

To: Chief Executives in England, Wales and N Ireland
Leaders, Elected Mayors and relevant portfolio holders
HR Directors and Finance Directors
Members of the National Employers' Side
Regional Directors

26 September 2014

Dear Chief Executive,

Local Government Pay 2014

Throughout the current pay dispute, whilst not being able to provide you with a running commentary on our discussions with the Trade Unions, we have tried to keep you abreast of developments as often as possible.

The National Joint Secretaries have in the past few weeks been meeting regularly to try and find a way of resolving the dispute. These discussions resulted last week in a revised pay proposal that the LGA's political leadership was prepared for us to put to a formal consultation of councils, but only if the Trade Unions called off the strike planned for 14 October and ran a similar consultation of their memberships in parallel with us.

The headline details of the proposal were for:

- a long-term deal to run from 1 January 2015 (ie, not backdated to 1 April 2014) through to 31 March 2016
- a 2.20 per cent increase on SCPs 11 and above
- higher percentage increases on SCPs 5 to 10 to provide a new minimum hourly rate at SCP5 of £7 per hour. This would have increased further to £7.06 per hour on 1 October 2015 by the deletion of SCP5
- non-consolidated lump sum payments of between £100 and £325 on all SCPs
- a commitment to joint working for the future that would have ensured the NJC was focused on issues of importance to both employers and employees

This package would have increased the national pay bill by £151,798,061; a saving of £12,857,978 (or 7.81%) in the current financial year, compared to the existing pay offer that the Employers made on 20 March.

The continuing proximity of the National Minimum Wage to the bottom pay point in local government does not sit easily with the National Employers, which is why we have tried to think imaginatively about the shape of this proposal. However, we have been doing this in the context of unprecedented pressures on the sector's finances and therefore trying hard to strike a fair balance between doing the right thing by employees and not making worse councils' financial positions.

However, despite a clear commitment by the LGA's political leadership to fully and quickly consult councils on this proposal, we are extremely disappointed that yesterday afternoon UNISON's National NJC Committee said that it was not prepared to put the proposal to its wider membership and that it intends to push ahead with the strike planned for 14 October.

GMB and Unite have said that they would have been prepared to call off the strike and consult their memberships if UNISON had decided likewise.

This situation is enormously frustrating and highlights the failure of UNISON's national leadership and activists to approach national negotiations in a strategic way with a view to the medium and longer-term. They have, we

believe, done a great disservice to the overwhelming majority of their ordinary members by not allowing them to make up their own minds on the details of the revised pay proposal.

We made a formal pay offer to the Trade Unions on 20 March which remains on the table. Your employees have been waiting for their pay increase since 1 April. I am sure you share our desire to get that money into their pay packets as swiftly as possible. I therefore intend to quickly convene a meeting of the National Employers and ask that they consider next steps as a matter of urgency.

I shall update you further as soon as the National Employers have met.

Yours sincerely,

Sarah Messenger
Head of Workforce –Employers Side