



Pay Claim for the Housing Sector 2018-19

MAIN HEADINGS OF THE CLAIM

This claim on behalf of Unite members across the housing association sector is for:

Pay And Pensions

- Cost of Living increase
- Enhanced Sick Pay
- Introduction of a Defined Benefit Scheme
- Agreement to undertake the Unite Equal Pay Audit

Staff Benefits

- Reduced Working Time with No Loss of Pay
- More Annual Leave
- A Significant Increase in Shift Premiums
- A Good Compassionate Bereavement Policy
- A Good Childcare Package
- Improvement to Maternity Leave Arrangements

Protection of Working Conditions

- Introduction of a New Technology Agreement
- Introduction of an Agency Workers Framework Agreement
- A Job Security Agreement for the Wellbeing of All Employees
- An Apprenticeship Agreement

Trade Union Recognition and Organisation

- Unite Recognition and Facilities Agreement
- Trade Union Access
- Establishing National Collective Bargaining Arrangements
- Disclosure of Information Agreement for Collective Bargaining
- Information and Consultation Agreement

Further Information for Unite Reps and Activists

SECTION ONE: PAY AND PENSIONS

Cost of Living Increase

- Year-on-year rises in the cost of living are a direct hit to the livelihoods of Unite members. The evidence below proves that employers must significantly increase rates of pay in this year's pay round.
- The UK's Retail Prices Index (RPI) increased to 3.3% in the 12 months to September 2018.

Retail Prices Index (RPI) Changes for the 12 months to September 2018¹

RPI BASIC ITEMS ²	THIS YEAR
All Items	3.3%
Alcohol & tobacco	3.4%
Electricity	9.3%
Clothing & footwear	5.5%
Leisure Services	5.2%
Fares & other transport costs	4.7%
All goods	3.2%
All services	3.3%

Transport Costs

- The cost of transport has increased 4.7% over the last year. This is higher than the UK's overall RPI figure.
- Transport is a basic amenity and transport inflation creates unavoidable costs, including an increase in the cost of getting to and from work. As with other core expenses, such essential travel takes up a greater proportion of our members' earnings than it does for higher paid staff within the organisation.

Electricity

- ONS data shows that the cost of paying for electricity has increased by 9.3% over the last year². This is higher than the UK's overall RPI figure.

¹ <https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation>

- These bills are a significant expense for our members, who have no choice but to meet the additional costs from elsewhere in their budgets.

Housing Costs

- In August 2018 the Bank of England increased interest rates by 0.25%. This is likely to have an ongoing knock on effect with major banks and building societies increasing their lending rates³.

Mortgage Rates

- Average mortgage rates now stand at 4.84% up from 4.60% in October 2017 - an increase of 0.24%, adding a further unavoidable burden upon many of our members⁴.

Ability to Pay

- The housing association sector has grown in health annually over a long period, during which heightened merger activity has enabled considerable savings through efficiencies. Turnover has continued to increase and surpluses (profits) have repeatedly hit record highs.
- Much of the increased surplus has been driven by non-social housing activities which are becoming an ever larger part of association's business strategy. In broad terms:
 - Housing associations own a property portfolio reaching around 3 million units, with most of the growth in more valuable general needs housing.
 - The gross value of housing association properties is approaching £1.5 billion.
 - Housing associations are consolidating with less than 5% of housing associations now owning more than half of all the sector's stock.
 - A massive 95% of the sector's stock is owned by just 332 of the 1,500 active landlords.
 - In 2017 the operating surplus across the sector was up 15.6% to an impressive £5.55 billion overall.
 - The sectors operating margins are around 30%, far outstripping the average for publicly listed companies.

² <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/dogd/mm23>

³ <https://www.bankofengland.co.uk/monetary-policy/the-interest-rate-bank-rate>

⁴ Moneyfacts October 2018 p1

Employment and Management Costs

- The considerable wealth of the sector has not been invested in staffing levels, decent pay, or developing staff skills through training. In fact, the opposite has been true.
- Overall management costs fell by 7.3%.
- Employment costs were down by 6.6% in one year⁵, falling to £3.37 billion, despite special pension costs in the sector not expected to repeat in the short run.
- The numbers employed in the sector fell by 3,397 to 99,417.

Executive Pay

- By contrast, the opposite has been true for the executives, who now enjoy luxury lifestyles far beyond the reach of the ordinary, working people their organisations were established to help.
- Inside Housing magazine (September 2018) reports that the sector has awarded year-on-year inflation busting average pay increases, alongside generous pension provisions, for Chief Executives for most of the last decade.
 - Half of sector CEOs enjoyed average rises of 4.3% in 2018.
 - PfP's David Cowans is the highest paid CEO on £591,256.
 - Anchor Trust's CEO received an increase of 17.7% taking her salary to £414,288.
 - Clarion's CEO took home £397,576, a rise of 5.7%, following 15% in the previous year.
 - Sanctuary Group's David Bennett received a 7.2% rise to £382,000.
- The sector continues to be financially healthy as their executives pocket ever expanding salaries. Yet these same executives plead corporate poverty to staff when their pay anniversary approaches. Instead of their fair share of the wealth that they have created, they are told to work harder for less, tolerate pension reductions, and work under ever increasing performance pressures whilst being grateful for a job.

Sources

- **Statistical Data Return:** Private Registered Provider Social Housing Stock in England. The SDR provides aggregate data on stock size, types, location and rents at 31 March each year, plus data on sales and acquisitions made between 1 April and 31 March.
- **Global Accounts of Housing Providers:** This sets out information such as registered providers' income and costs, the value of their housing assets and the level of borrowing that they have. The report gives an overview and the spreadsheet provides data on the individual housing associations although this is often a year behind the current housing association's accounts.
- **Sector Risk Profile:** Primarily aimed at the boards of registered providers, this report is intended to help provide a better understanding of those risks in an increasingly complex and diverse sector.

⁵ <http://yourvantage.co.uk/wp-content/uploads/2017/10/Social-Housing-Financial-State-of-the-Sector-Report-FY2016-17.pdf>

A Substantial Increase in Pay (across all grades and allowances)

- On the grounds set out above, our members are demanding a Substantial increase in all pay grades and allowances.

Enhanced Sick Pay

- Our claim calls for improvements to the enhanced sick pay scheme across the whole of the organisation. Forcing staff into work because they are threatened with loss of earnings or performance management exposes both the employer and employee to legal risk, especially for staff coming into contact with vulnerable clients. Furthermore, studies have shown that failure to provide sufficient enhanced sick pay adversely affects productivity by encouraging presenteeism (ill workers attending work)⁶.

Introduction of a Defined Benefit Scheme

- In the 21st Century, all employees in a civilised country should receive decent occupational pensions. Studies have shown that pensions are the company benefit valued most by employees. Employee benefits specialist Thomsons found that employees rate a decent company pension above private medical insurance, extra holiday or childcare vouchers.
- Negotiations with Unite reps on the pension scheme should include but not be limited to:
 - The right of reps to negotiate on the employer contribution rate
 - Agreed retirement age for all members of the proposed scheme
 - Meaningful disclosure of pension information
 - Pension benefits fully recognised as terms and conditions in all existing and future contracts of employment
 - Early implementation of the requirement for 50% member trustees with all trustees selected by members of the scheme or their elected representatives
 - Joint management committees to be established to oversee the operation of all non-trust based arrangements

Source

<http://www.telegraph.co.uk/sponsored/finance/pension-autoenrolment/10744934/pensions-motivate-staff.html>

⁶ <https://academic.oup.com/oep/articleabstract/54/4/669/2361854?redirectedFrom=fulltext>

Agreement to Undertake an Equal Pay Audit

- Our members have raised concerns regarding the levels of pay for men and women across the sector.

Examples of Gender Pay Gap Across the Sector

Organisation	Surplus	CEO pay	Gender Pay gap mean 2017	Gender Pay gap median 2017
Catalyst	£143,623,000	£208,669	-0.5	-0.3
Hyde Housing	£219,236,000	£273,519	-12.9	-4.1
L&Q	£532,071,000	£348,230	-16.6	-9.5
Onward Homes	£63,139,000		-8.9	-11
Riverside HA - Liverpool	£293,890,000	£195,279	-8.1	-6
St Mungos	£86,181,000	£145,005	1.1	-0.1
Thirteen Group (Hudson Quay)	£37,520,000	£162,000	-7	-0.2

- Paying women less than men is illegal. Under the Equality Act 2010, women are entitled to equal pay with men doing equal work⁷. Ensuring that this is happening in the best interests of every organisation. As the Equalities and Human Rights Commission states *"Pay systems that are transparent and reward the entire workforce fairly send a positive message about an organisation's values and ways of working"*⁸.
- As a consequence, our members demand that equal pay audits are implemented without delay, regardless of whether the staffing levels meet the statutory threshold above which they are bound to report. The audit should be organisation wide and must have the active involvement of all union reps, in both its planning and execution.
- As a minimum, this audit should:
 - Identify any differences in pay between men and women doing equal work
 - Investigate the causes of any differences in pay between men and women doing equal work
 - Eliminate any instances of unequal pay that cannot be justified

⁷ <https://www.equalityhumanrights.com/en/multipage-guide/equal-pay-audit-larger-organisations>

⁸ <https://www.equalityhumanrights.com/en/advice-and-guidance/importance-equal-pay>

SECTION TWO: STAFF BENEFITS

Reduced Working Time with No Loss of Pay

- Numerous studies including those by the Department of Epidemiology and Public Health, University College London and the Finnish Institute of Occupational Health have proved that overwork causes stress, can lead to all sorts of health problems, including impaired sleep, depression, heavy drinking, diabetes, impaired memory, and heart disease⁹.
- A growing body of research further suggests that working long hours is not only bad for workers but also employers, with a negative impact on absenteeism, quality of work and turnover. By contrast, a reduction in working hours without any related impact on pay represents a win-win scenario for both employer and staff¹⁰.

More Annual Leave

- Extensive research carried out by the International Labour Office (a UN agency), has demonstrated that there is a direct link between paid annual leave and increased productivity. It can contribute to towards reducing absenteeism, enhance worker motivation and promote wellbeing in general.
- Scientists from the University of California and Harvard have found that holidays dampen stress, boost the immune system and lower levels of proteins linked to dementia and depression. The sector should demonstrate its commitment to the wellbeing and happiness of its workforce by increasing holiday entitlements.

A Significant Increase in Shift Premiums

- Shift work has been linked to chronic diseases and illnesses including an increased risk of certain cancers and heart disease, as well as multiple sclerosis, arthritis, gastrointestinal problems, metabolic problems, ulcers and obesity.
- Beyond physical conditions, studies also show that shift work is associated with mental health problems like insomnia, excessive fatigue, anxiety and depression.
- Shift work can also have a very negative impact on social and family life, with the stress caused by waking at odd times can negatively impact on employees' relationships with those around them.
- There are cost implications too. Those wishing to reduce the negative effects of shift work are obliged to expend additional time and expense on health and wellbeing strategies.

⁹ <https://www.ttl.fi/en/research-and-development-projects/wow/>

¹⁰ <https://academic.oup.com/eurheartj/article/38/34/2621/3958185>

Sources

- <http://ard.bmj.com/content/69/4/679>
- https://www.mja.com.au/system/files/issues/199_03_050813/glo10440_web_fm.pdf
- <http://oem.bmj.com/content/72/2/100.short>
- <http://onlinelibrary.wiley.com/doi/10.1002/ijc.29400/full>
- <http://www.sciencedirect.com/science/article/pii/S0749379715007606>
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- <https://link.springer.com/book/10.1007/978-3-319-42286-2>

A Compassionate Bereavement Leave Policy

- Finding the best way to deal with work when someone close to an employee has just died can be difficult and stressful for both the worker concerned and for management. On the other hand, Government research establishes that by implementing a supportive compassionate bereavement policy an employer *"demonstrates that the organisation values its employees, helps build commitment, reduces sickness absence, and retains the workforce"*.
- Having an effective scheme in place is also helpful for managers, who can fall back on written policy and spared the ordeal of having to assess the situation by themselves¹¹.
 - Compassionate leave without loss of pay;
 - Confidentiality around the details of the bereavement;
 - Possible impacts on the bereaved worker's work or performance; and
 - Accommodating religious or cultural mourning rituals

A Good Childcare Package

- Our members have raised concerns about childcare provision and would like to address this in this pay claim. Affordability of childcare has become an increasingly difficult challenge for many families – rising four times faster than wages since 2008¹².
- This should not only be a concern for our members. Not offering adequate childcare support can have a significant impact on the recruiting and retaining workers. It is especially important for women and providing a good childcare package demonstrates a real commitment to equal opportunities. However, it is not only an issue for women. Figures show that 69% of fathers would consider their childcare options before applying for a promotion or a new job¹³. Given this, our members are asking housing associations to

¹¹ <http://www.acas.org.uk/media/pdf/7/a/Managing-bereavement-in-the-workplace-a-good-practice-guide.pdf>

¹² <https://www.tuc.org.uk/news/cost-childcare-has-risen-four-times-faster-wages-2008-says-tuc>

¹³ https://www.workingfamilies.org.uk/wp-content/uploads/2017/01/Modern-Families-Index_Full-Report.pdf

negotiate good childcare packages for the whole workforce including a range of options to suit the various childcare needs of our members.

- Childcare options could include:
 - Workplace nurseries
 - Directly contracted childcare with a local provider(s)
 - Childcare vouchers

A Good Maternity Leave Policy

- The law entitles all pregnant employees to 52 weeks' maternity leave made up of 26 weeks' Ordinary Maternity Leave and 26 weeks' Additional Maternity Leave¹⁴. However, pregnant women continue to suffer pregnancy discrimination and unfair treatment. Implementing a good Maternity Leave Policy that allows pregnant workers have the confidence to exercise decent maternity rights and retain their jobs improves the lives of workers and their families. It also benefits employers by:
 - Improving loyalty and commitment from workers
 - Improving motivation and productivity
 - Improving staff retention/reducing turnover – leading to cost savings
 - Lowering rates of absenteeism and easier to manage sickness policies
 - Improving corporate image and recruitment
 - Improving equality of opportunity, diversity and inclusion
- With this in mind our members are asking for associations to negotiate good Maternity Leave Policies without delay. This should include:
 - The right to return to the same job
 - Flexible working arrangements
 - Keeping absent parents informed about key workplace developments
 - Possible extensions to the leave period In special circumstances
 - Maintenances of all contractual benefits during Maternity Leave
 - Refresher training on return to work
 - Paid time off for post-natal clinics or parenting classes
 - Keeping in Touch (KIT) days
 - Making it explicit that pregnancy is not to be equated with sickness
 - Facilities for breastfeeding mothers to safely express and store milk

¹⁴ <http://www.unitetheunion.org/uploaded/documents/Unite%20Family%20Rights%20Guide%20sept1511-24061.pdf>

SECTION THREE: PROTECTION OF WORKING CONDITIONS

Introduction of New Technology Agreement

- The introduction of new technology in the workplace can present specific challenges as well as opportunities for management, individual workers and the union. This will require good coordinated industrial relations across the organisation. The agreement should:
 - State that the introduction of new technology will not be made unilaterally but by mutual agreement with union representatives;
 - It should include a process for the introduction of new technology and for relevant information to be monitored by the union, with the time and resources to engage in issues arising from it;
 - Not using new technology to advance one group of workers against another;
 - Re-training and skills training for all, including apprentices;
 - Fair use of monitoring and surveillance, with an emphasis on protecting the safety and well-being of staff;
 - Investment in technology which supports the well-being of lone workers;
 - Clear and fair rules on personal use of new technology;
 - Prevention of potential negative health and safety issues; and
 - Ensuring fairness and equality

Agency Workers Framework Agreement

- Research carried out by Investors in People shows that many issues experienced by agency workers impact on stress in the workplace including lack of job security, lack of clarity of job role and feeling undervalued¹⁵.
- To address this important issue, our members demand that all agency workers be entitled to parity in pay and conditions from day one of employment and agreement to the Unite Agency Workers Framework Agreement without delay.
- Beyond parity from day one, employers should agree to:

¹⁵ <https://www.investorsinpeople.com/sites/default/files/IIP%20Health%20and%20Wellbeing%20Guide.pdf>

- Only use agency workers with the full knowledge and agreement of the union;
- Provide the union with regular communication regarding their labour forecasts and the disclosure of all cost data used by them to inform their decisions.
- Include all workers within the current collective bargaining agreement and other arrangements, with Unite the Union, regardless of their employment status; and
- Ensure that agency workers have the right to time off with pay to meet with union representatives to discuss issues relevant to the workplace, and be allowed to participate in union elections and access services provided by a union Learning Rep.

A Job Security Agreement for the Wellbeing of All Employees

- Reassurances on job security are good for both the employer and the employee, improving productivity, employee morale, health and wellbeing and labour turnover. The Advisory, Conciliation and Arbitration Service (ACAS) stresses the importance of *"job security and clear career prospects"* to *"help increase wellbeing"*¹⁶. With this in mind, housing associations should negotiate a Job Security Agreements with Unite. The job security agreement, should at no loss to terms and conditions of all employees now and in the future, cover but not be exclusive to, such areas as:
 - Contracting out of employment
 - Structured career advancement
 - Recruitment freezes
 - No compulsory redundancies

An Apprenticeship Agreement

- As many successful companies have already discovered, Unite negotiated apprenticeship programmes are an asset for employers as well as the workers of the future. They require commitment from apprentices, making them more dedicated and motivated members of the workforce. To get this commitment apprentices must be assured that their interests are being catered for and that they are getting the best possible training for their future careers. It is therefore vital that union reps are involved in all aspects of the apprenticeship programme.
- With this in mind, Unite members are calling employers across the sector to sign the Unite Apprenticeship Framework Agreement. This will ensure a good quality apprenticeship programme, which is the best way to retain knowledge and experience within the organisation while demonstrating the sector's commitment to learning and to the community. It will include:

¹⁶ <http://www.acas.org.uk/index.aspx?articleid=5031>

- Pay structure
- Working time
- Qualifications
- Union representation
- Assessments and reviews of progress
- Mentoring

SECTION FOUR: TRADE UNION RECOGNITION AND ORGANISATION

Unite Recognition and Facilities Framework Agreement

- Unite's shop stewards and representatives need to be recognised and provided with the time and resources to carry out their roles properly. This is necessary for good industrial relations to flourish. Unite is calling for a commitment from housing associations to ensure that this happens by signing Unite's Union Facilities Framework Agreement.
- Having properly resourced union representatives is not only in the interest of Unite members. Government figures have shown that the work of union reps can result in significant savings to employers through productivity gains, reducing dismissals, reducing early exits, reducing the number of Employment Tribunal cases, reducing working days lost due to workplace injury and reducing work related illness¹⁷. According to research published by Personnel Today this is recognised by most HR professionals, who agree that union reps are an *"essential part of modern employer/employee relations"*¹⁸.

Trade Union Access

- According to research published by Personnel Today most HR professionals agree that union reps are an *"essential part of modern employer/employee relations"*¹⁹. Our members wish to see a clear commitment from housing associations to the advancement of better industrial relations, by formalising access arrangements for Union shop stewards and reps to housing workers. This should include, but not be limited to:
 - Access to noticeboards to ensure awareness of union activities
 - Paid time off to consult with members via advice surgeries
 - Paid time off to support and represent individual Unite members
 - Access to inductions and the ability to speak to new starters
 - Access for all shop stewards/ reps across all departments
 - Paid time off for union training
 - Monthly reports from management on starters and leavers

Establishing National Level Bargaining Arrangements

- Numerous studies and research conducted by such organisations as Warwick Business School, the TUC and Personnel Today have all shown that trade unions are good not only for their members but also employers:

¹⁷ <http://webarchive.nationalarchives.gov.uk/+/http://www.berr.gov.uk/files/file36336.pdf>

¹⁸ <https://www.personneltoday.com/hr/hr-and-unions-relationship-cordial-relations/>

¹⁹ <https://www.personneltoday.com/hr/hr-and-unions-relationship-cordial-relations/>

- Improving communication with staff
 - Improving working conditions and practices
 - Reducing labour turnover
 - Increasing staff morale
 - Improving productivity
- Our members are agreed that national collective bargaining the key to the future success of the sector. It would enable planning and negotiation in a structured fashion to the benefit of all. National collective bargaining should cover but not be limited to the following:
- Pay bargaining including the Anniversary date
 - Pay structures and grading
 - Organisation wide terms and conditions
 - Disciplinary procedures
 - Health and Safety policy
 - Training

Disclosure of Information Agreement for Collective Bargaining

- Without accurate and timely corporate information, collective bargaining is impossible. This is recognised in Sections 181 and 182 of The Trade Union and Labour Relations (Consolidation) Act 1992. In order to promote clarity on what information is required and how and when it should be provided, Unite members are calling for housing associations to negotiate with the union in order to establish Disclosure of Information for Collective Bargaining Purposes Agreements without delay. These agreement should cover but not be limited to:
- Pay and benefits
 - Composition of the workforce
 - Performance data
 - Financial results
 - Taxation, liabilities and interest payments

Information & Consultation Agreement

- The Information and Consultation of Employees Regulations 2004 (the ICE Regulations) sets out rules for employers to inform and consult with representatives of the workforce. Evidence shows that ensuring a voice for workers in this way not only improves decision-making in organisations, it also fosters greater trust between management and workers²⁰. Unite members are therefore asking the sector to negotiate collective agreements on information & consultation which should:

²⁰ https://www.tuc.org.uk/sites/default/files/Democracy_In_The_Workplace_2014_.pdf

- Maintain and respect existing trade union agreements and structures in respect of information and consultation
- Recognise legitimate trade union representatives for the purposes of information and consultation
- Meet the requirements of the ICE Regulations as a "*pre-existing agreement*" (ICE Regulations) including a commitment to discussing structural changes to their organisations, changes in working arrangements, mergers, outsourcing, redundancies and transfers.

FURTHER INFORMATION FOR UNITE REPS AND ACTIVISTS

- **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.
- 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
- On our website you will find tools and support to help you, as Unite reps, get organised and win **Secure Work**, a **Strong Voice** and **Decent Pay** where you work. **Work, Voice, Pay** is delivered by Unite's Organising and Leverage Department, headed by executive officer, Sharon Graham. It provides:
 - Campaign Templates
 - Work, Voice, Pay guides
 - Pay and Anniversary date data
 - Pay Claim Generator
 - Work, Voice, Pay monthly
 - Employer Profile Generator
- These resources are designed to assist you, our shop stewards and representatives. They will help you to campaign for better pay and conditions for Unite members. To get access to these tools, visit <https://unitetheunion.org/work-voice-pay/>.