

## Newcastle-under-Lyme Council Motion: Regional and Local Public Sector Pay

### Council notes:

- The Chancellor of the Exchequer announced in the 2012 Budget the Government's desire to introduce 'more market facing' public sector pay. This could mean regional or local public sector pay.
- There has been no independent assessment of the impact and consequences this policy could have for public services or the economies of low pay regions.
- The New Economics Foundation believes that regional and local pay could cost the West Midlands economy up to £1.2bn per year and 3,710 jobs.

### Council believes:

- The Government's case is based on the claim that public sector pay is 'crowding out' the private sector. This is not supported by evidence, particularly at a time of high unemployment. There are currently over 3 JSA claimants for every job vacancy across Newcastle-under-Lyme.
- This approach also ignores the real reasons for the differences between public and private sector pay. For instance, there are more high skilled workers in the public sector (such as teachers and nurses), and a smaller pay gap between top and bottom earners and a smaller gender pay gap.
- Public sector employers already have some flexibility to adjust pay in response to local conditions, and higher rates are paid in London and the South East.
- All other English regions and devolved nations stand to be affected by this, with the possibility of years of pay falling behind the cost of living.
- Workers in Newcastle-under-Lyme are paid £95 less per week than the national average.
- 65% of public sector workers are female.

### Council further believes:

- Regional or local public sector pay would have a harmful effect on the West Midlands.
- It will make it harder for schools and other public services to recruit and retain good quality professionals who could earn more for doing the same job elsewhere.
- There are 11,300 public sector workers across Newcastle-under-Lyme and reducing their real terms pay each and every year will dramatically reduce spending power and have a negative impact on the private sector.
- This policy will not improve the pay of private sector workers but instead could encourage further depression of wages in all sectors.
- We do not want Newcastle-under-Lyme to be forever defined as a 'low pay' area and this policy is therefore counter to our council's vision and ambitions for the future.

### Council resolves:

- To write to the Chancellor of the Exchequer and Chief Secretary to the Treasury stating this council's opposition to plans for regional and localised public sector pay.
- To write to all local MPs outlining concerns about the impact that this policy would have on services and the local economy.
- To sign up to the Pay Fair campaign and raise awareness of the implications and risks of this policy locally, regionally and nationally.