**PAY CLAIM FOR 2019-20**

**SUBMITTED BY UNISON**

**TO SODEXO COMMUNITY REHABILITATION COMPANIES**

**1. INTRODUCTION**

This pay claim is submitted by UNISON on behalf of staff working for Sodexo Community Rehabilitation Companies.

The claim seeks parity with pay for the National Probation Service as at 1 April 2019 with a minimum underpinning increase of 3% for all staff.

Reforming the pay sine will provide the Employer with a pay system that aids recruitment and retention and for Employees recognises the following key points:

* Major increases in the cost of living over recent years have significantly reduced the value of staff wages;
* Appropriate reward is needed to sustain the morale and productivity of staff in their crucial role of delivering high quality services;
* Appropriate reward is needed for the increased workload and stress placed on staff against a background of major budget cuts;
* Average pay settlements across the economy have been running ahead of those received by Sodexo CRCstaff over recent years, increasing the likelihood of recruitment and retention problems in the long term;
* Increased vacancy rates across the economy make a competitive wage rate ever more crucial;

**2. SUMMARY OF CLAIM**

We are seeking:

* A minimum **3%** increase for all Sodexo CRC employees to be achieved through the payment of an annual increment on 1 April, restructuring of the pay spine and an unconsolidated payment if necessary.
* A restructuring of the pay Spine
	+ For Band 2 we are seeking a reduction from 19 Pay Points to 5 Pay points
	+ For Band 3 we are seeking a reduction from 20 Pay Points to 5 Pay points
	+ For Band 4 we are seeking a reduction from 20 Pay Points to 5 Pay points
	+ For Band 5 we are seeking a reduction from 14 Pay Points to 4 Pay points
	+ For Band 6 we are seeking a reduction from 19 Pay Points to 5 Pay points

To achieve this restructuring of the pay spine staff will move from their pay point as at 1 April 2019 to a new pay point equivalent to the appropriate NPS Pay Point.

* Sodexo CRCs to offer the Local Government Pension Scheme to new starters.

**3. FALLING VALUE OF PAY**

The table below demonstrates the major fall in living standards suffered by staff over recent years.

|  |  |  |
| --- | --- | --- |
|  **Year** | **Probation/CRC pay increases** | **Rise in cost of living[[1]](#footnote-1)****(as measured by Retail Prices Index)** |
| 2010 | 0% | 4.6% |
| 2011 | **0%** | 5.2% |
| 2012 | **0%** | 3.2% |
| 2013 | **1%** | 3.0% |
| 2014 | **0%** | 2.4% |
| 2015 | **0%** | 1.0% |
| 2016 | **0%** | 1.8% |
| 2017 | **1%** | 3.6% |
| 2018 | **1.5%** | 3.3% |

This means that, while the cost of living has risen by 31.1% over the last nine years, pay in Sodexo CRCshas risen by just **3.5%** which means that thousands of pounds have been cut out of the value of staff wages.

Latest inflation figures have now hit 2.7% and Treasury forecasts indicate that the cost of living is set to average 3.2% throughout 2019, followed by three further years of inflation running at over 3%, in line with the graph below.

Source: HM Treasury, Forecasts for the UK Economy, November 2018

**4. FALLING BEHIND AVERAGE PAY RATES**

The ability of **Sodexo CRCs** to attract and retain staff in the long term will be damaged if the pay of its staff falls behind the going rate in the labour market.

The table below shows that pay settlements over the last year across the economy have been running at 2.8%, which stands in contrast to the most recent Sodexo CRC settlement of 1.5%.

|  |  |
| --- | --- |
| **Sector**  | **Average pay settlements** |
| Across economy | 2.8% |
|   |   |
| Private sector | 2.8% |
| Public sector | 2.2% |
| Not for profit | 2.5% |
| *Source: Labour Research Department, settlements year to July 2018*  |

The table below shows that pay settlements have not only been running behind economy averages this year, Sodexo’s CRC pay rates have been growing steadily more uncompetitive over a sustained period.

|  |  |  |
| --- | --- | --- |
| **Year** | **Average pay settlements** | **Probation/CRC pay increases** |
| 2010 | 2.0% | 0% |
| 2011 | 2.5% | **0%** |
| 2012 | 2.5% | **0%** |
| 2013 | 2.5% | **1%** |
| 2014 | 2.5% | **0%** |
| 2015 | 2.2% | **0%** |
| 2016 | 2.0% | **0%** |
| 2017 | 2.0% | **1%** |
| 2018 | 2.5% | **1.5%** |

**5. RECRUITMENT AND RETENTION PRESSURES BUILDING**

With the unemployment rate at its lowest level in 43 years and vacancies escalating across the economy, competitive wage rates are becoming ever more crucial.

The general unemployment rate has been in decline from a peak of 8.5% in 2011 to 4% over the three months to November 2018, while the number of unemployed people per vacancy has fallen from 5.8 to 1.6 over the same period.

Unemployment rates are forecast to remain around current levels over the next year, averaging 4.1% in 2019[[2]](#footnote-2).

However the greatest pressure on the recruitment and retention is likely to come as a result of the new National Probation Service Pay Award and uncertainty about the future of CRCs as a result of the failures of TR and Government proposals for further reorganisation.

**6. MORALE UNDER THREAT**

Working against a background of the failures of the Governments TR reform, staff have been facing greater workload pressures. The resulting increased stress puts the morale of the workforce at risk and poses a long term threat to Sodexo CRCs ability to provide a consistent quality of service.

**7. CONCLUSION**

There can be no doubt that all Sodexo CRC staff have seen the value of their earnings fall considerably over recent years and evidence suggests that they are also falling behind pay settlements for comparable jobs.

Combined with these developments, the last year has seen intensified pressures placed on staff at the same time as greater job choices are opening up for staff in an improving labour market.

Therefore, this pay claim represents a very reasonable estimate of the reward staff deserve for their dedication, skill and hard work and the minimum improvement in pay needed to maintain workforce morale for delivering consistently high quality services.

1. Office for National Statistics, Consumer Price Inflation Reference Tables, March 2018 [↑](#footnote-ref-1)
2. HM Treasury, Forecasts for the UK Economy, January 2019 [↑](#footnote-ref-2)