

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**

23 January 2020

Dear Chief Executive,

LOCAL GOVERNMENT PAY 2020

I am writing to update you on the work we have been doing on your behalf on the local government national pay negotiations for 2020.

You will recall that last July the 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*

Allowing for the summer holidays, councils in each of the nine English regions, plus Wales and Northern Ireland, were consulted at regional pay briefings from the earliest opportunity: the first briefing was held on 2 September and the last on 8 October.

On 30 September, towards the end of the consultation schedule, the Chancellor announced at the Conservative Party Conference a new target for the National Living Wage (NLW) to reach £10.50 in 2024. The bottom rate in local government is currently £9.00; 79p above the current NLW of £8.21.

Feedback from the consultation briefings was relayed to the National Employers who spent a few weeks having the necessary discussions within their own parties, and elsewhere, before meeting on 5 November.

However, in the meantime, on 28 October, a general election was announced to take place on 12 December. Therefore, when the National Employers met on 5 November they agreed unanimously to defer responding to the unions' claim until the impact of the outcome of the general election was known.

Since the general election, the government published the provisional local government finance settlement (England) and announced that the NLW will increase by 6.2% to £8.72 on 1 April. The Budget will take place on 11 March.

On returning to work in the New Year, a meeting of the full Employers' Side was arranged for 21 January; the first date that all members were available. At that meeting on Tuesday, members took stock of events since they last met and agreed that a face-to-face meeting with the unions should be arranged. That meeting is now scheduled for 5 February.

The Employers are committed to engaging with the unions in a meaningful way in order to achieve a pay deal that is fair to hard working employees and affordable for councils. There is no suggestion at this stage that there will be anything other than a one-year pay deal for 2020 / 21, although it is very unlikely that a deal can be agreed in time for implementation on 1 April. However, councils should be mindful of the Government's £10.50 NLW target for 2024 which presents a huge challenge to the sector and will no doubt dominate pay negotiations from 2021 onwards.

I shall continue to keep you informed of developments.

Yours sincerely,

Naomi Cooke

Naomi Cooke
Employers' Secretary