



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

# NJC PAY CLAIM 2022-2023

This NJC pay claim for 2022/23 is made by the Joint Trade Union Side (UNISON, GMB and UNITE) to the Local Government Association.

### **Our claim is for:**

- A substantial increase with a minimum of £2,000 or the current rate of RPI - whichever is greater - on all spinal column points.

### **In addition:**

- A Covid-19 recognition payment
- A national minimum agreement on homeworking policies for all councils and the introduction of a home working allowance
- An urgent review of all mileage rates currently applying
- A review and update of NJC terms for family leave and pay
- A review of term time only contracts and consideration of retainers
- Reduction in the working week (without loss of pay) to 35 hours (34 in London) plus one additional day of annual leave

06 June 2022

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## **Key points in our claim**

### **CONTEXT OF OUR CLAIM**

- Council and school workers have endured a decade of pay freezes and below average pay awards
- Local government workers have lost on average 27.5% from the value of their pay spine since 2010
- The new cost of living crisis plus a standstill on NJC conditions has devalued low pay even further
- Just over half (51%) the cost of meeting this pay claim would be recouped by the government
- Further calls to central government for new funding for pay are needed
- The TU side urges local government employers to join us in making those renewed calls

### **COST OF LIVING CRISIS**

- A sharp rise in the cost of living is hitting our members hard
- They are experiencing the fastest fall in living standards since the 1950s
- Inflation is forecast to peak at over 10% this year
- Economic conditions are now unlikely to return to pre-Covid levels until at least 2024
- Support measures offered by the government are not enough

### **ECONOMIC BACKGROUND**

- Over the past 12 years, most NJC SPCs have lost a third of their value
- Many of the roles hit by long-term low pay are those likely to be worst hit by the cost of living crisis
- Local government will fail to attract or retain staff if wages fall further below the cost of living
- For 10 of the last 11 years, NJC pay awards have fallen below average pay awards in other sectors
- Household debt in the UK is now rising at its fastest rate since Covid-19 began
- UK household credit card borrowing in February 2022 saw the biggest increase since records began

### **COMPARING NJC PAY**

- NJC SCPs 1-3 now all fall below the £9.90 UK Foundation Living Wage rate
- NJC pay would need to rise by more than 4% each year over the next three annual pay awards to meet the expected minimum wage target by 2024
- Deleting pay points on a new pay spine should always be a last resort
- The NJC should seek to create some breathing room between the legal minimum and SCP 1

### **RECRUITMENT AND RETENTION PRESSURES**

- 78% of councils are experiencing some form of recruitment and retention difficulties
- COVID-19 workforce absences have restricted the ability recruit and retain staff
- Unemployment is at a record low and local government pay is stagnating - this will only make recruitment and retention harder
- Some traditionally low-paid retail jobs have quietly overtaken local government pay at the bottom

### **PAY-RELATED CONDITIONS OF WORK**

- Covid-19 continues to put some strain on local government services and staff – a recognition payment would go some way towards recognising this
- All councils must have a homeworking policy in place and that it should include an allowance
- HMRC millage rates which have remained unchanged since 2011-12 and do not reflect new cost of living rises to fuel – an urgent review of all mileage rates is needed ASAP
- NJC terms for Family leave and pay compares unfavourably and need a major review
- A review of term time only contracts is needed
- A reduction in the working week (without loss of pay) and an additional day of annual leave would help to offset historic low pay

## 1. CONTEXT OF OUR CLAIM

Since 2010, the local government workforce has suffered multiple crises. A financial crisis was swiftly followed by austerity cuts, a once in a lifetime global pandemic that stretched local government staff and resources to their limits, and now a new crisis – an unprecedented squeeze on the cost of living that has already created the fastest fall in living standards since the 1950s.

It is against this backdrop of crisis that council and school workers have endured a decade of pay freezes and below average pay awards. Local government workers have now lost on average 27.5% from the value of their pay spine since 2010 (when measured against the cost of living / Retail Price Index).

The value of NJC pay has now reached an historic rock bottom – falling well below the Foundation Living Wage, drawing level with the legal minimum and being overtaken by many high street retailers and supermarkets. In addition, the government has set a target for the national minimum to reach two-thirds of median earnings by 2024. Annual NJC pay awards would need to rise significantly higher than in previous years just to meet, what is likely to be, the new legal limit by 2024.

For a workforce who are already underpaid, overworked and tired from a decade of ongoing crises, this new cost of living crisis means that local government workers will now struggle to manage even the basics, like putting food on the table, heating their homes and paying their bills. In addition, a decline and standstill on various NJC conditions has effectively devalued their low pay even further – including mileage rates (which have been static for years) as well as family leave and pay provisions that have fallen behind those of many other employers.

Other factors continue to change the nature of how local government staff work - such as the rapid rollout of hybrid/remote working and hotdesking. These can have positive work/life balance outcomes for some staff but must not be used as excuses to reduce services (especially frontline/face-to-face services) or to heap larger workloads onto an ever-shrinking pool of staff.

Central government claim they no longer wish to see poverty pay being 'topped up' via benefits - just to cover even the basic costs of living like rents/mortgages, food and utilities. Our research shows that properly funding local government pay would achieve this – with just over half (51%) the cost of meeting this pay claim recouped by the government via increases in tax revenue and reduced benefit, tax credit and Universal Credit expenditure. The TU side would again urge local government employers to join us in making renewed calls to central government for a proper funding allocation for local government pay.

Our pay claim asks for a substantial increase - with a minimum of £2,000 or RPI on all NJC spinal column points. This would go some way to towards compensating local government workers for the 27.5% lost from the value of their pay spine since 2010. Crucially, it would restore local government pay to a competitive rate - lifting it out of bargain basement minimum wage territory - and better reflecting a workforce that has remained dedicated and hard-working in the face of the multitude of challenges thrown at them over this last decade and more.

## **2. COST OF LIVING CRISIS**

### **2.1 A new crisis**

A sharp rise in the cost of living is hitting our members hard – and hitting our lowest paid members hardest. While Russia's invasion of Ukraine is exacerbating the hike in food, fuel and energy prices, this is a long-term problem that has been a long time in the making. It is a result of a decade of public sector pay restraint, cuts to funding for public services, rising inflation and a lack of investment and future proofing of sectors like food, energy, housing and transport to mitigate price increases.

The continued fallout from post-Brexit trading arrangements, plus a failure to establish secure, dependable and decarbonised energy supplies have compounded this crisis.

### **2.2 The fastest fall in living standards since the 1950s**

With ongoing rises in global energy prices and wage growth failing to match soaring rates of inflation (expected to peak at over 10% throughout this year – the highest rate in four decades), the UK will now see the fastest annual fall in living standards in Britain since the 1950s - with real household disposable incomes per person set to fall by 2.2% in 2022-23<sup>1</sup>.

The Office for Budget Responsibility (OBR) have warned economic conditions are now unlikely to return to pre-Covid levels until at least 2024.<sup>2</sup>

### **2.3 The cost-of-living crisis in numbers:**

- Inflation in the UK is at a 30-year high.
- Higher inflation wipes out at least a quarter of the real terms increases to public service spending announced in October 2021.
- The New Economics Foundation found that a third of households, or 23.4 million people, will have to cut back on some basics such as food or heating.
- 48% of children will be living in households unable to meet the cost of basic necessities.
- In the coming months, a perfect storm of policy choices will add significant costs to household expenditure including the removal of the £20 universal credit uplift, a 54% jump in the energy price cap affecting gas and electricity bills, a 1.25 percentage point increase in National Insurance, and an interest rate rise pushing up mortgage payments.
- With petrol and diesel costs at a historic high, filling up a tank costs £17 more than just one year ago, but HMRC mileage rates have not been updated since 2011/12.
- The UK's biggest supermarket chain, Tesco, predicts food price inflation will soon hit 5%. The cost of many supermarket staples has increased far more than this already – the average price of pasta increased 41% last year and tinned tomatoes went up 29%.
- The UK has the second highest childcare costs in the world, and according to campaign group Pregnant Then Screwed there are 870,000 stay-at-home mothers who want to go back to work but cannot afford to do so.

### **2.4 Government support measures are inadequate**

Support measures offered by the government will only address up to a third of the hit to living standards, while planned tax cuts will only undo barely one-sixth of previously announced tax increases, leaving many households struggling to pay their bills.

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<sup>1</sup> Economic and fiscal outlook, OBR, March 2022

<sup>2</sup> Economic and fiscal outlook, OBR, March 2022

### 3. ECONOMIC BACKGROUND

#### 3.1 Value of NJC Pay

Over the past 12 years, most NJC spine points have lost a third 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 2021/22**

	Old Spine Point	2009/10	2021/22	New Spine Point	Real change (%)
Cleaner	6	£12,489	£18,333	1	-4.3
Customer Services Officer	11	£14,733	£18,887	3	-19.4
Refuse And Recycling Collector	13	£15,444	£19,264	4	-22.7
Library Assistant	16	£16,440	£20,043	6	-25.6
Teaching Assistant (Level 2)	17	£16,830	£20,043	6	-28.6
Crematorium Officer	18	£17,161	£20,444	7	-28.5
Qualified Residential Care Worker	21	£19,126	£22,129	11	-32.3
HLTA	28	£23,708	£27,514	22	-31.9
Librarian	31	£26,276	£30,095	25	-33.7
Environmental Health Officer	34	£28,636	£32,798	28	-33.7
Access to Housing Officer	38	£31,754	£36,371	32	-33.7
Social Worker	36	£30,011	£34,373	30	-33.7
Accountant	41	£34,549	£39,571	35	-33.7
Children's Residential Manager	46	£38,961	£44,624	40	-33.7

As the table above shows, 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 – along with those who were on the frontlines during the Covid-19 pandemic. For the full version of this table, showing all SCPs, see appendix 1.

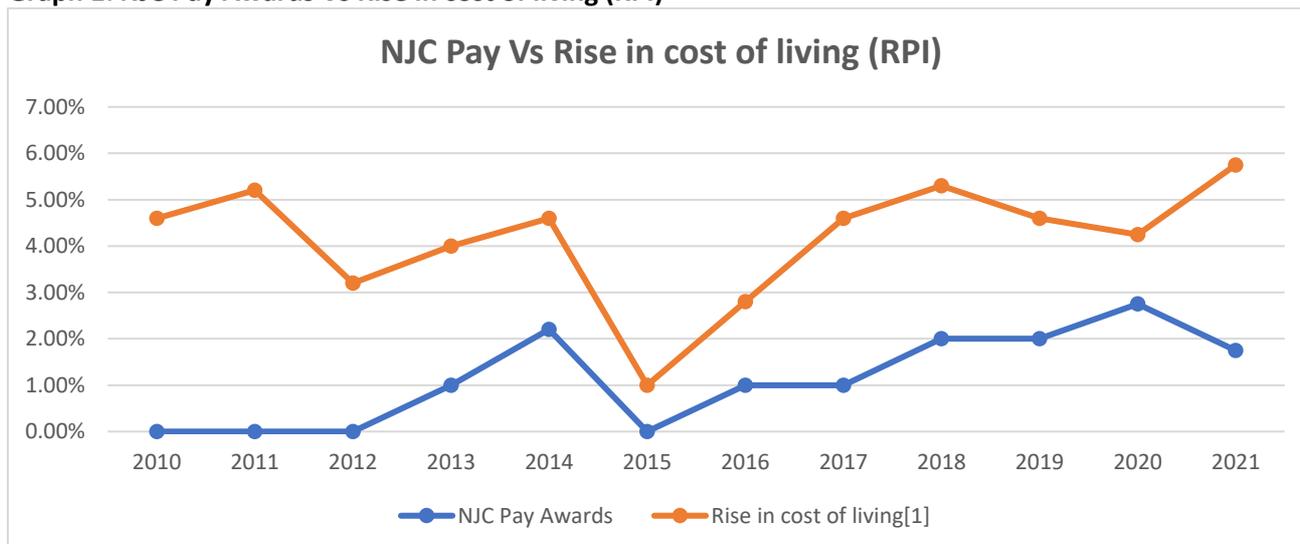
#### 3.2 Historic low pay and the cost of living

As recently as October 2021, Boris Johnson complained of the UK's "broken" economic model: "We are not going back to the same old broken model with low wages, low growth, low skills and low productivity."<sup>3</sup>

If the Prime Minister wants to undo the damage that a decade of low wages has done, then a good place to start would be in local government, where pay awards have fallen below the cost of living in every year since 2010. Graph 1 below demonstrates this major fall in living standards.

<sup>3</sup> Boris Johnson, Conservative Party Conference, Oct 2021

**Graph 1: NJC Pay Awards Vs Rise in cost of living (RPI)**



For local government workers this cost of living crisis is a triple whammy – coming off the back of a pandemic (through which many worked in the frontlines) and a decade of pay cuts. Even before this new 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:

**Table 2: Price changes to RPI commodities over the year to Feb 2022**

Item	Average % increase to October 2020
Consumer durables	13.6%
Travel and leisure	10.8%
Personal expenditure	9.9%
Housing and household expenditure	8.2%
Food and catering	5.4%
Alcohol and tobacco	3.4%
All goods	9.6%
All services	6.8%
All items	8.2%

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

Within these figures, some costs are rising at an unprecedented rate, such as gas bills at 28.8%, petrol and oil at 21.4%, and electricity bills at 19.2%. Energy prices rose even more sharply from April 2022, when the price cap received an enormous lift and the average bill increased from £1,277 to approximately £2,000 a year<sup>4</sup>. The conflict in the Ukraine and subsequent sanctions are expected to push those costs even higher. The price of housing also remains one of the biggest issues facing employees and their families. Across the UK, house prices rose by 10% in the last 12 months, with Wales experiencing the biggest increase at 14.2%<sup>5</sup>. Private rental prices have also seen a significant increase, taking the average monthly rent for new tenancies in the UK up 8.7% compared to March 2021 and 11.6% in London.<sup>6</sup>

<sup>4</sup> Resolution Foundation, Higher and Higher, January 2022

<sup>5</sup> ONS UK House Price Index February 2022, published April 2022

<sup>6</sup> Homelet New Rent index: <https://homelet.co.uk/homelet-rental-index>

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 3: Highest cost of living rises over last decade**

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

### 3.3 Average pay settlements

If local government wages fall even further below the cost of living, not only will current staff suffer but local government (as an employer) will fail to attract or retain staff. At 1.75%, last year's local government pay award was one of the lowest across the economy, demonstrated in table 4 below:

**Table 4: Average pay increases across the economy, 2021**

Sector	2021 Pay Increases
Construction	1.25%
Finance and business services	1.50%
Local Government NJC	1.75%
Energy, water, mining, nuclear	1.84%
Manufacturing (other)	1.90%
Agriculture	2.00%
Transport and communications	2.00%
Other services	2.00%
Retail, wholesale, hotels and catering	2.20%
Health and social care	3.00%

Table 4 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 5: 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%

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

\*\* For NJC SCPs over a certain level

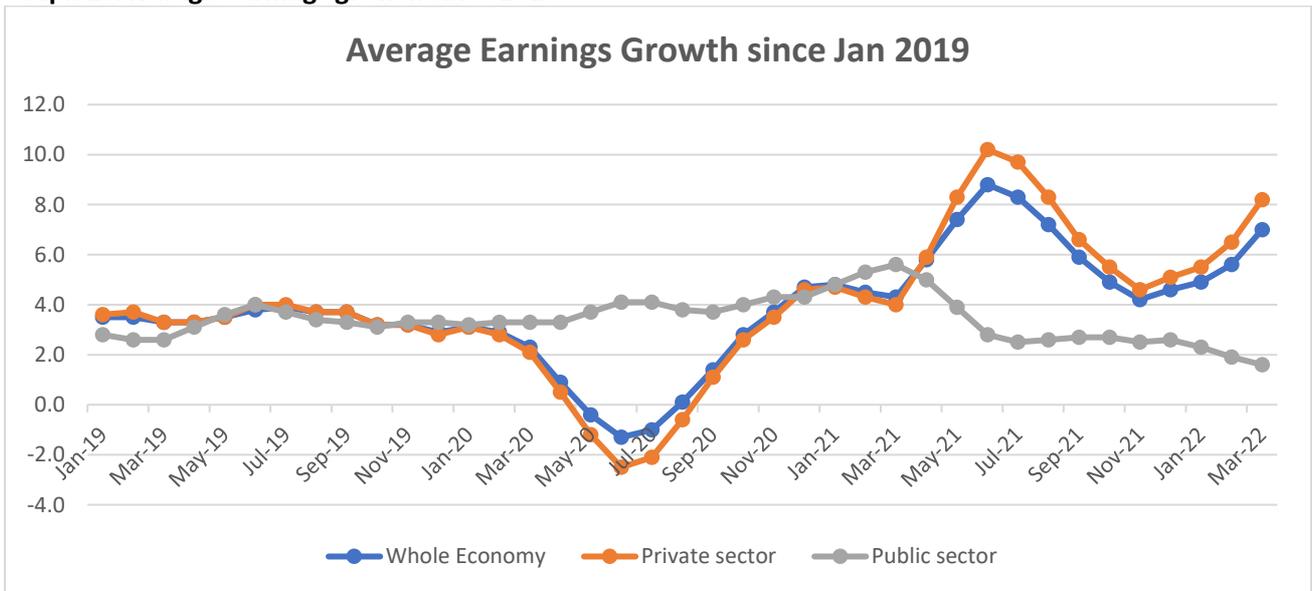
The Bank of England said in February that it expects private sector pay settlements to average 4.8% in 2022 – putting further pressure on the existing gap between local government and private sector rates.<sup>7</sup>

### 3.4 Average earnings growth

The graph below shows trends in average earnings growth over the last two years. The acceleration of the general rate to 3.9% in July 2019 took average earnings growth to its highest level in over a decade. It then oscillated violently as the effect of the Covid-19 pandemic on the economy took effect. The number of furloughed staff moving onto 80% of their usual earnings caused the figure to dip sharply in 2020. But then the effects of the pandemic on the composition of the labour market as well as staff moving off furlough resulted in a spike to 8.8% in June 2021. The distorting effect of the pandemic has now dropped out of the figures, but average earnings growth remains at its highest level in almost 14 years at 4.8% in January 2022<sup>8</sup>.

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**

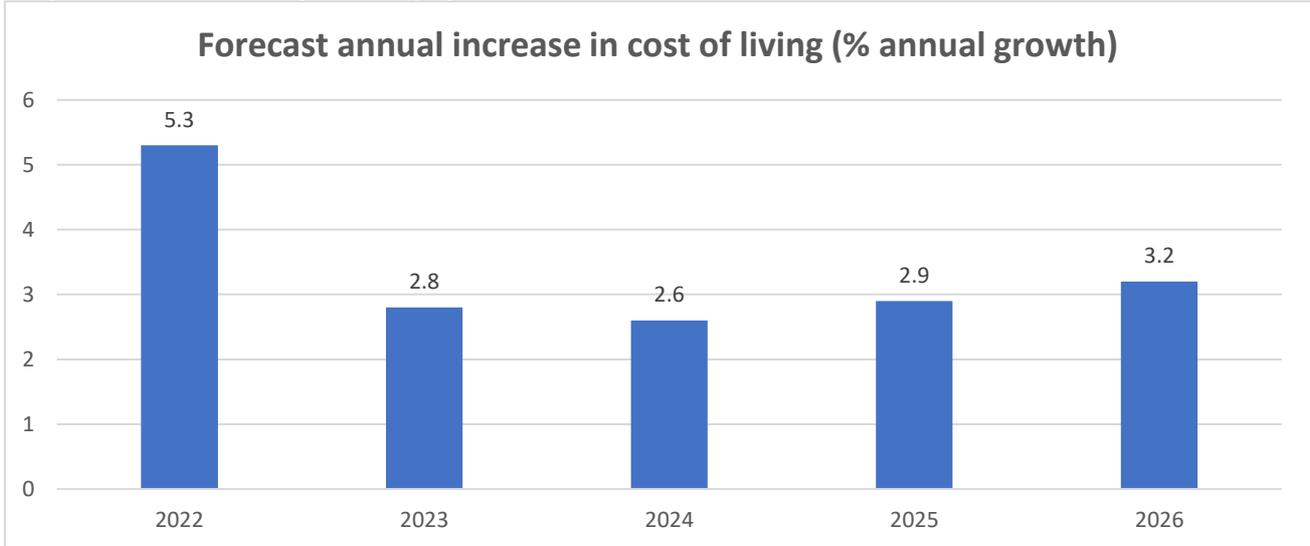


The Office for Budgetary Responsibility’s March 2022 Economic and Fiscal Outlook suggests that earnings growth will average 5.3% over 2022, before dipping to 2.8% in 2023, in line with the pattern shown in the graph below.

<sup>7</sup> Bank of England, Monetary Policy Report - February 2022

<sup>8</sup> ONS, Labour Market Overview, March 2022

**Graph 3: Forecast average earnings growth**



**4.5 Economic benefits of increasing LG pay**

Newly commissioned research conducted by Landman Economics finds that the cost of meeting the 2022/23 NJC pay claim for local government workers is £1,169m in total. This includes £1,016m in salary costs, plus an additional cost of £153m in higher employer NICs. This is detailed in table X below.

Central government receives the £153m in higher employer NICs. Central government also benefits from additional receipts of employee NICs (£111m) and income tax (£185m) as well as reduced benefit, tax credit and Universal Credit expenditure (£42m). In total, central government saves £491m.

The net cost to the public sector as a whole (both local and central government) would be £678m. If indirect taxation is then factored in, central government recoups a further £102m. In total, just over half (51%) of the cost to local government of meeting the pay claim accrues to central government.

**Table 6: Cost of meeting the 2022/23 NJC pay**

	Cost/Saving
Gross cost to local government	£1,016m
+ Employer’s National Insurance	£153m
<b>= Total cost to local government</b>	<b>£1,169m</b>
Employer’s National Insurance (as above)	£153m
+ Employee’s National Insurance	£111m
+ Income Tax	£185m
+ Reduced benefit/tax credit/Universal Credit expenditure	£42m
<b>= Total central government savings</b>	<b>£491m</b>
<b>Net public sector cost:</b>	
<b>= £1,614m - £686m</b>	<b>£678m</b>
+ Indirect taxes	£102m
<b>Net public sector cost after indirect taxes:</b>	
<b>= £678m - £102m</b>	<b>£576m</b>

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 funding for local authority pay budgets.

The government have consistently stated that it is their goal to make workers less reliant on benefits – and for the government to no longer ‘top up’ low pay that fails to cover even the basic costs of living like rents/mortgages, food and utilities. However, household debt in the UK is now rising at its fastest rate since Covid-19 began, with credit card borrowing rising to 1.5 billion pounds in February 2022 alone - the biggest increase since the Bank of England started to keep records in 1993<sup>9</sup>.

Even prior to the Russian invasion of Ukraine, prices (especially of essentials) were spiralling upwards, well ahead of pay rises. Households are now resorting to short-term borrowing (often with high interest rates) to make up the difference<sup>10</sup>. Much of this household borrowing (especially during the pandemic) has been skewed away from “discretionary” spending – on non-essentials items such as new cars or TVs – and increasingly into essentials like housing, food and energy bills. Retail sales have been falling even as household debt has been picking up.

The case for raising local government pay must be made directly to central government. The NJC trade unions will continue to make this case – and would urge local government employers to join us in making renewed calls to central government for a proper and fair funding provision.

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<sup>9</sup> Monthly Money and Credit Statistical Release, Bank of England, March 2022

<sup>10</sup> Falling behind to keep up: The credit safety net and problem debt, StepChange Debt Charity, January 2022

## 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 £9.90 an hour and the London rate is set at £11.05 an hour<sup>11</sup>. 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 the bottom three NJC SCPs now falling below the £9.90 UK Foundation Living Wage rate:

**Table 7: NJC SCPs Vs the Foundation Living Wage**

SCP	NJC 2021 Hourly
1	£9.50
2	£9.60
3	£9.79
4	£9.98
5	£10.19

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, in order to meet the Foundation rate).

If our claim was met in full, it would lift NJC SCP 1 to £10.54 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 2022).

### 4.2 Living Wage, national minimum wage and targets

The government also sets a legally enforceable National Minimum Wage rate (which they label as the “national living wage”) for workers aged over 24. 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.

However, as of April 2022 even this legally enforceable minimum rate of £9.50 per hour (for those 23 and over) has now caught up with NJC SCP 1 – meaning that NJC pay has fallen back into bargain basement territory – paying a rate equal to the UK’s lowest paying employers<sup>12</sup>.

The government has set itself a target for the national living wage to reach two-thirds of median earnings by 2024. The Low Pay Commission currently forecasts that it will rise to £10.18 in 2023 and then £10.70 in 2024. This means local government pay at the bottom end is at serious risk of failing to meet even this legal minimum in the coming years. Our calculations show that NJC pay would need to rise by more than 4% over the next three NJC pay awards (2022, 2023 and 2024). Annual rises of approximately 2% would require the

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<sup>11</sup> The Living Wage Foundation, Annual Living Wages Rates, November 2021

<sup>12</sup> Minimum wage rates for 2022, UK Government

deletion of SCPs 1 to 4 just to meeting the legal minimum – this is demonstrated for NJC SCPs 1-5 in the tables below:

**Table 8: Minimum average NJC pay rises needed to meet two-thirds of median earnings by April 2024**

SCP	2021		2022		2023		2024		
	Award	Hourly	% increase	Hourly	% increase	Hourly	% increase	Hourly	Target
1	2.75%	£9.50	4.1	£9.89	4.1	£10.30	4.1	£10.72	£10.70
2	1.75%	£9.60	4.1	£9.99	4.1	£10.40	4.1	£10.82	£10.70
3	1.75%	£9.79	4.1	£10.19	4.1	£10.61	4.1	£11.04	£10.70
4	1.75%	£9.98	4.1	£10.39	4.1	£10.82	4.1	£11.26	£10.70
5	1.75%	£10.19	4.1	£10.60	4.1	£11.04	4.1	£11.49	£10.70

**Table 9: NJC SCPs requiring deletion to meet government target by April 2024 (based on 2% annual rises)**

SCP	2021		2022		2023		2024		
	2021 Award	2021 Hourly	% increase	Hourly	% increase	Hourly	% increase	Hourly	Target
1	2.75%	£9.50	2	£9.69	2	£9.89	2	£10.09	£10.70
2	1.75%	£9.60	2	£9.79	2	£9.98	2	£10.18	£10.70
3	1.75%	£9.79	2	£9.98	2	£10.18	2	£10.39	£10.70
4	1.75%	£9.98	2	£10.18	2	£10.38	2	£10.59	£10.70
5	1.75%	£10.19	2	£10.39	2	£10.60	2	£10.81	£10.70

Deleting pay points on a relatively new pay spine should always be a last resort and rather than playing a game of cat and mouse with the legal minimum, it would be far better to create some breathing room between the legal minimum and SCP 1. Our claim would achieve this – comfortably clearing both the legal minimum and the superior foundation living wage while keeping the new pay spine intact.

#### 4.3 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 based on more recent salary data indicated that occupational pay differentials remain significant between local government employers and those in the wider economy.

**Table 10 – sample median local government pay rates compared to whole economy comparators<sup>13</sup>**

	Local authorities	Whole economy	Difference (%)
Cleaner	£18,202	£18,482	-1.5
Library clerks and assistants	£20,920	£21,324	-1.9
Legal assistant	£25,395	£27,364	-7.2
Caretaker	£20,723	£22,568	-8.2

<sup>13</sup> Trade Union Side analysis of Incomes Data Research and ONS Annual Survey of Hours and Earnings data.

Social worker	£33,800	£37,890	-10.8
LGV drivers	£22,758	£30,994	-26.6

## 5. RECRUITMENT AND RETENTION PRESSURES

Even prior to Covid-19, recruitment and retention pressures in local authorities were significant – with an LGA survey<sup>14</sup> finding that 78% of councils were experiencing some form of recruitment and retention difficulties.

After two years of working through a pandemic, the situation is even worse. The LGA’s COVID-19 Workforce Survey<sup>15</sup> asked councils to consider their ability to continue delivering services. Councils were asked to consider not only the impact of COVID-19 and workforce absences but also the ability to recruit and retain staff with the required levels of skills and experience. Three-fifths said this was now a moderate or large concern.

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 3.8% (the lowest level for 44 years). The impact of the pandemic saw that figure rise to over 5% in 2020, but the rate has now fallen back to 3.9% in the three months to January 2022.

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 retail jobs have quietly caught up and overtaken local government:

**Table 11: Minimum Pay Rates – NJC Pay Vs UK Supermarkets**

Employer	Minimum Pay Rate p/h
Sainsburys	10.00
Boots	10.00
ASDA	10.10
Aldi	10.10
Ikea	10.10
Lidl	10.10
HSBC	11.00
NJC SCP 1	£9.50

If local government pay falls even 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.

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<sup>14</sup> LGA Workforce Survey, 2017/18

<sup>15</sup> LGA COVID-19 Workforce Survey, week ending 14 January 2022

## 6. PAY-RELATED CONDITIONS OF WORK

### 6.1 Ongoing impact of Covid-19

Local government workers were on the front lines of the Covid-19 crisis - keeping communities safe, clean and accessible during one of the most challenging periods ever seen by local authorities in peacetime.

They received little or no recognition for their hard work, only broken promises from a government who initially claimed they would do “*whatever is necessary*” to support local government (then failed to plug the gap left in local government finances by Covid-19) followed by a below average pay award (the lowest since 2017).

While the UK government may have removed most Covid-19 restrictions, it is too early to declare the pandemic over. As of April 2022, UK Covid Infections remain at their highest recorded level and hospital admission rates of Covid-19-confirmed patients in England continued to increase to 20.46 per 100,000 people<sup>16</sup>.

And while the link between infections, hospitalisations and deaths has weakened it has not been severed. This continues to put a strain on local government services and staff – with the latest LGA Covid-19 workforce survey found in councils with unavailable staff, 25% were unavailable because of confirmed/suspected Covid-19<sup>17</sup>.

In addition, there is still much uncertainty about the ongoing impact of long covid and the effect this will have on workers - who may continue to experience symptoms sometime into the future. How and where employers will choose to categorise covid-related sickness – particularly in relation to absence triggers – remains an ongoing concern.

For those Local government workers who were on the front lines of the Covid 19 – working in areas like homelessness, care, education and more – the very experience of working throughout the pandemic has increased burnout and left an already overstretched workforce feeling tired and underappreciated. If another civil emergency occurs in the future (pandemic or otherwise) much of the goodwill that propelled Local government workers through Covid-19 will no longer exist.

### 6.2 A Covid-19 recognition payment

The pandemic has imposed a serious burden on the wellbeing of workers covered by the NJC agreement. Nearly two thirds of local government workers report that the pandemic has had a negative impact on their mental health.<sup>18</sup> The local government and schools’ workforce have gone above and beyond during the pandemic, often at significant personal risk and expense, keeping schools open and essential services running.

Governments (including some local authorities) in Wales, Northern Ireland and Scotland awarded some public service workers Covid-19 recognition payments, but the vast majority of NJC workers and those working in schools, and the workforce in England have been excluded.

In light of the continued strains met by Trade Union Side members, we ask that the Employers’ Side:

- **Makes a one-off Covid-19 recognition payment that covers all NJC workers**

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<sup>16</sup> coronavirus.data.gov.uk, April 2022

<sup>17</sup> COVID-19 Workforce Survey research report, LGA, week ending 14 January 2022

<sup>18</sup> LocalGov, COVID-19: How has the past year affected council staff?, 23 March 2022

### 6.3 Hybrid and homeworking

As a result of the Covid 19 pandemic a significant number of local authority staff have had to move their workplace into their own homes. In most cases this has happened with little to no preparation, risk assessments or financial support. Given the emergency, staff continued to carry out their work with grit and determination despite the added strain that such an arrangement has placed on them and their families.

Working from home is not the same for any individual and the experience depends significantly on someone's income, living arrangements, family life and caring responsibilities.

Through HMRC, people whose primary place of work is their home can receive discounted tax rates, or their employer may pay them £6 extra per week tax-free, but this does not cover the added costs associated with utility bills, cleaning and housing costs that many of our members have faced. This is especially true now that utility bills are rising sharply due to the cost of living crisis.

The trade union side believes that homeworking staff should receive a homeworking allowance to compensate them for the use of their home as an office for the council. The allowance needs to be at a level that minimises tax implications while also being a meaningful amount to cover the various expenses incurred through working from home – such as internet and heating costs.

The Trade Union Side believes that all councils must have a homeworking policy in place and that it should include:

- **Introduction of a homeworking allowance for all staff who are working from home**
- **A national agreement on homeworking, setting out a homeworking policy that all authorities must use as a minimum**

The homeworking allowance and policy should be devised in such a way that does not penalise groups of workers who are unable to work from home and who bear additional costs associated with having to go out to work (bus/train fares, parking, food).

### 6.4 Review of term time only contracts and consideration of retainers

Low pay is a chronic problem among school support staff roles. The median gross earnings of teaching assistants was £13,980 in 2021, according to the ONS Annual Survey of Hours and Earnings. The inadequacies of basic pay rates are compounded by inconsistent approaches to calculating pay and allowances for workers employed on term-time only contracts. The joint term-time only review group has not progressed following the delayed settlement of the 2021/22 claim.

These problems are leading to a growing recruitment and retention crisis among all school support staff roles. Teaching assistants were named as the most account shortage role in late 2020 after HGV drivers,<sup>19</sup> and retention issues are becoming acute for all support staff roles.<sup>20</sup> A retention payment scheme is being introduced for teachers and some LAs have introduced discretionary retention payment guidance for support staff.

Against this backdrop, the Trade Union Side is calling for:

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<sup>19</sup> The Skills Network, Skills and Employment Trend Report October 2020

<sup>20</sup> Tes, Support staff leave for supermarket jobs as cost-of-living crisis bites, 03 May 2022

- **Completion of the work of the joint term-time only review group**
- **The introduction of a school support staff retention payment scheme, supported by Green Book guidance**

### 6.5 Mileage costs

For local government workers 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 calculating mileage allowances. These rates have remained unchanged since 2011-12 and are set out below<sup>21</sup>:

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

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

However, since 2012 many costs related to vehicle use have skyrocketed:

- Total motoring costs have risen 16% since last year and by 28% since 2011
- The cost of petrol and oil has risen by 24% over the last year alone
- Vehicle maintenance costs have risen by 33% since 2011

Though NJC green book milage rates do exist, they have not been updated since 2010 and are not widely used.

A common source for estimating motoring costs is the AA guidance. NHS Agenda for Change mileage rates are pegged to these AA calculations which are (currently) 56p per mile (up to 3,500 miles) and 20p per mile (over 3,500 miles). In addition, both the Scottish and Welsh governments have recently increased their rates.

With the cost-of-living crisis pushing household budgets to new limits, the use of outdated HMRC rates by local authorities is yet another squeeze on local government workers already suffering from the effects of historic low pay. The NJC TU side therefore asks that:

- **A separate urgent review of all mileage rates currently applying is undertaken**

### 6.6 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 11 below:

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<sup>21</sup> Mileage and fuel rates and allowances, HM Revenue & Customs, April 2022

**Table 13: 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.

The NJC TU side therefore seek to bring NJC Green Book Family leave and pay provision up to an acceptable level, in line with modern standards.

Recommendations include a number of short term ‘quick fixes’ that can be made to Green Book Part 2 conditions now, as part of this pay cycle – along with some more long term improvements that can form the basis of ongoing joint working between the NJC TU side and employers:

#### **Short term improvements**

- 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](http://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.

#### **Long term improvements**

- Introducing a 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
- Removal of qualifying periods related to length of service for all Family leave and pay provisions

### **6.7 Work-life balance and well-being**

Local government workers routinely work unpaid overtime. This is rarely claimed back as TOIL and is too often seen as ‘part of the job’. Cuts, staff losses and recruitment freezes have compounded this problem – leading to an unacceptable culture of long hours, burnout and stress.

Working long hours can lead to serious and long term mental and physical ill health, stress, fatigue and increases in workplace accidents<sup>22</sup>. Research also shows the impact that long hours can have in decreasing productivity within organisations, lowering morale and leading to increased staff turnover<sup>23</sup>.

Recent TUC analysis<sup>24</sup> shows that public sector employees continue to carry out a disproportionate amount of unpaid overtime in the UK, and point out that in the public sector, overworking and excessive workloads

<sup>22</sup> Working Long Hours Health & Safety Laboratory, 2003

<sup>23</sup> Breaking the long hours culture, The institute for employment studies, 1998

<sup>24</sup> TUC, UK workers and unpaid overtime, Feb 2022

are driven by a recruitment and retention crisis, exacerbated by a decade of government-imposed pay restraint.

Statistics have been disrupted by the pandemic but the Labour Force Survey has consistently shown that disproportionate numbers of local government workers normally work some unpaid overtime - compared to all employees.

Researchers have shown that more time off makes people happier and improves productivity – making it good for employees, employers and the economy as a whole<sup>25</sup>, while benefiting wider society, the environment,<sup>26</sup> and good for gender equality given women shoulder more than 60% of unpaid work<sup>27</sup>.

Trade Union Side unions are clear that a meaningful pay rise and improvements to workload and working time must play a central role in tackling this epidemic.

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 50% of all work-related ill health cases in 2020/21<sup>28</sup>. While data is no longer available for days lost due to the statistical disruption over the pandemic, in 2019/20 this accounted for 55% (17.9 million) of all working days lost due to work-related ill health<sup>29</sup>. 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.

Analysis by the Health and Safety Executive (HSE) of Labour Force Survey statistics shows 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 anxiety. 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 pandemic<sup>30</sup>.

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<sup>25</sup> Are We More Productive When We Have More Time Off, Zenger & Folkman, 2015

<sup>26</sup> Working Hours and Carbon Dioxide Emissions in the United States, Fitzgerald & Schor, 2018

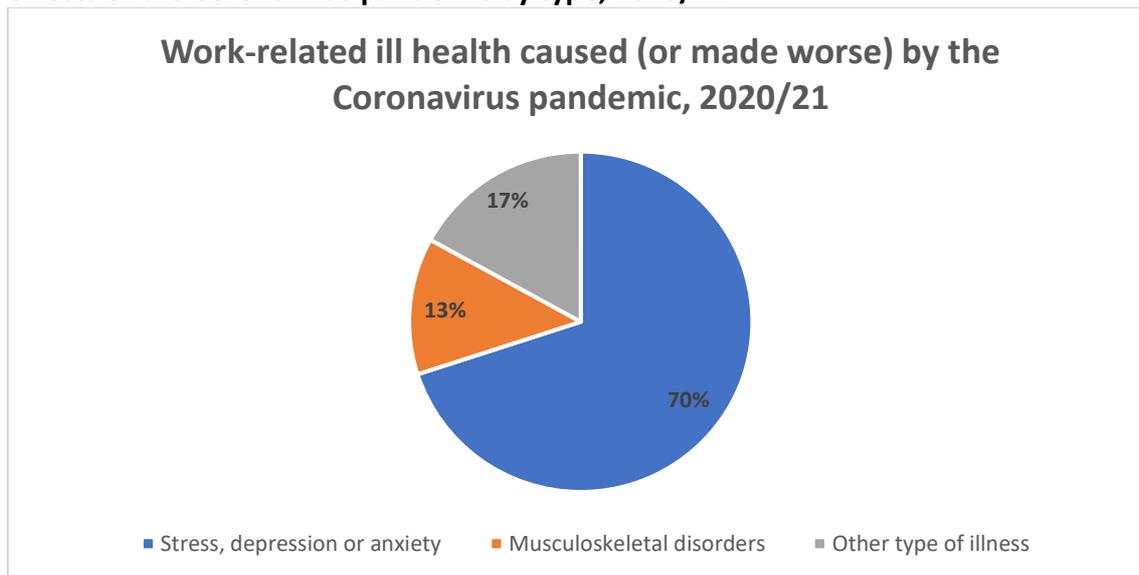
<sup>27</sup> Women shoulder the responsibility of 'unpaid work', ONS, 2016

<sup>28</sup> Health and safety at work, HSE, 2021

<sup>29</sup> HSE Annual Statistics Annual Statistics, November 2020

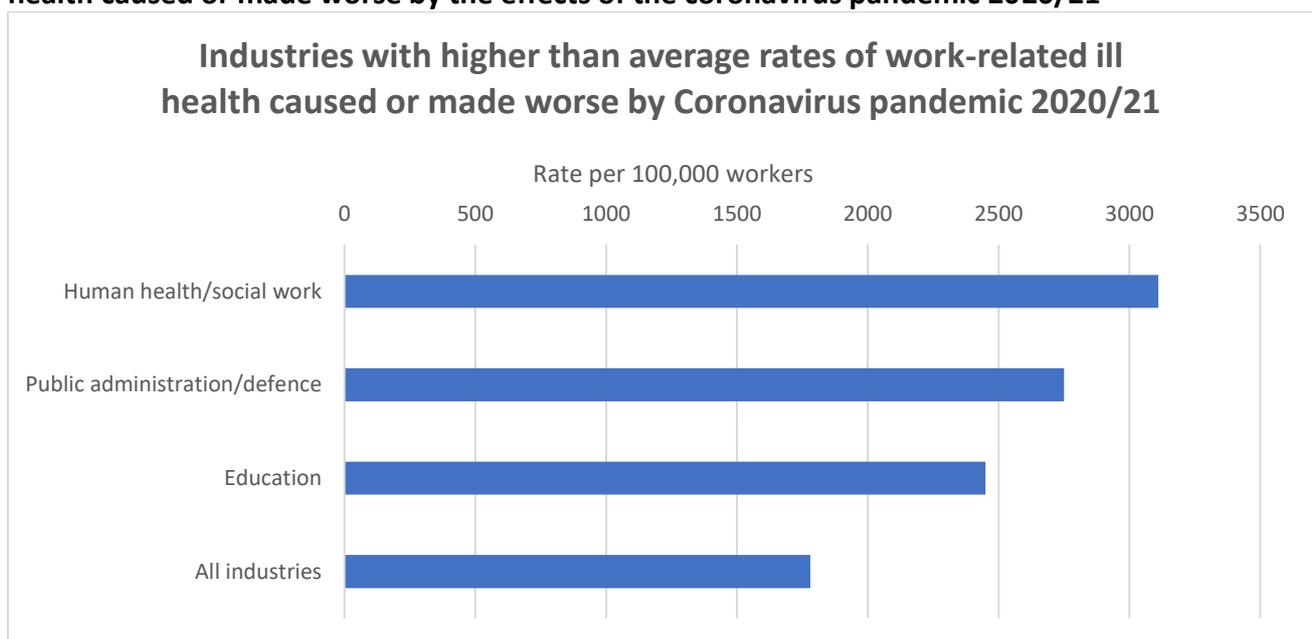
<sup>30</sup> HSE Health and safety at work, summary statistics, November 2021: <https://www.hse.gov.uk/statistics/overall/hssh2021.pdf>

**Graph 4. New and long-standing cases of work-related ill health caused or made worse by the effects of the Coronavirus pandemic by type, 2020/21**



Source: HSE

**Graph 5. Industries with higher than average rates of new and long-standing work-related ill health caused or made worse by the effects of the coronavirus pandemic 2020/21**



Source: HSE

Sickness absence levels can be seen as a proxy indicator for the wellbeing of staff and this has been recognised by the LGA in its 2019 Workforce Focus report<sup>31</sup>. That highlighted the relatively high rates of sickness absence in local authorities (over double that of the economy as a whole) and that the most common cause of sickness absence in 2016/17 was ‘stress, depression, anxiety, mental health and fatigue’ (28.9% of days lost). Although the pandemic is likely to have had a significant impact in increased absences<sup>32</sup> the HSE data

<sup>31</sup> LGA, Workforce Focus, April 2019

<sup>32</sup> LGA, COVID-19 Workforce Survey - 11 December 2020

would imply that if anything the rates of 'stress, depression, anxiety, mental health and fatigues' are likely to have risen.

The 2017 Stevenson / Farmer review of mental health and employers<sup>33</sup> for the government found that the cost of poor mental health to government is between £24 billion and £27 billion which includes the costs of providing benefits, falls in tax revenue and costs to the NHS. One of its core recommendations to employers is for them to *"provide employees with good working conditions and ensure they have a healthy work life balance and opportunities for development"*

The Trade Union Side is aware of a number of councils that have locally introduced a working week that is lower than the national 37 hours minimum in the NJC agreement (outside London) and also introduced additional days holiday for all staff above the NJC agreement.

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

- **A reduction of the working week to 35 hours with no loss of pay, and a reduction to 34 hours a week in London. Part-time staff to be given a choice of a pro rata reduction, or retaining the same hours and being paid a higher percentage of FTE**
- **A minimum of 25 days annual leave plus public holidays and statutory days for all starting employees plus an extra day holiday on all other holiday rates that depend on service.**

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<sup>33</sup> Thriving at work, Stevenson & Farmer, 2017

## 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.

### Labour Force Survey – workforce equalities characteristics

	Non Local Government	Local Government
Age (Average)	41.6	43.4
Dependent children (average number aged under 19)	0.6	0.7
Female %	45.7	67.4
BAME %	13.4	9.3
Nationality other than UK %	12.5	6.7
Disability (EA10) %	15.1	17.1
Religious %	50.8	54.3
Married or in a civil partnership %	48	54.1

As we noted in our last submission, there is a significant gap between the proportion of workers who are identified as disabled by employers in the LGA's 2019/20 earnings and demographics survey (5%), and the rate reported by local government workers to the ONS (17.1%). 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 this claim would clearly be in line with this principle.

## **8. CONCLUSION**

After a uniquely challenging few years – beginning with the Covid-19 crisis and now extending into the new cost of living crisis – local government workers deserve more. More respect for the role they played in keeping communities safe and secure during the pandemic. More understanding of the difficult jobs they do after years of cuts to resources and staffing. But crucially they deserve more pay. With the pay spine now worth 27.5% less than in 2010, local government workers are struggling, even with the basics – food, rent, mortgages, heating and more.

Historically, local government was the last line of defence for those households struggling to pay the rent, put food on the table or heat their homes. But now some local government workers are facing those same difficulties themselves. This is unacceptable. NJC pay cannot be allowed to fall further into the depths of poverty pay – while even (historically low paying) high street retailers and supermarkets continue to raise their pay above NJC rates. If this trend continues, local government employers will find themselves in a year-on-year battle just to keep up with the legal minimum rates for pay in the UK. This is far from aspirational and does nothing to attract the next generation of local government workers.

Paying local government staff a proper wage is an investment – not just in the workforce but also in the local services they provide and the local economies they support. Just over half the cost of meeting this pay claim would be recouped via increases in tax revenue and reduced benefit, tax credit and Universal Credit expenditure.

The TU side recognises that this will require proper funding from central government, and so we again urge local government employers to join us in making those calls to central government. Only new funding can solve this problem – not attacks on (or a watering down of) conditions – which devalue low pay even further.

The Trade Union Side believes our claim is fair and appropriate – and that it would be a significant step in compensating local government workers for the loss of value in their pay over the years. It would also provide some recognition for a workforce that has remained dedicated, hard-working and resolute - despite the multitude of challenges and crisis they have overcome in recent years.

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

Old SCP	2009/10	2021/22	New SCP	Old SCP if inflated by RPI to March 2022	Real-terms change (£)	Real-terms change (%)
4	£12,145			£18,594	-£261	-1.4
5	£12,312			£18,850	-£517	-2.8
6	£12,489	£18,333	1	£19,121	-£788	-4.3
7	£12,787	£18,333		£19,577	-£1,244	-6.8
8	£13,189	£18,516	2	£20,192	-£1,676	-9.1
9	£13,589	£18,516		£20,805	-£2,289	-12.4
10	£13,874	£18,887	3	£21,241	-£2,354	-12.5
11	£14,733	£18,887		£22,556	-£3,669	-19.4
12	£15,039	£19,264	4	£23,025	-£3,761	-19.5
13	£15,444	£19,264		£23,645	-£4,381	-22.7
14	£15,725	£19,650	5	£24,075	-£4,425	-22.5
15	£16,054	£19,650		£24,579	-£4,929	-25.1
16	£16,440	£20,043	6	£25,170	-£5,127	-25.6
17	£16,830	£20,043		£25,767	-£5,724	-28.6
18	£17,161	£20,444	7	£26,273	-£5,829	-28.5
19	£17,802	£20,852	8	£27,255	-£6,403	-30.7
20	£18,453	£21,269	9	£28,252	-£6,983	-32.8
		£21,695	10			
21	£19,126	£22,129	11	£29,282	-£7,153	-32.3
22	£19,621	£22,571	12	£30,040	-£7,469	-33.1
		£23,023	13			
23	£20,198	£23,484	14	£30,923	-£7,439	-31.7
24	£20,858	£23,953	15	£31,934	-£7,981	-33.3
		£24,432	16			
25	£21,519	£24,920	17	£32,946	-£8,026	-32.2
		£25,419	18			
26	£22,221	£25,927	19	£34,020	-£8,093	-31.2
27	£22,958	£26,446	20	£35,149	-£8,703	-32.9
		£26,975	21			
28	£23,708	£27,514	22	£36,297	-£8,783	-31.9
29	£24,646	£28,226	23	£37,733	-£9,507	-33.7
30	£25,472	£29,174	24	£38,998	-£9,824	-33.7
31	£26,276	£30,095	25	£40,229	-£10,134	-33.7
32	£27,052	£30,984	26	£41,417	-£10,433	-33.7
33	£27,849	£31,895	27	£42,637	-£10,742	-33.7
34	£28,636	£32,798	28	£43,842	-£11,044	-33.7
35	£29,236	£33,486	29	£44,760	-£11,274	-33.7
36	£30,011	£34,373	30	£45,947	-£11,574	-33.7

<b>37</b>	£30,851	£35,336	<b>31</b>	£47,233	<b>-£11,897</b>	<b>-33.7</b>
<b>38</b>	£31,754	£36,371	<b>32</b>	£48,615	<b>-£12,244</b>	<b>-33.7</b>
<b>39</b>	£32,800	£37,568	<b>33</b>	£50,217	<b>-£12,649</b>	<b>-33.7</b>
<b>40</b>	£33,661	£38,553	<b>34</b>	£51,535	<b>-£12,982</b>	<b>-33.7</b>
<b>41</b>	£34,549	£39,571	<b>35</b>	£52,894	<b>-£13,323</b>	<b>-33.7</b>
<b>42</b>	£35,430	£40,578	<b>36</b>	£54,243	<b>-£13,665</b>	<b>-33.7</b>
<b>43</b>	£36,313	£41,591	<b>37</b>	£55,595	<b>-£14,004</b>	<b>-33.7</b>
<b>44</b>	£37,206	£42,614	<b>38</b>	£56,962	<b>-£14,348</b>	<b>-33.7</b>
<b>45</b>	£38,042	£43,570	<b>39</b>	£58,242	<b>-£14,672</b>	<b>-33.7</b>
<b>46</b>	£38,961	£44,624	<b>40</b>	£59,649	<b>-£15,025</b>	<b>-33.7</b>
<b>47</b>	£39,855	£45,648	<b>41</b>	£61,018	<b>-£15,370</b>	<b>-33.7</b>
<b>48</b>	£40,741	£46,662	<b>42</b>	£62,374	<b>-£15,712</b>	<b>-33.7</b>

*\*Calculations are based on an 53.1 per cent change in the RPI rate between March 2009 and March 2021. Inflation values are taken from ONS Consumer Price Inflation timeseries data publication (13 April 2022). Figures are rounded.*