London Weighting Claim For 2019
Submitted by UNISON, UCU and UNITE to Kings’ College London

1. Introduction

This LW claim is submitted by UNISON, UCU and UNITE on behalf of staff working for Kings’ College London.

The claim is set at a level that we believe recognises the following key points:

- Major increases in the cost of living in London over recent years have significantly reduced the value of staff wages;
- Appropriate reward is needed to sustain the morale and productivity of staff working and living in London 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 uncertainty;
- Average LW settlements across the economy have been running ahead of those received by Kings’ College London staff over recent years, increasing the likelihood of retention problems in the long term;
- Kings’ College London is falling behind the rate recommended by Trust For London.

2. Summary of the Claim

We are seeking a £1,500 increase on the LW from £3,500 as per August 2019 to £5,000.

3. Background to the claim

Kings’ College University London Weighting (LW) was frozen at £2,323 from 1992 until a joint trade union campaign required KCL to address the issue in 2016. The Joint Trade Union claim in 2016 was for an immediate uplift in London Weighting to £4,000.

After a series of negotiation meetings, KCL made a final offer that would see LW rise in stages (From 1st August 2016 it increased to £2,623 per year, and subsequently every 1st August of each consecutive year - 2017 to £2,923, 2018 to £3,223, and the final increment will be in 1st August 2019 increasing to £3,500). The unions welcomed these increments, but we have made it clear that this falls short of the original claim of £4,000 and since 2016 life in London has become increasable and incredibly expensive.

3.1. Differences in living costs across the UK

While many dimensions of living expenses cost the same throughout the UK, certain aspects of expenditure do vary markedly. The dominant factor in those variations is housing costs,
but the scale of commuting costs in some areas can also add significantly and certain types of services, such as child care, build in further differentials.¹

The summary below shows the contrasts, principally in terms of UK averages against London and the South East.²

### 3.2. Housing costs

Across England and Wales, the average house price stood at £302,251 in July 2018, having grown 1.7% over the previous year. The average house price in Greater London was more than double that figure at £625,529, having grown 2.7% over the previous year. Therefore, the Greater London growth rate has been 1% higher than the England / Wales average over the last year. For example, over the last five years, London house prices have risen 9% faster than the England / Wales average and South East house prices have risen 6% faster. A result of this is that public sector workers have been ‘priced out’ of home ownership.³

A similar pattern is seen in rental costs. Average monthly rent payable for a new tenancy across the UK stands at £937, which represents a 1.8% increase on the previous year. In contrast, the average rent in Greater London is £1,615, which has risen 3.3% over the previous year and puts London 72% above the UK average. Therefore, in Greater London new rental charges have been rising 1.5% faster than the UK average over the last year. Similarly, the average rent in the South East is £1,041, putting the region 11% higher than the UK average. Over the last five years, new tenancy rents have grown 11% faster in Greater London than the rest of the UK and 8% faster in the South East.⁴

### 3.3. Travel costs

The average annual spend of London households on travel, covering train, tube, bus and coach fares, stands at £1,700. That’s almost double the £900 UK average.

Similarly, the average across the South East is £1,200 per household, or 33% above the national average. These costs have risen 2% faster in the South East than across the rest of the UK.

### 3.4. Childcare costs

The average price for a part time nursery place for a child aged under two stood at £122 per week, or £6,400 per year, based on 25 hours of care every week, across Great Britain in 2017. The cost for the same amount of care in inner London stood at £184 a week (£9,600 a year), for outer London £145 a week (£7,600 a year), and for the South East £142 a week (£7,400 a year). That meant the cost premium was 51% for inner London, 19% for outer London and 16% for the South East.

In addition, inner London rates had grown 14% quicker than the general rate across Great Britain over the last year alone. Similarly, 25 hours of childminder care for a child aged under two across Great Britain in 2017 stood at £107 per week or £5,600 a year. For inner London the rate was £155 a week (£8,100 a year), for outer London £136 a week (£7,100 a year), for

---

¹ LSL Property Services, House Price Index, July 2018
² To check the latest average house prices and growth rate in any county or unitary authority of England, Scotland or Wales, click on this link [https://www.lslps.co.uk/news-and-media/market-intelligence/house-price-index](https://www.lslps.co.uk/news-and-media/market-intelligence/house-price-index)
³ UNISON has produced analysis of first time buyer house prices against a range of public sector salaries by local authority across Britain, which is available on this link [https://www.unison.org.uk/content/uploads/2018/09/Mortgages_report_final.pdf](https://www.unison.org.uk/content/uploads/2018/09/Mortgages_report_final.pdf)
⁴ To check the latest average rental prices by region, go to [https://homelet.co.uk/homeletrental-index](https://homelet.co.uk/homeletrental-index)
⁵ Office for National Statistics, Family Expenditure in the UK, February 2017
⁶ Family and Childcare Trust, Childcare Survey 2018, February 2018
the South East £122 a week (£6,400 a year). That meant the cost premium was 45% for inner London, 27% for outer London and 14% for the South East.\(^7\)

4. Further evidences and Centre for Research in Social Policy (CRSP) recommendations

The Centre for Research in Social Policy at Loughborough University, funded by independent charity Trust for London – shows that London Weighting in 2016 needed to be almost £7,700 per year in Inner London and just over £6,200 in Outer London to cover the additional minimum cost of living here. This research on a Minimum Income Standard for London looked closely not at what Londoners spend but at what they need to spend to reach a minimum living standard compared to elsewhere in the UK. This Minimum Income Standard for London shows how much higher costs are in London especially to pay for housing, childcare and transport.\(^8\)

5. Average LW settlements across the economy

Employees of other Universities in London receive considerably more LW than KCL staff, for instance, Metropolitan University have paid their staff £4,437 since 2014, University of Greenwich values London Weighting at £4,546 for support staff and University of Westminster LW allowance is for their staff is £4,716.

This means that comparatively KCL staffs have received substantially less pay than staff working for other institutions amounting to thousands of pounds over the course of the years.

6. Morale under Threat

Working against a background of staff facing workload pressures and uncertainty resulting in increased stress putting the morale of the workforce at risk and poses a long term threat to Kings’ College London’s ability to retain its staff with a considerable high staff turnover and provide a consistent quality of service.

The staff survey from 2017 is the best source for college-wide statistics:

- Only 55% feel fairly paid, 54% feel King’s offers a good pay package, 55% feel King’s offers a good benefits package.\(^9\)

- Increasing demands on the service:
  - 74% put in extra time for workload, 48% find workload too much and struggle to cope over last 12 months.\(^10\)
  - Staff feeling greater stress:
    - 40% think KCL is not interested in their wellbeing, 36% feel unduly stressed at work.\(^11\)
    - Staff suffering falling morale:
      - Only 55% feel valued by King’s (other faculty specific stats on this page as well).\(^12\)
      - 40% unsatisfied with support from King’s.\(^13\)

---

\(^7\) HomeLet Rental Index, July 2018


\(^10\) Ibid p.8.

\(^11\) Ibid p.17

\(^12\) Ibid p.6

\(^13\) Ibid p.8
The impact of these pressures showing themselves in rising sickness absence, higher staff turnover or declining service standards:
- In 2018, the NSS for KCL had a drop in overall satisfaction rate to 78.8% - 4.7% below the sector average. In addition, the PTES dropped to 80.3% in 2018 – by KCL’s own admission this is ‘disappointing’.\(^\text{14}\)
- At the February JCINC we were told there were 1658 leavers in 2017-18, 969 of which in professional services, representing a significant turnover.

8. Affordability

The affordability of this claim is clear from the latest Kings’ College London accounts, which show a surplus ‘of some £22m with cash reserves of £181m’\(^\text{15}\).
- In addition, KCL acknowledges that is ‘in a position of relative strength’ for financial uncertainty. On page 13, it goes further and says ‘King’s will continue to invest in a number of initiatives to strengthen its professional services functions. These include major investments in technology, process re-design and people’.
- The number of staff on more than £100,000 FTE has risen from 173 to 222 from 2016/17 to 2017/18. This is 3.2% of staff, compared to the average of 1.5% across all HE institutions\(^\text{18}\).
- KCL has the 6\(^\text{th}\) highest total income – 2\(^\text{nd}\) highest for London only institutions (behind UCL)\(^\text{17}\).

9. Conclusion

There can be no doubt that all Kings’ College London staff have seen the value of their earnings fall considerably over recent years and evidence suggests that the in London has increased considerably since 2016. It also shows that KCL is also falling behind LW allowance settlements at different institutions and the recommended LW allowance by the Centre for Research in Social Policy 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. The evidence shows what it costs to achieve a minimum acceptable living standard, a London Weighting of £5,000 a year could be a baseline that starts to compensate low- to middle-income London workers for the additional costs they face.

Therefore, UNISON, UCU and UNITE believe this claim represents a very reasonable estimate of the allowance staff deserve due to the increase cost of living in London, for their dedication, skill and hard work and the minimum improvement in LW needed to maintain workforce morale for delivering consistently high

\(^{13}\) ibid p.8
\(^{15}\) Ibid, p.2
\(^{17}\) Ibid