Annex 2

PAY CLAIM FOR 2023/2024

Submitted by the Tonbridge and Malling Branch of UNISON

to Tonbridge and Malling Borough Council

1. Introduction

This pay claim is submitted by the Tonbridge and Malling Branch of UNISON on behalf of all staff working for Tonbridge and Malling Borough Council.

This year's pay claim is submitted in unprecedented times for our members, with the cost of living rising fast. The Consumer Prices Index (CPI), rose by 11.1% over the 12 months to October 2022, which was the highest inflation rate in over 40 years. The Retail Price Index (RPI), which measures a slightly different "basket of goods", rose by 14.2% over the year to October. The value of staff wages is therefore significantly eroded.

Our members were not happy with last year's pay award of 2% from April 2022, but they reluctantly accepted it. In our recent member survey, respondents made it clear that in the current climate they are not prepared to accept 2% again from next April – or even the recently-announced 5% proposed by management.

2. Summary of Claim

We are seeking:

- **A 12.5% increase on all salary points;**
- **An additional increase for any staff at the bottom of the pay scale to bring their pay up to a minimum of £15 per hour;**
- **A 12.5% increase on all allowances, including car allowances;**
- **An increase in the business mileage rate to 63p/mile;**
- **Introduction of a working from home allowance to reflect the need to set aside a quiet space at home and raised utility bills;**
- **An extra day's annual leave.**

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

- For many years, rates of inflation have been running above our pay awards - in reality our pay has been cut once inflation was factored in;
- In the last year alone, substantial increases in the cost of living have significantly reduced the value of staff wages;
- The rise in prices facing workers is now at a 40-year high;
- Appropriate reward is needed to sustain the morale and productivity of staff in their crucial role of delivering high quality services;
- TMBC already has a number of long term vacancies. With average earnings and pay settlements rising across the economy, TMBC salaries are lagging behind, which increases the likelihood of ongoing recruitment and retention problems;
- Appropriate reward is needed for the increased workload and stress placed on staff when vacancies are not swiftly filled or posts are deleted;
- Nobody should be paid less than the nationally-recognised Living Wage rate, but UNISON are now campaigning for a minimum wage of £15 per hour in order to support the lowest paid.

3. Background

3.1 Inflation and the Cost of Living in relation to TMBC salaries

The ‘cost of living crisis’ refers to the fall in ‘real’ disposable incomes (adjusted for inflation and after taxes and benefits) that the UK has experienced since late 2021. It is being caused predominantly by high inflation outstripping wage and benefit increases and will be further exacerbated by tax thresholds being frozen.

The following inflation rates were released by the ONS on 19th October 2022:

Retail Prices Index (RPI)	14.2%
Consumer Prices Index (CPI)	11.1%
CPI including owner occupiers housing (CPIH)	9.6%

“The largest upward contributions to the annual CPIH inflation rate in October 2022 came from housing and household services (principally from electricity, gas and other fuels, food and non-alcoholic beverages), and transport (principally motor fuels).” *ONS*

This will have affected every member of staff (though those on lower incomes would have felt it even more acutely), and especially those whose roles require them to drive for work.

Table 1 below shows TMBC pay awards compared to the rising cost of living over the last 12 years. It highlights that our pay was completely frozen for 3 years and most other years the pay rise was outstripped by inflation, which means these pay awards have effectively been pay cuts, year on year. It shows that TMBC staff were already under some financial pressure, even before the current crisis.

Table 1: TMBC Pay Awards compared to the rising Cost of Living

Year	Pay Award %	Annual CPI %	Annual RPI %	
2011	0	4.5	5.2	
2012	0	2.8	3.2	
2013	1	2.6	3.0	
2014	1	0	1.0	
2015	1	0.7	1.8	
2016	2	0.7	1.8	
2017	0	2.7	3.6	
2018	2	2.5	3.3	
2019	2.5	1.8	2.6	
2020	2.5	0.9	1.5	
2021	1	2.6	4.0	
2022	2	11.1*	14.2 *	*at Oct 2022

Source ONS

Table 2 shows the average price rises for everyday goods at Oct 2022.

Table 2: Rise in prices for everyday goods	
Item	Average % increase to Oct 2022
Furniture and Household Goods	10.6
Transport	9.3
Clothing and Footwear	8.5
Housing and household services	11.7
Food and catering	16.4
Alcohol and tobacco	6.2
All goods	14.8
All services	5.3

Source: ONS

Current inflation rates can mask longer term changes in the cost of living that have taken place since 2009. The examples in Table 3 below show major increases in costs that have surpassed average prices increases over the period.

Table 3: Highest cost of living rises 2009-21				
Expenditure item	**House prices**	**Bus & coach fares**	**Electricity**	**Childcare**
Price rise 2009-21	53%	88%	65%	55%

3.2 Food

In the 5 months between April and Sept 2022, two of the three largest average price rises for foods were for the following basic essentials needed in every household:

Veg Oil up 80p to £2.58 per litre

Milk up 25p to £1.52 for 4 pints

The Food Foundation estimates that the cost of their "Basic Basket" of food shopping has increased by 15% in six months, so even those buying the *cheapest* brands are affected.

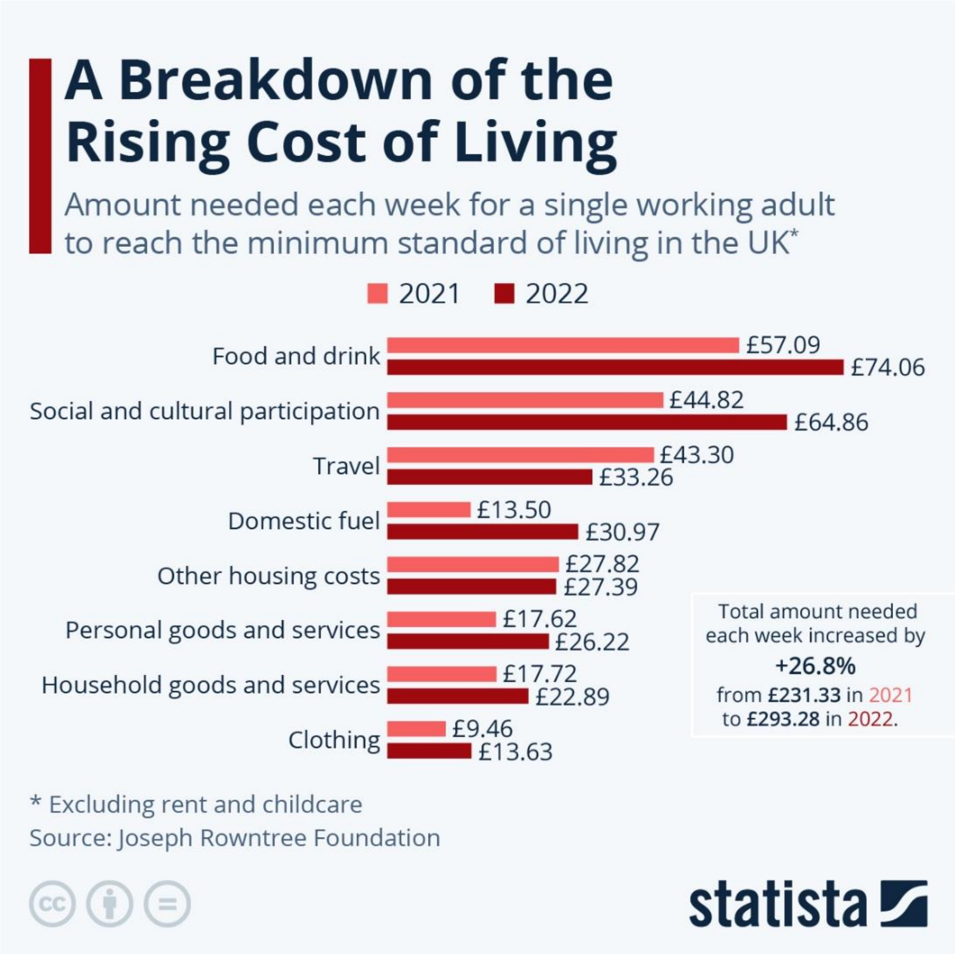
3.3 Living on the Lowest Incomes

Below is Bar Chart 4: A Breakdown of the Rising Cost of Living for a single working adult to reach the minimum standard of living in the UK – comparing 2022 against 2021.

The extent of inflation within the UK is clarified by the Joseph Rowntree Foundation's latest report, which shows how a single working adult living in the UK needs to earn at least £293.28 each week in order to reach the minimum standard of living (equivalent to £15,250 per annum). This is a 26.8% increase since 2021, when the average adult needed £231.33 per week.

As always, the lowest paid are borrowing the most, saving the least and will be the least likely to be able to cope with unexpected bills.

Bar Chart 4:



ref. Source: Joseph Rowntree Foundation/Statista

Please note: these figures do *not* include rent or childcare, so many of our members will have even higher outgoings for these essentials. In addition, rents and childcare prices have also gone up (see below).

However, the cost of living does not just affect the lowest paid: a recent BBC News report stated that anyone earning less than approximately £45,000 per annum would feel the squeeze of this cost of living crisis.

As one of our survey respondents pointed out, they are on a middle-income but still affected by the cost of living and having to make choices about what aspects of their lifestyle they should cut.

Sadly, a third of the parents responding to our survey reported that their children are already having to miss out on activities and experiences because the household cannot afford them.

3.4 Rental

Renters are more likely to struggle to pay than mortgage owners, according to the ONS, and private rental prices paid by tenants in the UK increased by 2.0% in the 12 months to January 2022, representing the largest annual growth rate since February 2017.

On 21st October 2022, Rightmove announced that the typical advertised private rent outside London had now risen to a new record of £1,162 per calendar month.

A recent drop of 9% in the properties available means a shortage of rental properties is now pushing rents up even further.

3.5 Mortgages

The reaction of the markets to the Government's recent "Mini Budget" have also led to a significant rise in mortgage interest rates to approx. 3%, adding hundreds of pounds to monthly repayments. This will be affecting staff across all the pay grades, especially those on variable mortgage rates, those coming to the end of fixed mortgage deals or those needing to move home at this time.

The mortgage rate is predicted to rise further yet, to 4.25% by next spring, according to the Bank of England on 27 November 2022.

3.6 Childcare

Table 5 below shows the cost of pre-school childcare costs.

Childcare costs are higher than average in the South East and this will have a massive impact on some of our members.

Table 5: Price of 25 hours a week childcare for children under three				
	Nursery		**Childminder**	
	Under two	**Two**	**Under two**	**Two and over**
Great Britain	£137.69	£132.56	£118.34	£117.32
England	£140.27	£134.73	£119.02	£117.86
London, inner	£179.86	£177.61	£163.77	£161.60
London, outer	£156.32	£147.87	£147.53	£146.43
South East	£147.06	£143.10	£124.43	£122.60

Source: Coram Family and Childcare, Childcare Survey 2022.

3.7 Household Energy

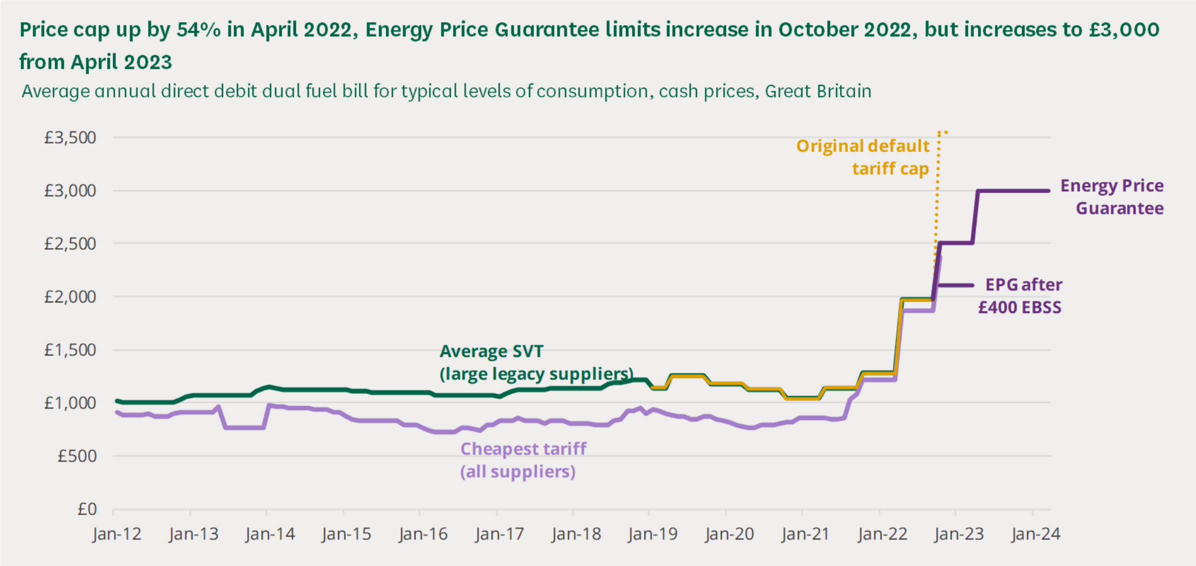
The House of Commons report "Rising Cost of Living in the UK" dated 21 November 2022 states:

"Another important driver of inflation is energy prices, with household energy tariffs and petrol costs increasing. From October 2021 to October 2022, domestic gas prices increased by 129% and domestic electricity prices by 66%. Gas prices increased to record levels after Russia launched its full-scale invasion of Ukraine and continued to rise during much of 2022 due to cuts in Russian supply. Electricity prices are linked to gas prices and have followed a similar trend".

The Energy Price Guarantee (EPG), which caps the unit price of household energy, went up by 54% in April 2022, but increased again on 1st October 2022 to £2,500 for "typical household usage", and will then rise again to £3,000 on 1st April 2023. This latter rate is expected to last until at least March 2024.

You can see from Graph 6 below that this is a huge increase on a year ago.

Graph 6: Domestic Energy Prices



Source: House of Commons Library Research Briefing "Domestic Energy Prices"

Despite the EPG price cap and the Energy Support Scheme payment of £400 per household, these are very worrying increases for most of our members, but will be especially daunting for anyone with a health condition which requires them to keep warm.

Please note: household energy costs even more for those on pre-payment meters.

Our survey back in September revealed that 3 of our members working at TMBC had already been struggling to pay their energy bills over the *last* year – before the price cap rose in October. And the ONS expect more people to be struggling to pay their bills as we go through this winter.

84% of our survey respondents told us that they plan to reduce how much they switch their heating on over this coming winter.

3.8 Petrol/Diesel

Graph 7 from Experian shows how Diesel and Unleaded Prices have rocketed since 2016.

Graph 7

Mileage rates of 45p per mile set by HMRC 11 years ago are now wholly inadequate, such that employees who are required to drive for work are now subsidising their employer's costs. Petrol and oil have risen by 45%, in the last year alone.

UNISON has calculated that the mileage rate should now be 63p/mile (ref. UNISON press release of 1 Nov 2022).

Some other employers, including other Councils, have already increased their mileage rates.

3.9 Some other findings from our survey

This survey of UNISON members employed at TMBC was completed in September 2022, before the energy price cap went up:

- 21% of respondents told us they are already struggling financially.

- When asked how they are coping with the cost of living:
  37% of respondents are regularly dipping into their savings to pay the bills,
  10% have taken out loans,
  8% have borrowed from family and
  3 have taken additional jobs.

- Our survey also revealed that 37% of respondents felt that financial worries were impacting their mental health. Some members said they were feeling anxious about the future if they did not receive a significant pay increase.

- 54% of respondents had considered leaving for better pay elsewhere.

Other comments from our survey included:

- "When comparing income to expenditure, it now leaves us little disposable income".
- "We don't know how much worse things are going to get before next April".
- "TMBC salaries are lagging behind other local authorities' pay".
- "The number of staff leaving is a "brain drain" that leaves remaining staff under strain trying to cope and/or training up new staff – which is a particular strain on smaller teams".
- "Workload duties are increasing and morale is decreasing".

4.0 Conclusion

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

- As key workers, we have helped to keep the country going during the Covid-19 crisis, providing vital services and keeping our communities safe – sometimes at some personal risk to ourselves.
- The next time a crisis comes along, we would be expected to pull out the stops once again; staff would most likely be willing – but especially if they feel valued and rewarded.
- More recently in the subsequent "recovery phase", staff have worked extra hard to catch up with work that was postponed during the pandemic.

- Appropriate reward is needed to sustain the morale and productivity of employees in their crucial roles, delivering high quality services.
- Average pay settlements across the economy have been running ahead of those received by Tonbridge and Malling Borough Council employees over most of the recent years, increasing the likelihood of recruitment and retention problems in the long term unless the trend is reversed. With our proximity to London and major road networks, plus a shortage of workers in the labour market, it is easy for TMBC staff to look elsewhere (at other authorities or in entirely different sectors) and find more attractive salaries.
- In particular, there appears to be an issue retaining and recruiting staff in some departments, with a number of vacancies remaining vacant for long periods.
- Appropriate reward is needed for the increased workload and stress placed on remaining staff who are covering the work of vacant posts that are not immediately filled, or not replaced at all, against a background of budget cuts.
- Major increases in the cost of living over recent years (and especially in recent months) have significantly reduced the value of all staff wages.
- The current economic crisis has led to significant increases in utility bills, mortgages, transport/fuel costs and food prices.
- Most of our members are concerned about how they will cope.
- For those who have no opportunity to work from home, increased transport or fuel costs cannot be avoided.

The Committee believe that this claim on behalf of UNISON members recognises the severe impact of the current cost of living crisis and the ability of our members to pay for the basics for their families.

Carolyn Mell	**Jack Lee**
Branch Chair	**Membership Officer**

29 November 2022