



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

## **NJC PAY CLAIM 2024-25**

**This NJC pay claim for 2024-25 is made by the Joint Trade Union Side (UNISON, GMB and UNITE) to the Local Government Association.**

**Our claim is for:**

- An increase of at least £3,000 or 10% (whichever is greater) on all spinal column points

**In addition:**

- Reviews of the gender, ethnicity and disability pay gaps in local government
- A 2-hour reduction in the working week with no detriment
- An additional day of annual leave for personal or well-being purposes (with term time only staff also receiving a full day rather than a pro rata amount, that they can use at any time, including term time)
- A phased approach to reaching a minimum pay rate of £15 an hour in a maximum of two years, sooner if possible

29 FEB 2024

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## **KEY POINTS IN OUR CLAIM**

### **COST OF LIVING CRISIS**

- The cost of living crisis is pushing our members into more debt
- Their basic spending is overtaking their income each month
- The TUC has warned of a “debt time bomb” for households in 2024
- 1 in 5 households have less than £100 spare each month
- Over 2023, household costs rose faster than NJC pay increases

### **ECONOMIC BACKGROUND**

- NJC staff have lost (on average) 25% from the value of their pay since 2010
- The cost of living has risen by 59.4% since 2010 while NJC pay has risen by 27%
- For 10 of the last 14 years, NJC pay awards have fallen below average pay awards
- The cost of meeting this pay claim is £2,169m
- The net cost would be £1,227m - after deductions for taxes and benefit spend
- In total, just over half (51%) the cost of this pay claim would be recouped by government

### **COMPARING NJC PAY**

- Local government will be unable to attract and retain staff if pay continues to fall
- Pay in local government is still among the lowest in the public sector
- NJC SCP 2, 3 and 4 all now fall below the £12 UK Foundation Living Wage rate
- Our claim would lift NJC SCP 2 to £13.15 per hour – passing the Foundation rate
- From April, the legal minimum wage will climb to £11.44 per hour (15p behind NJC SCP 2)
- NJC pay has fallen back into bargain basement territory

### **ACHIEVING A £15 PER HOUR MINIMUM RATE**

- Many organisations are calling for a minimum wage of £15 per hour
- For members on low incomes, this would provide a desperately needed boost to incomes
- There are currently 16 NJC spinal column points that fall below £15 an hour
- The TU Side is recommending local government adopts a phased approach to £15p/h
- NJC pay could reach £15 an hour by April 2026, via three annual increases of 10%
- More than other measure, this would undo the damage done by the cost of living crisis

### **RECRUITMENT AND RETENTION CRISIS**

- More than 9 in 10 councils are experiencing staff recruitment and retention problems
- Nearly half of all councils now have vacant HGV driver posts
- Nationally the unemployment rate is at the lowest level for almost 50 years
- Low local government pay and low unemployment mean that local authorities will continue to struggle to recruit

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

- Reviews of the gender, ethnicity and disability pay gaps in local government are needed
- A 2 hour reduction to the working week and an additional day of annual leave will support staff in their work-life balance and wellbeing

### **EQUALITY IMPACT**

- Low pay in local government disproportionately affects those with protected characteristics
- A gender pay gap exists in local government
- This may extend to other equalities areas (including ethnicity and disability)

## **2. CONTEXT OF OUR CLAIM**

Since 2010, NJC staff have lost (on average) 25% from the value of their pay. Over the same period, the cost of living has risen by nearly 60%. This situation is being made even worse by the ongoing cost of living crisis - which is pushing our local government members into more and more debt. Our members are now seeing their basic spending overtake their income, with 1 in 5 households having less than £100 to spare each month.

For a workforce that delivers key, frontline services to communities (often supporting some of the poorest and most vulnerable in society), the idea that those staff are being pushed into poverty themselves is unacceptable.

Our headline claim is for an increase of at least £3,000 or 10% (whichever is greater) on all spinal column points (with the £3,000 figure adjusted for London as usual).

Low pay doesn't just harm staff - it is also a key factor in more than 9 in 10 councils experiencing staff recruitment and retention problems. Low pay and low unemployment mean that local authorities will continue to struggle to recruit as they will be unable to compete in the wider labour market.

Pay in local government remains among the lowest in the public sector – with NJC SCPs 2, 3 and 4 all now falling below the £12 UK Foundation Living Wage rate. From April, the legal minimum wage will climb to £11.44 per hour – just 15p behind NJC SCP 2. NJC pay cannot continue playing cat and mouse with the legal minimum wage. It's time for local government employers to finally create some much-needed headroom between NJC pay and bargain basement, minimum wage pay.

One way to achieve that headroom would be to introduce a minimum rate of £15 per hour – something being called for by the Trades Union Congress - along with charities and organisations concerned with low pay. There are currently 16 NJC spinal column points that fall below £15 an hour. The Trade Union (TU) Side is recommending local government adopts a phased approach to reach £15 an hour in a maximum of two years, sooner if possible.

In addition to our headline claim the TU Side is also calling on the employer to review the gender, ethnicity and disability pay gaps in local government - and to work with us to resolve any issues this reveals. We are also asking for a reduction to the working week along with an additional day of annual leave for personal or well-being purposes (with term time only staff also receiving a full day rather than a pro rata amount, that they can use at any time, including term time). The Trade Union side reiterates its call for joint work on a new contract model for term time only workers, bringing in 52 week contracts and pay for those that want them.

The TU Side knows that this pay claim is affordable. In total, over half the cost of this pay claim would be recouped by government. We call on the employers to join us in successfully making the case to government for more central government funding to support better services and to fully fund any pay award.

The TU Side believes our headline claim for an increase of at least £3,000 or 10% (whichever is greater) on all spinal column points is fair and appropriate - and we expect the LGA to enter into meaningful negotiations with us on our claim. We are concerned that it is some years since proper pay talks have taken place. Meaningful negotiations would enable both sides to exchange views and

seek to reach an agreement if at all possible. This would also be in line with Labour Relations (Public Service) Convention, 1978 (No.15), which promotes collective bargaining for public employees, as well as other methods allowing public employees’ representatives to participate in the determination of their conditions of employment.

### 3. COST OF LIVING CRISIS

#### 3.1 Household debt

As the cost of living crisis continues, many of our members are seeing their basic spending overtake their income each month. Many are building up debt just to get by, with no way of repaying what they already owe. The Trades Union Congress (TUC) has warned of a “debt time bomb” as households are set to face a £1,400 rise in credit card and loan debt in 2024. This is an increase of 11% on 2023.<sup>1</sup>

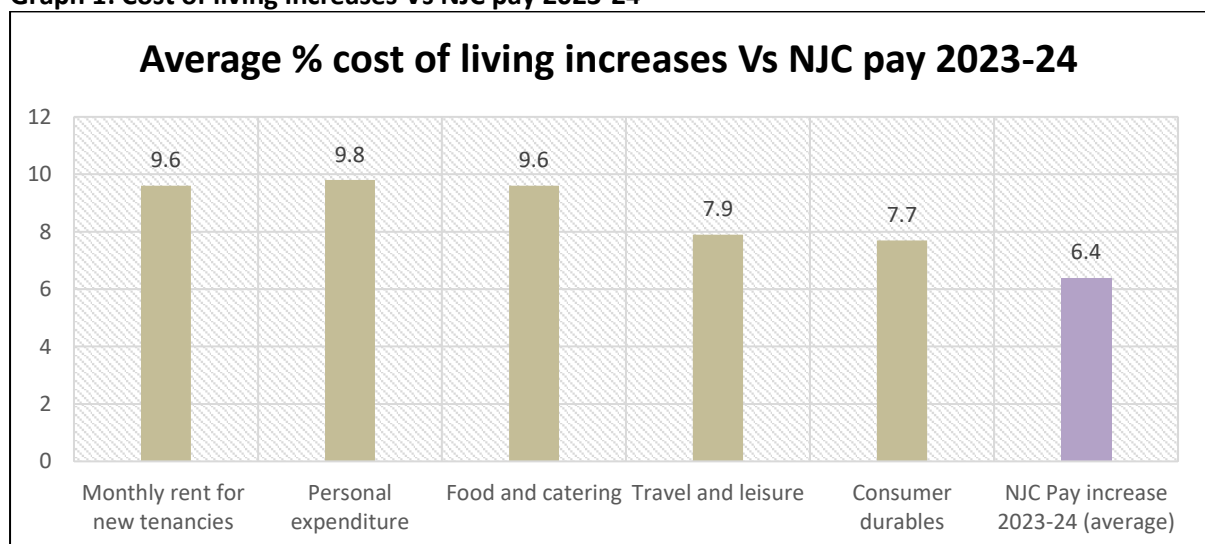
The TUC analysis found that over the course of the next parliament, unsecured debt is set to rocket by £6,000 on average per family. That includes debt from credit cards, loans and purchase hire agreements, while excluding mortgages and student loans.

More than one in five households (22%) have less than £100 spare each month, according to research by the building society Nationwide<sup>2</sup>. The average amount left after paying bills has also dropped from £328 in 2021 to £295 in 2022 and £237 at the end of 2023. This is clearly an unsustainable problem and one that employers must address urgently, via inflation-busting pay increases.

#### 3.2 Cost of living rises Vs NJC pay in 2023

Over 2023, household costs continued to outstrip NJC pay increases, with rents, personal expenditure, food, travel, leisure and consumer durables all rising faster than NJC pay, which increased by an average of 6.4% over the same period - as demonstrated in the graph below:

**Graph 1: Cost of living increases Vs NJC pay 2023-24**



<sup>1</sup> TUC analysis, Jan 2024

<sup>2</sup> Nationwide Building Society research, Jan 2024

## 4. ECONOMIC BACKGROUND

### 4.1 Value of NJC pay

When measured against the overall rise in inflation since 2009/10, NJC staff are losing out. On average, staff have lost 25% from the value of their pay since 2010 (see appendix 1).

When analysed by job role, even those on lower incomes (who have seen the benefit of bottom loading in some pay awards), are worse off than they were in 2009/10.

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

Occupation	Old Spine Point	2009/10	2022/23	New Spine Point	Real change (%)
Cleaner	6	£12,489	£20,258	1	-7.4
Customer Services Officer	11	£14,733	£20,812	3	-14.3
Refuse And Recycling Collector	13	£15,444	£21,189	4	-19.5
Library Assistant	16	£16,440	£21,968	6	-23.7
Teaching Assistant (Level 2)	17	£16,830	£21,968	6	-23.7
Crematorium Officer	18	£17,161	£22,396	7	-25.5
Qualified Residential Care Worker	21	£19,126	£24,054	11	-28.2
HLTA	28	£23,708	£29,439	22	-29.1
Librarian	31	£26,276	£32,020	25	-30.4
Environmental Health Officer	34	£28,636	£34,723	28	-30.8
Access to Housing Officer	38	£31,754	£38,296	32	-31.1
Social Worker	36	£30,011	£36,298	30	-30.9
Accountant	41	£34,549	£41,496	35	-31.4
Children's Residential Manager	46	£38,961	£46,549	40	-31.8

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

### 4.2 Falling value in NJC Pay

While a wage keeping pace with the cost of living each year would have risen by 59.4% since 2010, NJC pay has risen by just 27% which means that thousands of pounds have been cut out of the value of staff wages.

The table below demonstrates the major fall in living standards suffered by staff over recent years.

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

Year	NJC pay increases	Rise in cost of living <sup>3</sup> (as measured by Retail Prices Index)
2010	0%	4.6%
2011	0%	5.2%
2012	0%	3.2%
2013	1%	3.0%
2014	2.2%*	2.4%

<sup>3</sup> Office for National Statistics, Consumer Price Inflation Reference Tables, January 2022

<b>2015</b>		1.0%
<b>2016</b>	1%*	1.8%
<b>2017</b>	1%*	3.6%
<b>2018</b>	2%*	3.3%
<b>2019</b>	2%*	2.6%
<b>2020</b>	2.75%	1.5%
<b>2021</b>	1.75%	4.1%
<b>2022</b>	7% (average)	11.6%
<b>2023</b>	6.4% (average)	

\* Average across all SCPs

The increasing cost of commodities over the last year (to Oct 2023) shows that the latest NJC pay award (which averaged 6.4%) is falling behind consumer costs in nearly all areas – as show in the table below:

**Table 3: Price changes to RPI commodities over the year to Oct 2023**

Item	Average % increase to October 2023
Alcohol and tobacco	10.4
Personal expenditure	9.8
Food and catering	9.6
Travel and leisure	7.9
Consumer durables	7.7
Housing and household expenditure	2.7
All goods	6.4
All services	4.1
All items	6.1

Source: Office for National Statistics, Consumer Price Inflation Reference Tables, October 2023

Among household costs, some are rising significantly faster, with mortgage interest payments leading the way in jumping by 53.4% over the past year. The Resolution Foundation estimates that annual repayments for those re-mortgaging in 2024 are set to rise by £2,900 on average<sup>4</sup>.

The price of housing remains one of the biggest issues facing employees and their families and though the rate of increase in house prices has slowed, private rental prices have seen average monthly rent for new tenancies in the UK push up by 9.6% to £1,283<sup>5</sup> in October 2023.

The cost of childcare was revealed by the annual Coram Family and Childcare Survey published in March 2023, which found that the average cost of a part time (25 hours a week) childcare place for a child under two in a nursery in Britain has risen 5.6% to £7,134 per year, while for a two-year-old that cost has jumped 6.1% to £6,912 per year.

**Table 4: Highest cost of living rises, 2009-23**

Expenditure Item	House prices	Bus & coach fares	Electricity	Gas
<b>Price rise 2009 - 23</b>	65%	93%	180%	144%

<sup>4</sup> <https://www.resolutionfoundation.org/press-releases/mortgage-crunch-deepens-with-15-7-billion-repayments-rise-now-on-track-to-bite-by-2026/>

<sup>5</sup> HomeLet Rental Index, August 2023

#### 4.4 Motoring Costs

Motoring costs continue to rise, in terms of both fuel and vehicle maintenance expenses, as shown in the table below:

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

Costs	Increase since 2011
Total motoring costs	47%
Petrol and oil costs	17%
Vehicle maintenance costs	53%
Combined weighted petrol & oil / vehicle maintenance costs	29%

Most local government employers use HMRC rates for mileage allowances that have remained unchanged since 2011. A recent study by the RAC found that a worker driving 5,000 miles per annum for work would be losing close to £1,000 a year because of the inadequacy of HMRC rates covering their actual costs.

#### 4.5 Average pay settlements

Table 7 shows how a decade of below average NJC pay awards have caused local government staff to fall behind their equivalents in the private sector and wider economy. For 10 of the last 14 years, NJC pay awards have fallen below average pay awards in both the private sector and across the whole economy.

**Table 6: NJC pay awards Vs those in the wider economy since 2010**

Year	Across economy	Private services*	NJC Pay Award
2010	2%	2%	0%
2011	2.5%	2.7%	0%
2012	2.5%	2.8%	0%
2013	2.5%	2.5%	1%
2014	2.5%	2.5%	2.2%**
2015	2.2%	2.4%	
2016	2%	2%	1%**
2017	2%	2.2%	1%**
2018	2.5%	2.5%	2%**
2019	2.5%	2.5%	2%**
2020	2.3%	2.2%	2.75%
2021	2.0%	2.1%	1.75%
2022	4.0%	4.0%	7%***
2023	5.6%	6.0%	6.4%***

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

\*\* For NJC SCPs over a certain level

\*\*\*average percentage rise across all pay points

While average pay settlements across the whole economy have seen salaries grow by 36.5% since 2010, NJC increases have only amounted to 27.10% across more than a decade.



NJC pay is set to fall even further behind, given that average earnings growth across the economy is now running at almost 8.5%<sup>6</sup> (apart from the pandemic period, this represents one of the fastest growth rate rates in over two decades)

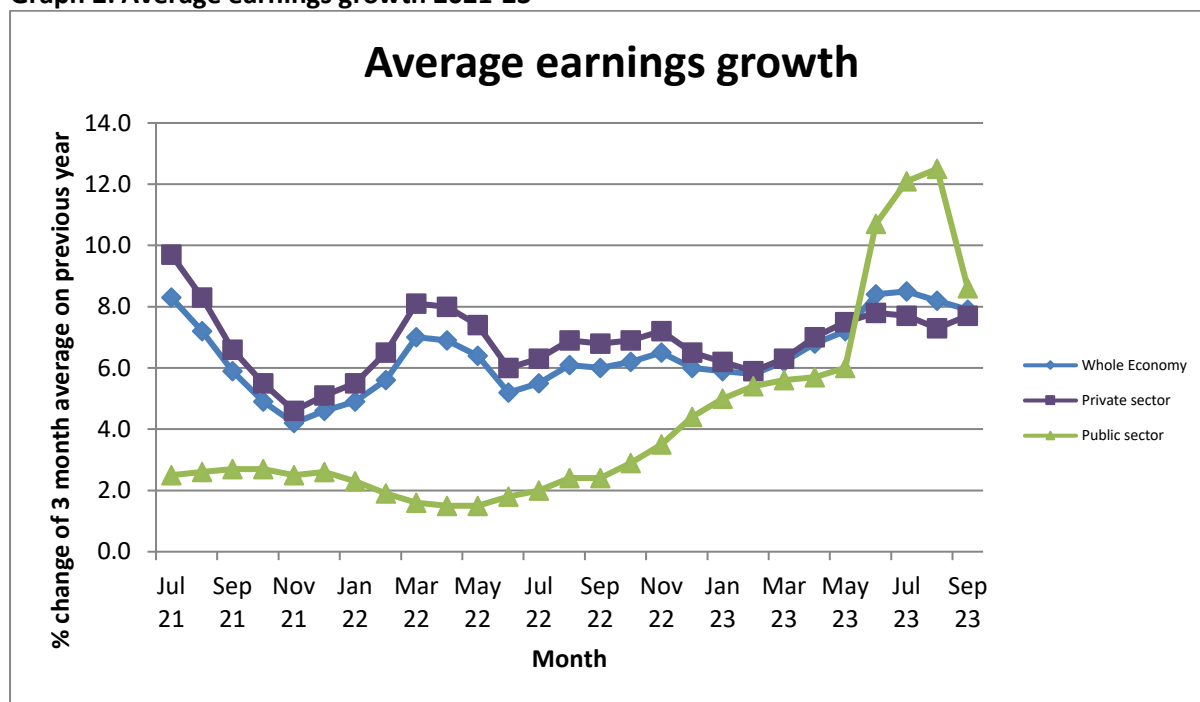
#### 4.6 Average earnings growth

The graph below shows trends in average earnings growth over the last two years.

Since the Covid-19 pandemic, average earnings growth has remained at relatively high rates and average earnings growth across the economy hit 7.9% in September 2023<sup>7</sup>. If the distorted figures of the pandemic period are set aside, this is the quickest growth in average earnings for over 20 years.

As in the case of pay settlements, a gap between public and private rates has been a persistent feature of the economy over the last decade. 2020 saw the first sustained period since 2010 when the public sector has been running ahead of the private sector. However, faster growth in the private sector reasserted itself strongly between 2021 and 2023, before a record surge in public sector earnings growth over the last few months took the public rate to 8.6% in September 2023 against private sector earnings growth of 7.7%. The Office for National Statistics asserts that the public sector surge has been heavily influenced by one-off non-consolidated payments in the NHS and civil service over the last year.

**Graph 2: Average earnings growth 2021-23**



Source: Office for National Statistics, Labour Market Overview UK, November 2023

The Treasury’s Summary of Independent Forecasts puts average earnings growth at 3.6% by the close of 2024<sup>8</sup>.

<sup>6</sup> Office for National Statistics, Labour Market Overview UK, September 2023

<sup>7</sup> ONS, Labour Market Overview, November 2023

<sup>8</sup> HM Treasury Forecasts for the UK Economy, November 2023

#### 4.7 Economic benefits of increasing local government pay

Research conducted by Landman Economics finds that the gross cost to local government of meeting the Trade Union Side's 2024/25 pay claim for NJC local government workers is £2,169m in total. This includes £1,906m in salary costs, plus an additional cost of £263m in higher employer NICs.

Central government receives the £263m in higher employer NICs. Central government also benefits from additional receipts of employee NICs (£169m) and income tax (£437m) as well as reduced benefit, tax credit and Universal Credit expenditure (£73m). In total, central government saves £943m.

The net cost to the public sector as a whole (both local and central government) would be £1,227m. If indirect taxation is then factored in, central government recoups a further £163m, reducing the net cost to £1,063m. In total, just over half (51%) of the cost to local government of meeting the pay claim accrues to central government.

**Table 7: Cost of meeting the 2024/25 NJC pay**

	<b>Cost/Saving</b>
Gross cost to local government	£1,906m
+ Employer's National Insurance	£263m
<b>= Total cost to local government</b>	<b>£2,169m</b>
Employer's National Insurance (as above)	£263m
+ Employee's National Insurance	£169m
+ Income Tax	£437m
+ Reduced benefit/tax credit/Universal Credit expenditure	£73m
<b>= Total central government savings</b>	<b>£943m</b>
<b>Net public sector cost:</b>	
<b>= £2,169m - £943m</b>	<b>£1,227m</b>
+ Indirect taxes	£163m
<b>Net public sector cost after indirect taxes:</b>	
<b>= £1,227m - £163m</b>	<b>£1,063m</b>

With just over half the cost of this pay claim recouped by the government, the logic in properly funding local government pay is clear. This reinforces our ongoing calls for proper local authority funding for pay from central government – something the TU side hopes the employers will join us in lobbying government for.

## 5. COMPARING NJC PAY

### 5.1 NJC pay vs the wider labour market

As described earlier in chapter 4.5, average pay settlements across the whole economy have seen salaries grow by 36.5% since 2010 while NJC increases have only grown by approximately 27.10% over the same period.

The ability of local government to attract and retain staff in the long term will be damaged if the pay of its staff falls behind the going rate in the labour market – a market where staff can find better pay for less stressful and demanding roles (especially compared to roles in social care and customer services).

## 5.2 Pay at the bottom

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

Every year the Living Wage Foundation announces two new Living Wage rates - one for London and one for the rest of the UK. The UK rate is currently set at £12 an hour and the London rate is set at £13.15 an hour<sup>9</sup>. Unlike the legally enforceable National Minimum Wage, whether to pay the Living Wage is a voluntary decision for an employer.

These latest Foundation Living Wage rates mean that Local Government is now competing in a labour market where many comparable employers are paying more to entry level or low paid staff – with SCP 2 - 4 now falling below the £12 UK Foundation Living Wage rate (SCP 1 was deleted from 1 April 2023):

**Table 8: NJC SCPs Vs the Foundation Living Wage**

SCP*	2023 Annual	2023 Hourly
2	£22,366.47	£11.59
3	£22,736.84	£11.79
4	£23,114.33	£11.98
5	£23,499.96	£12.18

\*SCP 1 deleted from 1 April 2023

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

If our claim was met in full, it would lift NJC SCP 2 to £13.15 per hour – not only meeting the Foundation rate but providing some much needed head room for future increases (the Living Wage Foundation increase their rate annually – with the next rise due to be announced in Autumn 2024).

## 5.3 National minimum wage

The legally enforceable National Minimum Wage rate (which the government refer to as the “national living wage”) is calculated differently to the real Living Wage since it does not increase in line with cost of living.

**Table 9: National Minimum Wage rates**

April 2023	23 and over	21 to 22	18 to 20	Under 18	Apprentice
	£10.42	£10.18	£7.49	£5.28	£5.28
April 2024	21 and over*		18 to 20	Under 18	Apprentice
	£11.44		£8.60	£6.40	£6.40

\*From 1 April 2024, workers aged 21 and over will be entitled to the National Living Wage.

<sup>9</sup> The Living Wage Foundation, Annual Living Wages Rates, Oct 2023

From April 2024, the legally enforceable minimum rate will climb to £11.44 per hour (for those 21 and over) which is only 15p behind NJC SCP 2 – meaning that NJC pay has fallen back into bargain basement territory – paying a rate nearly equal to the UK’s lowest paying employers<sup>10</sup>.

### 5.5 Across the pay spine

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

**Table 10: Median self-reported hourly pay by broad occupational group, 2022**

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

### 6. ACHIEVING A £15 PER HOUR MINIMUM RATE

Many organisations, unions, and the TUC are now calling for a minimum wage of £15 per hour. For working families on low incomes, this would provide a desperately needed boost to their incomes, with the poorest 70% of households seeing a 6.9% increase in their forecast incomes<sup>11</sup>. It would restructure the labour market away from low paid and insecure work and protect living standards during the cost-of-living crisis. It would also reduce the welfare and benefits bill, increasing tax and national insurance income without creating unemployment.

A £15 per hour minimum rate is no longer the over-ambitious target it appeared to be in recent years. The Foundation Living Wage has already reached £12 an hour and is due to increase again in the autumn. The Labour Party is committed to scrapping the current national minimum wage and introducing a “genuine living wage” based on the actual cost of living. By 2025, even the legal minimum rate could be closer to £15 an hour than £10 an hour. The Trade Union Side believes that

<sup>10</sup> Minimum wage rates for 2023-24, UK Government

<sup>11</sup> Progressive Economy Forum, June 2022

£15 an hour is a target that must be recognised and addressed by the local government employers. However, recognising the issue is not enough without a clear plan for how to reach that target.

There are currently 16 NJC spinal column points that fall below £15 an hour:

**Table 11: Percentage increases need to reach £15 per hour on the NJC pay spine**

SCP	2023 Annual	2023 Hourly	Increase needed to reach £15p/h
2	£22,366.47	£11.59	29.4%
3	£22,736.84	£11.79	27.3%
4	£23,114.33	£11.98	25.2%
5	£23,499.96	£12.18	23.1%
6	£23,892.72	£12.38	21.1%
7	£24,293.61	£12.59	19.1%
8	£24,701.63	£12.80	17.2%
9	£25,118.80	£13.02	15.2%
10	£25,545.14	£13.24	13.3%
11	£25,978.59	£13.47	11.4%
12	£26,421.20	£13.69	9.5%
13	£26,872.97	£13.93	7.7%
14	£27,333.90	£14.17	5.9%
15	£27,802.97	£14.41	4.1%
16	£28,282.21	£14.66	2.3%
17	£28,769.59	£14.91	0.6%

As shown above in table 11, the increases needed for NJC pay to reach £15 an hour are significant - especially at the bottom end of the pay spine. Even meeting this year's claim in full would not achieve a £15 an hour rate for SCP 2-10. The Trade Union Side is therefore recommending that local government adopts a phased approach, with a target to reach a minimum rate of £15 an hour in a maximum of two years, sooner if possible. One method to achieve this is via three annual increases of 10% as shown in the table below:

**Table 12: Roadmap to achieving £15 per hour minimum rate for the NJC pay spine**

Current NJC Pay Spine			Hourly rate at 10% increase per year		
SCP	2023 Annual	2023 Hourly	2024 Hourly	2025 Hourly	2026 Hourly
2	£22,366.47	£11.59	£12.75	£14.03	£15.43
3	£22,736.84	£11.79	£12.96	£14.26	£15.69
4	£23,114.33	£11.98	£13.18	£14.50	£15.95
5	£23,499.96	£12.18	£13.40	£14.74	£16.21
6	£23,892.72	£12.38	£13.62	£14.98	£16.48
7	£24,293.61	£12.59	£13.85	£15.24	£16.76
8	£24,701.63	£12.80	£14.08	£15.49	£17.04
9	£25,118.80	£13.02	£14.32	£15.75	£17.33
10	£25,545.14	£13.24	£14.56	£16.02	£17.62

Whatever method is used to reach £15 an hour, the benefit to low paid members would be significant. More than other measure, this would help to undo the damage done to NJC pay by the cost of living crisis.

## **7. RECRUITMENT AND RETENTION CRISIS**

Recruitment and retention pressures in local authorities are significant and getting worse. The LGA itself issued a statement last year confirming that "More than 9 in 10 councils are experiencing staff recruitment and retention difficulties across a diverse range of skills, professions and occupations."

This is a particular concern for certain roles within local government – for example HGV drivers, where nearly half of all councils (49 per cent) now have vacant HGV driver posts, and just over a third (34 per cent) struggling to get agency staff just to fill vacant HGV posts.<sup>12</sup>

While recruitment pressures build at local authorities, nationally the unemployment rate has been in decline from a peak of 8.5% in 2011 to 4.2% in the three months to September 2023 (recent rates have been at the lowest level for almost 50 years).

Forecasts now put the average unemployment rate at 4.6% in 2024, though outside of recent years this level would still be a rate only last consistently experienced in the mid-1970s. Meanwhile, the Office for National Statistics indicates that the vacancy rate across the economy was running at 3% in the three months to October 2023 (a higher level than at any point in the two decades before August 2021).

The number of unemployed people per vacancy was running at 1.4% by July 2023 - a trough that has seen the lowest levels recorded in more than two decades and represents a dramatic decline from 5.8% in 2011.

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

### **8.1 Work-life balance and wellbeing**

Long hours, absences and stress continue to be a serious concern for workers in local authorities.

Analysis by the TUC consistently shows that public sector workers are working disproportionate amounts of unpaid overtime<sup>13</sup>. According to the latest TUC report 1 in 6 public sector workers (16.7%) did unpaid overtime in 2023, compared to 1 in 9 (11.9%) in the private sector. Public sector staff gave £11 billion worth of unpaid overtime to meet the needs of service users.

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

Evidence shows that long hours can lead to serious and long term mental and physical ill health, stress, fatigue and increases in workplace accidents, decreasing productivity within organisations, lowering morale and leading to increased staff turnover<sup>14</sup>.

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<sup>12</sup> LGA, Local Government Workforce Survey 2022, May 2022

<sup>13</sup> TUC analysis, Feb 2024

<sup>14</sup> Breaking the Long Hours Culture, Institute for Employment Studies, 1998

We are currently facing an epidemic of stress and anxiety across the UK economy. Analysis by the Health and Safety Executive (HSE) of Labour Force Survey statistics shows that stress, depression or anxiety accounts for over 50% of all work-related ill health cases. The predominant cause of work-related stress, depression or anxiety from the Labour Force Survey was workload, in particular tight deadlines, too much work or too much pressure or responsibility - the biggest single cause of sick leave by some distance. That same analysis showed that this is an acute issue within local authority services with human health and social work, public administration and education all accounting for some of the highest levels of average rates of stress, depression or anxiety.

An increasing number of organisations are recognising the impact of long hours and are now considering alternative models of working.

There is a growing consensus that reducing working time would have a significant positive impact across the economy and society. Evidence shows that it could lower unemployment, increase productivity, reduce carbon emissions, increase leisure time and leisure activities<sup>15</sup>. It would also help improve mental and physical health reducing the need for acute health services, it would support gender equality providing a more equal share of paid and unpaid work and strengthened communities.

According to the 4 Day Week campaign group around 1000 organisations have so far signed up to a four-day week without loss of pay for their staff, including some high-profile employers and at least one local authority. Despite pressure from central government South Cambridgeshire District Council has claimed that its experiment has saved hundreds of thousands of taxpayers' money through reduced spend on agency staff whilst improving performance<sup>16</sup>.

This experience has been replicated by most other employers and the experience from this campaign is that employers and workers have seen immediate benefits. These have included higher performance as productivity goes up and costs reduce, reduced sickness, improved recruitment and retention and happier staff.

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

- **A 2 hour reduction in the working week with no detriment**
- **An additional day of annual leave for personal or well-being purposes - regardless of current entitlement (with term time only staff also receiving a full day rather than a pro rata amount, that they can use at any time, including term time)**

## **9. EQUALITY IMPACT**

Low pay in local government disproportionately affects women workers, and other workers who share protected characteristics under the Equality Act. Trade Union Side analysis of ONS data confirms that local government workers are more likely to be older, disabled, to have childcare responsibilities, and to be religious, and married. Local government workers continue to be less

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<sup>15</sup> Henley Business School, University of Reading, 2022

<sup>16</sup> <https://www.localgov.co.uk/Why-the-four-day-week-could-solve-the-workforce-crisis-/57916>

likely self-report that they are from an ethnic minority background or to be non-UK nationals, which reflects the need to encourage more workforce diversity in the sector.

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

**Table 13: Labour Force Survey – workforce self-reported equalities characteristics (percentages unless otherwise stated)<sup>17</sup>**

Characteristic	Non-Local Government	Local Government
Age (Average)	41.8	44.6
Dependent children (under 19)	0.7	0.8
Female	46.6	66.8
Non-white ethnicity	16.2	9.4
Nationality other than UK	15.2	6.2
Disability (EA10)	17.7	18.7
Religious	49.2	51.3
Married or in a civil partnership	49.0	54.9

Gender pay gap reporting and comparisons with other sectors reveal that the gender pay gap in all organisations was 14.2%, compared to 6.1% in local authorities<sup>18</sup>. Women comprised 39.7% per cent of the top pay quartile across the whole economy, compared with 44.7% local authorities. This means that while local government performs slightly better than the wider economy, a pay gap still exists. And without transparent recording of pay gaps in other equalities areas (including ethnicity and disability), we cannot know the scale of the issues across the whole local government workforce. The TU side is therefore asking for reviews of the gender, ethnicity and disability pay gaps in local government, along with joint work depending on the outcome of the reviews.

## 10. CONCLUSION

With no end in sight for the cost of living crisis, our NJC members’ pay is worth less and less with each passing month. Food, fuel, energy, mortgages and rents have become unaffordable for many - with households having to routinely run up debt on credit cards and overdrafts just to get by each month.

The UK economy is in recession again – with a government unwilling and unable to address the issue of low pay. During this period of economic downturn, the best employers will always prioritise supporting their staff in keeping up with the cost of living.

Sadly, NJC pay has failed to keep up - falling behind pay in the wider economy, behind the foundation living wage and now skirting the legal minimum at the bottom end of the pay spine.

Our claim for an increase of at least £3,000 or 10% (whichever is greater) on all spinal column points would begin a long overdue process of restoring NJC pay, after more than a decade of decline. 25%

<sup>17</sup> Trade Union Side analysis of ONS Quarterly Labour Force Survey (Q4 2023)

<sup>18</sup> LGA analysis, 2019



has been lost from the value of NJC pay since 2010 and to undo this decline, bold action is need by the local government employers.

This bold action must include not only meeting our claim in full - but a commitment to achieving a £15 per hour minimum rate by at least 2026 - an act that would finally create some much-needed headroom at the bottom of the pay spine.

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

Old SCP	2009/10	2023/24	New SCP	Old SCP if inflated by RPI to April 2024	Real-terms change (£)	Real-terms change (%)
4	£12,145			£22,499	-£133	-0.6
5	£12,312			£22,809	-£443	-1.9
6	£12,489		1	£23,136	-£770	-3.3
7	£12,787			£23,688	-£1,322	-5.6
8	£13,189	£22,366	2	£24,433	-£2,067	-8.5
9	£13,589	£22,366		£25,174	-£2,808	-11.2
10	£13,874	£22,737	3	£25,702	-£2,965	-11.5
11	£14,733	£22,737		£27,294	-£4,557	-16.7
12	£15,039	£23,114	4	£27,860	-£4,746	-17.0
13	£15,444	£23,114		£28,611	-£5,497	-19.2
14	£15,725	£23,500	5	£29,131	-£5,631	-19.3
15	£16,054	£23,500		£29,741	-£6,241	-21.0
16	£16,440	£23,893	6	£30,456	-£6,563	-21.5
17	£16,830	£23,893		£31,178	-£7,285	-23.4
18	£17,161	£24,321	7	£31,791	-£7,470	-23.5
19	£17,802	£24,702	8	£32,979	-£8,277	-25.1
20	£18,453	£25,119	9	£34,185	-£9,066	-26.5
		£25,545	10			
21	£19,126	£25,979	11	£35,432	-£9,453	-26.7
22	£19,621	£26,421	12	£36,349	-£9,928	-27.3
		£26,873	13			
23	£20,198	£27,334	14	£37,418	-£10,084	-26.9
24	£20,858	£27,803	15	£38,640	-£10,837	-28.0
		£28,282	16			
25	£21,519	£28,770	17	£39,865	-£11,095	-27.8
		£29,269	18			
26	£22,221	£29,777	19	£41,165	-£11,388	-27.7
27	£22,958	£30,296	20	£42,531	-£12,235	-28.8
		£30,825	21			
28	£23,708	£31,364	22	£43,920	-£12,556	-28.6
29	£24,646	£32,076	23	£45,658	-£13,582	-29.7
30	£25,472	£33,024	24	£47,188	-£14,164	-30.0
31	£26,276	£33,945	25	£48,677	-£14,732	-30.3
32	£27,052	£34,834	26	£50,115	-£15,281	-30.5
33	£27,849	£35,745	27	£51,591	-£15,846	-30.7
34	£28,636	£36,648	28	£53,049	-£16,401	-30.9
35	£29,236	£37,336	29	£54,161	-£16,825	-31.1
36	£30,011	£38,223	30	£55,597	-£17,374	-31.2
37	£30,851	£39,186	31	£57,153	-£17,967	-31.4

38	£31,754	£40,221	32	£58,826	-£18,605	-31.6
39	£32,800	£41,418	33	£60,763	-£19,345	-31.8
40	£33,661	£42,403	34	£62,358	-£19,955	-32.0
41	£34,549	£43,421	35	£64,004	-£20,583	-32.2
42	£35,430	£44,428	36	£65,636	-£21,208	-32.3
43	£36,313	£45,441	37	£67,271	-£21,830	-32.5
44	£37,206	£46,464	38	£68,926	-£22,462	-32.6
45	£38,042	£47,420	39	£70,474	-£23,054	-32.7
46	£38,961	£48,474	40	£72,177	-£23,703	-32.8
47	£39,855	£49,498	41	£73,833	-£24,335	-33.0
48	£40,741	£50,512	42	£75,474	-£24,962	-33.1
49	£41,616	£51,515	43	£77,095	-£25,580	-33.2

\*Calculations are based on the change in the RPI rate between April 2009 and April 2023, which was then inflated by 5.1 per cent (the OBR November 2023 forecast for RPI growth in 2024). Inflation values are taken from ONS Consumer Price Inflation timeseries data publication (20 December 2023). Figures are rounded.

**APPENDIX 2: £3,000 and 10% increases applied to NJC Pay Spine (higher amounts in red)**

SCP	2023 Annual	2023 Hourly	£3,000 increase	10% increase	2024 Hourly*
2	£22,366	£11.59	£25,366	£24,603	£13.15
3	£22,737	£11.79	£25,737	£25,011	£13.34
4	£23,114	£11.98	£26,114	£25,426	£13.54
5	£23,500	£12.18	£26,500	£25,850	£13.74
6	£23,893	£12.38	£26,893	£26,282	£13.94
7	£24,294	£12.59	£27,294	£26,723	£14.15
8	£24,702	£12.80	£27,702	£27,172	£14.36
9	£25,119	£13.02	£28,119	£27,631	£14.57
10	£25,545	£13.24	£28,545	£28,100	£14.80
11	£25,979	£13.47	£28,979	£28,576	£15.02
12	£26,421	£13.69	£29,421	£29,063	£15.25
13	£26,873	£13.93	£29,873	£29,560	£15.48
14	£27,334	£14.17	£30,334	£30,067	£15.72
15	£27,803	£14.41	£30,803	£30,583	£15.97
16	£28,282	£14.66	£31,282	£31,110	£16.21
17	£28,770	£14.91	£31,770	£31,647	£16.47
18	£29,269	£15.17	£32,269	£32,196	£16.73
19	£29,777	£15.43	£32,777	£32,755	£16.99
20	£30,296	£15.70	£33,296	£33,325	£17.27
21	£30,825	£15.98	£33,825	£33,907	£17.58
22	£31,364	£16.26	£34,364	£34,501	£17.88
23	£32,076	£16.63	£35,076	£35,284	£18.29
24	£33,024	£17.12	£36,024	£36,326	£18.83
25	£33,945	£17.59	£36,945	£37,339	£19.35

<b>26</b>	£34,834	£18.06	£37,834	£38,317	£19.86
<b>27</b>	£35,745	£18.53	£38,745	£39,319	£20.38
<b>28</b>	£36,648	£19.00	£39,648	£40,313	£20.90
<b>29</b>	£37,336	£19.35	£40,336	£41,070	£21.29
<b>30</b>	£38,223	£19.81	£41,223	£42,046	£21.79
<b>31</b>	£39,186	£20.31	£42,186	£43,104	£22.34
<b>32</b>	£40,221	£20.85	£43,221	£44,243	£22.93
<b>33</b>	£41,418	£21.47	£44,418	£45,560	£23.61
<b>34</b>	£42,403	£21.98	£45,403	£46,643	£24.18
<b>35</b>	£43,421	£22.51	£46,421	£47,763	£24.76
<b>36</b>	£44,428	£23.03	£47,428	£48,871	£25.33
<b>37</b>	£45,441	£23.55	£48,441	£49,985	£25.91
<b>38</b>	£46,464	£24.08	£49,464	£51,110	£26.49
<b>39</b>	£47,420	£24.58	£50,420	£52,162	£27.04
<b>40</b>	£48,474	£25.13	£51,474	£53,322	£27.64
<b>41</b>	£49,498	£25.66	£52,498	£54,448	£28.22
<b>42</b>	£50,512	£26.18	£53,512	£55,563	£28.80
<b>43</b>	£51,515	£26.70	£54,515	£56,666	£29.37

*\*Hourly rate based on whichever increase is higher - £3,000 or 10%*