

# LOCAL GOVERNMENT – AN “EMPLOYER OF CHOICE?”

## National Joint Council for Local Government Services: Pay Claim 2009 - 2010

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England, Wales and Northern Ireland

Trade Union Side of the National Joint Council for Local  
Government Services

January 2009



## **The 2009 Claim**

**To improve real pay levels, the Trade Union Side of the NJC seeks a one-year, across-the-board pay increase of at least the level of retail price inflation, with additional increases for the lower paid.**

The Trade Union Side's 2009 -10 pay claim is for one year only and distinct from any other negotiations over the Green Book. We would like negotiations to take place in an expedient manner and for settlement to be reached by 1 April 2009.

### **Glossary**

ACAS	Advisory, Conciliation and Arbitration Service
CIPD	Chartered Institute of Personnel and Development
CLG	(Department for) Communities and Local Government
LGA	Local Government Association
LGE	Local Government Employers
NJC	National Joint Council for Local Government Services

# 1. THE CONTEXT OF THE 2009 - 2010 NJC PAY CLAIM

## 1.1 Affordable, Justified and Necessary

The 2009 -10 NJC pay claim is being submitted at a critical time for employees and industrial relations in local government. Binding arbitration via the Advisory, Conciliation and Arbitration Service (ACAS) is soon to commence over the 2008 - 09 NJC pay offer. There are widespread redundancies being announced almost daily across UK councils, while the economic crisis is already leading to increased demand for council services and support. The December 2008 “Crunch Time” report by the Audit Commission reveals that “one in seven councils has made compulsory redundancies or have plans to do so; many councils are reviewing recruitment or leaving posts unfilled”<sup>1</sup>.

Despite facing job loss, cuts and councils exceeding the ‘efficiency’ savings required by Government, our members continue to deliver better and better services, according to the Audit Commission. While councils talk of having little cash to spare for a decent pay rise, local government reserves have grown for the seventh year in a row. The compelling argument for an offer in 2009 -10 **at least at the level of retail price inflation, with additional increases for the lower paid**, will be made out in the following pages. We believe that such an offer is affordable, justified and necessary, despite testing economic circumstances.

## 1.2 Crunch Time?

Some of the recent claims made for the fragile state of local government finance following the ‘credit crunch’ and revelation of investment by some councils in Icelandic banks, have been recently called into question by Local Government’s financial watchdog, the Audit Commission. In its December 2008 report: “Crunch Time? - The Impact of the Economic Downturn on Local Government Finances”, the Audit Commission states that “At present, it is not the crisis that has been portrayed by the media” (p.5) and highlights the fact that only 2% of local government expenditure is on food, fuel, gas and electricity (p.20). The report also points out that income from investments and “windfall gains” increased in almost 40% of councils over the last year, that spending on pay has not increased as a proportion of budgets and – most importantly – that “the settlement for 2009 -10 will increase by 4.2%, while inflation is forecast to be 1.5%” (p.45).

## 1.3 Still the ‘Poor Relations’

Despite their vital contribution to service improvement, our members still find themselves right at the bottom of the public sector pay league – still very much the public sector’s ‘poor relations’. Little wonder then that local government’s desire to be an ‘employer of choice’ has a hollow ring for them. Conditions such as annual leave and access to training also fall behind those available to colleagues they work alongside in the NHS, Police, Higher and Further Education and the civil service. The below inflation offer of 2.45% for 2008-09, with an additional £100 for those on the bottom three pay points, was well below the Retail Price Index of 4.2% and the Consumer Price Index of 3% at 1 April

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<sup>1</sup> Crunch Time, Audit Commission, December 2008 (p.6)

2008 and their most recently reported levels of 3% and 4.1% at November 2008. It was the latest in a line of below-inflation pay awards. Our members hope the 2008 - 09 dispute will be resolved soon through the arbitration process and that a more harmonious industrial relations climate will exist in 2009 – through genuine recognition of our members' contribution to ever-improving local services and a fair and decent pay offer.

#### **1.4 Joined Up Services – But Not Joined Up Pay!**

Inequality in the treatment of public sector workers and the poor hand dealt to NJC staff is brought into sharp relief by the increasing emphasis on joined up service delivery and partnership working arrangements. The Local Government and Public Involvement in Health Act 2007 has provided a further stimulus to more joined-up working across public services. As trade unions, we support more effective and seamless ways of working to improve service delivery. But public service partnerships highlight the unfavourable treatment of local government workers and demand that urgent moves are made to achieve greater parity in pay and conditions across the public sector.

#### **1.5 The Highest Paid Get the Highest Increases**

The historical link between NJC and Chief Officer JNC pay has been broken. The 'pay solidarity' between the higher and lower paid, once viewed as desirable within local government, is no more. Chief Executives' basic salaries have increased by 34% between 2003-4 and 2007-8<sup>2</sup>. The Local Government Employers' (LGE) surveys of chief officers' pay show that average salaries have increased significantly above the agreed cost of living settlements<sup>3</sup>. This salary growth has led to the differential between NJC and JNC being widened to the effect that there is no longer any link between NJC and JNC pay levels. This should be of concern to the LGE. Men form the overwhelming majority of Chief Executives and Chief Officers and their pay levels will contribute to the wide gender pay gap in local government, as well as raise wider questions of gender discrimination.

#### **1.6 Our Members – Councils' Real 'Efficiency Saving'**

Local government employees on NJC pay are uniquely and increasingly 'squeezed' between the imperatives of central and local government, the politicised nature of council employment, the complex funding mechanism for local government and efficiency savings. Last – but certainly not least – our members are penalised by the premium placed by Government, the Local Government Association (LGA) and many councils on cutting or keeping council tax low, irrespective of the impact on council services and the ability to properly reward and train employees.

As public service trade unions we firmly believe that the public is entitled to the highest quality services and efficient use of public money. However, there is a limit to the 'efficiencies' or council tax savings which can continue to be delivered through reductions in our members' standard of living and their goodwill. Many regularly work unpaid hours

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<sup>2</sup> 'Tougher at the Top' - Audit Commission

<sup>3</sup> LGE - Chief Executive and Chief Officer Salary Surveys 2006 and 2007

in order to deliver for the public. They are always the first to be blamed when tragedies such as the dreadful case of Baby P occur. Yet they have become *the* efficiency saving in local government – a cost item to be constantly trimmed, not a precious asset to be invested in. ***We therefore are calling for some of next year's 'efficiency savings' to be put back into our members pay on the front line – as the Gershon Review intended.***

## **1.7 Women's Work Undervalued**

The NJC workforce is one in which women predominate. Overall, 75% of employees are women. Over 50% of council staff are part-time workers and over 90% of those too are women. The highly gendered workforce profile and the nature of many of the jobs found within councils also suggest a further explanation for low pay and gender pay gap our members face. Caring, cooking, managing households and educating are all skills which women exercise, unpaid, within the home and which many build upon at work within local authorities as teaching assistants, cooks, care workers and administrators. They are skills which have been historically undervalued - and continue to be so.

Only 50% of councils have carried out Single Status pay and grading reviews to deliver equal pay to our members – almost 12 years after the Single Status agreement was struck and 38 years after the Equal Pay Act became enacted. The gender pay gap remains huge, while many councils have tried to fund equal pay through pushing overall pay levels down or cutting unsocial hours payments to already low paid groups of women such as home care workers. The fact that Agenda for Change in the NHS was (rightly) funded by central Government and Single Status has not been, is symbolic of the 'poor relation' status of the local authority workforce.

## **1.8 NJC Pay - Not a Living Wage**

UNISON estimates that there are a quarter of a million part time workers in local government earning less than £6.50 an hour, many not far above the National Minimum Wage which has been £5.73 an hour since October 2008. By comparison, the amount a worker needs to achieve a 'living wage' without recourse to in-work benefits has been calculated by the Family Budget Unit to be £7.37 pence an hour for a two-earner family with two children. The minimum hourly rate for local government workers at £6.20 an hour from April 2008 clearly falls well below this. Many of our members are dependent on tax credits to maintain basic living standards.

## **1.9 Agency Staff and Consultants – the Big Bill**

The task posed by Government of 'continuous improvement' has been made increasingly difficult by serious recruitment and retention problems, unfilled posts and the widespread use of agency staff. The ability to attract and retain staff is particularly acute in demanding and stressful jobs like social work and other social care jobs, many of which are filled by agency staff. Later in our claim, we highlight the massive levels of expenditure on agency and consultancy workers in local government. As trade unions we believe that the £2 billion spent on them last year would be better invested in decent pay levels, improved conditions and training for directly employed staff. We have also been alarmed to discover agency workers employed on the National Minimum Wage with

no access to the Local Government Pension Scheme or other NJC benefits, delivering services alongside directly employed staff on NJC pay rates.

## **1.10 But Improvement Continues**

Despite low pay, the gender pay gap, redundancies and increased use of agency staff, our members have continued to provide better and better services to the public. This is demonstrated by the results of the Government's Comprehensive Performance Assessment. The number of single tier and county councils achieving three or four star ratings has risen from 70% in 2005 to 79% in 2006 and 83% in 2007. There are now no local authorities in the 'no star' category. These improvements have been delivered by our members and they deserve recognition for their commitment and effort.

## **1.11 How our Claim is Structured**

Section 2 will further contextualise the present position of local government workers by comparing their pay to other employees in the public and private sectors and those on the National Minimum Wage. Section 3 locates our claim within the present economic environment, which will include an analysis of inflation and inflationary pressures. Section 4 will examine the on-going recruitment and retention problems and outline our findings on the cost of agency workers and consultants. Section 5 will explore a number of ways in which an equitable pay settlement can be achieved.

## **1.12 Key Points in our Claim**

- 1 Local government pay is significantly lower than comparable groups of public sector workers. So are most conditions and expenditure on training. This inequality is unjustifiable, undermines joined-up service delivery and must be rectified
- 2 Failure of councils to achieve gender pay equality and eliminate the large gender pay gap accounts for a large element of the poverty pay many of our women members receive
- 3 The growing number of redundancies across councils place greater strain on our members and conflict with the Government and LGA's objective of supporting local economies through the economic crisis
- 4 A fair and justified settlement is affordable
- 5 The 'un-affordability' argument by local government employers does not hold water or reflect the increased level of council reserves, the potential use of efficiency savings and a possible re-appraisal of expenditure on agency staff and consultants to provide a decent NJC pay increase in 2009 -2010
- 6 The widespread use and high expenditure on agency workers and consultants does not make sense in terms of good employment practice, service delivery or cost

- 7 The recent economic situation has markedly increased the cost of living for local government workers and left many in debt
- 8 Persistent local government recruitment and retention difficulties could be largely overcome by a fair pay settlement this year – and in future years
- 9 The employers' aim of following (unachieved) government inflation targets of 2% is now untenable, with CPI at 4.1% and RPI at 3.0% (November 2008)
- 10 The Local Government Employers (LGE) have frequently repeated the desire to be 'employers of choice'. This aim – which the Trade Union Side supports - will remain unattainable while NJC employees have the worst pay and poorest conditions of all public sector workers

## 2. COMPARING LOCAL GOVERNMENT PAY

### 2.1 Local Government Pay Compared to other Public Sector Workers

The following tables show that the lowest pay points in local government fall well below those for equivalent employees in police, probation, higher education – and all other key groups of public sector workers. This has been the case for some years, but is increasingly significant, given the Government and LGA's emphasis on joined up service delivery and the thrust of the Local Government and Public Involvement in Health (LGPIH) Act 2007. The LGPIH Act requires non-local authority bodies to co-operate with councils' strategic plans and work with them through Local Strategic Partnerships to deliver jointly agreed priorities for the area. Effectively then, the employees of the lead body for the provision of local public services are the worst paid and have the worst conditions of employment.

<b>Table 1. Lowest NJC Pay Points Compared to Equivalent Police, HE and Probation Employees</b>			
<b>Local Government (Apr 08)</b> <i>(subject to arbitration)</i>	<b>Police Staff (Sept 08)</b>	<b>Higher Education (Oct 08)</b> <i>(Increased by RPI if higher than 2.5%)</i>	<b>Probation (Oct 08)</b>
11,961	12,453	12,773	13,604
12,125	12,900	13,111	13,733
12,299	13,347	13,459	13,863
12,592	13,803	13,764	14,003
12,989	14,169	14,133	14,139

Table 2 on the following page shows the disparity between the bottom, annual NJC pay rate and the equivalent for a wide variety of other public sector workers in 2007 - 8. NJC workers earned a lower amount than any other group – except those in 6<sup>th</sup> form colleges and the Driving Standards Agency. The lowest NJC rate of £11,577 fell well below the average of £13,026. The difference is likely to have been exacerbated by higher pay increases in 2008 - 09 for other groups.

<b>Table 2. NJC Minimum Annual Pay 2007 – 08 compared to other public sector groups</b>	
<b>Organisation</b>	<b>Minimum Pay (£ pa)</b>
Cabinet Office	14861
Civil Aviation Authority	15179
Crown Prosecution Service	12872
Defence Aviation Repair Agency	15400
DfBERR	13017
Department for Children, Schools & Families	13226
Department for Culture, Media & Sport	16796
Defra	14083
Department for Transport	13970
Department for Work and Pensions	12590
Driver and Vehicle Licensing Agency	12528
Driving Standards Agency	10850
Environment Agency	12247
Foreign & Commonwealth Office	14732
Forestry Commission	12428
Health & Safety Executive	13929
Home Office	12950
HM Revenue & Customs	12734
Met Office	12200
Ministry of Defence	12694
Ministry of Justice	11726
National Assembly for Wales	14000
Northern Ireland Civil Service	12520
Scottish Government	12300
Scottish Prison Service	12090
Tate Gallery	14800
UKAEA	12653
Vehicle Certification Agency	13110
Prison Service (England and Wales)	12008
Police Staff	12138
NHS	12182
Sixth Form Colleges	11575
Old Universities	12041
New Universities	12041
Universities Manual	12041
FE Colleges	12237
British Library	13198
<b>Average</b>	<b>13026</b>
<b>NJC</b>	<b>11577</b>
<b>NJC Pay as % of Average Public Sector Pay</b>	<b>88.88</b>

## 2.2 NHS: Same Work – Higher Pay

Table 3 shows the differential between comparable jobs in local government and the NHS. The near 27% pay differential between nursery nurses and the near 15% difference between a NHS domestic support worker and a cleaner in local government should be a cause of great concern. Local government is in direct competition with the NHS in many local labour markets and will increasingly find it hard to recruit as the gap between NHS and NJC pay widens. In the NHS the bottom rate is now £6.40 pence an hour. However, most NHS cleaners and catering staff are now on the top of scale point 4, earning £6.96 pence an hour, because of Agenda for Change increments.

<b>NHS Job Title</b>	<b>NJC Job Title</b>	<b>NJC Median Maximum Salary (IDS 2008 Survey)</b>	<b>NHS 37 ½ Hour Week Maximum Pay (1.4.2008)</b>	<b>NHS 37 Hour Week Equivalent (1.4.08)</b>	<b>% NHS Pay Exceeds NJC Pay</b>
Domestic Support Worker	Cleaner	<b>11,698</b>	13,617	<b>13,435</b>	+14.85
Catering Assistant	Catering Assistant	<b>12,063</b>	13,617	<b>13,435</b>	+11.38
Care Assistant	Home Care Assistant	<b>14,161</b>	15,950	<b>15,737</b>	+11.13
Residential Carer	Residential Care Assistant	<b>16,181</b>	17,732	<b>17,496</b>	+8.12
Home/Residential Carer Team Leader	Senior Care Worker	<b>23,242</b>	26,123	<b>25,775</b>	+10.90
Social Worker	Social Worker in Children and Families	<b>29,324</b>	32,653	<b>32,218</b>	+9.87
Social Worker Specialist	Senior Social Worker	<b>32,436</b>	38,352	<b>37,841</b>	+16.66
Nursery Nurse	Nursery Nurse	<b>16,217</b>	20,818	<b>20,540</b>	+26.66

Agenda for Change in the NHS was initiated across the UK on 1 December 2004, with new pay and conditions backdated to 1 October 2004. It was the biggest overhaul of

NHS-wide pay, terms and conditions in more than 50 years<sup>4</sup>. As a result of Government investment in Agenda for Change, the value of women's work in the NHS is now properly rewarded and has seen a significant uplift to achieve equality. As we can see from the table above, this is not the case in local government, although some councils have now received Government approval to at least 'capitalise' the costs of Single Status. Higher settlement increases in the NHS than local government are also evidenced in Appendix One.

### 2.3 Public Sector Pay Settlements 2009 - 10

The following public sector settlements have been reached for 2009 - 10. The lowest increase in basic pay is 2.3% for Probation support staff, who also receive an increase in London weighting to £3,800 a year:

- In further education, agreement has been reached to increase pay by 3.2% or £550, whichever is the greater, from 1 October 2008
- In the NHS, the 2009 – 10 element of a three - year pay deal is a 2.4% basic pay increase and removal of the bottom point of Band 1, giving a new minimum rate of **£13, 233** a year. There will also be the removal of an incremental point in Band 5 and upward adjustments to several other pay points, making the total value of the pay uplift 2.54%
- Police staff will receive a 2.6% increase on all pay points and standby allowance, backdated to 1 September 2008. There will be a 2.6% increase on all pay points and on standby allowance from 1 September 2009 and the deletion of the lowest pay point 1 on the national pay scale. This will give a new minimum wage from September 2009, of **£13, 236** a year
- Probation support staff will receive a pay increase on all pay points of 2.3% and an increase in London allowance to £3,800 a year
- School teachers in England and Wales entered the first year of a three-year deal at 2.45% for each year from 1 September 2008
- The Joint Negotiating Committee for Higher Education Staff - lecturers and support staff - entered into the final stage of three-year pay award, effective from 1 October 2008 of a basic 5% increase up to 30 September 2009

### 2.4 NJC Pay Compared to Average Earnings and Inflation

57% of workers in local government earn below £16,614 per year – that is **£8,361 less than the median average, full time salary across the economy of £24, 975<sup>5</sup>**. The latest research from Industrial Relations Services (IRS) reveals that basic pay awards were running at a median of 3.8% in the three months to the end of November 2008, the

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<sup>4</sup> [http://www.rcn.org.uk/support/pay\\_and\\_conditions/agendaforchange](http://www.rcn.org.uk/support/pay_and_conditions/agendaforchange)

<sup>5</sup> Median taken from the 2008 Annual Survey of Hours and Earnings produced by the Office of National Statistics: <http://www.statistics.gov.uk/pdfdir/ashe1108.pdf>

same as the previous rolling quarter. This is higher than the level in the three months to July at 3.5% and slightly above the 3.2% level seen in the three months between April and June last year<sup>6</sup>. The increase to 3.8% was largely reflective of the increase in the National Minimum Wage, which has caused the median to break away from the 3.5% benchmark level that persisted for much of the last two years. However, public sector pay awards are generally below the level seen among private sector organisations, with NJC employees getting the worst deal of all.<sup>7</sup>

A recent survey<sup>8</sup> of private sector pay prospects, based on responses from 268 private sector companies for 540 different groups of employees, indicates that companies are predicting a median 3.5% pay rise in the year from September 2008 to August 2009. They also expect 80% of employees to have a pay rise in 2008/09 that matches, or exceeds, the pay rise given in 2007/08.

Continued disparity between the public and private sector can only lead to increased recruitment and retention difficulties in local government in the long term. Table 4 shows some comparisons for some similar jobs within local government and in the private sector. Each of the private sector jobs is better paid than its NJC equivalent.

<b>Table 4. Local Government and Private Sector Pay</b>			
<b>Private Sector Employer and Occupational Groups</b>	<b>Annual Salary<sup>9</sup></b>	<b>Local Government Occupational Groups</b>	<b>Annual Salary<sup>10</sup> 2007</b>
<b>Severn Trent Water Gardener – Grounds Maintenance Worker</b>	£12433 - £16500 (01/07/06)	<b>Gardener and Grounds man/woman</b>	£14671
<b>Community Options Finance Officer</b>	£25489 - £28454 (01/04/06)	<b>Finance Officer</b>	£21926
<b>Imperial Tobacco Accounts Clerk</b>	£21265 - £24459 (01/05/07)	<b>Accounts and Wages Clerk</b>	£20486
<b>BOC Customer Centre Advisor</b>	£18603 - £23743 (01/06/06)	<b>Call Centre Agents</b>	£18753
<b>Tesco Technical Support Analyst</b>	£21449 - £34608	<b>ICT User Support Officer</b>	£22831
<b>BAE Systems (land Systems – Weapons and Vehicles) H &amp; S Officer</b>	£27880 - £39550	<b>H&amp;S Officer</b>	£26602

<sup>6</sup> <http://www.xperthr.co.uk/article/16100/pay-awards.aspx>

<sup>7</sup> <http://www.xperthr.co.uk/article/90316/irs-pay-databank--19-december-2008.aspx#pri>

<sup>8</sup> <http://www.xperthr.co.uk/article/88953/.aspx>

<sup>9</sup> IDS Pay Benchmarking March 2008

<sup>10</sup> Local Government Earnings Survey England and Wales 2007 (mean)

## **2.5 Local Government Pay Compared to the National Minimum Wage (NMW)**

The Low Pay Commission stated that “the 2008, 3.8% increase in the NMW (from £5.52 to £5.73) will be the ninth increase since it was introduced in April 1998”. Over the last nine and a half years, the NMW has increased by 59.2%, compared to a 44.2% growth in average earnings. As we can see in Appendix 1, the cumulative increase in NJC pay settlements only amounts to a 31.64% increase over a similar period. Whilst we welcome the Government’s commitment to the NMW, the increased alignment between the low pay outside of local government and the low pay within it is a cause for concern. Many private sector employers link their pay increases to increases in the NMW in order to maintain the differential. We would have expected the local government employers to have followed a similar practice. If trends towards convergence continue, the local government employers will be forced to increase pay for the lowest paid within local government on the basis of decisions made by the Low Pay Commission.

### 3. THE ECONOMIC ENVIRONMENT

#### 3.1 Inflation and Inflationary Pressures

Table 5 lays out the increases in CPI and RPI over the 16 months to November 2008. It is clear that the NJC pay increase for 2007-8 of 2.475% did not come close to RPI in the months up to March 2008. The same applies so far to the 2008 -9 offer of 2.45% plus £100 for the lower paid from 1 April 2008. We believe that the damage to our members' standard of living and the impact on rising debt since 2007, gives great force to our argument for an increase this year which is **at least at the level of retail price inflation, with an additional increase for the lowest paid.**

For those at the lower end of the pay spine, it is widely recognised that a higher proportion of salary has to be spent on basics such as housing, fuel, food and utility costs. The last time the equivalent CPI rate was higher than at September 2008 of this constructed series, was in March 1992, when it was 7.1%. Croner Reward estimates that the average level of income required for a family to maintain its current standard of living in the UK has increased by 9.7% over the past 12 months. The pay 'increase' our members have received compares poorly with that figure.

Table 5. Key Data - Inflation 2007/08			
Date		Headline RPI (% increase on year ago)	Consumer Price Index (CPI)
Nov	08	3.0	4.1
Oct	08	4.2	4.5
Sept	08	5.0	5.2
Aug	08	4.8	4.7
July	08	5.0 (17 year peak)	4.4
June	08	4.6	3.8
May	08	4.3	3.3
April	08	4.2	3.0
Mar	08	3.8	2.5
Feb	08	4.1	2.5
Jan	08	4.1	2.2
Dec	07	4.0	2.1
Nov	07	4.3	2.1
Oct	07	4.2	2.1
Sep	07	3.9	1.8
Aug	07	4.1	1.8

#### 3.2 Inflationary Forecasts

Since our pay claim is being lodged in advance of the start date of the next pay 'year' of 1 April 2009 and the whole 12 months of its application, the Trade Union Side is clearly concerned at the volatility of the economy. The Bank of England has made it clear that it

is not possible to predict economic trends over the next two years with any certainty at all and has allowed for a wide margin of error in its forecasting. Barclays Capital has noted that the degree of uncertainty around its forecasts is high for two reasons: It is not clear to what extent lenders will pass on rate cuts and it is not clear to what extent the reduction in VAT will impact on RPI<sup>11</sup>. The volatility of the economic environment restricts any confidence in accurate inflationary predictions. This is the primary reason why the claim has not been related to the Retail Price Index specifically but to *retail price inflation*. However, whatever measure is used, one thing is clear: many of our members have accumulated debt and faced severe hardship as a consequence of recent pay offers and need a decent settlement this year to begin to catch up with lost earnings and deal with debts accumulated during the long period of below-inflation earnings. We have made the strong argument for parity with other groups of public sector workers elsewhere.

### 3.3 Public Sector Pay Settlements – an Inflationary Pressure?

Retail Prices Index (RPI) inflation rose from 4.1% at the beginning of the year to stand at 5% in September 2008. The CPI rose from 2.2% to 5.2% over the same period, reflecting the fall in house prices, but sustained inflation resulting from rising food, utility and fuel increases. While Government and the Local Government Employers have continued to assert the necessity of low pay increases consistent with the Government's (clearly unachieved) 2% inflation target, most economists contend that the pay of workers like NJC employees, who do not produce goods for sale and whose services are not generally traded in a market, has little bearing on inflation.

***The facts of the present economic environment provide conclusive proof that public sector pay increases in particular are not the causal factor in inflation growth.*** Wage spirals have not materialised, as stated by Dr John Philpott<sup>12</sup>, CIPD Chief Economist, who said that “the prospect of a ‘pay – price spiral’ is clearly exaggerated”. Throughout the last decade, public sector wage settlements and average earnings have been higher than 2% per annum and have not been inflationary. As stated by Professor Oswald from Warwick University, in a letter to the Financial Times in early 2008, “*an undergraduate who wrote in an essay that inflation was caused by public sector wage rises would receive a fail*”.

### 3.4 Transport Costs

Even with the downward trend in fuel costs of 1.5% reported in September 2008, there was a large, 19.6% increase over the year to that point<sup>13</sup>. At the start of January 2008, the price of petrol soared to a staggering 102.8 pence per litre, with diesel costing 107.84 pence.<sup>14</sup> This has had a hugely detrimental effect on local government employees, especially the large number required to use their car for work purposes, whose fuel allowances did not keep up with inflation. However, even with recent fuel price falls<sup>15</sup>, the

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<sup>11</sup> <http://www.xperthr.co.uk/article/90409/datafile--19-december-2008.aspx#inf>

<sup>12</sup> [http://www.cipd.co.uk/pressoffice/\\_articles/\\_jobsfigures170908.htm](http://www.cipd.co.uk/pressoffice/_articles/_jobsfigures170908.htm)

<sup>13</sup> <http://www.statistics.gov.uk/CCL/nugget.asp?ID=19>

<sup>14</sup> <http://www.statistics.gov.uk/pdfdir/cpi1008.pdf>

<sup>15</sup> [http://www.theaa.com/motoring\\_advice/fuel/](http://www.theaa.com/motoring_advice/fuel/)

cost of rail and other forms of public transport has not followed a parallel trend, with rail prices increasing significantly, between 4% and 35% for some passengers in the South East<sup>16</sup>. Bus fares have also increased – by 10% in London, with above inflation rises in other parts of the country too<sup>17</sup>.

### 3.5 Food Costs

The price of basic food stuffs has risen sharply over the last two years. The cost of food and non alcoholic beverages has risen by 16.5% since August 2006 (Appendix 2). Meat prices, especially bacon, have continued to rise and reached 19.1% in September 2008, compared to a year ago<sup>18</sup>. Prices of staple items at the big supermarkets are rising by an average of 19% a year, adding up to £750 to an average family's food bill. Bread and milk cost 22% and butter 40% more than it did a year ago.<sup>19</sup> The latest predictions suggest that food prices will continue to rise, maintaining high levels of food inflation.

In November 2008, 'the largest upward pressure on the CPI annual rate came from food and non-alcoholic beverages, which rose from 10.1 per cent in October to 10.6 per cent in November. This was mainly due to the increased price of fruit and vegetables, with contributions from across a range of fresh and processed products. Fruit inflation doubled from 5.4 per cent in October to 10.8 per cent in November, while vegetables rose from 9.9 per cent to 13.9 per cent'<sup>20</sup>. The large rises in food costs over the past year have been a significant factor in keeping inflation high and constitute an ever growing part of our members' weekly budget. This is particularly the case for the low paid. ***Large numbers of NJC employees now report having to make choices between buying certain foodstuffs and heating their homes or buying items such as school uniforms for their children.***

### 3.6 Utility Costs

The staggeringly high costs of fuel bills mean that many of our members will have increasing difficulty in covering their energy costs over the coming months. Official figures released during the autumn show that, 'electricity prices rose to 30.3% - year on year in September 2008 - up from 18.0% in August 2008. Gas inflation rose to 49.9%, up from 27.7% in August'<sup>21</sup>. Overall, 'fuel and light costs rose to 39.6%, up from 24.6% in the year to August 2008 – the largest increase since the Office for National Statistics began to collect such measures in 1948.

A household is said to be in fuel poverty if it needs to spend more than 10% of its household income on fuel to maintain a satisfactory heating regime. The New Policy Institute estimates that the rises in energy prices has roughly doubled the number of households in fuel poverty, from 1.5 million in 2005 to 3.0 million in 2007. A report

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<sup>16</sup> <http://www.telegraph.co.uk/news/uknews/road-and-rail-transport/4076479/Commuters-face-huge-fare-rises-to-fund-high-speed-train-they-will-never-use.html>

<sup>17</sup> [http://www.london.gov.uk/view\\_press\\_release.jsp?releaseid=18677](http://www.london.gov.uk/view_press_release.jsp?releaseid=18677)

<sup>18</sup> <http://www.statistics.gov.uk/pdfdir/cpinr1008.pdf>

<sup>19</sup> ONS, *Consumer price indices First Release*, August 2008

<sup>20</sup> <http://www.statistics.gov.uk/pdfdir/cpinr1208.pdf>

<sup>21</sup> <http://www.statistics.gov.uk/pdfdir/cpinr1008.pdf>

published by the National Housing Federation, entitled 'Energy Prices and Debt', contends that the average energy bill is set to climb to £1,406 in 2009, from £676 in 2005. ***The lowest earning full time local government employee earns £11, 961. This means that large numbers of local government employees are now living in fuel poverty with all the health and social problems associated with it.*** It is completely unacceptable that our members who provide vital public services should be treated in this way.

### 3.7 Debt and Disposable Income

The average UK household debt is now £9,309 - excluding mortgages - but this rises to £21,650 if the average is based on the number of households who actually have some form of unsecured loan. Including mortgages, average household debt is £58,000. The average interest paid by each household on their total debt is approximately £3,800 each year<sup>22</sup>

The Bank of England's August inflation report said that the main reason for the slowing down in consumer spending was the squeeze on households' real incomes. It noted that the rise in energy and import prices is expected to lead to little, if any, growth in real disposable incomes over the next year or so. Tighter credit conditions, accompanied by a weak housing market, are also likely to act as a drag on household spending<sup>23</sup>.

Each of the NJC trade unions has witnessed an increase in the number of members in debt and seeking help – either from us, their unions, or elsewhere. A civilised society should not be complacent about seeing its hard-working public servants living in poverty and debt, many in worse conditions than those they support in their working lives.

### 3.8 The Housing Market

The Bank of England reported in October 2008 'of 1.2 million UK homeowners who are now at risk of negative equity if house prices continue recent sharp falls'. Figures released by the Land Registry show that annual house prices in England and Wales fell by 10.1 per cent in October. The average house price is now £165,529 representing a decrease month-on-month of 1.5 per cent<sup>24</sup>. Despite the current drop in house prices, the present economic situation and restrictive lending have placed many local government workers even further away from home ownership than they were previously. Many would still be unable to purchase homes at today's lower prices as a result of low pay and most are not regarded as 'key workers' eligible for housing assistance.

The Council of Mortgage Lenders has estimated that 45,000 homes in the UK will be repossessed in 2008, up from 27,100 last year. In addition, the number of repossessions in the second quarter (April to June) of the year was 11,054, up 71% compared with a year earlier (Financial Services Authority).

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<sup>22</sup> Source: [www.creditaction.org.uk](http://www.creditaction.org.uk)

<sup>23</sup> Source: Bank of England, Inflation Report, August 2008

<sup>24</sup> <http://www.landregistry.gov.uk/>

The prospect of negative equity and the detrimental effects of the present economic turmoil are leaving many local government employees feeling like helpless victims of circumstance. Offsetting these challenges by helping to meet the requirements for basic essentials is fundamental to our claim for fairness in the 2009-10 pay award.

## **4. RECRUITMENT AND RETENTION PROBLEMS – AGENCY WORKING NO SOLUTION**

### **4.1 Widespread Recruitment and Retention Problems**

We can see from the LGE's 2008 Workforce Survey that 64% of local authorities admit that they have recruitment difficulties with children's social workers and 55% admit the same problem with planning officers. Whilst the employers may point to recent falls in recruitment difficulties, the average number of occupations subject to recruitment and retention difficulties per authority was 7.9 – significantly higher than the 2.5 reported in 1995<sup>25</sup>. 97% of upper and single tier authorities are experiencing recruitment and retention difficulties, significantly higher than the 73% of shire districts, which is a significant cause for concern. One relevant factor could be the higher spend in gross training expenditure in shire districts of £245 per employee, compared to the £192 median spend in upper/single tier authorities<sup>26</sup>, making employment in shire districts more attractive.

### **4.2 Lack of Workforce Planning**

The Audit Commission, in its 2008 publication 'Tomorrow's People: Building a Local Government Workforce for the Future', points out that "a competent and committed local government workforce is a critical element in service improvement, efficiency and transformation". However, the Audit Commission also notes that local authorities rarely plan or manage their workforce recruitment, development and retention strategically<sup>27</sup>. Their conclusion is that "Unplanned and poorly researched approaches to labour markets lead to wasteful and unnecessary competition for scarce resources, pressure on key workers' pay, escalating costs and patched-up solutions".

We can note from the 2008 LGE's Local Government Workforce Survey that only 46% of authorities report that they have integrated workforce planning in their service planning processes for all in-house services (p.8). This falls sharply to only 7% when considering outsourced services, and to 5% in relation to partnership working, clearly showing the difficulty in competent business planning in the two tier workforce (ibid p.9). Equally alarming, however, is the "13% of authorities that have not identified their critical workforce issues and put a programme of action into place for any of their in-house services and the 16% of authorities who have no integrated workforce planning into service planning for any in-house services" (ibid. p.8). This lack of workforce planning is symptomatic of the lack of importance placed on the NJC workforce.

### **4.3 Recruitment Costs High**

The Chartered Institute for Personnel Development (CIPD) in its 'Recruitment, Retention and Turnover - Survey Report 2008' pointed out that the median recruitment cost of filling a vacancy per employee is £4,667, increasing to £5,880 when organisations include the cost of associated labour turnover costs. Average recruitment costs ranged between

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<sup>25</sup> LGE Local Government Workforce Survey 2008 (p.24)

<sup>26</sup> LGE Local Government Workforce Survey 2008 (p.31)

<sup>27</sup> Audit Commission. 2008. 'Tomorrow's people: Building a local government workforce for the future'

£10,000 for senior managers and directors, down to £553 for manual and craft workers. Labour turnover costs ranged between £20,000 for senior managers and directors, down to £2,750 for manual and craft workers. Developing a well-rewarded, developed and secure workforce in local government to deliver sustained improvement would cut out the recruitment and turnover costs the CIPD highlights and would be an effective efficiency saving.

#### 4.4 Massive Spending on Agency Staff and Consultants

Analysis of the results from a UNISON Freedom of Information request to all 436 authorities in England, Wales and Northern Ireland in 2008 indicates that huge sums of money - **a projected £2.088 billion between 2007-8 alone - are being paid to agency and consultancy staff (See Tables 6 and 7 below)**. Returns from 63% of councils give a clear indication of the money which could be saved or more wisely spent if adequate workforce planning and development mechanisms were in place. The Audit Commission states, "Councils without a systematic approach to recruitment and retention, which includes most councils, waste money on unnecessary temporary and agency staff"<sup>28</sup>.

We are also aware that while basic pay rates for agency workers in social work are often higher than NJC rates, many other agency workers in NJC as well as non-NJC councils are being paid at National Minimum Wage rates and certainly less than NJC rates. It seems that most of them do not receive agreed Green Book enhancements for unsocial hours working and are also ineligible to join the Local Government Pension Scheme. Such casualisation is not compatible with local government's desire to become an 'employer of choice' or the requirement for 'sustained improvement'. Neither is the projected £664,444,000 spent on consultants between 2007 -2008 good use of public money. While the trade unions accept that there will always be a role for specialist consultants, evidence suggests that they are often used in more routine functions - at great cost – and often to identify efficiency savings! While our members are being asked to accept below-inflation pay awards, this is entirely unacceptable.

<b>Table 6. Agency Staff Expenditure in Local Government</b>		
<b>Local Authority Type:</b>	<b>2007/08 (63% LA's)</b>	<b>Full Spend Projection 2007/08</b>
	<b>£'000's</b>	<b>£'000's</b>
Districts	89,828	137,929
Counties	163,263	264,330
Mets	99,754	189,008
London	355,712	558,976
Wales	31,852	50,053
Unitaries	138,591	210,122
Ni	7,337	12,717
<b>Total</b>	<b>886,337</b>	<b>1,423,136</b>

<sup>28</sup> Audit Commission. 2008. 'Tomorrow's people: Building a local government workforce for the future'

<b>Table 7. Consultancy Staff Expenditure in Local Government</b>		
<b>Local Authority Type:</b>	<b>2007/08 (63% LA's) £'000's</b>	<b>Full Spend Projection 2007/08 £'000's</b>
Districts	71,195	109,318
Counties	125,491	203,176
Mets	45,997	87,152
London	72,418	113,800
Wales	16,947	26,631
Unitaries	72,827	110,415
NI	8,049	13,952
<b>Total</b>	<b>412,924</b>	<b>664,444</b>

We strongly urge the LGA and the local government employers to give due consideration to the Audit Commission's recommendations. Promoting 'a local government brand as a powerful recruitment and retention tool' – an aim the employers claim as theirs - is not possible without an equitable pay settlement.

## 5. THE AFFORDABILITY OF OUR CLAIM

### 5.1 Savings made by the Local Government Workforce

The local government workforce faces continuing pressure as a result of the Government's objective that councils realise "*annual net cash releasing* savings of £4.9 billion by 2010/11"<sup>29</sup>. These cash releasing savings targets anticipate savings from business process improvements and collaboration initiatives (£1.8 billion), smarter procurement (£2.8 billion) and better asset management (0.3 billion) per annum by 2010-11. The 'efficiencies' agenda is a key driver in proposals to outsource or privatise local government services, particularly adult social care and back office functions where the 'efficiencies' are derived from fewer staff and poorer terms and conditions, while demand for adult social care is rising.

Each year since 2002, councils have budgeted to draw on their reserves in order to balance their budgets, ***but each year since 2002 councils have not drawn on, but have added to their reserves. In addition, efficiency savings since 2004 have been at twice the target set by Government.***

The following is an extract from the CSR07 LGA Efficiencies Fact sheet:

*"Local government has a strong track record on delivering value for money and will continue its commitment to delivering efficient public services in the CSR07 period. **Against a target of £3 billion by 2007/8, councils have achieved savings of £760 million in 2004/5, £1.1bn in 2005/6 and a further £1.3bn in 2006/7; so by 2007/8, local government will have saved taxpayers £6bn. Approximately 75 per cent of the savings made by local government, £750 million each year, were cashable, meaning money could be reinvested into 'frontline' services.***"

It is not clear where the savings were invested, but what is certain is that they were not used to deliver fair pay, improved conditions or training for the NJC workforce. In 2007/8 cashable efficiency savings in English councils alone were £763 million. The cumulative savings over the CSR04 period amount to £5.78bn. None of these 'savings' seem to have been invested in the workforce as Sir Peter Gershon envisaged in his review. ***The Trade Union Side is calling on all councils to invest a proportion of 2008 - 9 savings in improved pay and conditions for the NJC workforce, without whom they cannot be delivered.***

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<sup>29</sup> 2007 Pre Budget Report and Comprehensive Spending Review (D6 Local Government)

## 5.2 Council Reserves – England

Table 8 highlights the substantial increase in council reserves in England alone since 2002.

<b>Table 8. Revenue Reserves held by Local Authorities in England as at 01 April 2002 – 2007 (£ million)</b>				
<b>Year</b>	<b>Schools</b>	<b>Other earmarked</b>	<b>Unallocated</b>	<b>Non -schools total</b>
2002	1,103	3,732	1,756	<b>5,488</b>
2003	1,132	4,198	2,224	<b>6,422</b>
2004	1,315	5,484	2,678	<b>8,162</b>
2005	1,498	6,831	2,774	<b>9,605</b>
2006	1,596	8,104	2,939	<b>11,044</b>
2007	1,746	8,500	3,105	<b>11,605</b>
2008 (p)	1,996	9,135	3,421	<b>12,556</b>
Source: Revenue Outturn (RO) returns (p) Provisional Outturn				

While our members find their pay and conditions lagging further and further behind their equivalents in the NHS, Police, Probation and Further and Higher Education, councils have been banking record reserves and squeezing pay and conditions to keep council tax down. ***Employees have become the efficiency saving in local government, while councils keep huge sums of money in reserves.***

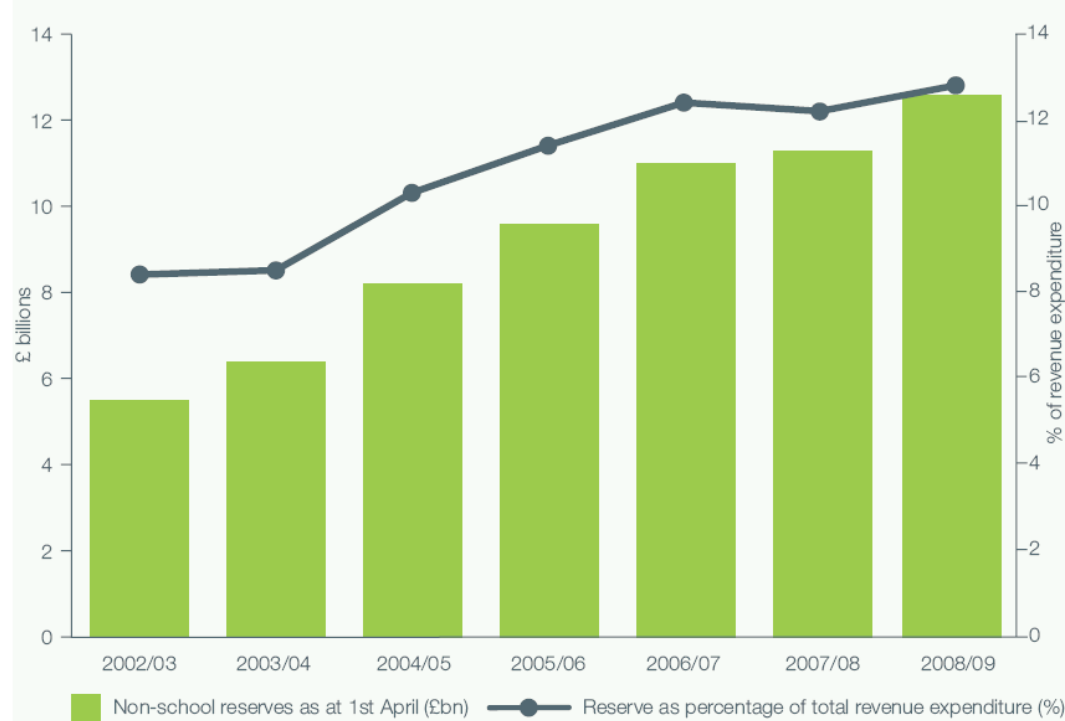
Figure 10 on the following page comes from the Department for Communities and Local Government's 'Financial Key facts' for 2008. It highlights the growth in local authority reserves from 8 per cent of total revenue expenditure in 2002 - 03 to 13 per cent of total revenue expenditure in 2008 - 09<sup>30</sup>. Very little – or any – of the savings made by our members' extra efforts were spent on their pay, training or conditions or front-line services. Instead they were placed in reserves and/or used to keep Council Tax down.

<sup>30</sup> Crunch Time, Audit Commission, December 2008, page 37

**Figure 10**

**Local authority reserves 2002/03 to 2008/09<sup>11</sup>**

Reserves have been increasing and now stand at 13 per cent of revenue spending.



Source: *Local Government Finance Key Facts: England 2008, Communities and Local Government*

### 5.3 The Current Economic Situation

In December 2008 the Audit Commission published “Crunch Time”, a report that looked at the impact of the economic downturn on local government finances. It concluded that,

- *“2008/09 has been a difficult year, but most local authorities are coping*
- *Nine out of ten councils are concerned about inflation and falling property prices*
- *Some authorities have had to take steps to keep costs under control, but most are confident they can cope*
- ***At present, it is not the crisis that has been portrayed in the media*** “(p.5).

As the gap between the bank rates and LIBOR (the London Interbank Offered Rate) widened, local authorities secured better than expected returns on their short term investments. ‘Crunch Time?’ stated that:

- *‘Four out of ten councils have gained from investing cash in the money markets’ (Page 6)*
- *‘One positive effect of the economic downturn on local authorities has been the increase in the interest rates they can get on their deposits. Councils generate*

*significant sums through investing surplus cash in the money markets. Chief finance officers confirmed in the survey that this income has increased in almost 40 per cent of authorities.’ (Para 73)*

- *‘Comments such as, ‘short-term interest rates have benefited the council, worth approximately £400,000’ and, ‘the current economic climate has resulted in interest rates being higher than budgeted’ were reported. One local authority in the South West has stated that, ‘we assumed 5 per cent earned in 2008/09. Outturn is likely to be at least 0.5 per cent above this. So an extra £750,000 interest has been earned’. Another authority in the North stated that, ‘we had budgeted for interest at 5 per cent, and it is currently 6 per cent. This is a difference in income of £1 million.’ (Para 74)*

The trade unions recognise that this will not be a long term benefit as interest rates are now falling. However, councils have benefited significantly from the higher levels of interest receipts on their investments, due to the ongoing differential between bank rates and the London Interbank Offered Rate (LIBOR). Some of that investment should be used to pay our members decently and increase the very low levels of expenditure on their training and development.

#### **5.4 Cheaper borrowing available**

Another way in which local authorities are benefiting from the current economic situation is through the reduction in interest rates that is now taking place. Borrowing, at least in the short term, will be cheaper, and this may provide opportunities for authorities to restructure their debt. This point is made strongly in ‘Crunch Time’:

*‘Public Works Loan Board (PWLB) interest rates have fallen sharply. For example, the variable short-term lending rate has fallen from over 5.5 per cent in January 2008 to less than 2 per cent in December 2008. Fixed rates have also fallen markedly. Local authorities will now have access to much cheaper funds than have been available for some considerable time’ (Para 21).*

*‘In 2006/07, local authorities paid £2.75bn on borrowings and earned £1.48bn interest on investments’ (P.11).*

In the summary, the Audit Commission states that it believes that ‘the picture for 2009/10 is less certain, but there is some positive news’:

- *‘The economy has moved into recession and the outlook for 2009/10 is poor; much depends on the length and severity of the economic downturn,*
- *About 75 per cent of local government income comes from central government grant; this will increase by 4.2 per cent in 2009/10, leading to more councils receiving a real-terms increase,*
- *If inflation reduces, this will ease the pressure on budgets. Interest rates have fallen, so the cost of borrowing should reduce’ (P.7).*

## 6. Concluding Remarks

Now more than ever we need high quality, local public services, to carry our economy and local communities through difficult times. Local government employment is crucial to the survival of local economies and to local people, who more and more need the services our members work so hard to deliver and improve. Rewarding our members properly and investing in their development should be seen as a key part of any local economic strategy. They too are tax payers who deliver and use local services. It is time that councils stop seeing them as a drain on the public purse, but a precious asset who should be nurtured and invested in.

Recruitment and retention problems are widespread and joined up service delivery is not truly achievable when NJC employees are rewarded so poorly compared to other public sector employees they work alongside. The growing disparity between the NJC workforce and the rest of the public sector is not sustainable and undermines the role of local government in local strategic planning and leadership of other public bodies.

The continued widespread use of agency and consultancy staff has helped to create a multi-tiered, casualised and low paid workforce with high turnover, leaving local government far from being an 'employer of choice'. Outsourcing the workforce and services to private and voluntary sector employers might reduce the pay bill, but it will do nothing to improve service delivery, support struggling local economies or build sustainability in service delivery mechanisms.

The NJC workforce is predominantly a female one, with many jobs that build upon the unpaid caring and domestic work which women undertake within the home. Our members' work has therefore historically been undervalued. There is a huge gender pay gap within local government – due to the failure of Government and councils to adequately finance implementation of Single Status and the very large pay increases awarded to Chief Executives and other senior staff who are overwhelmingly men.

The trade unions recognise that financial pressures face some local authorities – but by no means all. They are pressures that also face the local government workforce. However, it is clear that the financial pressures facing councils have been over-emphasised within the media and elsewhere. The Audit Commission's December 2008 "Crunch Time?" report makes this point very clearly when it states that "fewer than half of councils feel they need to take major steps to deal with the current cost pressures...and two thirds of those who need to act are confident that they can cope"<sup>31</sup>. In addition, less than 2% of local authority expenditure is on fuel, power and food - the areas that have seen significant cost increases (ibid. p.20). Perhaps most significantly the report also states:

'Inflation is predicted to reduce significantly in 2009/10 to levels below that assumed when the local government settlement was determined. This will ease the financial pressures arising from cost increases. Many local authorities have

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<sup>31</sup> Audit Commission. December 2009. Crunch Time? The Impact of the Economic Downturn on Local Government Finances (p. 6)

enough reserves to cushion the blow of higher costs and give them some flexibility to manage in-year pressures' (ibid. p.38).

The demands upon public services are demands upon local government workers – many services **are** our members because they are people-centred, without the requirement for capital expenditure. Those demands are likely to grow in an economic downturn, while redundancies are becoming widespread across councils, due to efficiency savings and the desire to reduce or limit Council Tax. As trade unions we believe that there is a fundamental contradiction between cutting jobs and pay and the objective we share to improve public services and support local economies during a downturn.

The Trade Union Side hopes that the employers will give this claim immediate consideration and respond with an early offer that will enable a settlement by 1 April 2009.

**Appendix 1      Local Government and NHS Pay Awards 1998 – 2007** *(without additional Agenda for Change uplifts)*

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>NJC Pay Awards %</b>	3.00	3.00	3.00	3.50	4.00	3.50	2.75	2.75	2.95	2.48
Index	100.00	103.00	106.09	109.80	114.20	118.19	121.44	124.78	128.46	131.64
<b>% increase from 1998 onwards</b>	0.00	3.00	6.09	9.80	14.20	18.19	21.44	24.78	28.46	<b>31.64</b>
<b>NHS Pay Awards %</b>	3.80	4.70	3.40	3.70	3.60	3.225	3.225	3.225	2.50	2.40
Index	100.00	104.7	108.26	112.27	116.31	120.06	123.93	127.93	131.12	133.79
<b>% increase from 1998 onwards</b>	0.00	4.7	8.26	11.27	16.31	20.06	23.93	27.93	31.12	<b>33.79</b>

## Appendix 2

## Food, Utility and Transport Costs

Date	Food and non-alcoholic beverages	Housing <sup>32</sup> , water, electricity, gas & other fuels	Transport <sup>33</sup>
<b>2006</b>			
<b>August</b>	103.0	110.9	105.8
<b>September</b>	103.6	111.5	102.9
<b>October</b>	104.2	112.7	101.5
<b>November</b>	105.1	113.7	101.1
<b>December</b>	105.4	114.5	102.8
<b>2007</b>			
<b>January</b>	104.4	114.9	102.1
<b>February</b>	105.4	115.1	102.8
<b>March</b>	106.0	115.0	103.1
<b>April</b>	106.2	115.7	104.5
<b>May</b>	106.7	115.0	106.1
<b>June</b>	107.3	114.5	106.8
<b>July</b>	105.5	114.3	108.0
<b>August</b>	106.1	114.0	108.6
<b>September</b>	107.4	114.0	105.7
<b>October</b>	109.1	114.3	106.6
<b>November</b>	110.1	114.6	107.0
<b>December</b>	111.1	114.7	108.7
<b>2008</b>			
<b>January</b>	110.8	115.4	108.6
<b>February</b>	111.3	119.1	109.1
<b>March</b>	111.8	119.5	110.3
<b>April</b>	113.2	122.0	110.8
<b>May</b>	115.1	122.3	112.7
<b>June</b>	117.5	122.5	114.6
<b>July</b>	118.4	123.0	116.6
<b>August</b>	120.0	125.6	116.5
<b>Index: increase since Aug 06</b>	17.00	14.70	10.70
<b>% increase since Aug 06</b>	<b>16.50</b>	<b>13.26</b>	<b>10.11</b>

<sup>32</sup> Housing = Housing costs excluding mortgage interest payments, depreciation, council tax & building insurance, but including fuel & light

<sup>33</sup> Transport = Motoring expenditure, fares & other travel costs