

Naomi Cooke
Employers' Secretary
Joint Negotiating Committee for Chief Executives of Local Authorities
Local Government Association
18 Smith Square
London SW1P 3HZ

8 March 2021

Dear Naomi,

JOINT NEGOTIATING COMMITTEE FOR LOCAL AUTHORITY CHIEF EXECUTIVES

PAY CLAIM FOR APRIL 2021 ONWARDS

I am pleased to submit the pay claim from the Association of Local Authority Chief Executives and Senior Managers in respect of staff covered by the Joint Negotiating Committee for Chief Executives of Local Authorities.

ALACE seeks a pay increase for all chief executives in April 2021 and subsequent years that is the same as the generality of local government staff. We have noted that the employers do not intend to make an offer in respect of staff covered by the National Joint Council for Local Government Services until after the elections on 6 May.

Context – contribution and reward

The pressures facing heads of paid service in leading their organisations through exceptionally challenging times continue unabated and would, we believe, exceed the findings in the 2018 survey of senior officers and chief executives by *The LGC* in association with ALACE. It underlined how such demands are reflected in workload and adverse impacts on mental health such as stress. These factors will have been exacerbated by the additional workload of responding to the COVID pandemic.

Chief executives provide leadership for place-shaping, multi-agency work and transformational reform, and in overseeing massive savings programmes. Local government is widely accepted to be the most efficient part of the public sector. While we recognise the contribution of staff at all levels, chief executives play a central role in securing this reputation. Leadership of the highest quality and resilience is demanded from chief executives in transformation of councils, securing economic and housing growth, and delivering public service reform (including reorganisation of local government in Northamptonshire and the potential reorganisations that could affect four further counties depending on the Government's decisions after the current consultation). This is against the backdrop of continuing and increasing pressures on demand-led services, real terms decline in resources for local services over many years as a result of austerity – notwithstanding the injection of resources by Government in response to the COVID pandemic - and the impact on many areas of additional work caused by the terms of the exit deal with the EU.

Indeed the Government's response to COVID gives a powerful illustration of the important

role that chief executives are expected to play. In 2019 the Ministry turned to nine chief executives to be regional leads and to liaise with their colleagues in respect of exit from the EU. This system has continued and been broadened during the pandemic. Moreover the Government has turned to local authority chief executives to fill a number of national roles in test and trace and vaccination programmes, and all chief executives have been devoting massive effort to the response locally and in regional structures, such as local resilience fora.

While it is not the purpose of this pay claim to seek to undo the impact of past and recent decisions by the Government or employers, we politely remind the Employers' side of the following facts:

- Chief executives experienced a longer period of pay freeze than other staff (2008 to 2014: there was no increase for any chief executive and in 2015 the 1% increase applied only to those earning less than £100k);
- There was a significant increase in pension contributions in 2014: the amount that chief executives pay increased overnight from 7.5% to a range of 10.5% to 12.5% for those who work full time;
- there was an increase of 1.4% in national insurance rates in 2016;
- ever more chief executives are exposed to taxation in respect of the annual allowance for pension growth, and virtually all are exposed to taxation in respect of the lifetime allowance, reducing the value of deferred pay. This will be exacerbated by the March 2021 Budget decisions to freeze these allowances until 2026.

ALACE estimates that, in total, chief executives have seen a very significant real terms reduction in pay over the last decade, amounting to 30% or more. In recent years, pay has continued to fall or stagnate, given that the increase of 2% in 2018 was slightly below inflation as measured by the Consumer Prices Index and the increase in 2019 turned out to be in line with CPI for 2019. The increase of 2.75% in 2020 did not make up ground in a significant way.

It is not only that chief executive pay has fallen in real terms. There is also evidence that in past years it fell behind settlements elsewhere in the public sector. While ALACE is not seeking a particular level of increase for April 2021 onwards (as in previous pay rounds, we seek equality of treatment with the generality of local government staff), we note the following:

- increases for local government staff in Scotland, including chief executives, were 3% in 2019 and 3% in 2020;
- the Government's pay increases for April 2019 included 2.9% for most members of the armed forces, 2.75% for teachers and school staff, and 2.5% for police officers, dentists and consultants.

There is risk of further erosion of the overall package for chief executives. ALACE is delighted that the judicial review it brought with Lawyers in Local Government has led to the Treasury revoking the exit payment cap regulations. We hope that any revised proposals will not include pension strain in respect of staff over the age of 55 who are made redundant or whose employment is terminated on grounds of business efficiency, and that MHCLG will drop the changes to the local government pension scheme on which it consulted. ALACE stands ready if necessary to launch a fresh legal challenge. However if proposals similar to, or worse than, those that have been revoked or abandoned were to emerge and be implemented, the overall effect could be a significant diminution of terms and conditions that have applied for decades, which would affect all local government staff. Ordinarily, one would expect to see changes of that nature reflected in improvements in

other elements of the package, which in this case would be pay and reductions in future pension contribution rates. We reserve the right to raise this issue specifically in the discussions about pay in 2021 and future years depending on the Government's actions.

ALACE is aware of the pay claim that has been submitted by UNISON, GMB and UNITE in respect of the National Joint Council for Local Government Services.

It is also aware of the approach that the Government is proposing with respect to other parts of the public sector but these do not provide a guide, in ALACE's view, for how the local government employers should proceed. We respectfully submit that the local government employers should demonstrate the autonomy of local government in deciding pay levels and that, notwithstanding the financial situation facing many councils, a pay award for all staff is affordable: all prudent councils will have budgeted for one.

Pay claim

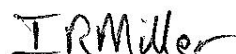
ALACE warmly welcomed the approach adopted for pay increases since 2016, which have applied to all chief executives. We expect the Employers' side to maintain this approach and that an award should apply to all relevant officers covered by the JNC and should not be selective.

ALACE seeks pay increases for 1 April 2021 onwards that match whatever is implemented for the generality of staff covered by the National Joint Council for Local Government Services. ALACE does not believe that chief executives should receive less generous treatment than other staff. (We recognise and accept that, as in recent years, the Employers may have to include bottom-loading for some NJC staff to deal with the implications of the national living wage.)

ALACE would be supportive of a multi-year settlement so long as the principle of increases that are the same as the generality of local government staff is met.

We look forward to receiving the Employers' offer. If it is consistent with the claim set out above, it will not be necessary to convene a meeting of the Joint Negotiating Committee.

Yours sincerely,



Ian Miller
Honorary Secretary, ALACE
Officers' Secretary, JNC for Chief Executives of Local Authorities

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