

National Employers for local government services

**To: Chief Executives in England, Wales and N Ireland
(additional copies for HR Director and Finance Director)
Members of the National Employers' Side
Regional Directors**

16 April 2020

Dear Chief Executive,

LOCAL GOVERNMENT PAY 2020

I am writing to update you on the local government national pay negotiations for 2020.

The National Employers have today made an improved, final pay offer to the unions representing the main local government NJC workforce. They have also made final pay offers for the other groups for whom they have responsibility: Craftworkers, Chief Executives and Chief Officers.

A copy of the letter sent to the NJC trade unions setting out the improved offer is attached at **Annex A**, along with a copy of the Employers' press release at **Annex B**.

A copy of the letter sent to the JNC Craft trade unions is attached at **Annex C**.

Copies of the letters sent to the Staff Sides of the Chief Executive and Chief Officer JNCs are attached at **Annexes D** and **E**.

You will recall that last July the NJC unions lodged their pay claim for:

- *A 'real living wage' of £10 per hour on NJC SCP1 and a 10% increase on all other NJC / GLPC pay points*
- *A one-day increase to the minimum paid annual leave entitlement*
- *A two-hour reduction in the standard working week*
- *A comprehensive joint national review of the workplace causes of stress and mental health*

At a meeting with trade union representatives on 5 February, lead members on behalf of the National Employers tabled a pay offer of 2 per cent on all pay points with effect from 1 April 2020. This offer reflected the almost unanimous views of councils who attended regional pay consultation briefings last Autumn. After considering the offer, the unions informed members that it was not acceptable and asked that the National Employers give urgent consideration to making an improved offer that the unions could put to their memberships.

Members subsequently determined that a second round of regional pay consultation briefings should be held. The first took place on 25 February and the remaining ten events were due to conclude on 26 March. Briefings were held in the West Midlands, North East, East of England, North West, Northern Ireland and South West regions. The

events in the East Midlands, Yorkshire & the Humber, Wales, London and the South East were cancelled and councils in those regions were consulted by alternative means via their respective Regional Employer Organisations.

The primary focus of each consultation was to ascertain the views of councils on the 2020 pay negotiations. However, in those regions in which meetings were held, the opportunity was also taken to have an initial discussion with councils about the 2024 / £10.50¹ National Living Wage issue that is likely to dominate negotiations from 2021 onwards.

Councils were presented with two options for this year's pay round:

- i. The pay offer must remain at 2%. In taking this position, your council fully understands and accepts that a pay deal will not be possible*
- ii. An improved offer should be made. Such an offer should not exceed 'x'% and should only be made on the basis that the unions undertake to consult their memberships on it*

Councils were also asked for their views on the pay claims from Chief Executives and Chief Officers (both of whom are seeking parity with the main NJC pay award) and Craftworkers, whose claim largely mirrors the NJC claim for 10%.

Last Autumn's consensus that a pay offer should be limited to 2 per cent no longer existed by the time of the Spring briefings. Councils were split between; a minority that believed that the original pay offer should be reaffirmed, and a majority who believed that an improved pay offer should be made now, albeit without a clear consensus on a figure. There were also a number of councils consulted after the suspension of the regional briefings held in person that believed that a decision on an improved pay offer should be deferred until later this year.

However, with regard to the non-pay elements of the NJC unions' claim, there was no deviation from the views expressed at last autumn's pay briefings, as follows:

- **Annual leave** – very few councils apply the current minimum of 21 days' annual leave and those that do said they would be prepared to see an increase to 22 days in order to help get a pay deal agreed
- **Working week** – no council spoke in favour of reducing the working week
- **National review on the causes of workplace stress and mental health** – councils were informed that joint secretarial discussions will get underway in due course

Therefore, on pay, the National Employers faced an extremely difficult dilemma when deciding next steps.

¹ Attendees at pay briefings will recall that the presentation referred to the government's target for the NLW to reach £10.50 in 2024. The OBR has since updated its forecasts as follows: 2021 = £9.20, 2022 = £9.77, 2023 = £10.30 and 2024 = £10.69

It goes without saying that the Employers' meeting took place during an unprecedented emergency that is affecting every aspect of life in this country and around the world. The National Employers from the outset recognised the huge contribution that all local government employees are making to the national effort to deal with the COVID-19 crisis and as such agreed unanimously that they could neither defer a decision nor reaffirm their original pay offer. Members were mindful that the effective date of this year's pay award, 1 April, was already overdue and further delay in making an improved offer would impact on councils' budgets as the award would have to be backdated in any case.

The Employers agreed, by a majority, that the pay offer set out at **Annex A** should be made to the unions today in the hope that it can form the basis of an agreement as soon as possible. We await the response from UNISON, GMB and Unite in this regard.

The National Employers, who are all senior elected members drawn from councils across the country, are acutely aware of the impact that the crisis is having on councils' budgets and future financial stability. Accordingly, members agreed to recommend that representations are made to government in order to seek funding for an additional amount to be awarded to employees in recognition of their exceptional hard work.

The Employers' offers are not conditional on additional funding being made available by government, so should the unions accept, the pay increases would be implemented in full in the normal way.

I shall continue to keep you informed of developments.

Yours sincerely,

Naomi Cooke

Naomi Cooke
Employers' Secretary

Jon Richards, Rehana Azam, Jim Kennedy
Trade Union Side Secretaries
NJC for Local Government Services
c/o UNISON Centre
130 Euston Road
London NW1 2AY

16 April 2020

Dear Jon, Rehana and Jim

LOCAL GOVERNMENT PAY 2020

The National Employers' Side of the NJC met earlier this week to consider a further response to your Side's pay claim. Having considered the feedback from councils at a second round of regional pay consultation briefings, the Employers now wish to make a final offer as follows:

- **With effect from 1 April 2020, an increase of 2.75 per cent on all NJC pay points 1 and above**
- **With effect from 1 April 2020, an increase of one day to the minimum annual leave entitlement as set out at Part 2 Para 7.2 in the National Agreement. This increase would apply just to those employees whose leave entitlement at 1 April 2020 is twenty one days (plus extra statutory and public holidays) and would revise the current provision to read as follows:**

7.2 The minimum paid annual leave entitlement is twenty ~~one~~ two days with a further ~~four~~ three days after five years of continuous service. The entitlement as expressed applies to five day working patterns. For alternative working patterns an equivalent leave entitlement should be calculated"

- **The National Employers also agreed that the Joint Secretaries should continue their discussions on the element of your claim that seeks "a comprehensive joint national review of the workplace causes of stress and mental health"**
- **The National Employers propose that the Joint Secretaries enter into discussions, without prejudice, in order to examine all options for ensuring the sector – and the NJC pay spine - can meet the challenge of the Government's target for the National Living Wage in the coming years**

The National Employers, on behalf of all local, regional and national politicians, pay tribute to the extraordinary contribution that all staff are making towards the national effort to deal with the COVID-19 emergency. Accordingly, members agreed to recommend that representations are made to government in order to seek funding for an additional amount to be awarded to employees in recognition of their exceptional hard work.

The Employers' offer is not conditional on the government's response so they hope it can quickly form the basis of an agreement between the two Sides so that employees, who are providing such critical support to their communities, can receive a well-deserved pay rise as soon as practicable.

Yours sincerely,

Naomi Cooke

Naomi Cooke
Employers' Secretary

PRESS RELEASE: 16 APRIL 2020

Council employees' improved pay offer announced

Council employees have been offered an improved pay increase of 2.75% from 1 April 2020, plus an additional one day's leave which would increase the minimum entitlement from 21 to 22 days per year (plus public holidays).

The National Employers hope that the unions accept this final offer so that employees, who are providing such critical support to their communities during this national emergency, can receive a well-deserved pay rise as soon as practicable.

The National Employers, who negotiate pay on behalf of 350 local authorities in England, Wales and Northern Ireland, made the offer to unions today. It will affect over 1 million employees.

Notes to editors

The increase to the national paybill resulting from this offer is £500.73m (covering the period to 31 March 2021, excluding on-costs).

This pay offer does not apply to council chief executives, senior officers, teachers or firefighters, who are covered by separate national pay arrangements.

The National Joint Council negotiates the pay, terms and conditions of staff in local authorities. It agrees an annual uplift to the national pay spine, on which each individual council decides where to place its employees. Each council takes into account a number of factors such as job size and local labour market conditions when deciding an employee's salary. There are no nationally determined jobs or pay grades in local government, unlike in other parts of the public sector.

-ENDS-

Ian Woodland
Trade Union Side Secretary
JNC for Craft & Associated Employees
Unite House
128 Theobald's Road
London WC1X 8TN

16 April 2020

Dear Ian,

CRAFTWORKER PAY 2020

I am writing on behalf of the Employers' Side of the JNC to respond formally to the Trade Union Side's pay claim.

The National Employers wish to make the following, final offer in respect of those employees whose pay is determined by contractual reference to the Craft JNC National Agreement ('Red Book'), as follows:

For all Craft JNC employees (regardless of job title and designation) whose rate of pay differs from the salaries set out in the Craft JNC 2018-20 pay agreement circular (dated 4 July 2018), but is still contractually linked to the annual settlement reached by the Craft JNC, the Employers' final offer is as follows:

- **With effect from 1 April 2020, an increase of 2.75 per cent on basic salary and allowances**

The National Employers believe that an offer constructed in this way is the best method of ensuring that those Craft employees on local pay rates which are nevertheless contractually linked to Craft JNC settlements, would receive a pay award.

For those few Craft employees who are paid the **specific** annual salaries as set out in the Craft JNC 2018-20 pay agreement, the Employers' offer is as follows.

- **With effect from 1 April 2020:**
 - **2.75% on Building Labourer grade (equivalent to SCP2 on the NJC spine)**
 - **2.75% on Heating & Ventilation Mate grade (equivalent to SCP3 on the NJC spine)**
 - **2.75% on Building Operative grade (equivalent to SCP3 on the NJC spine)**
 - **2.75% on Plumber grade (equivalent to SCP4 on the NJC spine)**
 - **2.75% on Engineer & Electrician grade (equivalent to SCP5 on the NJC spine), and**
 - **2.75% on all allowances**

These increases would continue the principle agreed by the JNC in the 2016-18 agreement to align the five Craft Grades to current pay points 2, 3, 4 and 5 respectively on the NJC 'Green Book' pay spine.

- **With effect from 1 April 2020, an increase of one day to the minimum annual leave entitlement as set out at Part 2 Para 7.2 in the National Agreement. This increase would apply just to those employees whose leave entitlement at 1 April 2020 is twenty one days (plus extra statutory and public holidays) and would revise the current provision to read as follows:**

7.2 The minimum paid annual leave entitlement is twenty ~~one~~ two days with a further ~~five~~ four days after five years of continuous service. The entitlement as expressed applies to five day working patterns. For alternative working patterns an equivalent leave entitlement should be calculated”

The Employers believe this offer to amend leave provisions is fair as it would align the minimum entitlement with the offer made to the NJC whilst retaining the current long-service entitlement at 26 days, which, for historical reasons, is one day more than that for NJC employees.

Other elements of your claim

A two-hour reduction in the standard working week

The Employers reject this element of the claim in relation to a proposed 35-hour week. Such a reduction would be out of line with norms in local government and would result in an increase in costs that would adversely affect local authority services.

A comprehensive joint national review of the workplace causes of stress and mental health

You will be aware that this issue was included in the claim from the NJC Trade Union Side. Subject to the agreement of all NJC parties, the Employers would be content for Craft roles to be included in the NJC's discussions.

Commitment to the continuation of the 'Red Book' agreement

The Employers believe that Craft roles can be properly remunerated through other pay and grading structures. However, they are currently content to retain the national bargaining arrangements whilst councils continue to directly employ Craftworkers on JNC conditions.

The National Employers, on behalf of all local, regional and national politicians, pay tribute to the extraordinary contribution that all staff are making towards the national effort to deal with the COVID-19 emergency. Accordingly, members agreed to recommend that representations are made to government in order to seek funding for an additional amount to be awarded to employees in recognition of their exceptional hard work.

The Employers' offer is not conditional on the government's response so they hope it can quickly form the basis of an agreement between the two Sides so that employees, who are providing such critical support to their communities, can receive a well-deserved pay rise as soon as practicable.

Yours sincerely,

Naomi Cooke

Naomi Cooke
Employers' Secretary

cc Karen Leonard, GMB

By email:

**Ian Miller
Officers' Side Secretary
JNC for Chief Executives of Local Authorities**

16 April 2020

Dear Ian,

CHIEF EXECUTIVE PAY 2020

I am writing on behalf of the Employers' Side of the JNC to respond formally to the Officers' Side's pay claim.

The National Employers wish to make the following, final one-year offer:

- **With effect from 1 April 2020, an increase of 2.75 per cent on basic salary²**

The National Employers, on behalf of all local, regional and national politicians, pay tribute to the extraordinary contribution that all Chief Executives are making towards the national effort to deal with the COVID-19 emergency. Accordingly, members agreed to recommend that representations are made to government in order to seek funding for an additional amount to be awarded to employees in recognition of their exceptional hard work.

The Employers' offer is not conditional on the government's response so they hope it can quickly form the basis of an agreement between the two Sides.

Yours sincerely,

Naomi Cooke

**Naomi Cooke
Employers' Secretary**

² Basic salary should exclude other separately identified payments such as Returning Officer fees etc

Karen Leonard
Officers' Side Secretary
JNC for Chief Officers of Local Authorities
GMB
Mary Turner House, 22 Stephenson Way
London
NW1 2HD

16 April 2020

Dear Karen

CHIEF OFFICER PAY 2020

I am writing on behalf of the Employers' Side of the JNC to respond formally to the Officers' Side's pay claim.

The National Employers wish to make the following, final one-year offer:

- **With effect from 1 April 2020, an increase of 2.75 per cent on basic salary³**
- **The National Employers also propose that the Joint Secretaries should enter into exploratory discussions, without prejudice, on the non-pay elements of your claim that seek “a joint survey of all local authorities to establish the extent of the gender pay gap among Chief Officers across local authorities, and a commitment to a joint approach to removing the gender pay gap” and “a commitment to agree a new package to improve Chief Officers' work-life balance”**

The National Employers, on behalf of all local, regional and national politicians, pay tribute to the extraordinary contribution that all Chief Officers are making towards the national effort to deal with the COVID-19 emergency. Accordingly, members agreed to recommend that representations are made to government in order to seek funding for an additional amount to be awarded to employees in recognition of their exceptional hard work.

The Employers' offer is not conditional on the government's response so they hope it can quickly form the basis of an agreement between the two Sides

Yours sincerely,

Naomi Cooke

Naomi Cooke
Employers' Secretary

cc Mike Short, UNISON

³ Basic salary should exclude other separately identified payments such as Returning Officer fees etc