

National Employers for local government services

**To: Chief Executives in England, Wales and N Ireland
(additional copies for HR Director and Finance Director)
Members of the National Employers' Side
Regional Directors**

27 July 2021

Dear Chief Executive,

LOCAL GOVERNMENT PAY 2021

I am writing to update you on the local government national pay negotiations for 2021.

The National Employers have today made an improved, final pay offer to the unions representing the main local government NJC workforce.

The political deliberations over the past few months have been difficult given the financial context local government is in, and while there was consensus among the National Employers that there should be a pay award this year, this was not a consensus on the level of that award. This meant that in the end the only way to make a decision was to hold a vote in today's meeting of the Employers' Side of the National Joint Council, which is the body that is ultimately responsible for these decisions.

A copy of the letter sent to the NJC trade unions setting out the improved offer is attached at **Annex A**, along with a copy of the employers' press release at **Annex B**.

You will recall that in February the NJC unions lodged their pay claim for:

- *A substantial increase with a minimum of 10% on all spinal column points*
- *Introduction of a homeworking allowance for all staff who are working from home*
- *A national minimum agreement on homeworking policies for all councils*
- *A reduction of the working week to 35 hours with no loss of pay, and a reduction to 34 hours a week in London. Part-time staff to be given a choice of a pro rata reduction, or retaining the same hours and being paid a higher percentage of FTE*
- *A minimum of 25 days annual leave, plus public holidays and statutory days, for all starting employees, plus an extra day holiday on all other holiday rates that depend on service*
- *An agreement on a best practice national programme of mental health support for all local authorities and school staff*
- *A joint review of job descriptions, routes for career developments and pay banding for school support staff, and completion of the outstanding work of the joint term-time only review group*
- *A joint review of the provisions in the Green Book for maternity / paternity / shared parental / adoption leave*

On 14 May, the National Employers tabled a pay offer of 1.50 per cent on all pay points with effect from 1 April 2021, along with proposals that the NJC begins immediate exploratory discussions on three other elements of the unions' claim, as follows:

- *A national minimum agreement on homeworking policies for all councils*
- *An agreement on a best practice national programme of mental health support for all local authorities and school staff*
- *A joint review of the provisions in the Green Book for maternity / paternity / shared parental / adoption leave*

After considering the offer, the unions informed us on 21 May that it was not acceptable and asked that the National Employers give urgent consideration to making an improved offer. The unions did though subsequently set out their proposals on the non-pay elements of the offer, to which the employers have today responded.

The employers also today discussed an issue that I have highlighted many times over recent years. Namely, the huge challenge we face in maintaining headroom between the NJC's bottom pay point and the National Living Wage (NLW). Primarily, this stems from the government policy to increase the NLW from 60 per cent of average earnings to 66 per cent by 1 April 2024. Clearly this increase in percentage is higher than conventional pay awards and in addition, 'average earnings' is not a known figure ahead of time so all planning must rely on increasingly erratic forecasts.

The volatility of the forecasts of what the NLW rate will be over the coming years makes it almost impossible for us to accurately predict the necessary increases required year on year to maintain the current level of headroom between the NLW and the NJC bottom rate.

The National Employers, who are all senior elected members drawn from councils across England, Wales and Northern Ireland, are acutely aware of the added impact that the pandemic is having on councils' budgets and future financial stability. This is why their improved offer is final; it represents the limit of affordability for most councils.

I shall continue to keep you informed of developments.

Yours sincerely,

Naomi Cooke

Naomi Cooke
Employers' Secretary

Mike Short, Rehana Azam, Jim Kennedy
Trade Union Side Secretaries
NJC for Local Government Services
c/o UNISON Centre
130 Euston Road
London NW1 2AY

27 July 2021

Dear Mike, Rehana and Jim

LOCAL GOVERNMENT PAY 2021

The National Employers met today to consider a further response to the trade unions' correspondence of 25 June and now wish to make a final offer as follows:

- **With effect from 1 April 2021, an increase of 2.75 per cent on NJC pay point 1**
- **With effect from 1 April 2021, an increase of 1.75 per cent on all NJC pay points 2 and above**
- **Completion of the outstanding work of the joint Term-Time Only review group**

The employers also considered your proposals on the three non-pay elements of their initial offer and hope joint discussions can begin on the basis of the following:

- **A national minimum agreement on homeworking policies for all councils**

The LGA's Workforce team has gathered a number of examples of local proposals and policies from councils that are moving to a hybrid working model. It is also providing advice and guidance on organisational development strategies and employment practices that support post-COVID workforce transformation. All of this work includes issues raised in your proposals, so the employers suggest that the NJC begins discussions on how they could be included in joint framework guidance.

The employers noted your repeated request for the introduction of a homeworking allowance for all staff who are working from home. This issue received no support from councils during the regional pay consultation process, so the employers reaffirm their previous rejection of this element of your claim.

- **An agreement on a best practice national programme of mental health support for all local authorities and school staff**

The LGA's Workforce team has collected large amounts of data and information relating to local policies which could be highlighted jointly as examples of good practice. Throughout the pandemic, the LGA's Workforce team has worked with a number of national partners to offer a wide range of emotional and physiological

wellbeing guidance and information for managers and staff across the different sectors of our workforce, with a particular focus on mental health.

A programme of work is planned that will provide more advice and guidance to local government employers to help support them to manage the transition of staff out of 'crisis' or 'react' mode and to develop employment practices that have wellbeing principles and competencies at their core. The employers propose that the NJC begins discussions on producing joint guidance.

- **A joint review of the provisions in the Green Book for maternity / paternity / shared parental / adoption leave**

The employers noted your proposal for a new '*family leave and pay*' section in Part 2 of the Green Book. The employers request that you provide more details so that they are able to properly consider this suggestion.

You will be aware that the Government will be issuing its response to its 2019 consultation on the potential reform of the statutory provisions for maternity, parental and family leave and pay before the end of the year. Therefore, the employers propose that the NJC waits to see what the government brings forward before it embarks on a review of its own.

However, the government will be introducing neo-natal leave and pay. The new statutory provisions will allow for an additional week's leave for each week a neonatal baby is in hospital, for up to 12 weeks, paid at the statutory rate of £151.97 per week (or 90% of earnings if less).

The National Employers propose that this new provision is incorporated into the National Agreement's Maternity Scheme.

The National Employers hope this final offer can quickly form the basis of an agreement between the two Sides so that employees, who continue to provide such critical support to their communities, can receive a pay rise as soon as practicable.

Yours sincerely,

Naomi Cooke

Naomi Cooke
Employers' Secretary

PRESS RELEASE: 27 JULY 2021

Council employees' improved pay offer announced

Council employees have been offered an improved pay increase. The majority of employees - those on salaries starting at £18,198 per annum - would receive an uplift of 1.75 per cent on 1 April 2021, with those on the lowest salary receiving 2.75 per cent.

The National Employers, who negotiate pay on behalf of 350 local authorities in England, Wales and Northern Ireland, made the offer to unions today. It will affect over 1.5 million employees.

Notes to editors

The increase to the national paybill resulting from this offer is £328m (covering the period to 31 March 2022).

This pay offer does not apply to council chief executives, senior officers, teachers or firefighters, who are covered by separate national pay arrangements.

The National Joint Council negotiates the pay, terms and conditions of staff in local authorities. It agrees an annual uplift to the national pay spine, on which each individual council decides where to place its employees. Each council takes into account a number of factors such as job size and local labour market conditions when deciding an employee's salary. There are no nationally determined jobs or pay grades in local government, unlike in other parts of the public sector.

-ENDS-