CLAIM**

A substantial increase will help rebalance and maintain living standards of workers who have seen their real term pay eroded considerably.

Whilst at the same time over the last year and a half the borough Council of King's Lynn and West Norfolk workers have risen to meet the exceptional demands presented as a result of the COVID-19 pandemic.

UNISON has also recently conducted an in depth survey of our local membership within the borough council of King's Lynn and West Norfolk to seek direct feedback and perspectives on aspects of employment, working environment and conditions. Those findings are presented as underpinning information to inform the positioning of this claim.

The greatest asset of the borough council of King's Lynn and West Norfolk is its employees. In this pay round, our members are looking for a reciprocal demonstration of the value that the borough council of King's Lynn and West Norfolk places upon them and a share in the economic recovery.

This claim is realistic, fair and the following provides full justification for the claim.

UNISON hopes that the borough council of King's Lynn and West Norfolk will give this claim the due consideration and response which employees expect and deserve.

#### 4. FALLING VALUE OF PAY

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

|      | <b>Borough council of King's Lynn and West Norfolk pay increases</b> | <b>Rise in cost of living<sup>1</sup> (as measured by Retail Prices Index)</b> |
|------|--|--|
| 2010 | 1%   | 4.6%   |
| 2011 | 0%   | 5.2%   |
| 2012 | 0%   | 3.2%   |
| 2013 | 1%   | 3.0%   |
| 2014 | 1% and £7.00 p/h min wage  | 2.4%   |
| 2015 | 1% (1.5% for pay grade below £21,500) and £7.20 min wage             | 1.0%   |
| 2016 | 1% and £7.52 p/h min wage  | 1.8%   |
| 2017 | 1% and £7.78 p/h min wage  | 3.6%   |
| 2018 | 2% and £8.50 p/h min wage  | 3.3%   |
| 2019 | 2% and £9.00 p/h min wage  | 2.6%   |
| 2020 | 2.5% and £9.20 p/h min wage  | 1.5%   |

This means that, while the cost of living has risen considerably over the last decade, pay in borough council of King's Lynn and West Norfolk has not kept pace. As a consequence thousands of pounds have been cut out of the value of staff wages.

The Treasury average of independent forecasts states that RPI inflation will average 3.2% over 2021 and 2.8% over 2022 respectively<sup>2</sup>. These annual rates show the rate at which pay rises would be needed for wages just to maintain their current value. However, more recently in August 2021, the Bank of England monetary committee has forecast that inflation is likely to rise to 4%<sup>3</sup> in the near term, meaning much higher prices for goods and services.

In addition to inflation, there has also been the recent announcement in September 2021 of a 1.25% national insurance rate increase.

The cumulative figure of a significant inflation rise and national insurance contribution rise, gives clear indications at the rate at which pay rises would be needed to meet for wages just to maintain their current value.

<sup>1</sup> Office for National Statistics, Consumer Price Inflation Reference Tables, January 2021

<sup>2</sup> HM Treasury, Forecast for the UK economy: a comparison of independent forecasts, May 2021

<sup>3</sup> Bank of England Monetary Policy Summary, August 2021

## 5. FALLING BEHIND AVERAGE PAY RATES

The ability of the borough council of King's Lynn and West Norfolk 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 have not only been running behind economy averages this year, but the borough council of King's Lynn & West Norfolk pay rates have been growing steadily more uncompetitive over a sustained period.

| Year | Average pay settlements | Borough council of King's Lynn pay increases |
|------|-------------------------|--|
| 2010 | 2.0%                    | 1%   |
| 2011 | 2.5%                    | 0%   |
| 2012 | 2.5%                    | 0%   |
| 2013 | 2.5%                    | 1%   |
| 2014 | 2.5%                    | 1%   |
| 2015 | 2.2%                    | 1%   |
| 2016 | 2.0%                    | 1%   |
| 2017 | 2.0%                    | 1%   |
| 2018 | 2.5%                    | 2%   |
| 2019 | 2.5%                    | 2%   |
| 2020 | 2.3%                    | 2.5%   |

This year the Bank of England<sup>4</sup> has estimated “*even if the level of private sector regular pay were to remain unchanged in May and June, twelve-month pay growth would still rise to close to 8% in the second quarter*”.

The ONS<sup>5</sup> has reported that it calculates the average total pay was 7.3% for the period between March to May 2021.

Whilst there are contributory factors that have some effect, these are nevertheless two of the most recently reported figures. The ONS makes an estimate in the same report (factoring in contributory factors) that “*...total and regular pay are now growing at a faster rate than inflation, at positive 5.6% growth for total pay*”.

This demonstrates clear and significant wage growth within the labour market.

## 6. 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

<sup>4</sup> Monetary Policy Summary and minutes of the Monetary Policy Committee meeting ending on 22 June 2021

<sup>5</sup> ONS Average Weekly Earnings in Great Britain: July 2021

topping up low pay via tax credits - a cost to the Treasury that has now ballooned to £30bn a year. 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.

The borough council of King’s Lynn and West Norfolk is now competing in a labour market where the Living Wage of £9.50 an hour outside London and £10.85 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 7,000 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, minimum rates at or above the Living Wage have been established over recent years for all staff covered by NJC Local Government, NHS Agenda for Change in Britain, all Scotland’s public sector organisations, Further Education colleges in Wales and all UK universities (for staff on a 35-hour week) and This includes for Norwich City Council, Cambridge City Council, Colchester Borough Council, Felixstowe Town Council, Hadleigh Town Council, Harlow Council, Ipswich Borough Council and Uttlesford District Council who are all Accredited Living Wage employers.

Since May 2018, Labour Party policy has been to establish £10 an hour as the minimum wage for all workers, regardless of age. In 2019 the Conservative Party and in 2020 the UK Chancellor both pledged to raise the national living wage to £10.50 for everyone aged over 21 by 2024.

Establishing a £10 minimum hourly rate in this pay round would enable the borough council of King’s Lynn and West Norfolk to build in some headroom now and avoid skirting a new legal minimum wage.

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>6</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>7</sup>

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

Recruitment and retention is a key priority for councils. As of 2017/18, 78% of councils were experiencing recruitment and retention difficulties, with 10% feeling forced to enact a recruitment freeze at some point during 2017/18 (LGA workforce

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<sup>5</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>6</sup> <https://www.unison.org.uk/content/uploads/2019/06/Supplementary-Evidence-2019-Landman-Economics-Report.pdf>

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) which 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 one of lowest levels for many years, many employers face challenging recruitment with vacancies escalating across the economy. Therefore, competitive wages are becoming ever more crucial if the borough council of King's Lynn and West Norfolk wish to recruit and retain staff.

## **8. 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 borough council of King's Lynn and West Norfolk's ability to provide a consistent quality of service.

The recent staff survey showed the following results:

- Over 70% of respondents felt that workload and workplace stress had increased together with an increase in the number of service users.
- Of those with a workload increase, over half of these respondents reported a detrimental effect on both their work performance and on their personal life.
- 49% of respondents reported a decrease in the number of staff in their work area.
- Over half of the respondents did not feel valued and respected in the organisation.

However, it is of note that at this moment in time, that 82% of respondents said they are not currently considering leaving their position. Despite clearly communicated issues regarding workload, stress and feeling undervalued, Kings Lynn and West Norfolk Council fortunately still have a small window of opportunity to intervene to ensure the retention of their loyal and experienced body of staff. This should be achieved through appropriate support, proper reward and recognition for the benefit of our local community.

## **9. PAY-RELATED CONDITIONS OF WORK**

Our call for decent pay for our members also reflects the massive increase in productivity which has arisen from fewer workers providing almost the same services, as a result of government cuts. Cost savings are being achieved simply by

getting more from staff for less and less. Increased work intensity, accompanied by greater job insecurity and low or non-existent pay increases have characterised the borough council of King's Lynn and West Norfolk working life for far too long.

Cuts are being met by reducing pay and cutting other terms and conditions, working patterns and processes. Detrimental change to workplace conditions such as:

- Flexi-time system and mileage payment restrictions for staff working temporarily from home.
- Proposed restrictions to the ability to claim time off in lieu.
- Insisting staff volunteer to support out of hours services or events.

When these changes are considered against a background of budget cuts, as highlighted previously employees have been facing greater workload pressures. The resulting survey findings of increased stress and considerable levels of low morale poses a long-term threat to the employers' ability to retain dedicated and skilled employees and provide a consistent quality of service.

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 eight years, will struggle to retain or attract the existing and new skilled people it needs for the future. This is evidenced in recent difficulties in recruiting and retaining staff in several teams across the authority.

## **10. CONCLUSION**

There can be no doubt that all employees working for the borough council of King's Lynn and West Norfolk have seen a significant fall in their living standards. Their real earnings have fallen substantially.

To deliver a quality service, the borough council of King's Lynn and West Norfolk 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.

Combined with these developments, the last year has seen intensified pressures placed on staff against the unprecedented background of the Covid-19 pandemic.

Staff have had to adapt to new ways of working during the pandemic, placing significantly increased stresses on all staff. Many staff have also faced the pressure of juggling their workload with extra demands in their private life, particularly where

they have been caring for children or elderly relatives. Nonetheless, the dedication of staff over the pandemic has enabled the borough council of King's Lynn and West Norfolk to maintain and adapt its services throughout this unprecedented period.

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.

In 2021 the borough council of King's Lynn and West Norfolk can demonstrate that its workforce is included in the recovery. This is a fair and realistic claim which we ask the borough council of King's Lynn and West Norfolk to meet in full.