

Our Ref: **LG/13/2017**

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To: Secretaries of Local Government Branches in England,
Wales and Northern Ireland (Scotland – for information only)
Regional Heads of Local Government

2 May 2017

2018 - 19 NJC Pay Claim: Branch consultation

This circular contains UNISON's proposed NJC pay claim for 2018/19, together with a background analysis. The proposed claim was discussed and agreed by the UNISON NJC Committee on 27 April 2017. Branches are asked to consult members as widely as possible on the proposed claim and submit responses to their Regional Head of Local Government by 12 noon on Friday 26 May 2017 using the attached pro-forma.

As branches are aware from NJC Pay Justice Bulletin 1, the UNISON NJC Committee agreed last January to submit the NJC pay claim for 2018/19 earlier this year, to make our pay aspirations clear to the Local Government Association (LGA), whilst the negotiations on a revised NJC pay spine take place.

The NJC pay spine review was spurred by the introduction of the National Living Wage (NLW) and the fact that around 200 councils have voluntarily adopted the Foundation Living Wage. Both developments have led to compression at the lower end of the pay spine. This is over-riding job evaluated differentials, creating potential equal pay problems and undermining pay transparency. In addition, the current pay spine – established in 1997 - contains unequal steps between scale points and is therefore neither transparent nor fair.

The UNISON NJC Committee met on Thursday 27 April 2017 to discuss the contents of the NJC pay claim for 2018/19.

In considering the proposed claim for 2018/19, the NJC Committee took into account the following factors:

- The aspiration of all three unions to achieve the Foundation Living Wage at the lowest pay point
- The ongoing decline in our members' pay – worse than for any other workforce in the public sector. Pay is lower compared to other public sector groups throughout the NJC pay spine
- Unprecedented cuts in local government funding and increased pressure on schools
- The immense pressure our members are under with ever increasing workloads, deteriorating terms and conditions and persistent job insecurity
- The compression at the lower end of the NJC pay spine, which is over-riding job evaluated differentials and the need to maintain the differentials which might emerge from the pay spine review
- The need for a simple claim which is easy for members to understand. It should be seen as realistic and have credibility with members

Proposed Pay Claim 2018/19

In order to achieve these objectives, the Committee is proposing the following claim for 2018/19:

5% increase on all NJC pay points and deletion of NJC pay points scp 6-9¹

How the claim would apply to London pay rates

The claim would apply the deletions to the NJC pay points to the GLPC pay spine – i.e. to delete Inner and Outer pay points scp 6-9.

A table is attached to this circular setting out current NJC and GLPC rates and showing the impact of a 5% pay increase.

The arguments for our claim

The economic background paper considered by the Committee is also attached and highlights:

- **Context of pay claim:** The sector faces the phasing out of revenue support grant and reliance on business rates; unprecedented cuts to funding; implementation of the NLW; an ongoing pay spine review to maintain pay differentials.

¹ The 5% increase on all NJC pay points is to reflect inflation and provide some catch-up on lost earnings. The deletion of pay points 6-9 **after** the 5% increase has been applied to ensure that no NJC pay points fall below the Foundation Living Wage rate of £8.45 per hour.

- **Pay at the bottom:** Linked to legal minimum and remaining below the real Living Wage. NJC continues to be one of the lowest pay rates in the public sector.
- **Low pay:** A problem throughout the pay spine with those above in the middle and top of the spine receiving scant reward and differentials being threatened following years of bottom loaded pay settlements.
- **Terms and conditions:** Savaged across the board and impacting on pay.
- **Job losses:** Employment in local government has fallen by over three quarters of a million since June 2010.
- **Recruitment and retention problems:** Developing as value of pay plummets.
- **Inflation:** RPI at 3.2% and CPI at 2.3%. RPI to average 3.5% over 2017 and remain over 3% to 2021.
- **Average earnings:** Predicted to be 2.6% in 2017 rising to 3.6% by 2021.
- **Average pay settlements:** 2% for private sector; 1% for public sector.

Consultation Timetable

Branches are asked to carry out as wide a consultation as possible on the contents of the proposed claim and return their results to **your Regional Head of Local Government by 12 noon on Friday 26 May 2017.**

A pro forma is attached.

It is very important that the NJC Committee gets a view from as many branches as possible and that members are engaged at this stage in the claim.

Regions are being asked to return the results to the local government section by **12 noon on Tuesday, 30 May 2017.**

The UNISON NJC Committee will meet on 31 May 2017 to consider the results of the branch consultation and to agree UNISON's proposals for the 2018/19 pay claim. In the meantime, GMB and Unite are also consulting their members on what they would like to see in the claim. The intention is for the Trade Union Side to agree the claim on Wednesday 14 June and to submit it to the Local Government Association (LGA) immediately afterwards.

The LGA has indicated that they intend to consult councils over our claim and principles under-pinning possible pay spine models in June/July and respond to our claim in early autumn. It is likely that any pay offer will incorporate the new pay spine.

Our claim and the pay spine review will both require funding beyond 1% and pose significant challenges to councils and schools under further economic siege by the Conservative government. The Committee is therefore proposing:

- A major political campaign at local, regional and national levels to highlight the case for funding

- To provide branches with questions to ask election candidates about local government funding and pay
- Draw up a campaign timetable to start after our claim is lodged to highlight the issues surrounding NJC pay and funding cuts in councils and schools

Campaign details will follow.

With best wishes

A handwritten signature in black ink that reads "Heather J. Wakefield". The signature is written in a cursive, flowing style.

Heather Wakefield
National Secretary
Local Government Service Group