

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

Dear Naomi,

31 May 2023

JOINT NEGOTIATING COMMITTEE FOR LOCAL AUTHORITY CHIEF EXECUTIVES

PAY OFFER FOR APRIL 2023

Thank you for your letter of 23 February.

We were grateful for the opportunity to meet the Employers' side of the JNC on 23 February, which allowed us to set out the main points in our pay claim that we had submitted on 31 January. We welcome that the Employers have made an offer for all chief executives covered by the JNC. The wording of the Employers' letter ("full and final offer") uses unhelpful language that fails to recognise that the process of settling pay for JNC Chief Executives involves a process of negotiation and further consideration by both parties if the initial offer is not acceptable. The offer is not acceptable to the Association of Local Authority Chief Executives and Senior Managers and we are seeking a formal meeting of the JNC to discuss the Employers' rationale for its offer and ALACE's concerns.

ALACE's pay claim was simple and reasonable. We sought and continue to seek that chief executives receive an increase that is the same as local government staff covered by the National Joint Council for Local Government Services, the colleagues that chief executives work with on a daily basis. It is reasonable for our members to expect equal treatment with the generality of local government staff. We specified that, if the pay offer is expressed in £s rather than a percentage for the NJC scale, "the same" meant a pay increase for chief executives that is not less than the percentage increase for the top point on the NJC scale.

It was exceptionally disappointing to receive an offer which, for the third year in succession, seeks to treat chief executives less well than the colleagues that they work with, for no justifiable financial or other reason. Local government's proud record of tackling discrimination over decades is tarnished by the Employers' repeated behaviour towards local government's most senior officers. ALACE is not in a position to accept this discriminatory treatment and we will continue to fight for the principle of equal treatment – recognising, as we have done repeatedly, that the pay settlement for staff lower down the NJC scale may well be more generous in order to deal with the impact of the national minimum wage.

As things stand, the gap is very small: an offer of 3.5% compared to the 3.88% on the table for staff at the top of the NJC scale. We are concerned that the Employers should think this pettiness of difference is an appropriate stance to take. Our pay claim estimated the financial value of a 1% pay increase for staff covered by the JNC. It was trivial as a proportion of the total local government pay bill, just under 0.003% or three thousandths of one per cent. It follows that 0.38% is an even less significant amount, equivalent to barely

one thousandth of one per cent of the total pay bill.

It is not only that the Employers' approach risks antagonising the most senior officers in local government. It is clear and direct evidence that the Employers place a lower value on the contribution of those officers than the generality of local government staff, and it erodes, once again, differentials with those other staff.

More importantly the level of the offer for NJC and JNC alike ignores that the pay settlements reached or under consideration in other parts of the public sector across 2022 and 2023 are running at a higher level. We have warned repeatedly about the impact on recruitment and retention if the Employers continue to undervalue council staff. That is likely to be felt most acutely at senior levels where council chief executives are able to deploy the skills and knowledge from running complex organisations in other settings. Moreover, if senior roles in local government are to remain an attractive proposition for individuals from other parts of the public sector, salaries need to keep pace.

Offers and settlements in other parts of the public sector are running at a much higher level than the employers have offered for chief executives. The Employers' proposals leave local government lagging behind other parts of the public sector.

How senior pay settlements in local government are lagging behind

	Total 2022 & 2023 (compound)	2022	2023
Headteachers	9.52% (based on 2023 offer, ignoring £1k payment for 2022/23)	5% plus £1000	4.3% (offer)
NHS very senior managers	8.15%	3%	5%
Senior civil service	Up to 7.64% (TBC)	2%; flexibility up to 3%	4.5% (pay remit)
Fire leaders "Gold book"	7.64% (offer)	4% (offer)	3.5% (offer)
Senior military	Not yet known	3.5%	Offer TBC
Chief officers, Scotland	Not yet known	5%	Offer awaited after meeting of chief officers' pay bargaining group on 26 May
JNC Chief executives	At best 4.54% to 5.57%	£1925 (< c.1%-2%)	3.5% (offer)

We draw particular attention to the offer that the employers' side of the National Joint Council for Brigade Managers of Fire and Rescue Services – also part of the Local Government Association – has made for senior fire officers covered by the "Gold Book". The offer across two years is worth at least 2 to 3% more than is presently being offered for chief executives of councils. We reject any suggestion that this can be justified by reference to the "life and limb" responsibilities of fire and rescue services. Chief executives in local government are responsible for a broad range of services that keep people safe

from harm, injury or worse: consider child protection, services for vulnerable adults, environmental health, housing for homeless people, enforcing private sector housing standards, building control, licensing, trading standards, highways safety and so on.

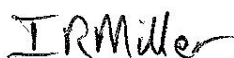
The context for settling pay for 2023 remains one of exceptionally high inflation compared to recent periods. Inflation as measured by the Consumer Prices Index was 9.0% in April 2022, rose to 10.5% in December 2022 and has fallen back to 8.7% by April 2023. While commentators expect inflation to fall further over the period to March 2024, it is already 100% certain that the totality of pay awards for chief executives in 2022 and 2023 will fall a long way behind the level of inflation across the period from April 2022 to March 2024 – and that there will therefore have been a significant worsening in chief executives' reward in real terms. While the increase in the level of the annual allowance for the tax year 2023/24 onwards will assist in reducing the burden of taxation on pensions for some, we have already pointed out that the fall in the starting point for the 45% tax rate from £150,000 to £125,140 has added £1,243 to the annual tax bill for any chief executive earning more than £150,000.

It is also the case that councils outside the national negotiation arrangements are recognising that an offer at the level proposed for the JNC would be inadequate, given the current high level of inflation. For example, Surrey County Council has offered a 4.5% increase for 2023 for all staff earning over £60,000.

Unions representing NJC staff are balloting members about industrial action with the results due during the LGA Conference in early July. We recognise that it could be some months before the pay deal for NJC staff is settled. ALACE is not proposing a particular percentage increase for the JNC, as we ask only for equal treatment with staff at the top of NJC scale. However if the current ballots lead to industrial action and the Employers decide to improve their offer for the NJC, we expect the offer for JNC chief executives to be improved as well and to be the same as the percentage increase for the top point on the NJC scale.

ALACE's position is that we will not accept any pay offer for April 2023 until the outcome for NJC staff is known. We also reserve our right to consider other steps if the offer for JNC Chief Executives remains in percentage terms below whatever percentage increase is finalised for staff on the top point of the NJC scale.

Yours sincerely,



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

Address for correspondence: c/o Wyre Forest House, Finepoint Way, Kidderminster DY11 7WF or alacehonsec@yahoo.co.uk