

# National Employers for local government services

## Regional pay consultation briefings February / March 2020

### Background

1. 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*
2. Councils in each of the nine English regions, plus Wales and Northern Ireland, were consulted at regional pay briefings last autumn.
3. Each event was well attended by members and officers from most councils in each region. There was general consensus among councils on the four elements of the unions' claim with very little regional variation:
  - **Pay** – almost all attendees stated their council had budgeted for a pay increase of 2% next year (many made the distinction between 'budgeted for' and 'affordable'). The remainder had budgeted between 2% and 3%
  - **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** – no one denied that stress, mental health and wellbeing are issues worthy of review but more discussion was needed with the unions on what exactly lies behind the inclusion of this issue in their claim
4. 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 2019.
5. However, in the meantime, on 28 October, a general election was announced to take place on 12 December. Consequently, 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.
6. On 30 September, towards the end of the consultation schedule, the Chancellor announced a new target for the National Living Wage (NLW) to reach £10.50 in 2024 (a figure used to represent 66% of median earnings). The bottom rate in local government is currently £9.00; 79p above the current NLW of £8.21.

## **National Employers for local government services**

7. Since the general election, the government has announced that the NLW will increase by 6.2% to £8.72 on 1 April 2020. It has also confirmed its intention for the NLW to match 66% of median earnings by April 2024, subject to economic conditions. The Budget will take place on 11 March.
8. On 5 February, the National Employers made a one-year pay offer of 2.0% on all pay points. The offer would achieve a bottom pay rate of £9.18 (payable from 1 April 2020) and increase the annual national pay bill by £364 million and affect over 1 million employees (not including council chief executives, senior officers, teachers or firefighters, all of whom are covered by separate national pay arrangements).
9. The offer was rejected immediately by the trade unions who called on the Employers to enter into negotiations and table an improved offer.
10. The National Employers have determined that another round of regional pay consultation briefings is required before they are able to consider a further response to the unions' request.
11. This second round of pay briefings will not only seek councils' views on pay for 2020 (including the pay claims from Chief Executives, Chief Officers and Craftworkers, for which the National Employers also have responsibility) but will also provide an opportunity of understanding the huge challenge the sector faces from the Government's 2024 target for the NLW.

### **Options**

12. The National Employers are seeking the views of councils on the next steps in the negotiation with the unions.
13. The offer of 2% will not be sufficient to reach an agreement however, one option is not to make an improved offer. In response, the unions could seek to instigate industrial action or seek to refer a dispute to arbitration. This situation would last for many months into the summer and beyond potentially without any resolution in sight.
14. In an attempt to reach an agreement, an offer of more than 2% should be offered. Doing so would have clear cost implications for councils but would make some progress towards the 2024 challenge of a higher NLW.
15. Movement on the other elements of the unions' claim could be considered but there is no indication that this alone would increase the likelihood of an agreement.

### **Information required for the pay briefing event**

Prior to attending the pay briefing in your region, please ensure that your council's leadership has an opportunity to discuss these options so that the person(s)

## National Employers for local government services

attending the event can indicate a preferred way ahead. A formal decision reached by full Council is not necessarily required.

### For decision:

It is clear that a pay deal for 2020-21 cannot be achieved at 2 per cent.

The National Employers seek your views on whether:

- 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
- or
- an improved offer should be made. Such an offer should not exceed 'x'% (please be prepared to indicate a preferred figure at the briefing) and should only be made on the basis that the unions undertake to consult their memberships on it