



**Officers' Side of the Joint Negotiating Committee for Chief Officers
of Local Authorities: England and Wales**

JNC PAY CLAIM 2021/22

The JNC Officers' Side is submitting the following pay claim for our members covered by the Joint Negotiating Committee for Chief Officers of Local Authorities:

A substantial increase on all salaries and relevant allowances

We note the claim for a substantial increase with a minimum of 10% on all spinal column points made by the Staff Side of the NJC for Local Government Services, and we expect parity of treatment for all local government employees.

Key points from our claim

Chief Officers deserve a pay rise

- By this April, the pay of Chief Officers earning below £100,000 will have plummeted in real terms by **26 per cent** since April 2008 while comparable private sector rates have increased.
- Public sector senior managers' wages have fallen significantly behind comparable private sector rates while workloads have increased, posing morale and recruitment and retention challenges.
- Pay growth across the economy is gathering pace as the economy reopens and without action, the public/private differential for Chief Officers will only grow wider.

Covid-19 has had a severe impact on Chief Officers

- The pandemic has led to an increase in workloads and pressure as the practical challenges of delivering essential services has mounted. Major additional burdens and responsibilities have fallen on Chief Officers and our members report a substantial increase in workload, stress and anxiety.

Cost of living

- The RPI 12-month inflation rate is projected to increase by 4.6 per cent cumulatively across 2021 and 2022 alone.

Gender pay gap and work-life balance

- Our members continue to report dangerous workloads, which in some cases have increased significantly over the last 12 months. It is important that the previously agreed work on addressing excessive workloads and evaluating gender pay gaps are progressed.

Pay policy

- The Treasury has explicitly stated that local government is not bound by its new public sector pay freeze policy.

Chief Officers' pay has been progressively devalued and senior officials have been enormous personal sacrifices during the pandemic. The Officers' Side calls on JNC employers to recognise this contribution and offer our members a substantial pay rise in line with the content of this claim.

Link to the NJC Green Book claim

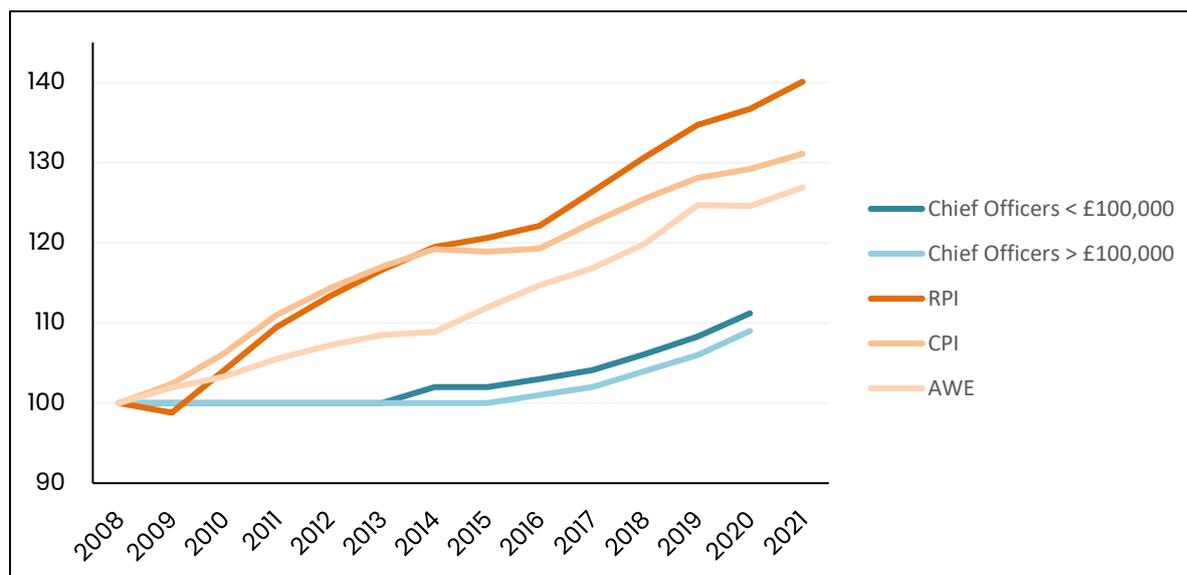
The Officers' Side sees a close connection between the NJC and the JNC claims. We aim to secure justified increases for Chief Officers and Green Book staff in tandem, not at the expense of the other. We ask that this claim be read in conjunction with the arguments put forward in the main NJC claim, including in particular on the case for securing new additional external funding, and the economic benefits of securing pay rises in local government.

Background

The real value of Chief Officers' pay has been severely eroded. Following five years of frozen pay, Chief Officers received below inflation increases, and the 2.75 per cent settlement achieved in the last pay round has not closed enough ground on the real-terms devaluation imposed during the last decade.

By the end of the current pay deal, the real salaries of Chief Officers who earn less than £100,000 will have fallen by **26 per cent** since April 2008 (and the real pay of those earning more than £100,000 will have fallen by **28.5 per cent**), as measured against the RPI. Even when measured against the lower (and, the Officers' Side believes, flawed) CPI measure and Average Weekly Earnings, Chief Officers' earnings have been substantially devalued during more than a decade of austerity and pay constraints.

Indexed Chief Officers' basic earnings compared to inflation and whole-economy average weekly earnings, where April 2008 = 100¹



As illustrated above, cost of living pressures are set to continue to mount in 2021/22. The OBR projects that RPI will rise by 2.5 per cent in 2021 and by 2 per cent in 2022, while the CPI is projected to rise by 1.5 per cent this year and by 1.8 per cent next year.

“The pressures of the last year have been significant, but this is on top of the also significant pressures and additional responsibilities that have arisen from previous cuts and reduction in staff resource. Our pay has reduced significantly in real terms whilst our responsibilities have expanded.”

UNISON Chief Officer member, 2021/22 pay survey

Chief Officers regularly work beyond their contractual obligations and contribute significant goodwill in the form of unpaid overtime to local authorities. Contrary to some claims in the press, Chief Officers pay rates are below comparable private sector rates. The Communities and Local Government Select Committee found in 2014 that:

‘Salary levels for local government sector senior posts are significantly lower than those in the private sector ... even taking account of enhanced pension provision, packages remain much lower for a top council post when compared to the packages on offer for top private sector staff.’²

The earnings gap has only widened since then. The basic earnings of comparable private sector chief officers (defined as ‘other executive directors’ of FTSE 250 companies) rose by **26 per cent** between 2012 and 2020, and gross earnings (not including pension contributions) rose by **29 per cent**.³ The LGA’s own research has found that executive pay in local government is substantially lower than comparable private sector rates and other public sector comparators.⁴

A decade of austerity has significantly added to the stress levels and workload burdens of Chief Officers. 905,000 fewer people were directly employed by local authorities across the UK in September 2020 compared to June 2010, despite a heavy increase in demand on services. Unlike some other parts of the public sector, there has been no increase in staff numbers in local government during the pandemic.⁵

We note that the Chancellor has recent stated that local government ‘pay levels are not mandated by central Government, and local government will typically make its own decisions.’⁶ The Officers’ Side urges JNC employers to use their discretion and offer a substantive pay increase to Chief Officers in line with the NJC claim.

Impact of coronavirus

The Covid-19 pandemic has had a severe impact on all local government workers, including Chief Officers. According to responses to the LGA's workforce surveys, two thirds of councils have reported at least one death in service that was linked to Covid-19, and 5 per cent of the workforce was reportedly unavailable for work in December.⁷

The extraordinary pressures of ensuring continued service delivery under these uniquely challenging circumstances is contributing to the already existing strains on Chief Officers. It should be recognised that Chief Officers have gone above and beyond during the pandemic, and that a real-terms pay cut would only make it harder to attract the skilled and experienced leaders that the sector needs as it continues to confront the coronavirus.

'I think public sector workers deserve recognition in terms of how they have responded to the pandemic and an appropriate pay award should be offered this year.'

GMB Chief Officer member, 2021/22 pay survey

Workload

It is well known that public sector managers regularly work beyond their contracted hours. Job cuts and rising demand have increased the workload pressures on Chief Officers. Many Chief Officers now have job descriptions that cover roles previously carried out by several colleagues. Local authorities could not function without the goodwill that this unpaid contribution represents, but there is a finite limit to the additional hours that Chief Officers can absorb.

Our members have long reported having to work regular extensive unpaid overtime. In 2015, a UNISON survey found that 47 per cent of Chief Officers worked 10 or more hours a week on top of their contracted hours in a typical week. More recently, Staff Side analysis of ONS Labour Force Survey (LFS) data confirms that this problem continues.

Although the LFS is believed to under-report unpaid overtime working, 44 per cent of local government managers, directors and senior officials reported that they regularly worked unpaid overtime. Senior officials in this group worked an average of 7.1 hours of unpaid additional hours per week. If these additional hours were remunerated then those Chief Officers would receive an average immediate increase of 19.1 per cent. These hours represent a significant disguised contribution without which local authorities could not

function. In this context, the Officers' Side believes that our claim for a substantial increase on all salaries and relevant allowances is both limited and reasonable.⁸

Chief Officers are working under extreme pressures and many face an imminent risk of burnout, demoralisation, sickness absence, and poor mental health. The JNC has set out its shared intention to develop a package to improve Chief Officers' work-life balance – a programme of discussions and work should now be agreed to develop and implement the work-life balance package during 2021/22.

Gender pay gap

We note that, while the LGA's secondary analysis of data reported through central Government's gender pay service identified a median pay gap of -4 per cent in English local authorities, these results could not be broken down by bargaining group. The JNC employers agreed in August 2020 to 'to conduct a joint survey of all local authorities in order to establish the extent of the gender pay gap among Chief Officers, after which they will agree a joint approach on how to remove any such gender pay gap.' It is important that this work is progressed.

Exit payments

On 12 February 2021, shortly before it was due to answer Judicial Review applications by the JNC unions and other parties, the Treasury announced that, following an 'extensive review,' it would immediately disapply the Public Sector Exit Payments Regulations 2020. We had argued that the Regulations, which had a particularly adverse impact on LGPS members due to their inclusion of strain costs, were contrary to the Public Sector Equality Duty.

Central Government's prolonged approach to proposing and implementing its flawed exit cap proposals was a cause of significant uncertainty and anxiety for Chief Officer members. The Officers' Side recognises that the LGA played a constructive role in analysing the Regulations and their effects on different groups of local government workers.

The Restriction of Public Sector Exit Payments (Revocation) Regulations 2021 state that if public sector workers' exit payments were capped between 04 November and 12 February 2021 then those workers should be repaid the full capped amount plus interest. It is vital that every assistance be made available to Chief Officers who were affected by the cap, and we call on employers to proactively identify former employees who were capped during the period that the Regulations were in force.

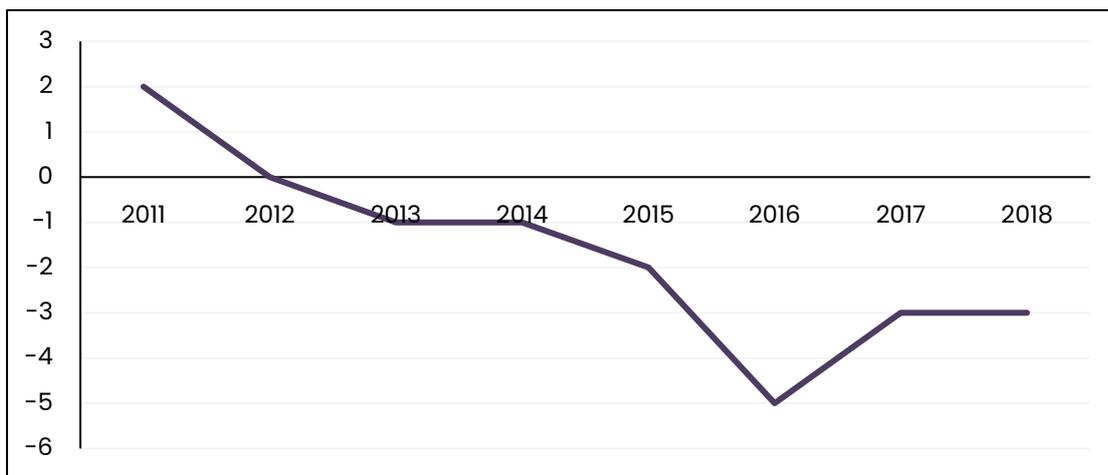
Cost of living trends

Public sector pay

Public sector pay has fallen significantly behind comparable private sector rates during a decade of austerity.

According to the most recent (September 2020) ONS modelling, when the differential for pay including overtime and bonuses was estimated, overall public sector wages were 3 per cent lower than comparable private sector rates (when controlled for employee characteristics). The differential was even less competitive for senior and/or highly skilled staff in large organisations (those employing more than 500 people): the wage differential for ‘upper skill groups’ was estimated to be -10.5 per cent, and for ‘upper-middle skill groups’ the differential was estimated at -14 per cent.

ONS modelled estimate of the public/private percentage pay differential – gross pay including overtime and bonuses⁹



Public sector pay rates should – at the very least – be competitive with appropriate private sector comparators. When public authorities are unable to recruit and retain, services are impaired and morale falls. Despite the economic effects of the pandemic, 41 per cent of councils say that they are sustaining hard to fill vacancies.¹⁰

As discussed above, heavy workload is another cause of significant recruitment and retention challenges. **62 per cent** of respondents to GMB’s 2018/19 survey of Chief Officers said that they believed their work/life balance would be improved in the private sector, and **24 per cent** of Chief Officers said they had seriously considered leaving the public sector in the previous year (the opportunity to obtain higher pay was the most cited reason for wishing to leave their posts by Chief Officers in this group). And in 2018, a UNISON survey found that only 39% of Chief Officers believed their employer was effective at recruiting high-calibre staff into senior roles – a drop of 15% on five years earlier.

Inflation and pay trends in the wider economy

Our members continue to face significant cost of living pressures. The OBR projects that the main inflation indices will rise cumulatively by between 9.4 per cent (CPI) and 13.2 per cent (RPI) over the next five years. The RPI is projected to increase cumulatively by close to 5 per cent across 2021 and 2022 alone. Wage growth is also expected to continue in 2021 and

then rebound strongly in 2022, which will only exacerbate the negative public/private earnings differential and associated recruitment and retention pressures unless steps are taken to close it.

OBR forecast earnings growth (percentage)

Measure	2021	2022	2023	2024	2025
Average earnings	1.9	2.7	2.2	2.8	3.5
Wages and salaries	1.4	2.6	3.1	3.4	3.6
RPI	2.5	2	2.4	2.7	3
CPI	1.5	1.8	1.9	1.9	2

Source: OBR, [Economic and Fiscal Outlook](#), 03 March 2021, page 80

While private sector wages shrank overall during the early months of the pandemic, average private sector earnings growth has rebounded strongly in recent months and stood at 4 per cent in December 2020. It should be noted that these figures do not yet reflect employees returning to full wages from periods on the Job Retention Scheme.

Average Weekly Earnings growth – ONS estimates

3 month changes to average regular weekly pay compared to the previous 12 months, percentage

Month	Whole economy	Private sector	Services	Public sector (excl. banking)	Manufacturing	Construction	Wholesale, retail, hotels & restaurants
Dec-19	3.2	3.1	3.3	3.4	2.8	3.4	1.4
Jan-20	3.0	3.0	3.2	3.3	2.4	2.5	2.0
Feb-20	2.9	2.8	3.1	3.3	2.1	2.1	2.2
Mar-20	2.6	2.5	2.9	3.4	1.5	2.0	2.3
Apr-20	1.7	1.3	2.2	3.4	0.0	-1.8	0.0
May-20	0.7	-0.1	1.4	3.9	-1.6	-5.6	-2.2
Jun-20	-0.1	-1.2	0.7	4.2	-2.5	-8.7	-3.9
Jul-20	0.2	-0.8	1.0	4.4	-1.7	-7.5	-3.1
Aug-20	0.9	0.1	1.6	4.1	-0.9	-5.1	-1.7
Sep-20	1.9	1.4	2.6	4.0	-0.1	-2.8	-0.1
Oct-20	2.8	2.5	3.5	4.1	0.6	-1.1	1.6
Nov-20	3.6	3.3	4.2	4.2	1.1	0.0	2.8
Dec-20	4.1	4.0	4.7	4.2	1.7	1.3	3.7

Source: ONS, [Average Weekly Earnings](#), 23 February 2021

The Officers' Side notes the cautious optimism expressed by the Bank of England in March 2021 over the prospects for economic recovery¹¹ and the upwards revision of growth

forecasts by industry bodies that are leading to an increase in private sector employers' pay offer intentions.¹²

Conclusion

As we argued in our previous submission, the massive workloads now experienced by Chief Officers are not sustainable. Our members report significant workplace pressures and Chief Officer pay has been progressively devalued over time.

Local Government depends on the leadership provided by Chief Officers. The Local Government Association has stated that:

“Great leadership from managers ... is crucial to our shared vision for local government—efficient, accountable, reliable and changing lives for the better. So now, more than ever, we need to ensure our officers are bold and ambitious leaders; equipped to tackle these challenges and lead local government to make a difference, deliver and be trusted.”¹³

These qualities are even more important at a time when local authorities are responding to the worst pandemic in living memory. Yet over more than ten years, there has been an inverse relationship between workload and pay as Chief Officers' wages have fallen sharply behind the rate of price increases and wage trends in comparable private sector roles.

Chief Officers' wages have fallen by at least **26 per cent** in real terms over the last decade. Workloads are becoming increasingly unmanageable for many of our members, and a substantial pay offer would be partial recognition for the very high levels of unpaid overtime that this group of workers contributes to the delivery of essential local services. Previously agreed work on the gender pay gap and work-life balance are arguably more important now than when they were first proposed, and this work should be taken forward at the earliest opportunity.

We look forward to negotiating this claim with the Local Government Employers.

References

- ¹ Chief Officers' pay settlements plotted against changes to inflation and Average Weekly Earnings data for April of each year. April 2021 values are inferred from the OBR's projections for 2021, as published in the OBR's Economic and Fiscal Outlook, March 2021, Table 2.9.
- ² CLG Select Committee, *Local Government Chief Officers' Remuneration*, 12 September 2014, page 9
<http://www.publications.parliament.uk/pa/cm201415/cmselect/cmcomloc/191/191.pdf>
- ³ KPMG, *Guide to Directors' Remuneration* (various).
- ⁴ LGA, Chief executive and chief officer pay survey: Research report, Winter 2018 (published August 2019)
https://www.emcouncils.gov.uk/write/LGA_Chief_executive_and_chief_officer_pay_survey_-_report_Winter_2018.pdf
- ⁵ ONS, Public Sector Employment, Table 1
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/datasets/publicsectoremploymentreferencetable>
- ⁶ House of Commons: Official Record, 25 November 2020, Column 842
<https://hansard.parliament.uk/Commons/2020-11-25/debates/6437F778-628F-48A1-ADF3-C06BA1C09EBA/SpendingReview2020AndOBRForecast#>
- ⁷ LGA, COVID-19 Workforce Surveys, weeks ending 05 February 2021 and 08 January 2021.
- ⁸ Staff Side analysis of unpublished ONS Labour Force Survey August to October 2020 data.
- ⁹ ONS, Public and private sector earnings: 2019, 23 September 2020
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/publicandprivatesectorearnings/2019#econometric-modelling-of-private-and-public-sector-earnings-analysis>
- ¹⁰ LGA, COVID-19 Workforce Surveys, week ending 08 January 2021.
- ¹¹ Guardian, UK's economic recovery may be quicker than forecast – Bank of England, 15 March 2021
<https://www.theguardian.com/business/2021/mar/15/uks-economic-recovery-may-be-quicker-than-forecast-bank-of-england>
- ¹² MakeUK recently revised its sector growth forecast for 2021 to 3.9% from 2.7%, 15 March 2021
<https://www.makeuk.org/news-and-events/news/industry-begins-to-move-through-the-gears-as-recovery-takes-hold>; CIPD's Winter Labour Market Outlook revised up private sector employer pay award intentions, 22 February 2021 https://www.cipd.co.uk/Images/labour-market-outlook-winter-2020-21.pdf_tcm18-90917.pdf
- ¹³ <https://web.archive.org/web/20150624215252/http://local.gov.uk/officer-development>