



**Trade Union Side of the National Joint Council for Local Government Services:
England, Wales and Northern Ireland**

NJC PAY CLAIM 2016 – 2017

This submission sets out the evidence in support of the headline NJC pay claim submitted by the Joint Trade Union Side (UNISON, GMB and UNITE) to the Local Government Association (LGA) on 3 June 2015.

Our claim is for:

- **Deletion of NJC and all local pay points which fall below the level of the UK Living Wage (and deletion of GLPC pay points below London Living Wage) and a flat rate increase of £1 per hour on all other pay points;**
- **Retention and protection of Green Book Part 2 terms and conditions and**
- **Fair treatment for school support staff through a joint review of term time working.**

21 August 2015

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Key points from our claim

Our claim and local government funding

- The LGA must halt the long-standing decline in local government and school pay. The NJC must be seen to be effective in restoring pay levels and protecting the terms and conditions of its workforce if it is to retain legitimacy and salience within councils, schools and the workforce
- It is also time for central government to realise that pay for the largest group of key public service workers is being reduced to the breadline
- Future Funding Outlook reports by the LGA should also include estimates of the costs of returning local government pay to its 1 April 2009 real-terms level during the course of this parliament. Without those estimates, it will not be possible to make the case to the government for the necessary additional funding

Declining pay

- Pay has plummeted in real terms by nearly 20% since 2009
- Those at the bottom of the pay structure – cleaners, catering assistants and school crossing patrol staff – their salary would be worth £1,409 more in real terms if it had risen in line with inflation since 2010
- 30% of the workforce earn below the UK Living Wage
- The disproportionate effect of the cuts on women mean that even in a sector where Single Status is meant to equalise and protect women's pay, the gender pay gap between men and women has now risen by 3% since 2010
- There needs to be urgent action on pay and conditions to stop the rot in part-timers earnings. They are suffering drastic cuts to hours while 20% cover for redundant full time posts
- For the vast majority on NJC pay, last year's pay award represented the sixth consecutive pay cut since 2010
- The pay of workers on scp 10 – such as library assistants, the lowest grade teaching assistants, midday supervisors and refuse loaders - would be worth £2,462 more in real terms if it had risen in line with inflation since 2010
- The pay of workers on middle incomes - such as nursery nurses, care workers, senior library assistants and environmental health technicians - would be worth £3,181 more in real terms if it had risen in line with inflation since 2010

- Social workers on scp 36 have lost £5,363 in real terms since 2010

Lowest pay in the public sector

- NJC pay is the lowest in the public sector and no one is paid a fair rate for the job they do. Terms and conditions such as annual leave, maternity pay and car allowances are also the worst
- Cleaners and catering assistants on NJC pay receive 5.5% less than their NHS counterparts. This rises to 7.5% less for NJC senior social workers. Nursery nurses on NJC pay are a staggering 21% worse off than their NHS counterparts

Living wage and in-work benefits

- Ad hoc agreements on Living Wage implementation make a mockery of collective bargaining. Fragmentation of pay bargaining will lead to pay equity problems and a free-for-all once there is renewed investment in local government. Those in jobs further up the structure will leave for better paid jobs elsewhere unless their earnings are also restored
- Due to years of neglect the NJC pay spine is being gradually compressed every year creating inequitable pay, damaging staff morale and future equal pay risks
- By applying a £1 per hour flat rate increase to the pay levels of all NJC workers earning above the UK National Living Wage, the LGA would be able to maintain equality proofed Single Status job evaluation outcomes and agreed pay and grading structures
- There are major benefits to the economy that would arise from lifting the public sector pay cap and easing the squeeze on living standards
- Many NJC workers are reliant on in-work benefits. The taxpayer is subsidising schools and councils to pay poverty wages. The savings made by paying local government workers the Living Wage and restoring earnings for higher paid employees could be channelled back by the Treasury into local government and schools settlements to pay for increases in pay
- Cuts to tax credits announced in the July budget mean that NJC employees in low paid jobs will be among the hardest hit and will no longer be able to rely on the tax credit system and will face a widening income deficit

Working life

- In the face of widespread cuts and job losses, local government and school workers are holding communities together at a time when their services are overwhelmed by public demand
- Our call for decent pay for our members also reflects the massive increase in productivity which has arisen from almost 500,000 fewer workers delivering almost the same services as a result of Coalition and current government cuts
- 76% of UNISON members report increased expectations from employers in the last 12 months
- 73% report increased stress levels and two thirds increased workloads and pressure in the last year. 46% feel they have too much work to do and 54% feel stress at work is affecting their performance and 52% their personal life
- 63% report morale has worsened over the last year

Pay across the economy

- Regular wages (excluding bonuses) rose by 2.7% over the last year
- Inflation forecasts suggest that from 2015 the cost of living employees face will grow by over 13% by 2019

Terms and conditions

- 63% of UNISON members in councils and schools experienced a review or reorganisation in the last year driven by cost cutting exercises
- Almost half report changes to their pay and conditions since 2010, 85% of whom say their pay and conditions have worsened. In the majority of cases these changes had been imposed, rather than agreed
- A guarantee that Green Book Part 2 terms and conditions will be retained and protected is a key way for employers to demonstrate they value and support their dedicated and skilled workforces.

Fair Treatment for School Support Staff

- Treating teachers as full year and reducing the salaries of support staff by up to 20% through term-time working is divisive, bad for morale and unfair.

- The Trade Union Side are calling for a joint review of term time working and an NJC approach for fair, consistent and transparent contracts for school support staff

Conclusion

- The Trade Union Side is tired and frustrated at having to negotiate pay increases which just keep our lowest paid members above the statutory national minimum wage and seeing our higher paid members face constant erosion of their standard of living.
- We want to see concerted joint action by central government and the LGA this year to provide additional funding for councils to pay the Living Wage to the lowest paid and compensate those above the Living Wage adequately

1. The 2016-17 pay claim for NJC workers in local government and schools

The 2016-17 NJC pay claim comes at a critical time for the future of local government and the National Joint Council for Local Government Services. Following five years of pay freezes and below-inflation pay increases for the NJC workforce, collective bargaining has all but ground to a halt in what is the largest bargaining group in Western Europe, of whom 78% are women. It is time for the LGA to step up to the mark and halt the long-standing decline in local government and school pay across England, Wales and Northern Ireland. The NJC must be seen to be effective in restoring pay levels and protecting the terms and conditions of its workforce if it is to retain legitimacy and salience within councils, schools and the workforce.

But it is also time for central government to realise that the largest group of key public service workers is being reduced to a breadline existence. Funding **MUST** be made available to ensure that school and local authority workers can be paid and rewarded at least at the level of other public sector groups and benefit from a living wage and decent conditions of work.

2. Local government funding

This pay claim is set against the continuing backdrop of devastating central government cuts to local government funding - cuts that are unprecedented and poised to change the very nature of how our local services are delivered. The total reduction in core government funding to councils since 2010 stands at 40%¹.

The LGA has already warned that there will be little funding left for anything other than adult social care, refuse collection and street sweeping by 2020². Our very services - and the livelihood of those who deliver them - are at risk from the government's dogged pursuit of its austerity agenda.

The LGA's own interim report on its funding outlook issued this year predicts that the funding gap in local government will grow to £10.3 billion by 2018/19, before an increase in funding in 2019/20 reduces the gap to £9.5 billion³. To maintain the same level of service councils provided in 2014/15, a funding gap of £6 billion will open up by 2016/17 alone. Under the LGA's assumptions, authorities will have to use £3 billion of their reserves in the five years to 2019/20.

The NJC trade unions believe that future Funding Outlook reports by the LGA should also include estimates of the costs of returning local government pay to at least their 1 April 2009 real term levels during the course of this parliament. Without those estimates, it will not be possible to make the case to the government for the necessary additional funding.

¹ LGA response to the local government finance settlement, media release, Dec. 2014.

² Funding outlook for councils from 2010/11 to 2019/20, Preliminary Findings, LGA, June 2012.

³ Funding outlook for councils 2019/20: 2015 interim update, LGA June 2015. Based on applying the projections for departmental spending implied by the March 2015 edition of the OBR's economic and fiscal outlook1.

During the course of the election campaign, the Prime Minister claimed that the government's 'long term economic plan' simply involved saving £1 in every £100 of spending by government departments in each of the first two years. But the 2015 Budget shows something different. Spending across government departments will fall from £338.6bn in 2015/16 to £323.8bn in 2016/17 and to £312bn in 2017/18. The reductions of £14.8bn and £11.8bn respectively are equivalent to reductions of £4.37 and then £3.64 in every £100, not £1. If you then take account of the fact that the NHS is protected and exclude the £111.8bn NHS budget, the reductions rise to £6.53 in every £100 and then another £5.57.

Despite the Prime Minister's claim, the Joint Trade Union Side anticipates significant further reductions in government grant to local authorities in England and reductions to devolved funding in Wales.

Aside from the devastating impact which cuts to council grants have had on pay and conditions, the council workforce in England had shrunk by 499,000 between 2010 and by the second quarter of 2014. Whilst some of this reduction is due to academy conversions and the privatisation of local services, most is explained by jobs being cut as councils froze or restricted recruitment, restructured, reorganised, offered voluntary early retirement, voluntary redundancy or made staff compulsorily redundant.

There is a ticking time bomb of poverty pay, poor conditions, over-work and very limited access to training or progression in local authorities and many schools, which will not be tolerated by our members for much longer. It will also impact severely on services when our members can be 'squeezed' no longer.

'I have worked in local government for 27 years and have never known it to be so stressful, we have lost over 2,000 members of staff and the work has increased to unacceptable levels, we are expected to do the jobs of 2 or 3 people for the same money as we were being paid years ago. I am constantly going overdrawn in the bank as everything is more expensive. If we go off work ill, we are now being disciplined for it and the pressure mounts. I am no longer proud to work for local government as I once was. I used to have the best job in the world and all I am doing now is dismantling the civilised society that was once local government' **Local government worker North West**

3. Declining pay in local government

Despite the media stereotype of overpaid 'pen pushers', the entire NJC workforce is poorly paid. In fact, pay has plummeted in real terms by nearly 20%⁴ since 2009. That's a fifth of the wage packet gone. Sixty-four out of every 100 staff earn less than £21,000 a year and 30 of those earn less than £15,000⁵. NJC pay was frozen

⁴ 19.77%

⁵ Local Government Earnings Survey, 2013 – 14, LGA, showed that 956,140 staff – approximately 64% of the total mainstream local government workforce - earn less than £21,000 and of those 446,330 earn less than £15,000.

in 2010, 2011 and 2012 and rose by just 3.2% during the years 2013-15, while RPI increased by 22% between April 2009 and April 2015.

The employees who still have jobs lost £1bn in 2010/11, £2bn in 2011/12, £2.6bn in 2012/13 and £3bn in 2013/14, as their pay failed to keep pace with inflation. Many councils have gone even further by imposing pay cuts, reduced hours and corresponding pay cuts, unpaid leave and cuts to terms and conditions such as annual leave and sick pay. The Joint Trade Union Side believes that the restoration of pay levels in local government is long overdue. In UNISON's 2015 members' survey⁶ on experiences and perceptions of working life in local government, local government workers reported that 'feeling undervalued' and 'pay too low' are key reasons for considering leaving their job.

The decline in NJC pay since 2009 has had a devastating effect on NJC workers. For those at the very bottom of the pay structure in table 1 – cleaners, catering assistants and school crossing patrol staff – a salary of £12,312 in 2009 is now worth £1,409 less in real terms, once the impact of a three-year pay freeze and a below inflation pay rise in 2013 is taken into account. Even the bottom-loading applied as a result of the pay settlement last year still makes only a small indent into the amount their pay has fallen behind long-term inflation trends.

TABLE 1: How much NJC pay on bottom scale point 5 would be worth if it had risen in line with inflation since 2010.			
Year	Actual Salary (£s)	Salary if in line with inflation (£s)	How much less pay is worth (£s)
2009	12312	12312	0
2010	12312	12878	-566
2011	12312	13548	-1236
2012	12312	13982	-1670
2013	12435	14401	-1966
2014	12435	14747	-2312
2015	13500	14909	-1409

A recent report by the Fawcett Society called for the extension of the living wage by “encouraging the public sector to take a lead in its adoption”⁷. Our claim this year calls for the minimum pay point in local government and schools to be set at the UK Living Wage rate. In a civilised society, it is a disgrace that any worker is paid less than the UK Living Wage yet nearly half a million NJC workers - 30% of the workforce - are paid below this level. Many are also dependent on benefits, which are also being cut.

'I feel increasingly cut off from 'life'. Low pay, increasing living costs. I cannot afford dental care yet am not entitled to free service. I cannot afford a pension. I rarely go out with friends because I cannot afford to.' **Part-time local authority worker North West**

⁶ Survey of 2,189 local government and schools survey conducted by Incomes Data Research for UNISON March 2015 – May 2015.

⁷ The changing labour market 2: women, low pay and gender equality in the emerging recovery, August 2014.

4. Women - the low paid in local government and schools

Women make up 78% of the NJC workforce and are over 90% of all part-time workers in schools and councils, 61% of all employees are part-time workers. Since 2010, central government has presided over a serious decline in the quality of life for women and nowhere is this more starkly revealed than in local government where the cuts they have imposed on councils are shrinking women's pay, women's lives and women's job opportunities. They are stuck at the bottom end of the NJC pay scales and the problem is getting worse after a three-year pay freeze, followed by two below-inflation pay deals and cuts. Job losses, low pay and underemployment mean that women have little chance to progress at work. Disappearing services impoverish their lives out of work.

Since 2010, Fawcett has warned "that austerity measures, premised on significant cuts to the public sector, where women make up the majority of the workforce, would jeopardise some of the gains that had been made by women and place women in an increasingly precarious position in the labour market."⁸ In local government and schools, there is a high degree of gender segregation. **The disproportional effect of the cuts on women means that even in a sector where Single Status is meant to equalise and protect women's pay, the gender pay gap between men and women has now risen by 3% since 2010 and now stands at 80.8% of men's pay⁹. It is women in local government and schools who are paying the price for persistently low pay settlements and cuts to conditions.**

Women are being hit by the impact of the cuts on both sides. As workers in local government, they are struggling with low pay, increasingly heavy workloads and the constant threat of further redundancies. As service users, the cuts to local services mean that there is less help available to them, forcing many to go without the support they need.

In 2014, UNISON analysed 334 Freedom of Information responses from councils across the UK and surveyed 7,554 women, the majority working in local government. The findings show cutbacks across council services have caused women's lives to shrink. Almost a third of women said that they were using some local services less or had stopped altogether, because of rising costs, shorter opening hours and poor facilities. Some women were concerned and frustrated that this would create a vicious circle of cuts.

Women's employment in local government has fallen by over 250,000 since 2010. Many of the survey respondents were facing redundancy and 28% said that the cuts had left them feeling more cut off from finding a job. Job cuts are a tragedy for councils in the long-term, as they lose staff with valuable knowledge and experience. 86% of women working in local government have seen an increase in workload and stress in the past year.¹⁰

⁸ The changing labour market 2: women, low pay and gender equality in the emerging recovery, August 2014.

⁹ Comparisons between male and female FTEs average pay using the LGA's most recent Local Government Earnings Survey, 2013 – 14, LGA,

¹⁰ Pay matters survey of 14,706 local government UNISON members, 2013, UNISON.

Underemployment is also a problem hidden in plain sight within local councils. There has been a 74% increase in women's underemployment¹¹ and the UNISON survey found that many women are working multiple jobs on precarious contracts to make up lost hours.

Local government must tackle poverty pay and unequal pay to restore women's spending power and comply with equality legislation. Paying women a decent wage would boost local economies, create additional revenue, and benefit savings for the Treasury. Central government should carry out an equality audit of women's pay in schools and local government and of its recent announcements on tax credit changes and rectify the poor state of women's incomes.

'As a school support worker, I could not support myself on my salary alone, let alone a family. Most of these jobs are done by women. Is this why the pay is so low?'
School support worker South East

5. Part-timers and low pay

Part-time workers are the majority of the NJC workforce. They are 61% of all employees and 90% of them are women. The last LGA earnings survey¹² conducted in 2013 showed at the time that a quarter of part-timers in local government earned less than £6.90 per hour and half earned less than £8.23. They are suffering drastic cuts to hours while 20% cover for redundant full-time posts¹³. As job losses mount up in local government, part-time workers are forced to take on the work of their departing colleagues and are often denied the flexibility and family-friendly working they chose when taking part-time work. They are carrying out more work for fewer hours and less pay. On top of that, they are not entitled to any overtime payment and cuts to unsocial hours payments are having a savage impact upon their living standards.

The hidden NJC majority should not be treated in this way. There needs to be urgent action on pay and conditions to stop the rot in part-timers earnings.

'I have 3 part-time jobs and am paid to work 33 hours per week but work at least 10 hours more per week unpaid every week' **Local government worker Greater London**

6. Low pay – a problem throughout the NJC pay structure

The decline in pay levels across the NJC pay structure means that a cost of living crisis has taken hold, resulting from years of pay freezes and below-inflation pay rises. This affects not just those on the lowest grades, but the entire workforce.

¹¹ Women, part time work and underemployment, Scarlet Harris, 15 May 2012, TUC.

¹² Local Government Earnings Survey, 2013 – 14, LGA,

¹³ Striking council workers and other public sector employees have a point – enough is enough, Wakefield, Left Foot Forward, July 2014.

For the vast majority on NJC pay, last year’s pay award represented the sixth consecutive pay cut since 2010. In its most recent report on low pay in Britain, the Resolution Foundation stated “The fall in real pay over recent years has affected workers across the earnings distribution”.¹⁴ Nowhere is this more perfectly reflected than across the NJC pay spine. Even at the top, earnings in the NHS Agenda for Change pay structure are more than double the NJC’s £42,957, despite a high level of job comparability.

Research undertaken by UNISON in 2013 via a Freedom of Information request to all local authorities in England and Wales, revealed that many NJC councils have extended their pay scales above SCP 49 to increase the maximum pay rate for workers. 206 councils had locally extended their pay scales above the NJC maximum, 39.3% extending their scales to a pay rate to £50,000 closely followed by 37.4% extending it to £50,000-£60,000. While this might be necessary to accommodate higher paid public health and other jobs transferring into councils, it has also inflated the total NJC pay bill, probably to the detriment of lower paid workers.

For workers on SCP 10, such as library assistants, the lowest graded teaching assistants, mid-day supervisors and refuse loaders, who all earn below the UK Living Wage, pay and purchasing power has dropped dramatically since 2009 as Table 2 below demonstrates. They are a staggering £2,462 worse off now in real terms than they were six years ago.

TABLE 2: How much NJC pay on scale point 10 would be worth if it had risen in line with inflation since 2010.			
Year	Actual Salary (£s)	Salary if in line with inflation (£s)	How much less pay is worth (£s)
2009	13874	13874	0
2010	13874	14512	-638
2011	13874	15267	-1393
2012	13874	15755	-1881
2013	14013	16228	-2215
2014	14013	16618	-2605
2015	14338	16800	-2462

If we look further up the pay spine, the stagnation of middle incomes is further evident. Table 3 shows the decline in basic earnings for workers such as nursery nurses, care workers, senior library assistants and environmental health technicians, who are now a whopping £3,181 worse off simply because their pay has not kept pace with the cost of living since 2009.

¹⁴ Low Pay Britain 2014, Resolution Foundation, October 2014.

TABLE 3: How much NJC pay on scale point 19 would be worth if it had risen in line with inflation from 2010.

Year	Actual Salary (£s)	Salary if in line with inflation (£s)	How much less pay is worth (£s)
2009	17802	17802	0
2010	17802	18621	-819
2011	17802	19589	-1787
2012	17802	20216	-2414
2013	17980	20823	-2843
2014	17980	21322	-3342
2015	18376	21557	-3181

And if any further proof was needed of how NJC pay is stagnating across grades, look at the pay of a social worker on scp 36. Table 4 below shows that the value of her/his pay has plummeted. Since 2009 in real terms, he/she has lost £5363.

TABLE 4: How much NJC pay on scale point 36 would be worth if it had risen in line with inflation from 2010.

Year	Actual Salary (£s)	Salary if in line with inflation (£s)	How much less pay is worth (£s)
2009	30011	30011	0
2010	30011	31392	-1381
2011	30011	33024	-3013
2012	30011	34081	-4070
2013	30311	35103	-4792
2014	30311	35946	-5635
2015	30978	36341	-5363

The Joint Trade Union Side believes that by applying a £1 per hour flat rate increase to the pay levels of all NJC workers currently earning above the UK National Living Wage, the LGA would be able to maintain equality-proofed Single Status job evaluation outcomes and agreed pay and grading structures. While some councils may think that the cuts agenda gives them the freedom to ignore their commitment to equal pay, this is not an option if they are to prevent a new surge of equal pay litigation – litigation that they can ill afford. The £2 billion spent on equal pay settlements by councils cannot be repeated! Gaps between managers, supervisors and more junior roles must not be eroded. With morale at an all-time low, restoring pay levels across NJC pay grades is necessary if the Employers are to stem the current recruitment crisis. UNISON's 2015 survey of over 2000 members¹⁵ found 63% of respondents believe morale has worsened over the last year, compared with just 5% who reported an increase in morale in their working area or department.

'just feel undermined and devalued at every corner at the moment. Constant changes, greater workload for stagnated pay. Life is a struggle.' **School support worker Northern Ireland**

¹⁵ Survey of 2,189 local government and schools survey conducted by Income Data Research for UNISON March 2015 – May 2015.

7. Local government pay: lowest pay in the public sector

Local government workers are right at the bottom of the public sector pay league. The difference between NJC pay and earnings in the NHS, police, civil service, probation and education can no longer go ignored. Working next to someone doing the same job but treated considerably better is no way to motivate staff. This is an increasingly common scenario with transfers within the public sector becoming increasingly common.

Table 5 below shows the difference in pay levels for selected occupations across the NJC pay structure and equivalent roles in the NHS Agenda for Change pay structure. Local government is in direct competition with the NHS and other public sector groups in many local labour markets, particularly now that public health services have transferred to local authorities, so this is an important comparison to make. For cleaners and catering assistants on NJC pay, their NHS comparators receive around 5.5% more, while senior social workers in the NHS get paid £40,964 (7.5%) more than their NJC counterparts. The shocking 21% difference in pay levels between nursery nurses leaves the NJC worker a staggering £3,857 worse off than her NHS counterpart.

Table 5: NJC and NHS pay compared					
NHS Job title	NJC Job title	NJC Median Maximum Salary ¹⁶	NHS 37 Hour Week Equivalent (1.4.15) England	Difference between NJC And NHS (£)	% NHS pay exceeds NJC Pay
Domestic Support Worker	Cleaner	14,311	15,100	789	5.5%
Catering Support Worker	Catering Assistant	14,332	15,100	768	5.4%
Clinical Support Worker (Higher Level)	Community Care Assistant	18,376	19,461	1,085	5.9%
Social Worker	Social Worker	33,778	34,876	1,098	3.3%
Senior Social Worker	Senior Social Worker	38,107	40,964	2,857	7.5%
Nursery Nurse	Nursery Worker	18,379	22,236	3,857	21.0%

¹⁶ IDS 2013 is the last national data available. 1% in 2013 and 2.2% for 2014-16 are the NJC pay awards.

It is not just comparisons with NHS staff that show just how far behind the rest of the public sector NJC pay has fallen. The bottom rate of £7.00 per hour for 30,250 NJC workers compares badly with hourly rates of £7.94 for police support staff, £7.63 for those in higher education and £7.57 in probation.

This consistent cut in pay in real terms for NJC workers is having a dramatic effect on their pensions because of reduced earnings and reduced pension contributions. In addition, our members, the majority of whom are in the LGPS, will face a significant reduction in take home pay because of the 1.4% increase in national insurance contributions for LGPS members from 1 April 2016. The LGA should be lobbying the government about this to secure additional funding for a decent pay rise to compensate employees accordingly.

8. New national 'living wage'

In the Government's emergency budget in July the Chancellor introduced a new "national living wage" rate of £7.20 set to reach £9 by 2020 yet this is set against an overall 1% cap on public sector pay. This displays a complete lack of joined up thinking. It is evident that yet again the local government workforce is overlooked by central government. No undertaking has been made to fund an increase in local government pay by central government and no thought given to the necessary lift in pay points required throughout the pay spine to maintain an equal pay-proofed structure.

The irony is not lost on our members that although the introduction of a new "national living wage" may make good headlines, it is the current government who are the perpetrators of the meanest wages in the public sector. They remain intent on imposing poverty pay on all employees working in local government by forcing the pay cap on local government employers.

Table 6 below sets out the bottom NJC SCPs and the impact of a 1% pay cap on these salaries.

In order for the new national living wage to be reached by April 2016, SCPs 6 -7 must be deleted while SCPs 8 – 14 will fail to reach £9 minimum by 2020. Only at scale point 15 will the national 'living wage' be reached.

TABLE 6: NJC SCPs and the impact of a 1% pay cap

NJC SCP	2015	2016	2017	2018	2019	2020
5	£7.00*					
6	£7.06	£7.13	£7.20	£7.27	£7.35	£7.42
7	£7.11	£7.18	£7.25	£7.33	£7.40	£7.47
8	£7.19	£7.26	£7.33	£7.41	£7.48	£7.56
9	£7.30	£7.37	£7.45	£7.52	£7.60	£7.67
10	£7.43	£7.50	£7.58	£7.66	£7.73	£7.81
11	£7.88	£7.96	£8.04	£8.12	£8.20	£8.28
12	£8.05	£8.13	£8.21	£8.29	£8.38	£8.46
13	£8.26	£8.34	£8.43	£8.51	£8.60	£8.68
14	£8.41	£8.49	£8.58	£8.66	£8.75	£8.84
15	£8.59	£8.68	£8.76	£8.85	£8.94	£9.03

*due to be deleted in October 2015

To comply with the new national living wage rate, the LGA cannot continue to simply shave off the bottom pay point to keep up with statutory minimum earning as has been the case for the last two years. This time round the employers must take bolder steps. Irregularities in the pay spine mean that it needs re-working. Adjustments to ensure equal treatment for all must be made now, not in 2020. Due to years of neglect, the NJC pay spine pay is being gradually compressed every year creating inequitable pay, damaging staff morale and future equal pay risks.

The Joint Trade Union Side’s claim for the non-statutory UK Living Wage to be the bottom pay point and every pay point above this to be lifted by £1 an hour, will address what is now a crisis issue. Using the new National Minimum Wage of £7.20 as a benchmark will not do. £7.20 per hour in 2016 remains lower than the current UK Living Wage and far lower than the London Living Wage of £9.15.

‘Day to day living is becoming harder and harder as my money has to be spread out thinner and thinner... I am suffering [from] severe depression, mainly caused by financial worries and pressures.’ **Local government worker North East**

9. The ‘real’ Living Wage explained

The non-statutory Living Wage is currently set at £7.85, but is expected to rise further in November 2015. The Living Wage inside and outside London is calculated to ensure that workers receive the bare minimum needed for an acceptable standard of living – it does not necessarily protect a family from financial hardship. Added to this, it assumes access to social housing and a car - both increasingly rare options for the low paid.

Meanwhile the Joseph Rowntree Foundation also calculates a “Minimum Income Standard” (MIS), based on what members of the public think people need to achieve a socially acceptable standard of living. When compared with the Living Wage it highlights the low level at which the Living Wage is set. In 2015, the MIS stands at

£17,100 for a single person - just below NJC scp 17 of £17,372, and £1,955.07 pence per year above the UK Living Wage. For a couple with two children, the MIS amounts to £21,000 per year - just over NJC scp 23 at £20,849 and £5,855.07 pence above the UK Living Wage.¹⁷ This assessment of the MIS also found that the price of its basket of essential items had risen by 28% between 2008-14, while average wages grew by just 9% over the same period¹⁸. **For local government workers who have experienced a three-year pay freeze and meagre below-inflation pay rises, the impact of this 28% increase on essential items is brutal.**

10. The Living Wage in local government and schools

Support for the 'real' Living Wage has gained traction in local authorities in recent years and it is largely being implemented in councils without NJC or local trade union involvement. Research undertaken by UNISON in June-July 2015, via a Freedom of Information request to local authorities, showed that 51% of councils were paying the Living Wage and 41% intended to uprate the minimum rates for their lowest paid directly employed staff to at least the Living Wage at every annual pay settlement. A further 18% aspired to pay the Living Wage within the next two years.

But local implementation of the Living Wage is not straightforward. In some councils, it has been traded for cuts to other conditions, such as unsocial hours enhancements leaving some of our members worse off overall. In other councils, the 'Living Wage' is lower than the official level or set at a "local" rate. Elsewhere, the job evaluated pay and grading structure has been changed, and the principle of equal pay for work of equal value, based on job evaluation outcomes, has been ignored.

Establishing the real Living Wage as the very minimum rate of pay through the NJC bargaining machinery is vital if it is to maintain its credibility. There is support for the Joint Trade Union Side's proposal, as can be seen from UNISON's survey of councillors and local government officers attending the LGA's 2015 annual conference. 88% of respondents supported the statement 'Do you support the proposal that the Living Wage should become the bottom pay rate for the local government workforce?'

While councils reach local, ad-hoc agreements on Living Wage implementation, they make a mockery of collective bargaining. Fragmentation of pay bargaining will lead to pay equity problems and a 'free-for-all' once there is renewed investment in local government. Those in jobs further up the pay structure will leave for better paid jobs elsewhere unless their earnings are also restored. **This is why, alongside the increase required to deliver the Living Wage for the lowest paid, it is essential that the rest of the workforce receive a flat rate increase of £1 per hour.**

'People on my team are low paid and are struggling. One can't afford to get her car MOT'd and she needs it for work - catch 22 - she is taking leave until she gets paid so she can pay for the MOT. That is ridiculous.' **Local government worker South East**

¹⁷ A minimum income standard for the UK in 2015, Joseph Rowntree Foundation, July 2015.

¹⁸ A minimum income standard for the UK in 2014, JRF, 2014.

11. The benefits of paying the living wage

A clear macro-economic case has developed to support the Living Wage. Broadly speaking, for every £1 spent on raising wages to the Living Wage, around 50 pence returns to the Treasury. In a 2010 report, the Institute for Fiscal Studies¹⁹ found that there would be an additional gain to the Treasury of £0.9 billion if all public sector employees were paid the Living Wage. The vast majority of these would be local government workers.

As LGA Chairman, Gary Porter has stated, the living wage: “helps support those on the lowest pay, but also improves the motivation, loyalty, productivity and retention of hard-working council staff”.²⁰ Better pay means that staff are more highly motivated and less reliant on second jobs²¹. Non-Living Wage councils by comparison found the 2014/15 pay settlement harder to cope with than more progressive ones.²²

The ‘fiscal multiplier’ quantifies the impact of public spending on wages and goods on the economy. In 2012, the IMF questioned its own past thinking about the multiplier - that £1 of public spending generates £0.5 of wealth. In its ‘World Economic Outlook’²³, it revised that figure to between £0.9 and £1.7 – figures supported by other economists. The cuts in NJC pay are clearly contributing to a reduction in economic activity at local and UK level and reducing aggregate demand.

The potential local and macro-economic benefits of paying the Living Wage to the lowest paid and increasing NJC pay for all are clear. Outside of London, high proportions of local government workers live in the areas in which they work and spend their wages locally. The Living Wage would lead to higher local spending and contribute to local and macro economic growth. A 2005 study by Staffordshire Business School found that for every extra £1 per hour paid to low paid workers in Stoke on Trent, the local economy benefitted by an additional £0.63 of income creation.²⁴ This multiplier of £1.63 found in Stoke on Trent is consistent with studies in other parts of the UK.

Paying the Living Wage would also provide a much needed morale boost for hard hit local government and school workers. It would improve productivity and enhance employers’ reputations. Employers who have implemented the Living Wage report better retention of staff and improved service as a result. This leads to a reduction in recruitment costs and savings on the costs of training new staff. Significant savings can also be made through reduced absenteeism.

A study by Queen Mary College, University of London²⁵, found multiple benefits to employers of introducing the Living Wage, including reputational improvement, lower staff turnover, greater loyalty and higher motivation. A similar study by the GLA

¹⁹ IFS Analysis on the Living Wage, Institute for Fiscal Studies, August 2010.

²⁰ Living Wage to cost councils £1bn a year by 2020, Grewal, July 2015.

²¹ Councillor Richard Livingstone, cabinet member for Housing, London Borough of Southwark, Presentation at IDS pay Seminar, TUC, 12 February 2015.

²² Ibid.

²³ IMF, World Economic Outlook 2012.

²⁴ The regeneration effects of fair wages, The economic benefits to Stoke-on-Trent of closing the gap between private and public sector pay for residential care work, Jackson and Pugh, Staffordshire Business School, June 2005.

²⁵ The costs and benefits of the London Living wage, Wills and Linneker, Queen Mary University of London, October 2012.

reported the same findings²⁶. The study also found a statistically significant association between Living Wage workers and psychological well-being, compared to lower paid workers. With stress being the number one reason for sickness absence in local government, paying a Living Wage would also impact positively on costs in the workplace as well as the wider society.

In short, the taxpayer is subsidising schools and councils to pay poverty wages. The savings made by paying local government workers the Living Wage and restoring earnings for higher paid employees could be channelled back by the Treasury into the local government and schools settlements to pay for increases in pay.

'As a council employee, last year, I was forced to work an hour a week more for the same money. This year, I will have to work an hour less per week again, but for less money.' **Part-time local government worker Cymru Wales**

12. Public sector pay and benefits policy– what does it mean for NJC workers?

Although this claim is submitted to the LGA, it is time for central government to take responsibility for the stark circumstances that local government and its workforce now find itself in. It is important to set out how central government policy on public sector pay relates to pay in local government.

12.1 The 1% public sector pay cap

The government claims to be putting an end to low pay and to be promoting economic growth through populist policies such as maintaining a 1% cap on public sector pay, introducing a new national 'living wage' and implementing cuts to working tax credits to reduce public expenditure. But our members are not easily fooled and this pay claim sets out the real harm that families with NJC workers face as a result of the havoc the Chancellor is unleashing on the public purse - and particularly local government finances.

The government's 1% cap on public sector pay and its austerity agenda is attacking the very people who have done nothing to cause the financial collapse – including local government and school workers. These vital public servants are being forced to deal with the deficit. It is a public policy response without a shred of fairness. A report by Landman Economics²⁷ for UNISON in April 2014 set out the major benefits to the economy which would arise from lifting the public sector pay cap and easing the squeeze on living standards. These include increasing revenue from an increase in the tax take and national insurance contributions as people's take home pay increases, a boost in the collection of additional indirect taxes as additional take-home pay is spent on goods and services and a multiplier effect arising from the stimulus to demand as take-home pay increases.

²⁶ An independent study of the business benefits of implementing a Living Wage policy in London, GLA Economics, February 2009.

²⁷ <https://www.unison.org.uk/content/uploads/2014/05/On-line-Catalogue223292.pdf>

There is an alternative to austerity which would fund an increase in public sector pay. It includes increases in corporation tax, the introduction of a land value or property tax, a financial transactions tax, reducing tax avoidance and evasion and a reduction of wasteful spending such as the £3 billion that could be saved in user fees and interest every year if PFI schemes were replaced with conventional public procurement²⁸.

Local government employs 1.5 million people, most of whom are NJC workers – over three quarters of them women. If the government wants to promote economic growth, a huge step forward would be to ensure that funds are made available to councils so that the hugely depressed pay levels in local government are restored. These funds should be used to ensure that the UK Living Wage (currently £7.85 per hour)²⁹ becomes the lowest pay point for the NJC and a flat rate pay rise of £1 per hour is applied throughout the rest of the pay structure. If all NJC workers received this pay rise, this money would be fed back into the economy. APSE³⁰ research has shown that for every £1 spent in the local economy, a further 64 pence is generated. If our claim was met, the multiplier effect will be even stronger.

NJC pay is the lowest in the whole of the public sector and no one is paid a fair rate for the job they do. Conditions such as annual leave, maternity pay and car allowances are also the worst. Failure to deal with low pay means that the government “fails to boost the tax take and raises the benefits bill for working people”³¹. While the local government workforce is subjected to the current 1% cap on public sector pay, they were also denied the £250 paid to all other public sector workers earning less than the Chancellor’s chosen ‘low pay’ threshold of £21,000 a year between 2011 – 2013, speeding up the decline in their basic pay since 2010.

12.2 Cuts to in-work benefits

While NJC real terms pay declines, many NJC workers are reliant on in-work benefits to make ends meet and the recent cuts to tax credits announced in the July budget will inevitably reduce living standards further for many NJC families. The government has said that it will:

- ...“legislate to freeze working-age benefits, including tax credits and the Local Housing Allowances, for 4 years from 2016-17 to 2019-20.”
- Reduce the tax credit threshold from £6,420 to £3,850 and increase the taper from 41p to 48p
- Increase the personal tax allowance from £10,600 to £11,000 in April 2016
- Increase the national minimum wage which is due to be increased to £6.70 an hour in October 2015, to £7.20 an hour from April 2016

²⁸ Ibid, p.20.

²⁹ The UK Living Wage is expected to rise again in November 2015.

³⁰ Creating resilient local economies: exploring the economic footprint of public services, APSE, 2008.

³¹ Record number of Britons in low-paid jobs, says thinktank, Press Association in the Guardian, 26 October 2014.

The combined effect of these changes for a single earner family with one child, working 35 hours a week on the national minimum wage, is a reduction in household income of £1,277.50. This can be seen from tables 7 and 8 below.

Table 7			
£1,277.50	Single Earner Family (over 25), Couple 1 child, 1 x 35 hours NMW (enhanced NMW from 1 April 2016)		
	April 2015	October 2015	April 2016
Gross Income	£11,830.00	£12,194.00	£13,104.00
Income Tax	-£246.00	-£318.80	-£420.80
National Insurance	-£452.40	-£496.08	-£605.28
Child Benefit	£1,076.40	£1,076.40	£1,076.40
WTC and CTC	£5,886.90	£5,737.66	£3,663.08
Total Income	£18,094.90	£18,193.18	£16,817.40

But the changes affect the household incomes of some NJC workers on most NJC pay scales, as these examples illustrate:

Table 8					
NJC Scale Point 11			NJC Scale Point 16		
Cook			Driver/Attendant		
-	Couple, one earner, full time, 1 child		-	Couple, one earner, full time, 1 child	
£1,768.69	April 2015	April 2016	£1,892.03	April 2015	April 2016
Annual Pay	£15,207.00	£15,207.00	Annual Pay	£16,969.00	£16,969.00
Income Tax	-£921.40	-£841.40	Income Tax	-£1,273.80	-£1,193.80
National Insurance	-£857.64	-£857.64	National Insurance	-£1,069.08	-£1,069.08
Child Benefit	£1,076.40	£1,076.40	Child Benefit	£1,076.40	£1,076.40
WTC and CTC	£4,502.33	£2,653.64	WTC and CTC	£3,779.91	£1,807.88
Total	£19,006.69	£17,238.00	Total	£19,482.43	£17,590.40

NJC Scale Point 25			NJC Scale Point 36		
ICT Procurement Officer			Senior Customer Services Team Manager		
- £2,259.04	Couple, one earner, full time, 2 children		- £2,872.66	Couple, one earner, full time, 3 children	
	April 2015	April 2016		April 2015	April 2016
Annual Pay	£22,212.00	£22,212.00	Annual Pay	£30,978.00	£30,978.00
Income Tax	-£2,322.40	-£2,242.40	Income Tax	-£4,075.60	-£3,995.60
National Insurance	-£1,698.24	-£1,698.24	National Insurance	-£2,750.16	-£2,750.16
Child Benefit	£1,788.80	£1,788.80	Child Benefit	£2,501.20	£2,501.20
WTC and CTC	£4,410.28	£2,071.24	WTC and CTC	£3,596.22	£643.56
Total	£24,390.44	£22,131.40	Total	£30,249.66	£27,377.00

This means that NJC employees in low-paid jobs will no longer be able to rely on the tax credit system and will face a widening income deficit.

Economic commentators are falling over themselves to point out that poverty and child poverty will increase because of these changes, and that as families have less spending power, local economies will suffer. Some are calling for local government to play a role³². But what is generally being missed³³ in this argument is the fact that it is NJC employees – a core group of public sector workers - who will be among the hardest hit by this change in policy.

In the wake of the longest recession in living memory, the cost of living and indebtedness have become more pressing issues for local government workers. This is apparent in Incomes Data Research's survey³³ for UNISON of over 2,000 local government members. In the survey, some 70% of respondents report that living costs have increased over the last 12 months, while just 26% report an increase in their personal income. 42% of respondents have personal debt and a worrying proportion of those (24%) owe £10,000 or more.

Respondents were asked how difficult it was to meet a range of living costs. A majority of respondents found it 'more difficult' or 'much more difficult' to cover food, general living costs, utility bills and travel costs. Between two-fifths and half of respondents found costs relating to housing, healthcare and credit cards or loans hard to pay.

³² Local government must respond to in-work benefit cuts, Tizard in NewStart, June 2015.

³³ Survey of 2,189 local government and schools survey conducted by Income Data Research for UNISON March 2015 – May 2015.

The local government and schools workforce is a highly gendered one, with women part-time workers being the largest group of employees. As the Women's Budget Group has said, "*The majority of people losing from cuts to tax credits (£5.8bn a year by 2020) will be women*"³⁴.

'I am already on a low income and recent cuts and price rises have meant that in real terms my wages have decreased substantially. How can the council pay less than £900 net per month for a 30 hr week - I'm classed as part time. If it wasn't for working family tax credit and child tax credit I wouldn't be able to afford a roof over our heads... I am already in debt and am unable to fix the central heating and window in my daughter's bedroom - leaving it cold, damp and virtually uninhabitable.'
School Support Worker North West

13. Local Government and schools: holding communities together

In the face of widespread cuts and job losses, local government and school workers are the ones holding communities together, at a time when their services are overwhelmed by public demand. Although most undertake frontline roles, they remain overlooked by central government and have no cohesive identity in the eyes of the public. The widespread myth is that the workforce is made up of bureaucrats and pen pushers earning money for old rope. Nothing could be further from the truth.

Our members in local government and schools provide the services we all depend on. Here's a taster of the work they deliver:

- **Youth services** - supporting the education, social and personal development of young people. Supporting young people vulnerable to substance misuse, offending, tackling unwanted pregnancies and homelessness.
- **Social work** – working with people with mental health problems or learning difficulties in residential care, working with offenders and supporting them in the community, with older people at home or helping to sort out problems with their health, housing or benefits.
- **School Support Staff** - such as teaching assistants, help children learn, keep them safe and healthy and keep the school running smoothly. They do not often get the attention they deserve, even though they make up half the school workforce.
- **Children and young people's services** - keep families together, working in children's homes, managing adoption and foster care arrangements and supporting young people at risk or in trouble with the law. They can help children with problems at school or difficulties brought on by family illness.

³⁴ A budget that undermines women's security, Women's Budget Group, 8 July 2015.

- **Environmental health** – protecting the health and well-being of our families and communities – from pest control to food safety and air pollution.
- **Trading standards** - dealing with rogue traders, safety of electrical goods, combating underage tobacco, alcohol and knives sales, or preventing animal disease outbreaks.
- **Library service** – making libraries accessible and inclusive, helping with lifelong learning skills, providing help and support to vulnerable people – those with mental health problems or learning difficulties and often to the homeless. It can involve everything from supporting people to use technology to even collecting knives and guns on occasion.
- **School crossing patrol** – ensuring the safety of everyone on their way to school, visiting schools to promote road safety and giving educational talks to children, even attending court to act as witnesses to incidents.
- **Building control services** – as well as regulating building work - they support businesses, educate and inform building professionals, defend vulnerable communities and householders, drive out rogue traders and enhance access for disabled, sick, young and old people.
- **Housing officers** - helping people to find a home, looking after tenants and properties while also liaising with other agencies, such as social services and welfare rights organisations.

These are just snapshots of the varied, complex and essential services that we all rely on and the workforce that holds the fabric of our communities together. They could earn a better living in the private sector, but remain in local government and schools because they are committed to a public sector ethos that believes that people are more important than profit and because they want to make a difference to people's lives.

In UNISON's 2015 members' survey,³⁵ respondents said that the main reasons they have stayed in their jobs are that they enjoy them, remain committed to their work and want to provide a public service. This is regardless of the fact that they also report feeling undervalued and state that low pay and the lack of promotion prospects are key reasons for considering leaving their current job. It should be remembered too that they and their families rely on the same services that they and their colleagues provide, but are struggling to make ends meet in providing them.

'If everyone worked just their hours, nothing would be completed and pupils would suffer. Too much goodwill is given for very little pay. Schools are demanding environments with increasing pressure to work beyond just support.' **School support worker South East**

³⁵ Survey of 2,189 local government and schools survey conducted by Income Data Research for UNISON March 2015 – May 2015.

14. Cuts hitting services

The sheer scale that the effect of the cuts is having on the framework of society is staggering. The LGA highlights that 13% of the planned savings in adult social care - £104 million - will result in direct withdrawal of services³⁶. The number of libraries in the UK has reduced from 4,468 to 4,194 from 2010/11 to 2012/13³⁷, with reductions of a similar scale in the number of library staff and amount of library stock, 147 council-subsidised bus services have been withdrawn completely across England so far in response to budget cuts³⁸.

Some communities have seen some of their local services disappear completely. By the end of 2014, 467 libraries, 361 police stations, 578 children's centres, 33 fire stations, over 300 youth centres, 10 museums and many swimming pools and public toilets had all closed. One in five streetlights is now turned off or dimmed each night.

Put simply, the services that hold our communities together are collapsing. The LGA itself has stated that as the economy steadily improves, people will expect the services that underpin our daily lives like care for the elderly, the upkeep of our roads or the collection of our waste, to improve. Instead, "we're on course for.....services teetering on the edge of failure and some councils on the brink of financial collapse"³⁹.

A recent report by the Joseph Rowntree Foundation has found that a growing proportion of households are now finding services either inadequate or unaffordable⁴⁰. The LGA themselves admit that it is "individuals who have paid the price of funding reductions, whether it is through seeing their local library close, roads deteriorate or support for young people and families scaled back"⁴¹. LGA research in 2014 stated that 60% of councils were considering stopping at least some services in 2015 because they were running out of savings.

This is borne out by UNISON's survey of councillors and local government officers attending the LGA's 2015 annual conference. 84% of respondents replied 'highly likely' or 'likely' to the statement 'In the light of further cuts in local government funding how likely do you think it will be that your council will be forced to stop providing current services?'

'Since all the job cuts over the last 5 years we have lost 50% of our support staff and we now have children coming to school with all sorts of special needs and difficulties.' **School support worker East England**

³⁶ The Assoc., of Directors of Adult Social Services (ADASS), 2013 in Future Funding Outlook, LGA, 2014.

³⁷ The Chartered Institute of Public Finance and Accountancy (CIPFA), in Future Funding Outlook, LGA, 2014.

³⁸ CFBT, in Future Funding Outlook, LGA, 2014.

³⁹ Future Funding Outlook, LGA, 2014.

⁴⁰ The costs of the cuts: local government and poorer communities, Hastings et al., JRF, 2015.

⁴¹ LGA response to the Local Government Finance Settlement, media release, 4 February 2015.

15. More for Less: Stress, morale, pressure, job losses

Our call for decent pay for our members also reflects the massive increase in productivity, which has arisen from almost 500,000 fewer workers providing almost the same services as a result of Coalition and current government cuts. Cost savings are being achieved by simply getting more from staff for less. Increased work intensity, accompanied by greater job insecurity and low or non-existent pay increases have characterised NJC working life for far too long.

Under austerity, NJC staff have paid a heavy price. For every 208 people who worked for the local council in April 2010 only 158 did so in April 2014. In England 406,900 permanent and 92,500 temporary or casual jobs were cut between the second quarter of 2010 and the second quarter of 2014⁴². “Councils have so far taken £3.1bn from the annual pay bill” according to a letter signed by 150 council leaders published in the Observer on 16 June 2013. But that was only the start. By 2015, in some councils, one in every three jobs had been cut. The Leader of Birmingham City Council, Sir Albert Bore, warned in September 2014 that over the next three years the council would shed 6,000 more jobs on top of the 7,000 lost since the start of the decade – the equivalent, he said, of taking out twice the workforce that lost their jobs at the Rover plant in Longbridge in 2005. But major job loss is only part of the story. Jobs have gone and pay was frozen. It is our members who are paying the price.

The NJC workforce continues to meet increased demand as austerity hits home, covering those lost and frozen posts. However, deteriorating staff motivation and morale, coming on top of major cuts and reorganisation across local government, is likely to result in productivity losses, which make the delivery of local services less effective. With widespread loss of morale, escalating stress levels and disillusioned employees, we will not begin to address the issue of recruiting and retaining the workers who provide the local public services we all depend upon. We have reached crunch point and steps must be taken to address the persistent decline in NJC pay.

Yet while pay has plummeted, UNISON’s members’ survey,⁴³ shows that 76% of the workforce report increased expectations from employers in the last 12 months. Virtually all of the remainder believe their employers’ expectations had at least remained the same as previously. There is an ever-increasing demand for local services. The damage local government cuts have inflicted on frontline workers means that staff are regularly overworked, stressed and unable to do their jobs to the standard they would like.

When asked what has happened to stress levels in the last year, almost three-quarters of respondents, 73%, report that they have increased. According to two-thirds of respondents, workloads and pressure have also increased in the last twelve months. Almost half of respondents, 46%, feel they have too much work to do and as a result, similar proportions, 54%, feel that stress at work is affecting both their job performance and 52% also feel that stress is affecting their personal lives.

⁴² QPSES Q2 2010; QPSES Q2 2014.

⁴³ Survey of 2,189 local government and schools survey conducted by Income Data Research for UNISON March 2015 – May 2015.

'My workload has trebled since the cuts. Before the cuts I was covering one school full time for five days. Now, in five days I am covering three schools during term time and line managing two library assistants, so I'm being paid less money for a lot more work. The same service is expected but this is an impossible task'
School support worker North West

16. Pay across the economy

Pay settlements across the economy have been running at between 2% and 2.5% over most of the last year. This level of settlements is well below the long-run median of between 3% and 3.5%.

Since April 2010, a huge gap has opened up between private and public sector settlements. While the public sector has experienced a pay freeze followed by a 1% pay cap, average private sector annual settlements have frequently been running at 2.5%. The 2.2% increase for NJC local government staff awarded in January 2015 has raised the average recorded across the public sector to 1.7%. However, the deal for NJC workers covered a two-year period, 2014 - 2016.

Private sector rates are predicted to return to rates double that of the public sector over the coming year, with private sector employers expecting settlements of 2% over 2015⁴⁴ while public sector rates are forecast at 1% to March 2016 and voluntary sector rates are forecast to average 1.4%⁴⁵.

Table 9 below shows average reported settlements across a range of sectors over the last year. Reported pay settlements in the public sector average at 1.7% while private sector settlements average at 2.3%.

Table 9: Average Pay Settlements⁴⁶

Sector	Average reported pay settlements
Across economy	2.0%
Private sector	2.3%
Public sector	1.7%
Not for profit	2.0%
Energy & gas	1.6%
Water & waste management	1.6%
Retail & wholesale	2.5%
Transportation & storage	2.0%
Admin & support services	2.0%

⁴⁴ Pay forecasts for the private sector, February 2015, XpertHR.

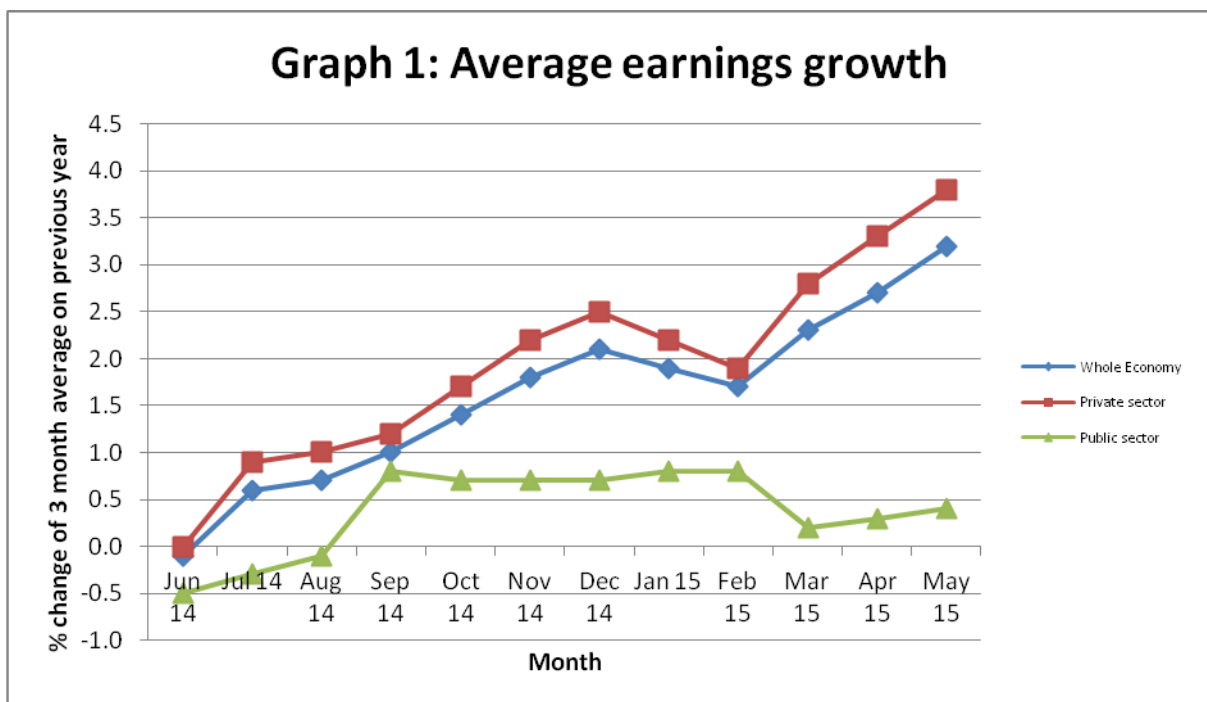
⁴⁵ CIPD, Labour Market Outlook, Spring 2015.

⁴⁶ Labour Research Department, based on reported settlements in sector over last year.

'We both work, however, it is for very little pay. We are much worse off [now] than we have ever been, even after increasing my hours from 8 per week to 30 per week... The council used to be a respectable employer. Now local supermarkets pay their staff better' **Part-time council worker West Midlands**

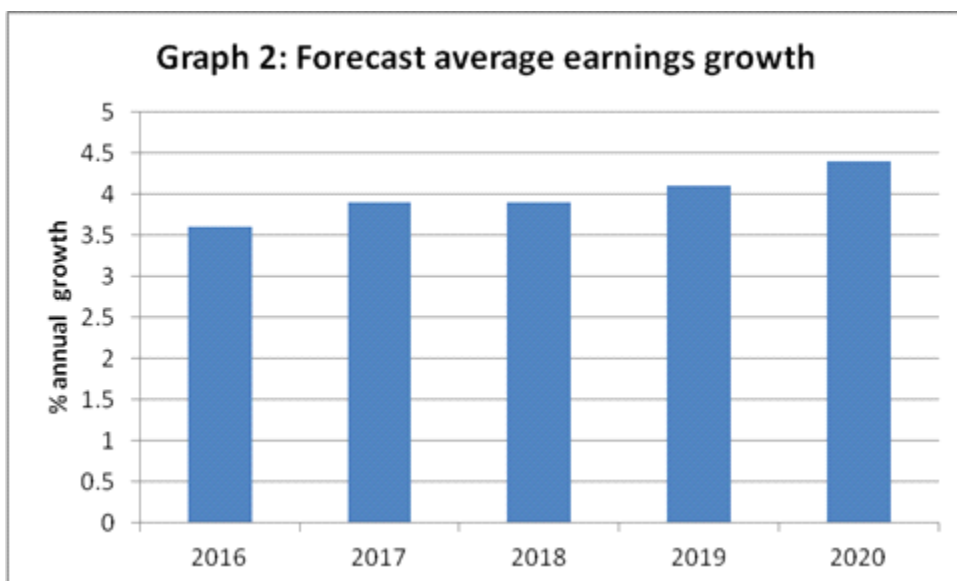
The Department for Work and Pensions announced in June 2015 that real wages have grown faster than at any point in the last 7 years. Annual real wage growth is now at 2.7% – the highest it has been since 2007. Regular wages (excluding bonuses) rose by 2.7% over the last year.

Graph 1 below shows trends in average earnings growth over the last two years. Since April 2013, private sector earnings growth has been running ahead of the public sector every month except two. Over recent months, the private sector rate has accelerated sharply while the public sector rate has flattened out. In June 2015, the rate across the economy was 3.2%, private sector growth was 3.8% and average public sector wages rose by 0.4%.



Forecasts of average earnings predict that growth will stand at 3.6% by 2016, 3.9% over 2017 and 2018, 4.1% in 2019 and 4.4% in 2020, as set out in graph 2 below⁴⁷.

⁴⁷ Office for Budgetary Responsibility, Economic and Fiscal Outlook, July 2015.



17. Inflation.

The retail price index (RPI) measure of inflation has been running between 2.5% and 3.5% over most of the last three years. And while it has fallen over recent months, the latest inflation figures to June 2015 put RPI at 1%. The NJC Trade Union Side maintains that it is the long-term trend of falling pay levels in local government that urgently requires addressing.

Through almost the entirety of 2011 RPI ran at over 5%. It subsequently went into decline stabilising at around 3% in mid 2012. The unprecedented three-year pay freeze for NJC workers from 2010, 1% in 2013, followed by a 2.2% pay rise effectively covering 2014 through to 2016 means that a huge gap has opened up between the cost of living and our members' earnings.

RPI – the most accurate measure of inflation

The Trade Union Side maintains that RPI represents the best measure of changes in prices faced by the NJC workforce as it includes housing costs, among the most important of all household expenditures. Data collection used to formulate the RPI is tied more tightly to working households than the Consumer Price Index (CPI). The Trade Union Side does not believe that the CPI is an appropriate measure of inflation. It results in a consistent under-estimation of the real inflation in the cost of living faced by our members.⁴⁸ RPI remains the most widely used basis for pay negotiations across the public and private sector. Our approach is backed by the Resolution Foundation, which points out that housing costs are important pressures for low and middle earners.⁴⁹ The RPI is still used in large numbers of contracts, including in £470 billion worth of index linked gilts. The sale of these gilts is used by the government to fund part of the national budget deficit.

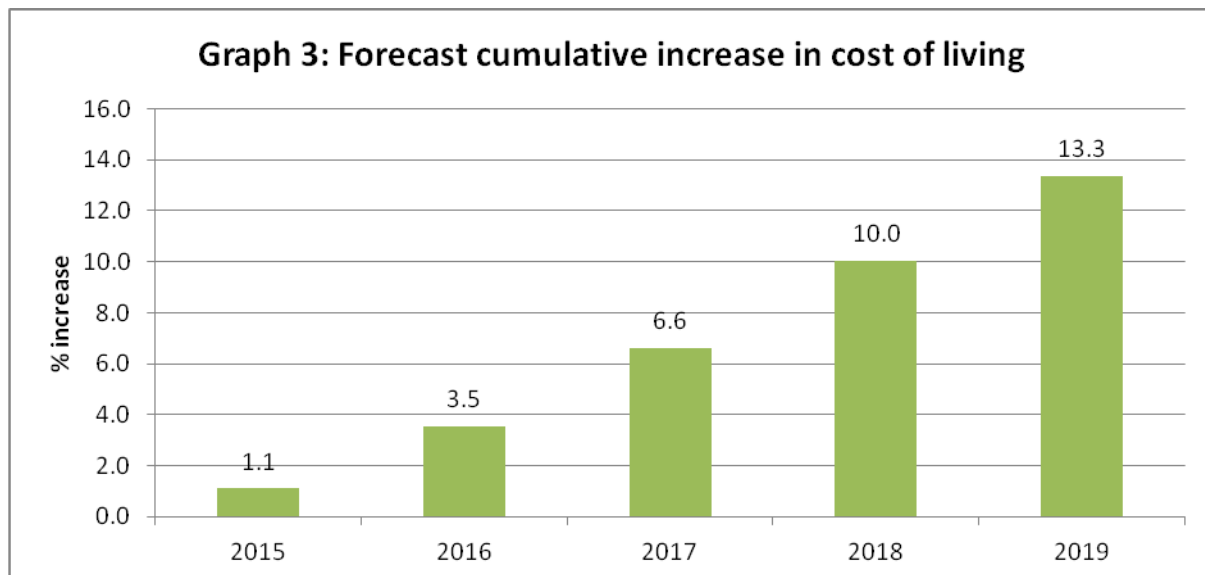
⁴⁸ <https://www.unison.org.uk/upload/sharepoint/Toweb/Main%20findings%20-%20Summary%20of%20Consumer%20Price%20Indices%20Report.pdf>

⁴⁹ Low Pay Britain 2013, Whittaker and Hurrell, Resolution Foundation, September 2013.

Looking ahead, inflation is expected to resume and the gap could again widen unless incomes keep up⁵⁰. Table 11 shows that the Treasury’s average of independent forecasts predicts RPI inflation will rise by 1.1% in 2015, climb to 2.4% in 2016 and then accelerate to 3% or over every year between 2017 and 2019⁵¹.

TABLE 11: RPI forecast 2015 – 2019	
2015	1.1
2016	2.4
2017	3.0
2018	3.2
2019	3.0

If these rates turn out to be correct, the cost of living NJC employees face will grow by over 13% by the close of 2019 as shown in graph 3 below.



18. Retention and Protection of NJC Terms and Conditions

Councils across the board are imposing staggering cuts on terms and conditions at a local level in the face of dramatic cuts to local government budgets. They see this as the only solution that can enable them to continue to deliver public services. But in local government the workforce are the services.

Cuts are being met by reducing pay alongside other changes to terms and conditions, working patterns and processes. NJC car allowances are being frozen and most users put on lower HMRC rates effectively leaving many employees to

⁵⁰ A minimum income standard for the UK in 2015, Hirsch, JRF, 2015.

⁵¹ HM Treasury Forecasts for the UK Economy May 2015.

subsidise their employers for using their own cars at work. Cuts to unsocial hours payments, annual leave, sick pay, parental rights, increments and sometimes basic pay too are becoming common.

Working against a background of budget cuts, staff have been facing greater workload pressures. UNISON's members survey⁵² reveals that 63% of respondents experienced a review or re-organisation over the last year, driven by cost-cutting exercises. Work reviews and re-organisations were reported to have negative consequences, with the main results being reduced staffing levels, fewer resources and worse ways of working. Almost half of respondents reported changes in their pay and conditions since 2010, 85% of whom reported that pay and conditions have worsened. Three-quarters of respondents said that payments for working outside of regular hours, performance-related pay, car allowances, overtime pay, sick pay and unpaid holidays have all been reduced. In the majority of cases, 66%, these changes had been imposed, rather than agreed.

*'Over the last year our payment has been reduced by 10% due to enhanced pay for Saturday working being removed. This means that all staff who are able, and some are not, have to work an additional 7 hours per month to stay in the same place financially. **Local government worker South West***

The resulting increased stress and declining morale poses a long-term threat to the employers' ability to retain dedicated and skilled employees and provide a consistent quality of service. Respondents to UNISON's 2015 members' survey felt that 'protecting pay and conditions' would be the most important way to help staff to provide better services. This represents a change on the previous IDS survey of UNISON members conducted in 2009, when 'greater recognition of staff input' was the most frequently mentioned measure that could help staff provide a better service. The researchers believe the change may indicate that members view pay and conditions as a crucial underpinning to service provision in a period when there have been adverse changes to them in many local authorities.

Investment in the workforce is often seen as distinct from investment in better public services. However, there's a clear link between decent pay and conditions and quality services - services that are responsive, reliable, consistent, caring and accessible. Continued improvement depends on decent pay, conditions and staff training and development. In many cases, the service *is* the staff, face to face and often working under difficult conditions.

The rewards employers will reap in return for investment in the well-being of their employees cannot be underestimated. A sector offering a pay cut in real terms for the next four years, having had one for the last five years already, will struggle to retain or attract the existing and new skilled people it needs for the future.

A guarantee that the terms and conditions in Part 2 of the 'Green Book' collective agreement will be retained and protected would be a key way that employers could demonstrate that they value and support their dedicated and skilled workforce.

⁵² Survey of 2,189 local government and schools survey conducted by Income Data Research for UNISON March 2015 – May 2015.

19. Fair Treatment for School Support Staff

Our claim this year is also calling for fair treatment for school support staff through a joint review of term-time working. Our members are critical to the smooth running of all sections of the education system and make a vital contribution to delivering improved educational outcomes for children and young people.

The whole school team is a range of professional, technical, managerial and site staff. We believe that treating teachers as full-year and reducing the salaries of support staff by up to 20% through term-time working is divisive, bad for morale and unfair. These contracts penalise a predominantly female workforce and compound the problems of low pay within it.

'I feel that the responsibility the job entails means that school support staff should be paid all year round or at least a retainer of half pay. Only receiving term time pay for a responsible job and in this day and age of raising standards it's just wrong.'
School Administrator West Midlands

There are also many variations and inconsistencies in the formulas used for reducing pay from the full-year rate to a term-time figure and no clarity on holiday entitlement. Employers, even within a single authority, have a variety of term-time contract options, which makes it difficult to identify who is being paid what, and for how many weeks.

'It is my experience that there is such a vast difference, not only in the pay offered by different authorities and academies for the same job but also in relation to how that is calculated pro-rata (to take into account the part time and term time only elements of our contracts). Why is this not standardised, teachers are not subject to these discrepancies?'
Teaching Assistant Yorkshire and Humberside

Added to this, employees are also often confused about their own entitlements due to the complexities and inconsistencies in term-time contracts and formulas. Holiday entitlement suffers from a lack of legal clarity - term-timers are in continuous employment, unable to claim out-of-work benefits but able to claim in-work benefits. It follows that they should accrue holiday throughout the year. Term-time contracts make it difficult to recruit and retain high calibre staff and to promote school employment as a career.

'Long term, I will be unable to remain in my job due to the pay being so little and the lack of possibilities for career progression in my role and my school. I feel the pro-rata pay that support staff receive is insulting'
Teaching Assistant Greater London

The Joint Trade Union Side is therefore calling for a joint review of term-time working and an NJC approach to deliver fair, consistent and transparent contracts for school support staff. Support staff are working record levels of unpaid hours often on planning, preparation and assessment, parent contact, liaison with teachers and other professionals, staff meetings and training. Under the School Workforce Agreement in 2003, school support staff gained additional responsibilities to add to a

growth in job complexity and professionalisation since the 1980s. The school team in the 21st century is distantly related to the professional/non-professional divide of the past.

'Too much put onto teaching assistants. Not teachers but expected to teach to same standard and do unpaid hours. I am paid part time hours but expected to do full time hours without extra pay. I do 2 to 3 hours extra unpaid a day at school plus 1 to 3 hours at home EVERY NIGHT including weekends. We make resources at home and buy resources. We have had breaks taken away from us but still get 15 minutes pay a day deducted. So wrong and so sad as we all want the best for the children but we are told we are not team players if we say anything.' **Teaching Assistant East Midlands**

Support for the unions' proposal can be seen from UNISON's survey of councillors and local government officers attending the LGA's 2015 annual conference. 82% of respondents strongly agreed or agreed with the statement 'Is it divisive and unfair that many school support staff (such as teaching assistants) are on term time contracts of around 39 weeks a year whilst teachers are paid the whole year?'

Our members' feelings are evidenced in the IDS research for UNISON⁵³. Teaching assistants make up over half of the school support workforce. 71% of teaching assistant respondents believe that they are not fairly paid for the work they do – nearly a third strongly disagreeing. Term-time contracts will be a significant factor in their feelings on pay.

This is also apparent from UNISON's survey of school support staff, which received over 15,400 responses representing the whole school support staff team.⁵⁴ The survey results revealed a dedicated but demoralised workforce. There were very high levels of concern about pay (89%), closely followed by concern over levels of workload and stress. While they loved their job, they also felt very undervalued. Many comments referred to term-time contracts. Frustration was expressed that they were expected to take on additional responsibilities without any financial recognition for their hard work and professionalism.

'I am currently employed as a cover supervisor on the same wage as a TA. Being in front of a class without the assistance of classroom support is near enough impossible sometimes and the one-on-one work that support staff do is completely invaluable. The stress, both physical and emotional, that they face is equally as tough as teaching staff and they deserve a vast amount more recognition for what they do.' **Cover Supervisor South West**

⁵³ Survey of 2,189 local government and schools survey conducted by Income Data Research for UNISON March 2015 – May 2015.

⁵⁴ UNISON survey of school support staff, Autumn 2014.

20. Conclusion

As NJC trade unions, we are tired and frustrated at having to negotiate pay levels which just keep our lowest paid members above the statutory minimum and seeing our higher paid members' face constant erosion of their standard of living too. **We want to see concerted joint action by central government and the LGA this year to provide additional funding for councils to pay the Living Wage and compensate those above Living Wage levels adequately.**

Poverty pay has implications not just for individuals but the UK economy, development and growth. There are direct implications for both monetary and financial stability. The ease and cost of access to new borrowing affects households' ability to bring forward spending, and high debt levels can make household consumption more sensitive to shocks such as unexpected changes to their income. Also, households' ability to service their debts, and the extent to which they find debts a burden, is not just a problem for the individual households concerned but has important implications for the stability of the UK's entire financial system.⁵⁵

Our members – mostly women - can no longer be expected to provide vital local services and support children's education, while labouring under ever declining pay and cuts to their working conditions. The gender pay gap is also widening and it will not be too long before the trade unions are required to seek recompense for pay discrimination.

It is time for central and local government, service users and policy makers to say 'enough is enough' and take our claim seriously this year. We expect nothing less.

*'I work long hours for my community and am now suffering as my pay had not kept up with inflation. We keep civilisation together, we look after the old, poor, sick, the young and our environment, yet you have demonised us and penalised us. Stop now, pay us for our work!' **Local government worker Greater London***

⁵⁵ Something's not right: insecurity and an anxious nation, Lawson and Lister, Compass, 2015.