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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

9 October 2008

NJC Pay Claim for 2009/10 - Consultation with branches

This circular outlines UNISON's options for the NJC pay claim for 2009/10, as agreed by the NJC Committee on 18 September 2008. Branches are asked to consult members on the proposed claim and submit their responses to Regions by Tuesday, 28 October 2008. Co-ordinated responses will need to be forwarded by Regions to the Local Government section by Thursday, 30 October 2008 for discussion before the NJC Trade Union Side meets on 3 November.

Background

The UNISON NJC Committee met on Thursday, 18 September to discuss the contents of the NJC pay claim for 2009/10 and agreed to this consultation exercise. This was followed by an NJC Joint Trade Union Side meeting on Wednesday, 1 October 2008, where the issue was further debated with UNITE and GMB colleagues. A detailed discussion was held about options for the claim, taking into account factors outlined in this circular. As you are aware, the pay dispute for 2008/09 has been referred to arbitration and resolution by ACAS in the immediate future.

Consultation process

In line with conference decisions, the NJC Committee agreed that we should submit the 2009 pay claim as soon as possible. The NJC Joint Trade Union Side decided to submit the claim in early November 2008. We therefore want the results of this consultation by 30 October for recommendations and discussion within a NJC Joint Trade Union Side meeting on 3 November. We apologise for the short consultation period and recognise that it will require branches to act swiftly, but it is essential that

we are in a position to submit an early claim and try to avoid the delay experienced in the last two years.

Options for the 2009/10 claim

In proposing options for the 2009/10 claim, the UNISON NJC Committee and the NJC Joint Trade Union Side considered carefully:

- High levels of inflation – both Retail Prices Index (RPI) and Consumer Prices Index (CPI)
- The severe impact of inflation on the low paid
- Issues surrounding the 2008/09 pay dispute
- The impact of Single Status negotiations
- The worsening economic situation – with implications for our members and local authority finances
- Pay and conditions elsewhere in the public sector
- Government's public sector pay policy seeking pay increases consistent with a 2% inflation target for the next two years
- The employers' position over pay and conditions - likely to be consistent with the Government's public sector pay policy

The options which follow also reflect the unions' desire to substantially increase pay at the bottom end with a view to making progress towards a minimum hourly rate of £7.45. This is in line with UNISON's ongoing policy that this figure be adopted as a collective bargaining target by Service Groups.

Economic factors

RPI inflation is at its highest level for many years and stood at 5% in July before falling back slightly in August. Below are the key indicators for your consideration:

- RPI: 4.8% - CPI: 4.7% in August 2008. CPI, which excludes housing costs, has risen to meet RPI as housing costs, included in the RPI, have fallen
- RPI is predicted to fall back to 4.7% in the fourth quarter of 2008 and continue to fall back throughout 2009, averaging 3.3% over the year as a whole. However, the (daily) instability of the world economy makes prediction highly problematic and unreliable
- Earnings in the private sector rose at a headline rate of 3.5% in the year to July 2008, compared with 3.3% in the public sector

- In the year to the end of August 2008, the median public sector pay award was 2.5%, compared with 3.5% in the private sector

Terms and Conditions

The UNISON NJC Committee also considered whether to include a terms and conditions element to the 2009/10 pay claim. As branches will know, acceptance of the 2007 pay award was linked to a review of the Green Book on a “nothing ruled in and nothing ruled out” basis. It was felt that there are clearly outstanding claims from previous years for substantial improvements to conditions. A separate claim for improved conditions will be drawn up soon and considered by the NJC Joint Trade Union Side.

In light of our agreement as part of last year’s settlement to a review of the Green Book, the Committee felt that a claim for improved terms and conditions should be de-coupled from any claim for a pay increase and that our demands for improvements to terms and conditions should be made within the agreed review of the Green Book. This was re-affirmed by both sides when negotiations resumed following the two days of action in July over the 2008/09 pay dispute.

Context for the claim

The consistently high level of inflation over the past twelve months has had a damaging effect on the standard of living of all local government workers. Large inflationary pressures in key areas such as, food, fuel and energy, transport and council tax support our evidence for a substantial pay award. This is particularly important for low paid staff who proportionately suffer far more for any cost of living increase than those on the higher pay bands and in better paid bargaining groups within the public sector.

The unaffordability argument presented by local government employers runs contrary to the huge efficiency savings that councils have made over recent years and the £3 billion reserves currently held in unallocated funds. Reserves have risen again in the last year and stood at over £12 billion. However, whilst our arguments surrounding the 2008 dispute are equally valid in relation to the 2009 claim, we are likely to witness an even tougher climate into 2009/10, with further constraints on public expenditure and the possible impact of the global economic crisis on council savings. Both the NJC Committee and the NJC Joint Trade Union Side therefore felt that we need a claim which reflects the hardship facing our members, but which is also seen as realistic.

Content of the 2009/10 claim – issues for consultation

Having considered the factors above, the UNISON NJC Committee and the NJC Joint Trade Union Side agreed to consult branches on the basis of the following claim, **for one year only**.

There are two options given in relation to the core element of the claim. While we recognize that members might prefer to have an actual % figure in the claim, it is being submitted several months in advance in a time of high economic uncertainty.

The second option - for a substantial increase no less than the March 2009 RPI level - is therefore given in order to take these uncertainties into account.

1. Do we want a claim for a 'specified pay increase' **or** 'a substantial increase of no less than the March 2009 RPI inflation level'?
2. Should the claim include bottom loading?
3. Should we separate a claim for improved conditions from the pay claim?

Consult as widely as you can...

Branches are asked to carry out as wide a consultation as possible within the time available on the options for the 2009/10 claim and return your results to your Regional Heads of Local Government **by Tuesday, 28 October 2008**. A pro forma is attached.

Start talking to your employer

It is vital that branches also start to talk to employers and councilors at a local level about next year's claim and their budget for next year's pay increase, which needs to reflect the factors we have considered above.

Don't agonise – organise!

Negotiations over next year's claim are likely to be even tougher than this year, with some councils apparently seeking Government assistance and guarantees over money lost in the current economic crisis. The current situation therefore requires a claim which reflects our members' needs and UNISON's aspirations for them, but which is also credible. It also calls for substantial membership growth to boost our bargaining power, as well as national campaigning.

Please allow members to give the options for the claim serious consideration through branch and workplace meetings. A pro forma is attached for you to return your branch response to your Regional Head of Local Government.

Best wishes



Heather Wakefield
National Secretary
Local Government Service Group

**LOCAL GOVERNMENT PAY CLAIM 2009/10
CONSULTATION**

Name of branch:

Local authority:

Branch contact:

Tel no: E-mail:

Method of Consultation (Please tick all that apply)	Branch meeting	<input type="checkbox"/>
	Workplace meetings	<input type="checkbox"/>
	Other (please state)	<input type="checkbox"/>

Please provide your branch's response to the following questions:

- | | | |
|----|--|-----------------|
| 1. | Do we want a claim for a 'specified pay increase'? | Yes / No |
| | or | |
| | 'a substantial increase of no less than the March 2009 RPI inflation level'? | Yes / No |
| 2. | Should the claim include bottom loading? | Yes / No |
| 3. | Should we separate a claim for improved conditions from the pay claim? | Yes / No |

Are there any further comments from your branch on the claim?
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**Please return this form to your Regional Head of Local Government
by Tuesday, 28 October 2008.**