



# Council and school workers deserve a pay rise!

The three NJC trade unions have submitted a joint pay claim for the majority of council and school workers, who are covered by the National Joint Council (NJC) Green Book collective agreement (14 June 2017)

## The claim:

**The deletion of NJC Spinal Column 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.**

## The public sector pay cap needs to end!

- **The Treasury imposed 1 per cent cap is unsustainable and 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 should be a first step in helping them catch up with lost wages over the last eight years.

## Why this claim is important?

- **Staff have endured 8 years of pay cuts:** For the vast majority of NJC workers in local government and schools, last year's pay rise represented the EIGHTH consecutive annual real terms pay cut since 2009.
- **Local authorities and schools are low paying sectors:** Pay rates are the lowest in the public sector. No-one is paid a fair rate for the job they do. 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. 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.
- **Inflation is rising fast:** 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.
- **Workers are thousands of pounds worse off due to the Government pay cap:** Between 2009 and 2017 staff have experienced a real terms loss in pay of some 21%, which for someone on the most populated spinal column point (SCP 21) represents a loss of earnings of over £4,000. If pay is capped at 1% from 2018 - 2019, the average NJC wage is projected to fall in value by a further £1,100.
- **Low pay in local authorities is widening the gender pay gap:** Women are more than three quarters of the NJC workforce (78%) and still disproportionately occupy the lower pay rates on the spine. 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 in local government is a gender issue and represents the undervaluing of women's skills, knowledge and experience in schools and council services.

### **It is not just about pay**

- **Other terms and conditions have also been slashed:** 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.
- **760,000 job losses:** Since June 2010, local government has lost over 760,000 jobs (ONS, December 2016). 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.
- **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 (LGA, 2017). This has led to a marked increase in the use of expensive agency workers to plug the gaps - an increase from 8% to 13% from 2010-2015 (NIESR report to the OME in 2017)

### **The whole pay spine needs revising**

- **Unions and employers are currently jointly reviewing the NJC pay spine:** The spine has become compressed due to pay freezes, or below-inflation increases and the subsequent introduction of the National Living Wage which has become the determinant of the bottom pay rate. At the top end many local authorities have locally extended their pay spine well above SCP 49 to address job compression.
- **These distortions put councils at risk of equal pay claims:** The NJC pay spine was introduced to deliver fair and transparent pay grades based on job evaluation scores. By being squashed together at the bottom of the pay structure, supervisors are now often being paid similar rates to those they supervise. Job evaluation outcomes often don't relate to scale points and grades. This leaves councils at risk of another round of costly equal pay claims. Doing the minimum to be legally compliant to accommodate NLW increases will result in pressure to undertake a new round of pay and grading reviews as pay differentials above collapse and is unsustainable in the long run.

### **The pay rise must be funded**

- **Funding for this pay rise must come from central government:** 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.
- **Councils cuts are unsustainable:** Since 2010 there has been an unprecedented average cut of 40% to councils' funding 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. At the same time there will be extra spending responsibilities in relation to help for the growing number of older people with personal care costs and public health.
- **There is now a significant funding gap in local authorities:** 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. To maintain the same level of service councils provided in 2014/15, a funding gap of £6 billion 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. Similarly 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.

### **A pay rise makes good economic sense**

- **A 5% pay increase would be good for local government and school workers and good for the economy.** The trade unions have asked for the lowest scale point to be the Foundation Living Wage and for a 5% across-the-board increase on all scale points to start reversing the real cuts in pay NJC workers have all suffered. This rise would mean that no-one in local government or NJC schools would be paid less than the Foundation Living Wage and the increase would be felt wider than just NJC workers' pockets. Out of every £1 in wages received by NJC workers, they spend an average of 52p in local high streets across the country!