



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

## **NJC PAY CLAIM 2018 – 2019**

**This NJC pay claim for 2018-2019 and accompanying submission is made by the Joint Trade Union Side (UNISON, GMB and UNITE) to the Local Government Association.**

Our claim is for:

**The deletion of NJC pay points SCP 6-9 to reach the Foundation Living Wage of £8.45 (UK) and £9.75 (London) and a 5% increase on all NJC pay points.**

**14 June 2017**

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## Key points in our claim:

### 1. Declining value of NJC pay:

- For the vast majority of NJC workers in local government and schools - last year's pay 'rise' actually represented the EIGHTH consecutive annual pay cut since 2009.
- Pay in local government and schools is one of the lowest in the public sector. No-one is paid a fair rate for the job they do.
- A continuation of the 1 per cent pay cap would represent a further squeeze on our members' quality of life that is even worse than during the 1980s and 1990s, exacerbating an already desperate situation for many.<sup>1</sup>
- The bottom rate of pay in local government - £7.78 - is only 28p above the National Living Wage (NLW) and well below the UK Foundation Living Wage rate of £8.45 and £9.75 in London.
- Inflation is predicted to remain in excess of 3% for the next five years. This means that the cost of living for our members will rise by nearly 18% by 2021. In that context, a 1% pay offer for the sector would be unacceptable.
- If pay is capped at 1% from 2018 - 2019, the average local government wage will fall in value by nearly £1,200. This would be on top of a real terms loss in pay of some 21% since 2009.
- NJC workers on the bottom pay point will require a 15.7% increase in pay to reach the currently projected rate for the National Living Wage of £9 per hour by 2020.
- Women are more than three quarters of the NJC workforce. The gender pay gap has widened in the public sector since the pay cap was introduced, even though it has narrowed in the wider economy. Endemic low pay is a gender issue and represents the undervaluing of women's skills, knowledge and experience in schools and council services.

*In this context, it is clear that the 1 per cent cap is unsustainable. The cap must not be applied in 2018/19 – or in any future year. Following extensive consultation with our members, the Trade Union Side believes that only a settlement of at least 5 per cent, with the bottom pay point set at the level of the Foundation Living Wage, would be a fair reward for their endeavours and lost wages over the last eight years.*

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<sup>1</sup> GMB, *End the Public Sector Pay Pinch*, 08 March 2017, page 25 – 28.

<https://static1.squarespace.com/static/58b828f44402436b74624b8a/t/58bf0a49beba4bf4b3e4b790/1488915022750/public+sector+pay+pinch+report+-+FINAL.pdf>

## **2. Pay-related conditions of work:**

Most councils are slashing conditions of work such as unsocial hours payments – alongside the decline in basic pay. This means workers providing services that require them to work regular overtime, shift work and unsocial hours work, are suffering further reductions in pay as additional payments are cut.

## **3. Job losses:**

- Since June 2010, local government has lost over 750,000 jobs. Those workers left behind face increased workloads, pressure and stress – on top of shrinking pay packets. As a result, local services, and those reliant upon them, suffer.
- Many employees who have been made redundant have been replaced by agency staff – a false economy for councils in both the short and long term. Agency workers are expensive and public money is wasted in often high agency fees.

## **4. Recruitment and retention:**

With pay comparing so badly with the rest of the public and private sectors, 71% of councils unsurprisingly report recruitment and retention problems.

## **5. Equal pay:**

- The National Living Wage has been introduced by the Government without any extra funding for councils and schools to pay for it. Indeed council budgets have been slashed by at least 40% since 2010. With NJC pay kept low by pay freezes or below-inflation increases, the National Living Wage has become the determinant of the bottom pay rate. This means that fair and transparent pay grades, based on job evaluation, are being squashed together at the bottom of the pay structure.
- With supervisors being paid similar rates to those they supervise, this leaves councils at risk of another round of costly equal pay claims. Applying the legal minimum pay rise to the bottom of the pay scale, and cutting pay for everyone else is unsustainable and not an option for the unions.

## 1. The setting for our pay claim.

This year is pivotal for pay in local government and schools. Councils face unparalleled financial challenges which have resulted from the harsh and unequal austerity measures imposed on local government by Westminster. As a result, the phasing out of the Revenue Support Grant and reliance on Council Tax and Business Rates to fund local services is high on the list of the trade unions' concerns. This is on top of an unprecedented average cut of 40% to councils' funding since 2010 and the implementation of the National Living Wage (NLW) without any additional funding from central government - in contrast to the NHS in Wales and Scotland where additional funding was provided to meet the cost of becoming Foundation Living Wage employers. Added to this, there will be extra spending responsibilities in relation to help for the growing number of older people with personal care costs and public health.

The LGA's own interim report on its funding outlook 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 billion<sup>2</sup>. To maintain the same level of service councils provided in 2014/15, a funding gap of £6 billion has opened up in 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.

Research by the New Policy Institute shows that by 2020, current and capital spending combined will be lower than at any time since before 1948. Council Tax, until recently a minority source of local government finance, will account for at least half the money coming in to every English local authority by 2020 and revenue support grant will be mainly confined to metropolitan and unitary councils, and London boroughs. Shire counties and districts will be almost entirely reliant on council tax and business rates.<sup>3</sup>

At the time of submitting our claim, the Conservative manifesto had pledged that no school will have their per-pupil funding cut and that school funding in England will be increased by £4 billion over the course of the parliament. However, this plan is dependent on cutting Universal Infant Free School Meals and replacing them with breakfast clubs, and serious concerns have been raised over the costings and practicality of this proposal. Without a significant change there will remain a substantial funding gap: schools are already having to make teaching assistants and other NJC support staff redundant because of previous budget cuts.

There is also clearly uncertainty about whether pre-election pledges will be adhered to. The public have expressed real concerns about public services. In a report published in the Guardian on 13 June 2017 of the meeting of the 1922 Committee held the previous day, "May acknowledged several warnings from MPs who described meeting people who said they could not vote Tory because of cuts to hospitals, schools, or failure to increase public sector wages in real terms".

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<sup>2</sup> [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.

<sup>3</sup> <http://www.npi.org.uk/publications/local-government/sustainable-local-government-finance-and-liveable-local-areas-can-we-survive-2020/#sthash.BT9IOR2X.dpuf>

The changing policy landscape is putting our members under immense pressure. They are experiencing an unparalleled deterioration in the value of their basic pay and widespread cuts to their conditions of work, such as car allowances and unsocial hours payments, and an increase in unpaid leave. These are also being slashed as councils struggle to fund services. However, they form a crucial part of employees' overall earnings. Our members rely on unsocial hours payments, weekend and night shift enhancements to make ends meet and should be properly paid for the disruption to their home lives which unsocial hours working represents.

Meanwhile, job losses have stripped the sector of its workforce on a historic scale, leading to persistent job insecurity, ever-increasing workloads and resulting pressure and stress for those workers left behind to pick up the pieces. The sector is being hit harder than any other part of the public sector. If the decline in the value of NJC pay is not addressed, the bargaining machinery is at risk of being seen as irrelevant.

At the same time as the Trade Union Side formulates and submits this pay claim, both sides of the National Joint Council are jointly reviewing the NJC pay spine. The implementation of the NLW means this work is critical if job evaluated pay structures which deliver equal pay for work of equal value, are to be maintained. If they are not, the Trade Union Side believes that local government and schools could face a second round of equal pay costs, which have already totalled around £3 billion.

Currently, pay differentials are being squashed as pay points at the bottom are deleted or pay settlements are bottom-loaded to keep pay rates at the bottom at, or marginally above, the legal minimum of the NLW. Increments throughout the structure are uneven and occupational segregation remains rife. Women, who are 78% of the workforce, still largely occupy the lower pay rates. The pay spine review is attempting to address these inequalities and provide more transparency and equality in pay progression.

Given that only a third of councillors in England are women – and even fewer in Wales and Northern Ireland - the representation of women among elected members fails to reflect the proportion of women working in local government. The trade unions believe that the massive under-representation of women as elected members is one of the key reasons for the decline in NJC pay and that gender bias in councillors' attitudes towards women's jobs and their value has exerted a negative influence on pay for some time.

## **2. Economic background**

### **2.1 Current inflation rates**

Between the start of 2010 and the end of 2016, the cost of living, as measured by the Retail Prices Index (RPI), rose by 22.6%.

Over 2010 and 2011, RPI inflation centred on the 5% mark, before a decline saw the rate cluster around 3% during most of the three years between 2012 and 2014. Inflation then went into a further slide, with RPI around 1% over most of 2015. However, inflation has been on the rise again since 2016 and RPI inflation has escalated reaching 3.7% in May 2017.

Yet during the period from 2010-2017, the majority of our members endured a three-year pay freeze from 2010, followed by a 1% pay award in 2013, a 2.2% pay rise spread over the next two years and only 1% per year in the most recent pay settlement from 2016-2017.

Since 2009, NJC workers on SCP 18 and above, have seen their pay cut year-on-year. For all these workers this has meant a loss in the value of their pay by a shocking 21%. Table 1 below shows the impact of below inflation pay settlements on the salary of a worker, such as a care worker, on SCP19. This is the most populated pay spine point.

<b>Table 1: Impact of RPI inflation on SCP 19 salary (e.g. care worker).</b>			
<b>Year</b>	<b>SCP 21 salary</b>	<b>SCP 21 salary if grew by RPI</b>	<b>% inflation salary above actual salary</b>
<b>2010</b>	£19,126	£20,006	4.6%
<b>2011</b>	£19,126	£21,046	10.0%
<b>2012</b>	£19,126	£21,720	13.6%
<b>2013</b>	£19,317	£22,371	15.8%
<b>2014</b>	£19,317	£22,908	18.6%
<b>2015</b>	£19,742	£23,137	17.2%
<b>2016</b>	£19,939	£23,554	18.1%
<b>2017</b>	£20,138	£24,378	21.1%

In contrast, prices for everyday goods continue to rise. Price changes to commodities that make up the RPI over the year to May 2017 are shown in Table 2 below.

<b>Table 2: Price changes in the year to May 2017</b>	
<b>Item</b>	<b>Average % increase</b>
Consumer durables	7.1
Personal expenditure	6.1
Travel and leisure	4.8
Alcohol and tobacco	4.0
Housing and household expenditure	2.9
Food and catering	2.4
All goods	4.1
All services	3.5
All items	3.7

Source: Office for National Statistics, Consumer Price Inflation Reference Tables, May 2017

Within these figures, some costs are rising significantly faster, such as clothing and footwear at 9.8%, electricity prices at 7.7%, petrol/oil at 7.2%, rail fares at 4.2% and bus and coach fares at 16.9%.

The price of housing also remains one of the biggest costs facing our members. Across the UK, house prices rose by 6.2% in the year to January 2017, taking the average house price to £218,000<sup>4</sup>. England experienced the biggest increase at 6.5%, while Northern Ireland, Wales and Scotland experienced 5.7%, 4.2% and 4% respectively. The latest estimates of the ratio between average house prices and average earnings stand at 7.7 in England (12.9 in London), 5.7 in Wales<sup>5</sup>, 5.2 in Scotland<sup>6</sup> and 7.1 in Northern Ireland<sup>7</sup>.

Private rents jumped 2.2% in the year to January 2017- by 2.3% in England, 2.2% in Northern Ireland, 0.4% in Wales and by 0.1% in Scotland.<sup>8</sup>

Although they are not included in inflation figures, childcare costs are also significant. The 2017 Family & Childcare Trust Survey found that the annual cost of a part-time nursery place for a child under two hit £6,061 per year or £11,594 for a full-time place.

**Table 3: Average weekly childcare costs 2017**

	Nursery				Childminder				After School Care	
	25 hours		50 hours		25 hours		50 hours		Child-minder	After-school Club
Child age	< 2 yrs	2 yrs +	< 2 yrs	2 yrs +	< 2 yrs	2 yrs +	< 2 yrs	2 yrs +	5 yrs - 11 yrs	
<b>Britain</b>	£116.25	£112.38	£222.36	£210.45	£109.84	£109.29	£212.86	£210.99	£67.11	£52.58
<b>England</b>	£117.43	£113.43	£225.13	£212.43	£110.68	£110.11	£214.02	£212.02	£68.12	£52.80
<b>Scotland</b>	£111.37	£106.16	£209.87	£199.16	£105.25	£104.53	£210.64	£209.24	£62.22	£55.71
<b>Wales</b>	£101.42	£102.30	£188.80	£190.55	£101.03	£101.03	£193.84	£193.84	£55.43	£43.13
<b>Inner London</b>	£154.08	£141.05	£290.73	£273.79	£156.67	£151.68	£290.18	£273.23	£97.12	£42.09
<b>Northern Ireland</b> is excluded from the analysis because childcare is funded differently, making comparisons difficult.										

Source: Family and Childcare Trust, 2017 Childcare Survey, updated annually published March 2017

Current inflation rates also mask longer term changes in the cost of living that have taken place since 2010. Between 2010 and 2016, food price inflation, currently standing at 1.2% saw significant rises, alongside other living costs as shown in Table 4 below.

<sup>4</sup> Office for National Statistics, UK House Price Index Summary, March 2017 – LSL Property Services puts average UK house prices at £297,832. The stark difference with the ONS figure is principally down to the statistical method used in the calculation.

<sup>5</sup> Office for National Statistics, Housing affordability in England and Wales, March 2017

<sup>6</sup> Emooov - <https://www.emooov.co.uk/reality-gap-uk-property-costs-eight-times-average-wage/>

<sup>7</sup> Office for National Statistics, Trends in the UK Housing Market, 2014

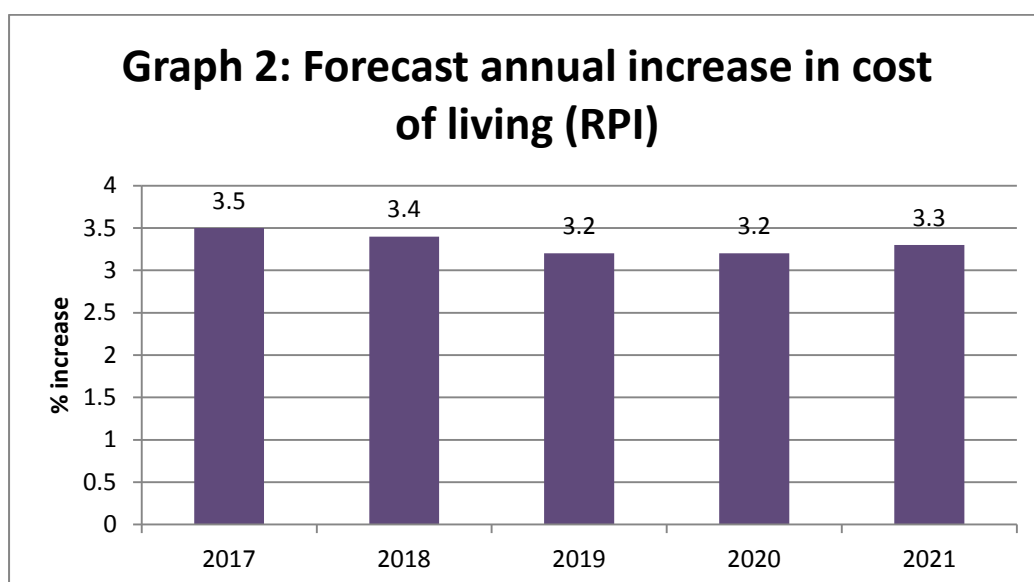
<sup>8</sup> Office for National Statistics, Index of Private Housing Rental Prices, January 2017 for Great Britain figures, Performance of the Private Rental Market in Northern Ireland Jan – June 2016 for Northern Ireland



Table 4: Price rise from 2010 – 2016 (%)	
Item	Price rise
Food	11%
Rail fares	24%
Bus and coach fares	26%
Water	19%
Electricity	28%
Gas	24%

## 2.2 Inflation forecasts

The Trade Union Side feels that, under these circumstances, our claim is relatively modest. The Treasury average of independent forecasts predicts that RPI inflation will accelerate sharply to average 3.5% over 2017<sup>9</sup> and remain in excess of 3% every year between 2018 and 2021, following the pattern shown in Graph 2 below. These annual rates indicate the pay rises that would be needed for wages just to maintain their current value.

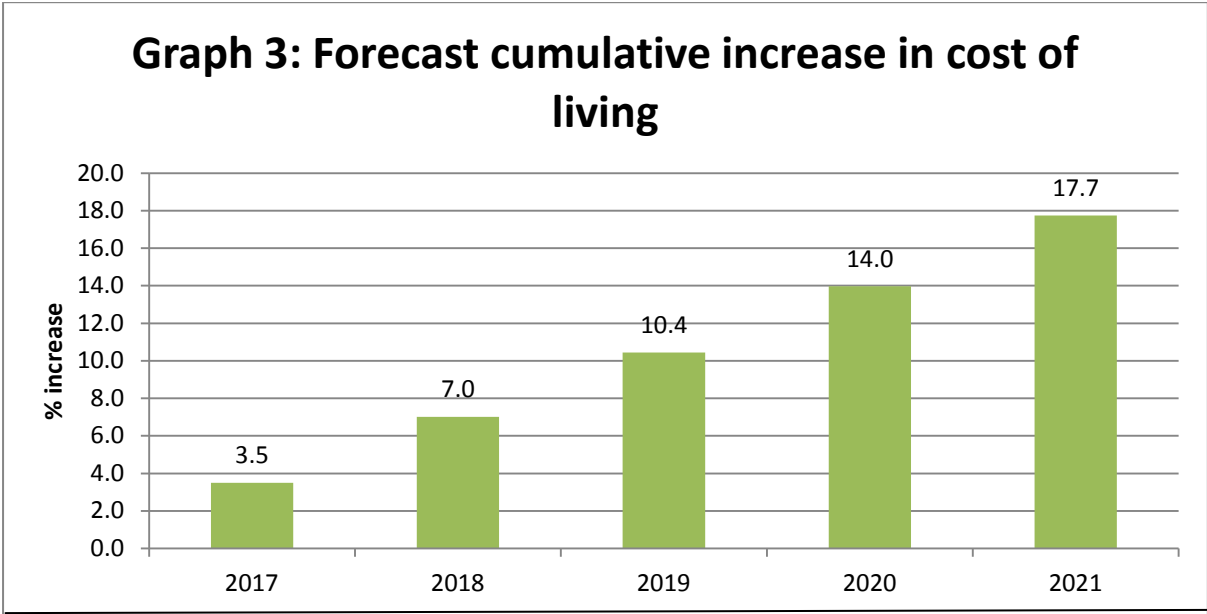


Source: HM Treasury Forecasts for the UK Economy, February 2017

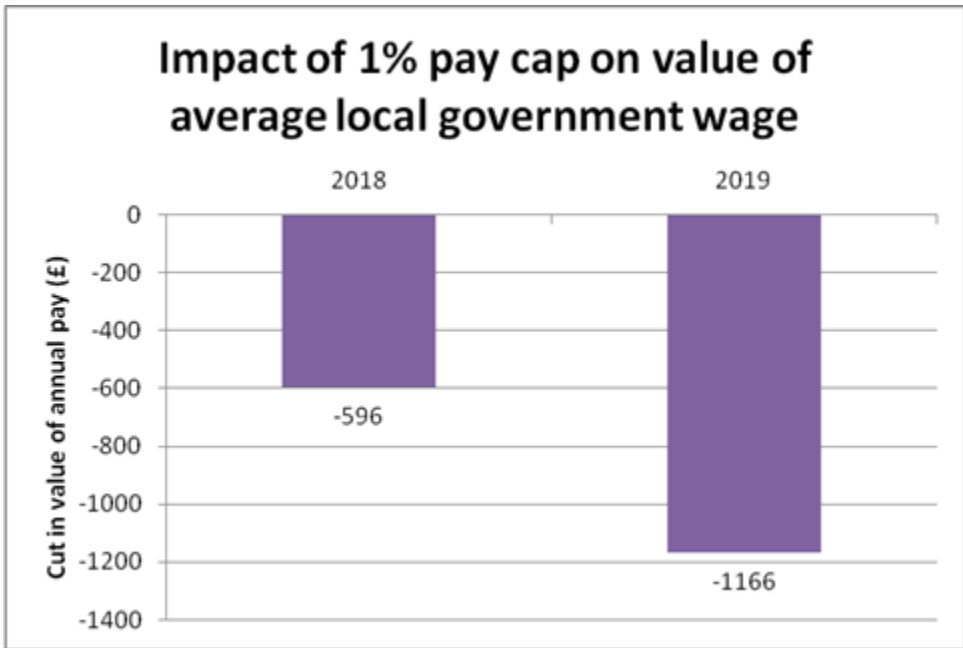
There is uncertainty about the impact of Brexit on inflation, although GMB research found that the average full-time public sector worker would lose £4,000 in real-terms between 2017 and 2020, of which over £1,400 was attributable to the extra-inflation triggered by Brexit.<sup>10</sup> If the HMT rates turn out to be correct, then the cost of living the NJC workforce faces will grow by almost 18% between 2017 and 2021, following the pattern set out in Graph 3 below.

<sup>9</sup> Regulated rail fares for 2017 are set to rise by an average of 1.9% because they are linked to the July RPI figure, though unregulated increases are expected to lift average rail prices by 2.3%.

<sup>10</sup> <http://www.mirror.co.uk/news/uk-news/public-sector-wage-freeze-equivalent-9986319>



The potential impact of this inflation forecast on the value of the average NJC wage against the background of the 1% public sector pay cap from 2018 through to the end of 2019 is shown in Graph 4 below. Over these two years, the average NJC wage will have declined in value by over £1,100 under this scenario.



\*Average local government wage based on FTE earnings excluding London.

## 2.3 Average earnings growth

Average earnings, shown in table 5, are currently rising far faster in the private sector than in the public sector, with finance, services and retail all rising faster than the public sector.

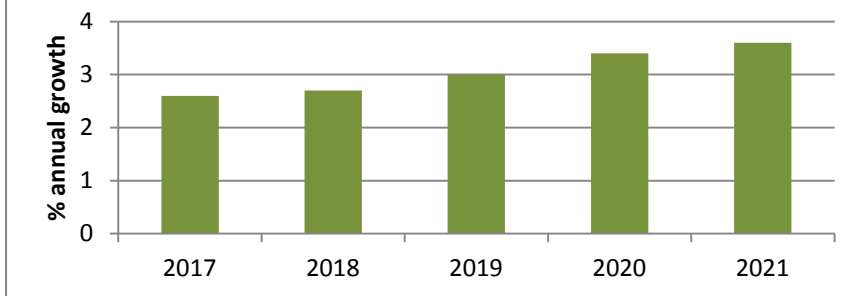
Table 5: Average weekly earnings broken down by sector (seasonally adjusted)	Total Pay (including Bonuses) %	Regular Pay %
	3 month average	3 month average
Whole economy	2.1	1.7
Private sector	2.3	2.0
Public sector	1.1	1.1
Public Sector excluding financial services	1.0	1.1
Manufacturing	1.6	1.7
Services	2.2	1.8
Finance and business services	1.6	1.1
Construction	1.0	1.2
Wholesale, retailing, hotels & restaurants	2.6	2.4

Source: ONS UK Labour Market Statistical Bulletin, June 2017

Forecasts of average earnings predict that growth will average 2.6% in 2017, before escalating every year to reach 3.6% by 2021, following the pattern shown below in Graph 5<sup>11</sup>. By comparison, NJC earnings are stagnating and falling behind these average growth figures. Best estimates indicate that approximately 10,720 local government workers (2.4% of the non-school based and non-London based workforce) are on pay points that will require an uplift in their rate in excess of forecast average earnings growth to achieve the National Living Wage” by 2020. For the lowest paid staff, this uplift will require an annual increase of 4.1% over three years, which is 1.1% above forecast average earnings growth across the economy as a whole over that period – and certainly far more than 1%.

<sup>11</sup> Office for Budgetary Responsibility, Economic and Fiscal Outlook, March 2017

**Graph 5: Forecast average earnings growth**



In other words, a significant above-inflation rise is required to address our members' fall in living standards over the last eight years. As the NHS regulator has warned, based on international comparisons:

*'Periods of wage restraint are generally followed by periods of "catch up" with their trend level in subsequent years. Capping wages for longer to keep costs down would be self-defeating for the sector in the long term as it would make recruiting and retaining good quality professionals increasingly difficult.'*<sup>12</sup>

It is clear that the tipping point – where wages cannot be further reduced without impacting recruitment, retention and the quality of services – has already been reached. It is therefore vital that the 2018/19 settlement is built around a substantial, above inflation pay rise that compensates local government workers for the wages they have lost due to the application of the 1% cap.

#### **2.4 Average pay settlements:**

Pay settlements across the economy currently stand at 2%, which is well below the long-run median of between 3% and 3.5% that prevailed for over two decades until the 2008 economic crisis.

Pay settlements in the private sector stand at 2%, which is double that in the public and not-for profit sectors. Private sector settlements have been running far in advance of NJC pay since 2010. When NJC pay was frozen for three years, average private sector pay rises were running at 2.1%.

Table 6 below shows average settlements across a range of sectors for the year up to March 2017. These sectors are in direct competition for workers in jobs within the school and local government sectors.

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[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/284044/ClosingTheGap091013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284044/ClosingTheGap091013.pdf)

<b>Table 6: Average pay settlements across the economy for the year to March 2017</b>	
<b>Sector</b>	<b>Average pay settlement</b>
Across economy	2.0%
Private sector	2.0%
Public sector	1.0%
Not for profit	1.0%
Energy & gas	1.6%
Water & waste management	1.7%
Retail & wholesale	2.4%
Information & communication	2.0%
Admin & support services	2.0%
Source: Labour Research Department, settlements year to March 2017	

### **3. Decline in NJC pay - a unique case for a decent pay rise**

Pay for those working in local government and schools has shamefully declined more than any other workforce in the public sector.

Our members have suffered significant, real-terms cuts to their wages – both as a reduction to the value of their annual salaries, and as a cumulative loss which has already amounted to over £10,000 since 2010/11 so far in some cases. Examples compiled by the GMB of the salary losses for workers on typical NJC pay scales are provided in table 7 below. The salaries stated are based on FTE rates but the vast majority of teaching assistants are employed on term-time and/or part-time only contracts. Their take home pay will be significantly less than the figures stated here.

<b>Table 7</b>	<b>FTE salary devaluations in real-terms, not including cost of living weightings<sup>13</sup></b>			
<b>Job title</b>	<b>Salary in 2010</b>	<b>Salary in 2017</b>	<b>Annual real-terms cut</b>	<b>Total real-terms cut 2010 – 2017</b>
Catering Assistant	£13,589	£14,975	£1,176	£6,085
Teaching Assistant	£16,830	£17,547	£2,455	£8,596
Refuse Collector	£17,161	£17,891	£2,505	£8,765
Administrative Assistant	£20,198	£21,057	£2,948	£10,317
Qualified Residential Care Worker	£22,221	£23,166	£3,244	£11,350
Social Worker	£25,472	£26,556	£3,717	£13,009
Higher Level Teaching Assistant (SEN Specialist)	£26,276	£27,394	£3,835	£13,420
Homelessness Prevention Officer	£28,636	£29,854	£4,180	£14,628

An analysis of DfE statistics by GMB, shown in table 8 below, shows that average general teaching assistant pay rates increased by just 1.6% between 2011 and 2015 (the earliest and latest years for which figures are currently available). This was substantially below both inflation and the nominal one per cent cap – and it was equivalent to over a £2,400 real-terms cut over that period.

<sup>13</sup> GMB, *End the Public Sector Pay Pinch*, 08 March 2017, page 10:

<https://static1.squarespace.com/static/58b828f44402436b74624b8a/t/58bf0a49bebf4b3e4b790/1488915022750/public+sector+pay+pinch+report+-+FINAL.pdf>

<b>Table 8: GMB analysis of DfE School Workforce Census statistics - FTE teaching assistant salaries<sup>14</sup></b>			
<b>Year</b>	<b>General Teaching Assistants</b>	<b>Higher Level Teaching Assistants</b>	<b>All Teaching Assistants</b>
<b>2011</b>	£18,600	£21,300	£18,800
<b>2012</b>	£18,500	£21,400	£18,800
<b>2013</b>	£18,700	£21,800	£19,000
<b>2014</b>	£18,700	£21,700	£19,000
<b>2015</b>	£18,900	£22,100	£19,200
<b>Change</b>	<b>1.60%</b>	<b>3.80%</b>	<b>2.10%</b>
<b>Real terms cut (RPI)</b>	<b>£2,531</b>	<b>£2,442</b>	<b>£2,461</b>

Previous pay settlements and the way they have been implemented have clearly been inadequate. Our members have been asked to shoulder an unfair financial burden at the same time that their workloads have increased. The following section outlines how low pay has not only dogged the pay points at the bottom of the pay structure, but is systemic throughout it.

### **3.1. Pay at the bottom**

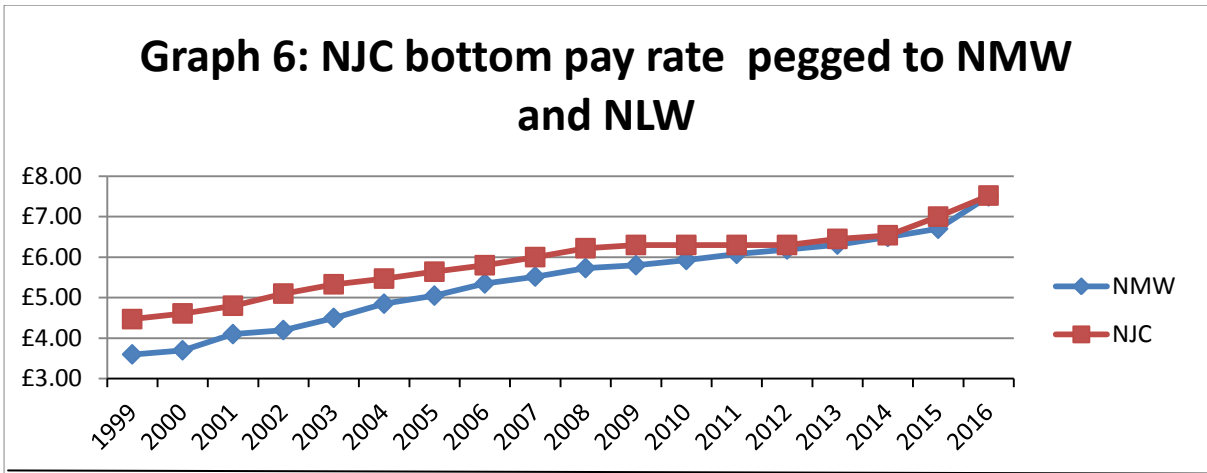
At the same time as facing 40% cuts to local government funding, the introduction of the new NLW has led to pay at the bottom of the pay structure being linked to the legal minimum to prevent the employers breaking the law. Recent pay awards have been bottom-loaded and job evaluated, transparent pay differentials throughout the pay spine are under threat.

Graph 6 below shows the decline in the value of the bottom rate of NJC pay compared to the legal minimum rate of pay for the rest of the economy since 1999. The comparison is between the National Minimum Wage (NMW) adult pay rate and the bottom NJC pay point for each year at 1 October. The NMW is replaced by the NLW for 2016.

The graph brings into clear focus the need to tackle the years of pay neglect now, rather than focussing on skirting the NLW.

<sup>14</sup> GMB, *End the Public Sector Pay Pinch*, 08 March 2017, page 18:

<https://static1.squarespace.com/static/58b828f44402436b74624b8a/t/58bf0a49bebf4b3e4b790/1488915022750/public+sector+pay+pinch+report+-+FINAL.pdf>



In 1999, there was a 24% difference between the bottom rate of pay for NJC workers and the NMW. By 2016, the difference between the bottom NJC rate and the National Living Wage, the new legal minimum for those over 25, has plummeted to a shocking 0.3% difference. This is at the same time as equal pay was supposed to be introduced, as a result of the 1997 Single Status agreement. Far from seeing the increase in women’s pay which was meant to be the outcome of Single Status, the opposite has been the case.

The legal minimum wage ‘floor’ for the whole economy, has essentially become a benchmark for our members’ pay, despite the highly responsible and skilled nature of their jobs. Local government workers have become used to being the poor relations of the public sector in the last two decades and are now the confirmed poor relations of the UK economy.

**3.2 NJC minimum pay: comparisons with the rest of the public sector**

With pay at the bottom of the NJC pay spine pegged at statutory minimum wage levels, it is no surprise that compared to minimum pay elsewhere in the public sector, pay rates for those working in local government and schools are shockingly low.

Table 7 below lists minimum pay rates across the public sector. It shows how far NJC pay has fallen behind the bottom rates for the majority of public sector workers. Even following the bottom loading applied as a result of recent NJC pay settlements, pay for those on minimum rates in local government compares badly with workers elsewhere in the public sector – particularly those working in central government and the NHS, where overall employment has increased. Central government rates for equivalent groups of workers compare particularly well, with NHS Agenda for Change rates in Wales and Scotland also significantly ahead. Sixth form college and higher education workers obviously deserve much better, but are significantly smaller groups than the NJC workforce.

The NJC trade unions see no reason at all for this disparity in pay between NJC workers and the rest of the public sector, which is the consequence of drastic funding cuts and the long-term neglect of a workforce which is predominantly made up of women.



<b>Table 9: Minimum pay rates across the public sector</b>			
<b>UNISON bargaining groups</b>	<b>From</b>	<b>Rate (£)</b>	<b>Hourly (£)</b>
Local government (England, Wales & Northern Ireland)	01/04/2017	15014	7.78
NHS Agenda for Change (England)	01/04/2017	15404	7.88
NHS Agenda for Change (Wales)	01/04/2017	16302	8.45
NHS Agenda for Change (Scotland)	01/04/2017	16302	8.45
NHS Agenda for Change (Northern Ireland) 2017 * pay award pending.	01/04/2016	14437	7.38
Sixth form college support staff (England & Wales)	01/01/2017	14778	7.66
Higher education	01/08/2016	14767	7.65
Further education (England)	01/08/2016	14962	7.78
Police staff (England & Wales)	01/09/2016	15486	8.03
Probation Service**	01/04/2016	14609	7.57
Youth and Community Workers	01/09/2016	15507	8.04
<b>Central government</b>			
Crown Office and Procurator Fiscal Service	01/08/2016	18113	9.39
Crown Prosecution Service	01/04/2016	16601	8.61
Department for Business, Energy and Industrial Strategy	01/08/2016	16988	8.81
Department for Education	01/04/2016	18659	9.67
Department for Works and Pensions	01/07/2016	16772	8.69
Environment Agency	01/07/2016	15715	8.15
HM Revenue and Customs	01/06/2016	16453	8.53
Home Office	01/07/2016	16641	8.63
Northern Ireland Civil Service	01/08/2016	17352	8.99
Scottish Government	01/08/2016	17242	8.94

#### **Notes to table**

Scotland pays the Living Wage across the public sector. Therefore, minimums agreed from November 2016 in Scotland will be at the rate of £8.45 an hour, which translates to £16,302 for a 37 hour week and £16,522 for a 37.5 hour week.

\*A pay settlement for NHS staff in Northern Ireland remains pending.

\*\*Probation Service rates have not increased since 2013.

### **3.3 Low pay: a problem throughout the pay spine.**

While we have seen pay rises above 1% at the bottom of the pay spine to achieve the legal minimum of the NLW, we have also witnessed little or nothing being left for everyone else above them in the NJC pay structure, including social workers, environmental health and trading standards officers, and key admin workers. All NJC workers suffered a three year pay freeze from 2010 – 2013, in stark contrast to the rest of the public sector, where pay was ‘only’ frozen for two years.

Pay for all those working in local government and schools is lower than for anyone else working in the public sector. Those on the bottom pay points 6 – 12 are paid below the ‘real’ Foundation Living Wage of £8.45 (UK rate), while the majority of their colleagues above them on the pay spine have endured pay rises of 1% in 2013,

1.1% in 2014 and 2015, and a pay rise capped at 1% for 2016 and 2017. To prevent equal pay claims being lodged against local authorities, differentials must be maintained and everyone on NJC pay, not just those at the bottom, deserves a decent pay rise.

### **3.4 Paying the Foundation Living Wage**

Our claim is calling for the deletion of NJC pay points SCP 6-9 to ensure that no NJC worker receives less than the non-statutory, Foundation Living Wage. This is a rate calculated to ensure that workers receive the bare minimum needed for an acceptable standard of living. It is hard to understand why our members providing vital services in schools and councils should not be deemed worthy of wages which are enough to live on!

In recent years, support for the Foundation Living Wage has grown among local authorities. In 2015, research by UNISON showed that 51% of councils had individually chosen to pay the Living Wage, even though the 'Green Book' collective agreement does not. Fewer schools than councils pay the Foundation Living Wage. Despite this, the trade unions have begun to see 'real' Living Wage rates frozen, to allow catch up by the statutory minimum National Living Wage.

Employers who have implemented the Foundation Living Wage report improved retention of staff and improved quality of service. This leads to a reduction in costs of recruitment and training. Better pay also means that workers are more motivated and productive and it helps to reduce absenteeism. With stress, anxiety, poor mental health and fatigue being the number one reason for sickness absence in local government, paying the 'real' Living Wage would help reduce workforce costs and improve the working lives of our members<sup>15</sup>.

But ad-hoc, local agreements to implement the Foundation Living Wage make a mockery of the NJC's bargaining machinery. Furthermore, deletion of the bottom rates and providing no uplift in pay for the rest of the workforce means that years of neglect of the NJC pay spine is leading to compression of the pay structure at the bottom end. In turn, this is creating unfair pay that damages staff morale and places councils at risk from equal pay claims.

### **3.5 Joseph Rowntree Foundation Minimum Income Standard**

The Foundation Living Wage is not the only measure of low pay. The Joseph Rowntree Foundation publishes its annual Minimum Income Standard (MIS) based on what members of the public think people need to achieve a socially acceptable standard of living. These are shown in table 10 below.

Currently (July 2016 figures), the MIS rate for a Single Adult of working age sits between pay spine point 15 and 16 while for a lone parent with one child, it is above pay spine point 40. With the latest figures due to be released in July, it is expected that comparisons between NJC pay and the MIS will be even worse.

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<sup>15</sup> Local Government Workforce Survey 2015/16, Research report, March 2017.

When compared with the Foundation Living Wage, the MIS highlights the low level at which the Foundation Living Wage itself is set. This further underlines why the NJC must accept the Foundation Living Wage as the lowest pay spine point.

<b>Table 10: April 2016</b>	<b>Single Adult of working age</b>	<b>Two earner couple with two children</b>	<b>Lone parent with one child</b>
<b>MIS (including rent, childcare and council tax), per week</b>	£286.53	£776.28	£548.56
<b>Hourly wage rate(full time)</b>	£8.85	£9.67	£18.16
<b>Annual Earnings requirement</b>	£17,311	£37,812	£35,507

[Full details: https://www.jrf.org.uk/income-benefits/minimum-income-standards](https://www.jrf.org.uk/income-benefits/minimum-income-standards)

### **3.6 Pay comparisons across the pay spine**

A comparison of pay for some NJC occupational groups with similar roles in the NHS shows that NJC workers are the poor relations of those with equivalent roles under the Agenda for Change pay structure within the NHS. With transfers within the public sector becoming more common, NJC workers face the scenario of working alongside others doing the same job, for which they are paid less money. This is unfair and discriminatory, is no way to motivate staff and has real implications for recruitment and retention in local government. We believe that NHS pay rates are far more reflective of the value of the jobs concerned and that NJC workers' pay should be lifted to at least the same rates. The jobs they do are no less valuable.

Table 11 below shows the difference in pay levels for selected occupations and equivalent roles across the NJC and Agenda for Change pay structures.

<b>Table 11: NJC and NHS pay compared</b>					
NHS Job title	NJC job title	<u>NJC Median Maximum Salary</u> [1]	NHS 37 Hour Week Equivalent (1.4.16) England	Difference between NJC And NHS (£)	% NHS pay exceeds NJC Pay
Domestic Support Worker	Cleaner	£14,311	£15,047 min. or £15,309 max	£736 - £998	5.1% – 7%
Catering Support Worker	Catering Assistant	£14,332	£15,047 min. or £15,309 max	£715 - £977	5.1% - 6.8%
Nursery Nurse	Nursery Worker	£18,379	£20,771	£2,392	13%
Librarian  (1/4/16)	Librarian  (1/4/16)	£23,166	£24,960	£1,794	7.7%
School Business Manager*	Business Manager**	£26,000	£32616	£6616	25.5%
Principal Environmental Health Officer*	Health Improvement Principal**	£38,171	£50,529	£12,358	32.4%
Principal Information Analyst*	Principal Information Analyst**	£46,225	£47,394	£1,169	2.5%
Principal Solicitor (Solicitor/Consultant)*	Principal solicitor**	£48,291	£53784	£5,493	11.4%

[\[1\] IDS 2013 is the last national data available. 1% in 2013 and 2.2% for 2014-16 are the NJC pay awards.](#)

\*Municipal Journal Jobs Go Public, 1/4/2016.      \*\*AfC profiles 1/4/16

It is not just pay for lower graded jobs that is unequal within the public sector. The top of the NJC pay spine compares badly with the rest of the public sector too. It stands at just over £43,000. This compares with nearly £100,000 within the NHS and nearly £65,000 in Higher Education. This has led to nearly two thirds of authorities extending their pay spine locally. At the top, NHS, other public sector and local government jobs are very similar, but pay is very different. UNISON has demonstrated this by doing 'dummy' job evaluations using the NJC job evaluation scheme.

#### 4. Pay-related conditions of work

In an attempt to save costs, for the last seven years councils across the board have been shredding working conditions. Both Unison and Unite have recently conducted surveys asking about changes to terms and conditions.

Nearly half - 46% - of UNISON members responding to UNISON's local government members' survey in 2016 reported that their pay and conditions had changed since 2010. Two-thirds of these said that the changes had been imposed. Members told us whether pay and conditions had got worse or improved and the responses, shown in Table 10 below, show how the full range of working conditions – and pay progression - are under attack.

<b>Table 10: Changes to pay and conditions since 2010</b>	<b>Got worse %</b>
<b>Unsocial hours payments</b>	85
<b>Weekend payments</b>	84
<b>Bank holiday payments</b>	83
<b>Evening/night payments</b>	81
<b>Bonuses/performance-related pay</b>	79
<b>Car allowances</b>	78
<b>Paid overtime</b>	77
<b>Sick pay</b>	75
<b>Holidays unpaid</b>	75
<b>Shift payments</b>	74
<b>Paid holidays</b>	65
<b>Pay progression</b>	54

\*These proportions are based on small samples

Similarly, Unite's survey in May 2017 asked whether other terms and conditions had been cut in addition to pay. This showed significant numbers of councils making cuts to overtime, allowances and redundancy terms. Many members that ticked 'other' also mentioned downbanding, compulsory unpaid shut down days, sick pay, mileage rates and bonus schemes.

<b>Table 11: Has your Local Authority cut any other terms and conditions?</b>	<b>Percent</b>
<b>Overtime</b>	<b>43.1%</b>
<b>Allowances</b>	<b>36.7%</b>
<b>Facilities time</b>	<b>12.1%</b>
<b>Redundancy</b>	<b>25.6%</b>
<b>Requirement to take unpaid leave</b>	<b>7.7%</b>
<b>I don't know</b>	<b>30.6%</b>
<b>Other, please specify</b>	<b>15.7%</b>

Slashing conditions and slowing pay progression has had a real impact on our members' pay packets. Over 50% of the workforce is made up of part-time employees, working regular, unpaid overtime. Many workers are dependent on these additional payments to make ends meet. The workforce is made up of over three-quarters women, many low paid and in low-paid households, or single mothers. Their incomes are vital to the wellbeing of their families and these

additional regular payments are a lifeline. This makes these workers and their families especially vulnerable to any change in their financial circumstances, such as withdrawal of regular enhancements to their pay for working nights and unsocial hours.

## **5. Job losses**

Local government has been decimated by job losses over the last seven years as funding cuts bite. Local government has seen 760,000 job losses since June 2010.<sup>16</sup> Over the same period, employment in central government has increased by 160,000. This trend continues, with local government employment in the UK falling by roughly 30,000 workers in the year to December 2016.<sup>17</sup> In comparison, NHS, central government and private sector employment continue to rise. NHS employment reached a record high in December 2016, rising for the 14th consecutive quarter and by 38,000 in the year up to December 2016.

Meanwhile private sector employment – albeit much of it part-time or casual work - has been increasing strongly for nearly seven years, reaching a record high in December 2016. Since June 2010, it has risen by three million. It rose by 324,000 in the year up to December 2016.

With considerably fewer workers to provide local services, our members deserve a pay rise that reflects the massive increase in their productivity. Those workers left behind are attempting to pick up the workloads of former colleagues, as well as do their own work on declining pay and conditions.

Local government workers face job insecurity and frequent reviews and reorganisations. In UNISON's 2016 survey, thirty-eight percent of members reported job losses in their department.<sup>18</sup> Sixty-three percent reported having experienced a review or reorganisation in the previous year, driven by cost-cutting exercises.

## **6. Recruitment and retention**

The latest workforce survey by the NJC employers, the Local Government Association, shows that a shocking 71% of councils are currently experiencing recruitment and retention difficulties<sup>19</sup>.

With pay in local government and schools comparing badly to the rest of the public and private sectors, recruitment and retention is fast becoming an issue for local employers. In 2010, an estimated eight per cent of public sector jobs were supplied

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<sup>16</sup>

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/publicsectorpersonnel/bulletins/publicsectoremployment/dec2016>

<sup>17</sup> [ibid](#)

<sup>18</sup> <https://www.unison.org.uk/content/uploads/2016/06/23864.pdf>

<sup>19</sup> Local Government Workforce Survey 2015/16, Research report, March 2017.

by an agency – by 2015, that number had increased to 13%.<sup>20</sup> GMB analysis shows that the cost to the public sector of agency and temporary workers rose by over £2 billion in real terms between 2011/12 and 2014/15 (the latest year for which figures are available). If the decline in the value of NJC pay throughout the pay spine is not addressed, this situation can only worsen. The growing and widespread use of agency workers to fill gaps comes at a hefty cost to the public purse.

Many councils are already heavily dependent on temporary workers. During the last ten years, agency staff in some London boroughs have comprised up to a quarter of the total headcount. Recently, Northamptonshire hit the headlines after local media uncovered an annual spend of £1.5 million on temporary workers.<sup>21</sup> Facing funding cuts, councils find themselves unwilling to authorise permanent jobs but key roles need to be filled. Meeting the Joint Trade Union Side's pay claim this year will help encourage workers to remain in post, particularly given the extreme increase in workload, stress and pressure being witnessed.

## 7. Conclusion

It is clear that the Government's current policy of pay restraint applied to our members working in councils and schools is not sustainable. Erosion of NJC pay over the last twenty years has led to it skirting the legal minimum. The introduction of the NLW, the ad hoc adoption of the Foundation Living Wage and the widespread extension of the top of the pay spine by councils means that pay grades have become compressed, uneven and unfair.

With the NLW set to be around £9 per hour by 2020, councils and schools will face additional financial costs. But if the decline in the value of NJC pay across the entire pay spine is not addressed, the real financial costs to councils, through equal pay claims, recruitment and retention challenges and workforce disharmony, will be far greater than the cost of restructuring the pay spine, while giving **all** our members, across the board, a much needed decent pay rise.

They face immense pressure – ever increasing workloads, deteriorating pay and conditions, and persistent job insecurity. Against the odds, they have delivered efficiency savings for you year-on-year, but we have reached the limit of what can be squeezed from an exhausted and demoralised workforce.

Those providing local services in councils and schools are supporting our children's education and holding stretched communities together at a time when those services are overwhelmed by public demand and the government is cutting funding. With the dramatic decline in the value of their pay, it is clear that our members have remained in local government and schools because they are committed to improving people's lives, supporting communities and maintain a lasting public sector ethos.

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[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/592131/NIESR\\_agency\\_wor king\\_report\\_final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/592131/NIESR_agency_wor king_report_final.pdf)

<sup>21</sup> <https://www.theguardian.com/local-government-network/2013/jan/29/local-government-temporary-staff>

They believe too that people are more important than fat salaries and market competition. But they too have bills to pay and themselves and families to support and can't keep delivering more and more for less and less. The Trade Union Side believes our claim is just and fair, and no less than our members deserve. This year, passing on the Government's 1% pay cap will just not cut the mustard. The employers must offer at least the Foundation Living Wage as the minimum pay point (removing SCP 6 – 9) and 5 per cent on all other pay points. Local government and school workers should and must get the decent and fair pay rise that they need and deserve.



**Appendix: Current NJC pay rates:**

<b>NJC Pay Point</b>	<b>2017 Pay pa</b>	<b>2017 Pay hourly</b>
SCP6	£15,014	£7.78
SCP7	£15,115	£7.83
SCP8	£15,246	£7.90
SCP9	£15,375	£7.97
SCP10	£15,613	£8.09
SCP11	£15,807	£8.19
SCP12	£16,123	£8.36
SCP13	£16,491	£8.55
SCP14	£16,781	£8.70
SCP15	£17,072	£8.85
SCP16	£17,419	£9.03
SCP17	£17,772	£9.21
SCP18	£18,070	£9.37
SCP19	£18,746	£9.72
SCP20	£19,430	£10.07
SCP21	£20,138	£10.44
SCP22	£20,661	£10.71
SCP23	£21,268	£11.02
SCP24	£21,962	£11.38
SCP25	£22,658	£11.74
SCP26	£23,398	£12.13
SCP27	£24,174	£12.53
SCP28	£24,964	£12.94
SCP29	£25,951	£13.45
SCP30	£26,822	£13.90
SCP31	£27,668	£14.34
SCP32	£28,485	£14.76
SCP33	£29,323	£15.20
SCP34	£30,153	£15.63
SCP35	£30,785	£15.96
SCP36	£31,601	£16.38
SCP37	£32,486	£16.84
SCP38	£33,437	£17.33
SCP39	£34,538	£17.90
SCP40	£35,444	£18.37
SCP41	£36,379	£18.86
SCP42	£37,306	£19.34
SCP43	£38,237	£19.82
SCP44	£39,177	£20.31
SCP45	£40,057	£20.76
SCP46	£41,025	£21.26
SCP47	£41,967	£21.75
SCP48	£42,899	£22.24
SCP49	£43,821	£22.71