

Local Government Employment
DIGEST
Number 341 August 05

In the August Digest:

- **Social Care Workforce Survey 2004**
- **Top pay in local government and the public sector**
- **Sickness Absence surveys from the CBI and CIPD**

Local Government Employment Digest provides information on labour market and pay and conditions issues, as well as brief negotiating reports across all local government groups, and survey results. In addition, it looks at all the latest statistics on pay and provides a round up of the state of the economy.

It is produced by the Research and Intelligence section (R&I) of the Employers' Organisation as part of its information service.

PLEASE NOTE: In order to receive a free electronic copy, please complete the sign up form at the weblink below:

http://www.lg-employers.gov.uk/alert/php/action/signup_controller.php

© The Employers' Organisation for Local Government
ISSN 0957-512X

Contents

Summary Statistics	3
1 Features	
1.1 Economy	6
1.2 Social Care Workforce Survey 2004	8
1.3 Top Pay in local government and the public sector	10
1.4 Sickness Absence surveys from the CBI and CIPD	13
1.5 Press Summary	17
2 Pay and Earnings	
2.1 Pay Trends	18
2.2 Average Earnings Index	20
2.3 Recent Pay Settlements	21
2.4 Market Pay Service – Extract 7	22
3 Prices	
3.1 Retail Price Index	28
3.2 House Price Indices	29
3.3 Interest rate forecasts	30
4 Labour Market	
4.1 Unemployment	31
4.2 Employment	33
5 Local Government	
5.1 Local Government Datafile	34
5.2 Employee Jobs in Local Government	35
5.3 Current Position of Negotiating Groups	38
6 Publications	
6.1 Recent and Forthcoming Publications	41
6.2 Research & Intelligence Publications	42

One copy is circulated free to all local authorities in England and Wales each month. Additional copies are available on subscription to local authorities, other organisations and individuals. Back copies are available from Roopal Shah at The Employers' Organisation.

Please note: authoritative information and advice on national negotiations are provided by separate pay circulars, employer information, bulletins, etc.

Summary Statistics

August 2005

AVERAGE EARNINGS INDEX (Base Rate 2000=100)

	Index			Headline Rate*		
	Jun	May	Apr	Jun	May	Apr
Wh. Econ.	121.0	120.6	120.5	4.2	4.1	4.6
Priv. Sec.	120.0	119.2	119.5	3.8	3.8	4.6
Pub. Sec.	125.2	127.5	124.6	5.6	5.6	4.6
Manuf.	119.0	118.1	119.2	2.8	2.9	3.5
Services	121.3	121.0	120.7	4.5	4.5	5.1

Next statistics: 14th September 2005.

*Average of seasonally adjusted series over latest three months.

PRICES

	All items			Underlying*		
	Jul	Jun	May	Jul	Jun	May
RPI	2.9	2.9	2.9	2.4	2.2	2.1
TPI	2.8	2.8	2.8			
CPI	2.3	2.0	1.9			

Next statistics: 13th September 2005.

* Excludes mortgage interest.

LABOUR MARKET (thousands)

	Apr-Jun	Jan-Mar	Oct-Dec
Unempl. UK	1423	1396	1411
Unempl. GB*	1385	1360	1377
Total in empl. UK	28592	28608	28521
Total in empl. GB*	27835	27855	27767

	Jul	Jun	May
Claimant Count UK	866.0	863.2	856.1
Claimant Count GB	838.0	836.0	826.3

* Labour Force Survey figures have been re-weighted for individual regions to take account of the 2001 Census results.

AEI FORECASTS

Whole economy	Range	Mean
2005 (III)	4.3%-5.0%	4.7%
2005 (IV)	4.4%-5.0%	4.6%

Based on 10 forecasts, source IRS.

RPI FORECASTS (All items)

Quarter	Range	Mean
2005 (III)	2.5%-3.0%	2.7%
2005 (IV)	1.9%-2.7%	2.4%

Based on 10 forecasts, source IRS.

SETTLEMENTS

IRS	3.0%	(Whole economy median over the three months to May 2005)
IDS	3.2%	(Whole economy median over three months to June 2005)
EEF	2.7%	(Mean in the three months to May 2005) (Manu)
LRD	3.3%	(Whole economy median over three months to May 2005)

* The CBI no longer publishes pay figures. We now quote the Engineering Employers Federation (EEF) quarterly figures for the manufacturing sector.

Pay Settlements, Movements & Negotiations

The British Chambers of Commerce Quarterly Economic Survey- Quarter 2, 2005

- **Summary:** Results for the second quarter of 2005 were disappointing and worrying overall. Manufacturing performance was mixed with net balances improving for home sales & orders, employment, and cashflow all improved. However, balances for export sales & orders, employment expectations, plant & machinery investment, and turnover confidence, all declined. Balances for the service sector worsened across the board.
- **Exports:** The export market is measured by volume of sales and volume of orders. The export market worsened markedly in Q2 with the export sales net balance falling to the lowest level since Q3 2004.
- **Investment:** Investment intentions are measured by investment in plant & machinery and investment in training. Both investment measures saw drops in their balances across manufacturing and services. In particular, the investment intention in plant & machinery fell to the lowest level since Q3 2003
- **Economic climate:** The Q2 results signal worsening risks for UK businesses, and the sharp deterioration in the service sector's position is very disturbing. Whilst manufacturing had some positive results in Q2, these were following a weak performance in Q1.

Note: Balance figures, referred to above, are determined by subtracting the percentage of companies reporting decreases in a factor from the percentage of companies reporting increases.

Total Employee jobs in Local Government* - June 2004

	England	Wales
Education – Teachers	515,930	37,313
Education –Others	726,615	47,611
Social Services	288,006	27,724
Services Direct to the Public	412,971	39,543
Corporate Functions	176,652	11,884
Total	2,120,174	164,074

Source: Employers' Organisation Local Government Employment Survey

NEGOTIATIONS – CURRENT POSITIONS

Group: Teachers in Residential Establishments (E&W)

Settlement: The JNC agreed that the Main and Upper Pay Scales for qualified teachers in residential social services establishments should be subject to a general increase of 2.5% from 1 April 2004, 2.5% from 1 April 2005, and a further 0.75% from 1 September 2005 to 31 August 2006.

All allowances applicable to teachers in social services establishments and Heads, deputies and Assistant heads in residential special schools were increased by the same percentage amounts as were the salaries.

CURRENT PAY MOVEMENTS

- Thanet District Council- a 3.44% rise for all employees (560).
- Ministry of Defence- an increase of 5.1% on average earnings for non-industrial staff (50,000).
- BBC- Received 3.5% increase for staff (23,000).

Note: BCC data is updated quarterly.

For further information please contact:

Jacob Knox-Hooke – Tel: 020 7296 6656

Abbreviations

Wh. Econ.	Whole economy
Priv. Sec.	Private sector
Pub. Sec.	Public sector
Manuf.	Manufacturing
AEI	Average Earnings Index
IRS	Industrial Relations Services
IDS	Incomes Data Services Ltd
EO	Employers' Organisation
CBI	Confederation of British Industry
EEF	Engineering Employers Federation
LRD	Labour Research Department
RPI	Retail Prices Index
TPI	Tax and Price Index
S.adjusted	Seasonally adjusted
CPI	Consumer Price Index
LGS	Local Government Services

Glossary

Average Earnings Index The Average Earnings Index is calculated from a monthly survey of some 9 million employees across the economy. The Survey obtains details of gross wages and salaries paid to employees and so increases in the average earnings index include increases in bonus payments, payments by results, etc. as well as increases in basic pay.

'Seasonally adjusted' average earnings adjust actual monthly earnings to eliminate the effects of annual peaks and troughs, such as traditional periods of high overtime. The headline rate of increase in average earnings, which is given in this bulletin, is the average of the seasonally adjusted increases over the latest three months.

Retail Price Index The Retail Prices Index (RPI) measures the average change from month to month in the prices of goods and services purchased by the average UK household. (For further details see the Local Government Employment Digest, July 1992).

Consumer Price Index CPI is based on an internationally agreed measure of inflation and contains a different basket of goods to RPI (X). The main difference is CPI excludes the costs of owner-occupied housing (building insurance, council tax) and house prices. The CPI replaces the underlying rate of inflation (RPIX) as inflationary measure to be targeted by the Bank of England.

Tax and Price Index The Tax and Price Index measures the change in gross income needed for taxpayers to maintain their purchasing power. It thus allows for changes to direct taxes and employees' National Insurance Contributions, as well as changes in the Retail Prices Index.

ILO Unemployment ILO unemployment is based on the international definition of unemployment, which counts as unemployed all those without works, who is seeking work and are available to start work.

Claimant Count The claimant count measure of unemployment is an administrative count of those eligible to receive unemployment-related benefits.

Economy

For the first time in two years, the Bank of England cut interest rates to 4.5% although following the publication of it's quarterly inflation report it seems unlikely a second rate cut will occur this year. The Labour market continues to loosen with unemployment rising. Whilst the Retail Prices Index stayed unmoved at 2.9%, the Consumer Prices Index reached a series high at 2.3%. Oil has continued it's skyward trajectory and almost hit \$70 a barrel this month fuelling inflationary fears.

Interest rates – a fall after two years

A drop from 4.75% to 4.5% was certainly on the cards but chances of a further fall in recent months seem remote as the Bank of England's (BoE) committee meeting minutes state that, "the latest projections did not support the current market view that a sequence of interest rate cuts was likely to be needed to meet the inflation target in the medium term." Other comments from the committee also suggest that the Bank appears fearful of damaging confidence and by having to make a greater change in rates later on, rather than a more subtle one now.

Arguably more interesting than the rate cut itself is the fact that the Governor broke the unwritten rule of always voting with the majority, being one of the four members who voted against a rate cut. Elsewhere, the interest rate cut may help reduce the mortgage costs of many in the housing market as the Bank had previously raised the cost of borrowing 5 times between November 2003 and August 2004. The response from the Confederation of British Industry's director general, Sir Digby Jones was that "this will be a catalyst for growth and will provide an essential boost to consumer and business confidence". However, Roger Bootle, head of Capital Economics, was less optimistic arguing that the rate was insufficient to tackle the economic weakness caused by the housing market.

Labour market – rise in unemployment

Most commentators appear to agree that the labour market is becoming much more free than in recent times. The Monetary Policy Committee August minutes argued "business surveys generally pointed to a slight softening of labour market conditions." They also

outline that since the beginning of the year, total weekly hours and the employment rate had fallen while both measures of unemployment had risen. The CBI's Economic Bulletin also supports this view claiming that claimant count unemployment has increased steadily over the last 5 months and they also fear for the consequences this may have on the growth of consumer spending.

Inflation – RPI static, CPI rising

A repeat of last month occurred in August with the RPI staying static at 2.9% and CPI rising again, this time to a series high of 2.3%. For the first time since August 1999, inflation in the UK is higher than in the whole of the EU, excluding the 10 newly accepted members. Andrew McLaughlin, chief economist at RBS claimed that, "in the battle between higher petrol prices and summer sales discounts, the former won hands down". Aside from high energy costs, the rise in inflation is also due to discounts in furniture and furnishings not matching the levels of last year.. Inflationary pressures of this kind may not fall off shortly as recent data from the Royal Institution of Chartered Surveyors shows that the number of people registering an interest as homebuyers increased for the second month in July.

Consumer spending – hit by uncertainty

Despite this recent apparent rise in homebuyers interest, the CBI's Economic Bulletin argues that one factor in the low growth of consumer spending has been a weak housing market. Certainly it isn't due to a fall in income as real household disposable income increased by 1.2% in the first quarter of the year. The British Retail Consortium claim that high street retailers faced their worst July in a decade though blamed poor

FEATURES 1.1

trade not on the terrorist attacks but on a comparatively cool and wet July. Perhaps optimistically, the BRCs' director general Kevin Hawking has called for more cuts in the interest rate between now and December. Data from the CBI shows that sales increased by 1.6% in the year to June 2005 – compared to a growth rate of 7.5% in June 2004.

Oil – 70\$ barrel almost reached

The price of oil rose through the month of August to reach a level that is undoubtedly having an inflationary impact in the UK and across the world. Following the death of King Fahd in Saudi Arabia, the price of oil hit a record £62.30 a barrel. Later on in the month, the price went up to \$64 and then onto \$68. According to the AA, the effect of the oil price increase has pushed up the cost of petrol to more than £1.00 a litre. The future for oil prices also looks bleak. Political uncertainties, most recently in Saudi Arabia will help to keep prices high along with increasing demand from China. Hurricane Katrina has also affected production in the Gulf of Mexico which has pushed prices higher.

Manufacturing – slight recession

The Bank of England MPC minutes stated that overall the survey indicators for July had

shown that manufacturing output was flat. Data from Eurostat, the European Union statistics office showed that UK manufacturing growth was only 1.9% compared with 3.1% in the EU.

Growth

Despite an anticipated slowdown in economic growth in 2004, the CBI Economic Bulletin argues that recent data is weaker than originally anticipated pointing to growth of 0.4% in Q2 2005, substantially weaker than the 0.7% forecast by the Bank of England in its May Inflation Report

Housing market – stagnation predicted

The Financial Times has stated that most mortgage lenders are predicting a flat housing market for the next two year and that house transactions will fall from 1.35 million this year to around 1.3 million for each of the following years. Data from the Royal Institute of Chartered Surveyors would appear to back this up with sales for July 2005 some 18% lower than sales for the same month last year despite this figure being better than for the last 5 months.

Nick Shasha

Social Care Workforce Survey 2004

According to the results of the Social Care Workforce survey 2004 the strategies of local authorities in England to tackle persistent recruitment and retention challenges are finally beginning to pay off. Results from the latest annual workforce survey, reveal the following improvements.

Overview

The following data summarises the key positive developments in recruitment:

- a 2% boost in the numbers of local authority field social workers in England
- vacancy rates for children's social workers continued to improve slightly with staff turnover dropping again too
- vacancies for children's social workers fell from 11.8% to 11.4% and turnover fell by 1.4% down to 10.6%
- the number of authorities who reported recruitment problems for children's social workers fell by 9.3%
- the survey also found a fall in the proportion of authorities saying they had problems

Comments of Councillor Richard Grant, Vice Chair of the Community Well Being Board
 "We welcome this improvement in the recruitment and retention of social care workers who perform such a valuable and challenging role. With the Health and Social Care White paper expected at the end of the year, it is more important than ever that councils ensure they have the right workforce with the right skills to provide the stability needed to manage the transition and deliver better services. We are encouraged that councils are producing workforce development plans for their social care workforces and think that this is contributing to improved retention rates."

Comments of Joan Munro, Director of Development at the E.O.

"The Local Government Pay and Workforce Strategy - which is being implemented together with the cross-Government Children's Workforce Strategy - will further

support improvement made in the social care workforce by facilitating national, regional and national action to address long-term and short-term issues. For example, the EO, working in close partnership with both the new Children's Workforce Development Council and Skills for Care, are developing national social care skills pathways to both attract and retain and workforce remodelling to reduce dependence on scarce professionally qualified staff by skilling up assistant social workers and specialist administrative staff."

Main findings of the survey

- almost 7,000 **long-term agency workers** were working in all local authorities, which equates to around 3.3% of the total FTE local authority social care workforce (10.8% of the workforce in London) compared with 2% in 2003 (10% in London).
- over the period 1st April - 30th September 2004, local authorities spent an estimated £151m on **long-term agency staff** (compared with £120m in 2003) this equates to slightly over 5% of payroll costs nationally (17% in London).
- as in last year's survey, **vacancies for care staff** in homes for older people are still a cause for concern as these rose from 9.2% to 12.3%. Vacancy rates for staff in other residential establishments also increased. In other adults' homes from 10% to 14% and in children's homes from 12.5% to 14.7%. However the vacancy rate for home care staff has fallen back from 11.2% to 9.6%.
- the highest overall **social worker vacancy rates** are again recorded in Greater London - around a fifth of posts here - and the West Midlands,

with one in eight posts vacant. Elsewhere vacancies are running at less than ten per cent. Once again the study also shows a slight fall in the numbers of vacant occupational therapy posts, with a fall in from 18.7% to 18.3%.

- there was further encouraging news about the number of staff being trained as **occupational therapists** with the survey finding a 68% rise (142 in 2003, 239 in 2004) in the numbers of staff being seconded to professional OT qualifying courses.
- 2004 saw a rise in the **total recruitment advertising spend** to around £19.7 million over a six month period, which amounts to about 0.8% of the total pay bill. There are some suggestions that authorities are making more use of specialist journals, local press, job fairs and the internet to recruit staff. Authorities are still attempting to recruit staff from overseas.
- More local authorities have **developed workforce plans**, with around a third actively undertaking workforce planning.

- In children's services, annual **full time salaries** (basic plus additional pay) averaged £33.3K for team leaders and £25.2K for main grade social workers. In adults' services they averaged £32.7K for team leaders and £25.7K for social main grade workers.
- A wide variety of **non-pay benefits** are also available to employees including subsidised car lease, essential car user allowances, payment of professional fees, subsidised sports and leisure, and career breaks.
- For the first time, the survey collected information about the number of **TUPE transfers** and staff secondments. The survey found that between September 2003 and 2004, over 4,000 staff had been subject to TUPE while just over 1,000 had been seconded.

Mark Dunn

The 2004 survey collected information on field social worker salaries and paybill for field social workers which was estimated at 1.127 billion. 77% of councils took part in the 2004 survey. The survey can be downloaded from the following link: http://www.lg-employers.gov.uk/recruit/workforce_surveys/shcwg/reports_surveys.html#social_care

The EO supports the local authority social care survey group which includes representatives from local authorities and major stakeholders including the EO, Department of Health, Commission for Social Care Inspection, the Local Government Association, Skills for Care, and Association of Directors of Social Services. For further information please visit our website and download the EO's bulletin on [social care workforce information](#) or contact: [Mark Dunn](#) on 020 7296 6830 or [David Mellor](#) on 020 7296 6638.

Top pay in local government and the public sector

This article looks at the recent IDS Executive Compensation Review 292 which examined senior pay in much of the public sector, and also summarises data from the Employers' Organisation survey of Chief Executives and Chief Officers.

Introduction & background

As ever, the remuneration of senior executives throughout the whole economy is in the headlines. Most recently, The Guardian claimed that Directors pay at Britain's top companies climbed an average of 16.1% last year and it identified more than 230 directors who received more than £1m last year. In a more comprehensive study, Incomes Data Services (IDS) have tracked the total cash earnings of FTSE 100 lead executives against national average earnings for all full-time employees since July 1995, and observe that "executive earnings have continued to outstrip the national average by a distance". In the majority of cases the total compensation of Top Executives, especially amongst FTSE250 companies, has continued to grow at a rate beyond that of economic growth, shareholder return and certainly far beyond that of the typical employee. Within the public sector, top executives have also seen above average growth in their earnings, although without the additional effect of long-term incentive plans and share options, pay levels tend to be comparatively modest.

Data from IDS

Despite limitations on the disclosure of remuneration, IDS have compiled information on executive pay from annual reports. IDS argue that the total earnings levels of directors and top officials working in the public sector increased by close to double figures in 2004. Looking at specific sectors and using a matched sample of the same individuals IDS claim that the median total remuneration went up by 10.7% for all directors in public bodies and agencies.

Executive agencies included organisations such as HM Prison Service, Ordnance Survey, Office for National Statistics and the UK Passport Service as Executive agencies. Public

bodies included organisations such as the Audit Commission, BBC, Financial Services Authority and the Strategic Rail Authority.

Pay levels for selected directors

Referring to table 1, the median remuneration level for 14 lead executives amongst selected Public bodies is £169,300. The inter-quartile range, (£120,100 to £356,800) is large as is often the case with executive pay where the scope of the role can vary immensely due to the size and complexity of the organization. Amongst Executive agencies, the median for a sample of 35 lead executives is £112,500. Here the inter-quartile range is much narrower being between £82,500 and £127,500. It is likely that the scope of the roles covered here are closer together than those in the public bodies data. Amongst "other directors", a similar pattern also emerges. The median pay level for 41 directors amongst selected Public bodies is £156,000 with an inter-quartile range of £107,500 to £301,000. Amongst selected Executive agencies the median is £72,500 with again a narrower inter-quartile range of £62,500 to £97,500. The data also shows that the remuneration of Finance Directors (£87,500 at the median) is significantly higher than that of HR Directors, (£57,500 at the median).

Remuneration by size of organisation

Table 2 shows that there is a relationship between levels of remuneration and the number of employees an agency has. The smallest executive agencies with up to 500 employees pay their "other directors" a median of £67,500 whereas those agencies with between 10,001 and 20,000 employees pay a median of £100,000.

Female Directors

FEATURES 1.3

Analysis by IDS also shows that women are still under-represented at the most senior levels in the public sector. Amongst public bodies and where they found gender data, none of 15 lead executives and 6 finance directors were women. Among "other directors" though, 29% were female. Executive agencies had a better record at the lead executive and finance director levels with women representing 17% and 25% of these posts respectively.

Data from the JNC Chief Executives and Chief Officers Survey 2003/2004

Chief Executives employed in the London Boroughs received the highest salaries at an average of £141,400 in 2004 marginally above the rate paid by Shire Counties of £139,900. Obviously these figures are only averages and the challenges and characteristics of different authorities mean that rates vary from authority to authority even within the same region or authority type. Chief Executives at Metropolitan Districts received an average of £124,700 whilst those at Unitaries received an average of £109,300. Chief Executives at Shire Districts received the lowest salary, an average of £82,800.

Pay levels of other Chief Officers across authority types

For the most senior Financial Officer, the average increase was £74,400 for all authorities. London Boroughs also pay the

most at an average of £108,000. Again, Shire Counties offer the second highest rate of pay at £96,100, (a somewhat greater disparity than for Chief Executive pay in these two authority types). Metropolitan authorities pay an average of £84,600 with Unitaries and Shire Districts paying an average of £74,100 and £60,000 respectively.

IDS and EO data

Comparing local government data across England & Wales to the broader sample of selected Executive agencies data from IDS shows that Chief Executive pay at £100,400 is somewhat lower than that offered to Lead Executives in selected Executive agencies at £112,500. Finance Directors in selected Executive agencies earn £87,500. Again this is higher than the £74,400 paid to the most senior financial officers in local government. However, HR Directors in selected Executive agencies earn £57,500 compared to £69,300 for 1st tier officers working in Personnel/Management services in local government.

Caution is needed in using these figures because, as we have shown, salaries vary significantly with the size and type of the organisation. The headline differences between the IDS and EO samples will reflect differences in organizational composition.

Nick Shasha

IDS Executive Compensation Review 294 reviews the impact of the Greenbury committee which produced guidelines 10 years ago to tackle concerns around boardroom pay. IDS Executive Compensation Review 292 reviews Top pay in local government, public bodies and agencies. IDS, 77 Bastwick Street, London, EC1V 3TT. Tel: 020 7324 2599. For more information about this article please contact Nick Shasha on 020 7296 6765 or via e-mail at nick.shasha@lg-employers.gov.uk

Table 1: Remuneration levels of directors in selected Public bodies and Executive agencies for the year to March 2004

Public bodies	Lwr. qrt	Median	Upp. qrt	Average
Lead Executive	£120,100	£169,300	£356,800	£257,000
Finance director	£131,300	£236,500	£335,600	£230,300
Other director	£107,500	£156,000	£301,000	£216,700
All (exc. Lead directors)	£107,300	£146,000	£303,000	£213,500
Executive agencies	Lwr. qrt	Median	Upp. qrt	Average
Lead Executive	£82,500	£112,500	£127,500	£113,700
Finance director	£60,000	£87,500	£102,500	£88,000
Other director	£62,500	£72,500	£97,500	£79,300

Source: (IDS Executive Compensation Review/annual accounts)

Note: data rounded to nearest 100.

Table 2: Remuneration levels of "other directors" in Executive agencies by number of employees over the year to March 2004

Number of employees	Median	Average
0-500	£67,500	£73,000
501-1,000	£67,500	£67,500
1,001-5,000	£72,500	£78,200
5,001-10,000	£85,000	£81,400
10,001-20,000	£100,000	£99,300
20,001 and above	£100,300	£108,900

Source: (IDS Executive Compensation Review/annual accounts)

Note: data rounded to nearest 100.

Table 3: Average actual salaries from the 2003/2004 Chief Officers survey

	Chief Executive	1 st tier				
		Chief Executive (1 st tier)	Finance	Personnel/ Mgt Services	Other	All
England & Wales						
2004	£100,400	£74,000	£74,400	£69,300	£71,200	£75,200
Shire Counties						
2004	£139,900	£89,900	£96,100	£93,200	£93,100	£93,300
Shire Districts						
2004	£82,800	£60,200	£60,000	£48,900	£59,100	£60,000
Met Districts						
2004	£124,700	£88,400	£84,600	£75,600	£83,400	£84,200
London Boroughs						
2004	£141,400	N/A	£108,000	£80,600	£91,200	£96,600
Unitaries						
2004	£109,300	£71,400	£74,100	£68,900	£77,300	£78,600

Source: JNC Chief Executives and Chief Officers Survey 2004 Employers' Organisation for local government. Note: data rounded to nearest 100. Data in italics is from a sample size less than 10.

Sickness Absence surveys from the CBI and CIPD

This article examines recent results from two large economy-wide surveys of sickness absence from the Confederation of British Industry (CBI) and the Chartered Institute of Personnel and Development (CIPD). Both surveys went out to around 10,000 participants. The CBI survey had just over 500 responses whilst the CIPD had just over 1,000. Just under half of the responses to the CIPD survey were from employers with less than 500 employees compared to over 60% in the CBI survey.

Introduction & background

The fact that the average organisation size in the CIPD survey was larger than that in the CBI survey may go some way to explain why the overall absence rate of 8.4 days was higher than that of the CBI survey at 6.8 days. This pattern was also reflected in the absence rates of the public sector, 9.1 days in the CBI survey but 10.3 days in the CIPD study. Indeed the CBI survey even suggests that it's own data may underestimate the level of absence in the public sector pointing to the government's own research in *Managing Absence in the Public Sector* (<http://www.hse.gov.uk/gse/sickness.pdf>) that indicates absence rates of around 10 days per employee. This may be the case but the point should also be made that the CBI survey may slightly underestimate absence across the whole economy as absence rates are notably higher in the CIPD survey. Arguably the data in the CIPD survey is more authoritative as it has over twice the response rate.

Absence rates –by size of organisation

The CBI survey claims that high public sector absence cannot be explained by the fact that public sector employers tend to have a larger workforce than the average private sector employer. To do this they show that absence rates are higher in the public sector than the private sector irrespective of employee size. Whilst this is the case at each employee size banding, (i.e. 1-49,200-499 etc) the survey fails to point out that over 60% of the total public sector sample has more than 500 employees. This compares with only 37% in the private sector sample. As absence rates in both sectors are highest where employee numbers are between 500 and 4,999, (10.5

days and 7.9 days in the public and private sectors respectively) it comes as no surprise that the CBI data shows overall public sector absence at a higher rate.

The CIPD survey takes a more objective approach and argues, "the size of the organisation may partly explain why public sector absence levels tend to be higher than those in the other main sectors. The average public sector organisation surveyed employs 3,282 people, compared to 1,989 in the private services sector, 567 in the manufacturing and production sector and 495 in the non-profit sector." Table 1 shows the organization size data from the CIPD survey and the broad correlation between organization size and absence rates. Absence rates for organisations with less than 500 employees (510) are between 5.5 and 8.4 days per year whilst for organizations with employee size between 500 and 2,000+ (333) absence rates are between 8.9 and 10.5 days per year.

Absence rates – by sector and over time

The CIPD survey comprehensively analyses absence rates across all industry sectors and part of this data is reproduced in Table 2. Private services have the lowest absence rate at 6.8 days per year. Within this sector, IT services have the lowest absence rate at 5 days and transport and storage the highest at 9.3 days. Public services have the highest absence rate at 10.3 days. Within this sector, other public services have the lowest absence rate at 7.5 days whilst health has the highest at 11.6 days. The figure for local government is 10.9 days.

The CBI survey has some trend data, (see Table 3) between 2001 and 2004 that shows that absence rates have gone up and down across all the sectors covered over this period. The largest fall in absence between 2001 and 2004 is in the public sector where average days lost fell from 10.1 to 9.1. However, over all years surveyed, Public sector absence is consistently the highest whereas private services are consistently the lowest.

Absence rates – by region

Both surveys report on absence rates by region and have some similar findings. Both surveys report that the lowest absence rates are found in the London region with 6.8 days in the CIPD survey and 5.6 in the CBI survey. The North-West region had the highest absence rates in the CIPD survey at 10 days whilst it had the second highest absence rate in the CBI survey at 7.9 days. Highest absence rates in the CBI survey were found in the South West region at 8 days. This appears to be unusual, as historically the South West region has tended to have lower absence rates than the North West. In the CIPD survey, the South-West region has the 3rd lowest absence rate.

Absence rates – by length of absence

CIPD data in Table 4 shows that the % of long-term absence (defined as 4 weeks or more) is higher in the public services sector than in all other sectors at 21.7% compared to 13.6% in the private sector and a 17.6% survey average. The CIPD also add “nearly a quarter of all absence reported by organizations employing 2000+ employees is long term and this might help to explain why public services employers report the highest levels of long-term absence”. In the private sector, 68.4% of absence is accounted for by absences of fewer than 5 days compared to 54.4% in the public services sector.

The CBI survey also picks up on this claiming that 7% of absence cases in the public sector were long-term compared to 5% in the private sector. Those rates were responsible for 57% and 33% of working time lost in the respective sectors. The CBI survey also concedes though that long-term absence is

more of a problem in larger organizations with data showing that 58% of days lost in organisations with over 5,000 employees were due to long-term absence (9% of cases) compared with 25% (and 6% of cases) in the smallest organizations.

Cost of absence

As with absence levels, the CBI survey has a significantly lower figure for the average cost of absence at £495 per employee compared to the CIPD survey at £601. Both surveys agree that the absence cost per employee is higher in the public sector than in the private at £557 and £493 respectively in the CBI survey and £645 and £568 in the CIPD survey. However, the highest absence cost per employee in the CBI survey actually belongs to the Manufacturing sector at £591. When broken down into more detail the CIPD survey reveals that Education has the lowest absence cost per employee at £478 whereas Health has the highest as £1,060. Across all industry sectors, the lowest cost is found amongst Hotels, restaurants and leisure at £217 whilst the highest found is for Electricity, gas and water at £1,190.

The CBI survey observes a correlation between size of organisation and the cost of absence. It shows that the cost of absence in the smallest organisations was £310 per employee compared with £571 in organisations with 500-4,999 employees and £527 in those with over 5,000 employees. This is because larger organisations have higher absence rates and are also more likely to provide cover for absent workers with temporary staff through overtime.

Causes of absence

In the CIPD survey, respondents were asked to rank the top five causes of short-term absence for both manual and non-manual employees across 5 industry sectors. Minor illness, stress and back pain all feature in the top 3 for both types of worker with 96% of respondents citing them as major causes of absence for both employee types. For long-term absence the picture is different. Amongst manual employees, musculo-skeletal injuries, back pain and stress are cited as leading causes of

FEATURES 1.4

long-term absence by 20%, 18% and 13% of respondents respectively. Amongst non-manual employees, stress, mental ill health and acute medical conditions are cited as leading causes of long-term absence by 36%, 21% and 18% of respondents respectively. However, in the public sector 49% of respondents cite that the leading cause of long-term absence amongst non-manual employees is attributable to stress.

Conclusion

Despite having different results and a different analysis, these two surveys do not tell us anything radically new about sickness absence in either the whole economy or the public sector. What they show is that the scale of the problem is generally worse in the public sector. This would appear to be due to a number of factors but most assuredly related is the level of long-term absence in the

public sector and the fact that public sector organisations tend to be larger than private sector organisations. Absence rates may be higher in the private sector regardless of organizational size but the fact that all larger organisations tend to have higher rates of absence hits the public sector harder than the private. It also means that the cost of absence in the public sector is likely to be higher as well. Data provided for the public sector as a whole or indeed for local government also ignores the fact that certain elements of the public sector, (most notably healthcare and social services) are likely to have inherent high absence rates due to the nature of the work involved, and that the public sector workforce's older age profile influences absence rates.

Nick Shasha

The CIPD survey "Absence Management: A Survey of policy and practice" can be downloaded from: www.cipd.co.uk. Chartered Institute of Personnel and Development, 151 The Broadway, London, SW19 1JQ.

The CBI survey: Who cares wins – Absence and Labour turnover 2005 can be ordered via the CBI website at www.cbi.org.uk. CBI, Centre Point, 103 New Oxford Street, London, WC1A 1DU.

For more information about this article please contact Nick Shasha on 020 7296 6765 or via e-mail at nick.shasha@lg-employers.gov.uk

Table 1 Average level of sickness absence, by workforce size

Workforce size	Number of responses	Average working time lost last year (%)	Average days lost per employee last year
1-99	134	2.4	5.5
100-249	206	3.2	7.3
250-499	170	3.7	8.4
500-749	85	4.4	10.0
750-999	53	4.6	10.5
1,000-1,499	50	3.9	8.9
1,500-1,999	23	4.0	9.1
2,000 +	122	4.4	10.0

Source: 2005 CIPD Absence survey

Sector (CIPD)	Number of responses	Average days lost per employee per year
Manuf. & Prodn.	334	8.4
Private services	325	6.8
Public services	187	10.3
Non-profit	64	9.6
Survey average	874	8.4
Sector (CBI)		
Manufacturing	173	7.0
Private	-	6.4
Public	98	9.1
Services	-	6.0

Source: 2005 CIPD & CBI Absence surveys

Sector	2001	2002	2003	2004
Public	10.1	8.9	8.9	9.1
Private	6.7	6.5	6.9	6.4
Manufacturing	7.2	7.4	7.4	7.0
Services	6.2	5.8	6.4	6.0

Source: 2005 CBI Absence survey

Average absence (%) accounted for by absences of ...			
Sector	Fewer than five days	Five days to four weeks	Four weeks or more
Manuf. & Prodn.	54.2	19.7	18.7
Private services	68.4	15.8	13.6
Non-profit	50.5	20.5	20.6
Public services	54.4	20.1	21.7

Source: 2005 CIPD Absence survey

Press Summary

This section in the Digest aims to provide an overview of recent stories that have featured in the national press that are likely to have a direct impact upon local government.

Study finds days of the desk are numbered
By Lucy Ward, the Guardian, 28th July 2005,
Pg 9

Research predicts a large increase of the number of so called 'mobile workers' in the future.

In a report published by the Economic and Social Research Council and the Tomorrow Project it was estimated that currently, almost a fifth of employees are working from home or on the move. This represents more than 5 million people. Furthermore, the number of 'mobile workers' is expected to increase significantly over the coming decades making mobile work one of the fastest-growing types of employment.

The study 'Working in the Twenty-First Century' suggests *"For a substantial proportion of workers, work in 20 years' time will be more about movement than staying put"* suggesting that more and more people will be working away from their desks.

The continuous increase in the number of 'mobile workers' has significant implications as well. One of these consequences is the shift from *"personalised space to personalised time"*, personalised offices being replaced by collective offices used by different individuals at different times. Additionally, the boundary between work and leisure time is not as clear any more potentially leading to family conflict as work time could interfere with family time.

The report suggests that it would be increasingly difficult to decide when to work. However, managers have found ways to control their mobile staff through methods such as electronic monitoring of completed work or even more radical methods such as "capturing workers' hearts and minds to

create a culture of hard work even at distance".

Men 'winning' caring profession sex war
By Lucy Ward, the Guardian, 26th July 2005,
Pg 2

A study conducted by Brunel University found that males working in traditionally female dominated careers such as nursing and teaching get more challenging roles and more respect than their women counterparts.

The same study suggests that women are losing the gender war within these caring occupations due to the fact that caring is perceived as natural for women but as an asset for men, making men as a result more trustworthy.

Men working in caring careers were found to opt for more "masculine" activities and emotionally demanding roles such as mental health and accident and emergency care for male nurses or sports development for primary teachers. 30 male primary school teachers interviewed argued that they were given more challenging roles and that they were respected more than their female colleagues due to their masculinity.

Furthermore, male nurses are moving away from a 'subordinate role' to a status closer with the role of a doctor whereas male primary teachers were often given authority roles. This was due to the fact that males were taken more seriously than females within these caring occupations.

However, not many boys are joining caring professions when leaving school. The main reason for this is the difficulties that they face when seen as men in female roles.

Mona Bejinaru

Pay Trends

According to Incomes Data Services (IDS) the median settlement level for the three months to July is 3.2%. Industrial Relations Service (IRS) reports that pay settlements remain at 3% for the third consecutive rolling quarter. Salary comparison website Payfinder.com reports that on average women earn 27% less than their male colleagues.

Settlement levels

IDS report that the median pay settlement for the three months to June has been revised up to 3.2% from the previously published figure of 3.1%. In the period from May to July 2005 IDS have only monitored 49 settlements, which are mainly private sector settlements and only a few public sector ones, therefore the 3.2% settlement median is currently only an estimate.

According to IRS the median for the three months to June is 3.0%, this has not changed since the three months to April quarter that was at 3.1%.

The headline inflation figure for June is 2.9%, with basic awards remaining to stay close to just above the increase in prices. IRS report that employers and unions who are currently working on pay negotiations are working under a different bargaining setting compared to earlier in the year. At the end of last year headline inflation was at a six year high. This gave a boost to inflation linked pay awards and there were also talks of a further increase in interest rates for the middle of the year. However in May and June this year inflation has fallen back to 2.9%. As we head towards the end of the year, there are forecasts for headline inflation to fall further, which will affect pay deals closing at the end of the year. According to IRS pay rises are unlikely therefore to rise above 3% before the end of 2005. Nevertheless, the continuing high price of oil could have a greater impact on the level of headline inflation in the coming months.

There are however some organisations that are rebelling the norm and are awarding pay rises in excess of the 3% benchmark. IRS report that 69% of basic settlements are at

3% or more, this has only marginally changed from 68% reported in the May quarter.

The median pay settlement for public sector employees has remained stable at 3% in the year to June 2005, reports IRS.

The manufacturing median stands at 3%, this has remained unchanged since August 2004. Pay settlements in the service sector are also at 3%, though this is a fall from 3.2% seen at the beginning of this year. Personneltoday.com report that according to IRS the predicted plunge in inflation and the recent levelling off in economic activity means that the manufacturing sector is unlikely to encourage much pay pressure in the coming months.

Equal pay for women

According to personneltoday.com, recent findings from salary comparison website Payfinder.com showed that the average salary for men is £30,948 compared to £23,977 for women.

The difference in salaries is most marked in London where men on average get paid £39,022, 35% more than women who on average get paid £28,833. The gender gap is smallest in Northern Ireland where men earn on average £25,998, 15% more than women.

According to personneltoday.com one reason why women get paid less is that they are afraid to ask for a pay increase. Two thirds of women are too scared to ask for a pay rise compared to just a quarter of men.

Reporting on the findings in The Guardian, a spokeswoman for the Equal Opportunities

PAY AND EARNINGS 2.1

Commission (EOC) said the figures backed up its research which showed the gender pay gap is (unacceptably huge and it's not going away". The EOC findings showed an 18% gap between the salaries of men and women in full-time work, in favour of male workers,

and a 40% difference in the hourly rates paid to part-time workers, a figure that has remained the same for the past 30 years.

Roopal Shah

Full details of Pay settlements and IDS pay databank can be found in IDS Pay Report 934, 77 Bastwick Street, London, EC1V 3TT, Tel: 020 7250 3434, website www.incomesdata.co.uk

IRS Employment Review 829 features the latest data on pay settlements, please visit, www.irsonline.co.uk. IRS, 2 Addiscombe Road, Croydon, Surrey, CR9 5AF. Tel: 020 8686 9141.

For the complete articles gender pay gap please visit www.personneltoday.com and www.guardian.co.uk.

Average Earnings Index

The headline rate of average earnings growth increased to 4.2% in June. The rates of earnings growth in the private and public sectors were 3.8% and 5.6% respectively. Earnings growth in the services has remained at 4.5%, while manufacturing growth has decreased to 2.8%.

Wages and salaries per unit output in the whole economy for the first quarter of 2005 showed a 3.2% increase on the same quarter a year ago. In manufacturing, wages and salaries per unit output have increased by 0.6% over the last year.

Figure 2.2.1: AEI: Headline rates

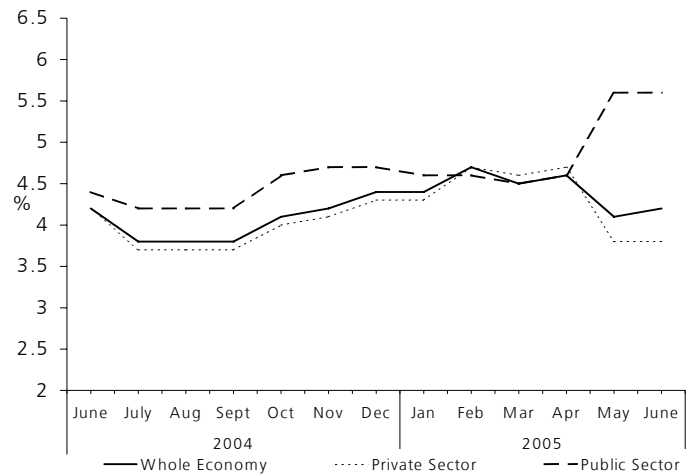


Table 2.2.1: Average Earnings Index: Percentage change over previous 12 months

		Whole economy		Private sector		Public sector	
		Index*	Headline rate†	Index*	Headline rate†	Index*	Headline rate†
2004	Aug	116.9	3.8	116.0	3.7	120.7	4.2
	Sep	117.3	3.8	116.3	3.7	121.2	4.2
	Oct	117.8	4.1	117.0	4.0	121.6	4.6
	Nov	118.9	4.2	118.1	4.1	121.9	4.7
	Dec	118.4	4.4	117.6	4.3	122.2	4.7
2005	Jan	121.9	4.3	121.9	4.2	122.6	4.6
	Feb	120.6	4.7	120.0	4.7	123.3	4.6
	Mar	120.7	4.5	119.8	4.6	123.6	4.6
	Apr	120.5	4.6	119.5	4.6	124.6	4.6
	May	120.6	4.1	119.2	3.8	127.5	5.6
	Jun	121.0	4.2	120.0	3.8	125.2	5.6

*Base Rate- 2000=100 † The headline rate is the average of annual change in the seasonally adjusted series over the last 3 months

Ten independent forecasts for whole economy average earnings for the third quarter of 2005 range between 4.3% and 5.0%, and have a mean of 4.7%.

Table 2.2.2: Average Earnings Index forecasts

	2005 Qtr 3	2005 Qtr 4	2006 Qtr 1	2006 Qtr 2
Upper range	5.0%	5.0%	4.8%	4.8%
Mean	4.7%	4.6%	4.5%	4.5%
Lower range	4.3%	4.4%	4.3%	4.1%

Source: Industrial Relations Services

Recent Pay Settlements

Group	Progress	Effective Date	Changes to conditions of service
Public sector			
Department for Work and Pensions	The second of a three-year scheme sees a minimum increase of 3%, with pay-scale maxima and minima increased by 3% and 5% respectively.	01.07.05	
Thanet District Council	A 3.44% rise for all 560 employees.	01.04.05	
Private sector			
Scottish & Southern Energy	A 3-year agreement beginning with a 4.5% rise for all employees (5,000).	01.04.05	
BT	A 3.5% pay rise for basic salaries and allowances (60,000).	01.04.05	
Abbott Laboratories	A basic rise of 3.25% applied to all factory grades (375).	01.01.05	

Market Pay Service – Extract 7

Over the last year, we have been processing salary data from the LG Jobs & jobsgopublic websites, (www.lgjobs.com) in order to create a database on a range of key jobs. It is hoped that this will assist authorities by providing a reliable and timely source of compensation data for a number of core roles across the broad range of jobs that authorities offer. From Extract 4 onwards, we have also included data from the Sector1 website which can be accessed at www.sector1.net. This will enhance our coverage of roles in the North-East.

Defining the jobs

There are hundreds of different occupations within local government. We decided to concentrate on a selection of around 50, covering managerial, professional, administrative and manual roles. Many of these are jobs for which we frequently receive requests for pay data.

The source which we use provides data on around 10,000 different jobs every quarter. This is a substantial sample, but two limitations of the data should be emphasised. The first is that the jobs can only be grouped according to title. We all know that this can sometimes be misleading: What one council calls an “administration officer” may be doing a different job to someone with the same title in another authority. Similarly, different councils use different titles for what is essentially the same job. To help address these problems we have reviewed the jobs carefully discarding those which look clearly out of line with others of the same title. Then we have grouped jobs with similar titles where pay levels are also similar.

For instance, for the Health & Safety group of jobs we combined the following roles; Health & Safety Adviser, Health & Safety Officers and Health & Safety Managers. Similar breakdowns were made where applicable for all the other roles covered by the survey and a complete copy of all roles included, (by any group) can be obtained by calling Nick Shasha on 020 7296 6765. We can provide you with data for specific job titles within the broader group. We always use medians rather than means as a measure of average to minimise the effects of more extreme values.

The second problem is that some regions, notably the North East and Wales, are poorly represented within the dataset. We are considering drawing in data from other sources to help remedy this.

Sample sizes:

In order to ensure that the data are as accurate as they can be, only jobs or groups showing 20 or more responses have been fully included in the analysis.

Regional analysis:

We have collected data from all the 10 standard regions. Where sample sizes are reliable this should indicate any regional differences and which local authorities may need to consider when researching market rates of pay.

Two new services:

In addition to publishing quarterly data in the Digest, we will also be offering local authorities the opportunity to call a member of the Pay research team to find out in more detail about the data behind the Market Pay Service. Where possible, we will give more detail about the composition of any regional data and provide an analysis of the data, taking seniority of the role into account.

The data we collect is filtered using the terms trainee, junior, deputy or assistant to identify junior roles and supervisor, senior or principal for senior roles. In order to check if there is sufficient data to analyse by seniority, please call Nick Shasha on 020 7296 6765. It should be noted however that in many cases, sample sizes will become less reliable if the seniority analysis is used.

Caution:

Caution should be used when interpreting the results from the Market Pay Survey as there are a number of factors that may ultimately affect the rates of pay shown in the tables in Section 2 of the Digest. These are:

- Size of sample
- The location of jobs (we know that labour market pressures vary within as well as between regions)
- Seniority analysis is not given in the Digest data

On that last point, authorities should be aware that the data given in the Digest isn't broken down by levels of seniority and represents all the data for junior, standard and senior roles combined. In some cases where the group is large enough we do print separate data – for example for accounting assistants. In other instances, (for example

planning officers and information officers) the data relate only to those described as "officers". However, the data should be viewed as a useful indicator of current market rates for specific groups of jobs. We are happy to answer enquiries for more precise data for specific job levels.

Updating of new data:

The data from LG Jobs is updated on a quarterly basis and the next batch of data will therefore be published in the November copy of the Digest.

Other EO data:

The EO also collects data for some of the job groups listed here through its own surveys. We have recently covered a number of the social care and public protection jobs, for example. Where we have another source which will help answer a particular enquiry we will of course use it.

Definitions:

Group: This refers to which group of jobs the data relates to – please see table below for group title.

Region: EE = East of England, EM = East Midlands, L = London, NE = North East, NW = North West, SE = South East, SW = South West, W = Wales, WM = West Midlands, YH = Yorkshire & Humberside

Median Min: This is the median minimum salary from the given sample. The median is used instead of the mean as it gives us a more reliable indicator of what the typical salary for a given role is. It is calculated by distributing all the salaries from lowest to highest and choosing the salary that sits in the middle of this range.

Median Max: This is the median maximum salary from the given sample.

Count: This is the number of individuals that were matched to this role. A minimum of 20 is required in order to produce an analysis.

PAY AND EARNINGS 2.4

Groups covered (jobs in Italics aren't covered by this Extract)

1 Accountant	20 Committee Officer	39 Legal Assistant
2 Accountancy Assistant	21 Conservation Officer	40 Leisure Assistant
3 Administrator	22 Contracts	41 Librarian
4 Admin Officer	23 Contract Manager	42 HR Assistant
5 Clerk	24 Customer Services Adviser	43 Planning Officer
6 Admin/WP	25 Development Control	44 Plumbers
7 Auditor	26 Economic Development Officer	45 Policy
8 Building Control Officer	27 Education Officer	46 Receptionist
9 Car Park Officer	28 Education Welfare	47 Research Officer
10 Care Manager	29 Enforcement Officer	48 Residential Care Assistant
11 Care Assistant	30 Environmental Health Officer	49 Residential Care Officer
12 Care Officer	31 Finance Assistant	50 <i>Residential Carer - Nights</i>
13 Care Assistant - Nights	32 Accountancy Officer	51 PA
14 Catering Assistant	33 Finance Manager	52 Secretary
15 Caretaker	34 Health & Safety Officer	53 Solicitor
16 Cleaner	35 <i>Highways Officer</i>	54 <i>Classroom Assistant</i>
17 Clerical Assistant	36 Benefits Officer	55 <i>Tenant Participation Officer</i>
18 Clerical Officer	37 Housing Officer	56 Training Assistant
19 Committee Administrator	38 Information Officer	57 Waste Management Officer

Group	Region	Median Min	Median Max	Count	Group	Region	Median Min	Median Max	Count
1	All	27,500	32,100	218	4	EE	14,000	14,900	20
1	EM	24,700	28,300	22	4	EM	14,000	16,700	30
1	L	31,300	35,900	53	4	L	19,000	21,200	135
1	NE	29,100	31,400	23	4	NE	14,000	15,400	49
1	SE	27,100	32,800	25	4	NW	13,800	14,900	34
1	Y&H	23,400	28,200	21	4	SE	14,600	17,100	110
2	All	15,200	19,700	114	4	SW	14,300	15,400	21
2	SE	16,100	20,200	20	4	WM	14,000	16,500	29
3	All	14,000	15,000	2467	4	Y&H	14,400	16,200	97
3	EE	13,600	15,200	118	5	All	12,700	13,700	155
3	EM	13,600	14,500	325	5	NE	13,100	13,700	35
3	L	17,400	19,400	294	5	SW	11,300	13,100	29
3	NE	13,300	14,500	196	5	Y&H	10,900	14,500	43
3	NW	13,100	14,500	49	6	All	12,700	13,700	268
3	SE	14,500	16,400	562	6	EM	10,600	13,700	63
3	SW	13,600	15,200	121	6	NE	13,100	13,700	45
3	W	14,800	16,500	60	6	WM	13,100	13,700	79
3	WM	14,000	15,400	134	6	Y&H	12,000	13,700	45
3	Y&H	13,100	14,500	460	7	All	23,000	27,000	150
4	All	14,600	17,000	559	7	SE	24,600	30,500	22

PAY AND EARNINGS 2.4

Group	Region	Median Min	Median Max	Count	Group	Region	Median Min	Median Max	Count
8	All	23,000	28,200	250	15	SE	13,000	14,800	46
8	EE	18,000	28,300	26	15	Y&H	11,000	11,300	84
8	L	28,100	35,600	27	16	All	5.47	5.47	998
8	NE	21,900	26,600	29	16	EE	5.48	5.49	30
8	NW	20,500	27,400	34	16	EM	5.47	5.47	226
8	SE	23,200	31,400	59	16	L	6.81	7.18	37
8	Y&H	21,500	24,700	28	16	NE	5.47	5.47	107
9	All	14,400	16,500	97	16	NW	5.47	5.47	52
9	SE	14,500	17,500	33	16	SE	5.88	6.25	81
10	All	21,000	28,500	459	16	SW	5.49	5.49	26
10	EM	19,800	28,200	43	16	WM	5.49	5.55	26
10	L	26,300	32,300	81	16	Y&H	5.47	5.47	393
10	NE	19,100	28,200	47	17	All	12,700	13,700	701
10	SE	21,500	29,000	154	17	EE	10,600	14,100	37
10	SW	21,000	26,600	25	17	EM	10,900	13,500	98
10	WM	19,100	26,700	23	17	NE	13,100	13,700	93
10	Y&H	20,300	27,400	69	17	NW	10,600	13,700	30
11	All	5.88	6.04	1320	17	SE	13,500	14,600	86
11	EE	5.87	5.87	25	17	W	13,100	13,700	54
11	EM	5.86	6.19	199	17	WM	13,100	13,700	88
11	L	7.78	8.26	36	17	Y&H	10,900	13,400	184
11	NE	5.86	5.86	176	18	All	13,100	14,100	281
11	NW	6.23	6.23	44	18	EM	12,700	13,300	25
11	SE	6.75	7.67	113	18	NE	13,100	14,100	43
11	SW	6.25	7.03	31	18	SE	14,200	15,800	70
11	W	5.87	5.97	22	18	SW	13,100	14,000	48
11	WM	6.04	6.04	131	18	Y&H	13,100	13,700	57
11	Y&H	5.88	5.88	537	19	All	18,500	23,000	21
12	All	16,300	19,100	133	20	All	19,000	25,200	61
12	SE	16,400	19,800	59	21	All	21,900	25,400	41
12	Y&H	17,500	19,400	41	22	All	23,300	26,200	97
13	All	5.89	6.19	158	22	SE	23,200	26,600	34
13	EM	6.05	6.36	48	23	All	25,900	28,600	50
13	WM	5.87	5.87	24	24	All	14,600	17,500	324
13	Y&H	5.96	6.03	44	24	EE	15,100	17,400	27
14	All	5.47	5.52	247	24	EM	14,200	17,000	25
14	EM	5.33	5.47	81	24	L	20,100	22,700	72
14	SE	5.95	6.58	32	24	NW	13,500	14,900	29
14	Y&H	5.60	5.62	59	24	SE	14,600	17,500	62
15	All	11,600	11,900	280	24	Y&H	13,100	14,500	27
15	EM	11,300	11,600	49	25	All	21,900	27,400	95
15	L	15,000	15,500	24	25	Y&H	15,700	25,400	22
15	NE	11,300	11,600	29	26	All	24,700	26,700	32

PAY AND EARNINGS 2.4

Group	Region	Median Min	Median Max	Count	Group	Region	Median Min	Median Max	Count
27	All	27,400	29,900	31	40	SE	5.70	7.10	39
28	All	19,700	24,000	81	40	WM	5.59	6.39	22
28	L	25,500	29,000	21	40	Y&H	5.60	5.68	81
28	SE	20,400	24,700	21	41	All	17,900	21,000	108
29	All	17,900	21,700	89	41	L	22,000	25,500	37
30	All	24,700	28,200	210	42	All	21,000	24,700	375
30	L	28,300	33,200	30	42	EM	15,200	20,300	36
30	NE	23,400	28,200	29	42	L	25,800	28,300	75
30	NW	24,000	26,600	26	42	NE	19,700	23,300	41
30	SE	25,500	31,400	44	42	SE	18,100	24,700	72
30	Y&H	23,400	26,600	28	42	SW	19,200	23,700	22
31	All	14,000	15,700	242	42	WM	19,700	23,300	21
31	EM	13,600	14,900	33	42	Y&H	15,700	19,900	56
31	NE	13,100	14,500	27	43	All	21,900	27,400	409
31	SE	14,900	16,900	70	43	EE	22,600	30,000	51
31	WM	13,500	15,400	25	43	EM	20,300	27,000	26
31	Y&H	13,100	14,500	31	43	L	27,700	33,600	57
32	All	19,100	22,000	221	43	NE	21,300	25,400	33
32	L	22,600	24,300	86	43	NW	21,700	25,700	24
32	SE	16,900	19,100	51	43	SE	22,700	28,200	134
32	Y&H	17,400	20,100	36	43	SW	18,200	24,000	23
33	All	35,500	39,700	60	43	Y&H	15,200	25,700	42
34	All	24,700	28,900	81	44	All	17,200	18,100	43
34	L	28,900	32,000	31	45	All	25,700	29,400	112
36	All	15,500	19,100	261	45	L	33,100	34,400	26
36	EE	14,800	18,600	27	45	SE	25,200	29,000	27
36	EM	14,300	17,400	22	46	All	13,100	14,000	412
36	L	22,800	24,200	28	46	EE	13,400	14,000	32
36	NE	15,200	17,000	32	46	EM	12,300	13,700	41
36	NW	13,500	17,000	26	46	L	14,800	16,000	45
36	SE	16,600	20,500	69	46	NE	12,700	13,700	34
36	Y&H	14,400	17,200	34	46	NW	12,700	13,300	23
37	All	18,000	20,300	423	46	SE	13,700	14,800	94
37	EE	17,700	19,700	32	46	SW	12,400	13,700	26
37	L	23,800	26,200	50	46	W	13,100	13,700	25
37	SE	19,400	22,900	53	46	Y&H	11,400	13,300	57
37	Y&H	14,400	16,500	41	47	All	20,700	22,700	69
38	All	18,500	21,400	78	48	All	16,600	19,300	42
39	All	18,700	22,200	104	49	All	17,400	19,700	77
39	SE	16,400	20,800	26	49	Y&H	17,900	19,800	42
40	All	5.68	5.92	239	51	All	17,600	20,500	236
40	EM	5.74	5.76	25	51	L	24,100	25,400	67
40	NE	5.85	5.85	28	51	SE	17,800	21,100	46
40	NW	5.65	6.69	23	52	All	14,800	17,000	250

PAY AND EARNINGS 2.4

Group	Region	Median Min	Median Max	Count		Group	Region	Median Min	Median Max	Count
52	EM	13,600	14,700	24		53	L	32,000	38,100	29
52	L	17,000	18,900	44		53	SE	28,400	33,900	44
52	NE	13,800	14,900	24		53	Y&H	30,700	33,000	20
52	SE	15,700	17,200	60		56	All	19,800	23,300	105
52	WM	14,800	17,000	31		56	Y&H	19,700	21,000	21
52	Y&H	13,800	14,800	30		57	All	20,800	23,300	59
53	All	29,700	33,000	183						

Retail Price Index

The annual change in the Consumer prices index for July 2005 was 2.3%. The July 2005 all items headline RPI was 2.9% higher than in July 2004. The underlying index (excluding mortgage interest) increased to 2.4%. The annual change in the tax price index, which includes the effects of changes to direct taxation and National Insurance, was 2.8%. Over the same period RPIY, which measures inflation excluding the effect of indirect taxes as well as mortgage interest payments, remained at 2.5%.

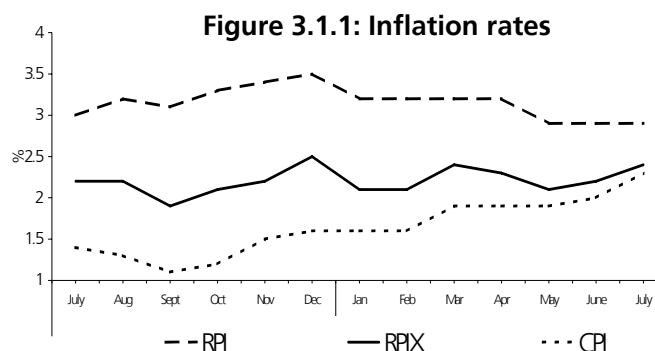


Table 3.1.1: CPI, RPI, RPIX and PPI

		Consumer Prices Index CPI		Retail Prices Index (headline-all items) RPI		Underlying Index (exc. mortgage interest payments) RPIX		Producer Prices Index (output) PPI	
		Index 1996 =100	Annual % change	Index Jan 1987= 100	Annual % change	Index Jan 1987= 100	Annual % change	Index 2000= 100	Annual % change
2004	Aug	111.3	1.3	187.4	3.2	184.3	2.2	104.2	2.8
	Sep	111.4	1.1	188.1	3.1	184.7	1.9	104.5	3.1
	Oct	111.7	1.2	188.6	3.3	185.1	2.1	105.2	3.5
	Nov	111.9	1.5	189.0	3.4	185.4	2.2	105.3	3.5
	Dec	112.5	1.6	189.9	3.5	186.4	2.5	104.9	2.9
2005	Jan	111.9	1.6	188.9	3.2	185.2	2.1	104.8	2.6
	Feb	112.2	1.6	189.6	3.2	185.9	2.1	105.1	2.7
	Mar	112.7	1.9	190.5	3.2	186.8	2.4	105.8	2.9
	Apr	113.1	1.9	191.6	3.2	187.8	2.3	106.5	3.3
	May	113.5	1.9	192.0	2.9	188.2	2.1	106.3	2.7
	Jun	113.5	2.0	192.2	2.9	188.3	2.2	106.2	2.5
	July	113.6	2.3	192.2	2.9	188.3	2.4	106.9	3.0

Ten independent forecasts of inflation for the third quarter of 2005 range between 2.5% and 3.0%, and have a mean of 2.7%.

Table 3.1.2: RPI forecasts

	2005 Qtr 3	2005 Qtr 4	2006 Qtr 1	2006 Qtr 2
Upper range	3.0%	2.7%	3.0%	2.9%
Mean	2.7%	2.4%	2.5%	2.4%
Lower range	2.5%	1.9%	1.8%	1.4%

Source: Industrial Relations Services

House Price Indices

Figure 3.2.1 Monthly and Annual house price inflation

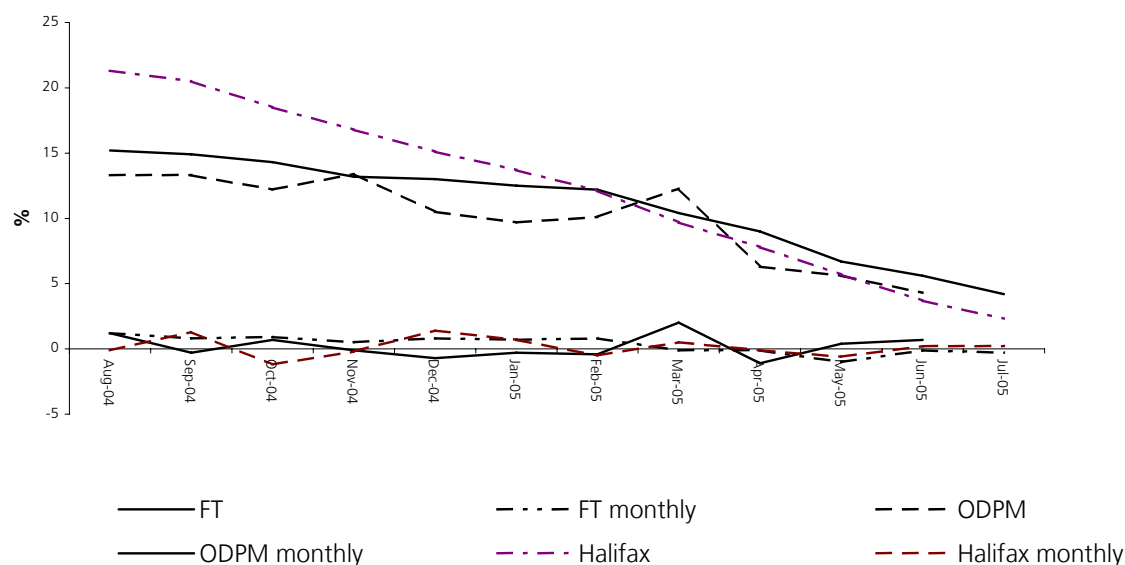


Table 3.2.1: Percentage change in house prices

Annual	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05
FT	15.2	14.9	14.3	13.2	13.0	12.5	12.2	10.4	9.0	6.7	5.6	4.2
ODPM	13.3	13.3	12.2	13.4	10.5	9.7	10.1	12.3	6.3	5.6	4.3	
Halifax	21.3	20.5	18.5	16.8	15.1	13.7	12.1	9.7	7.8	5.7	3.7	2.3
Monthly												
FT	1.2	0.8	0.9	0.5	0.8	0.7	0.8	-0.1	-0.1	-1.0	-0.1	-0.3
ODPM	1.2	-0.3	0.7	-0.1	-0.7	-0.3	-0.4	2.0	-1.1	0.4	0.7	
Halifax	-0.1	1.3	-1.2	-0.2	1.4	0.7	-0.5	0.5	-0.1	-0.6	0.2	0.2

How house price inflation is measured.

There are a number of indices which measure UK house price inflation. Each index provides a different perspective, at different times, of the huge and diverse housing market. Each helps to contribute, alongside the other indices, to an understanding of price movements in the market.

Halifax index – Views of what is happening in their segment of the mortgage market, at the **offer** stage, are seen through the Halifax House price Index. The Halifax index is based on some 14% of mortgages made nationally. The data is adjusted for seasonal variations and the mix of properties sold in any particular period.

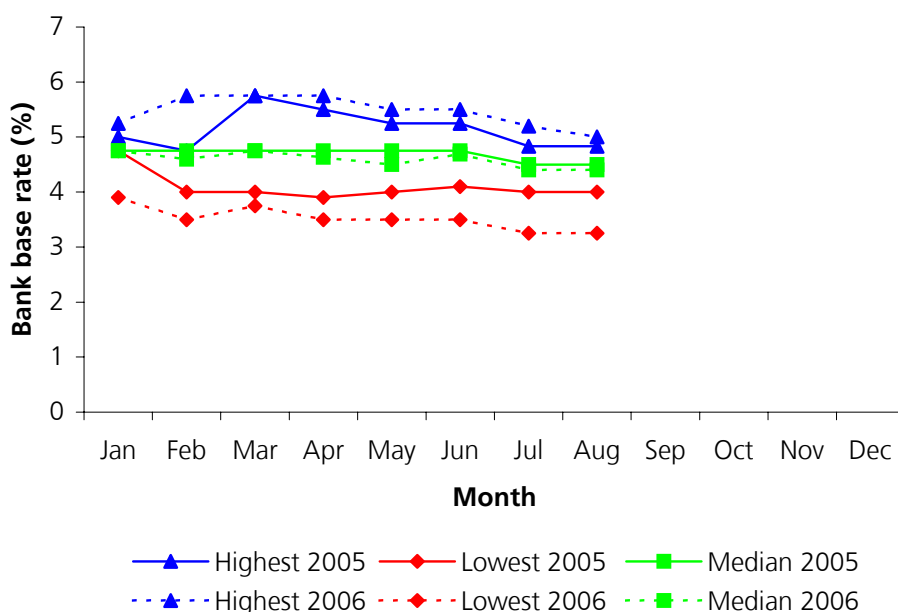
ODPM index – The ODPM provides a view of mortgage **completions**, using some 20% of mortgages. These figures are mix-adjusted but not seasonally adjusted.

FT index – The FT index is based on Land Registry data. Because the Land Registry publishes data per quarter the FT index uses forecasting and revises and updates its statistics with Land Registry results as they are released, normally around the end of the relevant quarter. By adopting this approach the FT index aims to aid significant timeliness to the Land Registry data.

Interest rate forecasts

The UK Interest rate or Bank base rate is one of the most important tools of monetary policy used to shape the direction of the economy. Under the Bank of England’s direct control since 1997, the level of the UK interest rate impacts upon all aspects of the economy, affecting the cost and movement of capital. The interest rate also has a direct impact on the level of pay settlements. The data below is taken from HM Treasury and shows changes to the forecast interest rate for the final quarters of 2005 and 2006 on a month-by-month basis.

Figure 3.3.1 Interest rate forecasts for 2005 Q4 & 2006 Q4



Since March 2005, the lowest and highest predictions for 2005 Q4 have been converging as it becomes clearer what the range of rates are likely to be. The range between lowest and highest for 2006 Q4 has stayed fairly constant since March 2005.

The forecasts are taken from the HM Treasury’s “Forecasts for the UK Economy” which can be found at http://www.hm-treasury.gov.uk/economic_data_and_tools/data_index.cfm. They are an analysis of 27 City-based forecasters and 12 independent forecasters and refer only to the final quarters of 2005 and 2006.

Unemployment

ILO unemployment

ILO unemployment over the April to June 2005 quarter stood at 1,385,000 or 4.7% of the economically active population in Great Britain, a decrease of 21,000 over the same quarter a year ago. Breaking the figures down by gender shows that ILO unemployment levels are higher for men (803,000 or 5.1%) than for women (583,000 or 4.3%). Total ILO unemployment figures are higher than claimant count figures, mainly due to higher estimates of female unemployment.

Table 4.1.1: ILO unemployment*

Great Britain (thousands) seasonally adjusted

	Total		Men		Women	
	No.	Rate ‡	No.	Rate ‡	No.	Rate ‡
Apr-Jun 2003	1,440	5.0	868	5.5	571	4.4
Apr-Jun 2004	1,406	4.8	819	5.2	587	4.4
Jul-Sep 2004	1,343	4.6	782	5.0	561	4.2
Oct-Dec 2004	1,377	4.7	804	5.1	573	4.3
Jan-Mar 2005	1,360	4.7	798	5.0	562	4.2
Apr-Jun 2005	1,385	4.7	803	5.1	583	4.3

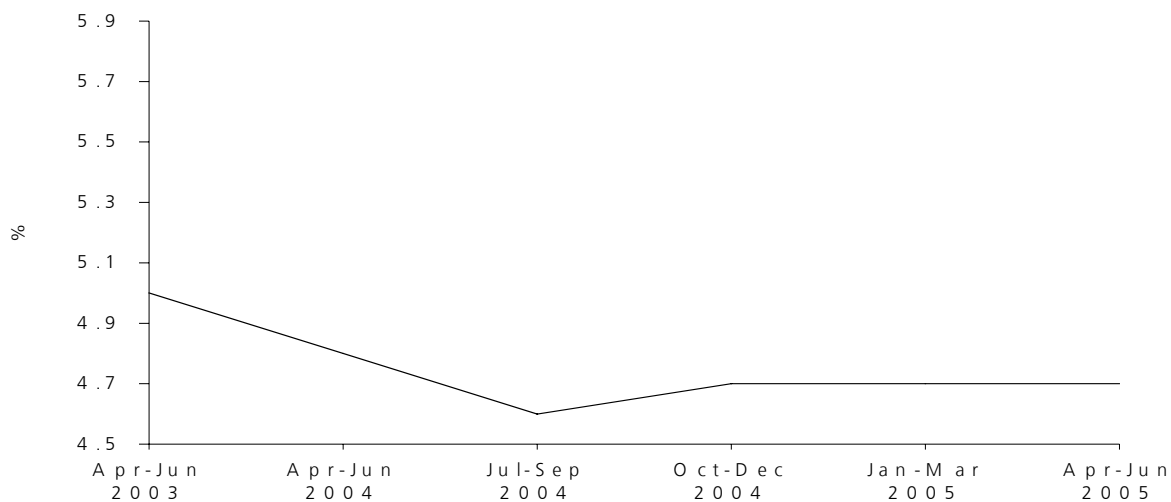
* ILO unemployment counts as unemployed all those without work, who is actively seeking work and is available for work. Levels and rates are those aged 16 and over.

‡ ILO unemployment rate is the number of ILO unemployed as a percentage of economically active people.

Source: Office for National Statistics

The graph below shows the ILO Unemployment rate of the economically active population in Great Britain has remained the same since the December to February 2005 quarter.

Figure 4.1.1: ILO unemployment rate



Claimant count unemployment

Claimant count unemployment increased by 2,000 over the month.

Table 4.1.2: Claimant count unemployment

Great Britain (thousands) seasonally adjusted

		Total		Men		Women	
		No.	Rate ‡	No.	Rate ‡	No.	Rate ‡
2004	July	806.0	2.7	601.7	3.7	204.3	1.5
	Aug	800.8	2.6	596.9	3.6	203.9	1.5
	Sep	804.3	2.7	598.9	3.7	205.4	1.5
	Oct	806.9	2.7	600.6	3.7	206.3	1.5
	Nov	803.5	2.7	596.4	3.6	207.1	1.5
	Dec	797.2	2.6	590.8	3.6	206.4	1.5
	Jan	784.3	2.6	580.2	3.5	204.1	1.5
2005	Feb	784.3	2.6	580.6	3.5	203.7	1.5
	Mar	799.6	2.6	592.9	3.6	206.7	1.5
	Apr	810.5	2.7	599.4	3.6	211.1	1.5
	May	826.3	2.7	614.0	3.7	212.3	1.5
	June	836.0	2.7	621.3	3.8	214.7	1.5
	July	838.0	2.8	622.2	3.8	215.8	1.6

‡ The rate is the number of claimant unemployed as a percentage of the total workforce. Source: Office for National Statistics

Regional unemployment

Claimant count rates range from 1.6% in the South West to 4.0% in the North East. ILO rates are lowest in the South West (3.2%) and highest in London (7.1%).

Table 4.1.3: Regional unemployment

(thousands) seasonally adjusted

	ILO unemployment April – June 2005		Claimant count, July 2005	
	No.	Rate	No.	Rate
North East	81	6.7	46.0	4.0
North West & Merseyside	146	4.4	101.9	2.9
Yorkshire & the Humber	117	4.7	76.1	3.0
East Midlands	94	4.3	54.6	2.6
West Midlands	120	4.6	96.9	3.6
East	110	3.9	58.7	2.1
London	268	7.1	161.9	3.5
South East	161	3.8	72.5	1.7
South West	82	3.2	43.0	1.6
Wales	64	4.7	41.6	3.1
Scotland	142	5.5	84.8	3.2
Great Britain	1,385	4.7	838.0	2.8

Source: Office for National Statistics

Employment

The number of people in employment in the United Kingdom, using the LFS definition, decreased by 16,000 between April to June 2005 compared with the previous quarter. During this period male employment decreased by 28,000 and female full time employment decreased by 50,000. Female part-time employment increased by 63,000. Looking at figures over the year from April to June 2005 shows that employment increased by 216,000. Male employment over the year increased by 93,000, and female full time employment increased by 189,000. Female part-time employment decreased by 65,000.

Table 4.2.1: LFS employment

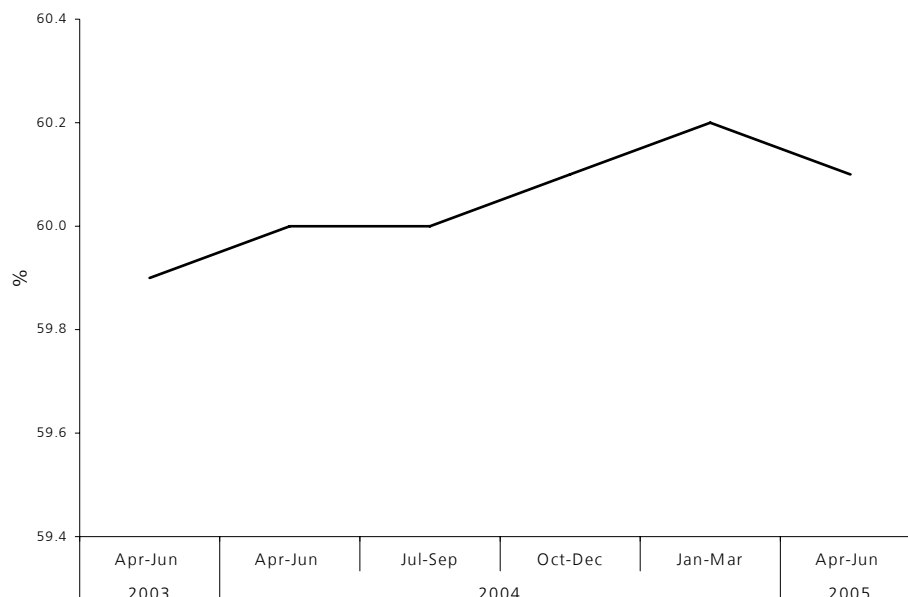
	United Kingdom (thousands) seasonally adjusted			
	Total	Men	Women	
			Full-time	Part-time
Apr-Jun 2003	28,177	15,281	7,215	5,681
Apr-Jun 2004	28,376	15,332	7,307	5,737
Jul-Sep 2004	28,431	15,372	7,341	5,718
Oct-Dec 2004	28,521	15,417	7,430	5,675
Jan-Mar 2004	28,608	15,453	7,546	5,609
Apr-Jun 2005	28,592	15,425	7,496	5,672

* The LFS definition of employment covers those who did any paid work (even as little as one hour) in the week prior to the survey interview, and those who have a job, which they are temporarily away from.

Source: Office for National Statistics

As the graph below shows the LFS employment rate has fallen to 60% of all economically active people aged 16 and over.

Figure 4.2.1: LFS employment rate



Local Government Datafile

Profiles of local government workforce and the wider economy, Spring 2005		
(percentage distributions)		
	Local Government (%)	Whole Economy (%)
Age		
16-24	7	15
25-39	30	36
40-49	32	25
50 plus	32	25
Gender		
Male	29	51
Female	71	49
Ethnicity		
White	93.4	91.9
Mixed	0.6	0.7
Asian	2.8	3.6
Black	2.3	2.1
Chinese	0.2	0.4
Other	0.7	1.2
Job type		
Permanent	91	94
Temporary	9	6
Type of temporary work		
Seasonal	0.1	0.2
Fixed contract/task	5.7	2.5
Agency	0.8	1.1
Casual	0.9	1.0
Other	1.2	0.6
Job-related training		
Any in 3 months	39	30
Any in 4 weeks	20	16
Long-term health problem		
Yes	25	22
No	75	78
Source: Labour Force Survey, March – May 2005		
Note: Figures are for England and Wales only		
<i>Whole economy figures are for employees only</i>		
<i>Local government figures exclude teachers, firefighters and police, but will include some elements beyond the LGS group, for example chief officers and craft workers</i>		
<i>Since this is a sample survey percentages are rounded to the nearest whole number.</i>		
<i>For ethnicity and types of temporary work first decimal place is given to provide more detail, but care should be taken in interpreting small differences.</i>		
<i>As percentages are rounded they do not necessarily add to 100.</i>		

Employee Jobs in Local Government, June 2004

The tables that follow show the provisional key results of the Employers Organisation's Local Government Employment Survey (LGES) for June 2004.

A full report on the LGES 2004 was published in the November 2004 Digest.

We must emphasise that the estimates of change (Tables 5.2.5 and 5.2.6) should be handled with caution. We have made considerable efforts, with the help of authorities, to check figures for 2003 as well as 2004. In constructing an estimate of change we have had to reach judgements on whether to include or exclude figures for particular authorities. Some data had to be excluded, usually where an authority reported substantial change in numbers for a particular

service but was unable to explain why this has occurred, or said that the 2003 figures were wrong but could not provide correct figures. The change figures for the remaining authorities were then grossed up (separately for each type of authority) to provide estimates relating to all authorities.

Each figure presented in tables 5.2.5 and 5.2.6 are rounded to the nearest thousand to reflect their approximate nature. Please note that numbers may not add precisely to column and row totals because of rounding.

Table 5.2.1: Employee jobs in local government as at June 2004 by local authority type

	Male		Female		Total
	Full-time	Part-time	Full-time	Part-time	
Counties	107015	46251	213319	416031	782616
Metropolitan districts	119372	28706	173779	224019	545876
English unitaries	73800	26673	113756	180677	394905
London boroughs	58759	13439	91458	89338	252994
Welsh unitaries	35600	11696	49504	67274	164074
Shire districts	57880	11090	40990	33823	143783
Total	452425	137855	682805	1011162	2284248

Table 5.2.2: Employee jobs in local government as at June 2004 by region

	Male		Female		Total
	Full-time	Part-time	Full-time	Part-time	
South East	50254	17268	89638	141744	298904
North West	64187	18165	97702	130854	310908
Yorkshire and the Humberside	52727	13703	69039	119998	255467
London	58759	13439	91458	89338	252994
West Midlands	45996	15756	77249	116113	255115
South West	38559	14385	55766	101193	209905
East Midlands	37270	12999	53868	92788	196926
North East	33772	7662	41806	51740	134980
East	35302	12781	56774	100119	204975
England	416825	126159	633301	943888	2120174
Wales	35600	11696	49504	67274	164074
Total	452425	137855	682805	1011162	2284248

Table 5.2.3: Employee jobs in local government In England as at June 2004 by function

	Male		Female		Total
	Full-time	Part-time	Full-time	Part-time	
Education – teachers	105340	23066	249168	138355	515930
Education – other employees	46921	47541	123137	509016	726615
Services direct to the public	165106	34283	86792	126791	412971
Social services	37547	13103	106495	130862	288006
Corporate functions	61911	8166	67709	38865	176652
Total	416825	126159	633301	943888	2120174

Table 5.2.4: Employee jobs in local government in Wales as at June 2004 by function

	Male		Female		Total
	Full-time	Part-time	Full-time	Part-time	
Education – teachers	8085	2364	17414	9450	37313
Education – other employees	3078	3074	10910	30548	47611
Services direct to the public	17014	4507	7074	10949	39543
Social services	2990	1380	9260	14094	27724
Corporate functions	4433	371	4846	2234	11884
Total	35600	11696	49504	67274	164074

Table 5.2.5: Change in numbers employed by authority type, June 2003 – June 2004

	Male		Female		Total
	Full-time	Part-time	Full-time	Part-time	
Counties	1000	1000	5000	11000	18000
Met districts	0	0	2000	0	2000
English unitaries	-1000	0	3000	2000	5000
London boroughs	0	-1000	1000	-12000	-13000
Welsh unitaries	0	1000	0	0	0
Shire districts	0	0	0	-1000	-1000
Total	-1000	1000	11000	0	12000

Table 5.2.6: Change in numbers employed by function, June 2003 – 2004

	Male		Female		Total
	Full-time	Part-time	Full-time	Part-time	
Education – teachers	-2000	0	0	4000	2000
Education – other employees	2000	1000	8000	7000	19000
Services direct to the public	-4000	-1000	-2000	-7000	-14000
Social services	0	0	3000	-4000	0
Corporate functions	3000	0	3000	0	6000

Aggregate figures for each authority type broken down by function are available on the EO website at www.lg-employers.gov.uk. Total figures broken down by gender and full-time/part-time status for each authority on a named basis will be sent to all local authorities' Heads of Personnel, and are available to others on request. Authorities can also request employment figures by function for other authorities of the same type or within the same region.

For further information please contact Roopal Shah (020-7296-6510, roopal.shah@lg-employers.gov.uk).

Current Position of Negotiating Groups at 30/8/05

This summary of the pay negotiations across local government is provided for brief, background information only. On no account should it be used as authorisation of any changes in pay and conditions. The dates of the "next meetings" refer to known, planned meetings of the employers and/or both sides of a negotiating body. There is no implication that the meetings listed are necessarily discussing annual pay increases. Advice and detailed information to non-local authority bodies may be provided on a separate subscription. Please note that the contact names are for the use of local authorities only.

Local Government Negotiating Groups	Effective Date
<p>Local Government Services (E&W) (Former APT&C and Manual employees) Contact: Harry Honnor Tel: 020 7296 6826 E-mail: harry.honnor@lg-employers.gov.uk Settlement: An equal increase on all spinal column points to cover the period to April 2007: 1 Apr 04 – 2.75%; 1 Apr 05 – 2.95%; 1 Apr 06 – 2.95% or the rate of RPI increase for October 2005, whichever is the higher. The pay settlement is at the upper limit of what councils could afford to pay but is attached to a six point reform plan. This includes completion of local pay reviews in all authorities by 31st March 2007. For further details go to: http://www.lg-employers.gov.uk/press/2004_news/lgc_14_07.html</p>	1/04/04
<p>Chief Executives (E&W) Contact: Debbie Carvalho Tel: 020 7296 6762 E-mail: debbie.carvalho@lg-employers.gov.uk Settlement: An increase on all spinal column points to cover the period to April 2007: 1 Apr 04 – 2.75%; 1 Apr 05 – 2.95%; 1 Apr 06 – 2.95% or the rate of RPI increase for October 2005, whichever is the higher. The pay settlement is at the upper limit of what councils could afford to pay. Other issues outstanding from the settlement currently being discussed by the Joint Secretaries are</p> <ul style="list-style-type: none"> ▪ models for the local determination of pay within the national framework, including consideration of minimum pay levels ▪ the development and use of a wider salary database ▪ revisions to the national model procedures for disciplinary and capability action 	1/04/04
<p>Chief Officers (E&W) Contact: Debbie Carvalho Tel: 020 7296 6762 E-mail: debbie.carvalho@lg-employers.gov.uk Settlement: An increase on all spinal column points to cover the period to April 2007: 1 Apr 04 – 2.75%; 1 Apr 05 – 2.95%; 1 Apr 06 – 2.95% or the rate of RPI increase for October 2005, whichever is the higher. The pay settlement is at the upper limit of what councils could afford to pay. Other issues outstanding from the settlement currently being discussed by the Joint Secretaries are: Study into the impact of changed political processes/working time and stress. Following the completion of this study the Joint Secretaries are</p>	1/04/04

Chief Officers (E&W) – cont’d

currently discussing the formulation of joint advice

Local Authority Craft and Associated Employees (E&W)

Employees: 41,000 Contact: Harry Honnor
 Tel: 020 7296 6826 E-mail: harry.honnor@lg-employers.gov.uk

Employers Revised Offer: Agreement has now been reached on a three-year pay increase in the following three stages covering the period to 31 March 2007:

- 1 April 2004 – 2.75%
 - 1 April 2005 – 2.95%
 - 1 April 2006 – 2.95%* (or RPI at October 2005, whichever is the greater)
- *Given that the rates of pay and allowances applicable from 1 April 2006 may be subject to the RPI figure at October 2005, those rates will be published nearer that time. Agreement has now been reached on a three-year pay increase for tools allowances, together with the maximum liability for insurance purposes, in the following three stages covering the period to 31 March 2007:
- 1 April 2004 – 100% (based on Tools Allowances & Insurance rates at 31 March 2004)
 - 1 April 2005 – a further 33% (also based on Tools Allowances & Insurance rates at 31 March 2004)
 - 1 April 2006 – 2.95% (or RPI at October 2005, whichever is the greater) (based on Tools Allowances & Insurance rates at 31 March 2006)

Education

Primary and Secondary Teachers (E&W)

Contact: Andy Inett 1/4/04
to
31/8/06
 Tel: 020 7296 6725 E-mail: andy.inett@lg-employers.gov.uk
 Settlement: an increase of 2.5% from 1 April 2004, 2.5% from 1 April 2005 and a further 0.75% from 1 September to 31 August 2006 in the values of: the main pay scale and upper pay scale for qualified teachers; the pay spine for leadership groups; the pay spine for Advanced Skills Teachers; and the pay scale for unqualified teachers.

Teachers in Residential Establishments (E&W)

Contact: Andy Inett 01/4/04
to
31/8/06
 Tel: 020 7296 6725 E-mail: andy.inett@lg-employers.gov.uk
 Settlement: The JNC agreed that the Main and Upper Pay Scales for qualified teachers in residential social services establishments should be subject to a general increase of 2.5% from 1 April 2004, 2.5% from 1 April 2005, and a further 0.75% from 1 September 2005 to 31 August 2006.

All allowances applicable to teachers in social services establishments and Heads, deputies and Assistant heads in residential special schools were increased by the same percentage amounts as were the salaries.

Youth & Community Workers (E&W)

Employees estimated at between 30,000-35,000

Youth & Community Workers (E&W) – cont’d

Contact: James Mensah

Tel: 020 7296 6727 E-mail: james.mensah@lg-employers.gov.uk

Settlement. 2 year settlement: 1st year – 2.75% from 1st September 2004 to 31st August 2005. 2nd year – 2.95% from 1st September 2005 to 31st August 2006.

There has also been an agreement to:

Set up a JNC Advanced Practitioner Grade (Apg) Working Group to develop proposals for an APG for JNC Youth and Community Workers, work towards an implementation deadline of 1 September 2005.

Soulbury Committee (E&W)

Advisors / Psychologists / Youth Service

1/9/04

Employees: 7.277 as at April 1st 2004 Contact: Andy Inett

Tel: 020 7296 6725 E-mail: andy.inett@lg-employers.gov.uk

Settlement: 3 year settlement:

1st year- a 2.75% increase on all salary points from 1 September 2004; rising to 2.95% from 1 April 2005 (based on 31 August 2004 figures)

2nd year- a 2.95% increase on all salary points from 1 September 2005

3rd year- a 2.95% increase on all salary points from 1 September 2006 or the RPI rate for April 2006 if higher.

Police and Fire

Firefighters (UK)

1/7/05

Contact: Gill Gittins

Tel: 020 7296 6723 E-mail: gill.gittins@lg-employers.gov.uk

Firefighters: 56,547 including 17,882 Retained firefighters

Settlement: 3.4% with effect from 1st July 2005.

Chief Fire Officers (UK)

1/1/03

Contact: Gill Gittins

Tel: 020 7296 6723 E-mail: gill.gittins@lg-employers.gov.uk

Settlement: Annual settlement date is 1st January. Negotiations incorporating a review of the terms and conditions of employment of principal fire officers are currently taking place.

Police

Police Federated Ranks (UK)

1/9/04

Employees: 148,000 Federated Rank Officers. Contact: Graham Baird

Tel: 020 7296 6722 E-mail: graham.baird@lg-employers.gov.uk

Settlement: Police Negotiating Board agreed a 3% uplift from 1st Sept 04.

Police Staff (E&W)

1/9/04

Employees: 66,000 Contact: Graham Baird

Tel: 020 7296 6722 E-mail: graham.baird@lg-employers.gov.uk

Settlement: The Police Staff Council (Eng & Wales) have agreed to increase pay and standby allowance by 3% with effect from 1st Sept 04.

Recent & Forthcoming Publications

- **Are you getting the most from the EO?** The EO offers a wide range of services to local authorities in all areas related to people-led improvement. We can offer you everything from free telephone advice to improvement tool kits, and consultancy work. To find out exactly how we can help your authority, please go to: http://www.lg-employers.gov.uk/about/order_booklet.html to order a copy of our new Corporate guide.
- **Corporate Social Responsibility (CSR)** – CSR is a well used ‘buzz-word’. Yet some firms deliver more of their promises than others. (People Management 11th August 2005, page 38. ISSN 1358 6297. Call CIPD 020 8971 9000 or www.peoplemanagement.co.uk)
- **Efficient HR-** The purpose of an HR Department can become confused with other facets of a business. However it is possible to maximise performance. (People Management 11th August 2005, page 44. ISSN 1358 6297. Call CIPD 020 8971 9000 or www.peoplemanagement.co.uk)
- **Learning from Appraisals** – A detailed look at the processes and evaluation methods used by UK organisations, and the issues that arise. (IRS Employment Review 829 ISSN 1358-2216, available on subscription from Industrial Relations Services Ltd., tel. 020 8662 2000, website: www.irsemploymentreview.com/).
- **Survey-** The Government is determined to improve productivity, how it is measured and managed. (IRS Employment Review 829 ISSN 1358-2216, available on subscription from Industrial Relations Services Ltd., tel. 020 8662 2000, website: www.irsemploymentreview.com/).
- **Labour Market Trends August 2005** - features this month include:
 - The new experimental measure of Average Weekly Earnings.
 - The new experimental index of Labour Costs per Hour.

(Subscription enquiries for Labour Market Trends to: Subscriptions Department, The Stationery Office Publications Centre, PO BOX 276, London SW8 5DT, 020 7873 8499).

Research & Intelligence Publications

Councillors Surveys:

Exit Survey of Local authority councillors in England 2003
 Survey of newly elected Local authority councillors in England 2003
 Third National census of Local authority councillors in England 2004
 Link to all 3: <http://www.lg-employers.gov.uk/diversity/councillors/index.html>

Recruitment and Retention

Teacher Resignation and Recruitment Report No. 33, Main Report 2002
<http://www.lg-employers.gov.uk/documents/publications/r&i/trr02.doc>
 Local Government Recruitment and Retention Survey 2004
<http://www.lg-employers.gov.uk/publications/fullpublications/randr.html>

Sickness Absence Surveys

Local Government Sickness Absence Levels 2003/2004
<http://www.lg-employers.gov.uk/publications/fullpublications/lgsa2000.html>
 Local Government Sickness Absence Management Survey 2003
<http://www.lg-employers.gov.uk/publications/fullpublications/lgsas.html>
 Report on Sickness Absence Levels and Management 2004
<http://www.lg-employers.gov.uk/health/manage/index.html>
 Social Services Sickness Absence Survey 2001-2
<http://www.lg-employers.gov.uk/publications/fullpublications/ssa.html>
 Sickness Absence Case Studies Report
http://www.lg-employers.gov.uk/publications/fullpublications/sickness_cases.html

Social Care:

Social Care Workforce Survey Report No. 35, Main Report 2004: http://www.lg-employers.gov.uk/recruit/workforce_surveys/shcwg/reports_surveys.html#social_care

Other Surveys:

Care sector NVQ Take-up Survey 2003
http://www.lg-employers.gov.uk/recruit/workforce_surveys/shcwg/doing.html
 Quarterly Monitoring of Care Sector NVQs/SVQs -April - June 2005 http://www.lg-employers.gov.uk/recruit/workforce_surveys/shcwg/reports_surveys.html
 People Skills Scoreboard Survey 2004 <http://www.lg-employers.gov.uk/skills/people/pss.html>
 Survey of Apprenticeship Take-up in Local Authorities 2004
<http://www.lg-employers.gov.uk/recruit/mas/>
 Local Government Employment Survey (Figures by Function) 2004
<http://www.lg-employers.gov.uk/conditions/surveys/index.html>
 Single Status/Local Pay Reviews survey Autumn 2004
<http://www.lg-employers.gov.uk/conditions/lgs/index.html>
 Survey of People Management in Local Government 2005 http://www.lg-employers.gov.uk/publications/fullpublications/people_man_survey.html

For details of the publications please go the listed web addresses or contact Roopal Shah, telephone 020-7296-6510 or visit our website at www.lg-employers.gov.uk

Index By Subject (August 2004-July 2005)

Subject	Month	Page
Sickness Absence		
Absence policies and absence levels: is there a correlation?	August 04	13-16
Managing Sickness Absence in the public sector	December 04	7-8
Sickness absence levels and causes survey 2003/2004	December 04	13-15
Sickness Absence in Shire Districts- data from the BVPI	January 05	11-13
Causes of sickness absence amongst larger authorities in England and Wales	February 05	11-14
Local Government Pay and Workforce		
JNC Survey of Chief Executives and Chief Officers	October 04	10-11
Local Government Employment Survey 2004	November 04	10-11
Market Pay Survey - Extract 4	November 04	16
Single Status progress and pay levels from the IDS local Government pay benchmarking survey and EO surveys	February 05	8-10
Survey of Apprenticeship Take-up in Local Authorities 2004	March 05	8-11
Survey of People Management in local government 2005	March 05	12-16
Recent surveys from the Employers' Organisation	April 05	12-13
IDS Pay in the Public Services 2005	April 05	17-19
NMW – some implications for local government	May 05	8-10
Single Status Pay Survey 2004	July 05	11-14
Implications of the 2005 election on local government	May 05	11-13
National census of local authority councillors 2004	June 05	8-11
External Economy Pay		
National Management Salary Survey 2004	October 04	12-14
Pay and Conditions in Call Centres 2004 - IDS	November 04	7-9
Regional economic indicators – recent data from the ONS	May 05	14-15
Training		
Summary of key data from the 2003 survey of care sector NVQ centres in England, Wales and Northern Ireland	August 04	6-9
Skills base in the planning system – Executive Summary	December 04	9-12
People Skills Scoreboard 2004	February 05	15-18
Other Labour Market Issues		
Summary of teacher resignation and recruitment 2003	August 04	10-12
Findings from the Workforce Employment Relations Survey 2004	July 05	8-10
Graduate Employment Market	July 05	15-17
Internet Recruitment: benefits and approaches	September 04	6-9
The challenge of succession planning in Local Government	September 04	10-13
Recruitment and Retention Survey 2004	October 04	6-9
Clerical operative report 2005	January 05	8-10
Hours and Holiday 2005	March 05	17-20
Budget 2005: Labour market implications	March 05	22-24
Social Trends 35 – A Summary	April 05	8-11
Women and Work Commission's interim statement	June 05	12-14

The Employers' Organisation is an agency of the Local Government Association (LGA). We are the representative voice of local authority employers and help councils to maximise the capacity and performance of their employees and improve services. We provide strategic direction, advice, intelligence and support on all pay and workforce issues such as: pay and conditions, skills development, diversity, pensions and employment law. The Research & Intelligence unit focuses specifically on:

- surveys and research on a range of employment issues to inform the national pay and conditions negotiations and also to meet the information requirements of the Local Government Association, Government Departments and other commissioning organisations.

For further information, please contact:

**The Employers' Organisation,
Layden House,
76-86 Turnmill Street,
London EC1M 5LG.**

**Telephone 020 7296 6600
Fax 020 7296 6660
www.lg-employers.gov.uk**

Enquiries to R&I:

Executive Editor

Nick Shasha

Tel: 020 7296 6765

nick.shasha@lg-employers.gov.uk

Editor

Roopal Shah

Tel: 020 7296 6510

roopal.shah@lg-employers.gov.uk

**Number 341
August 2005-
ISSN 0957-512X**