

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

12 September 2019

Dear Simon,

JOINT NEGOTIATING COMMITTEE FOR LOCAL AUTHORITY CHIEF EXECUTIVES

PAY CLAIM FOR APRIL 2020 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 2020 and subsequent years that is the same as the generality of local government staff.

Context – contribution and reward

The pressures facing heads of paid service in leading their organisations through exceptionally challenging times continue unabated. Last year's survey of senior officers and chief executives by *The LGC* in association with ALACE underlined how such demands are reflected in workload and adverse impacts on mental health such as stress.

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, delivering public service reform (including reorganisations of local government in Dorset, Buckinghamshire and Northamptonshire) and securing economic and housing growth. 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 - despite the welcome injection of resources in this month's spending round - and the uncertainty and additional work caused by Brexit.

Indeed the arrangements for leaving the EU give a powerful illustration of the important role that chief executives play. Earlier in 2019 the Ministry turned to nine chief executives to be regional leads and to liaise with their colleagues. It has now asked all councils in England to have a Brexit lead officer and many of them are chief executives.

While it is not the purpose of this pay claim to seek to undo the impact of past 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;
- a growing number of chief executives is 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;
- there was an increase of 1.4% in national insurance rates in 2016.

ALACE estimates that, in total, chief executives have seen a very significant real terms reduction in pay over the last 10 years, amounting to 30% or more. In real terms, 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.

It is not only that chief executive pay has fallen in real terms. There is also evidence that it is starting to fall behind settlements elsewhere in the public sector. While ALACE is not seeking a particular level of increase for April 2020 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, are 3% in 2019 and 3% in 2020;
- in July 2019 the Government announced pay increases for April 2019 which included 2.9% increases for most members of the armed forces, 2.75% for teachers and school staff, and 2.5% for police officers, dentists and consultants.

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.

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 2020 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,

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

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

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