

RBG Kew Pay Offer – August 2023

Introduction

Last year RBG Kew (Kew) submitted a business case to the CO and HMT because the pay award average was in excess of 5%. This was approved in January and paid in March 2023. We have been advised that we have pay freedoms and these are in line with those afforded to DCMS Bodies.

Following pay discussions on 19 July 23 and 2nd August Kew is making this pay offer.

The TU side has not submitted a formal pay claim but indicated that their objective was for an inflation award.

Background to Proposals

1. In 2022, Kew's average award was 5.75%. The minimum an employee received was 5%.
2. Kew paid £1500 to all staff (pro-rata'd for part time), in line with the public sector pay guidance addendum. This payment was made in July 2023 and extended to Kew Enterprises, at a cost of nearly £2m.
3. June 2023 RPI was 10.7% and CPI 7.3%, which has dropped from the beginning of the year. Inflation is expected to drop to 5% by the end of the year.
4. Pay settlement data from XpertHR and ONS shows:
 - The median basic pay award to the three months to end of April stands at 6% (XpertHR) and for ONS growth in employees' average total pay excluding bonuses was 7.3% March to May
 - Largest proportion of pay deals stands at 5%.
 - The majority of pay awards are higher than the same employee group received the previous year.
 - Private sector pay growth 7.7%, and public sector 5.8%.
 - Median public sector figure for 2022 was 4%. Data limited for public sector this year, but Civil Service 4.5% +0.5%. Senior civil service 5.5%.

Aims and Challenges

Last year our key aim was to make a meaningful award to all staff regardless of their grade, in the context of two years without an award and increasing inflation.

This year's award needs to balance several different and competing challenges.

- We are looking to address general pay levels
- We have no mechanism for progression within a pay band
- We want to make a meaningful general pay award given the cost of living crisis.

In addition, our ambition is to give higher awards to those in lower grades and lower in the pay bands. There are several reasons for this including,

- the need to shorten pay ranges, particularly in lower grades, and to do this by bringing up our pay band minimums, which are either below or similar to Defra pay band minimums and as a precursor to pay progression.

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- the majority of our staff who work on site full time are in Band C and below. For Band B and below, only 16% of staff work in a hybrid way, and if Band C's are included the figure rises to 25%. For Band D and above the figure is 84%.
- Inflation can have a higher impact on the lower paid.

We will continue to honour our commitment to pay contractual pay progression to those who opted to remain in it, following the 2016 pay award. Notwithstanding this Kew has submitted a separate options paper in response to issues raised in relation to those on CPP.

Details

4. Pay contractual pay progression that still applies to those who opted to remain on contractual pay progression for the period 1 April 2023 – 31 March 2024. Giving an increase of between 2% - 3.2% depending on the grade of the employee. This is 7 employees as of 31 March 2023, down from 17 employees in the previous year. This may change depending on the outcome of CCP discussions.
5. For all other employees, Bands A-F6, they will receive a minimum consolidated increase of 5% with many staff receiving more. The average award will be 6.74%. The consolidated award will be tapered within a band, with those at the bottom of the pay range receiving more. In Bands A to D staff who receive lower than the maximum consolidated increase for their grade will have the remainder paid as a non-consolidated payment. All payments will be pro-rated. This will be comprised as follows:

Band	Pay Award	Average Consolidated Award in a Grade	Non-Consolidated Award(Pro-Rated)
A	Between 6% and 10%	9.98%	Between 1% and 4%
B	Between 5.92% and 9%	8%	Between 0.5% and 3.08%
C	Between 8% and 5%	7%	Between 0.5% and 3%
D	Between 7.5% and 5%	6.6%	Between 0.5% and 2.5%
E	Between 7% and 5%	6.1%	N/A
F7	Between 6% and 5%	5.6%	N/A
F6	Between 5.5% and 5%	5.2%	N/A

The table below shows how staff are affected in each grade. For example, in band A, no employee receives Contractual Pay Progression (CPP), 94 employees will receive 10%, 3 employees will receive between 8% and 9% and 11 employees will receive 6%. The data is at 31 March 2023.

Annex 1 shows the existing maximums and the proposed maximums.

For information those in Kew Student grade will receive £750 non-consolidated payment. They have already received 9.72% in April and the £1500 non-consolidated payment awarded in July.

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Band	Increases of between	Employees Consolidated % award	Cash Value of Consolidated increase (will be pro-rated for part time employees)	Cash Value of Non-Consolidated (will be pro-rated for part time employees)
A	6% and 10%	0 CPP 94 @ 10% 3 between 8% and 9% 1 @ 6.5% 11 @ 6%	Between £2,150 and £2,320	Between £219 and £928
B	5.92% and 9%	1 CPP 123 @ 9% 4 @ 8.5% 5 @ 8% <u>23 @ 7.5%</u> 53 between 6% and 6.8% 6 @ 5.92%	Between £2,182 and £1,595	Between £122 and £830
C	5% and 8%	2 CPP 124 @ 8% 1 @ 7.5% 105 between 6% and 6.8% 3 @ 5.85% 17 @ 5%	Between £2,259 and £1,644	Between £142 and £986
D	5% and 7.5%	1 CPP 47 @ 7.5% 25 @ 7% 68 between 6% and 6.5% 18 between 5.5% and 5.85% 5 @ 5%	Between £2,535 and £1987	Between £173 and £993

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E	5% and 7%	3 CPP 35 @ 7% 31 between 6.1% & 6.8% 56 between 5.3% & 5.9% 6 @ 5%	Between £2,383 and £2,740	N/A
F7	5% and 6%	0 CPP 28 @ 6% 21 between 5.6% & 5.8%, 18 @ 5%	Between £3,009 and £3,258	N/A
F6	5% and 5.5%	0 CPP 3 @ 5.5% 7 @ 5.25% 10 @ 5%	Between £3,551 and £3,855	N/A

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Overall:

- a) Those at the bottom of the pay bands will receive higher percentages than those at the top of the pay bands. There will be no leapfrogging within a pay band, some differentials will be reduced.
 - b) 56 employees will receive 5%.
 - c) 419 employees will receive 7.5% and above.
 - d) 470 employees will receive between 5.1% and 7.4%.
 - e) Pay ranges are being revalorised and Annex 1 shows the existing and new pay ranges. Those employees on the bottom of their current pay range will be above the new pay band minimums as we lay the groundwork for pay progression. This still allows for a reduction in pay ranges.
6. The pay award date for Kew is 1 October.
 7. All those joining Kew up to and including 30 September 2023 will receive a pay increase.
 8. No pay increase should take any employee above the existing band maximums. All awards are pro-rata'd for part time employees.
 9. All other terms and conditions will remain the same.
 10. The award alongside the £1500 non-consolidated payment represents a significant investment in pay. Circa 475 employees will receive awards over current CPI rate of 7.3%. That is 50% of staff receiving this award. They are all in Bands A to D. Of those in those grades who receive under 7.5% they will receive a non-consolidated payment worth between 0.5% and 4%.
 11. The award shortens out pay bands particularly A to C and moves existing employees above new pay band minimums in these grades. Important as we transition to pay progression.
 12. We believe this is a fair offer given the context outlined, it is affordable now and sustainable in the future and gives a meaningful consolidated pay award to every employee regardless of their grade or where they are in the pay band, whilst also giving larger consolidated pay awards for most employees in bands A to C.

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Annex 1.

Existing Pay Bands 2022

Band	Min	Max
A	£21,500	£23,202
B	£24,252	£26,947
C	£28,249	£32,891
D	£33,802	£39,759
E	£40,031	£47,675
F7	£53,250	£63,196
F6	£64,575	£77,111

New Pay Bands

Band	Min	Max
A	£23,300	£24,593
B	£26,100	£28,543
C	£30,200	£34,536
D	£36,338	£41,747
E	£43,125	£50,059
F7	£56,445	£66,356
F6	£68,127	£80,967