

Public Sector Pay Lobby and Rally – 17 October

Introduction

This briefing provides information for on the planning and organisation of the TUC's public sector pay lobby and rally in Westminster on 17 October, as well as other town centre events taking place around the country.

In addition, we have provided a summary of the key demands, messages and evidence base that we will be using as part of our media strategy.

Rally information

Following discussions with unions, we have revised the start and end times of the rally in order to:

- Enable more members to attend outside of work hours
- Accommodate a feeder march organised by a coalition of London region unions

The new details are as follows:

Date: Tuesday 17 October
Venue: Parliament Square
Time: Assemble at 6.30pm
Speakers at 7pm
Close at 8pm

This means that the London march and rally originally scheduled for 12 October has now been moved to join up with our national event on Tuesday 17 October – ensuring that we are working together on one day of action.

The feeder march assembles on Whitehall (opposite Downing Street) at 5.30pm. We anticipate that the march will join our rally at approximately 6.45pm.

Speakers

We have one hour allocated for speakers – this provides us with a maximum of 10 speaking slots.

In order to accommodate as many unions as possible within this allotted time and to provide a mix of union leaders and lay members, we have approached the allocation of speakers for each of the ten slots as follows (not necessarily in this order):

1	TUC General Secretary
2	Senior Labour Party representative
3	UNISON
4	Unite
5	GMB
6	NEU
7	NASUWT
8	PCS
9	3 x NHS workers
10	1 x fire fighter, 1 x prison officer, 1 x probation officer

We have written to the General Secretaries of the individual named unions asking them to put forward a speaker of their choice.

We will be in touch with relevant union officers to identify lay members in the occupations identified who may be willing to speak and also act as a case study for media work on the day.

Stewards

We are asking unions to provide volunteers for stewarding roles on the day. Although this is a static rally, there is additional complexity in terms of staging the event after dark and in terms of managing the interface between the rally and feeder march.

We are ideally looking to have a crew of 30 volunteer stewards in total for this event.

Please contact Carl Roper, TUC National Organiser, who will be leading on stewarding, at croper@tuc.org.uk

Lobby information

In addition to the rally, we are also planning a targeted lobby of Conservative MPs in the House of Commons that afternoon, between the hours of 2pm and 6pm.

Below we have provided a list of MPs that we particularly want to target, based on a number of factors including size of majority and/or public statements that the MPs may have made in regard to public sector pay.

This list is intended as a guide and is not definitive. If there are MPs not on this list that your members wish to lobby then please feel free to invite them to participate.

We understand that unions are currently identifying members who may wish to participate on the day.

In order to ensure that we are able to coordinate this effectively and ensure that we contact MPs well in advance of the day, we ask that you send us lists of members that are able to make it on the day and the MPs / constituencies they can cover by **Monday 2 October**.

Target MPs:

This is a list of Conservative MPs with majorities of less than 3k:

First name	Surname	Party	Constituency	Majority
Royston	Smith	Conservative	Southampton Itchen	31
Zac	Goldsmith	Conservative	Richmond Park	45
Stephen	Kerr	Conservative	Stirling	148
Derek	Thomas	Conservative	St Ives	312
Stuart	Andrew	Conservative	Pudsey	331
Jackie	Doyle-Price	Conservative	Thurrock	345
Amber	Rudd	Conservative	Hastings and Rye	346
Theresa	Villiers	Conservative	Chipping Barnet	353
Chloe	Smith	Conservative	Norwich North	507
Craig	Whittaker	Conservative	Calder Valley	609
Jack	Brereton	Conservative	Stoke-on-Trent South	663
Lucy	Allan	Conservative	Telford	720
Michael	Ellis	Conservative	Northampton North	807
Anna	Soubry	Conservative	Broxtowe	863
Chris	Green	Conservative	Bolton West	936
Simon	Clarke	Conservative	Middlesbrough South and East Cleveland	1020

Ben	Bradley	Conservative	Mansfield	1057
Matthew	Offord	Conservative	Hendon	1072
Andrew	Lewer	Conservative	Northampton South	1159
Andrew	Stephenson	Conservative	Pendle	1279
David	Morris	Conservative	Morecambe and Lunesdale	1399
Justine	Greening	Conservative	Putney	1554
George	Eustice	Conservative	Camborne and Redruth	1577
Mike	Freer	Conservative	Finchley and Golders Green	1657
Trudy	Harrison	Conservative	Copeland	1695
Iain	Stewart	Conservative	Milton Keynes South	1725
Bob	Blackman	Conservative	Harrow East	1757
Mark	Lancaster	Conservative	Milton Keynes North	1915
Paul	Maynard	Conservative	Blackpool North and Cleveleys	2023
Richard	Harrington	Conservative	Watford	2092
Andrea	Jenkyns	Conservative	Morley and Outwood	2104
Iain	Duncan Smith	Conservative	Chingford and Woodford Green	2438
Henry	Smith	Conservative	Crawley	2457
Robert	Buckland	Conservative	South Swindon	2464
Robin	Walker	Conservative	Worcester	2490

This is a list of Conservative MPs that have been on record with positive statements on the need for a change on public sector pay:

First name	Surname	Party	Constituency
Nicky	Morgan	Conservative	Loughborough
Johnny	Mercer	Conservative	Plymouth Moor View
Maria	Caulfield	Conservative	Lewes

Daniel	Kawczynski	Conservative	Shrewsbury and Atcham
Robert	Halfon	Conservative	Harlow
Grant	Shapps	Conservative	Welwyn Hatfield
Heidi	Allen	Conservative	South Cambridgeshire
Sarah	Wollaston	Conservative	Totnes
Andrew	Murrison	Conservative	South West Wiltshire
Oliver	Letwin	Conservative	West Dorset
Dan	Poulter	Conservative	Central Suffolk & North Ipswich

There may be other reasons that individual unions have for targeting MPs. We are happy for any other MPs to be included within the lobby, where you have members wishing to participate.

Regional rallies

In addition to the national event in Westminster, there are a number of rallies taking place in towns and cities across England, as follows:

Location	Date	Start time
South West – contact Ines Lage: ilage@tuc.org.uk		
Truro	21 October	1130
South East and East of England – contact Laurie Heselden: lheselden@tuc.org.uk		
Norwich	14 October	1200
Kings Lynn	28 October	1200
Lowestoft	23 October	1200
Portsmouth	27 September	1930
Midlands – contact Rob Johnston: rjohnston@tuc.org.uk		
Stoke on Trent	16 September	1200
Mansfield	14 October	1200
Northampton	21 October	1200
Yorkshire and Humber – contact Gareth Lewis: glewis@tuc.org.uk		
Leeds	3 October	1230
Hull	24 October	1230
Sheffield	23 October	1230
North West – contact James McKenna: jmckenna@tuc.org.uk		
Bootle	20 September	1800
Manchester	29 September	1800
Rawtenstall	20 September	1845
Nelson	25 September	1900
Bolton	27 September	1900
Southport	2 October	1900
Blackpool	2 October	1830
Barnoldswick	3 October	1900
Leyland	5 October	1900
North East – contact Jessie Jacobs: jjacobs@tuc.org.uk		
Newcastle	14 October	1200
Stockton	21 October	1200
Guisborough	28 October	1130

Key demands, messages and evidence base

Demands

In an article for The Times on the eve of Congress, Frances O'Grady set out our five key tests that the government would need to meet to ensure fair pay for public service workers. They are as follows:

- Remove the pay cap for all public service workers.
- Provide the freedom for employers and unions to determine appropriate pay awards for each sector either through collective bargaining or genuinely independent pay review bodies.
- Use the autumn budget to provide the new money to fund pay awards, without adding pressure to existing over-stretched budgets.
- Ensure new pay awards provide an element of catch up, recognising the loss of earnings over the last seven years.
- Eradicate poverty pay by ensuring that no public service worker earns less than the real Living Wage.

Messages

Our core campaign message for this event and activity building up to it is as follows:

Key message: Public servants are a team. Fund a pay rise for us all.

- For the last 7 years, the government has artificially held down public sector workers' pay. Rents and bills keep rising, but hardworking public servants haven't had the pay rise they've earned.
- That's why the government should fund a pay rise for all public sector workers in the budget in November.
- Public service workers are earning up to £4k less in real terms today than they were in 2010
- TUC post-election polling shows that nearly 8 in 10 voters support giving public sector workers the pay rise they deserve. Conservative MPs tell of being tackled on the doorstep by school staff and health workers angry that their pay was being held down – and losing votes because of it.
- This isn't about cherry-picking: public servants are a team. Doctors and nurses rely on hospital cleaners to keep their operating theatres clean and hygienic. Teachers couldn't do their job without teaching assistants and lunchtime supervisors. And our towns and cities only thrive because of the efforts of refuse collectors, building control supervisors, social workers and thousands of others.
- A pay rise for public sector workers has to be funded properly. The cost can't fall on overstretched public services like local councils, government departments, the NHS or schools.

NHS trusts are already going to end the year in deficit. And schools are already facing nearly £9 billion in further cuts by the end of the parliament. That's why the chancellor has to provide extra funding in the budget in November.

FAQs

How much will it cost?

The IFS estimates that increasing public sector pay in line with private sector earnings growth would cost around £9bn by 2019/20. This represents less than 2 per cent of departmental spending.

Of course, the cost of meeting a 5 per cent claim would be upwards of £9bn.

However, this figure also only looks at cost. It does not take into account the returns that would be made to the government through increased employee NI and income tax receipts, the reduction in means-tested in-work benefits and the multiplier effect of the additional income being spent on the high street. As such, the total net cost to the taxpayer would be considerably less.

Not only would this recognise the hard work of public sector staff, it would start to tackle the building recruitment and retention crisis in our overstretched public services. Let's not forget there is a cost to NOT increasing public sector pay as well.

Where will the money come from?

In recent years, the government has cuts billions from corporation tax, and the chancellor is planning billions more in corporation tax cuts. The IFS state that corporate tax cuts have cost us £16.5bn a year in today's prices. If they have the money for that, then they have the money to give our hard-working public servants a pay rise.

Are unions proposing to strike over this?

Going on strike is always a last resort. Unions always want to negotiate rather than take industrial action. All the government needs to do is return to genuinely independent pay review bodies, or, where there isn't a pay review body, let unions and public service employers negotiate a fair deal.

Supporting Evidence base

Impact on public sector pay

Almost a decade of pay restraint has had a significant impact on the earnings of public sector workers. The table below shows real terms loss of earnings for a variety of public sector occupations

Mapping pay growth at the top of the relevant pay band for each of the occupations against both CPI and RPI inflation, we are able to show how much less each occupation is earning in 2017 compared to 2010 – using today's prices.

Real terms pay cuts by public sector worker, 2010 – 2017

Occupation	Pay in 2017 (£)	Pay in 2010 at CPI in 2016 prices (£)	Nominal real terms pay cut at CPI (£)	Pay in 2010 at RPI in 2016 prices (£)	Nominal real terms pay cut at RPI (£)
NHS Paramedic	35,577	39,435	3,858	41,717	6,140
Teacher (outside London)	33,160	35,574	2,414	37,633	4,473
Prison Officer	29,219	33,038	3,819	34,930	5,731
Local authority lifeguard	22,658	24,821	2,163	26,257	3,599
NHS Specialist Dietician	35,577	39,435	3,858	41,717	6,140
Firefighter	29,638	32,526	2,888	34,408	4,770
Nuclear Maintenance Engineer	33,633	36,224	2,591	38,320	4,687
Crown Prosecutor	58,679	63,083	4,404	66,735	8,056

Impact on public service workers' living standards

This is leading to a considerable squeeze on the living standards of public service workers and a decline in workforce morale as a result.

A significant majority of respondents to union member surveys are feeling the pinch. In the NHS, 63 per cent of UNISON members responding and 79 per cent of Unite members said they felt worse off than they did 12 months ago.

A TUC-commissioned poll by GQR research in 2017 found that many public sector workers were making enormous sacrifices to get by:

	Public sector workers (%)
Skipping meals	15
Worried about expenses	50
Think expenses getting worse	39
Left heating off	21
Pawned something	21
Unexpected £500 bill – can’t pay	24
Unexpected £500 bill – could pay, but requires debt	23

Many of the 21,000 health service members responding a UNISON pay survey of October 2016 stated that increased food, transport, utility and housing costs were having a serious impact on their cost of living.

Alarming, two thirds of staff had used financial products or made a major change to their standards of living over the last year. Seventy-three per cent of those had asked for financial assistance from family or friends; 20 per cent had used a money advice service, 17 per cent had pawned items, 16 per cent had used payday loans and just over 200 respondents had used a food bank in the last year.

Public service workers are also squeezed with other increased costs

Public sector workers’ real incomes are being squeezed by other costs, including additional pension contributions and increasing registration fees.

In education, the school teacher union, NASUWT points out that, from 2012 to 2014, teachers saw an average 3.2 per cent increase in pension contributions, which translated into an employee contribution structure of 9.6 per cent from 2014 onwards. This means that, in addition to a real-terms pay cut, in 2017/18 a teacher at the top of the main pay band will expect to pay an additional pension contribution of £589 when compared with their 2012 pension contribution.

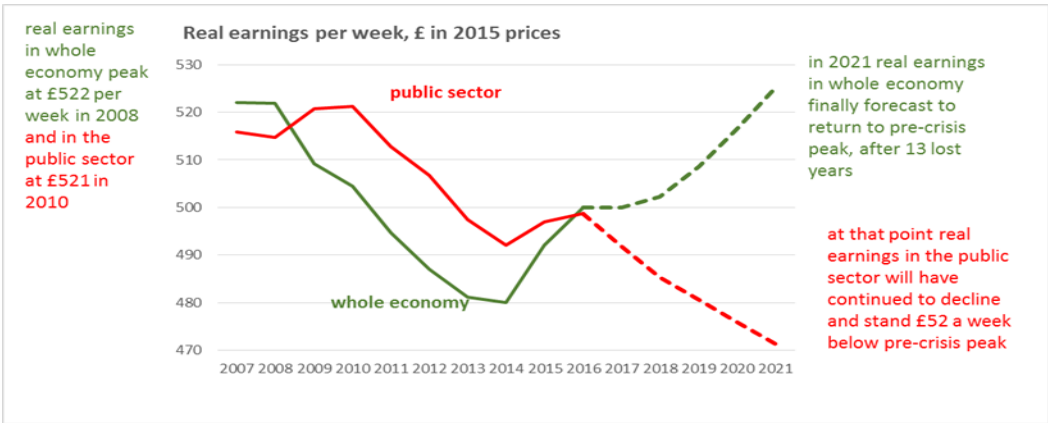
Midwives have also seen their pension contributions rise substantially, with the majority of midwives seeing their contribution rise from 6.5 per cent to 9.3 per cent from 2012 to 2015. Additionally, the changes to the second state pension resulted in increases to national insurance contributions for members of the NHS pension scheme by 1.4 per cent from 2016. Midwives have seen increases of over 30 per cent to their Nursing and Midwifery Council (NMC) registration fees (midwives must pay their fees to legally work as a midwife).

Public sector pay is losing value relative to private sector pay

Analysis by the TUC shows that real terms pay growth in the public sector is set to decline significantly against real wage growth in the wider economy, according to OBR forecasts at the time of the 2016 Autumn Statement.

The chart below shows that public sector pay will have declined by 15 per cent from its pre-crisis peak, lagging behind growth in the wider economy from 2016 onwards.

Public sector v whole economy real earnings growth 2007 – 2021



In their report *Public sector pay: still time for restraint?* the IFS argue that:

Continuing to increase public sector pay scales by only 1% per year in 2018–19 and 2019–20 would likely lead to growth in public pay falling significantly behind growth in private sector pay, exacerbating the emerging recruitment, retention and motivation problems in the public sector. Increasing public sector pay in line with prices or private sector earnings would likely mitigate these problems.

Impact on the wider economy

As well as the impact on public sector workers’ living standards and its contribution to growing morale, recruitment and retention problems, public sector pay restraint also has a significant macro-economic impact.

As the government attempts to stimulate economic growth in different parts of the country, it is worth noting the impact that public sector wage restraint has had by taking disposable income out of local economies.

The table below provides an indication of this. Looking at different regions of England, we mapped the average real terms loss of earnings of public sector workers (based on ONS mean public sector earnings by region) over the last six years (using CPI inflation) against the number of FTE public sector jobs in 2016 to estimate the total loss of disposable income from those local economies.

Total loss of disposable income in regional economies 2010 – 2016 through public sector pay restraint

Region	Real terms pay gap in 2016 per worker (£)	Cumulative loss of real terms earnings 2010 – 2016 per worker (£)	Total public sector FTE jobs in 2016 (000s)	Total loss of disposable income 2010 – 2016 (£bn)
North East	689	7,666	243	1.8
North West	584	5,740	643	3.7
Yorkshire and Humber	819	6,101	489	3.0
East Midlands	1,805	9,974	303	3.0
West Midlands	828	6,825	441	3.0
East	1,140	4,533	461	2.1
London	2,202	11,997	756	9.1
South East	680	5,109	617	3.1
South West	1,220	7,464	420	3.1

Public sector pay rises are affordable

The Institute for Fiscal Studies has estimated the increase in employment costs (including NI and pension contributions) to central and local government as a result of plans set out in the Labour and Lib Dem manifestos, compared with current government policy of a 1 per cent cap to 2019/20.

Their figures show the extra amount that departments and local government would need to receive in funding to pay for the higher wage bill, without making any offsetting reductions in staffing or further cuts to non-wage costs.

Their estimate assumes that, under Labour plans, public sector pay would rise at the same rate as private sector pay. Lib Dem plans are costed on the basis of public sector pay rising in line with inflation.

They estimate the costs as follows:

Table 1. Estimated increase in funding needed for central and local governments to increase public sector pay under Labour and Liberal Democrat plans compared to current Conservative government policy

	Increase in required funding per year for central and local government in:	
	2019-20	2021-22
Labour	6.3bn	9.2bn
<i>Of which: NHS</i>	<i>2.0bn</i>	<i>2.9bn</i>
Liberal Democrat	4.1bn	5.3bn
<i>Of which: NHS</i>	<i>1.3bn</i>	<i>1.6bn</i>

Source: Author’s calculations using ONS series NMXS (Total Compensation of general government employees), Office for Budget Responsibility Economic and Fiscal Outlook March 2017 and Labour and Liberal Democrat party manifestos.

Mapping these estimates against spending plans set out in the Treasury’s Public Expenditure Statistical Analysis (PESA) 2016 for 2019/20 we can see the following:

2019/20	Cash increase	Total Managed Expenditure (TME)	Resource Departmental Expenditure Limits (RDEL)
		810.4bn	340.3bn
In line with private sector wage growth	6.3bn	0.8%	1.9%
In line with CPI inflation	4.1bn	0.5%	1.2%

This tells us that increasing in line with private sector wage growth would mean an increase of 0.8 per cent in total public expenditure in 2019/20 – however this includes all spend, including departmental, annual managed expenditure (welfare, tax credits, pensions) and capital. A more accurate comparison would be departmental resource spending, which would need to rise by 1.9 per cent in 2019/20.