

National Employers for local government services

**To: Chief Executives in England, Wales and N Ireland
(to be shared with HR Director and Finance Director)
Members of the National Employers' Side
Regional Employer Organisations**

24 April 2025

Dear Chief Executive,

LOCAL GOVERNMENT PAY 2025

I am writing to update you on the work the National Employers have been doing on your behalf on the local government pay round for 2025.

You will recall that on 31 January, UNISON, GMB and Unite lodged their pay claim for:

- *An increase of at least £3,000 across all NJC spinal column points*
- *A clear plan to reach a minimum pay rate of £15 an hour*
- *One extra day of annual leave for all staff*
- *A reduction in the working week by two hours, with no loss of pay*
- *The ability for school staff to take [at least] one day of their annual leave during term time, with no loss of pay*

During February and March, employers in each of the nine English regions, plus Wales and Northern Ireland, were consulted at very well attended virtual pay consultation briefings; in total, more than 1,000 councillors and senior officers attended. The National Employers met initially on 24 March to discuss the key themes to come out of those briefings. They then adjourned for private political discussions before reconvening, in person, on 22 April.

As explained at the pay briefings, we are in familiar territory: little has changed in terms of councils' financial challenges and how we deal with the relentless pressure from the proximity of the National Living Wage (NLW) to the bottom of the NJC pay spine. As such, the National Employers have again been faced with very difficult decisions when considering their response to the unions' claim.

The large response to our pre-briefing questionnaire was extremely helpful in assisting members' deliberations. I can assure you that information from every return was shared with the National Employer members and I thank you for the time you committed to this process.

Whilst the regional pay briefings are the most important part of a consultation process designed to provide the National Employers with councils' views, they are not, and never have been, intended to provide the employers with a negotiating mandate. The National Employers are tasked by their respective LGA political groups and the WLGA and NILGA to come to a decision based on all the information available to them to pitch a pay offer at

a level that they believe will attract the broadest political support and, ultimately, achieve an agreement with the unions.

In their meeting on Tuesday, the National Employers considered very carefully a number of different possible pay offers, which included various options for percentage or cash figures, all of which had pros and cons. The issue of whether to propose the deletion of pay points from the spine was debated at length. The responses to the pay briefing survey showed that many councils would not be affected by the removal of one or more pay points but for some others the impact would be significant in terms of cost and disruption to their grade structure; this is the case particularly in most Welsh councils and in a majority of schools across the country. However, in the event, members felt that deleting the bottom pay point next April was required to meet the NLW challenge. This issue is explained in more detail below.

The National Employers also considered it important that their offer, as set out below, should provide certainty from the outset to the unions' national committees and all union members, the wider workforce and local employers, that it is the maximum they are able to make. Conscious of the usual implementation date of 1 April and concerns raised by employers and employees alike when previous Agreements have been delayed, the National Employers therefore agreed that their offer should again be full and final, as explained in the offer letter to the unions.

The National Employers agreed by a majority to make the following one-year (1 April 2025 to 31 March 2026), full and final offer to the unions representing the main local government NJC workforce:

- **With effect from 1 April 2025, an increase of 3.20 per cent to be paid as a consolidated, permanent addition on all NJC pay points 2 to 43 inclusive and on all pay points above the maximum of the pay spine but graded below deputy chief officer** (*in accordance with Green Book Part 2 Para 5.4¹*)
- **With effect from 1 April 2025 an increase of 3.20 per cent on all allowances** (*as listed in the 2024 NJC pay agreement circular dated 22 October 2024*)
- **With effect from 1 April 2026, the deletion of pay point 2 from the NJC pay spine**

This offer would achieve a bottom rate of pay of £12.65 with effect from 1 April 2025. The deletion of SCP2 would achieve a bottom rate of £12.85 from 1 April 2026 for the period until the 2026 pay round is concluded.

This offer means an employee on the bottom pay point in April 2021 (then earning £18,333) will have received an increase in their pay of £6,080 (33.17 per cent) over the four years to April 2025. For an employee at the mid-point of the pay spine (pay point 22), their pay will have increased over the same period by 22.48 per cent and for those on pay point 43, at the top of the spine, 14.33 per cent.

¹ The Green Book Part 2 Para 5.4 provides that posts paid above the maximum of the pay spine but graded below deputy chief officer are within scope of the NJC. The pay levels for such posts are determined locally, but once fixed are increased in line with agreements reached by the NJC.

The NLW pressure

As was conveyed at the regional pay briefings, since 2016 the NLW has presented a huge challenge for local government in managing to maintain headroom between the bottom pay points and the statutory minimum.

At time of writing, the Low Pay Commission (LPC) has not published its forecast of the 2026 NLW. We understand this is because the LPC is yet to receive its remit from government, without which it cannot undertake the necessary forecasting. There is no indication when this situation will progress.

The employers' offer includes a proposal to delete the bottom pay point (SCP2) with effect from 1 April 2026; doing so would achieve a minimum hourly rate of £12.85 for the period from 1 April until the 2026 pay round is concluded.

When the NLW was introduced, the National Employers established a principle of seeking to ensure that the bottom rate of pay in local government is higher than the NLW, as they do not believe the sector should be a minimum wage employer. Meeting that principle each year has proved to be a challenge, given the significant annual increases to the NLW rate.

Since 2022, annual percentage increases to the NLW rate have been 6.60, 9.70, 9.80 and 6.70 respectively. The employers are well aware that an increase next year of more than 5.20 per cent (64p) will mean our (proposed) bottom rate of £12.85 will fall below the 2026 NLW rate. If this happens, we will move quickly to issue an instruction to employers that they should temporarily increase the bottom pay point[s] rate of pay to the NLW rate from 1 April for the period until the 2026 pay round is concluded.

Conclusion

The National Employers are eleven senior elected members, many of whom are, or have been, Leader of their council. They are all acutely aware of the additional pressure this year's offer, which would need to be paid for from existing budgets, will place on already hard-pressed finances, especially for those councils and schools with large numbers of employees on the lower pay points. The National Employers also acknowledged the difficulties faced by councils in recruiting and retaining key staff across and above the pay spine. However, for the reasons set out above, they believe their offer meets the immediate NLW challenge and is fair to employees, given the wider economic backdrop.

The National Employers continue to wholeheartedly support the principle of the NLW but their remit is limited to securing pay agreements with the trade unions. Responsibility for making clear to government the cost to the sector of its NLW policy, lies with the LGA, in partnership with the WLGA and NILGA, all of whom have made clear that if additional funding is not forthcoming, jobs and services will be at risk as employers struggle to accommodate this additional cost when trying to balance their budgets.

You will note in the employers' offer letter they have urged the unions to try and synchronise the timing and duration of their membership consultations in order that a

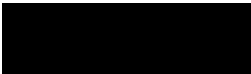
final agreement is reached so that employees, who continue to provide such critical support to their communities, can receive this award as soon as is practicable.

A copy of the letter sent to the NJC trade unions, along with a copy of the employers' media statement and details of the membership of the National Employers are set out on the following pages.

Please share this letter and subsequent updates on pay, with your colleagues in HR and Finance, and with elected members, as appropriate.

I shall continue to keep you informed of developments.

Yours sincerely,

A black rectangular box redacting the signature of Naomi Cooke.

Naomi Cooke
Employers' Secretary

Mike Short, Kevin Brandstatter, Clare Keogh
Trade Union Side Secretaries
NJC for Local Government Services
c/o UNISON Centre
130 Euston Road
London NW1 2AY

22 April 2025

Dear Mike, Kevin and Clare

LOCAL GOVERNMENT PAY 2025

Thank you for your pay claim, which was received on 31 January. Following its receipt, the National Employers consulted councils and met initially on 24 March to discuss the key themes to come out of those sessions. They then adjourned for private political discussions before reconvening today.

The National Employers sought councils' views at the regional pay consultation briefings regarding your request that their offer should not be badged as '*full and final*'. Broadly speaking, whilst there was sympathy with your request for meaningful negotiations, a majority understood the pragmatic reasons behind making a '*full and final*' offer and the imperative of transparency and implementing the pay award as soon as possible and therefore were in favour of that being the approach taken again this year for all the negotiating bodies for which the National Employers have responsibility².

Accordingly, the National Employers have agreed that making such an offer would again provide certainty from the outset to yourselves, your members, the wider workforce and local employers that their offer, set out below, is the maximum they are able to make.

However, as you will be aware, on 11 June the government will be announcing the details of its spending review, and we are hopeful it will provide councils with a three-year funding settlement. A longer-term settlement would provide more financial planning certainty for councils which in turn could, from 2026 onwards, enable the employers to consider alternatives to the one-year pay offers of recent years. Multi-year pay offers / deals would by necessity require meaningful negotiations and once agreed, would allow the breathing space we need to concentrate our joint efforts on reviewing the pay spine and preparing for the transition of significant numbers of NJC staff into the two new national negotiating bodies being established by the government.

The National Employers wish to make the following full and final, one-year (1 April 2025 to 31 March 2026) offer:

- **With effect from 1 April 2025, an increase of 3.20 per cent to be paid as a consolidated, permanent addition on all NJC pay points 2 to 43 inclusive and**

² NJC for local government services; JNC for local authority Craft & Associated employees; JNC for local authority Chief Officers; and JNC for local authority Chief Executives

on all pay points above the maximum of the pay spine but graded below deputy chief officer (*in accordance with Green Book Part 2 Para 5.4³*)

- With effect from 1 April 2025 an increase of 3.20 per cent on all allowances (*as listed in the 2024 NJC pay agreement circular dated 22 October 2024*)
- With effect from 1 April 2026, the deletion of pay point 2 from the NJC pay spine

Once again, the most important factor in formulating this response has been affordability. We have a duty to balance your claim against the interests of local residents, in terms of the level and quality of services provided by local authorities. The proposed increase will again be very difficult to fund in a number of local authorities and anything beyond that would take many more authorities well beyond their level of affordability. In response to other elements of your claim:

- ***A phased approach to reaching a minimum pay rate of £15 an hour in a maximum of two years, sooner if possible***

The Employers reject this element of the claim. In order to achieve this objective would require increasing the bottom pay point by 22.35 per cent over the period 2025-27. That, plus the subsequent knock-on effect of increases to all subsequent pay points would be prohibitively expensive for councils at any time, not least during the current difficult financial circumstances.

- ***One extra day of annual leave for all staff***

The Employers reject this element of the claim. All NJC employees currently receive a minimum of 23 days' leave (with a further three days after five years' service), plus two extra statutory days, plus public holidays. Many councils have a more generous basic leave entitlement.

- ***A reduction in the working week by two hours, with no loss of pay***

The Employers reject this element of the claim in relation to a proposed 35-hour week (34 in London). Such a reduction would be out of line with norms in local government and would result in an increase in costs that would adversely affect local authority services.

- ***The ability for school staff to take [at least] one day of their annual leave during term time, with no loss of pay***

The Employers reject this element of the claim. With the impending reinstatement of the School Support Staff Negotiating Body (SSSNB), that will have responsibility for considering changes to pay and conditions for this group, we believe school employers in particular would have concerns about the NJC reaching a national agreement that gave all their non-teaching NJC employees the right to take "[at least] one day" off in term time. The cost of having not only to pay for that day but also for cover, would be significant at a time when schools are struggling financially and there is significant uncertainty about the SSSNB's remit and timetable.

The National Employers of course respect that each of your unions will have its own processes and procedures to follow, but we urge you all to please try and synchronise

³ The Green Book Part 2 Para 5.4 provides that posts paid above the maximum of the pay spine but graded below deputy chief officer are within scope of the NJC. The pay levels for such posts are determined locally, but once fixed are increased in line with agreements reached by the NJC.

the timing and duration of your membership consultations, as you did last year, in order that a final agreement is reached and employees, who continue to provide such critical support to their communities, can receive this award as soon as is practicable.

A prompt settlement this year would give us the necessary opportunity to focus our efforts on negotiating a redesigned national pay spine, as well as continuing to discuss other complex issues, for example, the reinstatement (in England) of the School Support Staff Negotiating Body.

Yours sincerely,

Naomi Cooke

Naomi Cooke
Employers' Secretary

PRESS RELEASE: 22 APRIL 2025

Council employees' pay offer announced

Following the announcement of a full and final pay offer for council employees, Chair of the National Employers for local government services, Cllr James Lewis, said:

"Council employees have been offered a pay increase of 3.20 per cent from 1 April 2025.

For the lowest paid (currently earning £23,656 per annum), the offer means their pay will have increased by more than £6,000 (33.0 per cent) over the four years since April 2021.

The offer also includes a proposal to delete the bottom pay point (SCP2) from the national pay spine on 1 April 2026.

The National Employers are acutely aware of the additional pressure this year's offer will place on already hard-pressed council finances, as it would need to be paid for from existing budgets. However, they believe their offer is fair to employees, given the wider economic backdrop."

Notes to editors

The National Employers negotiate pay on behalf of 350 local authorities in England, Wales and Northern Ireland that employ around 1.5 million employees.

The total increase to the national paybill resulting from this offer would be £793.17m (3.20 per cent).

The National Joint Council for local government services negotiates the pay, terms and conditions of staff in local authorities. It agrees an annual uplift to the national pay spine, on which each individual council decides where to place its employees. Each council takes into account a number of factors such as job size and local labour market conditions when deciding an employee's salary. There are no nationally determined jobs or pay grades in local government, unlike in other parts of the public sector.

Separate national pay arrangements apply to teachers, firefighters, chief officers, chief executives and craftworkers.

-ENDS-

NJC LGS EMPLOYERS (*incl JNC CRAFTWORKERS; JNC CHIEF EXECUTIVES; JNC CHIEF OFFICERS*) for the year ending 31 August 2025

LGA NOMINATED

LABOUR: Cllr Claire Douglas (York, Yorks & Humb)
Cllr James Lewis (Leeds, Yorks & Humb) (**Chair**)
Cllr Peter Marland (Milton Keynes, S East) (**Lead Member**)
Cllr Carole Williams (Hackney, London)

Sub: Cllr Nazia Rehman (Wigan, N West)

Sub: Cllr Thomas Renhard (Bristol, S West)

CONSERVATIVE: Cllr Joanne Laban (Enfield, London) (**Lead Member**)
Cllr David Leaf (Bexley, London)
Cllr Roger Phillips (Herefordshire, W Mids) (**Vice Chair**)

Sub: Cllr Eddie Reeves (Oxfordshire, S East)

LIB DEM: Cllr Keith House (Eastleigh / Hampshire, S East)

Sub: Cllr Michael Headley (Bedford, East of England)

INDEPENDENT: Cllr Doug McMurdo (Bedford, East of England)

Sub: Cllr Julian Dean (Shropshire, W Mids)

WELSH LGA NOMINATED

LABOUR: Cllr Anthony Hunt (Torfaen)

Sub: Cllr Jane Gebbie (Bridgend)

N IRELAND LGA NOMINATED

SINN FEIN: Cllr Christopher Jackson (Derry City & Strabane)

DUP: *Sub: Alderman Aaron Callan (Causeway Coast and Glens)*

NATIONAL ASSOC OF LOCAL COUNCILS NOMINATED

PARISH: vacant