



Pay  
Claim to  
TfL

June 9

2016



## INTRODUCTION

### Genuine negotiation and engagement

Clearly there is a need to establish whether there is any genuine commitment on the part of TfL to undertake meaningful negotiation and engagement with TSSA regarding pay and pay related matters. A number of existing commitments, agreed by TfL during the 2014-5 pay talks, have yet to be fulfilled, and this does not give us confidence. Moreover, a foundation stone of meaningful negotiation is having the decision makers in the room, as in London Underground pay talks. Whilst we are moving forward with this year's talks in the spirit of making progress, we are seeking assurances that there will be direct engagement and negotiations with members of the TfL senior management team, including the HR Director.

It was recently announced by the Mayor and TfL Commissioner that there will be a fundamental review of TfL's organisational structure to review management layers and eliminate wasteful duplication across all its functions, including bringing together engineering operations and IT departments (estimated saving £20-25m). In view of this 'mood music' it is no great surprise that job security is a core concern of our members. TSSA seeks genuine engagement and consultation regarding these changes as part of the wider discussion on affordability, expenditure and organisational change.

## PAY

### Pay award

We are seeking a pay settlement that is fair, consistent and equal. We remain in dispute regarding the imposition of Pay for Performance (PfP) and seek a consolidated pay rise for all staff in Bands 1-3 which meets the following criteria:

- Parity with LUL, as a minimum. TSSA is generally supportive of a multi-year deal which gives greater certainty to staff.
- Consistency across TfL grades:

TSSA was deeply concerned to discover that the budget for pay increases for Bands 4-5 was 1.5% in 2014-15, and 3% for Directors, by comparison with the 1% budget for Band 1-3 pay rises. We believe that the percentage budget allocated for pay rises should be the same for all staff in Bands 1-5, the areas in which we have recognition.

Additionally, the maximum performance award (paid to only 0.5%) payable to Band 1-3 was 7%, compared with 15% for Band 4-5, 20% for Directors and 50% for the TfL Commissioner. Under PfP there are now growing numbers of Band 2-3 staff within 'Zone E' (i.e. above the lowered band maxima), including a significant number transferring from LUL, with niche skills and people management responsibilities, who have received no consolidated pay rises, whilst receiving bonuses significantly lower than senior managers. TSSA believes that there should be consistency between percentile awards for given levels of attainment across all pay bands.

### Pay Ranges

The increases in Bands 2-3 minima and maxima over 2015-16 have been less than inflation and for Band 1 these have remained the same, increasing the number of staff subject to a

pay freeze. TSSA does not believe that current annual system of reviewing pay ranges using benchmarking data is adequate or fit for purpose.

It is our view that the initial benchmarking exercise conducted by Towers Watson as part of the development of PfP, and setting of new pay ranges, was deeply flawed and did use appropriate comparators to establish market rates. As a consequence, and exacerbated by the continuing reference to these 'market rates', TfL is experiencing significant difficulties recruiting and retaining staff in a number of key areas, leading to a reliance upon expensive NPL, because the salaries offered do not reflect the expectations of applicants.

It is TSSA's view that pay band minima and maxima should be increased in line with the annual pay award, and that the current benchmarking process be fully reviewed.

### **Fair and equal pay**

The current TfL pay system is complex, opaque and inequitable; a situation which has been worsened by the imposition of the Pay for Performance system. There are approximately 25-30 separate grades within TfL, many of which date back to predecessor organisations, and the guidance criteria for determining salary on appointment or promotion are not implemented in a fair and consistent manner.

Given TfL's lack of willingness to engage with us regarding the issue of fair and equal pay, TSSA is currently collating evidence of the pay inequalities within TfL Professional Services, Rail and the non-operational areas of Surface Transport, and across TfL as a whole, with a view to raising equal pay claims.

TSSA therefore welcomes TfL's recent commitment to the Mayor that they will conduct an equal pay audit and will act upon the results. We are keen to be part of that discussion and process, to which we will bring knowledge and expertise, and are seeking a specific commitment by TfL to conduct a review of the current pay system, similar to that undertaken by Network Rail, with a view to establishing a fair, transparent and equal pay system.

We would also appreciate clarification of the holiday pay entitlement of staff that work paid overtime and or shift work.

### **London Transport Museum**

As part of these talks we seek engagement about pay and reward for all staff working at the London Transport Museum, and particularly our concerns regarding the proposed starting rate of £18,000 pay for Band 1 employees. Furthermore, while of course outside the direct scope of these negotiations, we note that sub-contracted porters and cleaning staff at the museum are still being paid substantially below the London Living Wage, despite a commitment made some time ago by Boris Johnson, then Mayor of London, that all such workers within TfL would receive the LLW. TSSA believes that this commitment should be honoured immediately, and backdated to the date on which the change was implemented elsewhere in TfL, and we seek a commitment from TfL on this matter.

### **Band 1 staff**

As if to demonstrate the complexity of the TfL pay and reward system, Band 1 staff have separate pay arrangements from their colleagues in Bands 2-3. We are keen to see the arrangements for Band 1 employees reviewed, to ensure that our members in this category are not disadvantaged.

### **Job evaluation**

We are aware, and have previously brought to your attention, that there a number of staff who are band 1 over threshold and they have this status due to additional skills or responsibilities within their role or in recognition of skills and knowledge built up over a period of years across the business. Under PfP these staff are likely to experience a pay freeze for the foreseeable future. Many of these individuals have been identified by us and our sister trade union, and we have requested and are awaiting details of all Band 1 over threshold roles and post holders from TfL.

We believe that a full job evaluation should be available, on request, to all staff in Band 1 over threshold roles, in order to establish whether these roles should in fact be in Band 2 positions.

There are similarly staff in Band 2 and Band 3 who have reason to seek a re-evaluation of their roles, and these staff should have the same opportunity as outlined above. Under the new pay system adopted by Network Rail, the job evaluation process is undertaken jointly by trade union and employer representatives, and we believe that this is an appropriate way forward for TfL.

### **Recruitment and selection**

While the first meeting of the equality forum has taken place, there has been no meaningful discussion or progress in this area. TfL's own data has indicated that, at several grades, BAME applicants for positions at TfL are between a half and a quarter less likely to be appointed to a role than their white counterparts. This is clearly not acceptable and needs to be addressed.

We welcome the fact that TfL's equality strategy has a clearly stated aim of making the TfL workforce more representative of the population of London, which will involve increasing the number of women and BAME employees at all levels, and especially in senior management grades. However, it is disappointing and concerning that TfL's strategy document contains no concrete proposals on *how* this aim is to be achieved, nor even approached, by 2020.

It is the view of TSSA that there needs to be a serious review of recruitment and selection practices in general, and with particular reference to equality and diversity, and further development of training and development programmes for existing staff within under-represented communities. TSSA proposes to work closely with TfL in this area, and seeks specific engagement with regard to establishing a jointly funded development programme for women and BAME staff.

## **STRATEGIC RESOURCING**

Last year TfL made a commitment to engage with TSSA on wider issues around strategic resourcing. This has yet to take place. Given the recent announcement about changes to procurement practices, as well as NPL, it is imperative that we engage in meaningful and ongoing discussions as a matter of urgency.

### **Non-permanent labour (NPL)**

TSSA has, since at least 2004, consistently raised concerns at Company Council about the high levels of non-permanent labour within TfL (and the fact that TfL has no recorded

reason for up to 40% of these staff). TSSA has also alerted TfL of the importance of creating and sustaining proper succession planning to take account of new technologies and known future work streams - to 'make' rather than 'buy' specialist skills. To this end, TSSA and has previously sought a wholesale joint review of the use of NPL.

TSSA notes that now TfL is taking steps to improve recording of the reasons for use of NPL staff, and that the new Mayor of London is committed to reducing expenditure and reliance upon NPL. It is also important to note that TfL's NPL data does not many include consultants, who are not recorded on SAP and are paid via purchase order, and so the real numbers and costs of NPL are even higher than those currently reported.

We welcome a reduction in the use of, often very expensive, consultants and agency staff, but we are seriously concerned about the manner in which this is currently being undertaken, and the likely consequences of losing so many NPL staff so quickly. For example, there are recent instances of NPL engaged in upskilling TfL staff having had their contracts abruptly terminated, despite adding long-term value to permanent TfL employees.

A move away from the use of NPL must be managed in a co-ordinated and systematic way. Consultants and agency staff have been used in place of permanent recruitment for core roles and functions within TfL, and some of these staff have been in post for several years. As NPL staff are released in line with current TfL policy it is essential that alternative staffing and resourcing plans are in place, to ensure that TfL does not lose individuals with core skills and competencies before they have had an opportunity to transfer their knowledge and skills to permanent TfL employees, to avoid creating unrealistic and burdensome workload demands upon remaining permanent staff and in order not to put operational delivery at risk.

Information provided to staff and trade unions has thus far been piecemeal, for example, a recent announcement indicating there has been a 10% reduction in rates of remuneration for NPL. Circulation of information in this manner helps to generate rumour, confusion and panic amongst staff.

We are seeking an early assurance from TfL that its current approach to NPL is undergoing transformation into a resourcing strategy, and that TSSA will have an opportunity to contribute to the development of this approach, as well as being kept informed of ongoing developments on a regular and timely basis.

## Training and professional development

TSSA has for many years sought engagement with TfL on upskilling its permanent workforce, to counter the shift to 'buying' rather than 'making' skills. There is a lack of consistent training and development opportunities across TfL not helped by the fact that historically training is sited within different employers (TfL and LUL). This has prevented TfL from achieving economies of scale, and formulating a pan-TfL strategy to pump-prime and support proper succession planning, so reducing reliance on expensive NPL.

Recent decisions to impose a blanket ban on sponsorship and external training will reduce further the limited development opportunities available to permanent staff. If TfL is to reduce its expenditure and reliance on NPL then it must invest and develop its existing staff.

We are therefore seeking an immediate and ongoing joint review of NPL usage, training and development and recruitment and selection, with the aim and purpose of developing a strategic resourcing and succession planning model that is more equal, more affordable and maximises the potential and opportunities of all staff, present and future.

## WELLNESS AND BECOMING A BEST PRACTICE EMPLOYER

TSSA seeks engagement with TfL on an ongoing basis in order to develop TfL as a positive working environment and to promote wellness and well-being amongst staff. In this regard there are a number of key issues to be addressed:

- **Job security:** we are aware that TfL is planning a major restructure in the next year, but we have yet to be briefed upon what this does or doesn't mean. It is essential that TfL provides us with updates and information on an ongoing basis, and engages in full and meaningful consultation regarding any organisational change. To fail to do so will lead to rumour, speculation and misinformation, increasing stress levels - and corresponding absences - amongst staff.
- **Causes of sickness absence:** TfL's own data identifies, consistently, the primary causes of sickness absence as being mental health and musculo-skeletal issues. These are, in many cases, symptoms and consequence of work-related stress, a culture of working long hours, inappropriate/inadequate working environments and facilities and un-informed people management styles.

TSSA seeks positive and constructive engagement with TfL, in order to work together to address the underlying issues and causes of these two significant causes of absence. If implemented effectively, a positive wellness strategy will help to make TfL an employer of choice, improve performance and reduce the occurrence and costs of sickness absence.

- **People management:** as discussed at Company Council this year, TSSA seeks a joint TfL and trade union analysis review of the impact and effectiveness of the Managing Essentials training programme to date, and consideration of next steps for training in people management. This is particularly the case given TSSA's experience of handling an increase in the number of grievances related to bullying and harassment.
- **Personal case management:** TSSA is experiencing an increase in the number of personal cases amongst members and, noticeably, an increase in the length of time taken to resolve disciplinaries and grievances. It is not unheard of, nor even unusual, for a grievance to take 6-9 months to reach a conclusion. This is not best

practice and leads to increased stress and anxiety amongst members, often leading to additional problems and sickness absence. There is a need for the trades unions and TfL HR to jointly address the management of personal cases, and to identify how this process can be improved.

TfL has provided some information regarding the number and detail of personal cases, but this is not comprehensive or complete. It is essential that we receive full details of all personal cases, and that we jointly examine the reasons why BAME staff experience higher levels of grievances and/or formal disciplinary action.

- Flexible working: this remains an area of concern amongst staff, and it is our experience that - whilst recognising the varying requirements and expectations of different roles within TfL, flexible working arrangements are not applied nor made available consistently across the organisation.

## SUMMARY OF CLAIM

- Meaningful negotiation and engagement on pay and terms and conditions#
- Negotiations to involve the TfL decision makers, including face to face engagement with members of the TfL senior management team, including the HR Director
- A consolidated pay rise for all staff in bands 1-3 that is at least in line with the settlement paid to staff in LUL
- A commitment to ensure that sub-contracted staff in London Transport Museum are paid the London Living Wage, as pledged by the previous Mayor of London
- A review of the current pay system, similar to that carried out in Network Rail, with a view to establishing a fair, transparent and equal pay system
- If requested, job evaluation of roles for staff earning over the new pay band maxima in bands 1-3 (i.e. band 1 (over threshold) and bands 2-3, top of zone D and zone E); a review of the current job evaluation process.
- TfL/trade union review of band 1 pay and reward arrangements
- TfL/trade union review of recruitment and selection procedures, particularly with regard to increasing equality and diversity amongst the TfL workforce
- A review of the use of non-permanent labour, training and professional development and recruitment and selection procedures with a view to establishing a systematic and co-ordinated approach to strategic resourcing, and increasing the diversity of the TfL workforce in line with the population of London
- Full and timely consultation and provision of information about TfL strategy, policy and organisational change
- TfL/trade union review of the causes of sickness absence, with a view to reducing the two primary causes: mental health and musculo-skeletal conditions
- TfL/trade union analysis and review of the outcomes of the Managing Essentials training programme and consultation on next steps
- TfL/trade union analysis and review of personal case management processes and procedures and their implementation and operation
- TfL/trade union examination and review of the Flexible Working Policy and its operation and implementation within TfL