

Work Voice Pay:

PAY CLAIM GUIDE



**National Organising & Leverage
Department**

November 2015

PAY CLAIM GUIDE

Table of Contents

Using Your Pay Claim Guide	4
The Background to Your Claim	5
Ability to Pay	6
Cost of Living	8
The RPI	8
RPI Forecasts	9
Comparative Pay	10
Equal Pay	11
Sick Pay	11
Working Time and Holidays	12
Compassionate Leave	13
Parental Leave	13
Childcare	14
Maternity Leave	14
Anniversary Date	15
Disclosure of Information Agreement for Collective Bargaining Purposes	15
Useful Links	17



Work Voice Pay

Work, Voice, Pay is the cornerstone of our Union's industrial strategy. At Unite we know that it is only by delivering at the workplace that we remain relevant to working people. It is our success or failure at the bargaining table that we are ultimately judged on.

I am delighted that our research consistently proves that Unite negotiations secure better pay deals for working people. But we are determined to help further improve delivery for our members at the workplace. At its core this pledge focuses on what our Union does best:

- Securing good jobs and decent **work**
- Making sure workers have a strong and effective **voice**
- Getting decent **pay** and conditions

As part of this programme Unite is producing a range of Work, Voice, Pay guides to assist you, our shop stewards and representatives, in your critical work on behalf of our members. I hope that this latest guide to writing pay claims will help you formulate the arguments and table the demands that working people deserve.

Len McCluskey

Len McCluskey

PAY CLAIM GUIDE

Using Your Pay Claim Guide

The purpose of this guide is to help you draft and deliver your own pay claim in your workplace achieving the best possible outcome for you and the Unite members you represent. It is written with guidance in mind and should not be seen as the last word on how to put together your pay claim. It is important for you to remember that you and your members know your workplace best. There may well be items/issues that are particular to your members and the workplace that you as Shop Stewards/Reps think should be addressed in your pay claim that are not covered within this guide.

When compiling your pay claim give yourself plenty of time. As a rule of thumb give yourself a minimum of three months before the presentation of your claim to start work. This will provide you with time to consult your members and to build support and expectation from them. It also provides you with the time to gather together important external and internal information and data.

When putting together your pay claim always remember to lay it out in an easy to read and logical manner, outlining your key demands with information and figures to support your arguments. The audience for the pay claim is not just the employer but also your members. It is important for them to understand that you as Shop Stewards/Reps are addressing their issues and that the demands can be met by the employer.



The Background to Your Claim

Provide as an introduction the current situation of your employer, your members and the state of the sector/industry in which the employer operates and your members work in.

You can introduce your pay claim as follows:

This pay claim is prepared and presented on behalf of members of Unite the Union who are covered by the joint agreement between Unite the Union and "The Employer".

The pay claim addresses matters of importance to members of the Union and the Employer. It addresses the need for a substantial rise in pay and changes in conditions for our members to maintain a reasonable level of income.

If there are specific occupations within the bargaining group that your claim wants to address list them here with an explanation of why.

Outline the core parts of your claim such as:

- The employer's ability to pay
- Cost of Living – rise in RPI and other factors impacting on members pay
- Comparisons within the sector the employer operates and/or comparative pay for similar occupations in other sectors

And list your items:

- Pay
- Agency Working
- Union Facilities
- Equal Pay
- Working Time and Holidays
- Sick Pay
- Compassionate/Bereavement Leave
- Access to Training and Professional Development

PAY CLAIM GUIDE

- Parental Leave
- Childcare
- Maternity Leave
- Anniversary Date
- Disclosure of information agreement for collective bargaining

Provide arguments for the Unions pay claim:

- Unite members' active role in the current and continuing success of the employer.
- The employer's "ability to pay" taking figures from the Annual Report and Accounts such as turnover and pre-tax profit.
- Comparative pay rates for occupations within the sector the employer operates.
- Comparative pay rates for occupations within other sectors.
- Provide evidence of erosion of pay in comparison to other sectors/industries.
- Director's current salaries and increases in comparison to the median average of Unite members' pay.

Ability to Pay

The purpose of this part of the pay claim is to demonstrate the negotiators knowledge of the employer's ability to award an increase in pay to Unite members. This is important so that, at the very least, Unite members take-home pay keeps up with the increase in the cost of living.

Cost the pay claim: It is important that you are confident in your arguments and have a clear idea of the cost to the employer if the claim is met in full – especially to counter any wild claims that the employer may use to oppose your claim.



Elements to include in your costing:

- The cost of the current pay bill
- The number of workers covered by your pay claim
- Cost of other pay related items covered by the pay claim such as; shift allowances and overtime, pensions and sick pay.
- Calculate what proportion the annual pay bill makes up of the employer's total operational costs.
- Annual turnover figures and employer's projections for the future.

Don't make the mistake of thinking that when the RPI is low that Unite members do not have a strong claim (especially those on lower salaries). Do not call for an increase in pay based solely on the RPI instead demand that pay increases for members are based on the following factors such as:

- The employer's financial performance i.e. increases in pre-tax profits and turnover. These figures can be obtained from the Annual Report and Accounts.
- Directors' pay – how much are directors paid in comparison to the median (mid-point average) pay for a Unite member.
- Dividends paid to shareholders, particularly useful if you work for a large public limited company. You can track increases in annual dividend payments by going through the Annual Report and Accounts. Remember it is your members that create the wealth that pay dividends to shareholders *Not The Shareholders*.

Source:

You can obtain the Accounts free from Companies House via this link:
<https://beta.companieshouse.gov.uk/>

For Example:

Given the ongoing success of the employer we believe that The Employer should be leading the market in terms of pay. It is therefore clear to Unite the Union that the employer needs to ensure that a substantial rise in pay is awarded as part of this year's settlement.

Cont...

PAY CLAIM GUIDE

Analysis of the employer's Annual Accounts, order book and the employer's own future projections for business show it is more than able to afford this. This is especially so given the generous awards to executives and the increases in dividend payments to shareholders.

Now is the time for management to translate its kind words to its employees into pay increases so that our members can see a tangible improvement in their living standards as a result of their hard work and loyalty to the employer.

The RPI

The rate of inflation in the UK is published every month by the Office for National Statistics (ONS). The ONS measures inflation in two different ways: the Retail Prices Index (RPI) and the Consumer Prices Index (CPI).

Unite negotiators are encouraged to use the RPI *NOT* the CPI. Unlike the CPI the RPI, measures the changes in housing costs such as council tax, mortgage interest payments and rent as well as the everyday "basket" of goods and services. These are all very important outgoings that impact on Unite member's standard of living.

It is also important to remember that the rate of inflation provides only a baseline from which to negotiate and should be used in conjunction with the employer's ability to pay (see previous section). When preparing the "Cost of Living" piece show how the RPI (inflation) as a whole has increased, using data that is as recent as possible. In addition, show how certain items measured by the RPI have increased over the year; some may have increased by more than the overall RPI. This is especially useful when the main RPI figure is low.

Important Items to include:

- Mortgage interest costs
- Motor fuels
- Food and non-alcoholic beverages
- Council Tax
- Transport
- Clothing and footwear

**Sources:**

Retail Prices Index through the ONS link:

<http://tinyurl.com/pnrntzo>

The Unite Research Department produces a monthly "Bargaining Brief". It can be accessed via this link:

<http://tinyurl.com/nphqcmc>

RPI Forecasts

It is important to remember that the RPI on the day you are negotiating will not necessarily stay the same. HM Treasury provides a useful document that provides forecasts for the UK economy; which brings together what each of the major banks think may happen over the next year. If it is helpful to your pay claim then also include these future projections. For example if RPI is now standing at 1% but major banks say that it could go up to 3% by next year then include this as this will directly hit your members in the pocket. Using these forecasts also shows your employer that you are informed.

Source:

You can access the latest HM Treasury Forecasts here:

<http://tinyurl.com/o3ks4su>

For Example:

In the year to June 2015 the Retail Prices Index (RPI) rose by 1% unchanged on the previous month. However, there were a wide range of essentials that did rise above the June figure of 1% and these increases have had a major impact upon the living standards of our members. For example the cost of Clothing & footwear increased by 6.7%, Fares and other travel costs by 3.7%, the cost of rents increased by 2.9% and Housing costs rose by 2.8%.

Moreover, The British Chamber of Commerce forecast that inflation will rise to 3.3% by May 2016, Citigroup Bank forecast 3.1% by May 2016, and ING Financial Markets forecast a rise to 2.6% by May 2016.

PAY CLAIM GUIDE

Pay

It is important to survey the different pay levels in your workplace. Take into account not only the basic pay rates for each occupation but also at what rates shift premiums or overtime are paid. In doing this you will be able to decide upon the focus of your claim and ensure that it is representative of your members wishes.

Comparative Pay

To support your claim where relevant, highlight pay rates of other employers in your sector or similar occupations in other sectors. Show how your pay rates compare with them, bringing in arguments such as the employer's ability to pay, history of previous pay awards won by the union.

To illustrate comparative pay rates in your sector and others there are a number of sources that you can use.

The ONS Annual Survey of Hours and Earnings (ASHE) provides pay data from all industrial sectors across the UK economy. This will enable you to find median (mid-point average) pay levels for your sector and other comparable ones too.

The Labour Research Department (LRD) pay and conditions database can be useful, it provides a limited number of pay settlements from Unite organised workplaces across the country. The database enables you to search pay agreements by either employer name or by industrial sector enabling you to make direct comparisons between your terms and conditions and those of other Unite members across sectors.

Sources:

Annual Survey of Hours and Earnings (ASHE) link:

<http://tinyurl.com/nnrceu8>

LRD Payline link:

<http://www.lrd.org.uk/payline/index.php>

Username: unite

Password: opal961



Equal Pay

If you have concerns about the fairness of pay levels especially with regard to gender within your workplace address these in your pay claim. This can be done by studying pay levels for all of the occupational grades always remembering that the roles carried out may be different but should be assessed as equal in value in terms of demands such as effort, skill and decision-making commonly referred to as work of equal value. The Equality and Human Rights Commission (EHRC) have a number of useful guides that will help you ensure that your employer's pay and benefits systems are free from gender bias.

Source:

<http://tinyurl.com/ne5vlah>

Sick Pay

If your employer provides only Statutory Sick Pay (SSP) cover for Unite members when they are sick then look to negotiating an increase. Remember SSP is paid for by government not by the employer so worth negotiating for. Arguments for an increase in sick pay can be based upon those used in ability to pay for an increase in wages shown previously in this guide.

Source:

The Labour Research Department (LRD) Sickness absence and sick pay – a guide for trade union reps.

You can access the guide via this link:

<http://tinyurl.com/of3esun>

For Example:

At present the employer provides no sick pay for employees at all. This means that our members must rely upon Statutory Sick Pay alone. In light of the employer's success and the hard work and dedication of its employees Unite the Union believes it only fair that this wrong is put right by the employer.

PAY CLAIM GUIDE

Trade Union Facilities

Your ability as Shop Stewards/Reps to negotiate on pay or working practices will be severely hampered if you do not have, at the very least, the provision for facilities and paid time off to consult with your members over these issues.

Every opportunity to increase your Union facilities should be pursued all the while ensuring that your members understand what facilities mean to them. Ultimately your ability to defend and extend facilities will depend upon the support you have from your members. It is important that members understand that Union facilities are crucial to achieving bargaining power and justice on the issues central to them.

Working Time and Holidays

How many days paid holiday do workers covered by your agreement currently receive? Currently full time workers in the UK are legally entitled to 5.6 weeks paid holiday per year. If your employer only provides the statutory minimum amount of days and your members feel strongly about this as an issue, then look to negotiating an increase. Holidays can be a useful issue to negotiate upon during a year when a worksite/employer is not working at full capacity.

Arguments for an increase in holidays can be based upon the arguments used in *ability to pay for an increase in wages* shown previously in this guide.

Source:

GOV.UK Holiday entitlement link:

<https://www.gov.uk/holiday-entitlement-rights/entitlement>

For Example:

At present the employer only provides the statutory minimum holiday for its employees. In light of the employer's continuing success and the hard work and dedication of its employees Unite the Union believes it only fair that this wrong is put right by the employer.



Compassionate Leave

An increasing number of people today have elderly relatives that they may have to provide care for. At present all employees are entitled to a reasonable amount of time off to deal with the emergency. There is no set amount of time – it depends upon the situation.

An improvement in compassionate leave provision could very well prove not to be a great expense to the employer but would have the benefit of increasing moral of workers.

Source:

You can access the guide via this link:

<http://www.govuk/time-off-for-dependants/your-rights>

Parental Leave

Statutory Parental Leave is unpaid. At present you are entitled to 18 weeks leave for each child and adopted child, up to their 18th birthday. If this is all that your employer provides then look to negotiate better provision. Increased pressure upon family life makes this more important to workers than ever. Arguments for better parental leave can be based upon those used in *ability to pay for an increase in wages* shown previously in this guide.

For Example:

The employer currently permits employees with childcare responsibilities to take up to 18 weeks unpaid leave. Unite the Union believes that given increased pressure upon family life of our members that this should be improved upon.

Source:

<http://www.gov.uk/parental-leave/overview>

PAY CLAIM GUIDE

Childcare

Lack of affordable childcare is an increasingly important issue for parents. If your employer provides only the legal minimum, look to negotiate for either workplace nurseries or financial support.

Source:

Government guidance on 'help paying for childcare':

<https://www.gov.uk/help-with-childcare-costs/overview>

Maternity Leave

At present Statutory Maternity Leave is 52 weeks. It's made up of:

- Ordinary Maternity Leave - first 26 weeks.
- Additional Maternity Leave - last 26 weeks.

Statutory Maternity Pay (SMP) is paid for up to 39 weeks. You get:

- 90% of your average weekly earnings (before tax) for the first 6 weeks.
- £139.58 or 90% of your average weekly earnings (whichever is lower) for the next 33 weeks.

If there is strong feeling from your members on this issue then you should look at addressing this in your pay claim.

Source:

Statutory Maternity Pay and Leave: employer guide:

<https://www.gov.uk/employers-maternity-pay-leave/entitlement>



Anniversary Date

It is important to negotiate at a time when union members can maximise their bargaining power. For example if your employer has a particularly important operational period in the year, then you should seek to negotiate at as close to this period as possible. If your worksite is part of a larger group with sites across the UK you should aim to have the same Anniversary Date across all sites. This will provide the opportunity to share current information with Unite reps representing members at other sites and will maximise the impact of all of your individual pay claims. If you are part of a sector combine, the ambition would be to co-ordinate anniversary dates across all companies within the sector. This will maximise your negotiating strength in that sector.

Disclosure of Information Agreement for Collective Bargaining Purposes

To compile the best pay claim that you can, covering all the issues important to your members, it is important that you have all the employer related information that you can obtain. If you do not already have one, then negotiate with your employer for a *"Disclosure of Information Agreement for Collective Bargaining Purposes"*.

The Trade Union and Labour Relations (Consolidation) Act 1992 places a duty upon an employer that recognises a trade union to disclose, for the purposes of collective bargaining, information requested by representatives of a union. This will prove invaluable to the preparation of your pay claim especially when costing the pay claim.

The information required by union reps may vary from one workplace to another. **Always remember if the information provided by your employer does not help your case be aware of it but do not use it.**

PAY CLAIM GUIDE

Here are some general topics that you might consider:

Pay and benefits:

- ▶ Principles and structure of payment systems
- ▶ Job evaluation systems and grading criteria
- ▶ Earnings and hours analysed according to work-group, grade, site, gender, department or division
- ▶ Distribution and make-up of pay showing any additions to basic rate or salary; total pay bill; details of fringe benefits and non-wage labour costs.

Conditions of service:

- ▶ Policies on recruitment, redeployment, redundancy, training, equal opportunity, and promotion
- ▶ Appraisal systems; health, welfare and safety matters

Workforce:

- ▶ Numbers employed analysed according to grade, department, location, age and gender
- ▶ Labour turnover
- ▶ Absenteeism; overtime and short-time; staffing standards
- ▶ Planned changes in work methods, materials, equipment or organisation; available manpower plans; investment plans.

Performance:

- ▶ Productivity and efficiency data; savings from increased productivity and output, return on capital invested
- ▶ Sales and state of order book.

Financial:

- ▶ The employers Annual Report and Accounts
- ▶ Cost structures; gross and net profits
- ▶ Earnings; assets; liabilities; allocation of profits
- ▶ Government financial assistance; transfer prices
- ▶ Parent or subsidiary companies and interest charged.



Sources:

ACAS Code: Disclosure of information to trade unions for collective bargaining purposes:

http://www.acas.org.uk/media/pdf/2/q/CP02_1.pdf

Central Arbitration Committee: How to make, and respond to, applications or complaints to the CAC under the Information and Consultation of Employees Regulations 2004 link:

<http://tinyurl.com/pmdl4me>

Useful Links

Cost of Living

- ▶ Companies House

<https://beta.companieshouse.gov.uk/>

- ▶ Retail Prices Index

<http://tinyurl.com/pnrntzo>

- ▶ The Unite Research Department "Bargaining Brief"

<http://tinyurl.com/nphqcmc>

- ▶ HM Treasury Forecasts

<http://tinyurl.com/o3ks4su>

Pay

- ▶ Annual Survey of Hours and Earnings

<http://tinyurl.com/nnrceu8>

- ▶ LRD Pay and Conditions Database

<http://www.lrd.org.uk/payline/index.php>

Username: unite

Password: opal961

Equal Pay

- ▶ EHRC Guides

<http://tinyurl.com/ne5vlah>

PAY CLAIM GUIDE

Sick Pay

- ▶ The Labour Research Department (LRD) has produced a guide for trade union reps that you may find useful – Sickness absence and sick pay – a guide for trade union reps.

<http://tinyurl.com/of3esun>

Compassionate Leave

- ▶ GOV.UK guide:

<http://www.gov.uk/time-off-for-dependants/your-rights>

Parental Leave

- ▶ GOV.UK guide:

<http://www.gov.uk/parental-leave/overview>

Childcare

- ▶ GOV.UK guide:

<https://www.gov.uk/help-with-childcare-costs/overview>

Maternity Leave/Pay

- ▶ GOV.UK guide:

<https://www.gov.uk/maternity-pay-leave/pay>

Statutory Holidays

- ▶ GOV.UK Holiday entitlement link:

<https://www.gov.uk/holiday-entitlement-rights/entitlement>

Disclosure of Information to Trade Unions for Collective Bargaining Purposes

- ▶ ACAS Code: Disclosure of information to trade unions for collective bargaining purposes:

http://www.acas.org.uk/media/pdf/2/q/CP02_1.pdf

- ▶ Central Arbitration Committee: How to make, and respond to, applications or complaints to the CAC under the Information and Consultation of Employees Regulations 2004 link:

<http://tinyurl.com/pmdl4me>



—





www.unitetheunion.org

7229/DP/11-15