

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

Dear Naomi,

24 July 2023

JOINT NEGOTIATING COMMITTEE FOR LOCAL AUTHORITY CHIEF EXECUTIVES

PAY OFFER FOR APRIL 2023

I am writing to set out ALACE's position following the helpful discussion with the Employers' Side on 26 June.

We reiterated our welcome that the Employers have made an offer for all chief executives covered by the JNC. It was helpful to have the Employers' explanation about how they had approached the pay offers for 2023 and that the £1925 offer for staff on the NJC produced percentage increases that differ across the scale. It was not that the Employers had deliberately sought a 3.88% increase for the top point on the NJC, as that was simply the mathematical product of the £1925 proposed increase. We welcomed the Employers' recognition that repeating the approach of 2022 and applying a £1925 increase for chief executives would have produced an inappropriate outcome (an increase worth only about 1-1.5%), and that was what had informed their decision to offer 3.5%.

We are concerned that the Employers' response to our concerns about recruitment and retention was insufficient and unrealistic. The suggestion that chief executives should ask their councils to review their pay is not, in our view, a credible response to the point we raised. Few politicians would be likely to want such an issue aired in full council or a committee meeting. We feel that is far preferable for reasonable and fair increases to be negotiated by the JNC to avoid the need for such action (and extra work) at local authority level.

It was dispiriting that – in effect – the Employers do not wish to have regard to the evidence we deployed about how chief executive pay in local government is lagging behind other parts of the public sector. It has fallen behind the pay increases for senior fire officers which is dealt with by a separate negotiating committee that remains under the aegis of the Local Government Association. The evidence we set out in the letter of 31 May can now be supplemented with the Government's decisions on the recommendations of the Senior Salaries Review Body:

How senior pay settlements in local government are lagging behind

	Total 2022 & 2023 (compound)	2022	2023
Headteachers	11.83% (ignoring £1k	5% plus £1000	6.5%

	payment for 2022/23)		
Senior military	9.19%	3.5%	5.5%
NHS very senior managers	8.15%	3%	5%
Fire leaders "Gold book"	7.64%	4%	3.5%
Senior civil service	7.61% (minimum)	2% Flexibility up to 3%	5.5% + 1% progression increases
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)

As set out in the letter of 31 May, we will not be in a position to accept a pay offer for April 2023 until the outcome for NJC staff is known. However following consultation with the Association's members at its annual general meeting, it is possible to indicate ALACE's agreement depending on the circumstances following finalisation of the position for NJC staff:

- a) If there is no change to the Employers' offer of £1925 for NJC staff, then ALACE reluctantly concedes that nothing further can be achieved by negotiation and the 3.5% increase for April 2023 may be implemented;
- b) If the final settlement for NJC staff improves the offer for staff at the top of the NJC scale, then ALACE would accept an improved offer for April 2023 that matches precisely the percentage improvement for staff at the top of the NJC scale. To give a hypothetical illustration of what we mean. Say that the final settlement for the top point of the NJC scale is worth 4.00% (it does not matter how that position has been reached): that would represent an improvement of 0.12% on the value of the current offer. In such a scenario, ALACE would accept an offer of 3.62% for chief executives.

We have to record that, if it is possible to implement (a) or (b), chief executives will have been treated for the third year in succession less well than the colleagues that they work with, for no justifiable financial or other reason. Moreover the increase for 2023 will be manifestly well below the rate of inflation, and therefore represents a significant real-terms cut in the value of chief executive remuneration.

If the final settlement for staff at the top of the NJC scale is improved but the Employers do not deliver the equivalent increase for chief executives as set out in (b), then it will show that the Employers are simply not interested in treating the most senior officers in local government reasonably and fairly and that the negotiating mechanism of the JNC is not working. We call upon the Employers to avoid such a situation and the need for ALACE to consider registering a formal dispute and referral for binding arbitration in accordance with the constitution of the JNC.

We hope very much that the Employers will move forward in a way that allows agreement

to be reached as outlined above. However we would call on the Employers to adopt a fresh approach in 2024, recognising that JNC discussions about pay are a process of negotiation. We ask that the initial offer for 2024 should be expressed clearly in those terms.

Yours sincerely,

A handwritten signature in black ink that reads "IRMiller". The letters are cursive and somewhat stylized.

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