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**Jeff Jacobs**

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**Date:** 26 September 2014

Dear Jeff

**Pay review 2014**

As you will be aware, it is now many years since staff at the GLA had a cost of living pay rise that matched inflation. The majority of staff within City Hall have watched the value of their wages being systematically eroded over time with, a consolidated pay rise of only 1% being awarded last year – the first since the previous 1% was awarded in 2009. GLA Unison would like the Authority to take some responsibility for the welfare of it's staff by awarding a decent cost of living rise that would go some way to closing the gap between stagnating GLA wages and the rise in the cost of living experienced over the last 5 years.

We are aware that Directors are discussing budget issues for 2015-2016 and 2016-2017. That notwithstanding, we do not feel that our members, the hardworking staff at City Hall, should bear the brunt of cost-cutting through a pay award that is simply not enough to keep pace with the increasing cost of living, and should not be left feeling penalised for cuts that are beyond their control.

In 2013-2014, whilst most staff at the Authority were forced to settle for a 1% pay increase, despite GLA Unison's claim for up to 2.5% for the lowest-paid members of staff, it has not escaped their attention that the Mayor, with the permission of the Authority, chose to make pay awards to two of his senior advisers of up 7.9 and 9%, taking their salaries in excess of that of the Prime Minister. GLA Unison therefore shares the view of GLA staff that the GLA should be making greater efforts to address the cost of living crisis that afflicts many of its staff, and to show similar degrees of flexibility to lower-paid GLA staff as it has to some of those at the top of the organisation.

To put this into context, RPI inflation up to July this year has been at 2.5%. This rise in the cost of living affects basic commodities such as food, fuel, housing and travel. GLA Unison acknowledges that this affects those at the lower end of the pay scale more acutely, we are now so far into the arena of pay freezes and way below RPI cost of living rises, that this is actually affecting all staff at all levels. Unison has consistently rejected

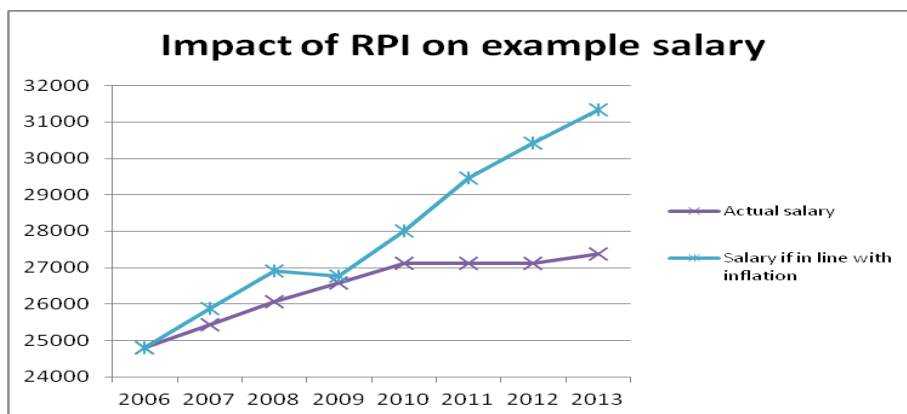
the view of the UK Government that public sector employees should in some way bear the brunt of austerity politics and forego pay or lose aspects of their terms and conditions to enable the balancing of the budget deficit that arose as a consequence of the global financial crisis. You will also be aware that since the changes to the Local Government Pensions Scheme in April 2014, all staff at the GLA have been contributing more of their salary to the Pension pot – with many staff on salaries above the average stating this has led to a 2% net loss on their take-home pay.

To fully appreciate the pressures staff are facing, here are the key annual RPI statistics for the year:

Item	Average % increase to July 2014
Personal expenditure	4.6
Consumer durables	4.3
Alcohol and tobacco	3.3
Housing and household expenditure	3.1
Mortgage interest payments and council tax	2.7
Travel and leisure	1.7
Food and catering	0.6
All goods	1.8
All services	2.8
All items	2.5

Source: Office for National Statistics, Consumer Price Inflation Reference Tables, July 2014. Latest figures can be obtained from the Office of National Statistics website at [www.ons.gov.uk](http://www.ons.gov.uk)

Illustrations of the impact of inflation on wages is shown below, with actual salary tracked against the salary that would have been payable if it had risen with inflation, which provides an indicator of the value stripped out of wages by the impact of inflation (The table does not reflect actual salaries at the GLA and actually shows a greater increase in cost of living pay rises on actual salary line than has been awarded to GLA staff).



The most recent data from the Annual Survey of Hours and Earnings suggests that the real value of average UK pay packets has fallen by 11% since 2010, with employees losing over £2,000 a year from the value of their pay packet since the government came to office. The average worker would have accumulated more than £9,000 more had their wage kept pace with inflation. As you can see from the forecasts below showing RPI at over 3% for all of the next 4 years, this gap can only get wider with below inflation cost of living rises.

<b>Year</b>	<b>RPI forecast</b>	<b>Cumulative increase in cost of living</b>
<b>2014</b>	2.4	2.4
<b>2015</b>	3.1	5.6
<b>2016</b>	3.5	9.3
<b>2017</b>	3.4	13.0
<b>2018</b>	3.4	16.8

Source: HM Treasury Forecasts for the UK Economy at [http://www.hm-treasury.gov.uk/data\\_forecasts\\_index.htm](http://www.hm-treasury.gov.uk/data_forecasts_index.htm)

All these figures are, of course, based on National estimates and National trends. What they do not take into account is that the staff at the GLA work and live in or around (or travel in and out of) one of the most expensive cities in the world – certainly the most expensive in the UK by a far margin. Travel costs in and around London have increased consistently over the last few years – the Mayor himself put on record last year that the average real terms rise in all TfL fares over the five years to 2013 was 13%, and it was 19% for bus passengers - and this is not reflected in the RPI figures above. Household costs such as Electricity and Gas are rising. Buying a house has become an unattainable dream for millions of people as prices continue to rise to levels beyond the reach of the average working person (or even a working couple). Likewise, rents across London are becoming unaffordable, forcing many low paid staff to live in cheaper areas outside of London and leaving them with lengthy journeys to work and expensive travelling costs. Indeed, the GLA has recognised the realities of the difficulties that staff face in this regard by offering Tenancy Deposit loans to help staff meet the soaring cost of trying to rent in and around the capital. Whilst this staff benefit is welcome, GLA Unison takes the strong view that a better solution is to offer staff a decent pay award that better enables them to meet their living costs without recourse to loans.

You will no doubt be aware that trade unions are currently in dispute with the National Joint Council, often used by GLA Management as a comparator, with regard to 2014 Pay Awards. GLA Unison is also aware that you would not need to be reminded that the GLA does not, and has never, formally recognised the NJC in respect of terms and conditions of employment, such as agreement on a 35-hour working week. This means that the GLA has a degree of latitude in respect of the award in makes to its staff.

Further, GLA Unison is cognisant of the fact that other GLA Functional Bodies are able to enjoy significant benefits or make progress on a number of fronts with regard to staff pay and rewards. For example, in 2013 TfL staff were awarded a pay rise in excess of 3%, rising to a figure of 4.7% for some staff. MOPAC staff, in addition to an annual pay award, are eligible for a cash bonus, payable according to length of service. GLA Unison

sees no reason why GLA staff should be 'poor relations' compared to colleagues in comparable Mayoral organisations, and sees no reason that such creative thinking should not be applied as to how the GLA can demonstrate its commitment to the staff that contribute so much to its ongoing success as an organisation, and that of our city. It can already be argued that GLA staff, working a standard 37-hour week, work harder than those at TfL (35-hour week); LFEPA (35-hour week) and MOPAC (36-hour week).

To this end, GLA Unison is prepared to be creative and flexible in seeking to achieve our pay objectives. The items of our pay claim are therefore as follows:

1. A consolidated increase of 3% to basic pay, or £1380, whichever is the greater for individuals<sup>1</sup>.
2. Agreement to begin discussions on payment of a £500 non-consolidated bonus to reward long-serving staff who do not benefit from incremental pay increases, in line with MOPAC.
3. Agreement on a 3-day office shutdown between Christmas and the New Year.
4. Agreement to begin discussions on an extra day's Annual Leave for GLA staff to reflect the fact that GLA staff work longer hours than colleagues across the GLA family.

I look forward to your response,

Yours sincerely,

Paul Jenkins,  
GLA Unison Branch Secretary

Cc David Wood; Shirley Mills (UNISON)

Martin Clarke; Juliette Carter (GLA)

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<sup>1</sup> As of the most recent available Workforce Report, reported to GLA Oversight Committee on 25 February 2014 and covering the period from 1 April – 30 September 2013, the average GLA salary was £46,043 (this figure would not have taken account of the 2013 pay award). £1380 is the equivalent to 3% of that figure.