



Unite the Union and UNISON members'
pay claim for

PEABODY TRUST CARE AND SUPPORT

2022 - 2023

Produced October 2022

MAIN HEADINGS OF THE CLAIM

The claim on behalf of our members is for:

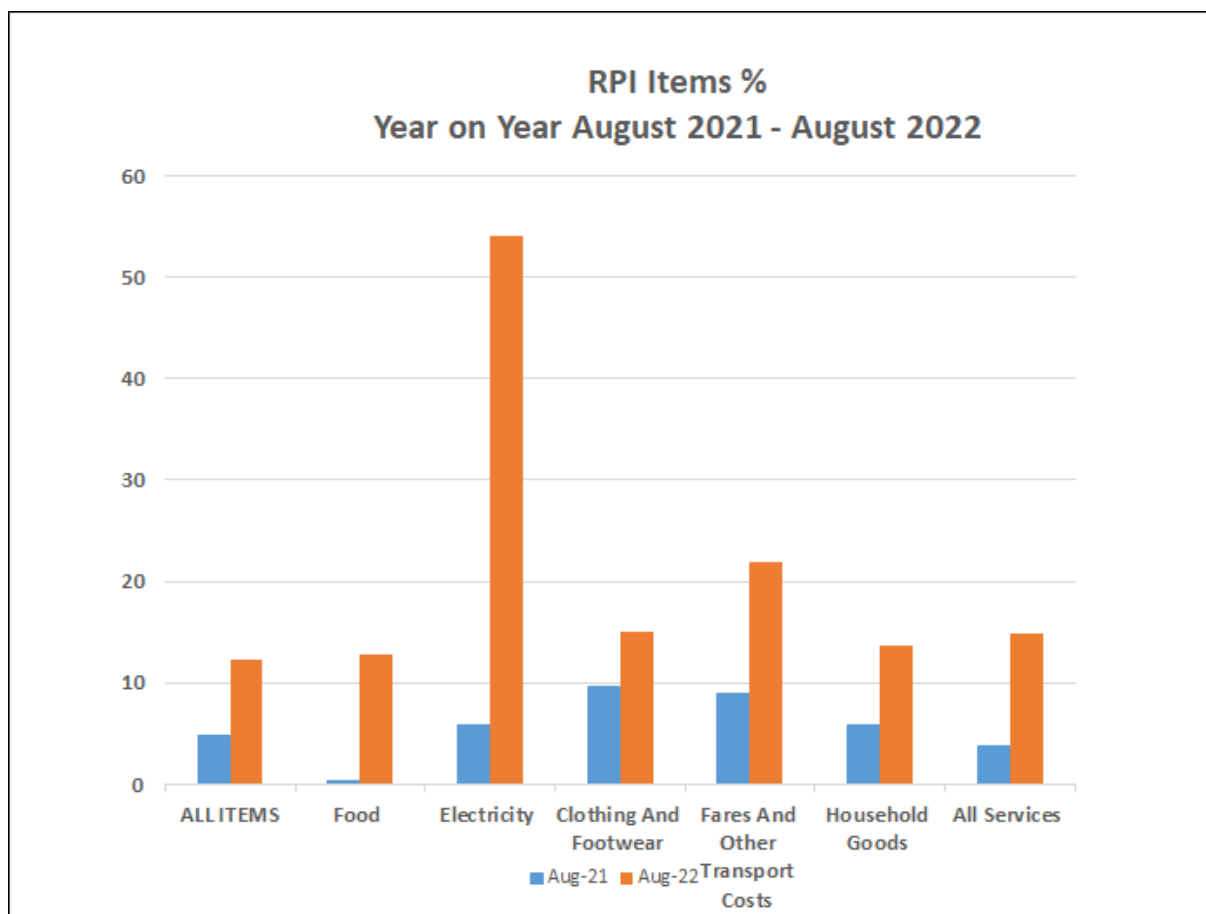
- A £2,000 per employee consolidated increase in pay;
- An Increase in Holiday Entitlement to match staff in the rest of the Peabody Group
- Increases to the mileage rates paid for essential and casual car users.

THE COST OF LIVING

Year-on-year rises in the cost of living are a direct hit to the livelihoods of Unite members. While Peabody can plan to offset the inflation of its operating costs, this option is not open to our members outside of this claim. The evidence below proves that the employer must significantly increase rates of pay in this year's pay round.

The UK's Retail Prices Index (RPI) increased to 12.3% in the 12 months to August 2022.

Retail Prices Index (RPI) Changes for the 12 months to August 2022



Source: Office for National Statistics

Food Costs

The Office of National Statistics (ONS) has recorded that the cost of food has increased 12.8% over the last year.

This is higher than the UK's overall RPI figure.

As with other basic amenities, food price inflation creates unavoidable costs. Such items also take up a greater proportion of our members' earnings than they do for those on higher pay.

Transport Costs

The cost of transport has increased 21.9% 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. Members within Care and Support are disproportionately impacted by travel costs as the majority are front line workers.

Electricity

ONS data shows that the cost of paying for electricity has increased by 54% over the last year.

This is higher than the UK's overall RPI figure.

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 September 2022 the Bank of England increased interest rates by 0.5%. This is likely to have an ongoing knock-on effect with major banks and building societies increasing their lending rates. The changes to mortgage rates will also likely impact colleagues who are renting as landlords seek to mitigate their increased borrowing costs.

Mortgage Rates

Average mortgage rates now stand at 5.17% up from 4.4% in September 2021 - an increase of 0.77%, adding a further unavoidable burden upon many of our members. Financial analysts predict further increases with 2m mortgage holders due to renew fixed deals in the next year.

ABILITY TO PAY

Peabody's year on year performance was excellent and the organisation still delivered a very impressive set of headline financial figures.

Peabody 2022 Annual Performance¹

	2022	2021	Change
Turnover	£664m	£630m	+5.4%
Operating Surplus	£213m	£195m	+9.2%
Turnover per employee	£236,467	£221,286	+6.9%
Employees earning £100k+ pa	66	61	+8.2%
Executive Emoluments	£2,791,082	£2,364,757	+18%

We therefore find that this claim is affordable, fair and reasonable and that it is particularly important at this time for Peabody to show that it values its employees.

Unite members disagree with management's previous justifications for below-inflation pay rises which focussed on the decisions of other organisations, such as peers in the G15 Group. We wish to have a discussion with management about the organisation's own financial position and our value to this organisation as staff.

¹ Peabody Annual Accounts 2022.

ITEMS OF THE CLAIM

A £2,000 Consolidated Increase in Pay (across all Care and Support grades and allowances)

Our members note that the current claim is for a “partial” year following Peabody’s acceptance that it was not justifiable for Care & Support staff to wait until mid-2023 for a pay award following the previous round in late-2021.

We note the increases in the Real Living Wage which Peabody is committed to observing. The increase is 90p an hour in London, and £1 an hour outside the capital. An employee who was on the RLW previously will therefore gain a maximum of £1,940 a year based on a 37.5h week. Our claim is designed to ensure that the spacing and integrity of Peabody’s pay structure is retained and to ensure that there is proper reward and incentives for career progression.

This claim also benefits the lowest paid staff as a proportion of income. The Institute of Fiscal Studies’ analysis has shown that the current Cost of Living crisis is felt particularly acutely by those with the lowest incomes due to the necessity for all households to buy food and energy, regardless of income.

An increase in Holiday Entitlement

Better Paid Annual Leave Enhances Productivity: 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 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. Surveys by the National Care Forum have shown that the primary reason for staff leaving the profession is stress (50% give this reason). The difference in annual leave is having a negative impact on morale within the directorate, as one Care & Support member reported ‘this makes me feel less important than someone sitting at a desk in an office’.

With this in mind, Unite believe that Peabody should demonstrate its commitment to the wellbeing and happiness of its workforce by increasing holiday entitlements to match those of other workers in the Peabody Group.

An increase in mileage rates

As is noted above the cost of fuel has increased significantly. Our members who are required to drive for work purposes have advised that they do not believe they are adequately reimbursed for mileage. We note that HMRC have not increased the levels at which they set guidance for per mile rates, however other providers in the sector have agreed and implemented additional increases even though this brings the level above the tax free amount set out by HMRC.