

Record of Decisions

Notice of Motion - Regional and Local Public Sector Pay

Decision Taker

Mayor on 27 September 2012

Decision

That the motion be supported.

Reason for the Decision

To respond to the Motion.

Implementation

This decision will come into force and may be implemented on Wednesday, 10 October 2012 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

At the Council meeting held on 27 September 2012, Members received a Motion, as set out below, notice of which had been given in accordance with Standing Order A14 by Councillors Cowell and Ellery:

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 South West economy up to £1.2bn per year and 12,471 jobs.
- Up to 20 South West NHS Trusts are using arguments for regional pay to justify exploring reduced pay, terms and conditions for health workers in the South West.

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 5 JSA claimants for every job vacancy in Torbay.
- 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 living in Torbay are paid £91 less per week than the British average.
- 65% of public sector workers are female.

Council further believes:

- Regional or local public sector pay would have a harmful effect on the South West of England.
- 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 17,500 public sector workers across Torbay 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 to be forever defined as a 'low pay' region and this policy is therefore counter to our area's vision and ambitions for the future.

Council requests the Mayor:

- 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.

Alternative Options considered and rejected at the time of the decision

None

Is this a Key Decision?

No

Does the call-in procedure apply?

Yes

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

Published

2 October 2012

Signed: _____
Mayor of Torbay

Date: 2 October 2012

