



**nass**  
National Association of Stable Staff

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***NASS 2011 Pay Claim on behalf of Stable Staff***

## NASS 2011 – 2013 Pay Claim Summary

1. That there be a pay increase commencing October 2011 that maintains the financial level of the existing minimum rates i.e. increased at least in line with the rate of inflation if not above. As at June 2011 the rate of inflation is running at 5.2% Retail Price Index (RPI) and 4.5% Consumer Price Index (CPI).
2. That a target be set to enhance Stable Staff average weekly earnings to a figure midway between the national average level 2 and level 3 on a scale of earnings presented as (see Appendix 1 for further details):
  1. For all workers
  2. For Skilled/craft workers and
  3. For manual jobs (“elementary” occupations including farm workers, labourers, dockers, postal workers, porters, waiters and cleaners)

That the target date is set as October 2013 and a formula be agreed as to how to reach this target.

3. The target of midpoint between category 2 and 3 would require National Minimum Rates of: \*

Grade A		£432.50
Grade B/C	21 and over	£379.50
Grade B/C	18-20	£351.39
Grade D	16-17 (a)	£233.50
Grade D	16-17 (b)	£274.72

This is effectively a 60% increase which highlights how far below the rest of the country’s workers earnings that Stable Staff are placed. There needs to be a clear commitment to improving this position for each year starting 2011 and onwards to make the closing of the gap achievable.

\*This applies to Stable Staff on the minimum pay rates and minimum consolidated working week as contained in the National Joint Council Memorandum of Agreement.

4. That discussions take place in the form of a joint working party which includes appropriate advisers to attempt to identify a model career structure for Stable Staff linked to qualifications and pay.
5. Continue with the existing working patterns project by adopting a different strategy of finding and investigating alternative models that already exist and are working satisfactorily for trainers and staff.

## **NASS Pay Claim for October 2011 on behalf of Stable Staff**

### **1 Introduction**

- 1.1 It is NASS' contention that Stable Staff wages have not kept in line with the rate of inflation over the past four years.
- 1.2 In addition, the dilemma well-documented in the past two years' pay claims of the NJC pay negotiations relating to minimum rates that apply to very few stable staff creates a situation whereby those pay increases do not necessarily or automatically follow through to those paid above the rates.
- 1.3 It is recognised that the economic downturn remains for society generally and in horseracing particularly, where economic problems take longer to filter through. However, although there is anecdotal and factual evidence of some trainers being forced out of business due to financial circumstances, the fact is that the economic recession is also affecting stable staff. When you are low paid you do not have the benefit of extending your overdraft or foregoing a new BMW this year, you have to cut your standard of living and quality of life, even further than it is (see Appendix 2).
- 1.4 For those three reasons the Executive Council of NASS has decided to change its approach to pay negotiations for this and the next couple of years. We are looking ahead in two ways:
  - a) To earnings rather than basic rates.
  - b) To a longer term target and forward commitment.

### **2 A Career Structure and a new Working Pattern**

- 2.1 Before introducing the new approach that NASS is taking in this year's pay negotiations, we would wish to comment on an area that we would like to jointly explore as we don't have a specific proposal ourselves.

The NTF and NASS have been parties to discussions in the BHA Learning and Development Group and the Welfare and Training Group where reference is often made to the need for there to be a career structure for Stable Staff. As part of this year's pay negotiations we would seek agreement to try to jointly produce, using advisers, a model career structure linked to qualifications and pay.

- 2.1.1 We are conscious that the constitution of the Stable Staff National Joint Council refers to it negotiating "Minimum Pay Rates" and so we later

turn our average earnings objectives into appropriate minimum Pay Rates.

- 2.2 Despite this new approach to pay and remuneration, NASS maintains its long term objective to achieve a shorter working week and would like to continue with the existing working patterns project by adopting a different strategy of finding and investigating alternative models that already exist and are working satisfactorily for trainers and staff. However, with the new approach of looking at earnings, we would highlight the need to adequately remunerate the existing hours worked.
- 2.3 In light of 2.2 NASS is not tabling this year a specific claim for a reduction in the working week but instead incorporates it in our demand for earnings more in line with the national average. That is our new approach and we quantify it further. It is not a move away from the belief in the need for longer leisure time and personal time for staff but a recognition that for some the need is to get earnings right and address the long hours in that context.

### **3 The Need for a Longer Term Target and Taking Steps towards achieving it**

- 3.1 It is a given that British Horseracing is going through a period of massive change, already understood by the NTF as one of the key players, but still identified below.

#### 3.2 Levy

The horrendous downturn on levy has meant a huge reduction in prize money which obviously affects the Trainer's ability to pay good wages, particularly allied to the overall economic crisis referred to in the introduction. It also affects the level of pool money for stable staff.

- 3.3 At the time of this claim being written, the Government is consulting on a replacement to the Levy and the need for determination and the HBLB are consulting on strategies to tackle avoidances of paying levy.

#### 3.4 The Tote

Again, this claim will be in draft form when the Government makes its decision on the purchaser of the Tote and we will begin to be aware of some of the implications for racing.

### 3.5 Restructuring of the Industry

We will probably be in the middle of pay negotiations when the full details of the industry restructuring will have been concluded. NASS believes that the governance responsibilities that will follow through from the restructuring will have implications wider than our existing National Joint Council and we should look at the relationship between the NJC and the Horsemen's Group and particularly any future role for the ROA in pay negotiations.

3.6 Due to the above, it is recognised that a substantial pay claim, which we believe justified, would look completely out of place unless put within a wider context.

3.7 Most Trainers clearly treat the National Minimum Pay Rates as irrelevant to their pay and remuneration strategy and understandably so as they are too low to recruit and retain staff if used. Therefore, NASS is also treating the National Minimum Pay Rates as irrelevant in seeking a fair remuneration for stable staff.

3.8 Instead we have decided to look at national average earnings and compare stable staff to that and have drawn up a pay claim that, if agreed, would take stable staff up to a more rightful place in the league table of earnings.

3.9 Due to the above, we are putting a longer term target to achieve that result but there need to be short term indications of commitment to that target if NASS is to feel able to be equal partners in the restructuring taking place and the campaigning that will be required to capture additional or appropriate resources for British Horseracing.

## **4 A Future Position for Stable Staff**

4.1 NASS is seeking a future position for Stable Staff whereby they have average earnings that place them in an appropriate position on the league table of average earnings in Britain. This is a legitimate aspiration and there cannot be any logical criticism of it.

4.2 Stable Staff work longer hours than many other people in society and whilst we would wish to see that number of hours reduced, based on a five-day week with overtime voluntary and a living basic wage, this claim addresses the overall earnings of Stable Staff.

4.3 This claim at present accepts the status quo of hours worked and seeks reasonable compensation for it. It therefore takes away any argument about "transforming working arrangements" and "trying to

impose an unworkable system” or “the need to employ more staff”. Instead it brings it down to a straight argument about economics and justice.

- 4.4 Appendix 1 lays out the figures relating to the Pay Claim and how it is calculated. So here we attempt to present the reasoning behind it and argue for its acceptance.
- 4.5 It has already been explained as to why we are presenting a longer term target and that is based on an uprating of current average earnings for other workers. It is then translated into basic minimum rates which bearing in mind the current relationship between Stable Staff minimum rates and earnings would deliver the desired outcome of relativity to the earnings sought for the year 2013.
- 4.6 In the research data we are using (Labour Research) there are three categories of average earnings: namely:
- i For all workers
  - ii For skilled/craft workers and
  - iii For manual jobs (“elementary” occupations including farm workers, labourers, dockers, postal workers, porters, waiters and cleaners)
- 4.7 It is acknowledged that the first category “for all workers” would be inappropriate as it takes into account the highest earnings in society but it is still a useful statistic to bear in mind.
- 4.8 Although it will be resented by many Stable Staff who rightly believe themselves to be skilled workers, NASS is prepared to not even use this as a comparable category to compare the earnings of Stable Staff with.
- 4.9 However, we do not accept that the third category of manual jobs is appropriate and therefore we make our pitch for half-way between categories (ii) and (iii) as a reasonable approach to take.

## **5 The Process of Uprating and Campaigning Figures**

- 5.1 The Minimum Rates for Stable Staff have increased by between 14 + 15% from 2006 – 2010. The rate of inflation from February 2006 to the current date has increased by 20.7%.
- 5.2 The rate of inflation is currently running at around 5% and is anticipated to do so for the next few years despite the Bank of England Governor’s

assurances that it will reduce, which have proved incorrect on a regular basis. However, erring on the side of caution and considering the Consumer Price Index, we use 4% per annum as the potential rate of inflation.

- 5.3 The existing minimum rates are uprated on a 4% compound basis to October 2013.
- 5.4 In order to be comparing like with like, it is necessary to determine an uprated average earnings figure for Stable Staff also at October 2013 based on their existing earnings. Without having an average earnings figure for Stable Staff, we are taking the consolidated wage as it includes the normal overtime worked by everyone. It is recognised that a few Stable Staff work longer hours than that but it is felt that it won't skew the figures dramatically. The current consolidated wage rates are then also up-rated on a 4% compound basis to October 2013.
- 5.5 We then compare Grade A of the consolidated rate of average earnings figure calculated to that of the anticipated October 2013 Average Earnings between categories 2 and 3 and project that across to the other grades.
- 5.6 This process leads us to minimum rates capable of producing average earnings between the average earnings for skilled/craft workers and other manual jobs by October 2013 of:

Grade A		£432.50
Grade B/C	21 and over	£379.50
Grade B/C	18-20	£351.39
Grade D	16-17 (a)	£233.50
Grade D	16-17 (b)	£274.72

- 5.7 NASS proposes that the task of these 2011 pay negotiations are to:
  - a) Arrive at agreed new minimum pay rates that correct the drop in earnings level between February 2006 and the current rate which is a figure of 5.7% and 6.7% across the grades.

- b) To ensure that those new minimum pay rates are of a level that protects staff from the continuing inflation level of between 4% and 5%.
- c) The two above points would require a percentage minimum rate increase from October 2011 of between 9.7% and 11.7%, depending on the rates of inflation used, to ensure that those 2011 rates reflected their previous value of up to the next Agreement from October 2012.
- d) To recommend to all Trainers who haven't carried out a wages review in the past 12 months that they do so and further recommend a pay increase be applied in line with that agreed at the end of these negotiations by all Trainers paying above the National Minimum Rates.
- e) To find a process which will achieve NASS' desired solution of Stable Staff Average earnings being midway between national category 2 and 3 average earnings by October 2013.

## Appendix 1 to Pay Claim

### The Calculation of the New Long Term Pay Rate Claim and Pay Campaign Figure

1.

1.1.

#### National Pay Statistics April 2011 (Labour Research Department)

- |      |   |         |
|------|---|---------|
| i.   | Average weekly wage figure for all workers  | £607.90 |
| ii.  | Average weekly wage for skilled/craft workers   | £501.90 |
| iii. | Average weekly wage for other manual jobs<br>(Elementary occupations including Farm workers, Labourers,<br>Dockers, Postal Workers) | £359.00 |

#### Uprating National Pay Statistics to October 2013

Inflation is forecast at up to 5% having risen from 4% and therefore a projection of the average weekly wages is done to October 2013 on the basis of taking an average rate of inflation of 4% up to that date on a compound arrangement. This gives:

- |      |                           |         |
|------|---------------------------|---------|
| i.   | For all workers           | £670.64 |
| ii.  | For skilled/craft workers | £553.72 |
| iii. | For manual jobs           | £396.04 |

#### Target Pay Statistic for Stable Staff

NASS would regard Stable Staff as comparable to skilled/craft workers but is prepared to accept, in regard to these Pay Statistics, a figure midway between that figure and the lower one of manual jobs in order to avoid unnecessary argument.

The midpoint between categories 2 and 3 uprated to October 2013 is £475 (this figure we shall now call Pay Rate 1). It is therefore suggested that is the national weekly average earnings figure predicted for October 2013 which we believe that Grade A Stable Staff should be earning to be in line with comparable fellow workers.

#### Existing Average Earnings of Stable Staff Uprated to October 2013

In order to be comparing like with like, it is necessary to determine an average earnings figure for Stable Staff also at 2013. Without an average earnings figure for Stable Staff, we are taking the consolidated wage as it includes the normal overtime worked.

As we are looking for a target figure, Grade A of the consolidated wage is updated to compare with the national average. As at October 2010 Grade A consolidated wage is £300.85.

Updated to October 2013 at an inflation rate of 4% p.a. this becomes £337.40 per week.

Comparing Stable Staff Average earnings October 2013 and the National Average earnings Pay Rate 1 at October 2013

We have determined above that the comparator that we are using, Pay Rate 1, is £475 pw and that Grade A Consolidated Stable Staff is £337.40, average earnings in October 2013. To bring Grade A up from £337.40 to £475 would need an increase of 60% in average earnings.

As the negotiations between NASS and the NTF are related to the National Minimum Rates of pay, it is necessary to look at a comparable increase in those National Minimum Rates to effect an increase in earnings that compares to the national average earnings Pay Rate 1.

The National Minimum Grade A rate at October 2010 is £270.22. A 60% pay increase would bring it up to £432.50.

NASS Claim for new National Minimum Rates to be achieved by October 2013 to bring Stable Staff more in line with National Average Earnings.

With a 60% increase across the grades based on the difference in Grade A and the earnings national average earnings Pay Rate 1 as above the following new minimum rates are claimed with effect from October 2013:

Grade A		£432.50
Grade B/C	21 or over	£379.50
Grade B/C	18-20	£351.39
Grade D	16-17 (a)	£233.50
Grade D	16-17 (b)	£274.72

## Appendix 2 to Pay Claim

[guardian.co.uk](http://guardian.co.uk)

# Poor hit by far higher inflation rate than rich in wake of recession, says IFS

- Least well off households pay 4.3%, while the richest pay 2.7%
- Soaring food and energy bills cause worst impact

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Larry Elliott

The Guardian, Tuesday 14 June 2011



Special offer signs in a Tesco Extra in London. Soaring food prices in recent years have struck poorest households disproportionately hard. Photograph: Alamy

Poor people in Britain are suffering from a far higher inflation rate than the rich, according to research released today by the Institute for Fiscal Studies (IFS) that shows the impact of soaring food and energy bills on those with the lowest incomes.

The think tank said the least well off had experienced a higher cost of living than the wealthy for the past decade, but that the difference had widened sharply since the long, deep recession of 2008 and 2009.

In a study that coincides with the release of new official data today, the IFS said its analysis using the retail prices index (RPI) showed that the poorest fifth of households had faced an inflation rate of 4.3% between 2008 and 2010, compared to 2.7% for the richest fifth of households. RPI inflation has continued to rise in 2011 and stood at 5.2% in April.

The study found that the doubling of energy prices over the past decade had disproportionately hurt poor households, which on average spend twice as much of their income on food and fuel than the better off (19.6% of income on food and 9.4% on domestic fuel, compared to 10.1% and 4.4% respectively for the richest 20%).

Pensioners, and in particular those dependant on state benefits, have been hard hit by the increase in oil and other commodity prices over the past three years. The inflation rate for a pensioner reliant on state benefits was 4.6% on average over the three years to 2010, compared to 4.3% for a pensioner not dependant on benefits, the IFS said.

It added that there was a similar pattern for those of working age, where the inflation rate between 2008 and 2010 for those on benefits was 4%, compared to 2.9% for those not dependant on benefits.

Well-off households were also the main beneficiaries of the Bank of England's decision to slash interest rates from 5.5% to 0.5% in 2008-09 in an attempt to lift the economy out of a recession that reduced the UK's national output by more than 6%.

The poorest 20% of households spend 1.7% of their budgets on mortgage interest payments, as opposed to 8.7% for rich households. Rich households also spend more of their income on leisure goods, where cheaper computers and mobile phones resulted in a sharp drop in prices of 23.8% between 2000 and 2010.

The IFS said official poverty and inequality figures in recent years had failed to pick up the way in which inflation was bearing down hardest on those with the lowest incomes.

"Over the past few years relative price changes have tended to hit poorer and older households harder," said an IFS research economist, Peter Levell.

"Of course, this pattern may well change in the future, but it does mean that poorer households will have fared worse over the period of the recession than poverty and inequality statistics that don't account for these differential inflation rates would suggest."

The IFS said that in 2008 – a year when the price of crude oil peaked at \$147 (£90) a barrel – the RPI rose by 4%, but fuel prices rose by 18.9%.

"This rise in energy costs added 1.8 percentage points to the average inflation rate experienced by the poorest 20% of households, but just 0.8 points to the rate experienced by the richest 20% in that year," it said.

The think tank said the department of energy and climate change predicted that fuel prices would continue to increase as a result of the trends in commodity prices and government policies designed to meet targets for use of renewable energy and to cut greenhouse gas emissions.