



LOCAL GOVERNMENT PAY CLAIM 2010 – 11 (ENGLAND, WALES AND NORTHERN IRELAND)

STEWARDS' BRIEFING

9 February 2010

The 2010 Pay Claim:

A £500 FLAT RATE INCREASE OR 2.5% - WHICHEVER IS THE GREATER

We submitted the claim at the end of October 2009 and asked for negotiations to take place quickly and for settlement to be reached by 1 April 2010.

The Employers 'Offer':

There's no mistake – the employers have offered nothing!! However, with inflation at 2.9% and rising, it amounts to a PAY CUT. It will apply to craft workers and Chief Officers and Senior Managers too. We want to negotiate but the employers aren't even at the table!! They didn't even have the courtesy to enter prior negotiations – that's the extent to which our members' hard work has been valued.

Key Arguments/Strategy:

- 1. In most councils, the pay freeze/cut is a POLITICAL CHOICE, as are redundancies. The employers' position has NOT been arrived at through FINANCIAL INEVITABILITY. Our members need to realize this**
- 2. Many councils have chosen to freeze or reduce Council Tax to get votes in an election year. This puts only a few pence back into the hands of low paid people, but makes a huge dent in council budgets**
- 3. Our joint trade union campaigns is for better pay, job security and secure pensions in the longer term. We are working closely with the GMB and UNITE within the NJC. We need to do that at local level too**
- 4. Local pay bargaining is not the answer. Having a fractured bargaining structure will be worse for everyone in the longer term. (From UNISON surveys we know that those authorities who have opted out of the NJC generally offer worse terms and conditions).**

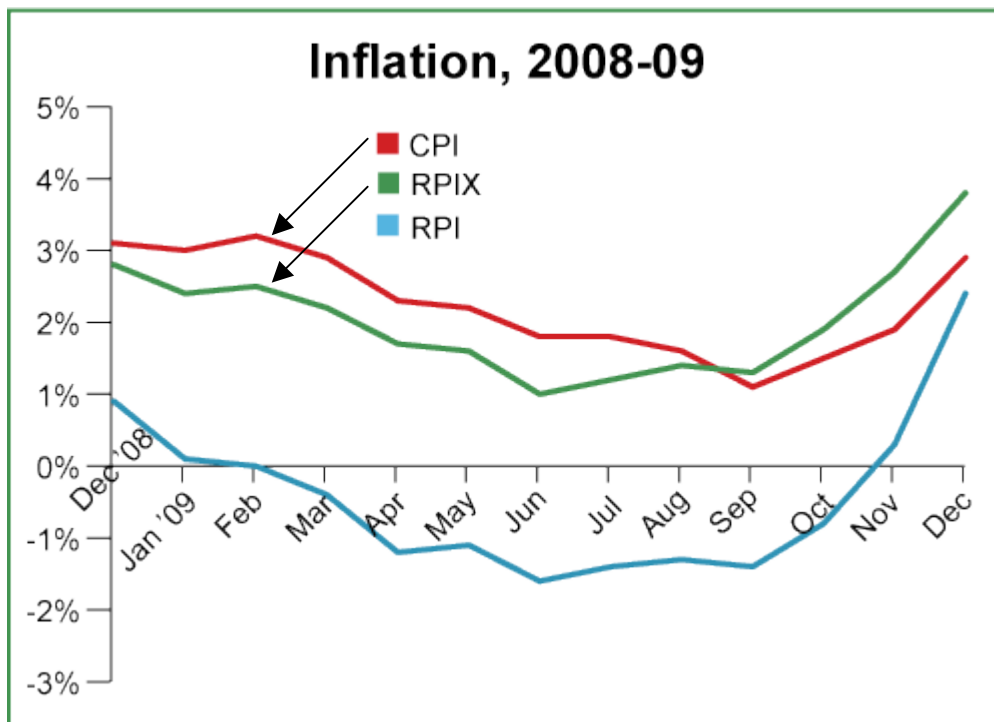
5. **We are in an election year and there are 1.6 million local government workers, their families and friends who will vote. We need to maximize the political dimension of our campaign and use the forthcoming election to apply pressure.**

In imposing the pay 'freeze' the Employers said:

- Affordability is the main concern, with demands on council services increasing whilst income from items such as fees and charges is decreasing. **They raised exactly the same concerns when we were awarded an extra 0.3% by arbitrators on the 2008/09 pay settlement.**
- The employers also say that *'it (the pay freeze) will help protect vital council services and reduce the risk of job losses'*. **We have to get the important message across to our members that redundancies will take place anyway – pay 'freeze' or not. If we fight effectively together over pay, we show the employers we can fight effectively over job losses and the battle to come over pensions.**
- The employers have made it clear, informally, that they will **not return to arbitration and ACAS**, if referred to by the trade unions. We need to get the employers back to the negotiating table as a first priority – **it is UNREASONABLE not even to discuss the situation.** We want to talk and the employers don't – make that clear to members and non-members and encourage them to join.

Context of the Offer:

- Redundancies in local government are increasing with many authorities also 'letting go' agency staff and eliminating vacant posts. 'Fear' of redundancy is high, morale and confidence low. **We estimate that 15,000 people have been made redundant in the past 15 months (This figure also includes an estimate for the next three months).**
- **The ever increasing role of the private sector – and job losses.** Rigorous analysis of many business cases shows that privatisation does not save money. Transaction costs are high and APSE has recently documented 50 cases of services brought back in-house because they were too expensive.
- The employers offer is well below the rising Consumer Price Index (CPI) rate of **2.9%** (December 2009). This measure, the one favoured by the government, includes food prices which have been the main inflationary pressure over the past couple of years and one of the highest elements in a low paid family's budget.
- The Retail Price Index (RPI) (which includes housing costs - unlike the CPI) was **2.4%** in December 2009. In the long term, RPI is more accurate and is used to negotiate private sector pay.
- As you can see from the graph below inflation is already **rising sharply** as the economy begins to pick up. IRS (Industrial Relations services) forecast that the RPI yearly average will be 2.6% - it could be a lot higher! (*Underlying inflation (RPIX) is even higher at 3.8% (This measure excludes mortgage interest payments).*)



What's wrong with the offer?

- Let's spell it out and make it clear – **as it stands PAY WILL BE CUT.** A respected, conservative, estimate for the average (RPI) inflation rise in 2010 is 2.6%¹ If we use that figure we can see what effect, for example, it has on our low paid members (see the table below). **In effect, we go back to pay levels before 2008 and those already on poverty pay, on the lowest scale point, have £316 less to spend over the year!!**

The Proposed 2010 Pay Cut - What it could mean...				
Scp	2008	2009	2010 - 2.6% loss for inflation	2011?
Scp4	£11,995	£12,145	£316	£11,829
Scp5	£12,160	£12,312	£320	£11,992
Scp6	£12,334	£12,489	£325	£12,164
Scp7	£12,629	£12,787	£332	£12,455
Scp8	£13,027	£13,189	£343	£12,846

- The bottom NJC scale point is now £6.30 pence. UNISON's target rate for the NMW is £7.45 pence. The London Living Wage is £7.60 pence. The 2009 ASHE (Annual Survey of Hours and Earnings) put supermarket workers on an average £7 an hour². **At present the bottom NJC rate is only 50 pence above the National Minimum Wage and less what many people can earn in a supermarket – poverty pay is set to become even worse whilst the bankers, who caused the**

¹ <http://www.xperthr.co.uk/article/16098/inflation.aspx#Bk3>

² SIC Code 4711 (median estimate), those working in, 'retail sale in non-specialised stores with food, beverages or tobacco predominating'

financial crisis, continue to receive millions in bonuses. REMEMBER, the employers weren't even prepared to talk!!

- **On 2008 figures, there were at least 869,000 workers in local government earning below £18,000 a year. That's over 60% of the entire workforce. George Osborne said that even the Conservative party would not freeze the wages for this group of workers!**
- A 'pay freeze' in local government will do nothing to help stimulate a local economy in a time of economic difficulty and neither will redundancies. Low paid workers, many of them UNISON members, help to support their local economy by spending a higher proportion of their income. They have to - they don't have enough to save!! For every £1 spent by councils, 64 pence is generated within the local economy
- Polling last year by IPSOS MORI suggested that there is no great public appetite for generalised cuts. Far more people would prefer to see services made 'more efficient'. When asked in April last year whether they preferred reduced spending on services or increased taxes, 53% of those polled opted for increased taxes, compared to 35% wanting reduced spending on public services. More recently, in June 2009, only 29% of those polled wanted reduced Government borrowing and cuts to services, compared to 69% who wanted to see them left as they are or increased through extra income tax if necessary

UNISON says our claim is a just and affordable claim:

- Redundancies are taking place in local government through the demand for efficiency savings, re-organisations, the continuing commissioning agenda in social care and simple lack of work (as with planning departments) – budgetary pressures through recession are only part of the issue, **policy making by local councils and the government, external to pressures from the credit crunch, in many cases, are the real factors in a declining workforce and poverty pay.**
- The cuts come on top of over-zealous 'efficiency' savings which exceeded the levels demanded by Government in the Comprehensive Spending Review by 50% between 2005 – 2008. The LGA said that, "against a target of £3 billion by 2007/8...local government will have saved taxpayers £6 billion".
- **Many local authorities will freeze council tax in 2010 – at the expense of our members and local services!!**
- Budgetary problems through a decline in revenue from (land) charges and fees are a relatively small proportion of a council's budget
- Councils in England will get nearly £3 billion more in government grants this year, continuing the trend of successive annual increases above inflation for local government since 1997.
- According to data supplied by councils themselves, they started 2009/10 with more money in reserves than at the start of 2008/09. Unallocated reserves stand at £3 billion.
- Overall, Government funding for councils will increase by over 4% in 2010/11 – this settlement contains an element for pay.

- While some councils will have seen income fall due to lower revenues, borrowing has also become cheaper.
- Member contributions' to the LGPS rose by 14% in the last year alone. Employer contributions rose by 8%.

Pay in the Public Sector:

NJC pay is lower than for any other group of public sector worker – except those in 6th form colleges, as can be seen below:

- 75% of the local government workforce are women – if the employers have their way then the gender pay gap will widen even further
- In 2009/10, the NHS bottom rate is £6.77 pence an hour compared to the bottom rate for local government workers at £6.30. However, the bottom pay points in the NHS are hardly used since most NHS cleaners and catering staff are on the top of scale point 4, earning £7.34 pence an hour, because of Agenda for Change increments
- Local government workers are already some of the lowest paid in the public sector. Probation staff are paid nearly £2000 more than the lowest paid in local government - on the bottom grade they get £14,049)
- Higher education staffs on the bottom grade get £12,837
- Police support staffs on the bottom grade get £13,236

Other public sector settlements

Even though the economy has been in recession for over a year, pay settlements across both the public and private sectors have outstripped inflation. In addition, pay freezes have been largely limited to the private sector, they have been negotiated – not imposed - and constitute only around 30% of pay settlements.

The table below shows a sample of recent and multi year settlements in the public sector – all considerably higher than the pay freeze for local government workers in England, Wales and Northern Ireland for 2010/11.

Organisation	Effective From	Rise
Schoolteachers - England and Wales	01/09/2010 01/09/2009	2.3% 2.3%
Police Support Staff	01/09/2010 01/09/2009	2.58% 2.6%
NHS	01/09/2010 01/09/2009	2.25% 2.4%
Sixth Form Colleges	01/09/2009	2.3%

WHAT BRANCHES NEED TO DO?

Get talking about the claim and the employers' response...

- **Tell members and non-members about the campaign. Use the pay campaign as an opportunity to tell members about the benefits of joining UNISON.** Make sure all members on NJC Green Book conditions know what the pay claim is and how the employers have responded to it. This includes members in the private sector and voluntary sector on NJC pay rates, and others working in Fire and Emergency Planning, National Parks, ALMOs and housing associations
- Talk to members who are craft workers and Chief Officers and Senior Managers too
- Involve low paid and part-time members and those in scattered workplaces in discussions about pay
- Encourage all members to participate – not just those who traditionally get involved in branch activities. Hold meetings and events at times and places which allow all sections of the branch to take part
- Work with the other local government trade unions locally - try to organise some key initiatives which involve all three unions and meet regularly to co-ordinate activities

Get prepared! To prepare for the pay campaign you will need to:

- Make sure steward lists are up-to-date – you can then identify the gaps where you need to recruit a steward or workplace contact
- Get friends and families and service users to support the campaign - the quality of service they receive depends on the skills and hard work of the council employees they come into contact with
- The pay 'freeze' is the result of the same cuts that will affect services and local jobs too

Recruit and organise!

The pay campaign gives us a great opportunity to recruit members and stewards. Non-members will want to join if they see a campaign which relates to their jobs and their lives outside the workplace. Imaginative and successful campaigning gives public service trade unionism a positive image. Try to ensure that:

- All stewards and contacts carry recruitment materials throughout the campaign
- You show non-members how UNISON can campaign for improvements to pay and conditions and protect jobs, pensions and local services
- UNISON is seen to campaign for better services as well as better pay and conditions
- Experienced stewards and members support new ones who come forward to be workplace contacts or take part in the campaign. Keep a note of who they are and how to contact them!