



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

NJC PAY CLAIM 2023-24

This NJC pay claim for 2023-24 is made by the Joint Trade Union Side (UNISON, GMB and UNITE) to the Local Government Association.

Our claim is for:

- An increase of RPI + 2% on all spinal column points

In addition:

- Consideration of a flat rate increase to hourly rates of pay in order to bring the minimum rate up to £15 per hour within two years
- A review and improvement of NJC terms for family leave and pay
- A review of job evaluation outcomes for school staff whose day to day work includes working on Special Educational Needs (SEN)
- An additional day of annual leave for personal or well-being purposes
- A homeworking allowance for staff for whom it is a requirement to work from home
- A reduction in the working week by two hours
- A review of the pay spine, including looking at the top end, and discussions about the link between how remuneration can be used to improve retention

30 Jan 2023

CONTENTS

Key points in our claim

1. CONTEXT OF OUR CLAIM

2. COST OF LIVING CRISIS

3. ECONOMIC BACKGROUND

4. COMPARING NJC PAY

5. RECRUITMENT AND RETENTION PRESSURES

6. PAY-RELATED CONDITIONS OF WORK

7. EQUALITY IMPACT

8. CONCLUSION

Key points in our claim

CONTEXT OF OUR CLAIM

- Council and school workers have suffered over a decade of below average pay awards/pay freezes
- Local government workers have lost on average 25% from the value of their pay spine since 2010
- As household costs continue to rise, the value of staff pay keeps falling – with 4.6% lost from the value of local government pay in 2022 alone
- 81% of local authorities are concerned about their staffing capacity to deliver services
- 51.5% of the cost of meeting this pay claim would be recouped by the government through increased tax income for the Treasury

COST OF LIVING CRISIS

- Rapid inflation is pushing up prices faster than wages
- The latest 2022 NJC pay award has been completely wiped out by rising household costs
- Local government workers are skipping meals, not running the heating or relying on foodbanks
- Council and school workers are experiencing the fastest fall in living standards since records began
- This crisis will burden local government workers with debt that will be carried with them for years

ECONOMIC BACKGROUND

- In the last year, gas prices rose by 132%, electricity prices by 66%, mortgage interest payments by 26% and petrol and oil costs by 22% - over the same period NJC pay increased by (on average) 7%
- HMRC mileage rates have remained frozen since 2011 while (over the same period) petrol costs have risen by 43%
- For 11 of the last 12 years, NJC pay awards have fallen below average pay awards in both the private sector and across the whole economy.

COMPARING NJC PAY

- NJC pay at the bottom end has now fall below the £10.90 UK Foundation Living Wage rate
- The new legal minimum will climb to £10.42 per hour in April 2023 – only 18p behind NJC SCP 2
- The TUC is calling on the government to set a target for a £15 per hour minimum wage ‘as soon as possible’, with all major unions supporting this call
- If this claim was met (and subsequent NJC pay awards maintained similar levels) the NJC could reach a £15 minimum by 2025 – alternatively, flat rate hourly increases could be implemented (e.g. £2.50 per hour on all spinal column points in both 2023-24 and in 2024-25)

RECRUITMENT AND RETENTION PRESSURES

- 81% of councils are concerned about their capacity to deliver services due to workforce absences and their ability to recruit and retain staff
- For some roles, local authorities are even struggling to fill vacancies with agency staff
- Local government already has an ageing workforce and struggles to attract new, young staff
- With unemployment at a record low and local government pay stagnating, even some traditionally low-paid high street/retail jobs have caught up and overtaken local government pay

PAY-RELATED CONDITIONS OF WORK

- NJC terms for family leave and pay compares unfavourably and need a major review
- Some school staff would benefit from a review of job evaluation
- An additional day of annual leave (for personal or well-being purposes) plus a two hour reduction in the working week would help to restore some work/life balance for local government workers
- A homeworking allowance would support staff for whom it is a requirement to work from home
- The NJC pay spine has already been distorted by a number of factors and is in need of a review

1. CONTEXT OF OUR CLAIM

The trade union side recognises the difficult climate in which pay negotiations are taking place this year. Rapid inflation means that despite moves in the 2022/23 NJC pay settlement to cushion the impact on lower paid staff (and progress made on annual leave entitlements), local government staff continue to face real terms pay cuts across the whole spine - with an average of 25% lost from the value of members' pay since 2010. This has made local authority pay uncompetitive and worsened an already serious recruitment and retention crisis in local government. With a continued severe strain on our members' cost of living, we believe that an above inflation settlement is essential if critical services are to be delivered.

Over the last year, the cost of living crisis has pushed gas prices up by 132%, electricity by 66% and mortgage interest payments by 26%. Meanwhile other previously rising costs have continued to grow (petrol and oil costs by 22%, house prices and rents by approx. 10%). As these household costs continue to rise, the value of staff pay keeps falling – with 4.6% lost from the value of local government pay in 2022 alone.

The government states that it cannot afford higher pay for public sector workers. Yet the rules of supply and demand remain: to maintain service levels for the public, local authorities need staff to deliver these services. Historic low pay and rising inflation does not alter that demand for services – and yet low pay in local government means councils and schools are struggling to recruit/retain staff and provide expected levels of service. 81% of local authorities now say they are concerned about their capacity to deliver services due to their ability to recruit and retain staff.

If this trend continues, local government will become an unattractive employer for the workforce at large. Despite rampant inflation and the cost of living crisis, unemployment in the UK remains at an historic low. If local government workers feel underpaid and undervalued, it's now easier than ever for them to find better paid, less stressful work elsewhere.

If NJC pay falls further behind rates in the wider labour market, local government will be unable to attract new applicants – who are likely to seek better paid work in less demanding settings, like retail, hospitality and supermarkets (many of whom have caught up with or overtaken local government wages).

With the legally enforceable minimum wage set to climb to £10.42 per hour (only 18p behind NJC SCP 2), NJC pay has once again fallen into rock bottom territory.

With rapid inflation and stagnant pay growth pushing people into poverty, the TUC and NJC unions are calling on the government to set a £15 per hour minimum wage target by 2030. NJC pay would need to rise by at least 4.5% annually from 2023 to reach a £15 per hour minimum by 2030. If this claim was met (and subsequent NJC pay awards maintained similar levels) the NJC could reach a £15 minimum as early as 2025.

Local government workers (and the services they deliver) have endured austerity, a pandemic and a cost of living crisis – all against a backdrop of year-on-year cuts to the value of their pay. In a sector that is now deeply reliant on an aging workforce, agency workers and market supplements – it is unlikely to withstand another crisis. If local government employers do not take unprecedented action on pay and conditions, then there may be no one left to deliver the crucial local services that have been undervalued and taken for granted for far too long.

Our claim for RPI+2% is a bold but entirely fair one, that would go some way to reversing the average 25% lost from the value of NJC pay since 2010 - and stop the recruitment and retention crisis from getting even worse. It would also send a clear signal to local government workers that they are valued and respected for the crucial local services they deliver.

2. COST OF LIVING CRISIS

2.1 Household costs and growing consumer debt

With rapid inflation pushing up prices faster than wages, the cost of everyday goods and services is becoming too much for households to afford – pushing them further into debt and poverty, even when their wages are standing still. This has caused a surge in people using credit cards to pay for essentials such as food shopping and borrowing money from family and friends.

A third of low paid public service workers have had to ask friends or family for financial support to make ends meet, and more than one in three rely on credit cards for everyday spending. Food shopping is now the top credit card spend in the UK, with 38% using credit to pay for food¹. Grocery inflation is at a 14-year high meaning the average UK food bill has gone up by over £450 a year². It's getting harder to make the weekly supermarket shop add up and many public service workers are cutting back, skipping meals or even relying on foodbanks.

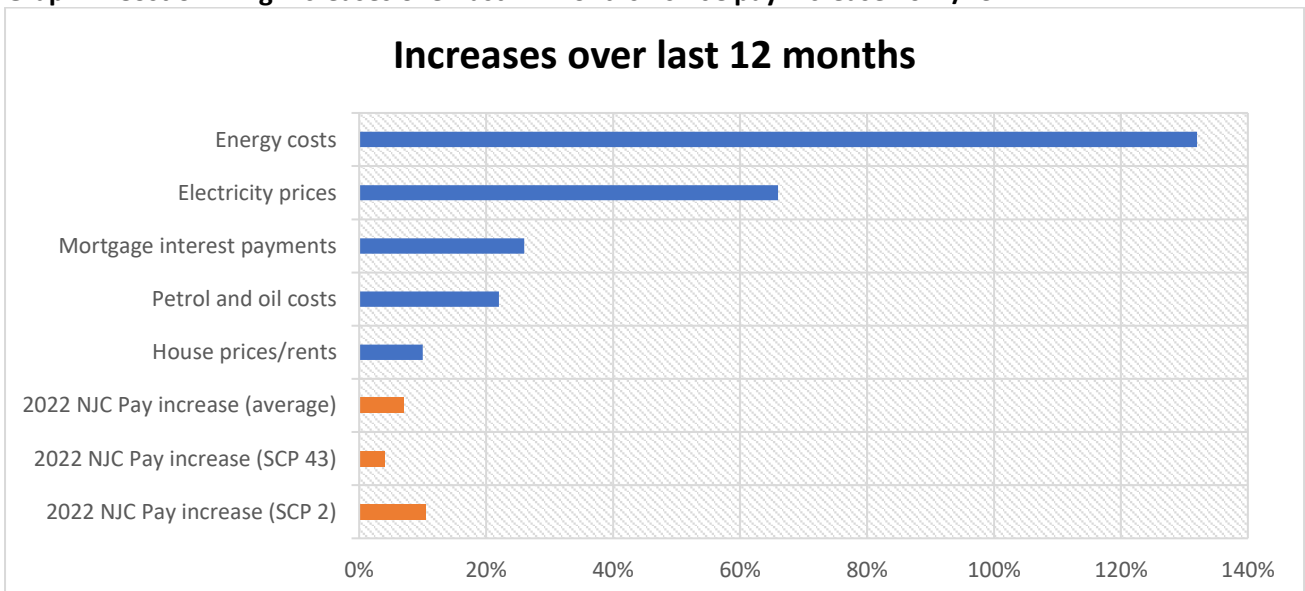
Bills like water, energy and council tax keep piling up, which can result in visits from bailiffs, spiralling fees and court summons. Without a pay rise, these debts are becoming harder to repay. This vicious cycle means this cost of living crisis will be felt long after the storm has passed for other households who aren't in debt.

Worrying about money is extremely stressful. 84% of low paid public service workers say pressures on their household budgets is having a serious effect on their mental health³. A pay rise is the best way to help households manage their bills and begin to tackle the debt they have accumulated.

2.2 Cost of living vs NJC pay

The reality of this unprecedented crisis is that the latest 2022 NJC pay increase has been completely wiped out by a tidal wave of rising household costs - as shown in the graph below. Even when household costs return to more conventional levels, the debt that this crisis will have burdened local government workers with will be carried with them for years – further devaluing their pay.

Graph 1: Cost of living increases over last 12 months Vs NJC pay increase 2022/23



¹ Compare The Market, Dec 2022

² Kantar, July 2022

³ UNISON, Dec 2022

3. ECONOMIC BACKGROUND

3.1 Inflation rates and RPI

The trade union side believes that the Retail Prices Index (RPI) remains the most accurate measure of inflation faced by employees. While the most widely quoted figure for inflation in the media is the Consumer Prices Index (CPI), CPI consistently understates the real level of inflation for the following reasons:

- CPI fails to adequately measure one of the main costs facing most households in the UK – housing. Almost two-thirds of housing in the UK is owner occupied, yet CPI almost entirely excludes the housing costs of people with a mortgage
- CPI is less targeted on the experiences of the working population than RPI, since CPI covers non-working groups excluded by RPI – most notably pensioner households where 75% of income is derived from state pensions and benefits, the top 4% of households by income and tourists;
- CPI is calculated using a flawed statistical technique that consistently under-estimates the actual cost of living rises faced by employees. The statistical arguments are set out exhaustively in the report “Consumer Prices in the UK” by former Treasury economic adviser Dr Mark Courtney

Our headline claim is for “an increase of RPI + 2% on all spinal column points”. This increase is shown in appendix 2. The RPI figure used in this pay claim (as the basis for our subsequent calculations) is the Office for Budget Responsibility’s (OBR) latest annual forecast for 2023, currently 10.7%, as published November 2022⁴.

The trade union side have agreed on this rate as it is the OBR’s current annual forecast for both the year in which we are submitting the claim and in which (we hope) the 2023/24 pay round will be settled.

3.2 Value of NJC pay

Since 2010, NJC spine points have lost (on average) 25% of their value when measured against the cost of living / Retail Price Index (RPI). The below table summarises examples of real terms (RPI) changes to the earnings of top of band roles, based on job bandings as advertised by employers, between April 2009 (when pay austerity started in local government) and the end of the current NJC pay settlement.

Table 1: Real (RPI) changes to selected spine points 2009/10 to 2022/23

Occupation	Old Spine Point	2009/10	2022/23	New Spine Point	Real change (%)
Cleaner	6	£12,489	£20,258	1	-7.4
Customer Services Officer	11	£14,733	£20,812	3	-14.3
Refuse And Recycling Collector	13	£15,444	£21,189	4	-19.5
Library Assistant	16	£16,440	£21,968	6	-23.7
Teaching Assistant (Level 2)	17	£16,830	£21,968	6	-23.7
Crematorium Officer	18	£17,161	£22,396	7	-25.5
Qualified Residential Care Worker	21	£19,126	£24,054	11	-28.2

⁴ Office for Budget Responsibility: Economic and fiscal outlook, Nov 2022

Occupation	Old Spine Point	2009/10	2022/23	New Spine Point	Real change (%)
HLTA	28	£23,708	£29,439	22	-29.1
Librarian	31	£26,276	£32,020	25	-30.4
Environmental Health Officer	34	£28,636	£34,723	28	-30.8
Access to Housing Officer	38	£31,754	£38,296	32	-31.1
Social Worker	36	£30,011	£36,298	30	-30.9
Accountant	41	£34,549	£41,496	35	-31.4
Children's Residential Manager	46	£38,961	£46,549	40	-31.8

As the table above demonstrates, a number of roles hit by the effects of long-term low pay are those likely to be worst hit by the cost-of-living crisis. For the full version of this table, showing all SCPs, see appendix 1.

3.2 Falling value in NJC pay

Table 2: NJC Pay Awards Vs Rise in cost of living (RPI)

Year	NJC pay increases	Rise in cost of living ⁵ (as measured by Retail Prices Index)
2010	0%	4.6%
2011	0%	5.2%
2012	0%	3.2%
2013	1%	3.0%
2014		2.4%
2015	2.2%*	1.0%
2016	1%*	1.8%
2017	1%*	3.6%
2018	2%*	3.3%
2019	2%*	2.6%
2020	2.75%	1.5%
2021	1.75%	4.1%
2022	7% (average)	11.6% (forecast)**

*For certain NJC pay points

**Office for Budget Responsibility: Economic and fiscal outlook, November 2022

The table above demonstrates the major fall in living standards suffered by local government staff over recent years. This means that a wage keeping pace with the cost of living each year would have risen by 47.9% since 2010. However, NJC pay has risen by just 20.7% over the same period, which means that thousands of pounds have been cut from the value of staff wages.

Even before the current cost of living crisis, some everyday goods were rising in price far quicker than local government wage rises (which have averaged just under 1% since 2010), as shown in Table 2:

⁵ Office for National Statistics, Consumer Price Inflation Reference Tables, January 2022

Table 3: Price changes to RPI commodities over the year to Oct 2022

Item	Average % increase to October 2022
Housing and household expenditure	18.1
Food and catering	15.0
Consumer durables	11.5
Personal expenditure	9.8
Travel and leisure	9.4
Alcohol and tobacco	5.1
All goods	11.1
All services	19.9
All items	14.2

Source: Office for National Statistics, Consumer Price Inflation Reference Tables, October 2022

Within these figures, some costs are rising significantly faster, led by energy costs that have seen gas prices more than double (at 132%), electricity prices rise by 66%, mortgage interest payments jump 26% and petrol and oil costs increase by 22%.

Energy prices have escalated sharply since April 2022, when the price cap received an enormous lift and the average bill increased from £1,277 to around £2,000 a year. Ofgem then announced that the cap would increase further to £2,800 in October, though the Energy Price Guarantee is held the average household bill at £2,500. But the scale of subsidy will be drawn back from April 2023, when average household bills are expected to reach £3,000 – an increase of £1,700 over the year.

The effect of rises in the Bank of England base rate has also begun to take a toll on mortgage debt. The Resolution Foundation estimates that average mortgage payments will rise by £3,500 between Q3 2022 and Q4 2023⁶.

The price of housing also remains one of the biggest issues facing employees and their families. Across the UK, **house prices rose by 9.5%** in the year to September 2022⁷, with Wales experiencing the biggest increase at 12.6%, followed by Northern Ireland at 10.7%, England at 9.6% and Scotland at 7.3% (for a breakdown of increases by English region, click [here](#)).

Private rental prices have also seen a significant increase, taking the **average monthly rent for new tenancies in the UK up 10.6%** to £1,171⁸ in November 2022 (for a country / regional breakdown of rents click [here](#)).

Current inflation rates can mask longer term changes in the cost of living that have taken place since 2009. The examples below show major increases in core costs that have surpassed average price increases over the period.

Table 4: Highest cost of living rises, 2009-21

Expenditure item	Bus / coach fares	Electricity bills	Rail fares	House prices
Price rise 2009 - 21	88%	65%	55%	53%

⁶ Resolution Foundation, Interesting Times, October 2022

⁷ Office for National Statistics, UK House Price Index: September 2022, published November 2022

⁸ HomeLet Rental Index, October 2022

3.4 Mileage rates and the cost of motoring

Among all the recent cost of living rises, one of the most significant for local government workers is the increased cost of motoring. For staff who are not office based (care workers, social workers, housing workers, youth workers and more), the only way to carry out their daily visits is by car – especially those working in large rural authorities where public transport is not viable/available.

Most local government employers use HMRC rates for mileage allowances that have remained unchanged since 2011. Over the same period, petrol costs have risen by 43% - leaving local government workers out of pocket when using their cars for work.

Table 5: Rise in motoring costs, Office for National Statistics

	Since last year	Since 2011
Total motoring costs	18%	39%
Petrol and oil costs	45%	43%
Vehicle maintenance costs	6%	38%

New analysis shows that to keep pace with these increases, at least a 63p mileage rate increase is needed for the first 10,000 miles and then at least 35p for every additional mile. This would put £150 a year back into workers' pockets and better reflect the real costs of motoring.

Table 6: Current HMRC approved mileage rates (2011-12)

	First 10,000 business miles in the tax year	Each mile over 10,000 miles in the tax year
Cars and vans	45p	25p
Motorcycles	24p	24p
Bicycles	20p	20p
Passenger on work journey	5p	

In our previous pay claim, the NJC unions asked for: **“A separate urgent review of all mileage rates currently applying is undertaken”**. The employers responded, explaining that with no mechanism in place for updating (the not widely used) NJC rates and no role in determining HMRC mileage rates, there were limited options available for them to address this.

And although the LGA confirmed it would write to HMRC to request a review of mileage rates, we understand the HMRC did not commit to raising their rates.

3.4 Average pay settlements

Table 7 shows how a decade of below average NJC pay awards have caused local government staff to fall behind their equivalents in the private sector and wider economy. For 10 of the last 11 years, NJC pay awards have fallen below average pay awards in both the private sector and across the whole economy.

Table 7: NJC pay awards Vs those in the wider economy since 2010

Year	Across economy	Private services*	NJC Pay Award
2010	2%	2%	0%
2011	2.5%	2.7%	0%
2012	2.5%	2.8%	0%
2013	2.5%	2.5%	1%
2014	2.5%	2.5%	2.2%**
2015	2.2%	2.4%	
2016	2%	2%	1%**

2017	2%	2.2%	1%**
2018	2.5%	2.5%	2%**
2019	2.5%	2.5%	2%**
2020	2.3%	2.2%	2.75%
2021	2.0%	2.32%	1.75%
2022			7%***

*Does not include manufacturing and primary, as these are less accurate comparators

** For NJC SCPs over a certain level

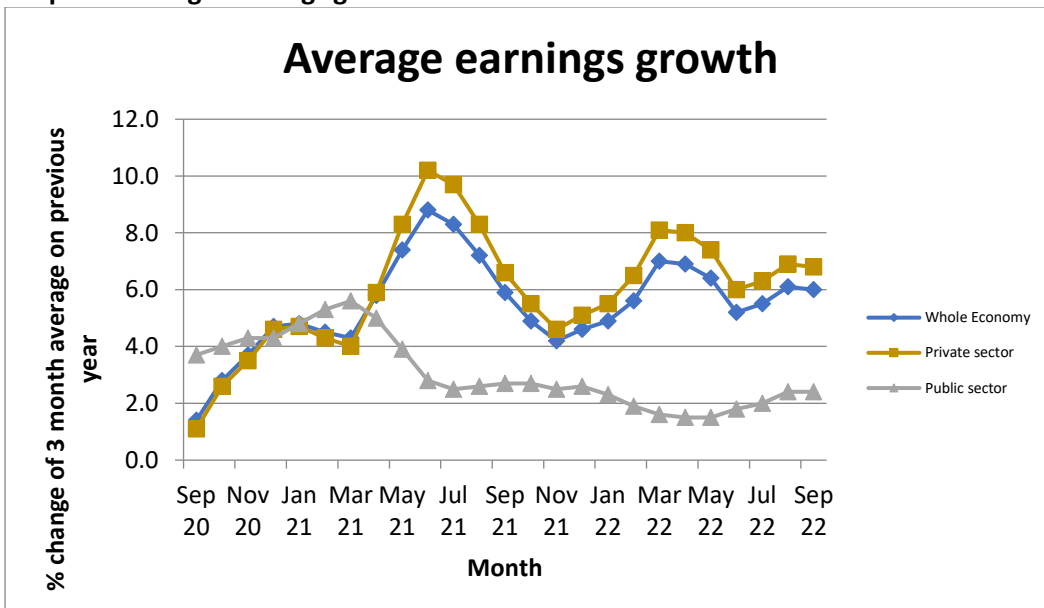
***average across all pay points

The Bank of England expects private sector pay settlements to average 4.8% in 2022. This means that although the 2022 settlement was higher than the private sector equivalent, NJC lagged behind both the private sector and the wider economy in 10 of the last 12 years.

3.6 Average earnings growth

The graph below shows trends in average earnings growth over the last two years. As in the case of pay settlements, a gap between public and private rates has been a persistent feature of the economy over the last decade. 2020 saw the first sustained period since 2010 when the public sector has been running ahead of the private sector. However, faster growth in the private sector has reasserted itself strongly since spring 2021, leaving private sector earnings now growing at 8.2% compared to public sector earnings growing at only 1.6%.

Graph 2: Average earnings growth since 2019



The Office for Budgetary Responsibility's November 2022 Economic and Fiscal Outlook suggests that earnings growth will average 5.9% over 2022, before dipping to 4.2% in 2023.

3.7 Economic benefits of increasing LG pay

Research conducted by Landman Economics finds that the cost of meeting the 2023/24 NJC pay claim would be £2,301m in total. This includes £279m in Employer's National Insurance costs. This is detailed in table 8 below.

Following implementation of the pay claim, central government would receive £279m in higher employer NICs. Central government would also benefit from additional receipts of employee NICs (£207m) and income tax (£427m) as well as reduced benefit, tax credit and Universal Credit expenditure (£74m). In total, central government would save or recoup £987m.

The net cost to the public sector as a whole (both local and central government) would therefore be £1,313m. If indirect taxation is then factored in, as a result of increased spending due to the pay increase, central government recoups a further £197m. In total, more than half the initial, total cost of meeting this pay claim would be recouped by government.

Table 8: Cost of meeting the 2023/24 NJC pay

	Cost/Saving
Gross cost to local government	£2,022m
+ Employer's National Insurance	£279m
= Total cost to local government	£2,301m
Employer's National Insurance (as above)	£279m
+ Employee's National Insurance	£207m
+ Income Tax	£427m
+ Reduced benefit/tax credit/Universal Credit expenditure	£74m
= Total central government savings	£987m
Net public sector cost:	£1,313m
Indirect taxes	£197m
Net public sector cost after indirect taxes	£1,116m
Net public sector cost as proportion of total cost	48.5%

The significant amount recouped by the government (more than half the cost of this entire pay claim) underlines the common sense in properly funding local government pay - by allocating new central funding (from government) for local authority budgets.

The government continues to press their levelling up agenda – aimed at raising the standard of living for all regions in the UK. As set out in our calculations above, one way to deliver meaningful levelling up across the whole country would be via proper funding to local authority budgets for both services and pay. This would put more money into the pockets of low paid workers, reduce their reliance on benefits and boost the income to the exchequer via increased employee national insurance and income tax contributions. It would also improve the delivery and quality of crucial local services. The TU side hope that the employers will continue to support our calls for proper local authority funding from central government.

4. COMPARING NJC PAY

4.1 Pay at the bottom

The Living Wage is an estimate of the minimum hourly rate of pay needed for a worker to cover the costs that most people would regard as necessary for a 'basic standard' of living.

Every year the Living Wage Foundation announces two new Living Wage rates - one for London and one for the rest of the UK. The UK rate is currently set at £10.90 an hour and the London rate is set at £11.95 an hour⁹. Unlike the legally enforceable National Minimum Wage, whether to pay the Living Wage is a voluntary decision for an employer.

These latest Foundation Living Wage rates mean that Local Government is now competing in a labour market where many comparable employers are paying more to entry level or low paid staff – with SCP 2 and SCP 3 now falling below the £10.90 UK Foundation Living Wage rate (SCP 1 is due to be deleted from 1 April 2023):

Table 9: NJC SCPs Vs the Foundation Living Wage

SCP	2022 Annual	2022 Hourly
1	£20,257.66	£10.50*
2	£20,441.47	£10.60
3	£20,811.84	£10.79
4	£21,189.33	£10.98
5	£21,574.96	£11.18

*SCP 1 deleted from 1 April 2023

There are now almost 7,000 employers accredited as Living Wage employers by the Living Wage Foundation, including some NJC local authorities (who choose to uplift the bottom NJC pay rates when calculating their local pay bands, to meet the Foundation rate).

If our claim was met in full, it would lift NJC SCP 1 to £11.94 per hour – not only meeting the Foundation rate but providing some head room for future increases (the Living Wage Foundation increase their rate annually – with the next rise due to be announced in autumn 2023).

4.2 National minimum wage and a £15 per hour target

The government also sets a legally enforceable National Minimum Wage rate (which they label as the “national living wage”) for workers aged 23 and over. The government’s rate is calculated very differently to the real Living Wage since it does not increase in line with cost of living rises.

Table 10: National Minimum Wage and National Living Wage rates

	23 and over	21 to 22	18 to 20	Under 18	Apprentice
April 2022 (current rate)	£9.50	£9.18	£6.83	£4.81	£4.81
April 2023	£10.42	£10.18	£7.49	£5.28	£5.28

⁹ The Living Wage Foundation, Annual Living Wages Rates, November 2022

From April 2023, the legally enforceable minimum rate will climb to £10.42 per hour (for those 23 and over) only 18p behind NJC SCP 2 – meaning that NJC pay has fallen back into bargain basement territory – paying a rate nearly equal to the UK’s lowest paying employers¹⁰.

4.4 A roadmap to a £15 minimum wage

Many organisations, unions (and the TUC itself) are now making calls for a new minimum wage target of £15 per hour. For working families on low incomes, this would provide a desperately needed boost to their incomes. The idea (and benefits of) an ambitious minimum wage is now part of the fabric of our labour market and enjoys broad political support – reducing the welfare and benefits bill, increasing tax and national insurance income and without creating unemployment.

The Progressive Economy Forum (PEF) calculated that a £15 minimum wage would save the government £4.2bn on benefits payments that top up the wages of people on low-incomes and raise an extra £30bn in taxes.

The TUC’s “roadmap” to a £15 minimum wage in the UK, would require a new minimum wage target set at 75 per cent of median hourly pay. To get to a £15 minimum wage, hourly median pay would need to rise from its current rate of £14.85 to approximately £20 an hour. This would see the minimum wage rise at a rate on par with average wages, making sure that those earning the least don’t fall too far behind.

The TUC is calling on the government to work with the Low Pay Commission (LPC) to deliver this “as soon as possible”

The Trade Union side is aware that reaching this target would have major implications for the current pay spine and would require more than simply raising the lowest pay rate. If our current claim was met (and subsequent awards maintained similar levels) the NJC could reach a £15 minimum as early as 2025:

Table 11: Annual increases of 12.7% applied to NJC SCP 2, reaching £15.17 per hour by 2025

SCP	2022 Hourly	2023 Hourly	2024 Hourly	2025 Hourly
2	£10.60	£11.94	£13.46	£15.17

The same solution could be made through flat rate rises to the hourly rate – for example, it would take 5 years to reach the rate with an increase of £1 an hour, 3 years at £2 an hour or two years at £2.50 an hour.

4.5 Across the pay spine

Pay in local government is still among the lowest in the public sector. According to the LGA’s own figures (as published in the LGA’s earnings and demography survey), the median FTE gross salary of local government employees was £23,951 in 2019/20 – this compared to median gross full-time annual earnings across the public sector as a whole of £32,743 in April 2020 (making average local government wages 27 per cent lower than those in the wider public sector). A sample benchmarking exercise (shown below) based on more recent salary data indicated that occupational pay differentials remain significant between local government employers and those in the wider economy, with only some skilled trades occupations drawing level with pay in the wider economy.

Table 12: Median self-reported hourly pay by broad occupational group, 2022¹¹

¹⁰ Minimum wage rates for 2022, UK Government

¹¹ Staff side analysis of ONS Quarterly Labour Force Survey (Q3 2022)

SOC2020 broad group	Non-Local Government	Local Government	Difference (%)
Managers, directors and senior officials*	22.34	21.96	-1.7
Professional occupations	21.14	19.77	-6.5
Associate professional occupations	16.75	14.16	-15.4
Administrative and secretarial occupations	12.95	12.34	-4.8
Caring, leisure and other service occupations*	10.18	9.20	-9.6
Process, plant and machine operatives*	12.03	11.24	-6.5
Elementary occupations	9.62	9.53	-0.9
* = Local Government estimates affected by small sample sizes (50 or lower in the unweighted sample)			

5. RECRUITMENT AND RETENTION PRESSURES

Recruitment and retention pressures in local authorities are significant – with an LGA survey¹² finding that 81% were concerned about their capacity to deliver services due to workforce absences and their ability to recruit and retain staff.

This is a particular concern for certain roles within local government – for example HGV drivers, where nearly half of all councils (49 per cent) now have vacant HGV driver posts, and just over a third (34 per cent) struggling to get agency staff just to fill vacant HGV posts.

While recruitment pressures build at local authorities, nationally the unemployment rate has been in decline from a peak of 8.5% in 2011 to 3.6% in the three months to September 2022 (with a brief rise during the pandemic in 2020). This means that unemployment rates are at the lowest level for almost 50 years. Forecasts the average unemployment rate may rise to 4.2% in 2023, though this level would still be a rate only last consistently experienced in the early to mid-1970s.

Local government already has an ageing workforce and struggles to attract new, young staff. With unemployment at a record low and local government pay stagnating, some traditionally low-paid retail jobs have now almost caught up with (or even overtaken) local government's minimum pay rate:

Table 13: Minimum Pay Rates – NJC Pay Vs UK High Street/Retail

Employer	Minimum Pay Rate p/h
Marks & Spencer	£10.20
Morrisons	£10.20
Sainsburys	£10.25
Argos	£10.25
Tesco	£10.30
Aldi	£10.50
NJC SCP 2	£10.60
Santander	£10.83
Lidl	£10.90
HSBC	£11.00
TSB	£11.54

If local government pay falls further behind the going rates in the wider labour market, local government will be unable to attract new applicants – who are likely to seek better paid work in less stressful or demanding settings.

¹² LGA Workforce Survey, Jan 2022

6. PAY-RELATED CONDITIONS OF WORK

6.1 Family leave and pay

NJC terms for family leave and pay (incorporating maternity leave, maternity support [paternity] leave, adoption leave, shared parental leave, and parental leave) compare unfavourably with those in the wider public sector. One of the clearest examples of this is a comparison of maternity leave and pay in other public services, as shown in table 14 below:

Table 14: Benchmarking comparison of maternity leave and pay in the wider public sector

NJC	NHS (all nations)	Police staff (England & Wales)	Higher Education
6 weeks at 90% of full pay, 12 weeks at 50% pay plus SMP and 21 weeks on statutory provision.	8 weeks at full pay, the next 18 at 50% pay plus SMP and the remaining 13 weeks on statutory terms.	26 weeks at full pay, thereafter, reverting to statutory. Staff can swap final five weeks on full pay to 10 weeks at 50%	4 weeks at full pay, the next two at 90% of full pay, 12 weeks at 50% pay plus SMP and remaining 21 weeks on statutory terms.

As part of the 2022 NJC pay settlement, the employers agreed to enter into discussions on maternity (etc) leave. As the NJC TU side has stated previously, it is in the interest of all parties to bring Green Book family leave and pay provision up to an acceptable level, in line with modern standards seen across the wider public sector and the wider economy.

The NJC TU side welcome the employers offer of discussions on NJC family leave and pay and we hope the following improvements can be jointly considered over the short term:

- **Strengthen flexible working arrangements for staff returning to work, with a wider range of flexible working options and support facilities for working parents (e.g. breastfeeding facilities, etc.)**
- **Expand maternity and paternity leave, pay and flexibility to cover employees who have a baby born prematurely (before 37 weeks gestation) – as per the ‘Employer with Heart’ charter (www.thesmallestthings.org/employer-with-heart), which a number of local authorities are already signed up to.**
- **Mothers who miscarry before the 24th week of pregnancy will be entitled to paid compassionate leave.**

In addition to these short term/easy to implement improvements, there are some bigger improvements that we hope can form the basis of longer/ongoing joint working:

- **Introducing a brand new Part 2 ‘Family leave and pay’ section as a single/new scheme (incorporating and harmonising conditions for maternity leave, maternity support [paternity] leave, adoption leave, shared parental leave, and parental leave)**
- **All workers to be entitled to family leave and pay**
- **Family leave paid at enhanced levels above current NJC provision – at least in line with the wider public sector**
- **Removal of qualifying periods related to length of service for all Family leave and pay provisions**

6.2 A review of job evaluation outcomes for school staff whose day to day work includes working on SEN

The absence of a recognition of SEND specialisms is an important disparity between teachers and school support staff.

Teachers in England who are covered by the *School teachers' pay and conditions document* are entitled to 'a SEN allowance of no less than £2,384 and no more than £4,703.'¹³ This allowance should be paid automatically to teachers in special schools, and teachers are also entitled to the payment in mainstream settings where a teacher covers 'a designated [SEN] special class or unit.' Employers also have the discretion to award the allowance to other mainstream teachers who work with SEND pupils. Unqualified teachers can be awarded the allowance.

The principle of SEN (or additional learning needs (ALN) in Wales) allowances for support staff has been recognised in the past. A SEN allowance is payable to nursery staff (including in schools) who remain covered by the APT&C (Purple Book) terms and conditions. This legacy allowance is about half the lowest teacher SEN allowance value and it has not kept value with inflation over time.¹⁴

While we are aware of local examples of role profiles that include a SEN-related uplift, and of SEN allowances being paid to support staff on a discretionary basis, these payments are generally substantially below payments to teachers. The staff side believes that fair value, and the avoidance of geographic recruitment and retention distortions, can only be avoided through a consistent NJC approach.

Classroom-based support staff spend the majority of their time supporting SEN/ALN pupils, and our members have built up genuine and hard-to-replace expertise. Teaching assistant recruitment and retention is a growing challenge for employers. These specialisms should be recognised.

We call on the Employers' Side to recognise that SEN specialisms are not currently accounted for in the Green Book, and to agree to a review of job evaluation outcomes for school staff whose day to day work includes working on SEND or ALN.

Additional day's annual leave

While we recognise that progress has been made on the issuing of guidance on the calculation of annual leave entitlements for Term Time Only (TTO) workers, the pace of these negotiations has been slow. Our members report high levels of stress, burnout, and continued exposure to Covid-19 in the workplace. TTO staff are typically compelled to take their leave out of term time and therefore do not benefit from the flexibility to take leave to manage family commitments, or to take relief from those pressures.

We therefore call on the Employers' Side to establish a new entitlement for an additional day of annual leave for all staff for personal or well-being reasons as set out in the headline claim and in section 6.3. The

¹³ Department for Education, *School teachers' pay and conditions document 2022 and guidance on school teachers' pay and conditions*, September 2022, pages 27 – 28
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1110990/2022_S_TPCD.pdf

The equivalent Additional Learning Needs (ALN) allowance in Wales is slightly more generous at no less than £2,426 and no more than £4,786.

¹⁴ The continuity nursery SEN allowance was £1,347 in April 2021. It would have been worth £1,706 had the 2005 value (£1,074) been allowed to rise with inflation.

joint unions believe that term time only staff should receive a full day rather than a pro-rata amount, and relevant staff should be entitled to take this special day of leave during term time.

National support staff role profiles

The staff side notes that the original 2003 Raising Standards National Agreement stated that:

'Pay and career structures should be developed that reflect the roles and responsibilities of [school] support staff.'

Unfortunately, the UK Government's abandonment of national role profiles after 2010 (and the associated scrapping of the School Support Staff Negotiating Body) has led to drift between the bandings attached to job descriptions and competencies. This drift has led to inconsistent bandings within geographically concentrated areas, and it has broken the link between undertaking training and the reasonable expectation of career progression.

We ask that the Employers' Side enters into discussions about establishing model role profiles for school support staff jobs, with advisory banding structures.

6.3 Work-life balance and well-being

The cost of living crisis and staff reductions mean that stress and mental ill-health remain huge challenges for the sector. Trade unions continue to experience huge numbers of enquiries and cases from local authority staff about these distressing trends and believe that action can be taken nationally to help.

Long hours can lead to serious and long term mental and physical ill health, stress, fatigue and increases in workplace accidents¹⁵, decreasing productivity within organisations¹⁶, lowering morale and leading to increased staff turnover¹⁷.

These trends must be seen in the context of an epidemic of stress and anxiety across the UK economy. According to the HSE stress, depression or anxiety accounts for 51% of all work-related ill health cases in 2021/22¹⁸. The predominant cause of work-related stress, depression or anxiety from the Labour Force Survey was workload, in particular tight deadlines, too much work or too much pressure or responsibility - the biggest single cause of sick leave by some distance. That same analysis showed that this is an acute issue within local authority services with human health and social work, public administration and education all accounting for some of the highest levels of average rates of stress, depression or anxiety¹⁹.

The pandemic has had a huge impact on these levels of stress, depression and anxiety and this has had a disproportionate impact on public service workers, who have often been on the frontline of the pandemic²⁰.

Rising workloads due to cuts, compounded by the pandemic, mean that local government workers often work unpaid overtime that is rarely claimed back as TOIL. TUC analysis²¹ consistently shows that public sector employees carry out a disproportionate amount of unpaid overtime with excessive workloads driven by a recruitment and retention crisis caused by long term pay cuts.

¹⁵ http://www.hse.gov.uk/research/hsl_pdf/2003/hsl03-02.pdf

¹⁶ <http://ftp.iza.org/dp8129.pdf>

¹⁷ <https://www.employment-studies.co.uk/system/files/resources/files/352.pdf>

¹⁸ <https://www.hse.gov.uk/statistics/overall/hssh2021.pdf>

¹⁹ HSE Health and safety at work, summary statistics, 2022: <https://www.hse.gov.uk/statistics/overall/hssh2122.pdf>

²⁰ Ibid.

²¹ TUC, UK workers and unpaid overtime, Feb 2022 <https://www.tuc.org.uk/news/uk-workers-put-ps27-billion-worth-unpaid-overtime-during-last-year-tuc-analysis>

Between 2013 and 2021 Local Authority headcount has fallen by 25.8%²². This cut has meant workers have seen expanding responsibilities and redundancies leading to increased workloads and an unsustainable culture of long hours, as staff prop up the service.

This enormous goodwill contribution must be recognised. The Trade Union Side strongly believes that workers should be paid for all the hours they work and that employers must get a grip on unpaid overtime.

The Trade Union Side believes that now is the time for the working week and leave entitlement of staff to be improved nationally and is therefore calling for:

- **An additional day of annual leave for personal or well-being purposes (with term time only staff also receiving a full day rather than a pro rata amount)**
- **A homeworking allowance for staff for whom it is a *requirement* to work from home**
- **A reduction in the working week by two hours**

6.6 A review of the NJC pay spine

The NJC pay spine was last reviewed in 2018 and, while this was successful in correcting the differentials between spinal column points, the pay spine has since undergone changes that have eroded these corrections. Additionally, the previous review didn't address the top end of the pay spine - which is becoming increasingly necessary to ensure fairness and to improve recruitment and retention.

Wider, ongoing issues relating to the national minimum wage, the real living wage and future wage targets mean there is an increasing need to look at the whole pay spine. A jointly agreed plan will be needed to prevent future pitfalls for the NJC such as needing to delete pay points simply to stay above legal minimum rates.

The trade union side therefore calls for:

- **A review of the pay spine, including looking at the top end, and discussions about how remuneration can be used to improve recruitment and retention issues**

²² <https://www.local.gov.uk/local-government-workforce-summary-data-november-2021>

7. EQUALITY IMPACT

Low pay in local government disproportionately affects women workers, and other workers who share protected characteristics under the Equality Act. Trade Union Side analysis of ONS data confirms that local government workers are more likely to be older than other workers. Local government workers are also more likely to be disabled, to have childcare responsibilities, religious, and married. Local government workers are less likely to be members of ethnic minority groups or to be non-UK nationals, which reflects the need to encourage more workforce diversity in the sector.

It should be noted that, of the protected characteristics that are relevant to the Public Sector Equality Duty, gender reassignment, pregnancy, and sexual orientation cannot be measured by the ONS Labour Force Survey. The meaning of race and belief, as defined under the Equality Act, are also wider than the measures captured in the table below.

Table 15: Labour Force Survey – workforce equalities characteristics (percentages unless otherwise stated)²³

Variable	Non-Local Government	Local Government
Age (average)	41.6	44.0
Dependent children (under 19)	0.6	0.7
Female	45.7	65.4
BAME	15.1	10.0
Nationality other than UK	13.5	6.5
Disability (EA10)	15.9	17.8
Religious	50.8	52.1
Married or in a civil partnership	48.0	55.1

There remains a significant gap between the proportion of workers who are identified as disabled by employers in the LGA's most recent earnings and demographics survey (5%), and the rate reported by local government workers to the ONS (17.8%). This suggests that many workers who meet the Equality Act threshold for disability do not feel able to disclose a condition to their employer, or that employers are systematically under-recording disability. We ask that the Employers work with the Trade Union Side to establish the causes of the problem.

Under the Public Sector Equality Duty, the Employers have a legal obligation to 'remove or minimise disadvantages' faced by workers who share protected characteristics.' Meeting our 2023 claim would clearly be in line with this principle.

²³ Staff side analysis of ONS Quarterly Labour Force Survey (Q3 2022)

8. CONCLUSION

For local government workers (and the services they deliver) the last decade plus has been among the hardest ever experienced in the sector. After weathering the storm of public sector austerity, service cuts and pay freezes they were met by a global pandemic followed by a cost of living crisis. Throughout this entire period their pay has continuously fallen further behind the cost of living.

The TU side's claim for a pay increase of RPI+2% would begin a long overdue process of restoring the 25% lost from the value of NJC pay since 2010. It would also help to support local government workers through a cost of living crisis that has already pushed gas prices up by 132%, electricity by 66% and mortgage interest payments by 26%.

Low pay is now becoming an existential crisis for local government: to continue delivering services for the public, local authorities need workers to deliver those services. But with pay continuing to fall in real terms, local authorities are struggling to recruit and retain staff. With UK unemployment at an historic low and with better paid, less stressful work now available in the wider labour market, local government as an employer will continue to lose out.

A sector reliant on an aging workforce, propped up by market supplements and agency workers is unsustainable. The legal minimum wage is set to climb to £10.42 per hour (just 18p behind NJC SCP 2). And there are calls from across the political spectrum for a £15 per hour minimum wage target by 2030 (based on hourly median pay reaching approximately £20 by 2030). Any delay in tackling the low pay problem in local government will merely store up more problems for the future. Bold action to address this issue now would finally put local government ahead of the curve and restore some much needed head room to NJC pay.

Most importantly, action on pay now would provide the stability and reassurance that local government workers – who continue to deliver crucial local services despite the challenges – desperately need during this cost of living crisis.

APPENDIX 1: NJC SPINAL COLUMN POINTS - REAL TERMS CONVERSION*

Old SCP	2009/10	2022/23	New SCP	Old SCP if inflated by RPI to April 2023	Real-terms change (£)	Real-terms change (%)
4	£12,145			£21,270	-£1,012	-4.8
5	£12,312			£21,562	-£1,304	-6.0
6	£12,489	£20,258	1	£21,872	-£1,614	-7.4
7	£12,787	£20,258		£22,394	-£2,136	-9.5
8	£13,189	£20,441	2	£23,098	-£2,657	-11.5
9	£13,589	£20,441		£23,799	-£3,358	-14.1
10	£13,874	£20,812	3	£24,298	-£3,486	-14.3
11	£14,733	£20,812		£25,802	-£4,990	-19.3
12	£15,039	£21,189	4	£26,338	-£5,149	-19.5
13	£15,444	£21,189		£27,047	-£5,858	-21.7
14	£15,725	£21,575	5	£27,539	-£5,964	-21.7
15	£16,054	£21,575		£28,116	-£6,541	-23.3
16	£16,440	£21,968	6	£28,792	-£6,824	-23.7
17	£16,830	£21,968		£29,475	-£7,507	-25.5
18	£17,161	£22,396	7	£30,054	-£7,658	-25.5
19	£17,802	£22,777	8	£31,177	-£8,400	-26.9
20	£18,453	£23,194	9	£32,317	-£9,123	-28.2
		£23,620	10			
21	£19,126	£24,054	11	£33,496	-£9,442	-28.2
22	£19,621	£24,496	12	£34,362	-£9,866	-28.7
		£24,948	13			
23	£20,198	£25,409	14	£35,373	-£9,964	-28.2
24	£20,858	£25,878	15	£36,529	-£10,651	-29.2
		£26,357	16			
25	£21,519	£26,845	17	£37,686	-£10,841	-28.8
		£27,344	18			
26	£22,221	£27,852	19	£38,916	-£11,064	-28.4
27	£22,958	£28,371	20	£40,207	-£11,836	-29.4
		£28,900	21			
28	£23,708	£29,439	22	£41,520	-£12,081	-29.1
29	£24,646	£30,151	23	£43,163	-£13,012	-30.1
30	£25,472	£31,099	24	£44,609	-£13,510	-30.3
31	£26,276	£32,020	25	£46,017	-£13,997	-30.4
32	£27,052	£32,909	26	£47,376	-£14,467	-30.5
33	£27,849	£33,820	27	£48,772	-£14,952	-30.7
34	£28,636	£34,723	28	£50,151	-£15,428	-30.8
35	£29,236	£35,411	29	£51,201	-£15,790	-30.8

36	£30,011	£36,298	30	£52,559	-£16,261	-30.9
37	£30,851	£37,261	31	£54,030	-£16,769	-31.0
38	£31,754	£38,296	32	£55,611	-£17,315	-31.1
39	£32,800	£39,493	33	£57,443	-£17,950	-31.2
40	£33,661	£40,478	34	£58,951	-£18,473	-31.3
41	£34,549	£41,496	35	£60,506	-£19,010	-31.4
42	£35,430	£42,503	36	£62,049	-£19,546	-31.5
43	£36,313	£43,516	37	£63,595	-£20,079	-31.6
44	£37,206	£44,539	38	£65,159	-£20,620	-31.6
45	£38,042	£45,495	39	£66,623	-£21,128	-31.7
46	£38,961	£46,549	40	£68,233	-£21,684	-31.8
47	£39,855	£47,573	41	£69,798	-£22,225	-31.8
48	£40,741	£48,587	42	£71,350	-£22,763	-31.9
49	£41,616	£49,590	43	£72,883	-£23,293	-32.0

*Calculations are based on the change in the RPI rate between April 2009 and April 2022, which was then inflated by 10.7 per cent (the OBR November 2022 forecast for RPI growth in 2023). Inflation values are taken from ONS Consumer Price Inflation timeseries data publication (14 December 2022). Figures are rounded.

APPENDIX 2: RPI + 2% (12.7%) increase applied to NJC Pay Spine (SCP 1 deleted 1 April 2023)

SCP	2022 Annual	2022 Hourly	2023 Annual (claim)	2023 Hourly (claim)
1	£20,257.66	£10.50	£22,830.38	£11.83
2	£20,441.47	£10.60	£23,037.53	£11.94
3	£20,811.84	£10.79	£23,454.94	£12.16
4	£21,189.33	£10.98	£23,880.37	£12.38
5	£21,574.96	£11.18	£24,314.98	£12.60
6	£21,967.72	£11.39	£24,757.61	£12.83
7	£22,368.61	£11.59	£25,209.42	£13.07
8	£22,776.63	£11.81	£25,669.26	£13.31
9	£23,193.80	£12.02	£26,139.42	£13.55
10	£23,620.14	£12.24	£26,619.89	£13.80
11	£24,053.59	£12.47	£27,108.40	£14.05
12	£24,496.20	£12.70	£27,607.22	£14.31
13	£24,947.97	£12.93	£28,116.37	£14.57
14	£25,408.90	£13.17	£28,635.83	£14.84
15	£25,877.97	£13.41	£29,164.47	£15.12
16	£26,357.21	£13.66	£29,704.58	£15.40
17	£26,844.59	£13.91	£30,253.86	£15.68
18	£27,344.19	£14.17	£30,816.90	£15.97
19	£27,851.92	£14.44	£31,389.11	£16.27
20	£28,370.84	£14.71	£31,973.94	£16.57
21	£28,899.94	£14.98	£32,570.24	£16.88
22	£29,439.22	£15.26	£33,178.00	£17.20

23	£30,151.47	£15.63	£33,980.70	£17.61
24	£31,098.76	£16.12	£35,048.30	£18.17
25	£32,019.60	£16.60	£36,086.09	£18.70
26	£32,908.89	£17.06	£37,088.32	£19.22
27	£33,819.56	£17.53	£38,114.64	£19.76
28	£34,723.10	£18.00	£39,132.93	£20.28
29	£35,410.93	£18.35	£39,908.11	£20.69
30	£36,298.19	£18.81	£40,908.05	£21.20
31	£37,260.74	£19.31	£41,992.85	£21.77
32	£38,295.54	£19.85	£43,159.07	£22.37
33	£39,493.14	£20.47	£44,508.76	£23.07
34	£40,478.08	£20.98	£45,618.79	£23.65
35	£41,495.58	£21.51	£46,765.51	£24.24
36	£42,502.90	£22.03	£47,900.77	£24.83
37	£43,516.33	£22.56	£49,042.90	£25.42
38	£44,538.92	£23.09	£50,195.36	£26.02
39	£45,495.37	£23.58	£51,273.28	£26.58
40	£46,549.50	£24.13	£52,461.28	£27.19
41	£47,573.10	£24.66	£53,614.89	£27.79
42	£48,586.53	£25.18	£54,757.02	£28.38
43	£49,589.79	£25.70	£55,887.69	£28.97