

26 April 2024

Restoring fair pay

Marianne Owens, your lead negotiator on pay, sets out what's gone wrong and how to get it fixed.

On 1 April all staff at AA and AO National spot rates saw an increase in salary as a result of the National Living Wage (NLW) increases. Whilst we welcome HMRC's decision to stick this year to calculating NLW on the gross calculation of 42 hours, the need for an increase is a stark illustration of everything that is wrong with our pay structure.

Since 2021 the NLW has risen by 28% from £8.91 to the new figure of £11.44. This has predominantly been a result of the historically high rates of inflation and wage rises in the wider economy combined with the government's 2019 commitment that the NLW would be at least two-thirds median UK earnings by 2024.

Pay failing to keep pace

Civil service pay settlements have failed to keep pace with either inflation or the wage increases seen in other parts of the economy. This means that there are now serious strains on our pay structure.

This combined with the huge increases seen in the cost of basics like food, rent, utilities and travel mean that our members are now massively underpaid compared to comparable roles in the private sector and everyone is struggling. Over the last decade the current government has been responsible for underfunding and holding down civil service pay.

Back last year when PCS rejected the 23/24 pay offer made by HMRC we cited amongst other reasons the huge cracks in the pay structure; we correctly predicted that this year's NLW increase would erode the differential between national and London pay rates and that the reintroduced differential between AA (national) and AO (national) spot rates would quickly vanish before the end of the pay year. The AA and AO spot rate is fast catching up with band O pay and across all grades HMRC are struggling to recruit and retain staff because of our hugely uncompetitive rates of pay.

In short, as long as staff can earn more money working for supermarkets or fast-food chains than they can dealing with complex tax queries, HMRC are not going to improve their recruitment and retention problems.

It is PCS's view that the only way to fix these systemic issues and ensure that we do not find ourselves in the same position year on year of having to give staff an in-year uplift just to meet the basic minimum amount of pay allowed by law, there needs to be serious investment in HMRC that allows for staff to be paid an attractive and competitive salary. It is also very clear to PCS that in order to get such investment we need to pile serious pressure not just on HMRC but also the government, be it the current one or whoever is in charge after the next general election.

National Campaign

That is why we are asking every member to get involved in our national campaign (add link to pcs website). You should by now have received a ballot paper. Please ensure that you **complete it, post it and let us know that you have voted.**

Last year's action taken by you and thousands of other PCS members forced the government to more than double its initial pay offer and add in a cost-of-living payment.

A strong return in the current ballot will increase pressure on the government to make a suitable offer by indicating that PCS members are prepared to fight.

Marianne Owens (Wales branch) – Assistant Group Secretary on pay and NEC member.