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To: Secretaries of Local Government Branches in England, Wales
and Northern Ireland
(Scotland – for information)
Regional Heads of Local Government
Registered Professional/Sectional Bodies - for information

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Double Standards - The Current Position on NJC Pay

This circular brings branches up to date with the Con Dem position on public sector pay, the LGA response and what we know local authorities have really put aside for cost of living increases (following a Freedom of Information request). Branches are asked to keep up the pressure on councilors and MPs for negotiations to deliver a pay rise.

What the Chancellor said in relation to public sector pay

A two year pay freeze will be introduced from 2011-12 for public sector workforces, except for those earning £21,000 or less, who will receive an increase of at least £250 a year. This will save £3.3 billion a year by 2014-15.

Pay will also be frozen in 2010-11 for civil servants who are yet to agree a legally binding pay deal, except for those earning £21,000 or less, who will receive at least £250 a year. These civil servants will then exit the freeze ahead of other groups.

What the LGA have said in response

The Con Dem controlled LGA have made it clear that the government's position on public sector pay will not change their own 'no offer' position on NJC pay for 2010-11.

In addition, the primary means to set the offer in future years will remain through existing mechanisms of consultation with local authorities. The employers have stated that:

“...we can confirm that the announcement does not affect:

- Local government pay for 2010/11, where the position remains that the employers have not offered an increase, or
- Contractual annual increments, which should continue to be paid
- Ahead of any negotiations on local government pay for 2011/12 we shall be consulting councils in the usual way through regional pay briefings”.

This could well mean that in addition to a pay freeze this year, local government employers do not even feel bound to offer the minimal increase of £250 in the following two years. We are the poor relations of local government and are set to become even poorer, unless we organize to fight back.

What a £250 increase over two years could mean

The effects of a £250 increase for those earning under £21000, over two years, are summarized below:

- **67% of the workforce** (on 2008 numbers) **would be covered**
- **The percentage rise on Scp4 in the first year is still only 2.06%** (or 4.1% over two years at scp 4)
- The average increase in both years up to the level paid at scp 23/24 is only 1.6%. (or 3.2% over two years between scp 4 – 23/24)

This still amounts to a heavy pay cut with inflation (RPI) hovering at around 5%.

Pay FOI

In April this year, UNISON sent a Freedom of Information request to all 401 councils in England, Wales and Northern Ireland asking them what assumptions they had made about the percentage increase in pay from April 2010 for all groups of local government workers (except teachers and related professionals).

The results from 280 councils show that:

- **59%** said that they had assumed there *would* be a pay rise in 2010/2011
- Increases from 0.2 to 2.2% were included in budgets, the most frequent **assumption being 1%**.
- Of the 40% who assumed there would be no increase this year, a number had nonetheless made provision for a pay award in the contingency sum in their budget or had significantly increased the contingency sum compared to the previous year.

- Pay assumptions being built into Medium Term Financial Plans for 2011/12 and 2012/13 show (excluding Northern Ireland) that **only 21% were planning for a pay freeze in 2011 and fewer than 10% in 2012**. An assumption of 1% or more was built into most plans for both years.

Double Standards

The employers have claimed that the 'no offer' on pay was due to un-affordability. We can all see the truth from the FOI. There was room to make an offer. There continues to be room to make an offer, especially for the lower paid. Political choices and not financial inevitability are the cause of the impasse over local government pay in 2010.

With the degree of privatization of local government services it is not surprising government announcements in relation to 'public sector workforces' do not seem to relate to the local government workforce. This does not mean our members are worth any less than the bare £250 that other public sector workers will receive. It shows, in the eyes of the employers, that our members are not even worth a pittance.

Our low paid members will still support the confirmation that teachers will receive their pay award of 2.3% this year, whilst they face a pay freeze and inflation runs at 5.1% (May 2010). Our low paid members are financing the debts of the rich.

Members are concerned about job security. Showing the employers that we can defend pay is a battle in the war of securing jobs. Cuts, pay and pensions are all on the same page and the 'hollowed out state' is beckoning. We need to keep the pressure up on Councilors' and MPs. Negotiations need to begin.

The NJC Committee will meet on 7 July 2010 to consider the next steps in our campaign. Please let us have your views by emailing NJCPay2010@unison.co.uk

With best wishes,



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