

**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**

9 December 2015

Dear Chief Executive,

LOCAL GOVERNMENT PAY 2016

I am writing to update you on the work we have been doing on your behalf on the local government national pay negotiations for 2016.

The National Employers met with the unions on 3 December and again today and have now made a final pay offer. A letter sent to the trade unions is attached at **Annex A** and a copy of the Employers' press release is attached at **Annex B**.

The Employers were clear with the unions from the outset that they wished to reach a final position that both Sides would wish to see as the basis for an agreement. Therefore the Employers have formally asked that the unions consult their members on this final offer and they will spend the next few days considering this request.

The Employers' final offer was constructed in such a way as to clearly reflect the views expressed by attendees at each of the regional pay consultation briefings that were held during September. There was overwhelming support among councils for the Employers to seek a two-year agreement with a headline of one per cent in each of 2016 and 2017 in addition to increasing the bottom pay points to take account of the new National Living Wage.

I am sure that your council will be well aware of the challenge we face in the coming years of having to increase the bottom pay point by potentially 32% to achieve the Government's target of 60% of median earnings (currently forecast to be around £9.35 per hour) in 2020. This obviously necessitates us having to increase subsequent pay points in order to maintain differentials. The National Employers have asked to work with the unions over the coming months to find a way that fairly and affordably meets this objective and the offer was constructed in a way that supported this longer term target of restructuring the national pay spine.

The National Employers made the following final offer to the unions:

From 1 April 2016:

- On SCP 6, £900 (equivalent to 6.6%)
- On SCP 7, £900 (equivalent to 6.6%)
- On SCP 8, £900 (equivalent to 6.5%)
- On SCP 9, £900 (equivalent to 6.4%)
- On SCP 10, £900 (equivalent to 6.3%)
- On SCP 11, £300 (equivalent to 2.0%)
- On SCP 12, £300 (equivalent to 2.0%)
- On SCP 13, £250 (equivalent to 1.6%)
- On SCP 14, £250 (equivalent to 1.5%)
- On SCP 15, £200 (equivalent to 1.2%)
- On SCP 16, £200 (equivalent to 1.2%)
- On SCP 17, £175 (equivalent to 1.01%)
- On SCPs 18 and above, 1.0%

and...

From 1 April 2017:

- On SCP 6, £500 (equivalent to 3.4%)
- On SCP 7, £500 (equivalent to 3.4%)
- On SCP 8, £475 (equivalent to 3.2%)
- On SCP 9, £400 (equivalent to 2.6%)
- On SCP 10, £375 (equivalent to 2.5%)
- On SCP 11, £300 (equivalent to 1.9%)
- On SCP 12, £300 (equivalent to 1.9%)
- On SCP 13, £300 (equivalent to 1.9%)
- On SCP 14, £300 (equivalent to 1.8%)
- On SCP 15, £300 (equivalent to 1.8%)
- On SCP 16, £250 (equivalent to 1.5%)
- On SCP 17, £225 (equivalent to 1.3%)
- On SCPs 18 and above, 1.0%

The total increase to the national paybill resulting from this offer is 2.4% over two years (covering the period 1 April 2016 to 31 March 2018). Approximately 0.4% of this figure is designed to meet our immediate obligations under the National Living Wage and to start the process of moving towards the expected level of the Living Wage by 2020. This final offer is at the limit of affordability for councils.

In addition, subject to agreeing terms of reference, the Employers offered to meet a non-pay element of the unions' claim which seeks, "*...a joint review of term-time working and an NJC approach to deliver fair, consistent and transparent contracts for school support staff...*"

We have been very clear in numerous meetings and conversations over many months that our room for manoeuvre in negotiations was very limited. We have also reiterated that for the NJC to retain credibility it was incumbent on both Sides to quickly provide advice and a way ahead to 2020 to meet the huge challenge we face from the impact of the National Living Wage. I shall keep you informed of developments.

Yours faithfully,

A handwritten signature in black ink that reads "Sarah Messenger". The signature is written in a cursive, flowing style.

Sarah Messenger
Head of Workforce

**Heather Wakefield, Justin Bowden, Fiona Farmer
Trade Union Side Secretaries
NJC for Local Government Services
UNISON Centre
130 Euston Road
London NW1 2AY**

9 December 2015

Dear Heather, Justin and Fiona,

LOCAL GOVERNMENT PAY 2016

Further to our meeting today, I am writing on behalf of the Employers' Side of the NJC to respond formally to the Trade Union Side's pay claim.

The National Employers wish to make the following final offer that we believe balances the desire to provide a pay increase for all NJC employees with councils' limits of affordability:

From 1 April 2016:

- On SCP 6, £900 (equivalent to 6.6%)
- On SCP 7, £900 (equivalent to 6.6%)
- On SCP 8, £900 (equivalent to 6.5%)
- On SCP 9, £900 (equivalent to 6.4%)
- On SCP 10, £900 (equivalent to 6.3%)
- On SCP 11, £300 (equivalent to 2.0%)
- On SCP 12, £300 (equivalent to 2.0%)
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- On SCP 14, £250 (equivalent to 1.5%)
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- On SCP 17, £225 (equivalent to 1.3%)
- On SCPs 18 and above, 1.0%

The total increase to the national paybill resulting from this offer is 2.4% over two years (covering the period 1 April 2016 to 31 March 2018). Approximately 0.4% of this figure is designed to meet our immediate obligations under the National Living Wage and to start the process of moving towards the expected level of the Living Wage by 2020. This final offer is at the limit of affordability for councils.

In addition, the Employers have agreed to your request for, “...a joint review of term-time working and an NJC approach to deliver fair, consistent and transparent contracts for school support staff...” As a first step, we suggest that the Joint Secretaries draft Terms of Reference for this work.

Finally, we wish to enter quickly into detailed discussions over the coming months on how the NJC can ensure that the national pay structure can be adapted fairly and affordably to meet the requirements of the National Living Wage.

We have formally requested that you now put this offer to your members for consultation and understand that you will be considering this over the next few days.

Yours sincerely,



Sarah Messenger
Employers' Secretary

PRESS RELEASE: 9 DECEMBER 2015

Council employees' pay offer announced

Council employees have been offered a two-year pay increase from 1 April 2016. The majority of employees - those on salaries starting at £17,714 per annum - would receive an uplift of one per cent on 1 April 2016 and a further one per cent on 1 April 2017, with those on lower salaries receiving higher increases to take account of the new National Living Wage.

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 million employees.

Cllr Sian Timoney, Chair of the Employers' Side, said:

"Despite the challenge of the recent Spending Review and new National Living Wage, there is a broad consensus among councils that there should be a pay offer to staff this year"

"This offer balances our commitment to increase the pay of our hardworking employees with the responsibility we have to address the ongoing financial pressures we face"

"We believe that this is a fair deal for employees, given the limits of what we can afford, and a fair deal for the taxpayers and residents who use and pay for the vital services which local government provides"

Notes to editors

The total increase to the national paybill resulting from this offer is 2.4% (£364.175m) over 2 years (covering the period 1 April 2016 to 31 March 2018). Approximately 0.4% of this figure is designed to meet our immediate obligations under the National Living Wage and to start the process of moving towards the expected level of the Living Wage by 2020. This final offer was at the limit of affordability for councils.

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-