

LONDON AND REGIONAL WEIGHTING

BACKGROUND

The 1974 report of the Pay Board set the agenda for London weighting, recommending an extra payment to compensate for the extra costs of living in the Capital. This was based on a flat rate for inner London (up to 4 miles from Charing Cross) and a flat rate for the other London boroughs. Competition for staff in the late 1980's led to 'Roseland' allowances being introduced, covering south east England (typically Hampshire, Berkshire, Oxfordshire, Buckinghamshire, Bedfordshire, Hertfordshire, Essex, Kent, East Sussex, West Sussex and Surrey). More recently, 'hotspots' of labour shortages or high living costs mean that regional allowances or allowances for specific towns and cities have sometimes been introduced.

The public sector often did not have the resources to follow these changes, and instead ended up targeting specific groups of workers, or locations, with special pay supplements. However labour shortages and the high cost of living in London, with its knock on recruitment and retention problems, have forced the issue of London weighting to the top of the agenda. UNISON has put a claim in for a flat rate £4,000 London weighting for all staff paid by London Boroughs. Local government workers and higher education staff (and also teachers) have all taken strike action to achieve a rise in their London allowance.

TYPES OF ALLOWANCES

Although many employers still use a model based on distance from central London, others have been using a wider array of strategies in their efforts to recruit and retain staff. This can lead to difficulties in comparing different schemes.

Some of the variety of schemes used for regional allowances include national pay scales with London allowances; regional pay scales; allowances based on 'zones' and more. A number of employers now have separate London pay scales, for example teachers and some parts of the Civil Service. Some employers have a national structure with inner London and outer London allowances, some have various location allowances, including for large towns. Other employers, typically in the retail sector, have a zoned pay structure, with individual branches fitting into one of a number of zones, sometimes with a special provincial rate.

An Incomes Data Systems study into London Weighting in August 2004 found that 70% of the organisations surveyed paid a free standing inner or central London allowance to their staff.

Free-standing inner London allowances now exceed or equal £4,000 for a number of public sector groups, including postal workers, prison officers and firefighters. The combined London weighting and London allowances for police officers in London is now £6,276

(IDS HR study 802 'London allowances' is available from the Bargaining Support Group).

IDS have also produced a study into Regional Pay, which supplements the London Weighting study and looks at some of the wider issues

(IDS Report 872 containing 'Regional Pay' is available from the Bargaining Support Group).

UNISON ADVICE

This advice is aimed at London claims specifically, but is also applicable to other regional allowances.

- Allowances should be paid to all workers. In a recent example, nurses and teachers were awarded very welcome special housing supplements by the government, however others working alongside them were excluded, creating inequality.
- A single London allowance is preferable to inner/outer London allowances. Costs, particularly for housing, are no longer significantly different between inner and outer London.
- A flat rate is better than a percentage of salary, or allowances targeted at particular groups. All workers face significantly increased costs in London, and a percentage of a large salary is much more than a percentage of a small salary. The 1974 Pay Board report set the precedent of an “across the board payment”, and a formula based on the increased costs of living in London.
- Generally, a specific allowance is preferable to more points on a pay scale or separate London grades. These do not give a transparent picture of pay (vital for ensuring equal pay for equal work) and can distort grading structures.
- Even London weighting cannot offset the massive shortage of affordable housing and poor transport, but it can help to an extent. It is important to campaign for social housing and decent, affordable transport as well.
- ‘Fair employment’ clauses for outsourced workers can help to ensure all public service workers benefit from improved allowance payments.

EXAMPLES OF LONDON AND REGIONAL ALLOWANCES

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General Public Sector			Index
Organisation	Effective Date	Allowance	Notes
Local Government	01/04/05	Inner London £2,715 to £3,012, outer London £1,602 to £2,286, fringe £729 (inner) to £507 (outer).	Allowances are consolidated into pay scales. Union is claiming for £4,000 for both inner and outer London.
Police	01/07/04	The combined London allowances for police officers recruited since 1994 rose to £6,276 (£1,938 pensionable London weighting plus non-pensionable allowance of £4,338).	Up to 40% of officers in the London and surrounding areas get special priority payments of £500 to £3,000 (or exceptionally, £5,000).
Prison Service (Officers)	01/04/04	Single London, £4000; fringe London £3100; Other South East, £2600; other large towns £1100.	
Probation Service	01/04/04	£3,081 London allowance	
Fire Service (firefighters)	01/07/04	Single London allowance (to former GLC boundary) £4,458. Brigades in the south east give different amounts.	
Royal Mail (postal grades)	04/04/05	Inner London £4,081 (£78.27/week); outer London £2,966 (£56.88/week).	
Post Office (Post Office Counters)	01/04/05	Inner London £3,500; outer London £2,300. Also a 'hot spot' recruitment allowance to new recruits of £724.	

Health	Index
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Organisation	Effective Date	Allowance	Notes
NHS Agenda for Change	01/04/05	Under Agenda for Change 'High cost area supplements' are being introduced inner London allowance is 20% of basic pay (£3,300 to £5,500). Outer London is 15% (£2,750 to £3,850) and fringe 5% (£825 to £1,430)	
NHS Ambulance workers	01/04/05	Single London £2,348; other (Essex, Surrey, parts of Hertfordshire, 'ETM' units) £953; fringe London (Hampshire, parts of Berkshire) £267	"Fringe London" includes parts of Surrey & Kent as well.
NHS Nurses Midwives & Health visitors, also NHS Professions allied to Medicine (PAMS)	01/04/05	Inner London £3552; outer London £2775; fringe London £777; inner London (wider - ETM and contiguous inner and outer) £1625; outer London (wider - ETM and contiguous fringe) £1197.	London Allowance is not payable to staff in Senior Nurse/Senior Midwife posts
Admin, professional, technical and clerical staff (APT&C)	01/04/05	Inner London £2,851, outer London £1,696, fringe £267, 'ETM' units £953.	
Ancillary Staff	01/04/05	London £41.17 per week, fringe £5.20 p/w, ETM £18.09 p/w.	

Education			Index
Organisation	Effective Date	Allowance	Notes
Teachers (England and Wales)	01/09/05	Outer London £2,640; fringe London £921. Separate salary scale for inner London teachers - pay differential between inner London and the national rates ranges between £3,840 and £6,288.	Recruitment and retention supplements now devolved to individual schools.
Teachers (Sixth Form Colleges)	01/09/03	Inner London £3,087; outer London £2,058; fringe London £815	
Support Staff (Sixth Form Colleges)	01/09/04	Inner London £2,952; outer London £1,569; inner fringe £711, outer fringe £490	
Further Education	01/08/04	Lecturers: Inner London £2484; outer London £1635; fringe London £643 Admin, professional, technical and clerical staff: Inner London £2,841; outer London £1518; fringe £692 (inner), £480 (outer). Manual staff: Greater London £2,078, fringe £693 (inner) £481 (outer).	

New Universities.	01/08/04	Lecturers: Inner London £2,718, outer London £1,760, Fringe £681. Admin, technical, computer staff: Ex-ILEA £3,541, Inner London £3,126, outer London £1,652, fringe £729 (inner), £516 (outer). Manual and Ancillary staff: Ex-GLC £2,342, Inner fringe £755, outer fringe £524.	
Old (pre-1992) Universities	1992	Most staff: 0-18 miles London allowance of £2,134. Technical staff: 0-5 miles £2,262, 5-10 miles £1,292, 10-18 miles £937	Not increased since 1992. Many institutions pay above this.

Community and Voluntary				Index
Organisation	Effective Date	Allowance	Notes	
Blue Cross	01/01/05	Inner and outer London £3,049 Regional allowance (South and east) £318	Those earning less than £21,197 in London also get London regional allowance of £1,060.	
Barnardo's	01/04/05	Inner London £3,012, Outer London £1,602, Inner fringe £729, Outer fringe £507.		
Help the Aged	01/05/05	£4,642 (within the M25).		
Royal National Institute of the Blind	01/04/04	Inner London £3,012, Outer London £1,602, Inner fringe £729		
Stonham Housing Association	01/04/04	Inner London £2,739, Outer London £1,461, Inner Fringe £654, Outer Fringe £456.		
"Johnnie" Johnson Housing		Hertfordshire: 6.3% of basic salary		

Utilities				Index
Organisation	Effective Date	Allowance	Notes	
National Grid	01/07/05	Inner London (£3,210), Metropolitan (£2,670) and Outer Metropolitan (£1,605 or £800 for new starters post-2003).		
Thames Water	01/04/05	Inner London £2,387; inner London (wider) £1,073; outer London £508.		
British Waterways	01/06/05	Inner London £3,288, Outer London (Watford) £1,674		
British Nuclear	01/04/05	London: £4,112		

Fuels			
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Civil Service Index			
Organisation	Effective Date	Allowance	Notes
Civil Service	01/04/05	Allowances range from 2,200 (MoD) to £5,140 (the greater London Allowance at the Audit Commission)	Separate London pay scales are the most common approach.
Audit Commission	01/04/05	Greater London £5,140, Rest of South East (Roseland) £3,123	All London base employees get a travelcard to home station.
Commission for Social Care Inspection	01/04/04	Inner London staff receive 20% of basic salary – between £3,097 and £5,161. 15% in outer London and 5% in fringe areas.	
Department for Work and Pensions	30/06/05	Inner London £3,290 to £4,970, Outer London £2,110 to £4,050, 'Specified location pay zone' £1,660 to £3,610.	Rates for admin assistant to grade 6.
National Audit Office	01/04/05	London differential is £4,623	London allowance is incorporated into pay scale.

Private Sector Index			
Organisation	Effective Date	Allowance	Notes
Barclays Bank	01/10/04	Depends on distance from Charing Cross (central London). 0-3 miles, £3,550; 3-6 miles, £2,550; 6-22 miles, £1,670; South-east, £750	
Asda	01/04/05	London staff, 75p/hour, South-east, home counties and stores with specific recruitment problems, 37p/hour.	

Source: UNISON Bargaining Information System (BIS), Incomes Data Services

Reports on regional weighting from the BIS or details of the IDS report are available from the Bargaining Support Group.

UNISON bargaining support and other information is on the bargaining zone at www.unison.org.uk/bargaining.

For help when you need it call **UNISONdirect**, UNISON's information and advice phone line service for members on 0845 355 0845 between 6 am and midnight, Monday to Friday and 9 am to 4 pm on Saturday.