

FIRE & RESCUE SERVICES National Employers

**To: Chief Fire Officers
Chief Executives/Clerks to Fire Authorities
Chairs of Fire Authorities
Directors of Human Resources**

Members of the Employers' Side of the NJC

25 June 2010

CIRCULAR EMP/05/10

Dear Sir/Madam,

NATIONAL JOINT COUNCIL - PAY CLAIM 2010

Response to the claim

1. Authorities will be aware from employer circulars EMP/2/10 and EMP/3/10 that the Employees' Side of the National Joint Council seeks an across the board increase in pay of 5.1% for 2010.
2. At the last meetings of the National Joint Council and Middle Managers Negotiating Body held on 15th June members of the Employers' Side indicated that a formal response would be provided following the Budget statement on 22 June.
3. Having given the claim full consideration and mindful of factors such as the current difficult economic climate the National Employers have concluded that they are unable to offer any increase in pay for 2010.
4. A copy of today's letter to the Employees' Side Secretary informing him of this decision is attached (**Appendix A**).
5. A copy of the press release, also issued today, is attached (**Appendix B**).

Communications

6. The National Employers are keen for fire service employees covered by the NJC to understand why they are unable to offer a pay increase for 2010. A further employers circular has been issued today (EMP/6/10) which contains a model letter to employees. Please feel free to use this as you wish, adding relevant local information, particularly about financial restraints, where appropriate. It would be appreciated if you were able to copy us into any communication you send out. Please forward to firequeries@lge.gov.uk

7. It is clearly important that consistent messages are provided to the media and that they understand the fire service position. So, in addition to the press release attached to this circular, EMP/6/10 also contains a Question and Answer document which your local media may find to be of assistance.

Yours faithfully,

A handwritten signature in black ink, appearing to read "G. Gittins". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gill Gittins
Principal Negotiating Officer

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London, SW1P 3HZ
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FIRE & RESCUE SERVICES National Employers

Dear Mr Wrack,

FIRE SERVICE PAY 2010

I am writing further to your letter of 5 May 2010 and the meetings of the National Joint Council and Middle Managers Negotiating Body held on 15 June.

In your letter of 5 May you sought a pay rise for all on NJC rates of pay equal to the percentage increase in inflation as identified by the Retail Prices Index (RPI) for June 2010. That RPI figure, as announced on 15 June, is 5.1%.

At the meetings on 15th June the National Employers signalled their intention to respond formally to the claim following the Budget statement on 22 June.

The National Employers have considered the claim for an increase in pay of 5.1% in the context of what is affordable and sustainable. They have also been mindful of the government's clear expectation that there should be restraint in respect of public sector pay and that public expenditure must reduce, both of which were emphasised in the Budget.

I write to advise you that the National Employers have concluded that the financial position is such that they are unable to offer any increase for 2010/11.

The National Employers recognise that the recession has affected us all and that their decision will be a disappointment to your members. However, they have had to take into account the financial position of fire authorities including the impact the recession has had on income and expenditure and the further reduction in public expenditure sought by the Government. As a consequence fire authorities are faced with difficult choices.

As you know, fire authorities receive income from two main sources: government grant and council tax.

A significant amount of income comes from government grant. The level of grant for 2010/11 was set some time ago and, in calculating it, government built in a requirement that fire authorities make significant efficiency savings. For many authorities the grant increase was little above zero. Fire authorities have therefore had to achieve those efficiency savings simply to maintain services at existing levels.

The Budget Report indicates that the majority of Government departments could see average real cuts to their budgets of around 25 per cent over the next four years. This will have a significant impact upon fire authorities.

Council tax increases cannot provide the solution. Because of the complicated way that local government finance works, council tax would have to significantly increase to fund even a small pay rise. Not only would this be unfair on council tax payers in tough economic times, excessive council tax rises will be capped by the Government. The Government has also made clear in the Budget its intention that council tax should be frozen for 2011/12.

Whilst some income is generated from other sources, these have been under pressure too. For example, funding for work that the fire service does in the community on behalf of local authorities, charities and registered social landlords has been squeezed. There has also been a huge fall in interest payments from authority investments because of lower interest rates.

Salary increases should not be paid for from reserves because the money has to be found every year to cover the cost of a permanent rise. Reserves are held at a sensible level to meet medium-term financial commitments and risks – such as having to deal with the sudden cost of a flood or other disaster response.

Many employees in the public and private sector have already had their pay frozen this year, and some have agreed pay cuts to save their jobs. Other private companies are going out of business and many have lost their jobs. A pay increase for 2010 would lead to cuts in services that would adversely affect local people and put fire service jobs in jeopardy.

These are the difficult financial circumstances that have led the National Employers to conclude that they are unable to offer a pay increase for 2010/11.

In conclusion, I can only reiterate that the recession has affected us all and, though I am sure you will be disappointed by the National Employers' decision not to make a pay offer, it will help us protect vital services and reduce the risk of job losses in the fire service.

Yours sincerely,

A handwritten signature in black ink that reads "Sarah Messenger". The signature is written in a cursive, flowing style.

Sarah Messenger
Employers' Secretary

Fire trade union pay claim of 5.1% unacceptable in present economic climate

Responding to the trade union pay claim for an across the board increase of 5.1%, Cllr Maurice Heaster, Chairman of the Employers' Side of the National Joint Council said: -

"In responding to this claim the key principles for the National Employers are affordability and sustainability both for now and the future. We must ensure that any pay settlement is affordable to the taxpayer within this tough economic climate, sustainable over the longer term, does not impact upon public safety, and ensures the fire service continues to be an attractive place to work.

The unions have today been advised that the National Employers are unable to offer any increase in pay for 2010.

The National Employers recognise that many employees have been affected by the recession. However, the National Employers face a stark choice; they want to protect the fire and rescue service and offering a national pay increase at this time would severely compromise that aim.

Fire authorities are already having to make unpleasant choices and a pay increase for 2010 would lead to cuts in services that would adversely affect local people and put fire service jobs in jeopardy.

The National Employers have had to take a very firm approach with the unions in response to this claim, and be mindful of the prevailing difficult economic situations that we currently find ourselves operating within. "

Ends.